

Sunlite Hardware to open Bondi store

KIREN THANDI

Thrifty-Link member Sunlite Hardware will open its third Sydney store at Bondi Junction mall on December 17.

Sunlite, which recently took out the Australian Retailers Association NSW Retailer of the Year and Boutique Retailer of the Year awards, has two stores in the CBD, on York and Pitt Sts.

MD Steven Czeiger told Inside Retailing Weekly the decision to open the store in Bondi Junction came about as there were no hardware stores in the area.

"There is no destination store for hardware in that area, and that's what we're going to be," he said. "We found an excellent property in the Bondi Junction mall that is very, very busy. It's a very community-minded type area.

"The store will be a similar concept in terms of the customer service that we offer in the city, and the stores are going to have a similar look and feel, being incredibly bright, well merchandised, well laid out, the use of multimedia in the window and in bringing different departments alive.

"A lot of people go to Bondi Junction as a destination to shop. People will go to visit HCF, pay a bill, then they'll go to another shop; they walk around with a lot of shopping bags and ours will be another shop they need to go to on their list."

Czeiger said the time factor would be a major difference between the Bondi Junction store and the CBD stores.

"In the city you're dealing with city clientele," he said. "City clientele have different needs to people shopping in the suburbs. It means we have to be fast, provide fast service as city clientele are shopping in their lunch break. Our customer service needs to be very fast and up to scratch, and we put on more people during the lunch rush.

"City people also shop differently, because they're so limited by time it means merchandising and layout needs to be exceptional – sometimes they don't want to ask staff for help, and they actually just look at things like how things are laid out and how they are organised, whereas people in the suburbs have more time.

"People in the city, they want their products, they want a solution to their products and they want it now. They come in, request what they need and leave; they want to be in and out.

"Bondi Junction will be constantly busy from when it opens to when it closes, whereas in the city there's a spike. That spike goes from 11.30am to 2.30pm or 3 o'clock and it's chaotic in the city - the line at the cash registers is deep and we've usually got two to three cash registers going at once.

"You can't give staff lunch breaks around lunch time, we do our breaks around that, because that's where the majority of our business comes. (However), in Bondi Junction it's going to be constant. I think we'll have a higher average of sale in Bondi Junction than in the city."

Czeiger said the small chain may look at further expansion, but not until the Bondi store was operating at its optimum level.

"For example, I want our mystery shopper results to report that we're above a 95% customer service rating in each of the stores; sales have to exceed current targets... we'll know that we're ready to open the next store when everything's operating very smoothly."

The 420sqm Bondi Junction store is being built over two levels, with the ground floor being primarily for general retail and traditional hardware lines, and the downstairs level being more

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Home Store sold to fund plan

trade-oriented.

Czeiger said there would also be parking for people who needed to pick up heavier products by car.

The product range at the Bondi Junction store would also be larger, with a greater line of gardening products, and more outdoor products. It will also stock seedlings, which aren't stocked in the city stores, and the paint department will be larger.

Czeiger said he is currently looking for staff, with only three of the eight positions for the new store filled. **IRW**

David Jones marks Melbourne stores for \$85m upgrade

David Jones has unveiled plans to lift its market share in Melbourne from 7.5% to 15%, its benchmark in other cities.

The retailer is aiming to create what it says will be "Melbourne's pre-eminent department store" by investing \$85 million in the redevelopment of its two flagship Bourke St CBD stores.

The redeveloped sites will deliver 30% more selling space for key categories and an increased number of Australian and international brands.

DJs believes there is potential for growth in Melbourne's metropolitan market - it estimates the market opportunity of an additional \$300 million in sales over time.

The company plans to consolidate its presence in the Bourke St Mall by redeveloping and refurbishing its two Bourke St stores and selling its Home Store at 266 Little Bourke St.

DJs entered into an agreement with Colonial First State Property Management and the Government Investment Corporation of Singapore (CFS JV) last week to sell its Home Store for a total transaction value in excess of \$50 million, representing \$6553 per square metre, to deliver a one-off profit of \$10-\$12 million.

The sale proceeds will be reinvested in the Melbourne market in the refurbishment of the men's and women's CBD stores and the Home Store categories will be relocated to these sites as part of the project.

CEO, Mark McInnes, said DJs opened the first department store in Bourke St as Buckley and Nunn.

"In the 1995-2007 period, the Melbourne department store market has grown by 60% and continues to be strong.

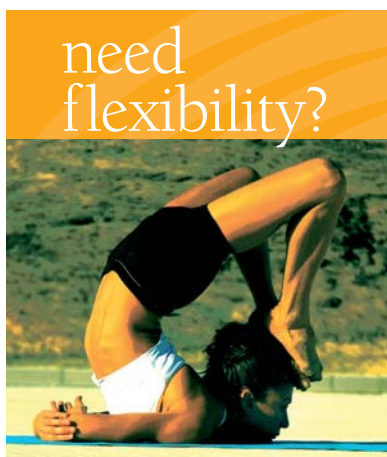
"Over the same period, DJs has tripled its Melbourne metropolitan sales. Our Bourke St stores have enjoyed about 60% sales growth in the six-year period from FY01 to FY07."

In terms of timing, the sale of the Home store is scheduled to be completed in mid-July 2008. DJs intends to complete the redevelopment by November 2009 and then relocate the Home Store to the women's and men's stores.

The redevelopment capex will be funded from the cash proceeds of the sale of 266 Little Bourke St of \$42 million, and the continuation of the dividend reinvestment plan (DRP) for an additional year (FY10). It is expected that \$43 million will be funded from proceeds raised through the DRP in FY09 and FY10. The DRP was reinstated in September 2006 to finance the company's new store program.

McInnes said a staged development process would minimise customer and trading disruption.

He said the redevelopment of both DJs and Myer by Christmas 2009 would reinvigorate the retail precinct. It would also enable DJs to anchor Bourke St Mall with a significant ground floor presence on both sides of the mall.



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