Case study: PRUPIM

Strategic portfolio assessment

Client

PRUPIM, part of the M&G Group, is a leading UK real estate investment manager, managing in excess of £17 billion of real estate assets. It is invested in over 1,000 properties with more than 12,000 property occupiers worldwide.

Challenge

PRUPIM has a varied and geographically diverse portfolio of shopping centres, and as such were looking for a consistent way of comparing the performance of their assets across a range of indicators. PRUPIM approached Experian to further develop its understanding of its portfolio, incorporating demographic and economic profiling, analysis of local shopping patterns and a retail study for each scheme.

Solution

Experian's significant data assets were employed to compare PRUPIM's portfolio of centres not just with each other, but also against benchmark centres nationwide. By engaging all levels of PRUPIM's management at an early stage - leasing, management and investment surveyors from head office and centre mangers - the project team were able to answer immediate questions on centre level tenant potential, supporting PRUPIM in securing new anchor retailers for their schemes, while in parallel developing a strategic time map of their long-term future.

Comparing the centres' customers was achieved through Mosaic, Experian's lifestyle segmentation tool. Experian also made use of 'Where Britain Shops' consumer surveys, which collect information on local shopping patterns nationwide, covering comparison, convenience, bulky goods and leisure spend habits. 'Where Britain Shops' 2.8 million responses since 2003 make the product the most comprehensive available. The surveys were used to find centres similar to PRUPIM's that have equivalent shopper demographics. By making use of our GOAD floorspace data, it was possible to identify target retailers that trade in these similar centres but not in the one being studied. In particular, comparing shopper and resident demographics showed mismatches, where securing the right anchors would increase visits to the centre by the town's highest spending groups.

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Key to the research was management of 10,000 telephone and in-centre surveys. These investigated shopping behaviour and expenditure patterns within the centres, changing transport usage, perception of the town and centre, reasons for travelling elsewhere, and demand for additional retailers and products. These surveys provided empiric evidence to back up the analysis, while adding to it by providing qualitative feedback from shoppers and residents.

By modelling catchments of competing centres accurately, and by using Experian's Retail Planner forecasts of retail spend, it was possible to measure the relative importance of different battleground areas, providing direction for the marketing of the schemes. Gravity models were used to extend this to how the local retail hierarchy is likely to change in the future, pinpointing the impact of both PRUPIM's and competing developments, and estimating what this means in terms of future productivity across their shopping centre portfolio.

"Experian have helped us to quantify the risk potential relationship associated with each of our centres. The team have provided information on a timely basis to support our asset management activities, while collecting the underlying data required to perform a wider portfolio-level study. Their presentations to both head office and centre management have been of a high standard, and have provided us with the due diligence required to make high-level portfolio decisions."

Ben Sanderson, Director of Property Research at PRUPIM

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