

Key Facts

- › Chain of 73 home furnishings stores across the UK, France, Spain and Germany
- › Hilco Property appointed to manage property portfolio and reduce costs

Outcome

- › Over £1m of OPEX savings achieved in the UK
- › 50% EU OPEX saving identified
- › £2m of new store opening CAPEX savings achieved
- › New stores delivered on time and within revised budgets
- › Commercial viability of new store design concept improved

Locations Opened

Bilbao

14,500 sq ft
Opened July 2010

Madrid

22,000 sq ft
Opened July 2011

Antibes

25,000 sq ft
Opened May 2011

Toulouse

19,000 sq ft
Opened June 2011

Background

Iconic international home furnishings retailer Habitat, with 73 stores across the UK, France, Germany and Spain, was acquired by Hilco UK in December 2009 from IKANO, the investment fund of the Kamprad family, owners of IKEA.

Hilco Property's Role

Hilco Property was appointed to manage the Group's property portfolio and to identify opportunities to reduce associated costs with a particular focus on maintenance, cleaning and new store openings. With four new stores in mainland Europe scheduled to open over a two year period, Hilco Property was tasked with conducting a detailed review of the CAPEX plans to identify efficiencies and cost savings without compromising Habitat's high design values. Furthermore, Hilco Property's remit included managing the implementation processes, from design to completion, to ensure that the identified savings were achieved.

Results

Hilco Property introduced more cost effective contractors and strategies, reducing Habitat's annual UK maintenance spend from £1 million to £350,000. Similarly, the UK cleaning budget was reduced from £820,000 to £440,000 without adversely affecting service standards. Comparable savings in the region of 50% were identified for the maintenance and cleaning of the European stores.

Capital expenditure on the opening of new stores in Bilbao and Madrid in Spain, and Antibes and Toulouse in France, was reduced by £2 million. This 35% saving was achieved through the appointment of new contractors, challenging landlord contributions and works and value engineering of Habitat's design concept. All stores opened on time and within the revised budgets.



The new Habitat store in Antibes, France