

## Ealing development wins green light from planners

■ The major transformation of Ealing's former Arcadia Centre has won the go-ahead from planners. The development will see the shopping centre converted from more than 25 small units into three large stores fronting Ealing Broadway.

GCW acted for the owners Benson Elliot on all the deals including securing pre-lets with Morrisons, TK Maxx and McDonald's for the new stores. It also negotiated with the existing tenants in the centre to gain vacant possession by September.

Morrisons is a new retailer to Ealing and will occupy a 47,000 sq ft Fresh Market store on the lower ground floor. TK Maxx will continue to trade from the upper level but expand across the rest of the floor and will have a new Broadway entrance incorporating escalators and lifts to serve the 40,000 sq ft unit. It will also re-open its Spring Bridge Road entrance. McDonald's moves across to the old HMV unit, accessed from the Broadway corner. Both McDonald's and TK Maxx will be able to continue trading throughout the building works.

A focal point of the scheme will be the new corner entrance on the Broadway and Spring Bridge Road, featuring a striking double-height retail facade below a landmark illuminated lantern and clock.

GCW was initially appointed by the administrator Grant Thornton to work on the



**Ealing makeover woos three major retailers**

Arcadia Centre alongside London & Associated Properties (LAP). Their brief as letting agents and asset managers was to add value so that the site could be sold. The sale to Benson Elliot, represented by Strutt & Parker, was concluded late last year.

"We are delighted to be part of such an imaginative outcome for Ealing Broadway and a positive repositioning of the former Arcadia Centre. The deals see major retailers investing in the town centre and many of the existing tenants relocating elsewhere in Ealing," says GCW director David Gooch.

"Our vision breathes new life into this hugely important site. It's particularly encouraging to see major high street brands sharing our vision and launching their best-in-class formats with us in time for Christmas

trading next year," says Peter Cornforth, director of retail at Benson Elliot.

The reconfiguration of the shopping centre marks the first step in the regeneration of the north side of the Broadway. Benson Elliot has added a prime three-unit Broadway block to its original 2.8 acre Arcadia portfolio, taking its total investment in Ealing town centre to around £45 million.

\* Other deals for GCW in Ealing see retail client JD Sports moving from the Arcadia Centre to the Broadway Centre to a 4,000 sq ft unit. GCW also agreed terms, on behalf of Benson Elliot, for coffee shop Harris and Hoole to move to the Broadway. The retailer takes a 1,600 sq ft unit for £65,000 pa on a 10 year lease.

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### IN BRIEF...

#### PRESTON SALE LEADS TO INVESTMENT AND EXPANSION PLANS

\* Preston's Fishergate Centre is set for a programme of investment and development as GCW agrees the first of a series of sales of the assets of the defunct Agora Shopping Centre fund.

*Read more on page 3*

#### CAFÉ ROUGE GETS SET TO EXPAND

\* Café Rouge is the latest food operator to tap into GCW's expertise as it looks to expand across the South East. GCW will help the restaurant operator to find new sites of 3,000 to 4,000 sq ft in market towns and city centres across the region.



#### HOW TO SURVIVE RETAIL FAILURES

GCW director Simon Morris offers some practical advice to landlords with retail tenants whose businesses fail. He argues there is plenty you can do to make the best of a bad situation.

*Find out more on page 2*

### LOOK OUT FOR...

- 3** RETAILING FOR PETS
- 4** IPSWICH DEALS
- 5** YEOVIL PURCHASE
- 6** GYM EXPANSION

# Landlords can prepare for retailer administrations

The UK has seen a growing number of high-street brands going into administration. GCW director *Simon Morris* argues that there is plenty that landlords can do to make sure they are not hit too badly when businesses fail.



**Simon Morris**  
Director, GCW

Our experience at GCW is that failed businesses and particularly failed retailers rarely come out of the blue. A tenant going into administration should never be a surprise and there is plenty a landlord can do to avoid the worst. The key for landlords is to understand their tenant's business and when agreeing a letting to think about it as more than a simple financial deal.

We believe that it is important to look at all sides of a retailer's business and ask if it's likely to be successful. Who is backing the business financially? Is it a parent company or private equity? If it's the latter does that set-up have a strong



**GCW found strong interest in Jessops' stores**

retailing record and what have they done with other retailers in their ownership?

For landlords making a new investment in a property, consider whether you have done enough due diligence

on tenants. We see too much reliance on so-called covenant strength; looking at accounts and relying on financial rankings. This view by its nature reflects past performance and is

not always a guide to future success.

We strongly believe that it's just as important to question whether a retailer has a valid business model; what is the retailer's proposition, are they responding to threats both on and off line, is the shop the right size for them, is it in the best location for their business? If there are examples where you doubt this, then take a look across their portfolio to see what other risks they might face.

Many successful landlords regularly conduct a tenant audit to spot any potential difficulties. GCW does this on all shopping centre instructions alongside regular contact with retailers.

If you identify a mismatch between your asset and a retailer's requirements there will be potential solutions including relocation, down or upsizing, surrender or regearing a lease. There is a good chance that if you know your tenant well then you will be forewarned if the business fails and be more likely to find an early solution.

GCW has seen the best and the worst of reactions to retailer failures when acting on administrations including Jessops, Jane Norman and Fenn Wright Manson.

We know that if a tenant's business does fail, then a landlord who understands the basic rules and acts on them stands the best chance of surviving a difficult situation.

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## Understanding key issues can help landlords avoid some of the pitfalls

- \* Remember the administrator is only liable for rent that falls due post their appointment - if they are appointed the day after the quarter day they can trade rent free until the next payment date. And if rents are payable monthly as a personal concession, the administrator will revert to the terms of the lease to have longer to pay.
- \* The administrator is only liable for rent if they are using the property or have granted a license to occupy to a third party.
- \* The administrator cannot vary the terms without your agreement and there is no requirement for you to accept surrender unless it suits your plans.
- \* Bear in mind whilst the lease is vested with

the administrator the landlord is not liable for void rates.

- \* If the administrator is trading the store or they have granted a license to occupy it is very difficult to gain control of the property.
- \* If a property is vacant many administrators want rid of the liability and so will agree to surrender or even put forward a proposal to surrender.
- \* Consider a waiting game. Many landlords have had fantastic results by consenting to an assignment put forward by the administrator who has received a premium for the lease. A new tenant who is a strong retailer can deliver a step change in investment value.

# GCW sells first of Agora's centres

■ GCW has agreed a deal to sell Preston's Fishergate Centre in the first of a programme of sales of the assets of the defunct Agora Shopping Centre fund.

The deal sees Benson Elliot buy the centre for £40 million from the administrators of the fund, Deloitte.

GCW was appointed earlier this year to act as letting agent and to assist with asset management of the Agora fund, made up of four shopping centres; Cavern Walks in Liverpool, Fishergate in Preston, Market Place in Bolton and Middleton near Manchester, plus some ancillary properties.

"The Fishergate Centre was a prime opportunity and we attracted a number of competing bids. We were able to demonstrate that there was plenty of tenant demand, particularly if there



was investment in the centre and some of the units were reconfigured," says GCW director David Gooch.

GCW will now continue to act as letting agent at the Fishergate Centre and will work as part of Benson Elliot's development team.

Benson Elliot's Peter Cornforth says that both Preston as a city and the

Fishergate Centre in particular offer plenty of opportunities. Development in Preston has been on hold for some time as retailers waited to see the outcome of the proposed Tithebarn scheme. With that now formally off the cards, retailers are ready to commit to better units or take their first stores in the city centre.

"Preston has a modest

national profile for a city with a top 30 shopping population and has an exciting future being at the forefront of the UK's development of a shale gas industry. Fishergate offers plenty of scope to attract retailers who want large modern units at the heart of a significant catchment," says Cornforth.

Primark, Debenhams, TK Maxx and Argos already trade from stores in the centre.

Future developments will include the reconfiguration of an old TJ Hughes department store fronting the centre's 750 space surface car park. The new owner will also explore bringing new restaurants and a cinema into its scheme.

Benson Elliot was represented by Strutt & Parker on the purchase.

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## Professional expertise wins capital clients

■ GCW has been appointed to carry out professional work for major central London landowner, Lazari Investments, who owns a £1.6bn portfolio of property.

It will carry out a rent review for Lazari Investments on a 5,000 sq ft Berners Street property occupied by restaurant operator Nando's. GCW will also handle the lease renewal on a property occupied by Shoe Zone in Wood Green.

"This will add to our strong portfolio of work in central London. The market is experiencing huge demand from international retailers and rents continue to rise in central London. We are still seeing record Zone A rents



### Nando's in central London

in Regent Street and Bond Street areas," says GCW director Lisa Manley.

Other successes for GCW's professional team in central London include work on behalf of Khoo Teck Puat Foundation negotiating a new lease on its building on Kensington High Street. GCW was able to persuade the tenant Urban Outfitters to agree a straight 10 year lease at £555,000 pa, giving the landlord the certainty that it needs as a charity.

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## Pet retailer plans major expansion

■ Successful pet retailer PamPurredPets has appointed GCW as its sole property advisor.

The privately-owned business has been steadily expanding since its formation in 1981 and has 45 stores in a variety of settings. GCW will help it to acquire an extra 10 stores over the next year mainly in the south of England.

"PamPurredPets has been growing organically and we are well-placed to help it go

full-steam ahead for a major expansion. It is flexible about the types of units that it can take on and there are plenty of opportunities for it to carry on growing," says GCW director Gareth Storer.

GCW has already agreed two deals for the retailer which is looking for units from 3,000 to 5,000 sq ft in the high street, on the road-side and in retail parks.

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# Tower Ramparts signs up to expanded GCW service

■ GCW has won the business to carry out professional work on Tower Ramparts shopping centre in Ipswich.

GCW's appointment by LaSalle Investment Management adds to the strong relationship between the two firms and GCW will also advise on a block of property on Ipswich's Westgate Street where tenants include WH Smith, Office and Clarks.

It brings the number of shopping centres where GCW handles both letting agency and provides professional advice to 14.

"This arrangement works



well as we have access to all the evidence on rental activity within the scheme. We are a specialist in the field and will begin immediate negotiations on lease renewals on two units," says GCW director Lisa Manley.

GCW has just agreed terms to bring food retailer, Iceland to Tower Ramparts in

a significant deal following the move of River Island to the centre's flagship store earlier this year.

Iceland takes a 15 year lease on a 9,000 sq ft unit for £135,000 pa. The unit fronts onto Crown Street and Ipswich's bus station and is part of the former Littlewoods store. LaSalle has sub-divided the store to create three separate units on the lower and upper ground floor and first floor. The Iceland deal is the first letting for one of these three large retail units.

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## Investment team ups business

■ GCW's investment team continues to win a stream of new business.

Following its appointment to dispose of sale and leaseback Co-op supermarkets, deals include a suburban parade in Bexleyheath at £1.325 million showing a yield of 7.83 per cent and a district shopping centre in Maidenhead at £2.3

million showing a yield of 7.6 per cent. It has also sold an Ask Restaurant in Cranleigh for the Co-op for £745,000.

In Bolton, the team has sold Corporation Chambers, a secondary part-vacant parade with some development opportunity. The £875,000 sale on behalf of the Agora Shopping Centre fund to an

Isle of Mann based private investor reflects a yield of 14.25 per cent.

GCW has also purchased properties let to Homebase and Halfords in Staines for £15.5 million for a private investor.

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## DEALS

\* **The Perfume Shop** moves to the Harvey Centre in **Harlow** in a deal by GCW for asset managers Addington Capital. It takes a 500 sq ft unit on a 10 year lease. Jeweller **Warren James** also moves to the centre to a 700 sq ft unit and **Cards Direct** has taken 2,200 sq ft, both on a 10 year lease.

\* Food retailer **Iceland** moves into a former Peacocks unit in **Swanley** shopping centre in a GCW deal for the landlord, Development Securities. The 7,500 sq ft unit is on a 10 year lease for £75,000 pa.



\* **Greggs Moment Coffee House** takes a corner unit in **Solihull's** Mell Square shopping centre. The 3,000 sq ft unit is on a 10 year lease at £100,000 pa.

\* Upmarket Thai restaurant, **Banana Tree** moves to **Watford's** Met Quarter. The 3,200 sq ft unit is on a 15 year lease at £116,500 pa.

## Cardiff woos retailers to Queens Arcade

■ GCW takes on the role of joint letting agent at Cardiff's Queens Arcade for existing client Addington Capital.

The latest deal at the centre sees household goods retailer Perfect Home take a 4,000 sq ft unit on a 10 year lease. Earlier this year, toy retailer The Entertainer upsized to a prominent 7,000 sq ft unit in Queens Arcade. Other moves include Card Centre expanding to a 1,700 sq ft unit and jeweller Christopher

George upsizing to 2,500 sq ft, both on a 10 year lease.

"The initial focus is on improving the retailing offer on the lower ground floor. The Perfect Home deal creates a great opportunity to attract other retailers," says GCW surveyor Beatrice Fairley.

GCW also acts as letting agent on Addington Capital's Harvey Centre in Harlow.

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# Yeovil set for investment following Quedam sale

■ GCW's shopping centre activity continues with the deal to purchase Yeovil's Quedam shopping centre on behalf of investor Benson Elliot.

The 175,000 sq ft scheme was purchased for £15.1 million. It houses 45 units in the town centre including anchor tenants such as BHS, Boots, Primark, Marks & Spencer and River Island.

Meaningful investment in the centre has been on hold for a number of years as proposed redevelopment projects have not come to fruition. Benson Elliot has committed some early investment to enliven the shopping environment and attract retailers to fill existing vacant units.

GCW will act as letting agent on the scheme and already has three of the vacant shops under offer. Confidence in the centre is illustrated by the decisions of retailers such as HMV and Republic, rebranded as USC,



both choosing to stay as they restructure their businesses and reduce the numbers of stores across the UK.

"We are working to improve occupancy in the short-term through some flexible deals. We expect the centre to become fully let," says GCW director David Gooch.

The medium-term strategy is to attract a mainstream department store to the town, creating a positive environment to appeal to both other retailers and

local shoppers from Yeovil's extensive catchment. The deal includes a vacant piece of land adjacent to the Quedam centre which offers an ideal site for a new store.

Benson Elliot sees strong opportunities to work with South Somerset District Council which has a clear strategy to enhance the town centre and is resistant to out of town development.

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# Bristol upgrade pays dividends

■ The Galleries shopping centre in the heart of Bristol continues to benefit from investment by owners InfraRed.

A £1 million refurbishment project around its Merchant Street entrance is now complete and it hopes to attract more customers into the 322,000 sq ft centre. Upmarket furniture retailer Bo Concept has moved into one of the new units created at the entrance and GCW is actively marketing the adjacent 2,000 sq ft unit. Infrared has made

significant improvements to The Galleries since it purchased the centre two years ago. A £3 million investment relocated the existing food court to the middle level of the centre and that project is now complete with the last two units let to Subway and Chopstix.

Significant investment is also planned for the ground floor with the reconfiguration of units, internal renovation and refurbishment of the Broadmead entrance to the scheme. Existing tenants include Argos, Boots, Gap,

TK Maxx and Waterstones.

"Further investment in the Broadmead entrance will be the final piece in the jigsaw. The centre had not been updated for 20 years and it has huge potential," says GCW director Chris Hovington.

GCW is actively targeting retailers to fill 500 to 15,000 sq ft units in The Galleries. It also acts for InfraRed on Castle Mall shopping centre in Norwich.

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## DEALS

\* GCW has agreed a number of deals for fashion retailer **Fat Face** including its first out-of-town unit in **Whiteley**. Fat Face also moves to a 2,600 sq ft store in the former Crown Hotel at Market Place, **Frome** on a 10 year lease at £32,000 pa; a 4,700 sq ft store on **Lichfield's** Conduit St on a 10 year lease at £64,000 pa; a 1,735 sq ft unit at Bothella Rd, **St Mawes** at £29,300 pa; and a 4,900 sq ft store on **Conwy's** High Street at £22,000 pa. Fat Face has also expanded in **Keswick** taking 4,400 sq ft on Main Street at £95,000 pa. All stores are on 10 year leases.



\* GCW has acquired its first unit for new client **Pasty Presto**. The 2,500 sq ft building on Royal Square, **Bowness on Windermere** is the food operator's first in the Lake District and is held on a lease expiring in 2017 at £36,500 pa.



\* GCW has agreed new deals at thecentre:mk in **Milton Keynes**. **Pret a Manger** takes a 15 year lease on a unit on Eagle Walk for £130,000 pa or 12 per cent of turnover for a 3,300 sq ft unit with 500 sq ft of mall seating. **Caffe Nero** also moves to Eagle Walk on a 10 year lease at £115,000 pa for a 3,200 sq ft unit.

## Energie plans major budget gym roll-out

■ Leading fitness operator Energie Group has turned to GCW to help expand its budget gym operation Fit4less.

The Energie Group is a big player in the market with 97 clubs and close to 100,000 members in the UK and overseas. It already has 30 Fit4less operations.

“Fit4less is well placed to compete for the best premises. We look forward

to helping them expand in the very competitive and burgeoning budget gym market,” says GCW director Simon Horner.

GCW is actively searching for suitable premises across Greater London and the Home Counties and will be concentrating on raising the profile of the brand within the property market. Fit4less is looking for premises of 4,000 to 8,000 sq ft in locations that

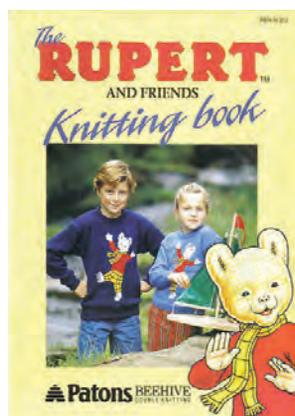


include the high street and shopping centres.

“If a suitable property is available we want Fit4less to be the first port of call. It operates its business on a franchise model and

has around 40 franchisees approved including some who can operate multiple sites,” says Horner.

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**When Rupert and his friends grow up:**

Can you spot the GCW surveyor pictured here with his sister when he was 11 years old? A bottle of bubbly for the first correct reply to [chris.baker@gcw.co.uk](mailto:chris.baker@gcw.co.uk)

## GCW BACKS CHARITY

■ GCW's annual outing to the Elifar Challenge saw the team finish seventh after a day of pitting their mental wits and physical strength against 20 retail property firms. GCW is a long-term supporter of the event which this year raised £64,000 for the charity which supports disabled children. GCW director Duncan Kite has stepped down from running the day following five successful years.



## Hempstead Valley wins go-ahead

■ Hempstead Valley shopping centre has won planning consent for a major redevelopment which includes a new restaurant block being built adjacent to the existing centre.

The plans will create significant new retail space alongside a leisure destination for the Hempstead Valley and Medway area as a stand-alone offer, in turn improving the centre's already successful catering provision.

The first phase, which is due to begin at the end of the year, will build a stand-alone block. The 18,000 sq ft space will house seven restaurants and will open in Summer 2014. Two units are already under offer to Nando's and Frankie & Benny's. The second phase will see a major redevelopment of the main mall to create larger units.

“The planning consent is excellent news. It will allow us to update an already successful and well-established centre,” says GCW associate director Chris Baker.

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## Our People Big in Retail

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