

Innovative design creates landmark Bayswater site

■ GCW has advised the owners of a mixed-use block in London's Bayswater on a transformational redevelopment that will more than double the trading space for Waitrose and create six new restaurant and retail units.

GCW director Keith Whale offered consultancy and strategy advice to the owners TR Property Investment Trust on redevelopment of the block on the corner of Porchester Road and Bishop's Bridge Road. It is primarily residential and includes a poorly presented Waitrose, a few local shops, a poorly used basement car park and some offices.

The redevelopment proposal has won the go-ahead from planners. It will reconfigure the space to place the supermarket at first floor but accessed from a stronger location with far superior presence, size and layout. Whale worked with DLG Architects to bring the concept to life and secured



Waitrose will open alongside six new restaurants and shops

approval for the proposal from Waitrose subject to planning. He also recommended the planning consultant appointed to win approval for the scheme.

Waitrose has committed to a new 20 year lease on the redeveloped store at a rent in excess of £1 million pa and will take on responsibility for the car park. The radical design will expand Waitrose to 41,500 sq ft, with 33,000 sq ft of trading space at first floor. It had three years left on its existing lease for the original 23,255 sq ft unit which offered a mere 13,500 sq ft of sales space at ground floor.

"By taking the supermarket upstairs we have been able to create a landmark retail building and enable a far stronger and attractive retail line-up. It will create a distinctive brand for this strong Bayswater address," says Whale.

The redevelopment will involve a £6.5 million investment from the owners. Construction work is about to begin and GCW has been appointed as letting agents for the six new units which are due to open in late 2015.

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GCW enjoys 25th birthday

■ GCW is celebrating 25 years in retail property with a burgeoning business poised to grow even further.

The firm has out-performed the market throughout the recession and increased its share of business with over 150 high street shops on the market across the UK and appointments as letting agent on more than 35 shopping centres. It handles over 475



retail lettings each year and has performed £860 million of retail investment consultancy over the past 18 months.

IN BRIEF...

GCW HISTORY HIGHLIGHTS KEY BUSINESS WINS

* GCW was launched in 1989 as a three-man surveying practice and has grown to become a recognised expert in retail property. We look back at the highlights of its first 25 years in business and recall some of its key deals for its retailer and landlord clients. *Find out more on page 2*

YEOVIL SIGNS MAJOR NEW TENANT

* Leading fashion retailer H&M will open a 16,000 sq ft store in Yeovil's Quedam Shopping Centre. In a deal agreed by GCW, it is the first major tenant signing since the centre was acquired by Benson Elliot late last year.



GCW BOOSTS TEAM WITH FOUR NEW RECRUITS

* GCW continues its expansion with three new graduates joining over the Summer. Rupert Rudkin, Harry Wildsmith and Patrick Bates will work across its shopping centre, development and agency teams. Ruth Miley joins as a senior surveyor.

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GCW has built a strong brand across the retail property market and continues to go from strength to strength. Its successful history is illustrated by long-standing relationships with both retailers and landlords and by its experienced staff who are recognised as experts in their field. We take a look at some highlights of GCW's development since its formation as a three-man band in 1989 and steady growth to a 28-person firm in 2014 with an enviable reputation for its retail knowledge and expertise.

1989 GCW opens for trade on 17th July in 20 Welbeck Street in London's West End. The three founding partners moved from well-established surveying practices to set up GCW; Keith Whale and Stuart Cunliffe from Healey & Baker and David Gooch from Blair Kirkman.

* GCW agrees its first deal in its first week of trading, assigning the lease for Next on one of its King's Road stores to fashion retailer Stirling Cooper.

* Established in 1987 with two prototype shops in



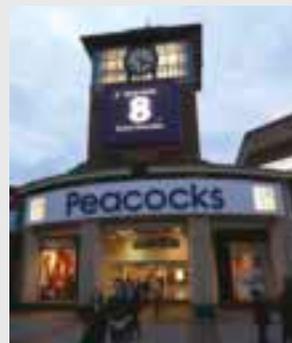
Brighton and Banbury, the first full range Ottakar's book shop was acquired by GCW in Salisbury. GCW advised on all subsequent acquisitions until the 141 branch chain was bought by Waterstones in 2006.

1992 Clive Gillingwater joins as an equity partner from Healey & Baker to build the professional services team and GCW makes its first office move to Woodstock Street as part of the expansion.

1993 GCW wins its first shopping centre instruction. It becomes letting agent for LET on Woking's Peacock Centre to boost the 550,000 sq ft centre comprising 80 shops, half of which were still to let one year after opening.

1994 Two junior surveyors Duncan Kite and Fiona Nichols join on the same day, 4th August 1994. Today they are directors of GCW leading

David Gooch, Keith Whale and Stuart Cunliffe launch GCW in 1989 (above) going on to work with a range of high-profile retailer and landlord clients



the investment and shopping centres teams.

* David Gooch becomes chairman of the Shop Agents Society having been one of four founders of the society in 1984.

1995 GCW begins work with computer expert Pete Thirlby on Prime PA – a package which went on to become the retail property industry's leading database software.

1997 GCW completes a hugely significant deal buying 399/405 Oxford Street for Lloyds Bank for £12.35 million and selling it the following year for £20 million.

1999 Simon Morris joins GCW as its first graduate



trainee from Oxford Brookes University. Now a director, he runs the high street agency team and works closely with leading retail brands.

2001 Keith Whale makes his first arbitration award on a supermarket, the former Safeway and now Sainsbury's, in Bitterne, Southampton, one year following his appointment to the RICS panel of Arbitrators and Independent Experts.

2002 GCW advises London & Associated Properties on the purchase of Windsor's King Edward Court for £45 million and is later appointed as letting agents.

2004 GCW celebrates its 15th anniversary with 17 staff and acting as asset managers on a record number of 16 shopping centres.

* GCW secures its first investment deal for CBREGI on 37-47 Bridesmith Gate, Nottingham and goes on to advise the firm on over 40 more deals in the following decade.

2005 Retailer, JoJo Maman Bebe signs GCW to acquire its stores and signals the beginning of a long-term relationship as JoJo grows in that time from two to 61 stores today.





2006 GCW's development work with client Thornfield Properties in Feltham on the first large scale mixed-use development in the UK wins a prestigious BCSC Gold Award. GCW's involvement with the project lasted seven years and included advising on the purchase of the Longford Centre in 1999.

2007 GCW acquires 100 stores over two years for Phones4U as the retailer rapidly expanded prior to the sale of its business.

2009 Specsavers agrees a move to London's Bishopsgate in GCW's 25th deal for the retailer. GCW continues to be a preferred agent concentrating on finding stores for Specsavers within the M25.

2010 GCW acquires a 134,000 sq ft Sainsbury's superstore in Newbury, on

a sale and leaseback deal worth £62 million for British Steel Pension Fund, one of seven supermarkets where GCW advised the fund on acquisition.

* An intrepid seven-strong charity trekking team of GCW surveyors conquers the 3 Peaks Challenge raising money for British Heart Foundation.

2011 GCW offers consultancy to the administrators of British Bookshops and Stationers – the first of a series of retail administration appointments during the recession.

* Chris Hovington joins to lead activity in the leisure sector and GCW has established leisure elements in shopping schemes in Harlow, Norwich, Watford and Sutton

2012 GCW hits a landmark high of 40 shopping centre instructions with appointments in Portsmouth, Hemel Hempstead and Oldham.

2013 The expansion of GCW continues and it moves to 7/10 Chandos Street from where it now operates with 28 staff.

* GCW agrees the sale of Windsor's King Edward Court for £104.7 million on behalf of London & Associated Properties.

2014 GCW directors Lisa Manley and Clive Gillingwater become RICS Accredited Mediators.



Exploiting the yield gap

■ GCW's investment team is working with clients to exploit the gap between yields on primary and secondary property assets.

The demand for prime high street retail property has strengthened considerably over the past nine months and shows little sign of weakening. The high prices paid for the best shops in the best locations with the most secure covenants mean that yields are heading towards pre-crash levels.

Recent deals illustrating these sharp yields include:

* Pret A Manger, with 11 years remaining on the lease, in Chester which sold at a yield of 4.75% in February;
* Joules, with seven years remaining, in York achieved a yield of 5.39% in June;
* Phase Eight, with eight years remaining, in Winchester achieved a yield of 4.32% in July; and
* White Stuff, with five years remaining, in St Albans achieved a yield of 5.1% in July.

"With prime assets seeing the greater yield compression the yield gap between these prime assets and the secondary assets has widened to a level where we believe there are some great opportunities," says GCW director James Pearson.

"The shortage of supply is likely to continue, especially in the prime sector, and with this scarcity and strong demand, we see the good secondary market experiencing yield compression next. There is an opportunity to under pay for good secondary assets currently," he adds.

Pearson points to the example of a parade of shops on Reading's Oxford Road, close to Primark and opposite the town's second scheme, which has sold at a yield of 8.78%. GCW's recent investment purchase in Nottingham (above) on behalf of George Capital showed a yield of 7.61%.

However he warns that investors should take care to take expert advice.

"For every good secondary investment there are many more that could trip you up because they are in towns that aren't going to get better or in locations that are still on the slide. Some may suffer from hefty voids if they become vacant or may still be far too over-rented. An understanding of the occupier's strategy is essential. Advice is crucial but opportunities are clearly there," he adds.

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Topland signs GCW in Newark

■ GCW has been appointed by Topland Group to act as letting agent on its newly acquired St Marks Place shopping centre in Newark-on-Trent.

The scheme is located in the town centre next to the principal car park and is anchored by Marks & Spencer and Wilkinson.

“Topland are delighted to bring GCW into their agency team for their recent acquisition of St Marks Place. Newark is an affluent and growing town and we will be promoting the scheme hard to attract aspirational retailers and GCW was an ideal choice for this exercise,” says Steve Pope, Director of Property at Topland Group.



GCW will work with Topland to refurbish and rebrand the centre and ensure it is fully integrated with the rest of the town centre.

“There is an opportunity to improve the tenant mix on the centre and attract more fashion retailers to the town alongside Marks & Spencer,

New Look and Costa,” says GCW director Nick Warr.

This is Topland’s second shopping centre acquisition following its purchase of the Saddlers Centre in Walsall earlier this year.

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Retailers join up in Castle Mall

■ Investment in Norwich’s Castle Mall shopping centre is paying dividends with a raft of new retailers agreeing terms to move to the scheme.

Poundworld opens its first store in Norwich combining two units at the centre to create 4,255 sq ft of ground floor sales and 2,079 sq ft of basement storage. It has a 10 year lease at £125,000 pa with an incentive package equating to 12 months.

Fashion retailer Quiz relocates from Chapelfield Shopping Centre in Norwich to add to the centre’s strong fashion offer. It takes a prime 1,605 sq ft unit with 500 sq ft of basement storage at £60,000 pa.

Other retailers are showing confidence in the centre. Hawkins Bazaar relocates within the centre to a 1,700 sq ft unit at £40,000 pa in year one rising to £50,000

in year five with six months rent free. Blue Inc has agreed a new five year term for its existing unit at £70,000 pa with a 15 month incentive. The retailer will refit the store to sell its full range.

GCW has agreed three further deals with national multiple retailers to move to Castle Mall.

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Pro Skin boosts clinic numbers

■ GCW has been appointed by Pro Skin clinics to help the retailer expand on the high street as the cosmetic skincare market continues to boom.

The retailer operates under two brands, Pro Skin and True Skin and is a leading player in the new breed of convenient cosmetic surgery, offering laser hair removal and tattoo removal. It operates as



a concession within a number of Superdrug stores and has stand-alone sites in Bluewater shopping centre, Shepherd’s Bush, Bishopsgate, Harley Street and a store under offer in Newcastle.

Pro Skin is looking to expand with stores near transport hubs and within

major shopping centres as its typical customers are looking for a quick and convenient service. The second brand, True Skin, is a premium day spa operation with stores open in Bluewater and in Esher, Surrey.

It has funding in place for expansion and aims to open 10 to 12 stores nationwide over the next 12 months, and will be focusing on 1,000 sq ft units.

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DEALS

* **Clarks** relocates to prime pitch in **Windsor’s** King Edward Court taking a 10 year lease at £87,500 pa with four months rent free on a 1,390 sq ft ground floor unit with 700 sq ft basement. The deal by GCW for new landlord SWIP is at £121 Zone A.

* **Trespas** moves to the Grafton Centre in **Cambridge** taking a 1,716 sq ft unit on the ground floor and 1,350 sq ft on first floor. GCW agreed the deal on behalf of the landlord on a five year lease at £100,000 pa with 12 months rent free.



* In **King’s Lynn** GCW has agreed a deal for London & Associated Properties at the Vancouver Centre for **Shoe Zone** to take a five year lease on a 1,640 sq ft unit at £30,000 pa.

* GCW has agreed a letting on Working Street in **Cardiff’s** Queens Arcade shopping centre to **Savers** on a 10 years lease with a tenant-only break after five years. The health and beauty retailer takes a 2,200 sq ft unit at £70,000 pa with 12 months rent free.

* GCW continues its long-standing relationship with **Tesco** completing two further deals. In **Herne Hill** **Tesco** takes just over 4,000 sq ft on a 20 year lease at £70,000 pa and in **Barnham** on the south coast has agreed a 20 year lease on the former Railway Tavern. The 4,400 sq ft store has nine car parking spaces. Tesco has agreed £70,000 pa on a 20 year lease.

Marks & Spencer wins race for Queen's Park

■ GCW has acted on the key stages of the retail element of a mixed-use development in London's Queen's Park Place for Bouygues Development following its selection by Brent Council for this strategic site.

GCW was initially brought in to advise on the ground floor 5,200 sq ft retail space housed below 116 luxury apartments and has agreed a deal to let the space to Marks & Spencer. Following a fierce bidding war between six food retailers, Marks & Spencer emerged as the preferred operator to open a Simply Food store.

"The store is directly opposite a major rail and underground station and generated huge interest. It illustrates the demand from convenience store operators for properties close to key transport hubs," says GCW director Simon Horner.

The next stage for GCW will involve securing an investor



GCW is working with Bouygues on the mixed-use development

to prefund the created investment as Bouygues has already sold off the residential element of this scheme to Londonnewcastle. The store is let on a 15 year lease at £195,000 pa and the owners are seeking a yield of 4.5%, reflecting a capital value over £4 million.

"We were brought in whilst this project was still at the planning stage and were able to use our knowledge to create a retail element

that is fit for purpose. It has helped to exceed client's expectations in both the quality of tenant and the value of the investment," adds Horner.

Bouygues is on site and the scheme is due to complete early in 2016. GCW is also working with Bouygues in Addlestone on its town centre regeneration project.

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Hobbycraft turns to the high street

■ Leading arts and crafts retailer, Hobbycraft has enlisted GCW to help establish its successful brand on the high street.

The well-established retailer has over 80 out-of-town stores across the UK and now plans to expand through a smaller 5,000 sq ft high street format. GCW has been retained to find stores within the M25 and will focus on affluent London areas. If these stores are a success then the format will be rolled out.

"We expect landlords to welcome the move. Hobbycraft will be a popular retailer, helping to generate footfall and positively adding to a tenant mix," says GCW director Gareth Storer.

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GCW expands in Portsmouth

■ GCW has been appointed to provide professional services advice to include rent reviews, lease renewals and re-gears at Cascades Shopping Centre, Portsmouth.

It already acts as letting agents for the scheme and this appointment is its first to supply professional service work to the shopping centre owners Orchard Street Investment Management. GCW now provides a complete package of agency and professional services on 16 of its 34 shopping centres.

"As we come out of recession we expect this to be a growth area for GCW," says GCW associate director Alan Rawlins.

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Reigate invests in food store

■ GCW has secured the investment purchase of a property in Reigate on behalf of Reigate & Banstead Borough Council, extending its successful work with the local authority.

The deal sees the council buy Linden House on Reigate High Street for £4.73 million reflecting a 5.35% net initial yield. It is let to Marks & Spencer for 12 years and FitHub gym on the first and second floors for 13 years.

The council wanted a safe investment in a location they knew and GCW secured the deal following two competitive



bidding rounds. The council, who already owned the freehold interest, purchased the long-leasehold interest being marketed and benefited from the uplift in value that results from consolidating their ownership.

"Our expertise in food stores helped us to establish the open market value of the property and to predict the

likely rent at review in two years time," says GCW surveyor Oli Horton.

GCW has an established relationship with the council through its recent work on a proposed new cinema, restaurant and retail scheme at Marketfield Way, Redhill.

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Stratford builds on lasting legacy

■ Stratford Centre is celebrating a successful Olympic legacy, attracting huge numbers of loyal shoppers and committed retail tenants.

The centre which serves the local community with convenience shopping has benefitted from both the nearby Westfield Centre and investment in the Queen Elizabeth Olympic Park. Owned by Catalyst Capital, Stratford Centre's 60 units are fully let and it draws an average footfall figure of 470,000 people per week. Last year it counted 24.6 million visits with an average spend of £23.70 per visit.

"The Olympics and Westfield had a massive impact on the area. A lot of people doubted the impact of the legacy but the area has gone from strength to strength. Footfall says it all," says Ilan Goldman, European director at Catalyst Capital.

"We saw a clear opportunity for the shopping centre and have never tried to compete with Westfield as we are serving a different audience. Although we did lose some shoppers for a while they have come back. Several leading brands such as Superdrug, New Look and



Stratford Centre has attracted a host of retail brands

WH Smith trade successfully in both centres," adds Goldman.

GCW has helped Catalyst Capital to improve the tenant mix, signing brands such as Costa Coffee and Sports Direct alongside strong independents. Stores such as Lituania, a leading Lithuanian supermarket and Loon Fung, a pan-Asian supermarket with a 30 year track record, serve the cultural diversity of the area.

"We have stayed true to the core values of a convenience offer at Stratford Centre and a sensible, systematic approach means we are fully let," says GCW director Duncan Kite.

Stratford Centre is well

placed near transport hubs and investment in the area has continued apace. A new neighbourhood, with homes, offices, sporting and cultural facilities is coming to life. The University of East London and Birkbeck and Newham College are located in the local area, with over 50,000 young people studying in Stratford.

Significant new residential schemes are in development and Catalyst Capital will apply for planning permission later this year to create residential units adjacent to the shopping centre.

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TRIATHLETE SWIMS TO SUCCESS

■ GCW director Fiona Nichols' cycling prowess may have made completing this year's Jones Lang LaSalle Property Triathlon look simple. But the 46 year old faced a terrifying challenge in the run up to the event – she needed to learn to swim properly, turning basic doggy paddle into a stroke that would keep her afloat for 750 meters. Happily, determination helped her to finish the course and now she is returning to lessons in the pool, hoping to put in a good time at next year's event



George Capital does second deal

■ New property company, George Capital has completed its second investment purchase in a deal agreed by GCW.

George Capital has bought a 9,500 sq ft building at 6-10 Victoria Street, Nottingham from Rockspring.

Let to French Connection for five years, the property has a re-based rent following a recent lease renewal. The £1.8 million purchase price reflects an initial yield of 7.61%.

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