

## Shopping centre expertise delivers business wins

■ GCW's successful shopping centre team has added six centres to its growing portfolio as landlords tap into its retail property expertise.

The spread of the six centres in Barnet, Dalston, Slough, King's Lynn, Loughborough and Dunfermline include GCW's first in Scotland and demonstrate its strength nationwide. The shopping centre appointments are from both new and existing clients and take GCW's shopping centre portfolio to 35.

"We are pleased to take on six new centres. We have a tried and tested approach to revitalising centres and are confident that we can deliver on the adopted strategy for each centre," says GCW director Nick Warr.

GCW has been appointed as asset managers and letting agents on three shopping centres acquired by a joint venture of London & Associated Properties and US investment firm, Oaktree Capital. It is the sole agent on the Vancouver Quarter in King's Lynn and The Rushes in Loughborough. In Dunfermline, GCW is joint agent with Eric Young & Co on Kingsgate shopping centre.

The 372,000 sq ft Kingsgate centre forms the prime retailing pitch in the Edinburgh commuter town and is anchored by M&S and Debenhams. The centre was extended five years ago and the immediate task is to increase occupancy before reconfiguring other units to



The Spires in Barnet is one of six new centres in GCW's portfolio

create more effective space. King's Lynn's Vancouver Quarter is a 385,000 sq ft open air scheme anchored by Sainsbury's, Wilkinson, TK Maxx and Beales department store. GCW hopes to reconfigure units to attract leading fashion retailers, many of whom are undersized elsewhere in the town. The third centre, The Rushes in Loughborough is an open air retail scheme anchored by Tesco, TK Maxx and Next.

Existing client, Criterion Capital has appointed GCW to act on two more shopping centres in Dalston and Slough alongside its existing work in Sutton. GCW will act as joint agent on the Kingsland



Shopping Centre in Dalston, East London, with JP Retail. In Slough, GCW will act on The Queensmere Observatory Shopping Centre alongside Cradick Retail.

GCW's sixth new centre is The Spires in Barnet, North London, recently acquired by William Pears, a family-owned property business who enters the shopping centre market for the first time. Anchored by supermarket Waitrose, the 100,000 sq ft centre contains the town's main car park and 35 shops.

GCW plans to reconfigure some units to create larger stores and introduce several restaurants. A unit at the entrance to the centre is under offer to Carluccio's and GCW is in discussions with a major fashion retailer for an anchor store which would help to transform the scheme.

William Pears is investing in refurbishment of the centre including works to open up the entrance, taking down the existing rotunda, and improving the public realm.

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### IN BRIEF...

#### EALING WOOS RETAIL INVESTORS

GCW has completed the sale of the former Arcadia shopping centre in Ealing following its transformation. It advised on the redevelopment and secured prelets to Morrisons, TK Maxx and McDonald's.  
*Read more on page 4*

#### LEISURE DEMAND BOOSTS RETAIL DEVELOPMENTS

Cinemas, budget gyms and restaurants are becoming a key part of any shopping centre development. GCW director Chris Hovington argues that leisure options can kick start the fortunes of centres around the country  
*Find out more on page 2*



#### GCW EXPANDS DISPUTE SERVICES

Two GCW directors become qualified mediators as demand rises for new ways to resolve disagreements over lease renewals. GCW adds to its existing successful arbitration and expert advice services.  
*Find out more on page 5*

### LOOK OUT FOR...

- 3** AGORA COMPLETES
- 4** GLASGOW BUY
- 5** STEVENAGE WINS
- 6** REDHILL LEISURE

**Chris Hovington**  
Director, GCW



■ Shopping centre landlords and asset managers are waking up to the huge potential of adding leisure elements such as cinemas, restaurants and gyms into their schemes.

They recognise that shoppers are increasingly open to the idea that they might do more in a shopping centre than just shop. Leisure options mean that a shopping trip of a couple of hours can turn into a morning through to evening experience.

A tough economic climate for both retailers and landlords was part of the reason that shopping centre owners looked for more innovative ways to make the most of their space and to increase both the number of visitors and dwell time. Along with this advances in digital technology and the popularity of family dining has led to the expansion of the cinema chains and existing restaurant occupiers seeing the potential to create linked trips. A number of new brands entering the market, including Coast to Coast, Tinseltown,



## Leisure market boosts shopping centre options

Cinemas, restaurants and budget gyms can all help to boost visitors to shopping centres. GCW director *Chris Hovington* explains why landlords should always consider the opportunities offered by the leisure market.

Handmade Burger, Chimichanga and Coal Bar & Grill, have also added to the demand for space.

During 2008, major schemes such as Westfield London and Liverpool One opened with a huge leisure offering which in Liverpool

includes the likes of Byron Hamburgers, Chaophraya, Café Rouge, Browns, Barburrito, and Jamie's Italian.

GCW acts on 35 shopping centres and when we take on a new scheme we now automatically look at all the leisure angles, thinking about

how we can maximise the retail asset to improve the dwell time and retail spend. It is no longer enough for those investing in a shopping centre to merely look at the existing retail provision and think about how to improve that by adding more fashion or convenience outlets. There is a bigger picture.

We look at how a cinema could be incorporated, where restaurants could be added, and look at any redundant space that might incorporate a gym. We also consider how we can link the shopping to the leisure scheme.

GCW has built solid links to the key operators and we know that the leading cinema groups are convinced of the value of a multi-screen cinema within a shopping centre. If the space is there, then one of the groups will always carefully consider the option. There is no doubt

### HARLOW ADDS CINEMA

\* The Harvey Centre in Harlow is developing a £9 million leisure scheme which will include a new six-screen Cineworld due to open in mid-2015. There is potential for six restaurants which link directly into the Harvey Centre and a refurbished 726 space multi-storey car park.

The new leisure development, The Terrace, is on the first floor and will provide the only cinema in the town centre. The work includes widening an existing mall to offer external seating to the restaurants and bring in natural light. GCW has advised the owners, Addington Capital, since it purchased the centre in 2011 and sees the



addition of a cinema and restaurants as a way to regenerate the first floor of the centre.

Harlow is a classic new town with the potential for more night-time trade and the leisure development at the centre should deliver increased footfall and activity for retailers at the Harvey Centre.

that a cinema can be a game changer in terms of turning around an ailing shopping centre – particularly for any multi-level centre that struggles to fill units on the upper floors.

Whilst some locations have a large out-of-town cinema and restaurant scheme, many still lack a town centre multi-screen cinema and leisure offering linked to the hub of its shopping. We expect the largest 30 or 40 shopping centres to all follow the lead of Westfield Stratford, The Trafford Centre, Metro Centre and Bluewater and add a cinema.

We know from experience how successful the idea can be and are working with several clients to build a vibrant leisure element to their shopping centres.

Castle Mall shopping centre in Norwich is adding an exciting new leisure scheme with a restaurant quarter opening next to its existing eight-screen Vue cinema. Landlord, InfraRed is redeveloping the upper floors of the centre to create the leisure offering and marketing of the new scheme is in full swing and has the potential to create up to six restaurants.

Moorgarth Group, the asset manager of Bolton's Market Place, has recently won planning consent for a nine-screen multiplex cinema and GCW has agreed a pre-let to independent cinema group The Light to open on the second floor in 2015. The cinema forms the core of a £15 million investment plan to turn Market Place into a premier retail and leisure destination in the North West. Moorgarth also plans to open up the basement within the listed building to create a new, destination restaurant quarter.

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## Middleton sale sees Agora completion

■ GCW has agreed a deal to sell Middleton Shopping Centre, in north east Manchester. It is the final stage of a programme of sales of the assets of the defunct Agora Shopping Centre fund.

The deal sees Westrock buy the centre for £13.45 million from the administrators of the fund, Deloitte and reflects a yield of approximately 12% on the net operating income.

Wilkinson, Boots, Argos and Iceland are anchor tenants in the centre which forms the prime pitch within the town. It is a typical example of the ex-Arndale shopping centres that can be seen across the North West and is a covered mall over three floors with a 430 space car park. The second floor retail space fronts the car park, giving it many of the attributes of out-of-town retailing.

"We are very pleased with



the outcome of the sale of this solid, traditional shopping centre," says GCW director James Pearson.

GCW was appointed in 2012 to act as letting agents 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. They have now all been sold.

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### HEMPSTEAD VALLEY WOOS DINERS

■ The first phase of redevelopment at Hempstead Valley shopping centre is underway with builders on site for its new restaurant block, due to open in early 2015. GCW has exchanged deals with Frankie & Benny's for a 3,970 sq ft unit, a 3,600 sq ft Nando's and a 1,050 sq ft Subway. Another three restaurant units are under offer with one unit still available. "We expect the development to be popular as the local area has very few family restaurants. The shopping centre trades until 9pm, has good car parking and is in a great location for both lunch and evening trade," says GCW surveyor Jocelyn Holmes.

## DEALS

\* GCW has agreed the sale of a 3,017 sq ft property let to **Paperchase** on **Bromley High Street**, for £1.1 million which reflects an initial yield of 6%. GCW acted for a private investor and also negotiated the recently re-geared 10 year lease.

\* SWIPPT has fully let its King Edward Court shopping centre in **Windsor** following a deal by GCW to let a 2,100 sq ft unit to mobile operator **3**. The retailer signs a 10 year lease with a five year break at £105,000 pa.

\* **Coral** takes a 1,700 sq ft shop on Camden Road, **Tunbridge Wells**. In a deal by GCW on behalf of landlord Galliard Homes, the 10 year lease with a five year tenant break is £26,500 pa with six months rent free.

## Investment deal links to inflation

■ GCW has completed its first investment purchase for Standard Life with a sale and leaseback deal on a property occupied by Santander on Nottingham's Clumber Street.

Standard Life paid £4.4 million reflecting a 5.3% yield for the new 10 year lease with RPI linked rent reviews, offering the fund manager security of growth for its investment. The property is in a prime location.

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# Remodelled Ealing attracts retail investors

■ GCW has agreed the forward sale of 1-8 The Broadway in Ealing to Pramerica Real Estate Investors for £37.4 million, on behalf of Benson Elliot.

The retail property is in the midst of a transformational redevelopment, which will convert the old Arcadia Shopping Centre from more than 25 small units into three large stores fronting Ealing Broadway.

The sale marks the culmination of GCW's successful work in Ealing. It was initially appointed by administrator Grant Thornton to work on the 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 was concluded late in 2012.

GCW subsequently acted for Benson Elliot on the redevelopment of the centre and secured pre-lets to three leading retailers, Morrisons, TK Maxx and



Ealing's former Arcadia Centre will be transformed

McDonald's for new stores. Morrisons will open London's first completely new 'Fresh Market' store in 47,000 sq ft at ground level; TK Maxx will more than double its presence in the centre to 43,000 sq ft; and McDonald's will relocate from its current unit to take a prominent, 9,000 sq ft corner store. Work on the project will be completed in the autumn of this year.

"We are delighted to have achieved such a good price for the centre, showing less than 4.5% yield. It reflects how good a location Ealing has become and the quality of the three tenants," says GCW

director David Gooch.

"The sale reflects not only the quality of the asset and renewed investor and retailer confidence in Ealing, but also the recognition that Crossrail's imminent arrival will be a game-changer for the area. The disposal enables us to bring forward the second phase of the Arcadia Portfolio redevelopment," says Benson Elliot partner Phil Irons.

The 1-8 Broadway project marks the first phase of a comprehensive reworking of Benson Elliot's Arcadia Portfolio.

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# George Capital invests in Glasgow

■ GCW has helped new property company George Capital to complete its first deal with the acquisition of a portfolio of three buildings in Glasgow for £6.815 million.

The deal sees George Capital buy the properties from Town Centre Securities with a blended initial yield of 7.37%. They include a Burger King on Sauchiehall Street on a new 20 year lease, adjacent to a store let to KFC on a lease with four years remaining. The third element is a site on West Nile Street, currently let to a pub and two



restaurants, which has long-term development potential.

"This is a good initial investment and involves three different types of assets, including a good secure income from Burger King which was rebased and is now set to grow. The site will

benefit from extension plans from the nearby Buchanan Galleries shopping centre," says GCW director James Pearson.

George Capital was founded by Ben Young, who has long experience working for British Land and Delancey. It plans to build a portfolio of assets outside central London in the UK's top 20 cities and to focus on assets below the minimum lot size threshold of most of the larger funds.

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## DEALS

\* GCW agreed the sale of a property occupied by **Pret A Manger** on Northgate Street, **Chester** in record time, exchanging contracts two days after inviting bids. The deal sees a private investor purchase the 4,491 sq ft unit for £2.785 million reflecting a net initial yield of 4.75%. GCW acted for owner Marchmont Investment Management and had also previously let the shop to Pret A Manger.

\* **Fat Face** upsizes in two locations in deals agreed by GCW. In major shopping centre, West Quay, **Southampton** it takes a 10 year lease on a new store with 3,982 sq ft on the ground and 2,872 sq ft on mezzanine level; and on South Street, **Dorchester**, a store with 3,110 sq ft on ground and 1,780 sq ft on the first floor at £92,500 pa on a 10 year lease with 7.5 months rent free.



\* GCW has finalised its first deal for home furnishings retailer, **Lots of Living**. It takes a 1,300 sq ft store on **Henley on Thames'** Duke Street for £37,500 pa on a 10 year lease with a five year break.

\* Fashion store **Zen** has relocated and doubled the size of its store in the **Stratford** Centre. Zen is an innovative project run by Newham College as a fashion store to show work produced by students. It takes a 4,350 sq ft unit in the centre on a 10 year lease at £170,000 pa with 18 months at half rent.

# GCW steps-up dispute resolution services

■ GCW is expanding its successful dispute resolution services in response to rising demand for new ways to resolve disagreements over lease renewals and rental values.

Two GCW directors, Lisa Manley and Clive Gillingwater, have trained to become RICS Accredited Mediators and will now offer mediation services to third parties. GCW sees mediation as an increasingly effective means of resolving disputes over lease renewals where the mediator hears the details of the dispute through an oral process and works with both sides to help them to reach an agreement.

The service will add to GCW's existing market-leading arbitration and independent expert work carried out by directors Keith Whale and Clive Gillingwater. Both are long standing members of the RICS panel of Rent Review Arbitrators and Independent Experts and are regularly appointed on lease renewal and rent review disputes through both the RICS and privately. Last year they dealt with more than 30 disputes.

**Clive Gillingwater becomes a qualified mediator**

"Many of our appointments are made privately, as the retail property industry values our strong expert knowledge, independence and ability to turn around a decision quickly and economically. We pride ourselves in aiming and usually to delivering decisions within 12 weeks of proceedings commencing, knowing that the industry too often experiences a far longer process," says Whale.

GCW expects the number of disputes over rent to increase as the economy



picks up. Up until the end of last year rent review disputes were generally limited to the West End, the better London suburbs, regional shopping centres or in respect of large stores and supermarkets.

"Leases agreed in 2008 and 2009 when the economy was in the doldrums, saw rents rebased and lease lengths reduced often to only five years. Now as they come up for renewal, many landlords are likely to argue for higher rents. The foundations are in place for the number of rental disputes to increase and GCW is equipped to meet a rise in demand," says Whale.

\* GCW has used mediation for the first time for one of its clients and has successfully agreed two lease renewals in Sheffield's Orchard Square shopping centre for London & Associated Properties. GCW recommended looking at alternative dispute resolution procedures to agree the new lease deals with retailers Clarks and Waterstones. Both retailers agreed to mediation and the process provided a positive outcome.

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## Stevenage management boosts retail

■ GCW has worked with owners CBRE Investors to enhance the tenant line up in Stevenage's The Forum through as a series of asset management initiatives.

The creation of a new 20,000 sq ft Next anchor store at The Forum in 2010 provided the impetus for a series of moves. Four key deals helped to transform the shopping offer and for the first time since the downturn there are no voids in the block.

The deals include:

- \* Following HMV's administration, a lease renewal with the new company at £77,500 pa
- \* Relocating Game and securing a new letting of the former Waterstones store at £95,000 pa
- \* Reletting of former Zavvi store to Barclays at £135,000 pa
- \* Regearing a lease with Sportsdirect, who expanded its existing store and absorbed Game's old store, at £137,000 pa.

Active asset management has transformed the asset into an investment which provides good secure income and it has had a big impact on capital value," says GCW director Simon Horner.

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# Bakery brand plans UK development

■ French bakery, Paul has turned to GCW to help facilitate its expansion in the UK. The family-owned company has a very strong brand in Europe and bakeries operating in 25 countries.

Currently operating solely in London, Paul now plans to expand further in the UK into

three formats. In transport hubs, it will open kiosks up to 600 sq ft. Elsewhere on the high street, the target is for 1,800 sq ft units or retail/ cafe units up to 3,000 sq ft. Paul plans to open six new stores this year and GCW will help it to target affluent towns in the South such as Bath,

Reading and Guildford.

"For landlords Paul is a strong, successful business. It is looking to be in good locations in affluent areas," says GCW director Steve Brown.

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# Redhill gains leisure development

■ Reigate & Banstead Borough Council tapped into GCW's retail and leisure expertise to help it find a development partner to deliver a new cinema, restaurant and retail scheme at Marketfield Way, Redhill.

GCW marketed the development opportunity through the OJEU Competitive Dialogue process

and worked with the local authority to shortlist and select a developer. GCW was involved in documenting the development agreement with selected partner, CoPlan Estates.

The development will create a new six-screen cinema, four large glass-fronted retail units, four family-style restaurants and approximately

90 apartments. It will replace the council-owned Marketfield Way car park plus twelve retail units with offices above. The site is opposite the main entrance to the Belfry Shopping Centre and is a prime retail pitch in the town.

"We're really pleased at the huge amount of interest in this scheme from developers. CoPlan has come up with

a fantastic scheme that not only meets but exceeds our requirements. This redevelopment is crucial for the overall regeneration of Redhill," says Reigate & Banstead executive member for property and regeneration, Natalie Bramhall.

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## Nursery chain set to grow

■ Busy Bees, the UK's largest nursery provider, has asked GCW to help expand its portfolio.

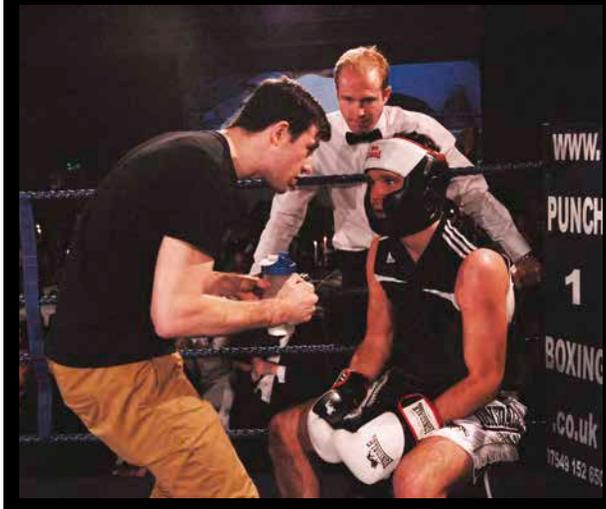
GCW is working with the nursery to find immediate sites in Greater London and in the long-term will help it to find opportunities to be incorporated into new mixed-use developments.

With 216 nurseries across the UK, Busy Bees has funds to open in 10 to 15 new properties. So far it has grown organically and now plans to invest its solid funding in target locations. It is looking for sites of between 4,500 to 6,000 sq ft, with outdoor play space and drop off and pick up areas or car parking.

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## HOLLYWOOD HORTON TRIUMPHS

■ GCW surveyor Oli Horton trained for six gruelling months at Gymbox to be fit enough to take part in a charity boxing match. Intense fitness training as well as strength and conditioning sessions were part of his daily routine as he prepared for the fight. Hollywood won each of three, two-minute rounds. The event, featuring six boxing matches, was run by Action Aid to raise funds to build schools in Lera Town, Ethiopia.



## GCW recruits to aid expansion

■ GCW has recruited experienced surveyor Tim Ashe to work alongside director Simon Horner on a number of key projects. He joined the firm in January and is initially focussing on helping budget gym operator Fit4less and nursery operator Busy Bees to secure new properties to expand their businesses. He will also work on site finding for Moxey Hotels.

Tim joined GCW from small general practice surveyor, Cousins West based in Chiswick, West London where he did professional and agency work. He previously worked for an Irish-based property developer on projects in Budapest and Ukraine and has been RICS qualified for three years.

GCW plans to expand both its shopping centre and high street agency teams and is about to recruit three more surveyors.

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## Our People Big in Retail

GCW is a market-leading retail property consultancy, offering a nationwide service.

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