

## Retail expertise delivers double investment deal

■ GCW has capitalised on its wide ranging retail property expertise to secure a £51.3 million portfolio of prime high street shops, in dominant retail centres with asset management opportunities, for Varde Partners and its joint venture asset management partner APAM.

US-based Varde purchased the Toucan and Peacock retail portfolios from Royal London Asset Management. The two portfolios were marketed separately and were comprised of 14 properties with an annual rent approaching £4 million pa.

GCW acted for Varde and APAM in a competitive bidding situation and secured both the portfolios with one offer.

"This is the type of deal that GCW is all about. Our cross-disciplined, specialist retail advice coupled with our knowledge of regional towns helped to identify that in many of these assets there was an occupational angle to drive value," says GCW director James Pearson.

GCW's core high-street retail, investment and professional teams were involved in analysing the prospects of the 14 properties and 25 tenants covered by the portfolios and their expertise was combined to offer final advice on the purchase.

The two funds have different characteristics and sit well together. The Peacock range of properties offers well-let secure income and



Lincoln and Colchester (below) form part of a prime portfolio



the Toucan portfolio offers income from premium shops in very good towns. The two portfolios also offer an extra dimension to APAM's existing UK acquisitions, offering a varied income profile and improved quality of income from tenants.

The Peacock portfolio is made up of six properties in Barnsley, Hull, Leeds, Lincoln, Nottingham and Reading. It is well-secured to a number of strong covenants including Lloyds Bank, Boots, HSBC Bank and Nero Holdings with a current rental income just over £2 million pa.

The Toucan portfolio is made up of eight properties in prime, popular, pedestrianised retail pitches

within eight dominant cities and towns across the UK including Colchester, Reading, Manchester, Winchester and Cardiff. The properties are well-secured to a variety of leading national retailers including Fat Face, Superdrug, Office and Monsoon. Total rental income is £1.75 million pa.

"Rebased rents in strong regional centres provide a solid base for growth as the UK economy continues to recover and consumers return to the high street. This acquisition demonstrates our commitment to UK regional investment," says APAM director Simon Cooke.

The deal will be the start of an ongoing relationship, with GCW carrying out professional work for APAM and providing advice on asset management and future sales.

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### IN BRIEF

#### SALES STORIES PULL IN BIDDERS

\* GCW's investment team is attracting record levels of bids for clients by developing in-depth and persuasive sales stories.

*Read more on page 5*

#### GCW APPOINTS BUSINESS LEADER

\* GCW has strengthened its management team by recruiting a CEO to drive expansion and to deliver its five year business strategy for growth.

*Find out more on page 6*

#### HEALTHY OPTIONS SERVED UP IN FULHAM

\* Tossed, the healthy salad bar offering, has taken a new 10 year lease in Fulham Broadway Shopping Centre. It trades from more than 20 UK locations and recently added tennis player, Andy Murray as one of its investors. GCW acted for the landlord, CBRE Global Investors.



### LOOK OUT FOR...

- 2 QUEEN'S PARK SALE**
- 2 WINDSOR DEALS**
- 3 EPSOM RENT RISE**
- 4 GUILDFORD BUY**
- 5 MILTON KEYNES**
- 6 LIDL IN LONDON**

# Occupational advice secures deals

■ GCW's investment team has advised CBRE Global Investors on its successful purchase of the Magna portfolio for £37 million.

As a long-standing advisor to the investment firm, GCW's expertise and knowledge was essential in under-writing the 4% initial yield required to secure the deal. The portfolio was made up of four primary high street properties in the affluent towns of Guildford, Cheltenham and Cambridge.

GCW director Fiona Nichols gave occupational advice on the investments in Cambridge and Guildford, analysing current rents and writing business plans for each of the assets.

"The transaction was very



The Waterstone's store in Guilford is attractive to investors

keenly priced because of the quality of the assets and they are the very best of the best. At those levels of yields, in order to achieve the required returns, rental growth

is essential and in order to be comfortable that it is achievable, it is necessary to get underneath the skin of the assets. GCW's occupational knowledge means we can

provide that intelligence and offer an unbiased perspective," says Nichols.

With a total passing rent of £1.53 million pa, the portfolio is comprised of a property on Market Hill, Cambridge let to Gap, a property on The Promenade, Cheltenham let to Hobbs and Jack Wills and two separate properties in Guildford, Waterstone's on the High Street and part of the Marks & Spencer's store fronting on to North Street.

JLL acted for Legal & General on the sale and Fawcett Mead acted jointly with GCW for CBRE Global Investors on the purchase.

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## Queen's Park retail unit secures top price

■ GCW has sold the investment in the retail element of a mixed-use development in London's Queen's Park for Bouygues Development for £4.095 million reflecting a net initial yield of 4.5%.

The 5,200 sq ft ground floor retail unit was let to Marks & Spencer by GCW as part of its work on the mixed-use development, which included 144 luxury apartments.

"Following our initial work with Bouygues Development on this scheme we are thrilled to achieve such a phenomenally strong sale price for our client. It is the dominant convenience supermarket within its catchment opposite Queen's Park station," says GCW associate director Oli Horton.

The deal is a forward commitment with a delayed

completion. The development is due to complete at the end of March 2016.

Marks & Spencer secured the retail unit following a competitive bidding situation between six food retailers, reflecting the high level of demand for supermarkets in affluent London suburbs next to transport hubs.

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Marks & Spencer attracts strong sales interest



## GCW delivers on Windsor know-how

■ GCW's well-established reputation as the leading retail agent in Windsor has enabled it to complete a number of deals in the town.

Acting for the owner of King Edward Court, Aberdeen Asset Management, GCW has agreed a deal for Timpson to relocate to a unit next to the main shopping centre entrance to the car park and Waitrose, where it has built a bespoke kiosk. Stationary retailer, Smiggle takes a reconfiguration of Timpson's old unit moving to 600 sq ft at £65,000 pa on a 10 year

lease. The deal takes rents to a record level for the centre at £130 Zone A.

Elsewhere in Windsor, GCW has secured deals for two private landlords. It let 135/136 Peascod Street to White Stuff on a 10 year lease at £120,000 pa. The unit is 1,793 sq ft on ground floor with 766 sq ft at basement level. It also let 13 Peascod Street to tea retailer, T2 who takes the 984 sq ft ground floor unit with 375 sq ft upstairs at £72,500 pa.

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# Epsom remodelling drives up rental values

■ GCW is achieving significant rental growth at the Ashley Centre in Epsom, taking rents from £75 Zone A to close to its aim of £100 in the past year.

GCW was appointed letting agent for the Ashley Centre in 2015 following its acquisition by CBRE Global Investors. GCW advised on the purchase and assessed that the centre offered an exciting opportunity with potential from pent-up demand from retailers. Although it was fully occupied, there were obvious brands not represented.

Remodelling work and improvements to the tenant mix have prompted a series of deals at the centre.

In the latest deal Holland & Barrett has upsized and moved to the former H Samuel in a 2,094 sq ft unit. This deal, at £90,000 pa plus nine months rent free, will show a Zone A rate of £91.54. As part of the surrender with



Epsom's Ashley Centre is attracting new tenants

H Samuel, the Signet Group on behalf of its Ernest Jones brand has also made a long-term commitment to the centre taking a new lease at £87,000 pa.

As part of the reconfiguration, New Look is relocating to the old Holland & Barrett store which will be combined with the next door unit to create an 8,000 sq ft store. New Look will be committing to a 10 year lease at £200,000 pa with 12 months rent free.

"Our initial work has focussed on attracting new tenants. We are pleased that our initial aspiration for rental levels at the centre are so firmly on track," says GCW director Duncan Kite.

Outside the centre, a planning application will be made to remodel 93/95 High Street to create a new shop, for which a pre-let has been agreed.

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## GCW spots Portsmouth marriage value

■ GCW has secured its first investment purchase for Legal & General with an acquisition on Portsmouth's Commercial Road.

Legal & General bought the Clinton Cards in the prime trading location on the pedestrianised Commercial Road at the main entrance

to the Cascades Shopping Centre for £1.695 million, reflecting a net initial yield of 7.25%.

GCW is the long-standing letting agent for the shopping centre and was able to provide in-depth knowledge on the transaction. Legal & General also owns the

H Samuel and Ernest Jones units either side of Clinton Cards and GCW was able to spot the marriage value in turning the ownership of two single units into an attractive institutional parade.

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## Retailer trio move to Haywards Heath

■ Three retailers have signed deals to open at Haywards Heath's The Orchards showing ongoing demand for the shopping centre.

Roman Originals has shown confidence in the town, taking the former Dorothy Perkins on a

conventional lease without trialling the location. The five year lease on the 2,425 sq ft unit is at £56,000 pa. Gift retailer, Calliope moves to the former 600 sq ft Thorntons unit on a 10 year lease with a mutual break in the fifth year at £29,500 pa.

The third deal agreed by GCW sees The Entertainer take a new store with 2,900 sq ft on the ground floor and 1,750 sq ft at first floor on a 10 year lease at £70,000 pa.

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## DEALS

In a GCW deal for landlord, CBRE Global Investors, the upmarket and trendy burrito bar, **Barburrito**, has signed a new 10 year lease to open in **Hammersmith** Broadway Shopping Centre. The burrito chain currently trades from 17 UK sites.

Acting for Sorbon Estates, GCW's roadside team has agreed a deal with **Pets at Home** on Terrace Road, **Walton on Thames**. The store has 12,000 sq ft on ground floor and 10,500 sq ft on the first floor with 10 car parking spaces and is let at £250,000 pa on a 15 year lease.

GCW has agreed two more deals at **Kings Lynn's** Vancouver Centre. Plus size ladies retailer, **Yours** takes the former 2,370 sq ft Evans store at £50,000 pa on a five year lease. **Cards Direct** takes two units amalgamated to form 1,750 sq ft on a 10 year lease with a tenant break at the fifth year at £45,000 pa.



**Holland & Barrett** has taken a unit at 159-163 Edgware Road, **London** on a new 10 year lease at a rent of £160,000 pa exclusive with 12 months rent free. GCW acted for the landlord, Central London Investments.

Following advice on potential roadside developments, GCW has acted for **Topland** to sell Southmore House, a 1960s office building with car park, in **Wythenshawe, Manchester**. The 36,000 sq ft property was sold with vacant possession as part of a portfolio.

# Guildford investors see future potential

■ GCW's town and retailer knowledge combined to secure a deal for CBRE Global Investors to buy a property on Guildford's North Street from Blackstone for £14.08 million.

The deal reflected a net initial yield of 4.6% on the property which is let to five national tenants; East, French Connection, Country Casuals, The Clinkard Group and Carphone Warehouse. The purchase price reflects the future potential in Guildford which is in demand with retailers and where there is a clear shortage of good space. The property is directly opposite a large development site that is the focus of a long-standing plan by the local authority in Guildford for a shopping centre development. The plans include facilitating John Lewis's requirement in the town.

"The development is



**Guildford's anticipated redevelopment woos investors**

not yet agreed but market expectations are that it will happen. This means that the rental gap should narrow significantly between this area and prime pitch where the rents are currently at a 50% discount to prime. This is a long-term occupancy play around future rental growth and asset management

opportunities" says GCW director Fiona Nichols.

Following the purchase, GCW has been retained to deliver the business plan it wrote on purchase by managing the tenant mix and driving rental growth.

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## Ipswich benefits from major upgrade

■ GCW has agreed four deals at Ipswich's Sailmakers shopping centre following the recent completion of a major rebranding and refurbishment project.

Among the new retailers in the centre, coffee shop, BB's takes a 1,300 sq ft unit at £27,000 pa or 10% or turnover; fashion retailer Blue Inc opens a 2,876 sq ft store at £50,000 pa; and Subway opens a 1,200 sq ft unit at £27,500 pa. Jeweller, Pandora has also recently opened at the shopping centre, taking a 2,000 sq ft



**Sailmakers shopping centre attracts new retailers**

unit at £115,000 pa.

The refurbishment has been a catalyst for the new lettings and there is strong interest in the remaining vacant units in the scheme. The latest deals follow fashion retailer, Top Shop's

commitment to Sailmakers early last year.

GCW acts for La Salle Investment Management who purchased the centre in 2011.

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## Retailers sign up to Salisbury

■ Salisbury's Old George Mall is benefitting from a strong trading performance and the growing popularity of the town with retailers.

GCW has signed deals for owner Orchard Street Investment Management to bring four new retailers to Salisbury, taking Old George Mall close to being fully let for the first time since 2008.

The deals agreed by GCW include:

- \* Byron Burger taking a unit with 2,250 sq ft on the ground floor and 1,120 sq ft on the first floor at £80,000 pa or 8% of turnover;
- \* Warren James taking an 800 sq ft ground floor unit with 100 sq ft on first floor level at £47,500 pa;
- \* Pandora moving to the centre to a 1,100 sq ft ground floor unit at £65,000 pa on a 10 year lease;
- \* Card Factory taking a five year lease at £72,500 pa.
- \* Rieker Shoes opening in a High Street unit with 710 sq ft on ground floor and 385 sq ft on first on a five year lease at £40,000 pa.



Lakeland has also agreed a new deal, relocating to a former Republic store in the centre. It takes a 4,300 sq ft unit at £140,000 pa.

"We are pleased to have signed deals to bring a significant number of new retailers to Salisbury in the last 12 months. It reflects the growing reputation of both the town and Old George Mall," says Fergus Egan of Orchard Street Investment Management.

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# Sales pitch delivers competitive bids

■ A focus on developing comprehensive and in-depth sales stories is enabling GCW to attract record levels of interest for its clients.

Two recent investment sales in Royal Tunbridge Wells and Cambridge have attracted high levels of offers, creating competitive bidding and outstanding results.

"We are forensic in our due diligence when presenting a property for sale. Our thorough understanding of the retail market enables us to highlight selling points that others might not recognise," says GCW director James Pearson.

GCW's approach to investment sales generated 14 competitive offers in its first investment sale for M&G. GCW sold the NatWest Bank with less than three



GCW's sale in Tunbridge Wells attracted investors

years term certain at 36 Fitzroy Street in Cambridge for £1.68 million reflecting a net initial yield of 5.63%. The sales price was ahead of valuation reflecting the huge private investor demand for the best towns in the

UK. The property is located outside of Cambridge's core retailing opposite the Grafton Shopping Centre.

GCW created a similar level of competitive bidding for its sale of a corner property on Tunbridge Wells'

Mount Pleasant Road for Marchmont Investment Management. The sale attracted six competing bids and was concluded for £3.775 million reflected a net initial yield of 5.07%.

The property, in an affluent spa town, was on a prominent corner position overlooking the town's shopping centre entrance and main fashion pitch.

"The combination of detailed investment market knowledge, occupational expertise and professional approach makes GCW an obvious choice for advice in the retail sector," says Tim Lumsdon of Marchmont Investment Management.

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# Milton Keynes wins planning go-ahead

■ GCW client, Palatium Investment Management has been granted planning consent for the refurbishment and redevelopment of Lloyds Court in central Milton Keynes. The scheme will provide 121,180 sq ft of retail and restaurant units, including five double height MSUs and a range of smaller units.

GCW is working with the new owners on its transformation of the site. Palatium will rebuild Lloyds Court behind the existing façade, which will be restored and improved through new glazing, lighting and paving. It is anticipated that the works will be completed by Spring 2017.

The site is in the city centre adjacent to Milton Keynes'



Lloyds Court plans transformation in city centre

main shopping centre thecentre:mk and within two minutes' walk of John Lewis, Marks & Spencer, House of Fraser and Next.

GCW brings in-depth knowledge of Milton Keynes to the project following its

asset management work on thecentre:mk for six years. It is working alongside Green & Partners to offer leasing advice.

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# Dreams settles on high street

■ Furniture retailer Dreams has retained GCW to secure high street opportunities in the Greater London area.

The retailer is reconfiguring its stores to stock best-selling items and therefore is targeting smaller units than it did in the past. It has given GCW an initial target list of 12 locations for the new-style stores of 3,000 to 6,000 sq ft. GCW agreed its first deal for the retailer for this size of store on Wimbledon's Worplesdon Road. The 5,700 sq ft unit at £85,000 pa opened late last year.

GCW's appointment follows its initial work with the retailer as it emerged from administration with venture capital backers. It now trades from some 180 locations throughout the UK.

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# GCW appoints business leader

■ GCW has strengthened its management team with the appointment of Martyn Pitt as CEO. He joins to drive forward the company's ambitious plans for expansion and to deliver its five year development strategy.

Pitt is a chartered accountant by profession and has worked in practice advising businesses on financial and management issues. He has provided regular strategic consultancy to GCW since its launch 26 years ago.

"The move is a positive statement and a commitment by GCW to growth and controlled expansion. I can offer business and financial acumen and the opportunity

to improve the professional management of the business," says Pitt.

GCW sees clear opportunities to grow its business and offer a broader service to clients. Part of the growth opportunity will



be to focus on delivering a single standard of exceptional service across the teams.

Future plans include investment in new staff and an expansion of services and Pitt will work alongside the current directors and senior surveyors to put these plans into action.

"We have a strong established brand that is well respected and well known across the retail property industry. We are now poised to deliver expansion and development of the business and part of this will be looking at the services we offer now and which we could do in the future," he adds.

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# Moxy hotels agrees UK sites

■ GCW has delivered its second site for Vastint Hospitality, part of the Inter Ikea Group, who intend to develop a Moxy hotel, Marriott International's new lifestyle economy brand.

The site is on Newfoundland Circus in Bristol's city centre and will be developed to create a 240 room hotel with a gross internal space of 75,000 sq ft. The majority of the site was made up of three property interests, two owned by Midshire Estates and the third by Bristol Council. An adjacent 10,000 sq ft building owned by Avon Police was also acquired. The final deal provides an income whilst the proposed development goes through the planning stages. The majority of the income from the larger site is secured against Halfords on its Auto Centre. GCW has subsequently agreed a new three year lease with Halfords.

The deal follows GCW's successful work with Moxy to acquire its first site in the UK at Heathrow, with the hotel due to open late in 2016. GCW has also agreed a deal in Southampton subject to planning. Moxy aims to open 50 hotels across Europe.

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# GCW takes on Lidl search

■ Lidl has agreed its first formal arrangement with GCW with an instruction to search for sites in the London Borough of Ealing. Lidl's research shows there is potential for up to another eight stores in this one borough.

GCW is targeting locations which will ideally offer a 1.5 acre site on which to build a 27,000 sq ft store with 100 plus car parking spaces. However, recognising the challenge of finding large enough sites in London, Lidl will also look at sites of around 0.8 acres upwards for smaller stores down to 16,000 sq ft. GCW will also investigate opportunities for Lidl to work with developers as part of mixed-use schemes.

"We are excited to be working with a growing brand. An in-depth knowledge of food stores is a traditional



## Lidl hopes to benefit from GCW's food store expertise

strength of GCW and this instruction builds on our insight into the convenience food market. We hope it will be the beginning of a strong

partnership with Lidl," says GCW director Simon Horner.

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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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