

GCW offers expert advice on retailer restructuring

■ GCW has successfully completed the latest of its high-profile work on retailer restructurings with wide-ranging consultancy, support and lettings advice to the administrator of out-of-town shoe retailer Brantano.

Brantano was placed into administration in January by owner Alteri Investors who bought 81 of its stores and 59 concessions, saving around 1,400 jobs. GCW was then appointed by administrator PwC to market the 57 surplus stores. It has also been appointed to manage the transition of the estate into the new company Brantano Retail Ltd.

"This is a huge piece of work for GCW and needed to be completed very quickly. Our considerable experience gained on similar projects with retailers such as Jessops and Jane Norman meant that we understood exactly what needed to be done. The challenge in finding opportunities for the 57 surplus stores was around timing and certainty," says GCW director Simon Morris.

Deals on an outcome for around 40% of the stores were secured within two weeks of completion of the sale of the business including a package of stores sold to value retailer Poundworld and a number of premium surrenders to landlords. GCW also worked to improve terms where required and to secure assignments of leases on the 81 remaining stores. The focus was on securing



The bulk of Brantano's stores will go on to form a successful business

the viability of the business going forward.

"This is a different situation than our work on other administrations which had been an exercise in shutting down the business. In this case the bulk of the retailer is successful and the majority of the stores have been purchased by Brantano Retail Ltd. It was sold as an ongoing concern and will be a successful and viable

proposition," adds Morris.

Brantano was bought by Alteri Investors along with Jones Bootmaker in October 2015 but the restructuring does not affect the Jones stores.

GCW's expertise in working on retailer administrations dates back to 2011 when it delivered rapid and effective property consultancy to administrator Zolfo Cooper, now AlixPartners, on the demise of British Bookshops and Stationers. It has since been appointed by administrators to supply consultancy and property expertise for a variety of retailers including Jane Norman, TJ Hughes and Fenn Wright Manson.

GCW was also appointed by the administrator to The Jessop Group, PwC to appraise the portfolio of 189 stores and attempt to realise value for creditors.



GCW offered advice to Jessops' administrator

MORE INFORMATION FROM simon.morris@gcw.co.uk

IN BRIEF

TIME TO ACT ON BUSINESS RATES

* GCW director Simon Morris explores the slow progress on clarity over the future of business rates, arguing that despite some changes in the Budget, much more could be done to rejuvenate the high street. *Read more on page 2*

MAIDENHEAD'S NEW URBAN QUARTER

* GCW has been appointed to work with developer Sorbon on its vibrant £100 million new mixed-use quarter Chapel Arches in Maidenhead.



The development sited alongside the newly-rejuvenated Maidenhead Waterways will complement the existing town centre retail offer including Next, Top Shop and New Look.

GCW RANKS 2015 SHOPPING CENTRES

* GCW has toured the UK to offer an in-depth view of the success of last year's shopping centre openings. *Find out more on page 6*

LOOK OUT FOR...

- 3 LANGNEY SALE**
- 4 MAIDSTONE DEAL**
- 4 HENLEY DEVELOPS**
- 5 CORNISH QUALITY**

Retailers face business rates uncertainty

Despite specific changes to business rates made in the Budget, occupiers and landlords still face huge insecurities on the high street. GCW director *Simon Morris* explores the problems.

■ At first sight, last month's Budget announcements on business rates include welcome changes to the system. The fact that the smallest businesses will pay no rates, the switch from RPI to CPI to calculate annual rises and a plan for more frequent revaluations are all moves in the right direction.

The changes follow a review into business rates announced in 2014 amid growing complaints that the tax did not move in line with economic growth and placed a disproportionate burden on some sectors, including retail. However with more significant changes due in 2017, the impact of these latest reforms will not help insecurity on the high street.

The retail market faces a triple level of uncertainty in 2017. The long-overdue rates revaluation will have a significant impact but the radically different role of local authorities and the uncertain future for transitional relief will all come to fruition at the same time.

April 2017 will be the first time in the market when a business rate revaluation



SIMON MORRIS
Director, GCW

occurs with such a disparity on both the positive and negative side. In booming areas such as Central London current rates do not reflect rental growth and will rise considerably. But in many other locations, rates will reduce significantly. Current business rates, set at the peak of the rental market in 2008, are crippling many retailers where rents have fallen by 30% to 50% and business rates, at a much higher level than rent, are a clear barrier to occupiers taking premises. Traditionally transitional relief has helped cushion the shock when rates are calculated to rise or fall dramatically. This time the exact nature of how this will operate and whether local or central government will make the decisions is still unclear.

The fact that this much needed revaluation will come in alongside the devolution of rate setting powers to

local authorities and the way business rates will be used to finance local government creates much uncertainty. Reforms suggest that local authorities will be able to create their own rules in their own areas. However it is not yet clear whether they will take a long or a short-term view. The precise influence of local councils, who will retain the £26bn a year they raise from business rates is uncertain, particularly as they will be anxious not to lose revenue when the total amount of business rates is reduced.

Revalued business rates in 2017 are an enormous opportunity for struggling town centres to capitalise on the fall in total occupier cost and create a clear opportunity to attract retailers. It is an opportunity for occupiers to relook at some town centres and it is an opportunity for local authorities to work to improve their town centres by balancing the need to maintain revenues with rejuvenating centres.

MORE INFORMATION FROM
simon.morris@gcw.co.uk

Southend owner unites high street pair

■ Kames Capital has secured the purchase of two adjacent properties on Southend's prime retailing pitch.

The properties were originally part of the now defunct Keddies Department Store in the town and had been sold off separately to La Salle UK Ventures and a private investor by a developer. The deal agreed by GCW sees Kames purchase the first block let to HMV and Clinton Cards on the ground floor and Sports Direct on the upper floor for £4.375 million. The second deal for £2.225 million is on a property let to Superdrug who then sub-lets the first floor to accommodate additional space for the Sports Direct store.

The properties offer large space that is in demand but hard to find in Southend.

"It makes sense to have one owner for both properties and this offers plenty of opportunities to make future improvements," says GCW director David Gooch.

MORE INFORMATION FROM
david.gooch@gcw.co.uk



Biggie Best expands stores across UK

■ GCW has agreed deals on the latest new stores for home furnishings retailer Biggie Best in Sherborne, Dorset and Monmouth.

The Monmouth store which opened late last month is the retailer's largest so far with a 3,000 sq ft trading unit at £35,000 pa on a 10 year

lease. Its 1,000 sq ft store in Sherborne is on a 10 year lease at £22,000 pa.

Biggie Best now has eight stores in quality market towns including Henley, Marlow and Tunbridge Wells. It is likely to open up to six more over the next year.

The Biggie Best stores

originally traded as Lots of Living but have recently been successfully rebranded with the name of the owner, an established home furnishings wholesaler.

GCW was originally appointed in 2013 to help the business expand into retail units across the UK.

The parent company has a well-established business supplying home furnishing products to retailers across the country and wanted to capitalise on its sophisticated stock and delivery system.

MORE INFORMATION FROM
garth.storer@gcw.co.uk

Eastbourne's Langney Centre secures new owner

■ GCW has completed the sale of The Langney Centre, Eastbourne's popular district shopping centre for over £19 million on behalf of Schroders Columbus Fund and London & Associated Properties.

The centre offers 130,000 sq ft of retail and ancillary accommodation, together with a surface car park providing 820 spaces, a petrol station and six residential flats. It is anchored by Tesco with Boots, Peacocks and Barclays among the retailers occupying 31 retail units.

"This is a good, solid investment and we were pleased to secure competitive bids to purchase the centre. It is well-let, popular with the local community and anchored by a good Tesco supermarket," says GCW director David Gooch.

The shopping centre, built



The Langney Centre is well-let and popular with local people

in the 1970s, has lagged behind steady improvements made to the surrounding area and despite several proposals to upgrade the centre none have yet come to fruition. The sale to Tyburn Lane Private Equity and Vale Retail with funding from Pramerica Real Estate Investors includes planning consent for a 35,000 sq ft extension with a pre-let

to Poundland. The new owners will be working with the local authority and the occupiers to take the plans forward.

GCW and Strutt & Parker acted for the vendors and Time Retail Partners for the purchaser.

MORE INFORMATION FROM
david.gooch@gcw.co.uk

Food store know-how in demand

■ Upheaval in the food store market is creating high demand for GCW's expertise. Market changes have created a mismatch between retailers' and landlords' expectations over rental values leading to much tougher negotiations on rent reviews and therefore an increase in disputes.

GCW directors Keith Whale and Clive Gillingwater have dealt with over 20 food store arbitrations over the past 12 months ranging from a 75,000 sq ft Sainsbury's store in Beaconsfield, a 20,000 sq ft Waitrose store in Sherborne, Dorset and a 29,000 sq ft Morrisons store in Walworth, Southwark.

Increased competition means that the traditional supermarket groups have been achieving much lower profits and often have stores that are larger than they require. Pressure on profits means that retailers are often unwilling to offer any increase at rent reviews whereas landlords still expect to be able to rely on rises based on historic valuation levels. This has led directly to disputes and rent reviews going to arbitration.

"The market is complicated as while generally there are big problems there is still strong upward pressure in certain types of properties such as convenience stores, those in demand by discount operators such as Lidl and Aldi and in certain geographical areas," says GCW director Clive Gillingwater.

"We have seen a huge increase in demand advising both retailers and landlords or acting as arbitrator or independent expert," he adds.

MORE INFORMATION FROM
clive.gillingwater@gcw.co.uk

Superdrug looks beyond the high street

■ GCW is working with leading health and beauty retailer, Superdrug to open new stores in non-traditional retailing locations such as transport hubs, universities and hospitals.

The latest deal sees Superdrug open a store just outside Wolverhampton's mainline railway station, between the train and bus stations. The 1,970 sq ft store is on a 10 year lease at £40,000 pa or 7.5% of turnover. Superdrug opened its first transport stores in Victoria and Fenchurch Street stations more than 10 years ago but this is the first on the edge of a station.

Superdrug operates stores in five UK airports and has agreed two new openings in the last two years, East



Midlands and the latest in Edinburgh at the end of 2015.

GCW has worked with Superdrug on transport opportunities for more than 10 years and this brief has now been extended to universities and hospitals. It is in discussions on one hospital and two university locations. Superdrug is looking at smaller units than its normal requirement for 4,000 sq ft stores and

considering units down to 750 sq ft.

"Universities and hospitals, with a large group of captive customers, are obvious locations. However the retail market is not very sophisticated and it takes time and effort to secure the best deals," says GCW director David Gooch.

MORE INFORMATION FROM
david.gooch@gcw.co.uk

Maidstone secures key letting to fashion retailer

■ GCW has secured River Island as a key fashion tenant for Fremlin Walk in Maidstone in the first stage of its work on the centre for owner M&G Real Estate.

River Island takes one of the largest fashion units in the scheme, a 13,500 sq ft store formerly let to Next. The retailer moves from elsewhere in the town and is currently fitting out its new store. It will complement existing fashion tenants including H&M, Zara and Top Shop.

Other recent lettings include a store to Quiz with 2,100 sq ft on the ground floor and 1,350 sq ft on the first on a five year lease at £105,000 pa. Elsewhere GCW has agreed a regear of the lease with Build a Bear who makes a 10 year commitment to the centre.

GCW was appointed to act on the 350,000 sq ft open-air scheme following its purchase by M&G late in 2014. The



Fremlin Walk is a well-let and thriving centre

next steps include creating a defined restaurant element to the scheme to complement the existing units let to Bill's, Pret a Manger and Patisserie Valerie. Some existing units will be remodelled with the street scape opened up to offer opportunities for al fresco dining.

"Fremlin Walk is a well-let,

thriving successful centre and we see plenty of further opportunities to work with GCW to get the very best from our investment in the centre just over a year ago," says M&G leasing director Scott Linard.

MORE INFORMATION FROM
duncan.kite@gcw.co.uk

Topland shops in Northampton

■ Topland has acquired a prime retail parade on the junction with Northampton's main pedestrian thoroughfare, Abington Street and Fish Street, opposite the Grosvenor Centre, for £7.48 million. The multi-let block has nine tenants including HSBC, William Hill and Select.

GCW believes that the block offers strong potential asset management opportunities including converting the upper parts into residential, letting a unit previously occupied by Vodafone and improving the tenant and lease expiry profile. GCW sees Northampton as a town with



Northampton offers strong investor opportunities

solid long-term investment potential.

Northampton Borough Council is investing significant sums in a new train and bus station and working with Northampton University to create a new £330 million

town centre campus by the river, within the Waterside Enterprise Zone. This will bring 5,000 skilled jobs and 14,000 students directly to the town centre which will increase retail and leisure spend.

"We are delighted to have acquired this property within a tight timescale as a cash buyer. We are keen to acquire more in the current market conditions and we believe that we can add value," says Topland group asset management director Steve Pope.

MORE INFORMATION FROM
oliver.horton@gcw.co.uk

Henley owner delivers on project plans

■ Catalyst Capital has rejuvenated plans for a mixed-use development in central Henley-on-Thames, following its acquisition of The Regatta Portfolio.

The retail, leisure and residential scheme formerly known as Market Place Mews has been rebranded as Gardiner Place and will include nine retail units and up to three restaurants, with 26 residential units above. The entrance to the scheme sits in the middle of Market Place and will link through to the main town centre car park and the existing Waitrose supermarket.

Catalyst Capital has confirmed that works will start in August 2016 with the project due to complete within 18 months. The development will incorporate units ranging from approximately 215 sq ft up to 3,000 sq ft and two of the three restaurants will have the potential for external seating.

"This is good news for Henley town centre. The development scheme now has credibility and a fixed timeline and we are extremely pleased to be involved in making this exciting project happen after a period of uncertainty," says GCW director Chris Hovington.

"We expect to target high-end fashion operators and mid to upper market all-day restaurant brands. We will pre-let the restaurants and then marketing of the retail opportunities will follow," he adds.

GCW also works as letting agent and asset management consultant with Catalyst Capital on the Stratford Centre in East London.

MORE INFORMATION FROM
chris.hovington@gcw.co.uk

Maidenhead plans revamp

■ Plans to reinvigorate Maidenhead's Nicholsons Shopping Centre are well underway with the opening of a new flagship H&M store next month.

The letting is seen as a catalyst for the centre and is part of the strategy to improve its mass market shopping offer. A refurbishment programme is now in place for the coming year and includes new mall finishes, improved lighting and way finding. A new main entrance from the high street will be created as well as some double height shop fronts to add drama to the scheme.

New lettings include a unit on High Street Mall to mobile phone accessory retailer, Top Gift with 799 sq ft on the ground floor and 739 sq ft on the first floor at £28,500 pa



Refurbishment work is underway at Nicholsons centre

on a five year lease. Warren James is also moving to High Street Mall on a five year lease at £32,500 pa. It opens in a unit with 755 sq ft on the ground floor.

"We are committed to making long-term improvements to the centre. The deals are all about

delivering a step change in the scheme and reflect the high level of activity in Maidenhead as it gears up for Crossrail opening," says Ed Kievenar asset manager at owner Vixcroft.

MORE INFORMATION FROM
duncan.kite@gcw.co.uk

Lease deals aid gym expansion

■ Energie property (UK), advised by GCW, has announced a new leasing structure and secured a site in Southwark for its Fit4less gym chain. Unlike other gym operators in the market, energie is securing leases under the parent company rather than as separate franchises. The move will provide comfort for landlords and enable the

group to expand Fit4less at an accelerated rate.

Energie now has 17 gyms in Greater London and over 70 across the UK and in its latest deal has signed a 10 year lease on an 8,000 sq ft unit at Pockock Street in Southwark.

"Southwark is typical of the location we are looking to expand into within London. It is close to transport hubs

and has a catchment of more than 50,000 people within a 12 minute drive time. We sell 1,000 to 1,500 memberships on average pre-opening and with an average of 500 visits per day, we can significantly improve footfall within a scheme," says energie group's Tom Burke.

MORE INFORMATION FROM
simon.horner@gcw.co.uk

Stratford Island wins green light

■ The Stratford Island project, designed to further regenerate the centre of Stratford in East London, has won the go-ahead from planners.

GCW will let the restaurant and retail element of the project for developers Blackstone Real Estate Partners and Catalyst Capital. The scheme will

deliver two residential towers of 42 and 25 storeys which will include the conversion of a vacant office building and further modernisation of the shopping complex, the Stratford Centre. It includes 24,800 sq ft of leisure space and restaurants alongside 12,500 sq ft of offices and 600 new homes.

GCW already acts for

Catalyst Capital on the Stratford Centre which is now fully let and pushing rents towards £150 Zone A. Construction will begin in the next few months with completion due in 2018. The joint venture has invested £100 million in the scheme.

MORE INFORMATION FROM
duncan.kite@gcw.co.uk

DEALS

Toy retailer, **The Entertainer** takes two combined units in Jackson Square, **Bishop's Stortford** to create a store with 2,400 sq ft on the ground floor and 1,500 sq ft on the first. In a GCW deal for Legal & General, the store is let on a 10 year lease at £75,000 pa.

Costa Coffee has taken its own stand-alone store in **Sheffield's Orchard Square**, following the loss of its Waterstones bookstore concession. In a GCW deal for the landlord London & Associated Properties, the coffee shop takes a 1,850 sq ft unit at £70,000 pa on a 10 year lease with a tenant break in the sixth year.

GCW client **JoJo Maman Bebe** takes its second store in the **Channel Islands** with a 2,317 sq ft unit in St Helier, Jersey at £85,000 pa on a nine year lease. The retailer also opens in **Horsham** in a 1,141 sq ft store on a 10 year lease at £48,000 pa.

Farrow & Ball continues its expansion with its latest store opening in **Esher**, Surrey. The deal agreed by GCW is for a 914 sq ft store at £40,000 pa on a 10 year lease with a tenant break at the fifth year.

GCW has agreed a letting to **Subway** in **Loughborough's** The Ruses shopping centre, making it fully let for the first time since its opening in 2003. Subway has taken a 993 sq ft unit on a 15 year lease, with breaks at six and 11 years, at £30,000 pa.

GCW has secured the purchase of the Bayliss Centre in **Street**, Somerset for new client **Evolve Estates**. The deal at £900,000 reflects a yield of 9.5%. The 10,590 sq ft property has eight retail units with a snooker hall above.

GCW talks straight on shopping centre openings

■ GCW's analysis of 2015's shopping centre openings has proved hugely popular with its clients as it offers a no-holds barred view on their pros and cons.

GCW's shopping centre team visited five new centres for the in-depth appraisal. These are The Broadway in Bradford, Friars Walk in Newport, Hinckley's The Crescent, Flemingate in Beverley and Birmingham's high profile Grand Central.

The review offers a detailed, illustrated guide to each centre with photographs and maps. It highlights GCW's shopping centre team's analysis of the highs

GCW 2015 SHOPPING CENTRE RATINGS

Beverley	Flemingate	4/10
Birmingham	Grand Central	6/10
Hinckley	The Crescent	Jury out
Bradford	The Broadway	9/10
Newport	Friars Walk	8/10

and the lows of each centre including a summary on its connectivity, leasing success and anticipated future. Each centre also receives an overall GCW rating. A fuller analysis will be made on Hinckley in the 2016 review when the majority of its retail is open.

"Our clients value our opinionated analysis on these centres. We've tried to offer them all the key facts and

include our own insights based on an in-depth visit. They are geographically spread around the country so we are aware that many clients do not have the resources to visit every one themselves," says GCW director David Gooch.

To receive a copy of the review contact david.gooch@gcw.co.uk



The Cornish Bakery woos customers

■ GCW client The Cornish Bakery continues to deliver strong sales growth after its rebrand and name change from Pasty Presto.

The Cornish Bakery has made a long-term investment in the new brand with improved facias and updated interiors. A positive response from customers has driven up sales with coffee sales growing significantly. The rebrand is also popular with landlords offering more opportunities for future expansion.

GCW's latest deals for the food retailer include a 1,200 sq ft store in Tintangel on a 10 year lease at £18,000 pa and a sixth shop in Birmingham's NEC. The Cornish Bakery now operates 32 shops across the UK including outlets within the NEC and some M5 locations and plans to open another 12 over the next 18 months

GCW was first appointed by Pasty Presto in late 2012 to help drive its expansion plans.

Founded in 1994, the first shop opened in Mevagissey, Cornwall selling high quality pasties. Following its success, the range was expanded to include high quality fresh pastries and gourmet coffee.

MORE INFORMATION FROM gareth.storer@gcw.co.uk

HOLLYWOOD HORTON WINS ROUND 2

■ GCW associate director Oli Horton trained for four gruelling months at Gymbox to be fit enough to take part in his second 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 the three, two-minute round fight on points and remains undefeated. The event was run by Fighting for Charity to raise funds for Movember.



Our People Big in Retail

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

Alex Ash 020 7647 4812
alex.ash@gcw.co.uk
Tim Ashe 020 7647 4828
tim.ashe@gcw.co.uk
Patrick Bates 020 7647 4810
patrick.bates@gcw.co.uk
James Crittenden 020 7647 4816
james.crittenden@gcw.co.uk
Phil Fishwick 020 7647 4819
phil.fishwick@gcw.co.uk
Clive Gillingwater 020 7647 4801
clive.gillingwater@gcw.co.uk

David Gooch 020 7647 4808
david.gooch@gcw.co.uk
Jocelyn Holmes 020 7647 4814
jocelyn.holmes@gcw.co.uk
Simon Horner 020 7647 4807
simon.horner@gcw.co.uk
Oliver Horton 020 7647 4806
oliver.horton@gcw.co.uk
Chris Hovington 020 7647 4805
chris.hovington@gcw.co.uk
Duncan Kite 020 7647 4804
duncan.kite@gcw.co.uk
Lisa Manley 020 7647 4803
lisa.manley@gcw.co.uk
Alex Mattews 020 7647 4827
alex.mattews@gcw.co.uk
Philippe Micheal 020 7647 4815
philippe.micheal@gcw.co.uk

Simon Morris 020 7647 4802
simon.morris@gcw.co.uk
Martyn Pitt 020 7408 0030
martyn.pitt@gcw.co.uk
Fiona Nichols 020 7647 4809
fiona.nichols@gcw.co.uk
James Pearson 020 7647 4817
james.pearson@gcw.co.uk
Rupert Rudkin 020 7647 4826
rupert.rudkin@gcw.co.uk
Gareth Storer 020 7647 4825
gareth.storer@gcw.co.uk
Nick Warr 020 7647 4818
nick.warr@gcw.co.uk
Harry Wildsmith 020 7647 4822
harry.wildsmith@gcw.co.uk
Keith Whale 020 7647 4800
keith.whale@gcw.co.uk