

Retailers sign up for GCW high street expertise

■ GCW has added to its burgeoning list of retailer clients with its appointment by high-profile internet retailer Loaf to help its expansion onto the high street.

GCW will work with the home furniture brand to open up to 12 stores within the next three years. Loaf has enjoyed huge success online and in six years has grown to a £25 million turnover business to become one of the UK's top 100 fastest growing companies. It plans to open showrooms in the South East and inside the M25.

The retailer has its first shop under offer and aims to create a distinct, fun environment for shoppers as it battles to make a strong impact in a busy marketplace. Loaf will look for 7,000 to 15,000 sq ft showrooms and GCW hopes to find opportunities in a range of quirky and prominent buildings.

"We're pleased to continue to expand our work with retailers and to take on an exciting brand such as



GCW will help Loaf expand its brand onto the high street

Loaf. We know that no two occupiers are the same and look forward to bringing our property expertise to help this high-profile internet brand establish itself on the high street," says GCW director Simon Horner.

Loaf will join a long list of niche brands who have benefitted from GCW's retail property expertise. GCW's long-term relationship with retailers such as Farrow & Ball and JoJo Maman Bebe

has enabled them to grow substantial store portfolios.

GCW's appointment by Loaf follows its selection by leading UK perfume retailer The Fragrance Shop to drive a raft of new store openings this year. The fast-expanding retailer has 171 stores across the UK and will look for up to 25 new properties this year.

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Investment team hits league high

■ GCW's investment team is celebrating a high profile ranking amongst the UK's top investment agents.

GCW came in second in the CoStar Group's league table of single branch agents for acquisitions, reporting £406 million of advisory work in Q4 2014.

The recognition follows GCW's strategic aim set out three years ago to significantly expand the investment team with the recruitment of director James Pearson and associate director Oli Horton to work alongside director Fiona Nichols.

"Our investment team is

strong on both sales and acquisitions. We are now well recognised in the investment market and are first choice advisors for a number of clients," says GCW director Fiona Nichols.

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IN BRIEF

RETAILERS TARGET KEY PROPERTIES

* GCW works with a diverse range of retailers to set and manage property strategies to suit their business needs.

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SUPERMARKET OWNERS FACING UP TO CHANGE

* The supermarket sector still offers good opportunities for investors. GCW director Keith Whale looks at prospects for the sector

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SELLING CAREERS IN PROPERTY

* Reading Real Estate Foundation is promoting property as a career to able students from disadvantaged backgrounds. GCW has joined a number of firms supporting the initiative.

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Retailers target locations to drive business expansion

GCW works with its growing list of retail clients to help find just the right locations to meet their business needs. The diverse portfolio of retailers all have distinct strategies to target properties that will best reach their core customers. Take a look at some of the latest deals secured by GCW's retailer team.

Fat Face continues to expand and upsize

■ GCW continues to help Fat Face grow its portfolio which includes acquisitions in coastal locations, market towns, major centres and regional shopping centres. Buoyant sales have prompted the retailer to increase the size of existing stores.

Fat Face has expanded in York (right) from 1,517 sq ft of ground floor sales space to 4,200 sq ft on a new lease at £285,000 pa.

Fat Face has expanded other existing stores including Cribbs Causeway (above) from 1,400 sq ft of sales to 4,100 sq ft of ground floor



sales and in the Trafford Centre from 1,450 sq ft to 3,850 sq ft of sales at a rent of £475,000 pa. In Keswick, it has grown from ground floor sales of 1,378 sq ft to 3,520 sq ft at a rent of £95,000 pa. In Ambleside, Fat Face has worked with its existing landlord at Market Cross to resite its store, moving from 450 sq ft to 1,400 sq ft of sales space at £72,500 pa.



JD Sports doubles up its London presence

■ During 2014 GCW has helped JD Sports to increase the size of stores across London to enable the retailer to trade fashion and footwear side by side.

In Edgware, JD Sports has expanded from 2,020 sq ft to 4,120 sq ft by taking the shop next door. The new store was acquired on a new lease at £135,000 pa.



Edgware and Harrow are two London suburbs where JD Sports has expanded stores

Achieving an upsize in Enfield required a move to the Palace Exchange Shopping Centre where the store size was increased from 1,290 sq

ft to 4,100 sq ft. The store was acquired on a new lease at a rent of £155,000 pa.

In Harrow, JD Sports expanded from 1,951 sq

ft to 3,600 sq ft of space.

This store is held on two separate leases from different landlords at a combined rent of £195,000 pa.



Fit4Less rolls out gyms

■ GCW continues to work with the energie group in rolling out its portfolio of Fit4Less gyms. GCW secured deals to add a further five locations to its operation during 2014 and has a further eight properties in solicitors hands due to open in 2015.

Recent deals for Fit4Less see the gym operator take 5,000 sq ft in Wembley at £52,000 pa, 9,964 sq ft in Preston at £60,000 pa and 6,247sq ft in Hatfield at £49,500 pa.



Pasty Presto focusses on tourist locations

■ GCW has advised Pasty Presto for the past 18 months during which time it has rebranded and refitted its existing portfolio. Pasty Presto has the finance in place to continue to grow and is looking to open six more stores in the South West in the next 12 months with a focus on high footfall tourist locations to complement the existing portfolio of 25 stores.



The most recent opening in Royal Square, Bowness on Windermere targets its core customers of affluent tourists. The 1,120 sq ft store, acquired via lease assignment expiring in September 2017, is at a rent of £36,500 pa.

PamPurredPets extends its formats

■ PamPurredPets operates successfully from a variety of formats including high street stores, in retail parks and roadside sites. In its first year of working alongside the retailer, GCW has secured deals for PamPurredPets to open on the high street in Trowbridge and Farnborough, in a retail park in Bristol and Market Place Shopping Centre in Burgess Hill. The new units take the number of stores to 50 across the UK. It plans to open up to eight more in 2015.

PamPurredPets opened in Market Place Shopping Centre, Burgess Hill (right) in a 5,000 sq ft unit at a rent of £45,500 pa.



JoJo Maman Bebe expands into market towns

■ GCW has worked with JoJo Maman Bebe to grow its store portfolio to 68 stores across the UK and Ireland. The primary focus has been on market towns and urban villages targeting the consumer where they live.

GCW acquired a 1,209 sq ft store in Hitchin on a new lease at £50,000 pa.

JoJo's new 2,544 sq ft store in Whitstable is an assignment of a lease expiring in 2017 at £21,000 pa. In Farnham the 1,703 sq ft store (above) has been acquired on a new lease at £47,000 pa.

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DEALS

* Acting for a private client, GCW has sold the **99p Stores** in **Ashford, Kent** for £2.457 million reflecting an initial yield of 7.3%. The 19,271 sq ft store with 9,659 sq ft of sales area is on the prime pedestrianised area opposite the entrance to County Square Shopping Centre.

* GCW has let a former JJB store to **DW Sports** in **Dunfermline's** Kingsgate Centre on a 10 year lease with a tenant break in the fifth year. The 9,400 sq ft unit is at a £77,500 pa base rent with a turnover top up.

* GCW has secured a deal for new client, homeware retailer **Lots of Living** to open its fourth store in a 1,000 sq ft unit in Lion and Lamb Yard, **Farnham**. It plans to open three or four more stores in the next few months.

* GCW has completed the investment sale of St Martin's Place in **Dorchester** let to **Sainsbury's** for a further 14.7 years and **Carpetright** for 10 years. The £3 million sale for Sherborne Land to Cooper-Dean Charitable Foundation reflected an initial yield of 6.75%

* GCW has bought a prime retail investment on **Northampton's** Abington Street for RO Real Estate for £1.878 million at an initial yield of 8.05%. The 7,932 sq ft property with 2,490 sq ft of sales is let to **Clarks** until 2022.

* GCW purchased the **New Look** on **Bedford's** Midland Road for £3.835 million at an initial yield of 6.9% for a private investor. The 25,420 sq ft unit is let to New Look until 2025.

Is there anything good to say about supermarkets?

GCW director *Keith Whale* argues that there is. Despite the volume of bad press that this sector has attracted over the past six months, there is plenty to be positive about, it just depends on where and how you look.



Keith Whale
Director, GCW

■ It is undoubtedly true that in many parts of the country there is a mismatch between the amount of supermarket floor space needed and the amount that actually exists. The drive for market share from the leading supermarket operators has seen a massive expansion in the number and size of stores. For customers this means an increasing choice of not only which supermarket brand to support but how to use it, choosing between convenient top-up shopping and traditional once-a-week major grocery purchases.

It is also true that the way we shop as a nation has changed with the rise of value-orientated retailing, pressures on time and the impact of the internet. Many customers view grocery shopping in an entirely different way than in the past.

Too many large supermarkets alongside uncertainty about the future means that few new acquisitions for major stores are taking place. At the same time growth has shifted to the convenience sector where properties can be acquired quickly, involving comparatively low capital input to enter markets where a brand is under-represented.

For the big four



supermarket operators these changes mean it is essential to reflect on what they own, how and where they trade and how this should change going forward.

There is an obvious challenge facing supermarket operators around how they manage their larger properties. The best stores in convenient locations that are accessible to both car drivers and shoppers using public transport will continue to have an important place in any company's portfolio. Those operating in weak or inconvenient locations against strong competition are likely to find their days are numbered.

A complex array of factors will affect the property market.

■ Demographic changes are playing a part and Britain's population is forecast to grow to 70 million by 2027.

Changes to working patterns will benefit not only convenience stores in major city centres but also superstores in locations close to major employment areas, whether out-of-town office

parks or industrial areas on the edge of towns. We should not forget that over 57% of people commute to work by car.

■ Deflation in food and grocery prices has hit recent supermarket performance but it is widely anticipated that inflation will start to grow both generally and in the food sector. This will enable supermarket retailers to build in growth in sales going forward.

■ Online market share is forecast to reach 18% in 2016. There can be little doubt that internet growth will continue but the pace of growth may slow with concerns around internet security and the emerging logistical problems of distributing goods. Supermarkets are focusing on "click and collect" retailing, and this is set to perform well particularly in large store locations with good access and car parking.

■ Retail innovation will be critical to find ways of driving more profitability from large

stores through new services for customers, and we are likely to see leading retailers trialling new ideas in the best trading locations

From an investment perspective, the supermarket sector was seen as a great strength during the recent recession but there are signs that sentiment has changed. However, we must remember that a supermarket property in a strong location offers security of income from one of the country's largest retailers, generally for a long lease period without undue management concerns. Good stores will continue to thrive and provide an investor with a secure corner-stone in its property portfolio. If there is a hiatus after the General Election, then strong secure investments such as supermarkets may top the requirements list of many investors.

Whilst supermarkets are going through a period of massive change this does not mean that there will be a flight from property. The sector has started to weed out weak stores that cannot meet the needs of the modern consumer. An overhaul of property portfolios has been long overdue and there will always be a place for good supermarket properties both large and small. It's just a question of making sure you know enough to recognise the best quality assets.

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GCW offers strategy in Bath

■ GCW has been appointed by St John's Hospital, the charity owner of Bath's Old Bond Street, to develop an asset management strategy to ensure that this pivotal retail area is the location of choice for aspirational retailers in the city.

Old Bond Street, which includes fashion retailers, Gieves & Hawkes, Gap, Russell & Bromley and Jack Wills alongside Radley and Jo Malone sits adjacent to Milsom Street in Bath. GCW will work with the owners to improve the brand and create a sense of identity for Old Bond Street.

"We are looking forward to working with St John's



Hospital to clarify and refine the tenant mix and improve the continuity of shopping from Milsom Street. In addition to A1 retailing the shopping experience may also

be enhanced by improving the food and beverage offer," says GCW director Simon Morris.

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Coffee shop plans rapid expansion

■ GCW client bb's Coffee and Muffins is planning a major expansion following its purchase by private equity firm Brentwood Investments.

The deal will enable bb's to expand the business adding a further 40 company and franchise shops. The first stage will see the company open an additional eight company shops across the UK and Ireland in the next 12 months, plus more franchise shops with existing partners.

"We are delighted to back a strong, branded consumer business with a differentiated customer proposition. bb's has good growth prospects in the UK and Ireland and an excellent team," says Matt Scaife of Brentwood Investments.

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It's good to talk

■ GCW has launched a formal mediation service to add to its well-established and successful dispute resolution service.

Directors Lisa Manley and Clive Gillingwater have become RICS Accredited Mediators and will be offering their services as independent mediators to resolve a host of complex property disputes. The duo can be appointed independently by lawyers and other third parties or through the RICS-run appointment service.

"Mediation will become a regular tool for solving disputes over lease

renewals and rental values as the courts are actively encouraging alternative means of resolution. In two recent cases, the courts have penalised parties who have refused to consider mediation," says GCW director Lisa Manley.

The mediation role requires the soft skills to handle the face-to-face resolution of a dispute alongside in-depth knowledge and skills. Both



Gillingwater and Manley completed intensive RICS training which included role play in guiding discussion and handling difficult situations.

"We both have backgrounds in negotiating and experience with both landlord and tenant work which is important for this role. This is about seeing both sides and then finding a compromise. It is quite different set of skills to arbitration," adds Manley.

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Pickett opens flagship store

GCW makes luxury move

■ GCW has helped luxury leather goods retailer, Pickett to make the most of the competitive London property market, surrendering the lease on its existing shop and acquiring a new flagship store.

Pickett has relocated

from Burlington Arcade to London's Burlington Gardens, which is complimented by other luxury retailers including Gieves & Hawkes, Burberry and Orlebar Brown. GCW advised the retailer on managing its exit from the old store and agreed a deal for its

move to the new 1,300 sq ft store at £152,150pa.

The new flagship store is spread over three floors and increases Pickett's retail space dramatically.

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Promoting careers in property

■ GCW is supporting Reading Real Estate Foundation's innovative programme to widen access to the real estate profession.

The programme, Pathways to Property, raises awareness of real estate as a subject of study to academically able pupils from disadvantaged and non-traditional backgrounds. The project targets 16-17 year olds through a series of summer schools, presentations and work experience opportunities.

GCW has signed up to support Pathways to Property for three years. It provides funding towards the programme and hosted students for work experience



Students get a taste of the property industry

in its London office during the half-term holidays earlier this year. GCW director David Gooch took part in the programme's summer school last year, acting as a judge on presentations made by groups of students at the end of the school's activities. Later this year GCW surveyors

plan to take part in visits to schools to talk about the career opportunities offered by the industry.

"We're pleased to be able to support this programme which is really effective in creating opportunities for students to understand more about the property industry,"

says GCW director David Gooch.

"I was impressed with the enthusiasm and energy of the students at the summer school and could see the impact of the programme. It was rewarding to host our first work experience student and we look forward to welcoming more in the future," he adds.

Pathways to Property is now in its third year and support from industry has provided funding to reach out to over 2,000 students, parents, teachers and careers advisors to spark the idea of a career in property.

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New recruit goes on the road

■ Harry Barnett is GCW's latest recruit, joining the roadside team to work alongside director Simon Horner and Tim Ashe. Harry will spend the majority of his time working with client Hadley Properties on site finding and appraising for mixed use and residential opportunities in Greater London. He will also focus on finding sites for roadside occupational clients including KFC, Tesco and Busy Bees Nurseries.

Harry joins GCW from Colliers' Central London High Street agency team. He began work in



the property sector when he launched his own estate agency business in Leeds aged 19, subsequently moving to London to work for Brasier Freeth.

"This is an exciting move for me and will give me plenty of experience in investment and in roadside development. I'm out and about, driving around London boroughs to get a good feel for the opportunities available for Hadley and our occupational clients," says Harry.

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Konditor & Cook expands in London

■ Upmarket bakery Konditor & Cook has secured two new central London cake stores for its growing operation.

GCW has agreed deals for the baker to open new cake shops in Spitalfields and Goodge Street taking its total number of outlets to eight sites in London. Konditor & Cook plans to expand its operation rapidly, aiming for 30 stores throughout London. Its property search will have a particular emphasis on Zone 1 with shops of 500 to 1,000 sq ft near transport hubs and on corner locations.

The well-established bakery's profile has been boosted recently with a cookbook, high profile awards and the launch of a successful cake school.

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Our People Big in



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