

Shopping centre success delivers business boost

GCW has been appointed as letting agents and development consultants for the Harvey Centre in Harlow, by new owners Addington Capital.

The appointment follows GCW's successful stint working alongside London and Associated Properties (LAP) as asset managers of the three shopping centres owned by the Sapphire Retail Fund, a joint venture between entrepreneurs, the Reuben brothers and HBOS.

The fund was placed into administration in August 2010 and administrators Grant Thornton subsequently appointed LAP as asset managers of the Harvey Centre, alongside Charter Walk in Burnley, Lancashire and Queens Arcade in Cardiff.

Addington Capital is due to complete the purchase of all

three centres this month.

GCW will now work with Addington Capital on its plans for Harlow, the largest of the three shopping centres.

Addington plans to invest in the Harvey Centre by reconfiguring units and improving the fabric of the centre which is well-established in the town and anchored by Tesco, Bhs, Wilkinson, Primark and Marks & Spencer.

"There are lots of opportunities to redesign and redevelop parts of the scheme, creating larger units. There is plenty of demand within Harlow and the Harvey Centre's location offers the best opportunities for retailers," says GCW director David Gooch.

"We look forward to working with GCW in Harlow. They did a tremendous job with the centre

whilst it was in administration and had begun to take positive steps to move it forward, actively talking to tenants and making change happen," says Addington Capital Principal, Matthew Allen.

Addington's purchase of the three shopping centres is the first acquisition since the asset management company was formed last year.

"We saw a clear opportunity with these shopping centres because they had been under invested since the market downturn. There are many things that we can do on the asset management side to

increase their value and the centres all show good potential," says Allen.

"Our strategy includes investing in the secondary shopping centre market in the UK and we will be looking at opportunities with a similar profile in the coming year," he adds.

- More information from david.gooch@gcw.co.uk



Milton Keynes signs top brands

Three more retailers have committed to the premium shopping quarter at thecentre:mk as the development strategy for the shopping centre continues to bear fruit.

The arrival of jeweller Thomas Sabo, furniture retailer Dwell and cosmetics firm L'Occitane has given the centre's premium area critical mass. The three retailers join existing tenants such as Phase 8, Carluccio's, Kurt Geiger and shoe retailer, Jones.

The new occupiers will be joined by iconic Italian restaurant chain Jamie's Italian Kitchen which intends to take a 6,400 sq ft restaurant in the premium quarter.

"The new tenants demonstrate the success of the well-considered strategy to

create a more compelling offer for shoppers. The centre's owners have taken a long-term view on development and concentrated on kick-starting the premium area rather than focussing on short-term levels of rent," says GCW director Duncan Kite.

"Milton Keynes acts as a regional centre with its huge catchment area and has succeeded in attracting tenants that meet the high expectations of shoppers visiting the centre," he adds.

Thomas Sabo takes a 1,600 sq ft unit for £125,000 pa with nine months rent free; L'Occitane takes a 1,350 sq ft unit at £85,000 pa or 10 per cent of turnover with



10 months rent free; and Dwell a 3,900 sq ft unit for £175,000 pa, all on 10 year leases.

thecentre:mk appointed GCW as joint letting agents with CBRE early in 2008.

- More information from duncan.kite@gcw.co.uk

Large stores back in demand

GGCW's experience and knowledge of the large store market is attracting new business as the market shows clear signs of recovery.

"The flood of Woolworths stores onto the market two years ago dampened demand and many of the stores were relet at low rents. Now the effect has worked through and the market has stabilised, particularly with the general lack of new retail development," says GCW director Clive Gillingwater.

"We are seeing signs of the first green shoots and there is likely to be good rental growth for the best stores in the future. Rents will go up particularly where stores have outstanding characteristics in terms of size and location, due to the increasing number of retailers with large store formats, including TK Maxx, Wilkinsons, Poundland and B&M Bargains," he adds.

GCW is carrying out several new projects



in areas such as the London suburbs where there is demand for attractive large stores.

A desirable location near to the Olympic site played a part in GCW's recent rental agreement, achieved at review, on behalf of the owner of Stratford Centre. The deal agreed, with tenant In-Shops for its 50,000 sq ft store, represented an increased rent to

strikes a note of caution.

"The balance between supply and demand is swinging in favour of many landlords. But this will not be true in all areas of the UK and specialist advice is strongly recommended," he says.

- More information from clive.gillingwater@gcw.co.uk

£435,000 pa.

The size of the store and its prime location were both factors in another GCW project, a rent review on behalf of landlords, Prudential in Lincoln. The referral to arbitration saw the rent of the 35,000 sq ft BHS store on the High Street rise to £493,700 pa.

However Gillingwater also

Lease renewal team drives bank deals

A flood of Lloyds Bank lease renewals across the UK is creating a welcome challenge for GCW's professional team. The bank agreed hundreds of sale and leaseback packages on its properties 15 years ago and now many of these are coming up for renewal at the same time.

GCW is handling a package of the renewals owned by a variety of landlords but all managed by asset manager Pelham Associates. Most of the properties are in the traditional style of ornate bank buildings, located across East Anglia and London suburbs.

"From the tenants perspective there are a huge number of these renewals going through at the same time, but our clients want action to resolve these cases promptly," says GCW associate director Alan Rawlins.

"We are driving the situations to make sure the deals can be agreed as economically and efficiently as possible, making sure a legal timetable is in place and that expert reports and advice are provided on time where required," he adds.

- More information from alan.rawlins@gcw.co.uk



Deals

- GCW has secured two new tenants for Lewisham Shopping centre owner Land Securities. JD Sport takes a 6,000 sq ft triple unit on a 10 year lease for £235,000 pa with nine months rent free. T Mobile takes a 1,850 sq ft unit on a 10 year lease for £105,000 pa with three months rent free.
- New art gallery concept Whisper will open its first base in London's Eastcastle Street in a deal secured by GCW. Whisper takes a 3,670 sq ft unit on a 10 year lease at £93,500 pa for the West End location popular with gallery operators.
- Expanding GCW client JoJo Maman Bebe takes three new units bringing its store total to 35 across the UK. JoJo takes a 1,428 sq ft unit on Morpeth's Sanderson Arcade at £50,000 pa; a 2,265 sq ft unit in Bligh's Meadow, Sevenoaks for £50,000 pa and a 1,925 sq ft unit on Colchester's Sir Isaac's Walk for £40,000 pa; all on 10 year leases.
- A GCW deal to bring Caffe Nero to The Parade, Leamington Spa sees the coffee operator take a 2,965 sq ft unit on a 10 year lease at £72,500 pa. The deal for Nightingale Property Investments restores Zone A rents to local high levels.
- Life style brand Animal has returned to Salisbury with a new store in New Canal, part of the Old George Mall holding. In a deal with GCW client and centre owner Doughty Hanson, Animal takes a 2,000 sq ft store on a 15 year lease at £60,000 pa.
- Homewear and fashion retailer Life & Style has taken a former Woolworths store on Swansea's Oxford Street. The 24,500 sq ft store is £225,000 pa on a 10 year lease in a deal secured by GCW for the landlord Habro Properties.

GCW markets bookshop portfolio



GCW has delivered rapid and effective property consultancy to administrators Zolfo Cooper, as it deals with the demise of British Bookshops and Stationers.

GCW was appointed by Zolfo Cooper to appraise the property portfolio and value of

the group of 50 stores located mainly across the south coast. The appraisal looked at the size, location and desirability of each of the stores and included advice on what a retailer was likely to pay.

GCW also identified retailers who it believed may be interested in one or more stores.

“Our expertise of the market, particularly our knowledge of book retailing, meant we could offer a rapid assessment of the

portfolio and the possibilities for the stores,” says GCW director Simon Morris.

WH Smith agreed to buy 22 stores early in the process and GCW has since been marketing the remaining 28 stores to interested parties.

Deals need to be completed quickly to

maximise returns and minimise costs. The administration timetable put a late March deadline for exchange of contracts and GCW now has a significant number of stores in solicitor’s hands.

“We are pleased that we have been able to generate some premium offers in a market where there is so much availability. We have a number of stores under offer with retailers looking at taking the existing lease. The strength of the offers reflect the fact that a number of the stores are in desirable towns,” says GCW director Simon Morris.

Restructuring specialist GA Europe assisted the administrators in operating the 22 stores during the phased handover to WH Smith and also on the trading of the remaining 28 stores as expressions of interest were sought.

If no interest is shown in any properties GA Europe will assist with the store closure programme.

- More information from simon.morris@gcw.co.uk

Deals

- Following Boots relocation to Southend’s Victoria Centre from the town’s high street, Deichmann Shoes has taken a 5,740 sq ft unit in the centre on a 10 year lease at £120,000 pa. GCW acted on behalf of the centre owners Delamere Estates and National Grid UK Pension Fund.
- GCW has agreed a deal on behalf of Glanmore Property with 99p Stores to open on Colchester’s Culver Street East just outside Lion Walk shopping centre. The store, with 5,400 sq ft on the ground and 4,750 sq ft on the first floor, is on a 10 year lease at a rent of £225,000 with six months rent free. It is due to open in August.
- Jewellery brand Pandora moves to a prime fashion pitch in St Helens’ Church Square shopping centre, in a deal by GCW for owners, ING Britannica. Pandora opens in a 1,300 sq ft ground floor unit with full cover on a 10 year lease at £63,000 pa.
- Long-established GCW client Farrow & Ball continues its expansion with three new stores just opening. The retailer has taken a unit on Wimbledon’s High Street with 700 sq ft on each of the ground floor and basement at £72,000 pa; a 1,139 sq ft unit in Beaconsfield’s London End at £45,000 pa and a 2,800 sq ft store over three floors on Manchester’s Deansgate for £40,000 pa. Farrow & Ball has two more stores under offer and plans to open a further six stores across the UK this year.
- GCW latest deal at Enfield’s Palace Gardens shopping centre for owner Standard Life, sees Ann Summers take a 2,100 sq ft unit at the heart of the scheme on a 10 year lease.

Shoppers beat Bury targets

GCW has agreed deals with a host of new tenants for The Rock shopping centre in Bury.

The deals come as the centre clocked up five million visitors since its high-profile opening last July, exceeding expectations.

Store openings before Christmas saw young designer fashion brand Infinities take a 1,800 sq ft ground floor unit and Thomas Cook a 1,780 sq ft ground floor unit both with full cover on the first floor. The third pre-Christmas opening saw Game take a 2,141 sq ft ground floor unit.

The latest new deals in Bury include hairdresser Toni & Guy taking a new unit with 600 sq ft on the ground and 1,000 sq ft on the first floor. The next tranche of new lettings will be announced soon.

GCW acts on behalf of asset managers Hammerson alongside CBRE, for the £350 million development which is anchored by Marks & Spencer, Debenhams and Primark, alongside leisure operators Vue and a 24 lane AMF Bowling.

- More information from nick.warr@gcw.co.uk



GCW applies know-how to London's West End

GCW's professional expertise is in high demand as landlords and retailers in London's West End are locking horns over rental values.

One of the firm's leading arbitrators, director Clive Gillingwater, has been appointed in more than 10 third party

to the UK have encouraged landlords to seek significant increases in rent. The landlords also argue that the continuing strength of tourism in London has put upwards pressure on rents.

Retailers are fighting hard against the idea of rising rents and, with the exception of the

supermarket sector, the West End is probably the only place in the UK where so many landlords are arguing that rents have consistently risen.

At the same time there is

considerable dispute over the effect of the planned Cross Rail on rents. Retailers report disruption as both Bond Street and Tottenham Court Road stations are being significantly extended, affecting nearby buildings and creating the need to erect hoardings. Landlords however argue that Cross Rail will bring improvements with it, even though there is a six or seven year wait for the buildings to be completed.

- More information from clive.gillingwater@gcw.co.uk

In the spotlight

In the latest of a regular look at Who's Who at GCW we profile surveyor Beatrice Fairley.



Taking a chance

Beatrice arrived at GCW two years ago via work experience with one of its long-established shopping centre agency clients, Land Securities. Armed with a recently completed MSc in Property Appraisal and Management from Sheffield Hallam, she took advantage of GCW's on-going expansion plans to land a job at the height of the recession.

Finding her niche

Swopping a career in local government housing to retrain as a surveyor, Beatrice plans to gain her formal professional qualification this Autumn. Now a well-established member of GCW's Shopping Centre Agency team, she is often the first port of call for retailers looking for available shops.

Beatrice's current assignments for shopping centre clients include leasing The Centre, Feltham for Aviva; The Orchards, Haywards Heath for F & C Reit; The Harvey Centre, Harlow for Addington Capital; and Stratford Centre for Catalyst Capital.

Don't stand still

Known to her colleagues as Dictionary Corner, Beatrice is proof that a record number of Masters degrees occasionally come in handy. She has spent a year living and working in America and more recently travelled through North Korea and China.

Along the way she's met the Pope, been a Director of a Citizens Advice Bureau, starred in *Horse and Hound* and played rugby at Twickenham on the way to the British Universities Championship.



referrals in Oxford Street and surrounding locations, on both rent reviews and lease renewals.

"Both sides are fighting their corner very hard. It is unusual to have so many highly disputed rents at the same time. We have a strong track record of arbitrations so we are increasingly being called upon to find a solution," says Gillingwater.

Several conflicting factors are driving the battle over rents. A number of high profile open market lettings, some to retailers new

Racing back...

It was the gentle green slopes of Courchevel rather than the off-piste powder that floored director David Gooch on a trip with former GCW partner, now European property director at British Land, Stuart Cunliffe. Following a longer than desired stay with French medics he's now bouncing back to full recovery, advising all skiers on the merits of a ski helmet.



GCW is a market-leading retail property consultancy, offering a nationwide service that includes agency advice, shopping centre asset management, development and investment advice and professional services. Contact one of our team to find out more.

Chris Baker
020 7647 4819
chris.baker@gcw.co.uk

James Crittenden
020 7647 4816
james.crittenden@gcw.co.uk

Jonathan Daniels
020 7647 4822
jonathan.daniels@gcw.co.uk

Beatrice Fairley
020 7647 4815
beatrice.fairley@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

Duncan Kite
020 7647 4804
duncan.kite@gcw.co.uk

Lisa Manley
020 7647 4803
lisa.manley@gcw.co.uk

Simon Morris
020 7647 4802
simon.morris@gcw.co.uk

Fiona Nichols
020 7647 4809
fiona.nichols@gcw.co.uk

Simon Odell
020 7647 4810
simon.odell@gcw.co.uk

Alan Rawlins
020 7647 4820
alan.rawlins@gcw.co.uk

Nick Steel
020 7647 4805
nick.steel@gcw.co.uk

Nick Warr
020 7647 4818
nick.warr@gcw.co.uk

Keith Whale
020 7647 4800
keith.whale@gcw.co.uk

Jonathan Wynne
020 7647 4817
07733 124484
jonathan.wynne@gcw.co.uk