

# Game change.

April 2022

GCW.



## Future-proofing Enfield's retail assets

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### RivingtonHark

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## GCW provides strategic advice on Enfield shopping centres

Town centre regeneration specialist RivingtonHark has appointed GCW as preferred supplier of leasing, lease advisory and development consultancy for two key Enfield assets. The team will help the landlord reposition the North London suburb's two shopping centres Palace Exchange and Palace Gardens and adapt their offer to meet the needs of the local catchment.

Currently, the older of the two centres, Palace Gardens, is focused on convenience shopping, whilst the more modern Palace Exchange is fashion led and is home to the likes of Next, TK Maxx, New Look and Pearsons department store. The remit includes enhancing the retail tenant mix and delivering a wider range of town centre uses, potentially including residential, leisure, healthcare and workspace uses. RivingtonHark will take a strategic advisory role, whilst GCW will consult on leasing, helping the landlord rejuvenate its adjoining assets to



respond to changing consumer demand.

Enfield is leaking significant spend to neighbouring areas, realigning this significant part of the town centre will offer more opportunity to shop, eat and be entertained within the town itself. The priority is to combine GCW and RivingtonHark's expertise in mixed use repurposing and asset management to make the 450,000 sq ft assets fit-for-purpose by investing in areas such as an evening economy and family leisure.

David Lewis, Executive Director at RivingtonHark, said: "We selected

GCW as our partner due to their passion and expertise in the three Rs of town centre regeneration - reinvention, repurposing, and rejuvenation. We look forward to working together to transform these shopping centres and raise the profile of the town as a mixed use destination."

MORE INFORMATION FROM [duncan.kite@gcw.co.uk](mailto:duncan.kite@gcw.co.uk)

## Appointment drives new deals at Windsor Yards

GCW is helping AEW secure a series of new lettings following its client's 2021 acquisition of Windsor Yards. Within 12 months of being reappointed on the 260,000 sq ft scheme, GCW has secured 6 new lettings totalling more than 30,000 sq ft of vacant space and improved net operating income by almost £900,000. The team has also agreed 5 lease renewals to the likes of Robert Gatward, Pret A Manger, and Swarovski.

Since last year's acquisition the team has agreed deals with a range of occupiers from F&B brands to flexible workspace operators and the NHS. Recent deals include lettings to Clarendon Fine Art and Mooboo Bubble Tea which are now open and trading. GCW has also exchanged on a deal that will see Ole & Steen open in the summer, taking space formerly occupied by Johnsons Shoes. There are a further

two units currently under offer.

GCW understands the dynamics of the local market and has let space at the centre for over 20 years. The team will prove instrumental in helping AEW respond to the demands of Windsor's demographic. As well as leasing existing space, it is also advising AEW on plans for a mixed use redevelopment delivered by Bridgecore Developments. As part of the process, the team is working closely with Windsor and Maidenhead Borough Council and engaging with local stakeholders.

AEW Associate Director Warren Meech said: "We are delighted by what GCW has achieved in rejuvenating the centre and helping us to formulate and execute the leasing strategy. These deals have been

secured in a short space of time and demonstrate just what can be achieved by responding to the needs of the local catchment."

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# New lettings boost tenant line-up in Walton-on-Thames centre

O&H Properties has appointed GCW to help drive its leasing strategy at its Walton-on-Thames shopping centre, The Heart. The successful retail and leisure centre serves an affluent catchment and the team are tasked with improving the tenant mix through strategic repositioning.

O&H Properties opened The Heart Shopping Centre back in 2006. The part-covered mixed use scheme incorporates 59 shops and 10 restaurants and cafés, together with a library, gym and 279 apartments. Anchored by Sainsbury's and Next, it incorporates 260,000 sq ft of retail and leisure space.

GCW pitched for the opportunity to work on the scheme in December 2021 and were appointed on the back of their track record and commitment to delivering sustainable tenant line ups that meet the demands of the local catchment. Its comprehensive pitch document highlighted an opportunity to repurpose the centre, placing a greater focus on convenience and service led uses.



GCW Director, Philippe Micheal, said: "We're thrilled to have won another London suburb instruction. We're passionate about ensuring our town centres are fit for purpose and reflect the demands of the local catchment and The Heart is in an ideal position to respond to

the changing needs of the local market. We look forward to working with O&H Properties to add value and help future proof the asset."

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## GCW serves up flurry of deals for KFC

GCW has helped KFC make four key acquisitions as it continues with its UK expansion drive. Amidst fierce competition for sites, the team has successfully secured units in Reading, Leatherhead, Acton and Chatham, all of which are now open and trading.

KFC has traded well during the pandemic and is capitalising on the growing demand for this brand, with an aggressive acquisition strategy. In Acton, GCW has completed the acquisition of a 1,898 sq ft unit at the front of The Oaks shopping centre in the heart of the town centre. KFC sits alongside tenants including Lidl and Wilko, paying a base rent of £60,000 per annum with a turnover top up.

The team has also secured two high street units in Leatherhead for KFC and

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The four deals are the latest in a series of acquisitions which range from drive-thru to high street takeaways.

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Taco Bell. A former Prezzo restaurant unit has been divided into two, providing the brands with a prime position on Church Street, with pull up parking at the front. KFC and Taco Bell are paying £27,300 pa and £37,700 pa respectively. KFC has been seeking an opportunity in Leatherhead for some time and the 1,896 sq ft town centre unit is ideally placed next door to Waitrose.

The brand is also busy fitting out a 2,777 sq ft unit in Reading adjacent to Costa. GCW sealed a deal for Unit 2b at Chalfont Square Retail Park on basis of a 15-year lease at a rent of £54,480 per annum. Meanwhile, in Chatham, KFC have secured a 2,150 sq ft restaurant unit with



dedicated outside seating at the Chatham Maritime leisure scheme. They opened alongside GDK and Costa with the new 30,000 sq ft Ninja Warrior offer above. A 10 year lease was negotiated at an annual rent of £43,500 pa.

GCW has acted for KFC since 2003 and is now the main agent helping acquire sites across the South of England. The four deals are the latest in a series of acquisitions which range from drive-thru to high street takeaways.

GCW Partner Simon Horner commented: "We have developed a detailed understanding of KFC's requirements and by adopting a flexible acquisitions strategy, the brand has been successful in entering new target markets. We will keep exploiting new opportunities and help meet their target of opening a further 30 to 40 units in 2022."

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# GCW retained by A.S. Watson to drive Savers and Superdrug

A.S. Watson Group, the owner of brands including Savers and Superdrug, has appointed GCW as retained agent for the South of England. The world's largest international health and beauty retailer has ambitious plans for its UK store portfolio. GCW will identify acquisition opportunities for Savers and Superdrug stores as part of an ongoing expansion drive.

Established in Hong Kong in 1841, A.S. Watson Group has a global portfolio of more than 16,200 stores in 29 markets. The retailer has identified the UK as a growth market and has set a target of opening 20 Superdrug and 35 Savers stores across the South of England each year from 2022 as part of a rolling expansion programme. Following a competitive tendering process, the group has appointed GCW as retained agent, with a remit including acquisitions, disposals, and professional advisory work.

A.S. Watson has already opened around 800 Superdrug and 500 Savers stores across the UK yet sees potential to extend its reach. GCW will now work to identify acquisition opportunities across the South of England. Priorities include bringing new 2,500 – 3,500 sq ft high street Savers stores to London suburbs, and helping Superdrug upsize to larger 3,500 – 8,500 sq ft out-of-town and city centre ambassador stores, incorporating additional services such as treatment and brows.



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The retailer has identified the UK as a growth market and has set a target of opening 20 Superdrug and 35 Savers stores across the South of England

GCW Partner, Simon Horner, said: “We are incredibly excited to be working with such a high-profile high street occupier keen to extend their portfolio. Our boots on the ground approach really resonated with them.”

He added: “At GCW we are renowned for unearthing opportunities and securing most acquisitions off-market. Our proactive attitude helps clients meet their strategic goals and we look forward to working with high street mainstay A.S. Watson to embark on the next stage of growth.”

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## StoreAway continues UK expansion



GCW has helped self-storage operator StoreAway seal its latest deal in Liverpool city centre. Its latest acquisition will transform the upper parts of the former Next unit on Church Street, demonstrating how this growing use class can offer redundant town centre assets a new lease of life.

The operator has committed to a 15-year lease on 40,000 sq ft of former retail space at 18-20 Church Street in Liverpool. The self-storage operator has agreed a deal with Redevco which will see floors 2 to 6 transformed into a self-storage unit. StoreAway is paying £137,500 pa plus 15% turnover. The deal incorporates a rent free period and capital contribution. Alongside Liverpool, StoreAway has also secured acquisitions in Cheltenham and Birmingham's Corporation Street. Later in the year, the brand is looking to

secure planning for a unit in Basildon and is exploring further town and city centre opportunities across the UK.

GCW Partner, Simon Horner, said: “We are delighted to have helped bring StoreAway to Liverpool and we're looking for further town and city centre units of between 30,000 and 60,000 sq ft. The self-storage market has proved particularly resilient during the pandemic and offers a great opportunity for landlords to generate income from redundant assets.”

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# Opinion: Simon Morris

The rise in the cost of living is affecting all of us. We may not see the same short sharp shock to the system as the start of the pandemic, but the impact on consumer spending may cut deeper and last longer.

The energy price cap has risen over a 12-month period to February 2022 by 73%. Over the same period the cost of diesel on the forecourt increased by 28% and according to Kantar, February 2022 saw the fastest rise in food price inflation in 8 years. These inflationary pressures are hard hitting and due to global drivers, such as the conflict in Ukraine, climate change, and lockdowns in Asia, are difficult to control at a national or local level.

## Decisions

For those on low incomes this will present stark choices. Discretionary spending for those at median levels of income will be limited, especially when it comes to comparison goods and leisure. People will be assessing where they can cut back and what luxuries they will do without.

From an occupier perspective, we are likely to witness further polarisation with value or food-based offers attracting a higher percentage of available spend. We expect to see these sectors enjoy further growth both in terms of store numbers and footprint.

To tempt consumers to purchase non-essential items, more fashion retailers with branded products are likely to offer "buy now, pay later" options. Whatever view people take on the ethics of the post-payment services offered by the likes of Klarna, Clearpay, and Laybuy, the reality is that as purse strings tighten, more companies will use them as a tool to improve sales.

At the opposite end of the scale,

mid-market aspirational and high-end occupiers are unlikely to see a significant impact on sales and we expect to see growth in this sector. The more affluent consumer may well be more discerning in their purchasing and prioritise quality and provenance.

The effect of this continues to hasten the demise of the squeezed middle. Occupiers who have no clear proposition and compete on price only without a clear sense of values, will suffer most.

## Places

The relaxation of pandemic restrictions over a sustained period, together with growing confidence they are not about to be reinstated, has led to customers returning to physical stores. Yet people are more considered in where they shop and the squeeze on spending will further influence those decisions. Necessary spend will be conducted in their immediate locality, this is especially true for those most sensitive to fuel price rises.

For discretionary spend, the consumer will conduct this in locations that offer something compelling. They will need a depth and variety of offer and provide an attractive environment with high quality public realm and architecture.

Occupiers, investors, and owners need to be increasingly aware of the ongoing impact of rising living costs. In the coming months, the priority is to adjust and review their strategies appropriately to maximise the potential of their assets and manage them appropriately.



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# The three Rs of urban regeneration

**David Lewis**, Executive Director at RivingtonHark, explains how the three Rs of reinvention, repurposing and rejuvenation hold the key to the future of town centres. We learn how the company's unique skills set is adding value for public and private sector clients.

RivingtonHark is one of the UK's most active players in the world of town and city centre rejuvenation. Managing projects with a value in excess of £750m, the team works alongside local authorities, pension funds and capital providers to deliver vibrant mixed use projects which meet the needs of their local catchment. Be it helping shopping centre owners breathe new life into tired assets, or collaborating with councils to repurpose their town centres, the business lies at the heart of urban rehabilitation.

David Lewis has enjoyed a successful career in town centre development management. As founder of Rivington

Land he was instrumental in delivering complex urban environments. Yet as the market evolved, it became clear that creating sustainable town and city centres required a more holistic approach. The 2019 merger of Rivington Land and retail asset management platform Hark Group provided an opportunity to combine specialist development, asset management and investment.

David says: "We were working on large town centre projects in Chester and Swansea, and it was obvious to me that creating centres that are fit for purpose wasn't just about building something new but also remodelling existing

assets. Similarly, the days of vanilla asset management are behind us and adding value to a shopping centre often involves some form of physical transformation. We needed to marry those skills."

## Multi-faceted

Combining asset management, development management and investment expertise gives RivingtonHark the skills and agility to respond to changing client demands. A prime example is Enfield where the business successfully partnered with GCW to win a bid to help the landlord revitalise its two shopping centres, Palace Exchange and Palace Gardens.

Reengaging with Enfield's catchment will require a combination of mixed use repurposing and asset management expertise to meet demand for an evening economy and family leisure.

RivingtonHark's cross-sector skills are proving particularly useful in helping local authorities rejuvenate tired assets and urban centres, not just through the development and leasing process but also raising money, securing grants and forming delivery joint ventures. Swansea City Council for instance has drafted in the team to help reposition the city as a more attractive destination. The first phase, which has just opened, is the delivery





of the £135m leisure project Copr Bar incorporating a new entertainment arena which is already acting as a major catalyst for further mixed use development.

Other major public sector projects include work with Newcastle City Council on a £40m-plus capital works programme. The programme focuses on exploiting RivingtonHark's placemaking skills to transform prominent streets and spaces into attractive environments where people want to spend their time and money. Meanwhile, the team continues to support Chester City Council on its ambitious Northgate project which is due to complete later this year.

All projects involve the three Rs of reinvention, repurposing and rejuvenation. Every area has its own formula for success, but the principles remain the same – creating a sustainable offer which will give a compelling reason to visit.

"It's encouraging to see that people don't want to lose their town centres" says David. "across our asset portfolio retail and leisure footfall is typically back to around 70%-80% of pre-pandemic

levels. These centres are still massively oversupplied with retail but there is an opportunity to bring in other uses and give people a reason to keep coming."

### Thinking outside the box

Exploring alternative uses is critical. The obvious choice is hospitality and leisure which form the core of many of RivingtonHark's current projects. Meanwhile, there is a housing shortage in many parts of the country and David is encouraged by the level of interest in office space within mixed use schemes which can offer flexibility of sizes and terms of lease.

Beyond that, there is a range of creative solutions to filling the void left by retail. RivingtonHark was the first to introduce a vaccination clinic in a shopping centre in the UK and has recently delivered numerous job centres and healthcare facilities. The company is even talking to the NHS about creating allotments on the top deck of car parks.

"There's always a solution" insists David. "The truth is that I am more excited

about the next 10 years of my career than at any point over the last two decades. I've watched the internet take hold and found myself as a specialist in an industry in decline. Yet people have voted with their feet and want their town and city centres to thrive."

The unlocked potential of our urban centres is feeding a resurgence in investment activity. As a team we have transacted 7 shopping centre assets in the last 24 months for both public and private sector clients. Plus, our active search for high quality retail assets continues a pace for our strategic investment partner, Redical, following the recent purchase of Leeds Victoria Gate and Victoria Quarter for £120million from Hammerson.

David concludes: "I'm excited about what's in store. Reviving our town and city centres is a big task and due to the brain drain, there is a fairly small pool of people left with the passion, experience, resources and willingness to co-invest. That's where sector specialists and experts in the mechanics and workings of town centres like RivingtonHark and GCW will come to the fore."



The truth is that I am more excited about the next 10 years of my career than at any point over the last two decades. I've watched the internet take hold and found myself as a specialist in an industry in decline.



# Vinegar Hill expands portfolio

GCW has secured two new stores for retailer Vinegar Hill. The independent business which sells a range of homeware, gifts, clothing, jewellery, and accessories from around the world, is expanding its reach in response to strong consumer demand. The latest phase has seen the business open new shops in Bishop's Stortford and Witney.

Family-run retailer Vinegar Hill launched in Stratford-upon-Avon in 1997 and has since built a portfolio of 12 UK stores. The retailer is trading strongly post-lockdowns and GCW is supporting its ambitious expansion programme, helping secure prime sites in key towns.

In December 2021, Vinegar Hill opened in the former Joules store on Potter Street in Bishop's Stortford. The unit on the front of Jackson Square is 1,156 sq ft on ground floor with a further 555 sq ft at first floor and has traded strongly since opening. This was followed in March 2022 with the opening of an additional shop at 30 High Street in Witney, Oxfordshire, in a move to expand into affluent market towns.

GCW is busy helping Vinegar Hill identify further opportunities in comparable



market towns. The team is seeking high street units of 1,000 -1,500 sq ft ground sales and circa 500 sq ft ancillary space. It is looking to secure a pipeline of new openings throughout this year and into 2023.

GCW Associate Director, Archie Morriss, said: "Vinegar Hill is a growing

brand with a unique and exciting product range. The new store in Bishops Stortford and Witney look great and we look forward to helping the retailer with their expansion."

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# Richmond's retail market capitalises on growing demand

GCW has helped secure a number of new lettings in Richmond-Upon-Thames as the retail and leisure markets in London suburbs, villages and commuter towns continue to perform strongly.

Like many London suburbs, Richmond's property market is experiencing a combination of growing mid-week footfall and increased

demand from both local independents and established occupiers keen to serve an affluent local catchment.

GCW acted on behalf of CBRE Investment Management to agree terms on a 10-year lease to Oree. The French bakery chose Richmond George Street for its latest London boulangerie, paying £85,000 pa for the 577 sq ft unit.

Dobbies Garden Centres decided on Richmond for one of its new Little Dobbies stores, also signing a 10-year lease on George Street. It is now open and trading from the ground floor of the former Topshop unit paying the higher of £130,000 pa or 8% of turnover, bringing a curated range of convenience gardening products and houseplants to the town.

Archie Morriss, Associate Director at GCW, said: "After a difficult period, the retail market in Richmond has bounced back strongly. We've noticed a significant uptick in demand for prime retail units, having completed on three deals over the past six months, with an additional two under offer and three further live instructions. It's a prime example of how changing working patterns are giving the capital's boroughs and commuter towns a new lease of life."

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# Opinion: Callum Mortimer

## F&B is key beneficiary of post-lockdown demand

After a tough two years dealing with the fallout of the pandemic, the great British public is desperate to eat-out, drink and socialise. At the same time, positive changes to the planning use-class system are making it far easier for landlords to exploit demand and occupiers to acquire prime premises.

F&B has a key role to play in creating vibrant and sustainable town centres. Pre-pandemic it was key for mixed use destinations as a means of getting people to visit and dwell, to boost footfall and extend operating hours.

Unlike retail sectors like fashion, it also has the advantage of providing something that can't be bought cheaper online. The property industry was already waking up to the fact that the future of town and city centres lies in experiential offerings rather than purely transactional retail.

When Covid struck, that transformation was put on hold. There were of course casualties, many of which overstretched themselves pre-pandemic and others who simply ran out of cash. It would be difficult for anyone not to have sympathy for these occupiers who are so heavily reliant on customers who were suddenly reduced to a fraction of essential income.

Yet the good news is that people have money to spend and town centres are once again open for business. Consumers are keen to make up for lost time enjoying experiences they can't get in front of a screen, or by the click of a button.

Insolvencies and empty units have become opportunities; particularly those that are at least partially fitted with extract which are in such high demand. Many F&B occupiers have attracted private equity investment with clear business plans to drive growth by opening significant numbers of new stores.

Market research firm Lumina Intelligence predicts that the value of the UK restaurant market will grow by £6.6

billion in 2022 - 94% of pre-pandemic levels. The market isn't without its challenges, yet quality operators that connect with consumers will overcome rising costs to exploit demand.

That growth is boosted by the recent introduction by the Government of Class E Planning use which came into effect in September 2020. The new all-encompassing use class meant that F&B operators struggling to gain planning consent could suddenly secure prime high street units.

The demand from retailers is not what it once was, and F&B occupiers are filling that gap. This is good news for landlords, especially where there is competitive tension and rents are driven upwards.

At GCW we are seeing strong appetite from both operators and owners to capitalise on the trend.

The majority of our town centre lettings are F&B-related, be it grab & go, Quick Service Restaurants, or casual dining.

Brands are keen to expand their portfolios, albeit with caution and a focus on prime locations.

We are for instance, helping Japanese sushi and bento restaurant Wasabi expand its portfolio.

In 2021 we helped secure acquisitions in Bishopsgate, Clapham Junction, Putney, and Kingston, with terms agreed on further properties.

The conversion of retail units does come with challenges such as power upgrades, drainage, and gas. However, if property owners are willing to adapt space, prioritise quality and learn how to value popular independents, F&B will continue driving town centre rejuvenation.

It is an exciting time to be involved in the sector and see established and aspiring brands bring our high streets to life.

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Town centre are once again open for business and consumers are keen to make up for lost time enjoying experiences they can't get in front of a screen

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# Deals

## Goodman's Fields

GCW has secured further lettings at Berkeley Capital's Goodman's Fields in Aldgate. Boom Battle Bar has taken 8,000 sq ft on a 15-year lease and will open in March within a unit close to the four-screen Curzon cinema. The deal follows recent lettings at the seven-acre mixed use development to Amazon Go, Dan Dan Noodles, and Kova Patisserie.

## Whetstone

GCW has acted for client GM London to agree a deal with boutique provider N Family Day Nursery. The nursery will occupy the commercial ground floor space at GM London's Rubric development at 12 – 14 Oakleigh Road in Whetstone which will incorporate forty-one luxury apartments. The nursery will incorporate 6,500 sq ft, plus outdoor space.



## Orford House

GCW has found a new owner for Norwich landmark, Orford House. The 110,000 sq ft former home of Debenhams sold with vacant possession to a developer on behalf of a propco client.

## Arcadia sale

The former Topshop unit in Norwich's Haymarket was sold to PPR Estates for £2.465 million. GCW completed the transaction on behalf of Arcadia administrator, Teneo.



## Cornish Bakery

Cornish Bakery has opened its latest shop at 86 High Street, Rye. The bakery opened in February, featuring its new look fit out. GCW is helping the independent bakery group extend its reach to incorporate quality market towns and outlet centres. It is in legals for another five acquisitions with a view to opening 12 more units in 2022.



## Lidl

GCW has acted for Lidl on the acquisition of a 20,000 sq ft store on Green Street, Upton Park.

The off-market deal was secured on a 25-year, FRI lease at an initial rent of £225,000 pa exclusive - with 12 months' rent free over the first five years of the term. The German-owned retailer is refurbishing the former Peacocks unit to extend its London store portfolio and hopes to open Q2 2022.

## Hempstead Valley Shopping Centre

JD Gyms has agreed a 15-year lease for 20,000 sq ft of space at Hempstead Valley Shopping Centre. GCW acted on behalf of the centre's owner Blackrock to secure a rent of £130,000 pa. The deal marks the completion of the refurbishment of the Kent centre's East Mall entrance.



## Hammersmith

Hammersmith Broadway Shopping Centre has secured two new lettings in a drive to improve its food and beverage offering. GCW agreed deals with Joe and The Juice and Oseyo, which sells a variety of Korean foods, toys, stationery, houseware and electronics. GCW is working with Broadway owner CBRE GI to replace poorly performing tenants with "on trend" brands.



# TK Maxx to open store at Bishop's Stortford's Jackson Square

TK Maxx has agreed a 15-year lease on a new anchor store at Bishop's Stortford shopping centre Jackson Square. GCW has helped centre owner Legal & General secure a deal which will see the designer discount store occupy 21,000 sq ft of repurposed space.

The 200,000 sq ft Jackson Square shopping centre is located in the heart of the affluent market town and is home to more than 40 stores including H&M, Next, New Look and Sainsburys. The TK Maxx store will form part of a wider remodelling of Jackson Square which will include the relocation of existing tenants such as F Hinds and two

independent traders, together with the creation of a new central square. The development will also compliment the council's 'Old River Lane' proposals and retain an active link between the centre and the Old River Lane Site, via Causeway.

Legal & General has made significant investment in the centre since its acquisition in 2011. This latest phase follows the creation of a store for H&M and completion of a centre wide refurbishment programme. Recent lettings include Vinegar Hill, Nando's, and Hotel Chocolat.

Nic Elvidge, Legal & General's Senior

Asset Manager on the Managed Fund, said: "TK Maxx will provide a great focal point for Jackson Square and will form an integral part of Legal & General's ongoing investment programme. Commitment from all sides for this type of letting underlines that physical shopping still has a vital role to play in successful town centres. We look forward to securing further lettings, from a wide variety of uses, as the centre continues to respond to the changing needs of the local community."

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## GCW secures prime Reading asset

GCW's investor team has transacted 40 – 46 Broad Street Reading for £4.6 million, reflecting an NIY of 8%. The off-market purchase from abrdn gives the new owner an opportunity to repurpose an extensive town centre site.

The 2022 opening of Crossrail will provide a major boost to Reading's economy which has already bounced back well post pandemic. GCW has helped its client exploit the town's growth potential by securing a prime site that will benefit from the transport enhancements.

40 - 46 Broad Street incorporates three retail units occupied by



The deal demonstrates GCW's experience and expertise in town centre transactions.



Specsavers, The Entertainer and Card Factory. The 0.35-acre freehold site incorporates a rear service yard and the only two storey properties on Broad

Street, offering an opportunity to increase the height of the asset for alternative uses, such as residential or office space.

GCW Partner, Oli Horton, said: "This asset presents an attractive blend of high yielding secure income and add value potential. It is hard to find these opportunities off market. The deal demonstrates GCW's experience and expertise in town centre transactions and we are now helping our client identify the best option to better utilise the site in the context of the current market."

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# Cinema and leisure operator confirmed for landmark development in Redhill

The Light will open a new cinema, bowling and entertainment venue for Easter 2023 as the main tenant within the council's new landmark development in Redhill town centre, now called The Rise.

The Light has committed to a long lease to bring a six-screen premium cinema, offering a wide choice of films and events, a nine-lane boutique bowling and retro arcade, a diner and bar and a range of other new leisure activities.

GCW has secured The Light on behalf of Reigate & Banstead Borough Council as the anchor tenant with 35,000 sq ft of entertainment space in its flagship new development currently being built between the High Street and Marketfield Way. It has also agreed a deal for a circa 3,500 sq ft Tesco Express convenience store.

The two deals mean that half of the

commercial floor space is now let. GCW is in discussions with a number of other potential tenants on behalf of the council for the remaining seven units.

The Rise will feature a range of places to eat and drink centred around an attractive new pedestrian route, whilst leisure and workspace uses are planned for the first floor. The scheme also includes 150 apartments which the council has sold to the private housing provider and boutique apartment rental brand Kooky.

James Morris, CEO, The Light Cinemas said: "We are delighted to be able to bring a whole new entertainment and leisure experience to the people of Redhill and excited to be part of the town's transformation.

We are hugely grateful to the council for their support and look forward to working with them to help realise our ambition to make this the best leisure facility in Surrey."

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# Opinion: Oli Horton

At GCW, our investor team has enjoyed a busy first quarter. The market is showing encouraging signs of recovery, buoyed by increased appetite for prime town centre assets.

It has been a positive start to the year for the prime town centre investment market. A number of factors are driving demand, namely improved occupational confidence, internet spend retreating towards pre Covid levels, sustainable rents, and attractive yields compared to other sectors in a world of increasing interest rates.

The top 50 centres are proving particularly attractive. As occupiers consolidate to focus on prime pitches, vacancy rates are dropping, and the supply / demand balance is beginning to correct itself. The right product in the best towns – dare we say it – could potentially experience rental growth over 2022/23 as occupational demand continues to improve and supply falls in addition to the rates revaluation set to reduce occupational costs further next year.

We have seen yields compress by c100-200 basis points in the last 6 months. Liquidity has improved with competitive tension on most assets. For single let assets, demand has been driven by private investors, especially recently from Hong Kong, and on larger multi let blocks or shopping centres by new capital from a growing list of local and regional propcos or private equity. In addition, the best vanilla products are now attracting a level of fund interest that has not been seen for several years.

Whilst the majority of purchases are being made on an unleveraged basis, we are starting to see the availability of debt on low LTVs return to a level which we believe will compress yields further throughout 2022. That being said, with rising inflation and costs now becoming real, will the consumer squeeze dampen

sentiment? Retail spend has historically remained resilient during periods of inflation and larger ticket items such as holidays and cars have witnessed a significant decrease in spend.

We anticipate the consumer squeeze to further accelerate polarisation in the occupier market. This will result in major regional cities and affluent market/commuter destinations outperforming areas with less disposable income.

GCW has transacted prime town and



We have more than 30 years of experience advising buyers and investors and have developed in-depth knowledge across all use categories



city centre assets right across the UK in recent months in locations including Bath, York, Windsor, Edinburgh, and Reading. We have more than 30 years of experience advising buyers and investors and have developed in-depth knowledge across all use categories. GCW are in a unique position as their market leading occupier team can provide investors with confidence to support an asset's disposal narrative/business plan.

MORE INFORMATION FROM  
[oliver.horton@gcw.co.uk](mailto:oliver.horton@gcw.co.uk)



Retail spend has historically remained resilient during periods of inflation and larger ticket items such as holidays and cars have witnessed a significant decrease in spend



# Moving on up

GCW has moved to 50 Great Marlborough Street in the heart of Soho. The new office provides more flexible working space and an attractive environment as the business continues on its impressive growth trajectory.

GCW's growing team now sits just a 3-minute walk from Oxford Circus tube station, close to London's iconic retail locations Regent Street and Carnaby Street. The office space incorporates four meeting rooms, hot desks, breakout space and zones for collaborative

working. All furniture has been ethically sourced, and the business will use the move to help it reduce its environmental impact.

Oli Horton, GCW Partner, commented: "People need to have more reason to invest in their commute, and be offered something they can't get from being at home. We continue to invest in our team, boosting our capabilities and welcoming new talent. We're now in the heart of the action and we look forward to welcoming clients to our new home."



## GCW welcomes new recruits

GCW has announced four new appointments as part of its ambitious growth strategy. Bringing on board new talent will help the team build on its town centre expertise and respond to the needs of a growing client base.

**Chris Kenealy and George Cook** have joined GCW's Owner team advising Owners and Stakeholder clients on a range of existing projects. Chris previously worked in a multidisciplinary role for a Midlands-based practice, with particular experience in areas including lease advisory, business rates and compulsory purchase. Meanwhile,

George has three years of cross-sector agency expertise under his belt with a West End firm.

**Charlie Hanrahan** is a Real Estate graduate of Nottingham Trent University

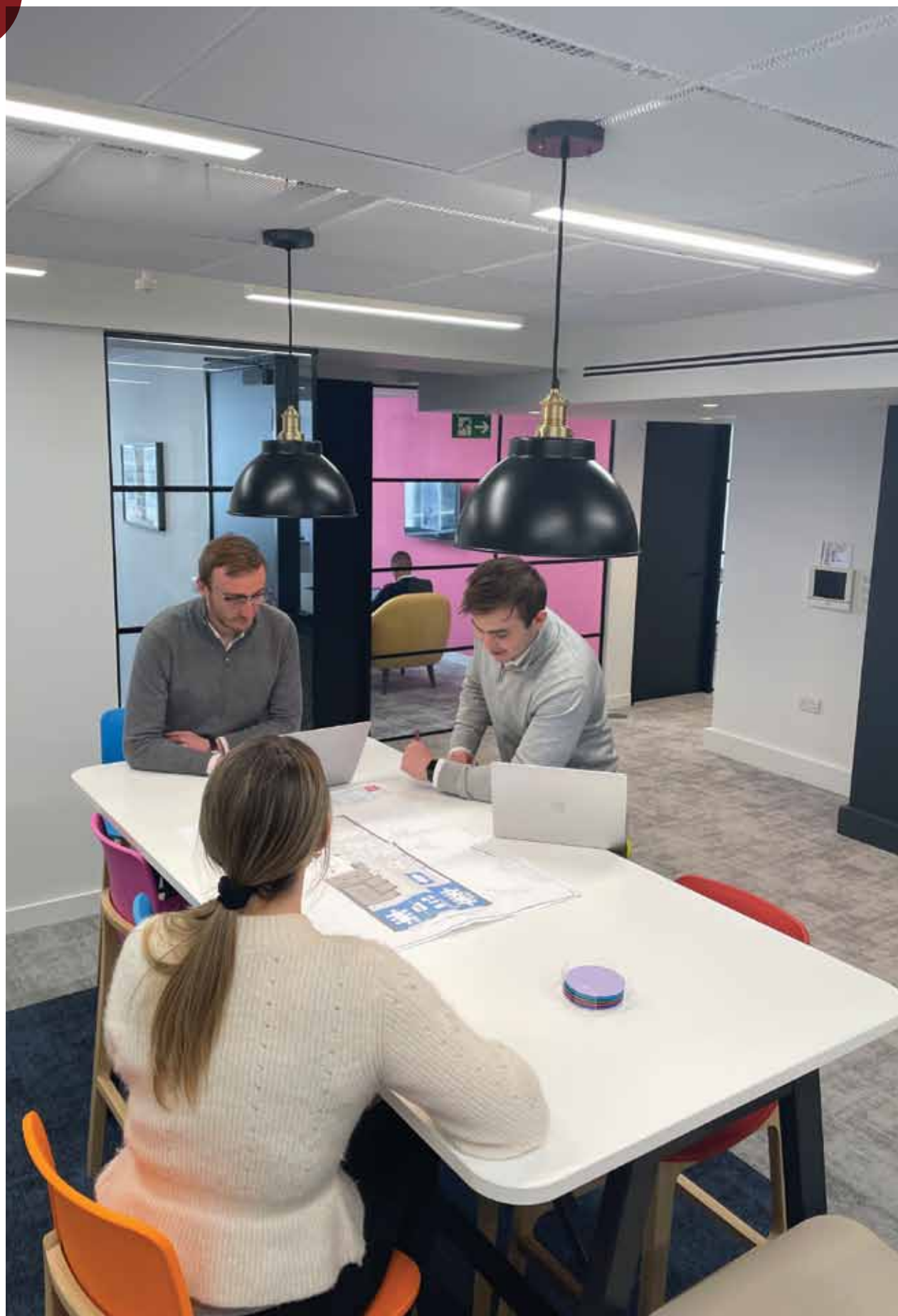
and joins GCW's busy Occupier team. Another recent graduate, **Will Mead**, is supporting the Investor team on acquisitions and disposals of town centre assets, having completed his Master's degree in Real Estate at London's Cass Business School.

GCW Partner Nick Warr, said: "We are excited to be welcoming new members of the team to help us manage future growth. The appointments build on an already strong talent pool, and we will continue investing in our people and capabilities to maximise value and provide the best strategic advice for our clients."



We are excited to be welcoming new members of the team to help us manage future growth.















# Introducing the GCW teams

## Owner

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## Occupier

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 Simon Horner 07970 479 458 simon.horner@gcw.co.uk	 Simon Morris 07974 170 043 simon.morris@gcw.co.uk	 Tim Ashe 07570 582 028 tim.ashe@gcw.co.uk	 Keith Whale 07977 416 944 keith.whale@gcw.co.uk	 Oli Horton 07788 695 859 oliver.horton@gcw.co.uk

## Investor

## Town centres are changing. GCW help you change with them.

GCW partners with investors, landlords and occupiers to deliver long-term sustainable property solutions within an ever-changing town centre landscape. Talk to our team and learn more about what GCW can do for you.



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**GCW.**

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