

Game change.

April 2023

GCW.



White City Living

Berkeley Group appoints GCW on major West London development **p5**

Epsom

GCW boosts tenant mix at The Ashley Centre **p5**

Retail renaissance?

GCW assesses the health of physical retail **p8-9**

Going Wylde

GCW puts sustainability at the heart of its growth strategy **p6-7**



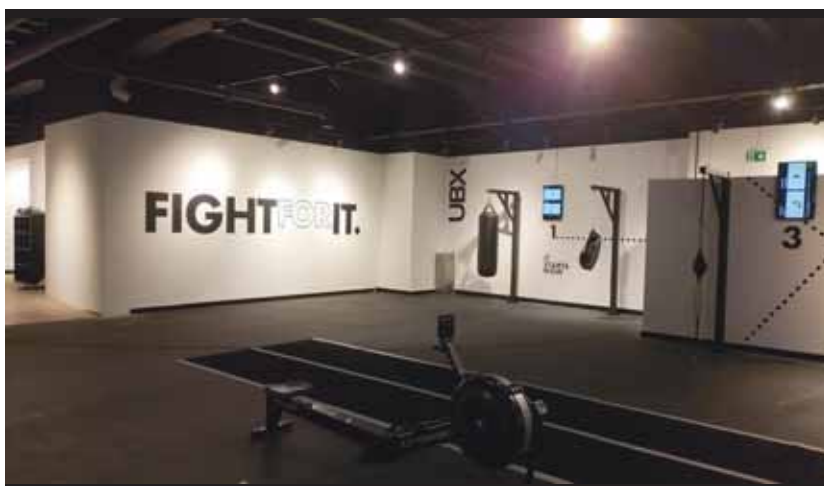
GCW mandated by boxing brand for UK roll out

GCW has been appointed by global boxing brand UBX to help secure new sites across the UK as part of a £40 million expansion to open 250 clubs over the next six to eight years.

Co-founded by fitness entrepreneur Tim West and four-time world champion Australian boxer, Danny Green, UBX has been franchising gyms since 2016 and has more than 90 sites across Australia, New Zealand and Singapore. Last year, Empowered Brands, owner of énergie Fitness, agreed a deal to roll out the concept across the UK and Ireland.

The brand is seeking locations for its small format boxing and strength training clubs which will range from 1,200 to 2,000 sq ft. The operator typically takes a 10-year lease with no breaks subject to a market rent free period. UBX opened its first UK franchise centre in Media City, Salford last month and GCW has since secured sites in Sheffield and Bath.

GCW Partner Simon Horner said:



“UBX is an exciting and innovative fitness brand. Having enjoyed great success internationally, its unique offer is just what the UK market is looking for. We are confident that we can help build a strong

portfolio and will be announcing a series of new deals over the coming months.”

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

Investment secured to rejuvenate Oxford's historic Covered Market

GCW has advised Oxford City Council on the future of one of the city's key heritage sites. The consultancy has informed a new masterplan for the Grade II-listed covered market to deliver almost £7 million of improvements.

Oxford's covered market dates back to the 1770s and is home to a rich mix of independent traders. Yet the key asset risks managed decline if it fails to keep evolving and meet the changing needs of its users, be they residents within

the catchment, transient users such as students, or periodic visitors undertaking unique visits, such as tourists. GCW went through a formal procurement process to provide consultancy to Oxford City Council on the future of the market. The team was tasked with appraising remodelling options prepared by Gort Scott Architects, applying its town centre expertise, data analysis and market knowledge to present a series of recommendations for the Council.

Oxford City Council has now drawn

up a masterplan and secured a £6.8 million funding programme. The focus is on enhancing the asset and increasing footfall and dwell time to ensure the market keeps meeting the needs of its visitors. Key improvements will include transforming entrances, expanding internal seating areas and providing a new pedestrian-friendly Market Street to improve links to Cornmarket and beyond.

GCW was instrumental in evaluating options and informing the plans. The team has a track record working with local authorities on their town centre strategies, supporting the likes of Mid Sussex District Council on its shopping centre in Haywards Heath and advising Reigate & Banstead Borough Council on The Rise in Redhill.

Oxford City Council's Economy, City Centre and Green Transport Lead, Ted Maxwell, says: “GCW's commercial agent expertise helped us to focus on the elements of our initial ideas which were most likely to secure a sustainable future for the city's prestigious Covered Market. Now the investment has been approved, we look forward to getting the next stages of the project underway.”



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

Opinion: Simon Horner

Supermarket sector shows strong fundamentals

Nobody doubts that 2023 will be a challenging year for occupiers with rising costs and economic uncertainty. Yet for the supermarket sector there are still grounds for optimism.

Supermarkets reported strong results in the run up to Christmas when trading topped £12 billion. Asda, Sainsbury's and Tesco all enjoyed growth of over 6%, whilst Aldi and Lidl saw sales rocket by more than 20% as they continue to increase their market share.

Despite ongoing investment in delivery platforms, supermarkets have not lost their appetite for strengthening their physical store portfolios. The likes of Tesco, Co-Op and Sainsbury's have been particularly active in the convenience store market. Although the latter two have started to slow down their acquisition programmes in recent months, Tesco has accelerated its expansion. The retailer is on the look-out for new opportunities to open units of between 2,500 to 5,000 sq.ft. Preferred locations include new housing developments, neighbourhood centres, high streets, student residential areas or sites close to transport hubs.

Elsewhere, Asda finally followed suit and announced its intention to open 300 convenience stores. Given their takeover by the owner of Euro Garages, expect forecourts to play a key role in meeting that target. Amazon now has around 20 stores open and trading and although the pace of acquisition has slowed whilst it takes stock, the retailer is still keen to expand its UK portfolio. The likes of Costcutter and Spa also remain acquisitive, focusing mainly on localised parades and new housing developments.

The reduction in high street rents has fuelled the expansion of the convenience store market and opened up previously unaffordable locations. GCW for instance helped Tesco secure the former Bon Marche unit on Rye Lane in Peckham following a downward rental adjustment. Supermarkets are also keen to get into

mixed use residential led schemes. Both Sainsbury's and Amazon secured space at Aldgate development, Goodman's Fields.

At the other end of the scale, there has been very little large scale supermarket development in recent months and time will tell whether the Asda takeover will really see them expand their store portfolio.

The middle ground is dominated by Aldi and Lidl who continue their search for c20,000 sq ft floorplates and car parking requirements of between 80-100 spaces.



The reduction in high street rents has fuelled the expansion of the convenience store market.



Both are having to deviate from this to continue finding sites in Greater London.

Aldi has so far proved more creative and flexible. Although it must impact on margins, Aldi has clearly decided that it is willing to compromise on its requirements to secure market share. Lidl is slowing down expansion as costs bite on its business model. The market will be watching closely to see if this is anything other than a short-term correction. Elsewhere, Morrisons has recently opened a number of its 15,000-20,000 sq ft Marketplace stores, although the takeover of McColl's seems to be impacting on any further roll out.

Rentals for new convenience store locations are still holding firm and we expect to see a continuation of smaller format expansion. The question is whether there will be a resurgence in demand for larger formats, especially where supermarkets look to bring new brands in to drive footfall.



The question is whether there will be a resurgence in demand for larger formats, especially where supermarkets look to bring new brands in to drive footfall



Deals at Feltham shopping centre boost tenant line up

GCW has advised client Aviva on a flurry of lettings at The Centre in Feltham. The team has secured several deals to reduce vacancy rates and bring in new names not previously represented in the town.

The Centre, Feltham is a one million sq ft retail, leisure and residential development. GCW has advised on the scheme for almost 20 years. As part of an ongoing drive to improve the tenant mix, the team has secured a letting to Dunelm. The retailer opened a new store in the former Next unit. Dunelm agreed a 10-year lease and joins a range of tenants including an anchor Asda food store, JD Sport, Poundland, Matalan and Superdrug.

GCW was also instrumental in securing PureGym, which has exchanged on a 15-year lease for the unit previously occupied by Argos. That deal came alongside a range of complementary F&B lettings. Indian street food operator Chaiwala is taking Cards Direct's former unit and will trade alongside new arrivals Wenzel's The Bakers and German kebab chain GDK.



The Centre incorporates around 60 stores and 850 car parking spaces. GCW has worked with Aviva to provide a mixed use offer that meets the needs of the local community. Alongside shopping, the centre's comprehensive offer includes community facilities such as a library, Travelodge and medical centre.

GCW Associate Director Archie Morriss said: "These recent retail and

F&B lettings really boost the tenant mix and demonstrate the enduring attraction of the asset. At GCW we have applied our knowledge and expertise to secure new occupiers and create a vibrant visitor destination in the heart of Feltham town centre."

MORE INFORMATION FROM archie.morriss@gcw.co.uk

Robust demand for nursery assets

The nursery investment market continues to attract significant interest, boosted by the Chancellor's recent announcement on free childcare entitlements.

GCW's investor team has noted a strong appetite in recent months for nursery assets which now have a key role to play in sustainable urban placemaking.

There is more demand than ever for quality childcare provision as more people balance the demands of work and parenting. In many parts of the country, finding a decent nursery place can be a real challenge. Lockdown may have been a very difficult time for the nursery sector, but the most sought-after providers are now enjoying significant growth.

The recent Budget announcement further buoyed the market. From 2024,

working parents with children aged 1-4 years old will be entitled to 30-hours a week of free childcare. Competition for the places is set to intensify.

Demand for nurseries is robust and investors are drawn to these strong fundamentals. Competition is strong for the best sites, and we anticipate attractive rental growth. There are several new well funded operators entering the market, such as N Family and Kido, competing for sites with the well-established brands Busy Bees and Bright Horizons. Lease terms are also appealing. 15 to 25 year terms depending on demand are expected and index linked rent reviews make it a compelling sector for income investors.

GCW Senior Surveyor Ben Legard commented: "We have advised clients on a number of nursery purchases over the last 12 months and have many more under offer. We have developed a strong track record as the market leader in this sector and the increase in free childcare provision will fuel further demand."



MORE INFORMATION FROM ben.legard@gcw.co.uk



GCW boosts tenant line up at Epsom shopping centre

CBRE Investment Management (“CBRE IM”) advised by GCW, has secured a series of new lettings at The Ashley Centre in Epsom. The 320,000 sq ft centre is capitalising on strong occupier interest as the commuter town captures higher levels of local spend.

As part of an ongoing asset management drive, the Ashley Centre team have secured a 40,000 sq ft letting to a major fashion store. The retailer will take space formerly occupied by House of Fraser and enhance a tenant line up including Waitrose, Marks & Spencer and Boots. The new store is due to open in 2024.

Two units have also been amalgamated to accommodate a new 6,500 sq ft store for JD Sport which is relocating from the high street. Meanwhile, Sports Direct has upsized its Ashley Centre store and opened a new 9,000 sq ft store. Its former unit will soon be occupied by Deichmann Shoes.

The new deals highlight the enduring appeal of the Ashley Centre and come on top of a series of recent lease renewals for Boots, Costa Coffee, Card Factory and Muffin Break.

As part of its strategy to continue driving value for its client, GCW is now focused on marketing

a 20,000 sq ft leisure unit in space formerly occupied by House of Fraser. 2023 will also see CBRE IM making a significant investment in the centre, through a comprehensive refurbishment programme to boost the assets appeal. The works will include an upgrade to energy efficient lighting, new branding, more contemporary mall finishes, entrance improvements, new street furniture and way finding.

CBRE IM Head of Retail Asset Management UK, Louisa Butters says: “Epsom has really benefited from a change in consumer behaviour over the last three years and The Ashley Centre is well placed to capitalise on that. These latest lettings and lease renewals are testament to the centre’s resilience and compelling offer.”

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



Epsom has really benefited from a change in consumer behaviour and The Ashley Centre is well placed to capitalise on that



White City appointment

Berkeley Group company St James has appointed GCW to advise on its West London development, White City Living. The team will be the sole leasing agent for the retail and leisure components of the luxury mixed use project, which sits at the heart of the 110-hectare White City regeneration project.

White City Living is a mixed-use development comprising 2,558 homes and around 40,000 sq ft of commercial space. It joins existing developments such as Westfield London, White City Place and the Television Centre which make up the £8 billion regeneration project transforming this part of the capital.

GCW has a strong track record supporting Berkeley Group and has been appointed to advise on leasing strategy, marketing and to secure a mix of retail and leisure operators targeted at meeting the needs of White City’s vibrant community. The team will focus on both independent and established brands to provide an appealing offer for local residents and visitors to the area.

Served by White City and Wood Lane underground stations, the site is already generating an annual footfall of 7.8 million, which is set to increase when the link through to Imperial University opens next year.

Residents will have access to a range of amenities on site, including a swimming pool, spa, gym and cinema room, all set in 8 acres of landscaped gardens, including a 5-acre public park.

GCW Director, Philippe Micheal commented: “GCW is building a long-term relationship with Berkeley Group, working on mixed use projects like Goodman’s Fields and 250 City Road. We are delighted to have been appointed by St James to advise on the White City Living development. It’s a very exciting project in the heart of West London and we have the opportunity to deliver a great mix of retail and leisure to complement the already strong offer in the area.

MORE INFORMATION FROM
philippe.micheal@gcw.co.uk



Going Wylde



In a drive to balance the needs of People, Profit and Planet, GCW is working with consultancy Wylde Connections. Wylde Managing Director **Denise Taylor** outlines how embedding robust sustainability strategies will not only help business in the property sector hit Net Zero but ensure we embrace the right models, policies and practices to future proof our urban centres.



Wylde Connections offers businesses a unique blend of consultancy, learning and development and stakeholder engagement. The company works as a trusted partner, taking clients on a transformative journey to develop and implement their sustainability strategies. Its vision is to help companies and their stakeholders move beyond Net Zero and adopt regenerative practices that have a positive impact on the world around them.

Sustainability is now a business imperative. Whether it is pressure from legislators, occupiers or investors, there is growing consensus that business as usual is no longer an option.

The property sector has a huge opportunity as well as a responsibility to create green, clean spaces that support the triple bottom line. At the same time, sustainable business models and policies will help companies within the industry to cut costs, drive efficiencies and secure a competitive edge. This can all be achieved whilst putting actions in place that take account of ESG (environment, social and governance) issues.

GCW first engaged with Wylde in 2021. The team had become increasingly aware of how issues around sustainability were impacting on urban environments and their regeneration. They were also feeding into their clients' desire to curate more sustainable communities.

GCW Partner Oli Horton says: "We are passionate about taking the lead and working with partners across the industry to help meet the challenges and exploit

the opportunities ahead. Working with Wylde is pivotal to that. They have helped focus our minds, influence our thinking and get us excited about how we can really start to influence change."

Trusted sustainability partner

Wylde takes its clients on a transformative journey using a five-step approach of ASSESS, DEVELOP, IMPLEMENT, ENGAGE AND TRANSFORM.

Wylde Managing Director Denise Taylor says: "We equip clients with the tools they need to become ethical and responsible businesses. Our team of experts help develop their sustainability strategy, action plan and road map whilst imparting knowledge about the wider issues faced by the company and its supply chain."

For GCW that started with Wylde taking a deep dive into the business to understand where it is now and what it needs to do to meet its sustainability goals.

Delivered through a

mix of consultancy and blended learning programmes, Wylde's 5-step programme provides a framework aimed at reducing risks and negative ESG impacts. It also starts to look at opportunities that can be gained from regenerative practices that will help to secure a more sustainable future for all.

Much of that work involves focusing on the company's value chain and how it can be aligned with the United Nations Sustainable Development Goals. For GCW as a property consultant, this is particularly pertinent as urban built environments are at the heart of communities and have a major role to play in determining how those communities live, work and play within our planetary boundaries.

Thinking outside the box

Given its breadth of expertise and track record in town centre rejuvenation, GCW is ideally placed to influence change. Alongside reducing risks and negative impacts associated with its own day-to-day operations, the business is welcoming the opportunity to shape the debate and start to be recognised as an architect of change.





That requires working with a range of industry partners to explore more sustainable placemaking options. Wylde encourages long-term stakeholder engagement and GCW has taken the opportunity to learn more about what is important to the groups it works with and how they can work together to make meaningful progress. This has been achieved by undertaking a detailed Materiality Assessment which included stakeholder mapping and communicating with different stakeholder groups.

From an environmental perspective, collaborative working involves a host of initiatives, from adopting green building standards to integrating schemes with public transport links, integrating green spaces into mixed use developments to embracing sources of renewable energy.

In terms of the “social” aspects of ESG, more sustainable approaches put people at the heart of projects and ensure that places meet the needs of all their users. GCW’s experience integrating alternative uses will allow it to work with clients in providing a holistic offer.

“As our town centres evolve, we have the opportunity to make them far more sustainable and better placed to serve the needs of their catchment”, says Oli. “That’s about innovative design, removing the need for unnecessary journeys and providing spaces where people can connect with nature. The opportunities for innovative initiatives that put people and



As our town centres evolve, we have the opportunity to make them far more sustainable and better placed to serve the needs of their catchment



nature at the core are endless. They range from energy saving schemes through to integrating nature into new project builds in the form of initiatives such as green roofs, and environmentally friendly landscaping that provides for biodiversity.”

What happens along the value chain in the built environment is the key to a more sustainable future. More emphasis is being placed on the raw materials at the start of the value chain, from mining the resources required for buildings and using innovation to reduce the carbon footprint of cement, right through to end of life disposal of buildings. There is growing recognition that retrofitting older buildings brings costs savings and a host of environmental and social benefits. This is especially true as businesses are forced to meet more legal and legislative requirements.

Future spaces

Denise agrees: “Construction is one of the biggest emitters of greenhouse gases and the property sector as a whole can play a key role in helping us hit Net Zero. But it’s important to look beyond that narrow goal and think more holistically about how sustainable communities can support regenerative design.”

She adds: “Green space is not only important in combating climate change but will play a key role in improving people’s physical and mental health. Together we can find ways to encourage biodiversity, keep materials in the value chain as part of the circular economy, and support the development of sustainable smart cities.”

GCW is working with Wylde to help unlock these opportunities. It is finalising its internal blueprint and action plan, whilst producing an external document to highlight its vision and strategy. Embedding sustainability as part of a business strategy is an ongoing process and one that involves changing mindsets to understand the wealth of environmental, social, and business benefits on offer. Let’s come together to put sustainability at the heart of placemaking.

To find out more about how Wylde can support your business on its sustainability journey please visit: wylde.connections.co.uk, or email denise.taylor@wyldeconnections.co.uk.

Retail renaissance?

With Christmas sales from stores defying expectations and positive results continuing during the first quarter of 2023, are we witnessing a revival for the high street? GCW's **Simon Morris** explores the resilience of bricks and mortar stores.

When we look at the state of high street retail, we see a complicated picture. On the one hand, to paraphrase Mark Twain, reports of the death of physical stores have been greatly exaggerated. Too many retailers took habits created during the pandemic as an absolute, rather than temporary change. Examples of this would include the likes of Made.com (misreading consumer demand) and Joules (abandoning stores to focus on online only). The most dynamic occupiers understand their customer and how they like to shop and respond to it rather than trying to get them to bend to their will.

In-store sales were strong because this was the first Christmas that was uninterrupted by covid and government guidance. This allowed people to shop as they wish and for many of us, the Christmas spirit is enhanced by the festive displays both in store and in town. A significant proportion of people chose to use this Christmas to blow out and treat themselves, their friends and family because they couldn't last year. With a warmer than expected Autumn the cost-of-living squeeze was yet to fully bite for many.

We are continuing to see occupiers seeking to grow, right size and right locate their store portfolios. This growth is in stark contrast to headlines that point to an increasingly pressed consumer while occupiers' costs, especially energy and wages, are rising but difficult to pass on.

So, what is driving the demand?

Firstly, retailers have learnt from the experience of covid. Many occupiers on reflection consider they cut stores too hard and too fast with hindsight. In

such an unprecedented scenario these decisions were understandable. Occupier feedback is that whilst the current blend of ingredients is unique, individually they have been encountered before. This gives confidence that the storm is navigable and there will be a recovery, probably sooner than expected.



Secondly, stores are cheap and trading online is expensive. The costs of delivery and returns are well documented but the cost of promoting and retaining customers is often overlooked. Google, Facebook and other search and social media advertising, page ranking and key word searches can impact margins by 20-30%. Falling occupancy costs, including certainty on business rates and flexibility offered by shortening lease terms, have made stores more competitive as the online trading costs continue to rise.

As a localised distribution and return hub, stores offer a more cost-effective way of getting product to the consumer, replenishing for sale, and turning a return into an exchange. It is an end-to-end experience combining digital and real-world channels.

Another issue driving demand is proximity. Brands want to be where their customer is. Partnering better data, AI and real-world experience, brands across the spectrum have a better understanding



We are continuing to see occupiers seeking to grow, right size and right locate their store portfolios





of their customer and place themselves where they are. Whilst it is easy to see this as a way for direct-to-consumer brands to offer an experience that drives brand loyalty, there are some regular examples too.

The recent demise of M&Co resulted in 150+ stores being offered to the market, the rump being in fairly ubiquitous towns. We understand that significant demand was generated from fashion, convenience, and F&B occupiers for the majority of the portfolio. This portfolio is the pinnacle of local and demonstrates how eager, informed occupiers are trying to get closer to their customers.

Does this make everywhere and everyone a winner?

No. The place needs to have an identity that people can align with, be proud of and want to spend time in. It can be close and accessible or offer more. More might be scale, diversity of offer, environment, leisure, tourism, architecture/ public realm.

The occupier needs to understand their customer and want to serve them, not the other way around. Those retailers that have a convincing offer and tune in with consumer demand can take the opportunity to increase their market share. The great British public still love shopping and with the right proposition will continue spending their hard-earned cash in our streets and shopping centres.

Market focus: Resilient London

GCW Director Will Mabbett outlines the resilience of Central London retail.

As the cost-of-living crisis forces consumers to tighten their purse strings, some parts of the country are naturally more robust than others. Retailers understand this and as they reassess their strategies, many are investing in flagship offers in locations less susceptible to the squeeze on disposable income.

The flight to perceived safe havens is having a positive impact on the Central London market. As retailers reposition portfolios, prime pitches come to the fore. By targeting high traffic locations and appealing to the most affluent shoppers, brands are far better placed to weather the storm.

In the new omni-channel



London's prime retail space not only provides an ideal platform but one that is now far more affordable.



world, retailers now have greater understanding of how to drive value from their bricks and mortar stores. They will continue to play an important role in their business strategies. Much of that focus will be on larger prominent stores that drive efficiencies and showcase what the brand has to offer.

London's prime retail space not only provides an ideal platform but one that is now far more affordable. Rental values have shifted significantly, and the rating revaluation can offer retailers significant savings. That makes it far easier for the figures to stack up.

Oxford Street for instance has been a major beneficiary of revaluation and the market has witnessed increased demand in recent months for its prime units. Europe's busiest shopping street was struggling even before lockdown but there are positive signs that it is on the road to recovery. We have seen numerous retailers commit to opening stores on the street, including Ikea and fashion pureplay Manière de Voir. At the same time, there are a range of redevelopment plans, including the repurposing of the House of Fraser and Debenhams stores.

Tourist numbers are up, the Elizabeth Line has improved accessibility and domestic consumers are choosing to spend their disposable income in prime pitches with a wide choice of stores.

Despite the casualties, many retailers and F&B operators proved agile and resilient through the pandemic. The best ones have come out the other side with more robust strategies and are now on the lookout for appropriate space to build on their physical retail portfolios.

The key to success from an occupier point of view lies in maximising performance through effective portfolio management. That is where team GCW comes into its own. We have the experience and expertise needed to understand the market. Our analysis and boots on the ground approach gives us unrivalled knowledge of locations and their catchments. Make use of our insight and let best-in-class consultancy help you navigate the new normal.



CBRE IM sells East Sheen parade

GCW has advised CBRE IM on the £4.02 million sale of its East Sheen asset 270-282 Upper Richmond Road.

CBRE IM disposed of the mixed use parade in November. The sale attracted significant interest from investors keen to secure a prime asset at the heart of the affluent South West London catchment.

Within the Borough of Richmond Upon Thames, the parade is located adjacent to Waitrose and close to footfall generators, including Amazon Fresh, Superdrug and WH Smith. GCW has helped its client secure a robust non-fashion tenant profile and continued to drive value through strategic asset management.

The parade also offers an attractive value add opportunity. The property incorporates four flats and a viability study undertaken by SEAM Architects outlines the potential to deliver new dwellings and commercial units.

The redevelopment piece proved particularly appealing to investors keen to get a foothold in London's greenest borough. East Sheen boasts a wealthy loyal catchment with residential sales values achieving more than £850 per sq



ft. It has proved a popular choice for young professionals and families, attracted to the local amenities, access to open space, excellent transport links and outstanding schools.

GCW Partner Oli Horton says: "This is a great result for CBRE IM. We have worked closely with them on agency

and asset management for the parade, regearing or letting 5 of the 6 units. We've maximised value and then secured the sale which reflects the strength of our multi-disciplinary offer."

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



GCW secures sale of prime Fitzrovia asset

GCW has advised on the sale of 38-40 Eastcastle Street. The two retail units have sold to an international private investor for £4.4 million with an NIY of 5.65%.

The 5,418 sq ft prime asset is a two minute walk from Oxford Circus station

and is currently occupied by ITSU and Costa Coffee. GCW surpassed its client's expectations by sealing a deal above the asking price of £4.24 million.

The asset brings in a rebased net income of £264,998 pa and its two separate long leaseholds run from

Set in the heart of Fitzrovia, they are ideally situated close to Europe's busiest high street which attracts over 100 million visitors a year.

January 2012 at £1 pa. The well configured Eastcastle Street units are an attractive investment proposition. Set in the heart of Fitzrovia, they are ideally situated close to Europe's busiest high street which attracts over 100 million visitors a year. They are in the midst of a busy grab & go coffee and food cluster including the likes of Honest Burger, Tortilla, Ole & Steen and EL&N.

GCW Senior Surveyor Ben Legard commented: "This is a great deal for our client. Our expertise has helped secure a disposal at a keen yield above the asking price. GCW's holistic thinking and occupier knowledge creates a compelling narrative for investment sales and we continue to drive value for all our clients."

MORE INFORMATION FROM ben.legard@gcw.co.uk

Deals

Kingston

GCW acted for a private landlord to agree a new 10-year lease with contemporary jeweller Astrid & Miyu. The retailer has undertaken a major expansion drive and is paying £45,000 pa for a unit at 17 Market Place in Kingston upon Thames.

Cheltenham

Coffee ~1 has opened at 124 High Street in Cheltenham. GCW acted on behalf of the landlord to agree a new 10-year lease at £60,000 pa on a unit opposite John Lewis.

Cambridge

CBRE IM, advised by GCW, has agreed a 15 year lease with fried chicken operator Popeyes for 3 – 4 Market Hill in Cambridge. The new 3,646 sq ft shop opened in February in the former Gap unit with the landlord securing a rent of £180,000 pa.

Petersfield

GCW helped secure a letting to Loungers in Petersfield's Rams Walk on behalf of East Hampshire District Council. The operator has taken a 3,900 sq ft unit, transforming a former Waterstones store into Clavio Lounge, let on a 15-year lease.

Basildon

GCW has advised client StoreAway on securing the long leasehold interest, expiring September 2110, on the former 37,000 sq ft Toys R Us unit in Basildon. The unit at Southernhay has been vacant for five years and will be used by residents and businesses for archiving, additional stock room space, furniture, and IT storage.

HVSC

Blackrock has agreed new lettings at Hempstead Valley Shopping Centre. GCW has helped agree deals with Burger King for a 2,750 sq ft purpose-built drive



thru, together with lettings to Greggs and Bakers + Baristas. All three are now open and trading. Specsavers will open a new branch this Summer.

Savers

Savers has continued its expansion drive by agreeing a trio of new lettings. GCW advised the retailer on new leases at 56 High Street in Whitstable, Unit 2 67-83 Seven Sisters Road in Holloway, and 23 Heralds Way in South Woodham Ferrer.

Richmond

GCW acted on behalf of a private individual to let 27F The Quadrant in Richmond to fried chicken operator Popeyes. The deal saw the operator sign a 15-year lease at £150,000 pa in a prime location close to the train station.

Bournemouth

Redevco has signed a lease with Sports Direct at 74 – 76 Commercial Road in Bournemouth. GCW helped the landlord let the former 20,000 sq ft H&M store on a 10-year lease. In the same block, the team has also secured a letting at number 68 to HSBC, also on a straight ten year term at a rent of £80,000 pa.

Loaf

Furniture retailer Loaf has signed a new 10-year lease for a unit of nearly 9,000 sq ft at Straiton Retail Park in Edinburgh. The retailer was advised by GCW and is paying a headline rental of £200,130, with 18 months' rent free and £133,500 capital contribution.



Opinion: Oli Horton

Investment agents Mrs Positive and Mr Negative summarise the retail investment market in 3 minutes:

Mrs P: Inflation has peaked, base rates are close to pivoting and retail sales continue to outperform forecasts. Can we expect confidence to return in the investment markets and transaction volumes to rebound later this year?

Mr N: I can't see that. Headwinds are continuing to disrupt the economy and consumers from all directions. The recent banking crisis has added to fears that credit will become less available and with inflation still above 10%, we are unlikely to see a quick reverse in base rates. Is the worst yet to come?

Mrs P: Everyone is going to have less spending power, but the question is how do they spend it? So far the UK has found its shopping habit hard to kick, retail sales remain remarkably resilient. People are cutting back on big expenditure items like holidays and cars.

Mr N: The last time inflation was this high was in the early 1990s and we were in a different world then. Car ownership has moved towards leasing models and personal debt is at a record high. That's a dangerous combination with rates still rising.

Mrs P: But there is a depth of occupiers who have finely tuned their offer post-Covid. Rising utility and staff costs should be mostly offset by business rates savings. Without a complementary multi-channel offer, online-only operators with their low margins are likely to experience the deepest occupier distress.

Mr N: So why is there such a disconnect between the occupational and investment market? Yields have continued to soften, albeit most town centre retail assets had already re-based and have been less exposed than other property sectors.

Mrs P: Dare I say it, but has retail finally bottomed out? The sector already had a challenging availability of debt and

therefore there will be limited distress this time round.

Mr N: Agreed, but there is still significant misalignment in pricing and almost all 'big ticket' retail sales have been put on hold. That doesn't sound like the strongest negotiating position for vendors.

Mrs P: Counter cyclical investors have been circling and the sub £25m market is still liquid. Given most retail assets are sub £25m now and the occupational market is still buoyant; is there an argument to be made that now is the time to buy?

Mr N: But won't some of those counter cyclical buyers focus on other more distressed sectors after pricing has moved out? The funds won't hold or buy retail assets outside of the top 25 cities and schemes. Building cost inflation and stringent ESG criteria means there will be less right-sizing of assets outside the South East. I think the next 12 months will be slow with limited retail transactions over £25m. Consumer spend will weaken and the occupational market will further dampen investor sentiment.

Mrs P: I'm not being complacent about these challenges, but outside of the squeezed middle centres retail property provides a rebased sustainable income stream. I think we will see increased activity after the summer as investors adapt to new consumer spending habits and seek attractive opportunities against other asset classes.

GCW: Our opinion is that the retail market is well prepared for this downturn and will be more resilient than people think. The investment market will pick up in September and present buying opportunities in the right pitches and locations.



//

Our opinion is that the retail market is well prepared for this downturn and will be more resilient than people think.

//

GCW helps spread the joy of reading

In December, the GCW team spent a day supporting The Children's Book Project. Volunteers helped tackle book poverty in London by collecting and sorting pre-loved books to be distributed to local children and their families.

One in four disadvantaged children across the UK has fewer than ten books of their own at home, and one in eight has none. The Children's Book Charity is committed to gifting new and gently used books to women's groups, children's centres and schools to redistribute within their community.

GCW is involved in projects right across London and is passionate about supporting the communities they work within. Sorting, categorising and packaging up every book received takes time and our enthusiastic volunteers were happy to provide the Children's Book Project team with a helping hand.

Positive early associations with books supports children's literacy and gives them the skills they need to access learning. By age eleven, there is a 12-month language development gap between children from book rich homes books and those with fewer than ten books.

GCW Director Philippe Micheal says: "This fantastic charity is helping unlock new opportunities with the power of reading.



“ We look forward to continuing our collaboration and doing all we can to help them reach as many children as possible. ”

Eradicating child book poverty should be a key priority and we want to drive change in the areas we operate in. We look forward to continuing our collaboration and doing more to help this awesome charity reach as many children as possible.”

To donate or volunteer for The Children's Book Project please visit: www.childrensbookproject.co.uk

MORE INFORMATION FROM philippe.micheal@gcw.co.uk

GCW welcomes new Marketing Manager

Emma Falzon has been appointed as GCW's Senior Marketing Manager. The new role will help steer marketing strategy and support the business on its next stage of growth.

Emma joins GCW at an exciting time as the business builds on its expertise and adapts to changing market demands. Her marketing skills will raise GCW's profile and exploit new opportunities whilst continuing to support clients in driving town centre regeneration.

Having worked in the property industry since 2016, with expertise across multiple sectors, Emma is a creative customer-centric marketer who understands the dynamics and importance of mixed-use urban development. Emma was born in Sydney, Australia and spent two years at JLL, before moving to the UK, where she has worked with major developers including McCarthy Stone and Berkeley Group within London and the

South East.

Emma comes to GCW with a wealth of experience and a varied skillset across traditional and digital marketing, delivering impactful campaigns, events and PR initiatives. Outside of work, Emma enjoys travelling and sampling different cuisines as well as the occasional game of sport.

In her new role, Emma will work collaboratively with the consultant's owner, occupier and investment teams to develop the GCW brand, maximise opportunities and drive future growth.

GCW Managing Partner Duncan Kite said: "We are delighted to bring Emma on board. She is a fantastic addition to the team and will be instrumental in delivering our growth strategy. Marketing is key to GCW's future success. As we continue to support clients in navigating the transformation happening to our town centres, Emma's expertise will help us fulfil our potential."



New arrival at Brighton's Hanningtons Estate

Jewellery brand Astrid & Miyu has opened a new store at the Hanningtons Estate in Brighton, on North Street. GCW has helped Redevco secure the lease which is the latest in a string of lettings in one of the city's most sought after pitches.

Hanningtons Estate is historically one of the most important mixed use destinations in Brighton. Redevco has remodelled the former department store and surrounding properties, and in doing so has extended Brighton's traditional aspirational shopping district, from East Street into North Street.

GCW has secured a letting to contemporary jeweller Astrid & Miyu. The ethical brand opened its new North Street store in December, offering its renowned range of delicate jewellery and fear-free piercings. They were drawn to



Redevco's curated retail environment that blends the best of Brighton with independent, national, and international brands.

Astrid & Miyu joins a vibrant mix of recent arrivals at the 1.3-acre Harringtons Estate. In recent months, GCW has secured lettings with the likes of White

Stuff, furniture business & halt, and US leisure brand Lululemon.

In addition, Redevco has developed Hanningtons Lane, acting as a natural extension to Brighton's Lanes district, combining retail, food and beverage, eye-catching architecture, and street art. GCW is helping bring the space to life with a rolling programme of temporary pop-up lettings.

Redevco Real Estate Asset Manager Chris Baker says: "We are delighted to welcome Astrid & Miyu to Hanningtons Estate. Along with GCW and joint agents Time Retail Partners, we have attracted an exciting range of brands aligned with the Brighton vibe. We look forward to adding to that mix throughout 2023."

MORE INFORMATION FROM callum.stephenson@gcw.co.uk

Major redevelopment boosts Walthamstow shopping centre

Capital & Regional is on site delivering a major redevelopment of The Mall in Walthamstow. GCW is helping its client reposition the 260,000 sq ft shopping centre as a sustainable mixed use destination.

Since early 2020, GCW has been providing Capital & Regional with property advice for its key Walthamstow asset. The team's unrivalled knowledge of London suburbs is now helping

deliver a major extension to better meet the needs of the local catchment.

Construction has commenced on the first phase of an ambitious extension due to complete late 2024. The project will deliver 470 residential units, more than 80,000 sq ft of retail, F&B, community and other amenity space including potential workspace and leisure facilities. In addition, the overall scheme will incorporate a Town

Square and a new accessible entrance to Walthamstow Central Station.

GCW has secured relocation lettings with a series of retailers, including JD Sport, Deichmann and Shoe Zone. In a drive to incorporate more F&B, the team has also attracted new occupiers, Chopstix, Black Sheep and Shakeaway. This comes on top of news that Capital & Regional has agreed contracts with CRATE PLACES UK to deliver a 16,500 sq ft market hall. Due to open in July, the Crate offer will provide a community hub, incorporating mini-golf, classes such as baby yoga, evening entertainment, bar, coffee kiosk and seven street-eat style operators, in house bar and coffee kiosk.

GCW Partner Nick Warr comments: "The Mall is set to undergo a major transformation to further strengthen its appeal. GCW has a wealth of experience delivering major projects like this right across the capital and we understand how to embrace alternative uses to breathe new life into urban centres. We look forward to securing further lettings in the coming months."

MORE INFORMATION FROM nick.warr@gcw.co.uk



Duo of RO disposals

GCW has advised RO Real Estate on the disposal of two high street assets. The successful sales in Bury St Edmunds and Northampton build on a long-standing support to drive value across the investor's evolving property portfolio.

RO Real Estate is a subsidiary of RO focused on active asset management, refurbishment and development. The business has developed a close relationship with GCW in recent years, using its leasing and investment expertise to help maximise value. A recent drive to transition RO's portfolio from high street retail to office and industrial has now secured two key disposals.

In November 2022, RO Real Estate sold The Old Library in Bury St Edmunds to Millfield Estates for £1.767 million with an NIY of 8.45%. The Old Library is a flagship building in the affluent market town. Located on an island site in the heart of the historic centre, it comprises 10,000 sq ft of retail space occupied by a Halifax bank, boutique café, and Sofas & Stuff showroom. Despite the challenge of a long leasehold, the GCW team secured a keen price for the grade II listed



building, reflecting Bury's enduring appeal.

Building on that success, GCW has also secured the disposal of another RO Real Estate asset in Northampton. In January, Panah Childrens Charity paid £900,000 at an NIY of 11.57% for 40 Abington Street. The 7,000 sq ft prime retail unit is let to Clarks until September 2027. The deal was a good result for RO and reflected the resilience of the town's retail pitch.

GCW Surveyor Will Mead said: "These disposals are testament to the great work we've been doing for RO Real Estate. We have developed a strong relationship, adding value thanks to our town centre experience and expertise. We have other deals in the pipeline and look forward to continue adding value."

MORE INFORMATION FROM
will.mead@gcw.co.uk

Local authority acquires Wythenshawe centre

GCW has acted for St Modwen on the sale of Wythenshawe Town Centre. The asset was sold to Manchester City Council for £11.85 million. The local authority has acquired the successful community centre to consolidate its land ownership and support its long-

term regeneration plans.

St Modwen, now part of Blackrock Group, has a long-standing relationship with GCW, exploiting its Town Centre expertise to maximise asset value. The sale of its 350,000 sq ft civic centre has now unlocked an opportunity for large-

scale redevelopment.

Wythenshawe Town Centre will provide the local authority with a valuable income stream. In the longer term, the strategic acquisition will form an integral part of a new regeneration project that will deliver around 1,000 new homes, cultural and employment space. Wythenshawe is Manchester's largest district and its proximity to Manchester Airport means that it is ideally placed to secure future economic growth.

St Modwen has shifted its strategy to focus on logistics and housing development and GCW's support in the disposal has helped its client reposition its portfolio. That wider strategic review began with the sale of London shopping centre Edmonton Green and the Wythenshawe sale is testament to the value of GCW's ongoing consultancy support.

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



Introducing the GCW teams

Owner

Investor



Holly Kiely
07795 830 146
holly.kiely@gcw.co.uk



Archie Morriss
07837 630 523
archie.morriss@gcw.co.uk



Callum Stephenson
07960 605 300
callum.stephenson@gcw.co.uk



Clive Gillingwater
07971 958 627
clive.gillingwater@gcw.co.uk



Will Mead
07767 040 370
will.mead@gcw.co.uk



Duncan Kite
07974 215 337
duncan.kite@gcw.co.uk



Lisa Manley
07974 215 338
lisa.manley@gcw.co.uk



Nick Warr
07803 051 205
nick.warr@gcw.co.uk



Phil Fishwick
07861 214 667
phil.fishwick@gcw.co.uk



Oli Horton
07788 695 859
oliver.horton@gcw.co.uk



Simon Morris
07974 170 043
simon.morris@gcw.co.uk



Chris Kenealy
07425 670 201
chris.kenealy@gcw.co.uk



George Cook
07815 692 248
george.cook@gcw.co.uk



Philippe Micheal
07855 437 116
philippe.micheal@gcw.co.uk



Ben Legard
07767 040 370
ben.legard@gcw.co.uk

Occupier



Charlie Hanrahan
07305 910 696
gareth.storer@gcw.co.uk



Holly Kiely
07795 830 146
holly.kiely@gcw.co.uk



Will Mabbett
07837 179 498
will.mabbett@gcw.co.uk



Emma Clarke
07799 604406
emma.clarke@gcw.co.uk



Simon Morris
07974 170 043
simon.morris@gcw.co.uk



John Eden
07772 260 371
john.eden@gcw.co.uk

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



Simon Horner
07970 479 458
simon.horner@gcw.co.uk

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.