

GCW clinches Colchester shopping centre sale

GCW secured one of largest shopping centre transactions in the UK in 2008 with the sale of Lion Walk in Colchester for £69 million to LaSalle Investment Management.

The deal, on behalf of F&C Property Asset Management, was one of the biggest shopping centre sales handled by GCW and follows investment sales in Church Square, St Helens in 2006 for £75 million; and deals on shopping centres in Christchurch and Dagenham in 2007.

GCW's retail expertise and in-depth knowledge of Lion Walk itself and Colchester as a town helped to clinch the sale which boasts one of the lowest yields since the beginning of the credit crunch.

Lion Walk is held on a 125 year lease, which is set to expire in March 2102, from Colchester Borough Council. Prime Zone A rents at the centre are around £167 per sq ft and the current rental income is around £4.4 million per annum.

"We are delighted to have concluded this investment deal especially in the current challenging market conditions. This deal underlines the fact that there are still investors looking for attractive, well located retail holdings within the marketplace," said Richard Kirby, Director of Property Funds at F&C Property Asset Management.

"We can now demonstrate significant success in shopping centre investments, whatever the economic climate. This latest deal was completed in an uncertain market and we're pleased to have delivered a good deal for both parties," says GCW director David Gooch.

Lion Walk shopping centre was built in 1977 and comprises 236,000 sq ft of retail with some offices and residential flats. It occupies the prime retail pitch in Colchester and is anchored by leading retailers including Marks & Spencer, Boots, BHS and WH Smith. Other major retailers at the centre include River Island, New Look, Topshop, HMV and Body Shop. GCW is continuing its involvement with the centre, acting as letting agent for the new owners.



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Big in retail



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Launched in 1989, GCW has become a big name in retail. Today, we offer a complete retail property service and are proud to be first-choice advisers for leading landlords and tenants alike. They seek us out for help on everything from high street projects to upmarket retail destinations and major regional shopping centres.

Whatever the scale or type of challenge, we take a personal and flexible approach to finding the best solutions – a commitment that has earned us an enviable reputation within the industry. And always happier letting our work do the talking, we are delighted to have been nominated for the prestigious Retail

GCW's 'bigger than you think' marketing campaign has driven home the breadth and depth of the firm's activities across the retail property sector.

With magazine advertisements, a new corporate image and a new website, the exercise has raised awareness of GCW's activities with retailers, landlords and investors alike.

"We are a much bigger player in the retail property market than many potential clients realise. With well-established agency,

professional and investment teams we are now active across the UK," says GCW director Duncan Kite.

"The campaign has raised our profile with potential clients who may not have thought about using us before and with clients who have not realised all that we can offer," he says.

GCW's new website highlights the company's core teams in the professional market, development, agency, investment and shopping centres, and offers an insight into all GCW's key personnel and background on all its key clients.

The website offers a sophisticated search function for all properties handled by GCW and the database can be searched by type and by specific or town location. It also highlights all the latest properties added. Visitors to the site can access news on all of GCW's latest activities and read case studies on its largest projects.

"Our web offering had been well used by prospective tenants to search for properties but the new site allows us to showcase the breadth and depth of our skills to current and prospective clients alike," adds Kite.

Visit www.gcw.co.uk to find out more.

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Thorntons signs up nationwide

Nationwide retailer Thorntons has retained **GCW** to act alongside Jones Lang LaSalle on its rent reviews and lease renewals.

GCW handles the work wherever Jones Lang has a conflict of interest and this has involved around 40 properties, stretching from Taunton to Durham, with around half still active instructions. Recent projects include a lease renewal at Croydon's Whitgift Centre and a rent review at Merryhill, Dudley.

"We were really pleased to be retained to handle this work nationwide; it was previously carried out by a number of regional players. We have built a strong relationship with the company and it can trust and value our advice," says **GCW** director Lisa Manley.

"The ongoing relationship helps us build a clear understanding on what the client wants; whether it might be a regearing of a

lease or relocating to another store. **GCW's** retail focus also helps to consider and suggest the best options," adds Manley.

- **GCW** has been retained by Boots UK to advise on rent review and lease renewal negotiations on some of its stores in the south-east. **GCW** is advising on over 40 properties and has a brief to explore opportunities to gain flexible use within stores. Boots increasingly wants the option of relocating freestanding opticians units into its main stores and in some instances to open medical centres as part of the services it offers to customers. During rent review negotiations at St. Georges Centre, Gravesend, **GCW** negotiated a more flexible use of the store and in Cosham agreed the surrender of a sub-let section, allowing Boots to concentrate on their core activities from the store.

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Asset management know-how boosts investment advice



GCW's investment consultancy and asset management expertise is paying dividends for one of its clients who acquired a block of shops and offices in Bromley, south London.

The Bromley property at 19-25 Market Square/White Lion Walk, was purchased on behalf of Siemens Benefits Scheme, an in-house managed fund of CBRE Investors, from BAE Systems in February 2007 for £11.75 million.

The block is made up of eight shops with self-contained offices above and was let to Argos, Waterstones, Starbucks, Wallis, Shoecare, Herbal Inn and Daniels Jewellers with two local office tenants upstairs.

GCW secured a good purchase price for its clients, relative to where the investment market was at that time, on the basis that there were impending lease expiries on Argos and Waterstones, both of whom had two branches in the town.

"We knew, from our experience in the retail market, that the passing rents were not challenging and that we would be able to secure higher rents on new open market lettings. Our retail expertise meant that we could offer the client advice that would add value to the investment," says **GCW** director Fiona Nichols.

Once the property was purchased **GCW** negotiated an early surrender from Waterstones and subsequently let its unit on a new 15 year lease to Lakeland who are now trading there very successfully. The new letting pushed the rent up from £135,000 to £155,000 per annum and enabled the landlord to rentalise the first floor as retail sales space. The Lakeland rent has set a new rental tone for the location and will have a positive knock-on effect on the rents in the building in the future.

GCW has also advised CBRE Investors on the lease renewal with Argos, a rent review and subsequent regear with Daniels, rent reviews on Shoecare and Starbucks and is currently looking at a possible lease regear with Wallis.

For more information contact fiona.nichols@gcw.co.uk

Canada Life values supermarket know-how

GCW's supermarket expertise has helped life assurance giant, Canada Life to secure the purchase of three supermarkets and distribution depots from Tesco on a sale and lease back deal.

GCW advised on the £100 million-plus purchase which was put together and agreed in three weeks and saw Canada Life invest in three stores in Aylesbury, Crewe and Worcester. The stores had been introduced by brokers and Canada Life wanted some expert advice before going ahead.

Few supermarket properties change hands and therefore there is limited knowledge across the market. **GCW's** supermarket team is recognised as one of the most knowledgeable and experienced in the property sector.



GCW director Keith Whale offered a detailed analysis on each of the three stores; commenting on the level of leaseback rent suggested, providing an overview of supermarkets as a property investment and supplying individual comment on the specific leases being put in place. He also advised on each as a piece of real estate and commented on the investment yield.

"Our advice gave the purchaser confidence about the value of its investment and a much clearer understanding of the advantages and

disadvantages of the purchase and the opportunities they offer in the future," says Whale.

The trend towards this type of deal is likely to continue in the future as supermarket groups look for opportunities to reduce their capital commitments and to take some returns from their estates.

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Milton Keynes raises its game



GCW has begun its marketing and strategic development work for the major regional shopping centre in Milton Keynes.

thecentre:mk appointed GCW as joint letting agents with CBRE early in 2008 and GCW's experienced shopping centre team is now busy exploiting further opportunities for the successful 1.3 million sq ft centre.

GCW has relaunched the centre's marketing activity to raise its profile with retailers and property advisors. The marketing focuses on the positive attributes of Milton Keynes, the size of the city centre and its role as a regional shopping centre.

A major refurbishment programme has begun with colour-coded way finding added to all the malls. State of the art touch-screen technology has just been established throughout the centre offering shoppers access to terminals to find stores and search for information on specific retailers. The technology is proving

very popular with shoppers as a means of getting the best from a visit to the huge centre. Refurbishment and improved lighting to three of the malls is due to start early in 2009.

Redevelopment of Queens Court to create a restaurant quarter is also due to begin early this year. Four 5,000 sq ft restaurants are planned to be in place for Christmas 2009 and will front onto an open court yard and link to both the main malls. Three of the units are already under offer and the new food outlets should help to increase dwell time and be a catalyst for later evening opening times.

GCW has developed a tenant mix strategy which includes identifying zones within the centre to concentrate on premium market, mass market and value market retailers. This will provide a stronger trading environment for tenants and create a platform for rental growth.

New retailers at the centre include a flagship store for Republic, a relocation for Woolfe Jewellery to a larger, prime location and a new store for Beaverbrooks the Jewellers.

"With strong anchors such as John Lewis, House of Fraser and one of the largest Marks & Spencer stores in the UK, there are still untapped opportunities. We are looking forward to working with CBRE to enhance the tenant mix further to fulfil the needs of the 27 million visitors the centre welcomes each year," says GCW director David Gooch.

The shopping centre, which opened in 1979, is one of the top 10 in the UK and draws from a regional catchment of three million people. It is at the heart of the UK's largest government growth region with 360,000 new homes targeted over the next 15 years.

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Deals

HBOS wins Victoria lease

GCW client HBOS saw off tough competition to secure a 15 year lease worth over £1 million per annum on the retail element of a prestigious new building, The Peak next to London's Victoria station. Due to open in September 2009, it will be the bank's largest and flagship branch, occupying 6,000 sq ft on the ground floor and 12,000 sq ft in the basement. Negotiations to sub-let around half the space are near completion.



Salisbury welcomes Ann Summers

GCW has let the surrendered Tchibo unit in the Old George Mall Shopping Centre, Salisbury to Ann Summers at a rent of £79,000 per annum on a 10 year lease. Situated at the heart of the scheme, the unit has 916 sq ft on the ground floor and 300 sq ft on the first floor. Ann Summers represents a further, highly recognisable high street brand added to this already successful town centre scheme

Hempstead Valley boosts rents

GCW has met one of the targets from its involvement with Hempstead Valley Shopping Centre with the letting of a unit to Body Shop, increasing Zone A rents from £105 to £125. Originally let to Rosebys, GCW negotiated a surrender of the lease and back-to-back chose Body Shop as the preferred occupier which enabled the centre owner to meet its expectations both in rental levels and in the quality of tenant.

The White Company and Lewins move to Solihull

Deals done by GCW have helped London & Associated Properties push up rents on a new block recently purchased in Mill Lane Solihull. LAP took a surrender of leases from JoJo Maman Bebe and Linens Direct on two shops and relet to shirt retailer, Lewins and fashion and household retailer, The White Company. The deals raised rents over 10% to £165 Zone A.



Windsor attracts new tenants

Benefit Cosmetics and Dorothy Perkins are two of the latest lettings by GCW on behalf of London & Associated Properties at King Edward Court, Windsor. Benefit Cosmetics, a global luxury brand with over 1,000 counters in 25 countries, took a 476 sq ft unit at £45,000 per annum and clearly reinforces the strength of the centre in a difficult market. Dorothy Perkins took the former Waitrose store following its relocation into the extension of the centre.



Thorntons take Nottingham unit

The latest deal for GCW client Thorntons sees the retailer take a new 10 year lease at a rent of just over £90,000 on a 800 sq ft unit at the entrance to Westfield's Broadmarsh Shopping Centre in Nottingham. The store is part of a block of six units alongside Holland and Barrett, O2 and Game.

Passing on the knowledge

Prupim, CBRE Investors, and DTZ Fund Managers are just some of **GCW's** clients to take advantage of the professional team's popular lease renewal **road show**.

Led by **GCW** directors Clive Gillingwater and Lisa Manley, with input from an independent property lawyer, the seminars offer a practical guide on what to do when leases come to an end. "A lot of clients believe that when a lease comes to an end they only need legal input. But we know they need a lot more practical advice. Many need a clearer understanding of what they can and can't do and how best to approach the process of applying for a new lease. Our seminars help alert them to the many pitfalls," says Gillingwater.

The seminar roll-out follows a successful event held at the Soho Hotel early in 2008 and the professional team now offer the seminar to clients as an extra service and can run in-house sessions.

For more information on how to save time and money in dealing with rent reviews or lease regears in the current climate, contact Clive Gillingwater, clive.gillingwater@gcw.co.uk

Nick Warr adds to shopping centre expertise

Nick Warr is the latest addition to **GCW's** team of retail property experts as he joins the firm as a Director of Shopping Centres. He was previously at GVA Grimley for eight years, where he was an Associate Director, working closely with clients including Asda, Virgin Media, RBS/Natwest, McDonalds, Centrica and the AA.

Nick has over 10 years of retail experience and will be involved with the asset management and leasing of a number of **GCW's** premier shopping centre instructions including King Edward Court, Windsor on behalf of LAP; Mell Square, Solihull on behalf of Morley; Victoria Centre, Southend on behalf of Delamere Estates; and Lion Walk, Colchester on behalf of LaSalle Investment Managers.

Nick will continue to provide strategic advice to a number of retailers including Harman Kardon who hope to acquire further high street stores this year to add to the three trading stores and Selfridges concessions and the premier global cosmetics brand Benefit Cosmetics.



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Beauty before age?



GCW's Young Guns of Chris Baker, Simon Morris and Duncan Kite narrowly beat the Old Sweats of David Gooch, Clive Gillingwater and Simon Horner when the two all **GCW** triathlon teams put each other through their paces last Summer. The six **GCW** surveyors joined over 2,000 competitors to run, cycle and swim their way to the finish line at the second annual King Sturge triathlon, organised in conjunction with Property Week. More than £100,000 has already been raised from the event at Downey Lake, near Windsor, for the Children's Trust and Cancer Research UK.