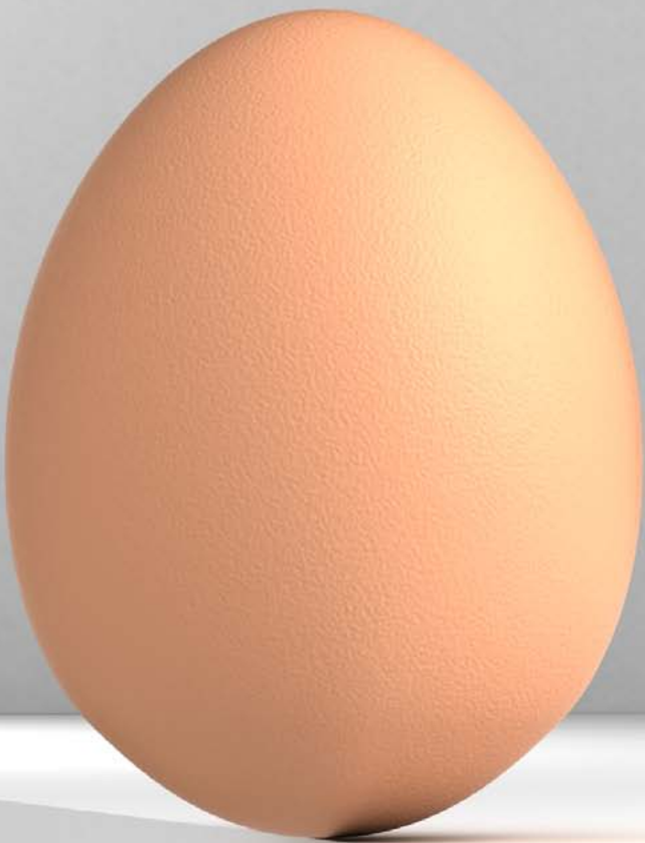
C&P

Spring
Retail Report
2013



**Limited Growth...
Let's Plan for the Future**
Introduction by Graham Chase

**Bored With High Street
Doom & Gloom?**
In-Town Agency

Maintaining the Balance
Out-of-Town Agency

Dominant Assets Dominate
In-Town Investment

Prime Property Still Prevails
Out-of-Town Investment

**Dispute Resolution -
Use and Abuse**
Professional

**Baskets, Delivery Vans and
Bolt on Brands**
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CHASE & PARTNERS
Retail & Leisure Property Specialists
C&P

“Last year we strongly argued that any retail business planning should be against a background of a zero growth economy and we suggest this should be the same approach adopted now.”

Limited Growth…
Let's Plan for the Future
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Introduction by Graham Chase

Limited Growth... Let's Plan for the Future

Last year's Spring Report was set against the backdrop of market optimism. The worst of the banking crisis was thought by many to be behind us. The banks were apparently under control and would soon start lending, inflation had been tamed, employment was rising and entrepreneurs and investors appeared to be in the mood to say yes with yields falling and rental growth anticipated as being around the corner.

Realism v Hope

At Chase & Partners we took a different view despite the accusations of talking down the market. Unfortunately we did not see the fundamentals to support economic growth as being in place, especially from the consumer's perspective. We correctly predicted a double dip recession, ongoing falling occupational demand in the retail sector reflecting the downturn in consumer expenditure, a wider contraction in the economy as a whole coupled with ongoing uncertainty in the Eurozone, rising inflation set against wage deflation and overzealous retail property yield pricing based on artificial headline rents and over-optimistic growth assessments coupled with growing internet sales competition. None of this provided a picture of an improving market and the claims that the worst was behind us simply did not stack up.

Growth is Elusive

We have however missed a triple dip recession by a whisker with UK growth for Q1 of 2013 at 0.3%. UK GDP growth is predicted at 0.68% for this year and is not predicted to rise above 2% until after 2015.

Last year we strongly argued that any retail business planning should be against a background of a limited growth economy and we suggest this should be the same approach adopted now.

The UK Government continues to borrow heavily and despite Department under - spending by some £11 billion has overshot its budget by £8 billion in 2012. Further it will not be until 2018 that Government debt will begin to fall. This is simply unacceptable and unsustainable and comes at a time when the private sector is taking the full force of austerity measures in a stuttering economy. As we have said many times before this was set when Gordon Brown, in his last speech as Chancellor of the Exchequer in 2006, advised that Government borrowing was within reasonable limits and that he had rid the UK of boom to bust economic cycles – unbelievable.

Rates - an Unaffordable Penalty

The budget speech on the 20th March 2013 demonstrated just how little room the Government has to manoeuvre. Tax revenues will continue to fall as business retrenches, reduces investment and cuts back on expenditure and full time staff employment. Defunct empty rates policies, high property rates which reflect a bygone era and the disastrous decision to postpone the rating revaluation by two years means that the retail property sector is unreasonably shouldering too much of the overall tax burden and is now behaving like the mule who has been too heavily loaded but keeps getting whipped to produce the returns.

Cash Cows and Taxation

Indeed, with the exception of Central London and one or two other hotspots the entire property industry continues to be incorrectly seen as a cash cow, producing value which can support any tax thrust upon it such as CIL which is fast being discredited.

Taking a simple look at the tax take for property this includes property rates, empty rates (now a staggering £1.1 billion per annum), SDLT - now up to 4% for most commercial property, Section 106 requirements (over £0.5 billion was paid in 2011/12), other planning tariffs, Section 278 Highway tariffs, affordable housing policies and quotas, business improvement districts (BIDS) and now the unexpected consequences of the poorly detailed Community Infrastructure Levy (CIL or development land tax). Already the impact of CIL is being felt for new schemes in the process of being shelved because this upfront tax payment has turned viable schemes in to unviable ones.

Construction and Housing

Of considerable concern is the contraction by some 18% in the past 12 months in the UK construction industry at a time when we are only building 125,000 housing units per annum. This is half of the required number to cope with current demand. However despite March being the fifth month in a row of construction contraction we believe this reflects the bottom of the curve and there is light at the end of the tunnel, especially as borrowing ratios are falling rapidly.

Affordable Housing - The slums of tomorrow

Affordable housing policies are a barrier to supply as are the estimated 630,000 home owners with negative equity. Stamp Duty needs reducing, and perhaps 2nd home ownership and buy-to-let options should be subject to stronger fiscal measures. We need more of all types of housing and it is often public sector employees and essential workers who are able to secure mortgages against private sector employees who have seen their wages and job security fall since 2008.

Subprime Revisited

The Chancellor has, surprisingly and naively, chosen to adopt mortgage support and equity share schemes which sound remarkably similar to the policies adopted by President Clinton in the USA and gave rise to the subprime crisis which was the fundamental cause of the current western economy economic failure. Do we learn nothing from the past? Surprisingly this policy is promoted at just the time when residential mortgage debt has fallen with borrowers paying off 51.2% of the debt secured in the boom years from June 1998 to March 2008. The key is the need to increase the supply of housing across the board – simple. Agreed this needs to be spread through the UK rather than focussed on London and parts of the South East but this requires strong regional policies rather than failing to respond to the need for more housing now. Hopefully Lord Heseltine's regional crusade will provide a suitable response.

Residential and Retail - The Link

The reason I cover residential in a retail property report is the fundamental link between the housing market, with consumer and retail expenditure, a relationship which has always reflected the performance of the retail industry. With the cost of housing relatively high, especially in the South East, the rising costs above inflation of utilities, rates and food it is the discretionary spend of consumers which dictates the potential of the retail market. With wage deflation and more money required for house deposits and residential rents continuing to grow there is a limit to what the consumer has to spend at the end of the week.

Internet and Cross-Border Retailing

In addition, the retailer is hit by increasing rates, high VAT, lease commitments they no longer want or can afford in certain instances and competition from the internet and overseas corporates with lower tax liabilities. The latter point of overseas tax efficient companies is a tough subject, where government is only just coming to terms with the crisis. It is hoped that voluntary payments such as that made by Starbucks do not put HMRC off the scent and lessen their determination to create a level playing field otherwise our domestic retail market may be destroyed beyond repair.

Portas Policies built on Sentiment

The much considered Portas policies to reverse the slump in the retail property sector in town centres was doomed to failure as it was too little and based on the erroneous assumption that all retail property can be saved. The latest proposal by the GLA to CPO retail property leases where they remain vacant is in our opinion quite simply bonkers. This will merely encourage extending vacancies and landlords ending up with a GLA covenant as tenant. When will it be accepted that many town centres will see their physical retail facilities shrink by 20% and possibly more as internet sales move to 25% of all retail sales volumes, currently estimated at some 10%?

Town Centres - More Than Just Retail

Failing town centre retail areas need to be recast for other uses. Residential, business, leisure, food, catering, public services, local authority services etc should be eyeing up these locations with vigour and encouragement to breathe life in to long dead and fixed retail frontages which in the new world of internet sales has no place. Town centres were never just about retailing and the depopulation and loss of services and businesses results in an inevitable lack of robust, vital and viable central areas. Why is it society and our planning structures can plan for increasing retail yet we see no plans for accommodating decreasing retail potential? Town centres need to be proactive, have regard to improving their vitality and viability in areas other than retail and for the high street to become part of the internet society and lead on internet and Omni-commerce sales.

Old Chicago Post Office Development. Mixed use city centre regeneration for IPD North America INC.

Town centres have the greatest potential to fight back as they can look at alternative uses other than retail, whereas shopping centres and some retail warehouse parks have far less flexibility and over time could struggle unless they are either absolutely prime or offer true discount retailing.

The Fundamentals for Retail Remain Weak

As will be seen from our report the fundamentals of retail property remain weak, although this can be contrasted with the fundamentals for elements of leisure and Central London property which remains strong. There is no one answer to what is happening and no one example of how the market is performing.

Occupational demand outside Central London is weak, rental growth is only achievable off readjusted base rental levels representing today's realistic values and importantly property has to be managed effectively and aggressively.

Our report identifies a number of high profile retail failures and there will be more. In the first quarter of 2013 the number of retail insolvencies continued to rise by 1.75% despite insolvencies in business as a whole falling by 10.2% and administrations falling to their lowest level of 490 - the first time the 500 barrier has been breached since 2005 - and CVA's plummeting by 41.9% year on year to 104 (PWC 4/4/13).

Changing Fortunes

The food supermarket sector is showing clear signs of having peaked both in volume and value terms. On the other hand there is always the entrepreneur who believes there is a solution and opportunities have been provided by the administration of HMV, Blockbuster and Jessop's to name but a few, especially as prime retail property will continue to remain scarce and over time could even become more valuable as town centres focus on a wider variety of uses in competition to retail.

Business Needs a Boost - Cut Taxes

Nevertheless the cost of running retail businesses is still too high with the biggest culprit being the current rates regime and the tax on consumer expenditure through the higher VAT rate of 20%. Cut property rates to realistic levels by reinstating the 2015 revaluation and reduce VAT to 17.5% except for luxury goods and treat VAT for refurbishment and regeneration of existing property the same as for new build, reduce stamp duty, abandon CIL and affordable housing policies and the property and retail industries will deliver improvements in performance without inflation.

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Investment Property Fairly Valued

The investment market has looked particularly bleak for some 6 years now but cycles always produce a feeling of despair and pessimism. By contrast we believe the next 12 months will offer up true opportunities for retail property investors. The average holding yield for retail property is approximately 8%, with investors seeking returns generally of between 8% & 10%. The decision that is required is how much the yield should move either side of 8% to represent a good retail facility, with strong covenants and a sensible rental value benchmark, with growth potential against more secondary and limited retail property or over rented stock where yields will continue to rise above this benchmark. However, with interest rates remaining low, currently at 0.5% but inflation likely to rise above 3% it does make good sense to buy the right type of property where it is possible to inject good management and aggressive marketing, coupled with a bit of luck, as positive returns will follow for the right stock selection.

Growth Through Asset Management

The future clearly has potential but just sitting back and waiting for something to happen will result in failure. Proactive management based on an understanding of the art of the possible will ultimately bring its rewards and arguably this in any event should be the way that any industry should seek to move forward.

With over half of all lending on retail property scheduled for refinancing in the next 18 months this is going to be an interesting and dynamic time with right pricing and realistic rental levels under the microscope. Perhaps it is not surprising that the IPD valuation benchmarks are looking at rental indexation in recognition that many rentals agreed are at headline levels with the incentives incorrectly ignored.

Investment Fundamentals Improving

Despite these inherent and structural problems in the UK property market what is a clear and resounding success for the sector is that it continues to reduce its borrowing/debt commitments. The latest Bank of England statistics show that commercial real estate lending continues to fall and is well below its peak of over £200 billion at £171.6 billion. That is of course good news coupled with the fact that lending terms are arguably the most attractive they have been for over a decade.

The fundamental problem is that the banks simply do not have the money to lend. They have to reflate their reserves to accord with Basle III liquidity requirements and have little faith in the property sector which ruined their loan book credentials, primarily through their own fault of naive and inappropriate lending policies, so now we all suffer.

Property Funding - Back to Basics

However all is not lost. For those of us who have been around a bit the days when property funding came from pension funds and insurance companies are returning. These are not short term off balance sheet lending facilities but long term funding through investment. The facilities will be far fewer than in the 5 years leading up to 2008 but they are a lot more secure, considered and understanding of the property sector. We are therefore of the view that a period of stability in property financing is about to emerge which may not be exciting but equally will provide security and a clear way forward which is precisely what the property industry needs.

As we stated last year with interest rates at 0.5% money has limited value but considerable worth. Pension funds and insurance companies are well placed to take advantage through financing new develoments.

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Six years is a long time to live in the dark - it's time to find some sunshine.

Positives are There To Find

If you care to find the positives in the high street retail market they are out there but you need to know where to look. The Zolfo Cooper Growth Retailer Report landed at the start of April and identifies 30 retailers growing strongly. They range from Aldi and 99p Stores to the White Company and Brighthouse - interestingly under 50% can be classed as being at the discount end of the market.

Additional positive news can be found in Sports Direct sales up 14.3% last quarter, Primark operating profit up 56%, Maplin secure £40 million investment to double store portfolio to 300 units, Next are seeking to add another 250,000 sq ft net additional space this year, Arcadia report 25% rise in profits, Poundworld turnover up 55%, EWM pre-tax profits up 62% turnover up 25.5%, Cotswold Outdoors 14% increase in sales, Morrisons acquire 49 Blockbusters, 7 Jessops and 6 HMV's, Sports Direct add a further brand by acquiring Republic. Not so bad after all ?

Good News is Alive

The reality is that while there is good news to be found on the high street, we still need plenty more of it. We have however noticed that the wider retail property commentary over the last 3-6 months is no longer fixated on the downside and perhaps we are starting to see a few rays of sunshine in the prime and core retailing areas. There is also the acceptance by some that the rebased current market rental values going forward are here to stay for many high street and shopping centre locations. Once these realistic rental values are accepted there is a good chance to let shops.

Portfolios and New Sales Space

Nevertheless established retailers who have survived the carnage on the high street over the past 6 years are often saddled with a large store portfolio, some of which which may not be ideal and a number of which are over rented. As evidenced by Next, who are seeing a fall in like-for-like sales in some of their older stores, they have been able to offset this by driving hard for new efficient space based on linking physical facilities to online and catalogue sales. Arcadia have seen similar issues in the older, poorer stores and hence a significant number will be dropped. These are just two of the many who are achieving good profits but only by careful management of their business through the multi channel retailing evolution !

Where success is based on very small margins, a continuing drive for bigger, more efficient space in the major centres will be high up most retailers' agendas. Perhaps relatively new companies like B&M who only had 21 stores in 2004 (now approaching 350) have been able to create a competitive advantage by the fact that most of their stores closely meet their ideal space requirements at post-recessionary rental levels. The phoenix companies arising from the ashes of CVA and administration now have a similar advantage over the competition.

Caution Still Required

The warts are not there to be hidden, in that 2013 opened with the failure of HMV, Blockbuster and Jessops following on from Clinton's, JJB, Game and La Senza and Republic in 2012.

Other depressants include Marks & Spencer's continuing issue with fashion sales resulting in a cut back in investment in the UK, a 62.6% drop in profits from Wilkinsons following a small drop in like-for-likes and substantial investment, and a 62% fall in profits by TK Maxx despite an increase in both turnover and like-for-like sales. The latter two were a surprise bearing in mind where they sit in the market, however there is now a large shoal of fish swimming in the discounter's pool with competition like Poundworld hitting their 200th store having acquired 52 this year, but that is where many consumers are fishing.

CVAs and Vacancy Rates

The only positives to come out of the controversial CVA and administration process is that at least there is roughly a 50% store retention rate (as was the case with Peacocks and Clinton's) which is better than none at all, as we saw in the early nineties recession when whole companies went down lock, stock and two smoking barrels. The other is that with the failures there should be a bit more room in the pool for those that survive, so making them stronger. On the other hand there is also evidence that those groups that achieve a CVA simply put off the evil day and still fail subsequently such as JJB and Ethel Austin.

The Local Data Company reported the closure of just under 1,800 shops held by major retailers which is the first time that we have seen a big reduction in the number of multiple occupied shops.

The level of vacancy was not only driven by CVAs and administration but lease expiries following on from the 25 year lease pattern taken in the late eighties. Whilst there are retailers taking new space, there are just not enough of them to replace the attritional rate of vacancy to maintain pre-recession occupancy levels. Furthermore outside of London we are seeing fewer start ups coming in to replace the failures.

Structural Changes

As one major landlord highlighted recently, we still have a substantial number of world class retailers who are operating in a highly competitive market and many are still delivering strong profits and acquiring new space.

Was it really a surprise that Woolworths, HMV, Blockbuster and Jessops all hit problems in view of their structural deficiencies, yet the demise of companies like Peacocks and La Senza was perhaps more of a surprise but driven by debt considerations.

Certainly the internet has magnified the weaknesses and competitive pricing transparency is now far greater, so the weak no longer have anywhere to hide.

The increased ratio of business rates against rent and other outgoings continues to act as a drag on rebalancing the high street. Since the amount of total outgoing is fixed, landlords are the ones having to decrease their rental element further, and of course this equality is exaggerated most in those areas that can least afford to take it i.e. outside of London and the South East where rental values have fallen the greatest in relation to the rateable value. That said these effects are also starting to be seen even in the prosperous South East where we have just let a prime shop at £65,000 pax with rates payable of £50,000 pa. Commercial property rates are no longer a tax for services against occupation but a penal cost of occupation regardless of services in many instances.

In the UK market where competition is tough and consumer expenditure is weak and falling, it is inevitable that future investment will start to increase overseas as evidenced in the expansion plans of Hobbs, Aurora Fashions, Marks & Spencer and Top Shop.

Despite the major issues on the high street the continued message is that pockets of demand for the best, biggest and most efficient space in the top centres continues to come through.

Regional Domination

If retailers continue to focus and reposition towards the top 70-150 centres, then that can only lead to upward pressure on values, both rental and premium, as well as new development. A number of retailers have commented to us on their concerns at the lack of development pipeline in town and hence some of them driving hard in the out-of-town market, where larger footprints are easier to come by.

Further evidence backing the big centres is the vacancy rate in the regional shopping centres is only 3% whilst the average for the whole of the UK is around 14.1% as of February 2013 and this has stayed fairly constant since Autumn 2010. (Local Data Company) Interestingly the BRC / Springboard monitor only registered 11.4% as at July 2012 as researched by town centre managers whilst LDC uses government drawn boundaries in their calculations – both are apparently right !

A Tenant's Market

In many situations particularly outside of London and the South East, tenants continue to hold the upper hand in negotiations unless it is prime pitch in one of the top city centres, or where rents were never driven to unsustainable levels. Surprisingly this has occurred in some of the smaller centres with towns like St Albans holding up well relative to many.

Development Remains Muted

On the development front, there is a dearth of openings relative to where the market has come from.The major centre this year being Land Securities, Trinity Centre in Leeds where 1 million sq ft providing some 120 units was opened just prior to Easter with 90% reportedly pre-let. Their Buchanan Street development of 115,000 sq ft plus 49 apartments swiftly followed a week later in Glasgow. A number of centres are expected to open over the next 12 months and include Stanhope and British Land's Retail Quarter in Hereford, and Tesco's delivery of New Square in West Bromwich.

Although in our experience many more companies are starting to look at the retail development market there are still relatively few schemes on the horizon with the exception of, British Land's potential development in Surrey Quays, Wilson Bowden in Barnsley, Crest Nicholson in Farnham, PRUPIM's recent purchase of the Friary Centre in Guildford for extension, Henderson and Land Securities extension to Buchanan Galleries in Glasgow, Land Securities Westgate scheme in Oxford, Hammerson and Westfields proposals for Whitgift, Croydon.

Second Hand Depreciation

We are strongly of the opinion that far more development would be under consideration even in some of the more secondary areas but for the approach to valuation and the uncertainty of the Community Infrastructure Levy (CIL).

We are also seeing accommodation which is no longer fit for purpose with heavy future liabilities in respect of empty rates and service charge shortfall still attached to artificially high values when one considers the real prospects for long term letting.

If some of these older units have no real investment value, even allowing for market improvement over the next five years, then the only way forward is to write values down to development land value, possibly for other uses, particularly on the fringes outside the core retail areas of town and city centres.

As we keep advising clients, there are strong pockets of demand out there but for anything outside of prime in the main centres, retailer affordability will be on rebased values. Development can work to create modern efficient space which will attract interest, but only if the land and assets can be purchased off viable new levels.

True Value

Returning to the "what is the true value" issue, we certainly hear a lot from retailers about sustainable rents linked to new market levels, but not so much about whether retailers are operating with sustainable levels of debt in these challenging times.

An encouraging fact is that we are receiving increasing interest for space from local independent and regional retailers as their national multiple competitors move out.

The London Factor

We talked last year about retailers shopping for shops in the high street and shopping centres. A number of reports suggest that some of the major retailers are now introducing "global terms" as many of them are shopping in a global market. In this respect Bond Street and Oxford Street do not have too much to worry about, but in those "take it or leave it" locations, landlords perhaps have to consider where their assets now sit in a global pecking order.

London continues to outperform the rest of the country and it remains the number one city in Europe for international retailers.

How fashions change; back in the early 80's many bikers used to wear a smelly old Belstaff jacket when riding their motorbike. In those days we could never have imagined them acquiring a 22,000 sq ft store in Bond Street where prime Zone A rents are now approaching £1,300 psf.

Where many prime pitches outside of the South East are contracting, Oxford Street continues to extend its pitch due to increasing levels of anchorage – Primark at the Tottenham Court Road end and the Park House development at the western end. There are few streets where you see such high levels of multiple unit representation by so many individual brands.

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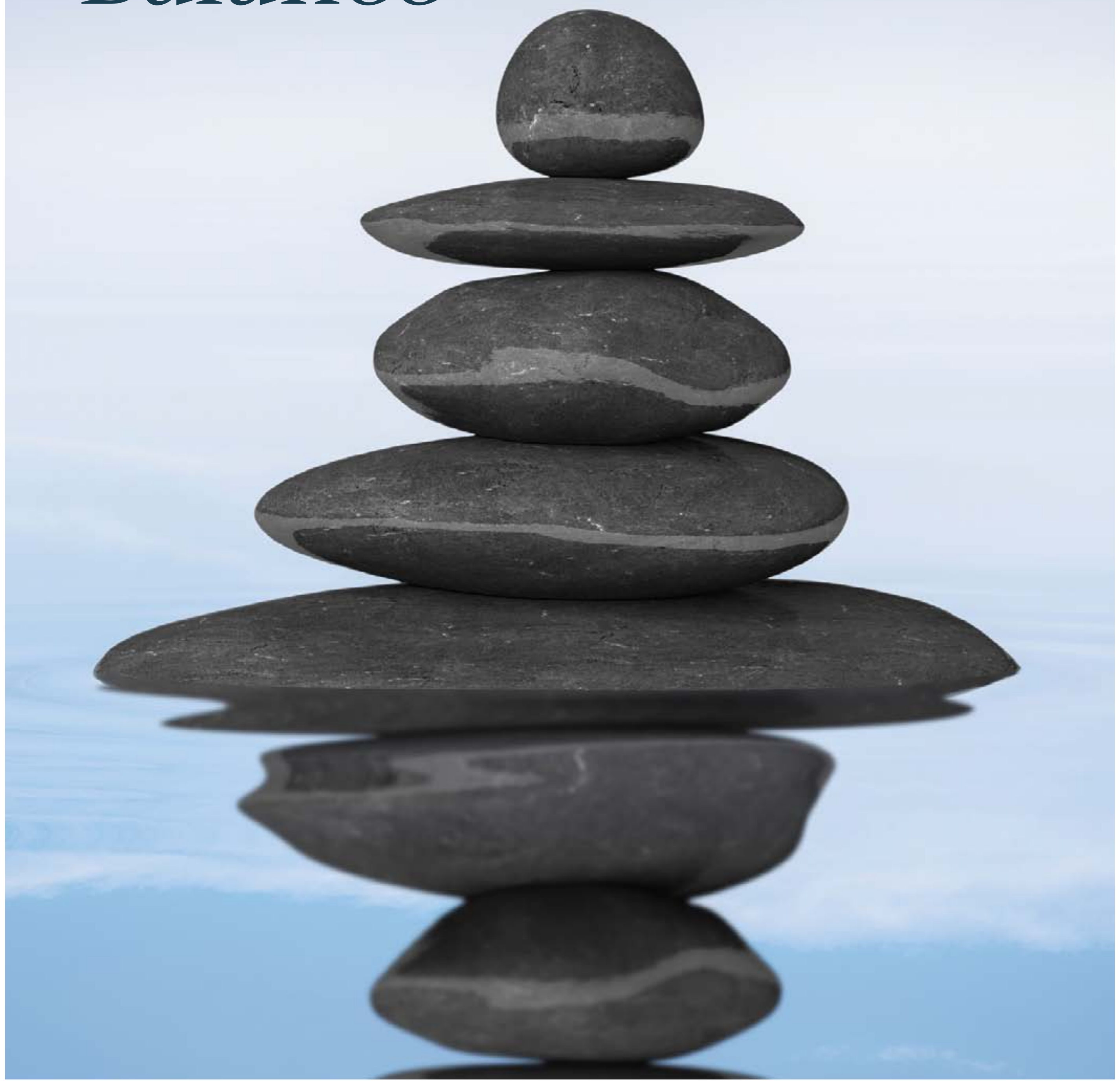
Out-of-Town Agency

Maintaining The Balance



No-one was forecasting the demise of Comet from the retail sector, some expected it to be reduced in scale but the changes in retail that have happened over the last few years have become a day-to-day reality for the property market.

Administrations, re-gears and keeping tenants in occupation on flexible terms have become todays norm.

Electric Storm

After the closure of the Best Buy stores and sale of the Comet business in February 2012, by the end of the same year the Comet brand had disappeared from retail parks. The fall-out was swift and only weeks after the Accessible Retail conference in October 2012 debated the future of the second tier electrical retailer. Should we have been shocked?

Dixons have the market to themselves as they maintain their dual format strategy, but are in no urgent hurry to expand. Maplin have a different offer, but are expanding.

In the meantime, six of the former Best Buy stores are now trading as Kiddicare and Enfield will open in May 2013.

Future of CVAs?

Placing retailers into administration is a market in itself. It has fluctuated and current market conditions suggest that CVAs (Company Voluntary Arrangements) are out of favour.

The Government are reviewing insolvency procedures based on market evidence over the last few years. Restructuring specialists will continue to cast their eye over struggling retailers, but landlords are asking more and more questions as CVAs that appear to have been undertaken to reduce store numbers have subsequently failed. Rent payments during administration also remains a thorny issue, for example, JJB Sports. Investors are starting to ask what a lease is worth.

We urge administrators and those "buying" companies to be clear, up front and honest about what they have bought and their option arrangements in relation to leases. Sun European, purchasers of Dreams, has made some progress down that road.

Space Available

The space available has different implications to different sectors of the market. Trevor Wood & Associates has assessed the national retail warehouse vacancy rate to be 9.9% at the end of 2012, before further administrations. Some landlords now have three void units on their retail park, other landlords and tenants have "shuttered frontages", although rents and occupational costs are still being received and paid. Some tenants now have additional costs where leases have come back to them under privity of contract.

The acquisitive retailer needs to understand what is available and who they need to deal with. Despite multiple vacancies, there are few package deals to be done other than with the administrator, where costs are payable to secure the stores. Only in the best locations has the landlord taken a surrender from the administrator and re-let.

The acquisitive retailer wanting five stores in a regional area may be trying to unlock five different opportunities, all with different owners and occupiers. Where there is an opportunity of a regional package, one of the key towns or cities may not be available.

There have been opportunities taken up by Sports Direct, Morrisons, B&M Bargains, Co-op and others in acquiring packages, but for the most part retailers want to deal with the landlord, or a tenant who has deep pockets to buy themselves out of leases. Others such as Smyths Toys will want to secure the best deal from the landlord, and many units are being let individually to the discount retailers who show no sign of reining in expansion.

Planning Policy Issues

We forecast more retailers being vocal about their requirements, and where and why they cannot be satisfied if the local authority seeks to stop them from opening. There will be more planning appeals, or the threat of appeals, to secure those opportunities. Retailers, such as Next, look at their existing store portfolio, the region and prospects of additional sales and seek to invest in either existing buildings or potential new development, whereas their planning consultants have to understand planning boundaries, policies and guidelines. Occasionally we hear of a permission granted purely because of the retail brand.

Food on Parks

Not many retail parks have a foodstore on them. Such stores are normally on adjoining land, although M&S Simply Food and Iceland still have requirements.

Whole Foods have taken their first store on a retail park at Cheltenham, but even this store, a former DIY store, was a solus building.

Requirements from Lidl and Aldi will dictate that they look at more retail park opportunities. But with a preference to purchase long leasehold, very particular layout requirements and a need for a higher ratio of car parking than non-food, such opportunities will be limited.

Shopping Parks

There is no doubt that the shopping park is at the prime end of the market, but previously high rentals can affect asset management and re-letting strategies.

Landlords who are able to re-base the ERV on their retail park and not have to say to tenants "we have to let at this rental" will have a better relationship with their tenants. Vacant properties will be reoccupied much more quickly. Some tenants are openly questioning such statements and why landlords have not adjusted their sights yet.

The recent announcement of proposed Bhs Home closures on a number of shopping parks will test occupational demand.

Changes can be made, for example, Peterborough, Brotherhood Shopping Park where M&S General Merchandise, Asda Living, Next, Outfit and H&M opened in a

Scunthorpe, Lakeside Retail Park.
Letting and asset management for Limes Developments Ltd.

QUARTER 2 - 2012

Market Comment

- First double dip recession since 1970s provides a tough background for corporate activity but there are active store requirements.
- Dearth of new retail park openings but developers are still promoting schemes.
- Online trading world will change the high street and increase Click and Collect requirements on retail parks.
- Food retailers fight to "unlock" London.
- Trevor Wood & Associates reported stable out of town retail vacancy rates at 9.2% in 2011.

QUARTER 3 - 2012

Market Comment

- Mary Portas questions whether Government is "putting town centres first", but there is a wider debate as retailer requirements change.
- BRC and Retail Week commence "Fair Rates for Retail" campaign. The logical statements made seem to be misunderstood and questions asked by Government confirm their misunderstanding.
- JJB went through two CVAs, in 2009 and 2011, but could not be saved in 2012 as Sports Direct continued to grow, with talk about trialling some larger stores.

QUARTER 4 - 2012

Market Comment

- Multi-channel: Top retailers work with "Bricks and Clicks", but Clicks is likely to drive sales quicker. The pace of change is rapid.
- OpCapita's purchase of Comet comes under the microscope.
- Retailers' tax structure is front page news just as there is no business rates relief on the horizon. The unfairness of it is highlighted.
- Successful business models prepare confidently for Christmas.

QUARTER 1 - 2013

Market Comment

- Jessops is bought partly out of administration by Peter Jones.
- Morrisons acquire 49 former Blockbuster stores and six former HMV stores to add to its M Local convenience portfolio.
- Retailers have spent a lot of management time sifting through other retailer portfolios as they choose where to expand.
- The best retailers are extremely careful with their opening strategies, but successful new concepts such as Next Home and Garden and John Lewis at home create new opportunities for the market.

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2012 & 2013 Unfolds

QUARTER 2 - 2012

- OpCapita meet landlords to renegotiate rents on its Comet portfolio.
- US giant Dicks Sporting Goods invests £20 million in JJB and targets 25 store revamps in the year with its new investment funding and supplier support. First one opens in Broughton, Chester. Sports Direct growth continues and improves range of sports equipment.
- Dreams re-financing continues.
- Clinton's administration affects Birthdays stores on shopping parks as American Greetings buys the business.
- Allied Carpets enters into administration, while Carpetright's new MD, Darren Shapland, takes over from Lord Harris who becomes non-executive Chairman. 84% slump in UK underlying profit reported.
- Currys/PC World dual format stores help manage their overheads.
- Garden Centre Group bought by Terra Firma.
- Poundstretcher makes first profit for six years and appoints former Peacocks CEO, Richard Kirk, as it targets UK expansion.
- IKEA obtains permission for 19th store in Reading, to open in 2014.
- Halfords invest in auto-centres and bicycles, while having robust discussions with landlords on lease renewals.
- Tesco announce £1 billion investment programme and return to customer focus.
- Morrisons opens its first M Local store within a petrol station.
- Marks & Spencer announces end to space race as underlying UK pre-tax profit fell, but stores will be revamped.
- Mothercare drive to increase e-tail while store closures continue and costs are cut.
- New boss at Home Retail Group reviews store numbers.
- Furniture Village have to "give a reason for the customer to buy".
- Oak Furniture Land improves turnover and targets 40 stores by the end of 2013.
- Bad weather affects B&Q trade.
- Majestic Wine defies market conditions to increase profits and continue store openings.
- Bathstore.com bought by Endless.
- American Golf drive new store openings as profits rise.

QUARTER 3 - 2012

- Comet "heads into black" under OpCapita's restructuring, including downsizes of large stores.
- JJB calls for new investment, implements a forced restructuring and appoints a temporary new management while company sale starts, before falling into administration at the end of September.
- Dreams announces management changes.
- Jessops publish EBITDA growth and Simon Fox stands down at HMV as former Jessops CEO takes the helm.
- Maplin's new board accelerates store changes and expansion while improving e-sales.
- Halfords Chief Executive stands down after poor results.
- Hobbycraft is to revamp its multi-channel offer and open new stores.
- Next reports good sales and increase in forecast profit in tough environment, particularly from Directory.
- Wickes announce subletting deals to The Range, Dunelm and Pets at Home.
- Sports Direct invest in high street fashion retailer as sales increase.
- Matalan invests further in e-commerce.
- 151,000 sq ft M&S flagship store opens at Cheshire Oaks bringing Bricks and Clicks together as some forecasters question their strategy, but management team is shuffled as food sales increase.
- United Carpets shares suspended.
- Poundstretcher announce that Richard Kirk has stood down.
- B&Q review store portfolio in tough trading conditions.
- Dixons report like for like sales increase.
- Debenhams looks to build estate, including retail parks where appropriate having opened its first one at Ravenside Retail Park, Chesterfield.
- Kiddicare open first new store in Nottingham with Dudley to follow.
- Smyths Toys opens its 41st store in the UK.

QUARTER 4 - 2012

- Comet collapses into administration and all stores are closed by Christmas with no corporate saviour.
- JJB stores shut quickly and sell leases within the month of October. Office of Fair Trading allow Sports Direct to buy 20 former JJB units, plus a warehouse and brands.
- Dreams Chairman retires after less than a year as rumours circulate that the former owner Mike Clare tried to buy the business.
- Halfords appoint new MD, Matt Davies, formerly of Pets at Home.
- B&M raises funds for international growth following the Arora brothers selling about 60% to Clayton Dubilier & Rice, who appoint Terry Leahy as new Chairman.
- Brantano continue expansion despite pre-tax loss.
- B&Q restructuring includes 15% redundancies at head office as it confirms subletting to Asda at Belvedere. Screwfix set for expansion.
- Home Bargains reports surge in pre-tax profits.
- Asda continues click and collect grocery trial and Asda Living openings.
- Matalan appoint Allan Leighton as Chairman as sales improve.
- 5 year digital platform model announced for Argos.
- DFS' new stores and change in advertising leads to EBITDA rise, despite a fall in sales.
- IKEA reports increased trading in the UK.
- Pets at Home report improvement in trading, continuing its store openings including grooming salons and in-store veterinary services.
- Maplin's new credit facility fuels store re-vamp and expansion.
- Homebase concentrate on store revamps, including Habitat brand, and will close some stores as leases end.
- TK Maxx and Home Sense sales increase but profits decrease.
- Sir Phillip Green celebrates 10 years of owning Arcadia as profits increase.
- Poundworld continues to roll out Discount UK fascia.
- Topps Tiles increase its market share.
- United Carpets pre-pack administration.
- Edinburgh Woollen Mill now has 388 shops trading as Peacocks.
- Ewan Sullivan poached by Co-op from Kingfisher.
- Primark opens its first retail warehouse in Milton Keynes but "no more at present".

QUARTER 1 - 2013

- Argos and Dixons benefit from sale of tablets over Christmas following the collapse of Comet.
- Dreams expects to have four bids to conclude the sale process, which was won by Sun European following a pre-pack administration. They have acquired 171 stores in a £35 million deal, subject to lease restructuring.
- Former Dreams owner launches Buzz Beds to acquire former Dreams stores only to withdraw soon after.
- HMV and Jessops plunged into administration.
- B&Q place its Irish arm in examinership prior to reporting its first profit fall for five years.
- Healthy start reported to sales for big ticket retailers, for example, IKEA. Next trade well over Christmas.
- Halfords bike sales suffer over Christmas due to the popularity of tablets.
- Carpetright's like-for-likes edge up in the UK.
- Majestic Wine concentrate investment on new store growth.
- Dunelm reports increase in first half profits, opening 10 superstores to total 123.
- Furniture Village slips into the red following investment in the opening of a new warehouse.
- Travis Perkins confirm the impact of the recession and poor weather, but have a range of fascias to benefit from the upturn.
- Go Outdoors continues to change management as the company open more stores.
- Hobbycraft delays its digital roll out and slows store expansion.
- Staples appoints new MD following store closures.
- Countrywide reports first half profit.
- The Fair Rates for Retail campaign continues despite no rates relief in the March budget. Retailers face an estimated additional £175 million rates bill in April as the 2.6% increase comes into force.
- B&M expansion in the south of England has helped drive profits up 43% last year to £90.6 million. 53 stores opened in the year bringing its UK estate to 324.
- Waitrose launches a gardening range within some of the stores.
- Blockbuster is bought by Gordon Brothers with 264 stores subject to renegotiations with landlords.
- Next's multichannel success is linked with a new store requirement totalling 250,000 sq ft in the new financial year, subject to convincing planning authorities.
- Toys R Us complete their refinancing programme to secure the business and seek further stores.

Huntingdon Retail Park. Letting and asset management for Churchmanor Estates

Derby, Meteor Retail Park. Letting and asset management for Land Securities transformed retail environment from three years ago showing the flexibility of the retail park format.

Leisure

Whether the recession and reduced non-food tenant demand has raised the topical issue of leisure in the out of town retail marketplace is unclear, but in our experience landlords have always recognised the benefits of having restaurants as part of their retail parks. Not every landlord has the space to create such stores.

A number of landlords have difficulty in justifying the capital expenditure to build a small unit, particularly where tenants have rights over communal car parking.

Increasing footfall and lengthening times of visits is a clear priority and there are now occupiers who actively want such space in the market e.g. McDonald's, KFC, Subway, Costa, Starbucks and The Restaurant Group. The gym operators are struggling to pay top retail rents and landlords do not want to lose the retail use on a park, but may do so for a solus store, or create a first floor gym.

The Deal Today

Each property is different and each retailer has their own requirements, but Heads of Terms negotiations continue to revolve around capping rent reviews and linking the rent to RPI, as well as break clauses.

On retail parks with multiple voids, some occupiers are seeking "rent abatement" while other units are being let. This allows the landlord to secure that retailer now but only receive 100% of the agreed rent when the other units are occupied.

As the out-of-town sector reverts to one dominant retailer in some categories, those where there is competition may seek to restrict their neighbours, for example discount retailers. If competition rules do not allow a legal agreement, then another letting to a competitor may trigger a reduced rent from the existing tenant.

Conditional deals continue to be agreed where planning changes are required. In our experience detailed terms need to be agreed on who progresses the planning application and at whose cost, as well as a clear timeline.

The difference in capital contributions/rent free periods, usually referred to as "packages", continues to vary dramatically. Those retailers with high packages are in some cases pricing themselves out of the market. Some landlords can afford to buy them in, but equally there a number who cannot. With many properties to choose from the occupier can sometimes afford to wait.

Decathlon, Home Bargains, Sports Direct and Frank's the Flooring Store are acquiring freeholds.

Landlord v Tenant Tension

It is worth repeating the comment that some tenants have difficulty in understanding that some fund managers can deal with them in one way for one portfolio they manage, but in a different way for another fund. The retailer expects continuity of negotiation and consistent documentation, but this is not always the case.

We are surprised sometimes that tenants do not believe that landlords are doing everything they can to secure them under contract quickly after Heads of Terms have been agreed. Equally, landlords can be frustrated when a tenant pulls out of a deal at the last moment. The uncertainty over what stores might or might not become available on a retail park through administration or corporate change has not always aided decision making. When it is taken to board level the question is often asked "will my neighbours still be trading in 12 months?"

Development

While development is a word that has been scarcely used in the out-of-town retail market over the course of the last few years and with development pipelines all but drying up, landlords have been concentrating on preserving income streams and rightly so. There are however signs of new life in the out-of-town retail development sector.

The foodstores have more recently been concentrating on small to mid-sized stores in market towns, rather than continuing with their expansion through full offer hypermarkets. In some cases these were breathing new life in to some of the larger outdated bulky goods retail parks through wholesale redevelopment e.g. Sunderland Retail Park.

With a select number of retailers continuing to expand and the covenant strength of a number of the prolific discount retailers improving, it is not impossible to see that smaller schemes could soon start to stack up financially. Other elements to any such schemes must also be considered in order to drive value and this may include A3 pod units, hotels or even student accommodation where appropriate.

While development remains difficult, the availability of suitable and desirable space is reducing, as well as build costs, so perhaps it is not premature to suggest that there is still hope in this sector for those who are able to base appraisals off today's values. How the introduction of the Community Infrastructure Levy (CIL) affects viability remains to be seen.

Private Equity Stability

The question of whether private equity ownership is the panacea that ailing retailers have invariably sought through the recession is becoming increasingly asked, following recent high profile corporate failures.

While the rationale behind private equity and other such ownership tends to be based on a relatively short term five year business plan, there are perhaps structural changes underlying at the heart of UK retailing that must be addressed to give a chance of longer term succes. The most prevalent of these is the necessity for retailers to exploit all possible means of reaching their customers through "omni-channel retailing", as consumers' spending habits evolve to rely more heavily on e-commerce and m-commerce.

With recent corporate failings including Comet and Dreams, both backed by private owners, it is all too easy to point the finger at the structure of ownership behind trading companies rather than perhaps questioning decisions made at management level.

Should we instead be lauding the approach taken by other private equity investors such as Sun European who seem to be making a success of ScS, American Golf and hopefully the reincarnated Dreams. Also, KKR under whose ownership Pets at Home has continued to go from strength to strength through considered store expansion, as well as their recent corporate acquisitions of Ride-Away and Vets for Pets.

Home and Garden

The fall out in the furniture and home furnishings sector about five years ago, and the financial restructuring of some companies, has left the UK with a strong stable of brands. All the furniture retailers have opened stores last year or plan to open stores this year. That does not mean that there are not changes within the companies, e.g. Sleepmasters no longer has its own store fascia and Benson for Beds new fit out is paying dividends for Steinhoff. They should also benefit from the re-launch of Dreams for a period. DFS, CSL and ScS are still acquiring. Relative newcomers Oak Furniture Land have added stores quickly and Wren have come back into the market strongly. Paul Simon are looking in the south, but Bhs Home have some planned closures. Next continues expansion of their Next Home and Garden format. Homebase provide an expanding offer, including Habitat. Landlords seek the prize of John Lewis at home opening, and Dunelm continue their expansion strategy.

The Marks & Spencer flagship store at Cheshire Oaks has launched a new approach with its home offer, particularly its interaction with the website. A second store is expected to be announced shortly.

Summary

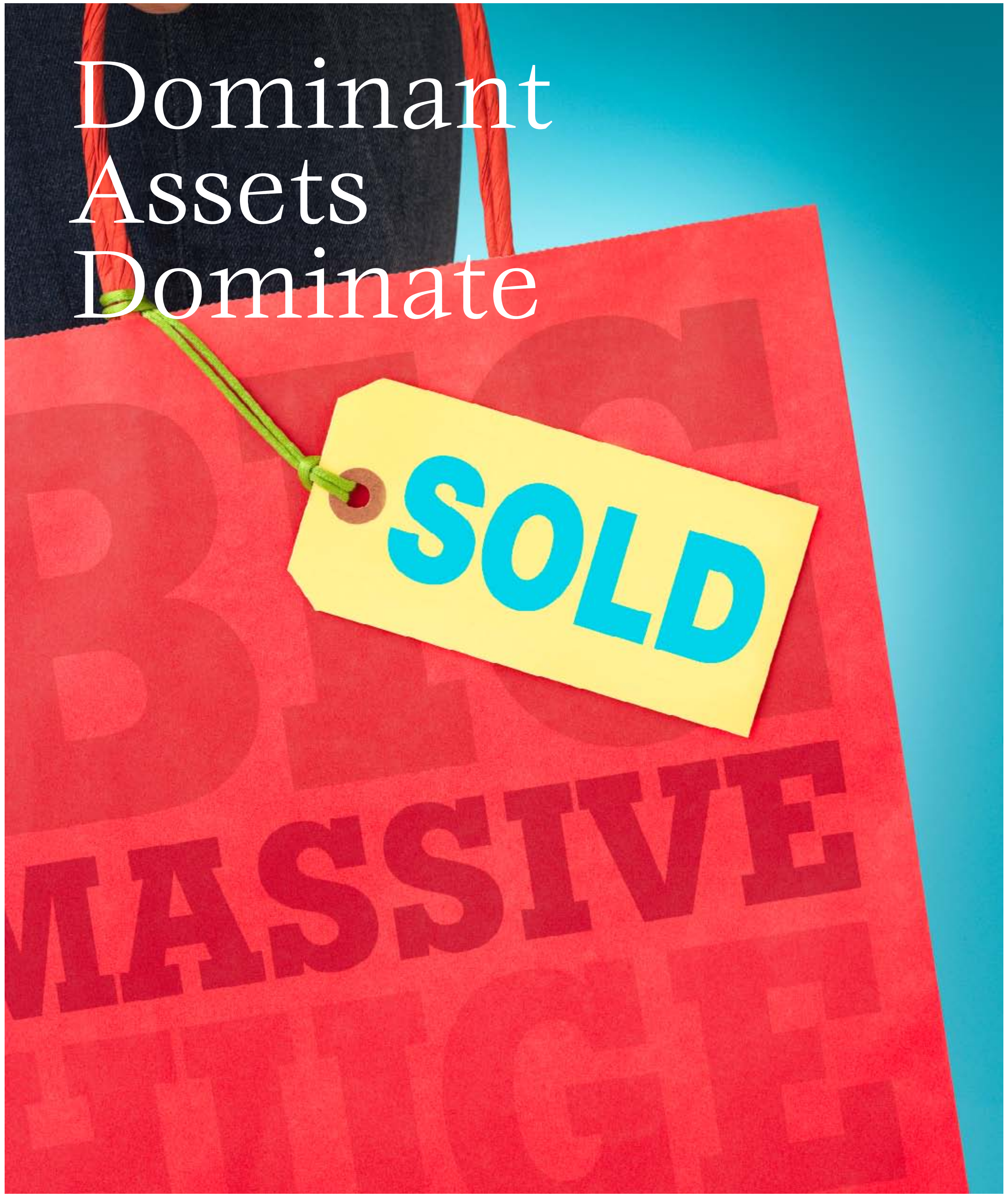
For every generalisation the market can point to an example of the exact opposite. The deals being done require flexibility and detailed knowledge. There is no change there, just a balanced approach in a dynamic sector. Retailing has never changed.

C&P

Spring
Retail Report
2013

In-Town Investment

Dominant Assets Dominate



2013 started positively with a number of shopping centre sales completing in Q1, a clear indication that investor sentiment remains positive for retail. The threats to retail real estate from the internet and the weak economy have not disappeared, but as long as the fundamentals are in place the market remains strong for dominant shopping centre assets.

Dominant Centres Score Best

Those centres that have been transacted meet investors' stringent criteria – dominant in their catchment, well located with good anchorage and high occupancy rate – and in a number of cases offering real asset management opportunities. Recent sales include Wereldhave's disposals of Ealing Broadway, London W5 for £142.5 million to British Land and the Dolphin Centre, Poole for £57.7 million to Legal & General Property; Intu Properties purchased Midsummer Place, Milton Keynes for a reported £250.5 million, 5.1%; the Centre MK, Milton Keynes bought by Hermes Real Estate for £190 million as PRUPIM acquired the Friary Centre, Guildford for a reported £150 million.

This positive investment sentiment has undoubtedly helped some major redevelopment opportunities take a step closer to fruition as large development sites are pieced together. Westfield and Hammerson purchased Centrale and an interest in The Whitgift in Croydon, where real place change can now be delivered. British Land's recent purchase of Tesco's interest at Surrey Quays, London SE16 also enables long awaited redevelopment and urban renewal, whilst PRUPIM's purchase of The Friary, Guildford for £150 million may

Shop Property Yields - Prime Moves in; Secondary Moves Out

%	Dec 2006	Dec 2007	April 2008	Dec 2008	Apr 2009	Sept 2009	Oct 2009	Feb 2010	Apr 2010	Apr 2011	Sept 2011	Mar 2012	Mar 2013
Prime High Street	3.75 - 4.25	4.75 - 5.50	5.00 - 5.75	6.00 - 6.50	5.25 - 6.00	5.50	5.00	5.00	4.75	4.50	4.50	4.50	4.50
Secondary High Street	5.00 - 5.75	6.00 - 7.00	6.50 - 9.00	8.00 +	8.00 +	10.00 +	10.00 +	10.00 +	9.00+	8.00+	8.00+	8.00+	9.00+
Prime Shopping Centre	4.00 - 5.00	5.00 - 6.00	5.50 - 6.50	6.50 - 7.50	7.00	7.00	6.00	6.00	6.00	5.50 - 6.50	5.50 - 6.50	5.50 - 6.50	5.25 - 6.25
Secondary Shopping Centre	5.00 - 6.00	6.00 - 7.50	6.25 - 8.00	9.00+	9.00 +	7.50 +	9.00+	9.00+	9.00+	8.00 +	8.00 +	8.00 +	8.5 +

finally see the start of long awaited retail expansion in the town, subject to agreement with the recently appointed preferred developer, Lend Lease.

British Land and Meyer Bergman's decisions to forward fund new shopping centre developments, in Hereford and Bradford respectively, illustrate confidence returning to the shopping centre market.

Lot Size

Whilst it is questionable whether 2013 will see any deals as large as Norges Bank Investment Management purchase of a half stake in Meadowhall, Sheffield, £762 million, reflecting a yield of approximately 5.1%, the appetite of investors will be tested as more stock comes to the market in a number of attractive locations. The Grafton Centre, Cambridge , Bon Accord and St Nicholas Centres in Aberdeen, St Enoch Shopping Centre, Glasgow, Ashley Centre, Epsom and Mell Square, Solihull are just some of the schemes due to be sold. Given the strength of these centres early sales are anticipated.

Secondary Centres - Opportunity or Graveyard

The market for secondary shopping centres is, and will remain, challenging. However, as predicted in previous Spring Reports, investors are now looking more closely at secondary assets as sensible pricing enables these assets to be traded, such as The Met Quarter, Liverpool purchased by Columbus UK REF for £21.2 million, considerably less than the original price paid by the previous Irish owners, £85.8 million in 2007. Real returns can be delivered where asset management plans can be fully delivered and we anticipate more assets that were overvalued being brought to the market providing real asset management opportunities.

Not all secondary assets will provide the necessary returns as the recession continues to bite and those assets in the regions and smaller towns will remain challenging In these locations, with retailers facing mounting costs, pressure will grow on owners and lenders as income streams reduce. A number of landlords will struggle, especially in shopping centres developed in the 1980's development boom, where numerous lease renewals are due at the same time. The question is when will the banks take control of these assets and how long must they hold them until realistic values can be applied ?

Leisure and Catering Advance

As we have seen in recent years, leisure and catering uses are playing a more important role with cinema and restaurant groups keen to expand. Where leisure uses can be accommodated, trading hours are extended helping to provide positive returns for investors and also rejuvenate town centres.

Yield Profiles Shift

On the high street, as prime has contracted, demand for well let shops and parades continues unabated. Investors have identified that there are opportunities for real rental growth in prime pitch and are willing to take a view on retaining existing tenants or re-letting at lease renewal. Yields for prime have held steady, around 4.5%, with the best high streets still in demand from retailers and investors alike. The problem remains a lack of quality stock coming to the market.

The London Factor

Central London continues to be the focus of global activity with yields at levels unimaginable in a recession and in the region of 3% for the most expensive West End shops, with Prada securing their own premises on Bond Street for £85.5 million. At least some Irish investors have seen a positive return on their mainland investment! For many central London is still seen as a safe haven. We do not see this changing in the short to mid-term, as more overseas money looks for a home, but we would suggest a degree of caution is exercised.

The question is how long can this realistically continue? Some funds are already concerned that Central London may be overheating and are turning to other south-eastern locations or selected regional conurbations such as Manchester, Leeds, Birmingham, Glasgow and Edinburgh. London having a positive impact on the regions - a former Prime Minister and Lord Heseltine would smile at that !

Out-of-Town Investment

Prime Property Still Prevails

There has been reduced investment activity over the last 12 months with circa £1.5 billion worth of deals having been concluded, a 25% reduction on the previous year and a 50% cumulative reduction over the last year two years. First quarter figures of 2013 do however suggest a current increase in activity with renewed interest being shown in the sector.

Institutional Investors Hold Court to Keep Empires in Place

Institutional investors have continued to dominate the market over the last 12 months at least in terms of prime property purchases. Despite reduced activity yields have held up in respect of prime out-of-town retail investment property primarily, we believe, due to a lack of stock coming to the market. However, there are some signs that pricing is moving out, not significantly, but moving out nonetheless. There is clear upward pressure on yields for secondary property against the backdrop of over renting (often 25% plus), vacant units and weak occupational demand, with little or no new entrants to fill the void and create an element of competition in some areas.

A large amount of the stock that has been brought to the market has struggled or indeed failed to sell and been withdrawn. This has been largely due to overly optimistic price expectation or a requirement for certain levels to be achieved, but also short unexpired terms with concerns about occupier covenants and all that goes with it.

Yields have clearly moved out and continue to move out for anything other than prime property to reflect risk. Pricing can vary significantly to reflect this uncertainty.

Key Deals Done

Despite reduced activity generally there are a number of key investment deals to report over the last 6 months or so.

• Alecta Pension Fund (Aberdeen Asset Management) have agreed to forward fund Location 3 Properties 49,670 sq ft Burgess Hill development pre-let to B&Q and Pets at Home. This is under construction and due to be completed in July 2013. The price of £12,573,000 reflects a net initial yield of 6.57%.

• Henderson UK Retail Fund has sold the Staples Corner Retail Park in London NW2 to St James's Place for £24.4 million reflecting a net initial yield 5.66%. The 49,437 sq ft property is let to Argos, Dwell, Hobbycraft, Maplin, Wren Kitchens and TK Maxx at an average rent of £29.50 per sq ft.

• Royal London Asset Management completed the purchase of the Crownhill Retail Park in Plymouth anchored by B&Q Warehouse, from Mountgrange for £21.5 million reflecting a net initial yield of 6.8%.

• The 150,000 sq ft Ravenside Retail Park at Erdington (Birmingham) has been acquired by the Brockton Capital/Pradera Joint Venture from Glanmore for £25.5 million which reflects a net initial yield of 8.6%. The property has the benefit of an Open A1 consent and is fully let at an average rent of below £13.00 per sq ft.

• The 68,300 sq ft Reading Link Retail Park has been sold by Prupim to Lumina Real Estate for £13.2 million reflecting a net initial yield of 8.1%. The occupiers include Matalan, Harveys and Magnet.

• LondonMetric completed the purchase of the Saturn Portfolio from Aviva. The portfolio consists of 5 retail parks and one B&Q unit located mainly in southern England and totalling 1.1 million sq ft. The price paid was £92.4 million showing a net initial yield of 7.7% overall.

- Christchurch Retail Park, Christchurch
- B&Q Warehouse, Leicester
- Dunstable Retail Park, Luton
- Cairngorm Retail Park, Milton Keynes
- Mountbatten Retail Park, Southampton
- B&Q/Halfords, Tonbridge

• The 48,785 sq ft Meadowside Retail Park in Oxford has been acquired by CBRE Global Investors for £11.48 million reflecting a net initial yield of 6.4%. Occupiers include Dunelm, Hobbycraft and Halfords.

What Does the Future Hold?

Out-of-town retail property has for sometime been favoured and is generally considered a successful investment asset class but questions are being asked about its future.

There is limited demand for new space, and vacancy rates are at an all time high on existing stock following a number of tenant failures over the last 12 months and with many other retailers seeking to rationalise their occupation of property and dispose of unwanted space. Good quality properties have, on the whole, been taken up quite quickly but in the majority of cases at lower rental levels, particularly once incentives have been allowed for and herein lies the real problem.

What is Prime?

It is very much against this backdrop that there is a flight to prime and investments which closely mirror the following criteria:

• Marketable lot size of £5-25 million.
• Dominant/strong trading profile
• Rents below £20.00 per sq ft
• Preferably an Open A1 planning permission
• Realistic asset management opportunities
• Strong covenants and brands, long unexpired terms preferably with an element of fixed increases and without break clauses.

The ideal rarely exists, but these criteria are fundamental, and matching most if not all is the key to successful investment in the current market, where tenant failure can leave investment performance in tatters with:

Sevenoaks Blighs III town centre mixed use redevelopment by Reef Ltd where Chase & Partners advised Sevenoaks District Council on all aspects of the proposal including land sales to the promoter.

Retail Warehouse Yields - Confidence Falters

%	Dec 2006	Dec 2007	April 2008	Dec 2008	Apr 2009	Sept 2009	Oct 2009	Feb 2010	Apr 2010	Apr 2011	Sept 2011	Mar 2012	May 2013
Shopping Parks	4.25 - 4.75	4.75 - 5.00	5.00 - 5.25	6.75 - 7.00	6.75 - 7.00	6.50 - 7.00	6.00	6.00	6.00	5.00 - 5.25	5.25	5.25 - 5.50	5.50 - 5.75
Open A1 Retail Parks	4.25 - 5.00	5.25 - 5.50	5.25 - 5.75	7.00 - 7.50	7.00 - 7.50	7.00 - 7.25	5.75	5.50 - 5.75	5.00 - 5.50	5.25 - 6.00	5.25 - 6.00	5.50 - 6.50	6.00 - 6.50
Bulky Goods Retail Parks	5.00 - 5.75	5.75 - 6.25	5.75 - 6.75	8.00 - 9.00	9.00	8.00 - 9.00	6.50 - 7.00	5.75 - 6.25	5.75 - 6.25	5.75 - 6.50	5.75 - 6.50	6.00 - 7.00	6.75 - 8.50
Solus Stores	4.75 - 5.25	6.00 +	6.00 +	8.50+	8.75	8.50 - 9.00	7.00+	6.00 - 7.00	6.00 - 7.00	6.50 +	6.25 +	6.25 +	6.50 - 7.00

• Long voids
• An empty rates liability, security costs
• Costs of repair and maintenance
• Service charge shortfall
• High costs of re-letting including refurbishment but also incentives with lengthy rent free periods and capital payments, in general terms often reflecting a 2 year package.

It is very rare indeed in today's market that a vacant unit presents the owner with the opportunity to increase rental levels and capital value and it is usually difficult to even maintain rental levels, particularly following the analysis of incentives. This exposes the remaining income as over rented.

It is All About Pricing

Activity in the out-of-town retail investment sector will continue to be centred on prime property with attributes as above and yields for property of this nature are likely to hold up. Secondary property will struggle and in many cases there will be no market for much of it, although it is all about pricing and there will be some excellent opportunities to be found.

There is evidence that with a general lack of stock, and prime yields where they are, investors are moving higher up the risk curve. The Brockton Capital/Pradera JV being a good example. At the right price and with their specialist knowledge, willingness to get their hands dirty and take risk there is the potential to achieve some very strong returns indeed.

Fundamentally, out-of-town retail property remains an attractive and sought after asset class and while it might be seen as struggling currently, its prospects remain strong for the long term. In the short term, owners will have to work hard to retain full occupancy and improve or indeed maintain capital and rental levels.

York: James Street - Trade counter investment sale on behalf of Grafton Estates.

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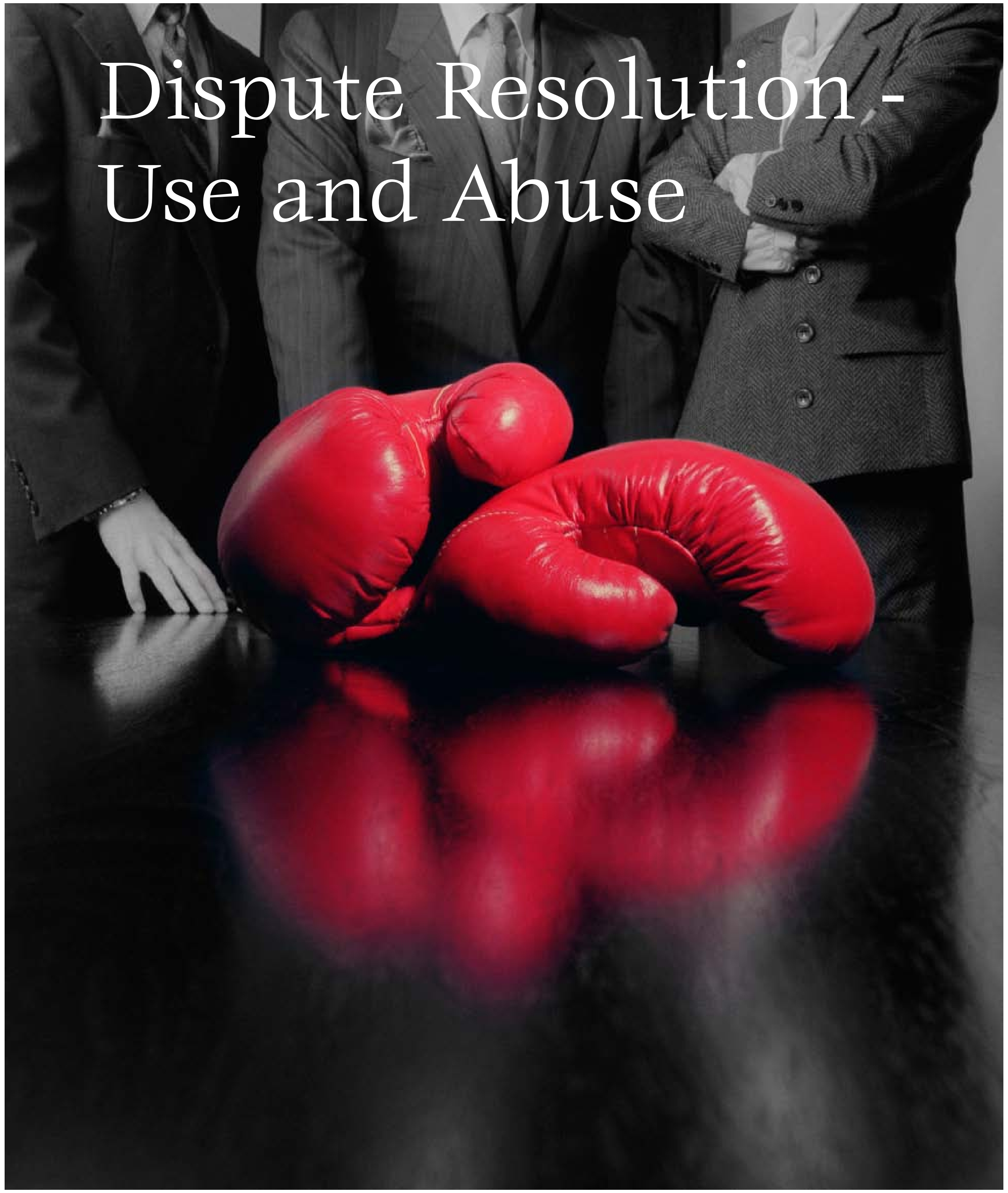
Professional

Dispute Resolution - Use and Abuse



As the number of applications for Arbitration and Independent Expert appointments to the RICS Dispute Resolution Service (DRS) continues to decline, this allows us to take stock of the current state of health of the dispute resolution process and assess whether the system and its protagonists are fit for purpose.

Abuse and Disputes

It is irrefutable that the abuse of the dispute resolution process is rife. Such abuse takes several forms, a common one being the premature application for appointments, in some cases six months before the review date. This leads to dispute resolvers being appointed but with neither party willing or ready to proceed, as it is of course impossible to value before the valuation date arrives.

The dispute resolver is therefore left in limbo for months and, not infrequently, even years. All the while the dispute resolver, who is genuinely market based, may be prevented from taking on other instructions due to conflicts of interest which arise from these circumstances.

One option is for the dispute resolver to cover the position by charging a monthly or quarterly holding fee. There is some merit in this policy. Not only does it compensate the resolver for any potential loss but it should also make the aggressive party think twice before making a premature application, especially when the resolver could award the whole of the holding fee against the offending party in any award on costs. It should also help to speed up the process.

There is good precedent for this in the legal profession where such fees are often known as "refreshers" and in other sectors of dispute resolution such as insurance and shipping.

Applications for the appointment of dispute resolvers are frequently used as a tool in the rent review process rather than the final step to be taken when negotiations have irrevocably broken down. This inevitably leads to a high proportion of abortive appointments and extra workload for the DRS.

Rent review negotiations on behalf of The Restaurant Group on Frankie & Benny's, Chingford Water Park, Chingford.

The standard cost of an application is £369 and is a flat fee, irrespective of the level of rent. If the fee was calculated on a percentage of the passing rental this might also discourage premature and tactical applications.

It is also wholly inequitable that an application for a small suburban shop should cost the same as that for a city office building. Those landlords that seek such an approach are effectively denying the small tenant the right to justice, with the leasing structure blamed rather than the protagonists who seek to manipulate what is otherwise a fair procedural programme.

Another problem which has been prevalent for many years is the use of exaggerated rental valuations from the Expert Witnesses. It is not uncommon to see the tenant's valuation being at a level half that of the landlord's.

It is worth reiterating that the duty of the Expert Witness is to the dispute resolver, not to his client. Under the RICS Practice Statement, the Expert Witness is required to provide an honest opinion of value.

Precision, Opinions and Aspirations

How can it be that in normal valuation guidelines a tolerance of 10% is considered acceptable, whereas in rent review valuations this apparently increases to 50%, assuming both parties are indeed providing their "honest opinion" of value! This is clearly not the case, with a degree of advocacy being utilised by both sides who are merely paying lip service to the Practice Statement. This is often evidenced when an arbitrator has to deal with costs. Calderbank offers are revealed which invariably are much closer to a truer opinion of value than the parties' submitted valuations. However, all good advocates will confirm that they are not using their position to mislead, but simply to promote their client's best case. So we now have a position where the representative in making representations is acting as neither an expert witness nor an advocate, but simply an extension of their client's aspirations. The worst of all worlds.

The RICS is rewriting the Practice Statement & Guidance Note for Chartered Surveyors acting as Expert Witnesses. It should be of no surprise if this area of business is not strengthened by following (more closely) the Court Procedural Rules (CPR), and expanding the requirements for Expert Witnesses to conform to acceptable practices.

Costs Talk

The question is how can an arbitrator encourage the parties to take a more realistic stance. As always, money talks. When it comes to awards on costs Calderbanks are the first point of reference. If one party's Calderbank offer is successful, then an arbitrator will award costs in that party's favour. But what if neither Calderbank is successful ? Should an arbitrator then give consideration to the submitted valuations of the parties ?

Take an example of where the landlord values at £80,000 per annum and the tenant at £60,000 per annum. The arbitrator's award is £62,000 per annum. The tenant has effectively "won" and the arbitrator could award costs 18/20 in his favour.

If this robust approach were adopted by arbitrators then hopefully it would encourage the parties to adopt a more realistic stance in their valuations. This may also make the arbitrator's task a little easier. Where valuations are excessively low or high, it is difficult for an arbitrator to place any credibility on a party's valuation, thereby making his task more difficult than it should be. This "partial" approach to costs may help prevent this occurring.

Timescales and Service

It is not just the landlord and tenant who are guilty of abuse of the dispute resolution system. Dispute resolvers themselves must take some of the blame. It is not unheard of for a resolver to take six months or more

Farnham: East Street CPO Inquiry on behalf of Waverley Borough Council for mixed use development by Crest Nicholson

to issue an award or determination which is totally unacceptable. It is not unreasonable for the parties to expect a resolver to reach a conclusion in six to eight weeks from receipt of their Replies, subject to the number and location of the comparables and the increasing incidence of late and additional representations being made.

The problem often arises because dispute resolvers are reluctant to refuse an appointment, no matter how heavy their workload may be. However, one of the undertakings any resolver must give when accepting an appointment is that he can "undertake the task without delay". Clearly there are some resolvers who are accepting appointments when they should not. If they are unable to transact the business within a reasonable time frame they should leave it to others who can. On the other hand, when the parties have delayed the programme for a considerable period they must not assume that the dispute resolver can jump to their tune, as circumstances may well have changed since the dispute resolver was able to confirm he was able to progress the case without delay.

More action is required from DRS for serial transgressors. DRS used to monitor the performance of panel members using feedback received from their customers, but this no longer happens. It is however compulsory for all arbitrators and independent experts to complete a full case report following the issue of an award. This allows DRS to assess their performance in this respect and take action if necessary.

The problem is that DRS do not enforce this requirement and probably never consider the detail of these reports, reflecting a lack of initiative from DRS and a wasted effort by the dispute resolver in completing these documents.

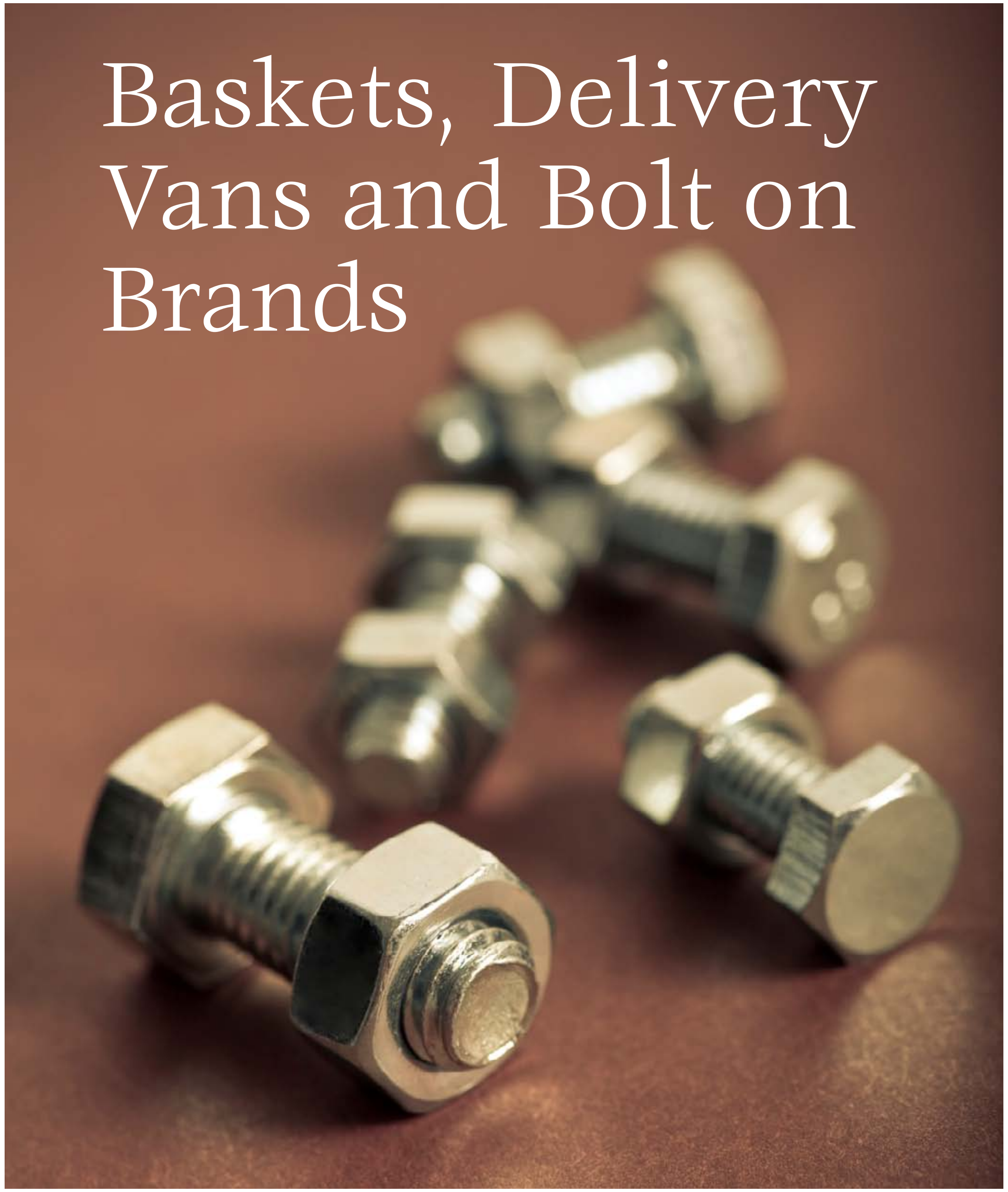
Time for a Rethink

Perhaps now is an appropriate time for the DRS to issue some guidelines to both their customers and the dispute resolvers on the President's panel, reminding them of their obligations to one another, to ensure the abuse of the system by all parties is minimised. DRS should also analyse the case history reports with more vigour, so they understand what happens after DRS has made its appointment, rather than washing its hands of any further interest or involvement.

C&P Spring Retail Report 2013

Superstores and Supermarkets

Baskets, Delivery Vans and Bolt on Brands



Last year we identified the food superstore sector as the only area of positive commercial property performance outside Central London. This year it is our opinion that this sector has peaked and changes are afoot.

All Change

Although planning might be regarded as more relaxed under the NPPF (we do not agree) in any event it will be market forces that see the number of new mainline food stores developed go in to decline. Tesco's first posted profits fall in 20 years perhaps underlines this position.

The nature of food shopping continues to evolve quite rapidly with the consumer no longer being drawn to the large behemoths reflecting changes in both demographics and social habits. The consumer is buying food on a more regular and convenient basis from the smaller local supermarket on the way to and from their place of work or other trips, with the focus on chilled and quality products, but less bulk. The shopping basket shop as opposed to the trolley purchase is in the ascendancy as is home delivery.

The New Chic - Convenient Convenience

Not surprisingly Waitrose continues to gain market share on an exponential basis now

Supermarket share

	12 weeks to 20 March 2011		12 weeks to 18 March 2012		Change	12 weeks to 17 March 2013		Change
	£000s	%	£000s	%	%	£000s	%	%
Total Till Roll	30,189,960		31,071,210		2.9	31,849.910		2.5
Total Grocers	22,445,730	100	23,350,500	100	4.0	24,259,650	100.0	3.9
Total Multiples	21,938,410	97.7	22,830,230	97.8	4.1	23,726,910	97.8	3.9
Tesco	6,872,643	30.6	7,061,130	30.2	2.7	7,142,052	29.4	1.1
Asda	3,886,271	17.3	4,187,542	17.9	7.8	4,347,203	17.9	3.8
Total Asda	4,036,016	18.0	4,187,542	17.9	3.8	4,347,203	17.9	3.8
Sainsbury's	3,717,854	16.6	3,869,689	16.6	4.1	4,110,240	16.9	6.2
Morrisons	2,770,065	12.3	2,864,810	12.3	3.4	2,834,969	11.7	-1.0
Co-operative	1,530,922	6.8	1,512,408	6.5	-1.2	1,508,230	6.2	-0.3
Somerfield	12,489	0.1	796	0.0	-93.6	-	0.0	-100
Waitrose	971,537	4.3	1,036,869	4.4	6.7	1,166,523	4.8	12.5
Iceland	422,653	1.9	465,910	2.0	10.2	506,668	2.1	8.7
Aldi	473,328	2.1	608,257	2.6	28.5	795,821	3.3	30.8
Lidl	567,309	2.5	627,916	2.7	10.7	693,815	2.9	10.5
Netto	149,745	0.7	-	0.0	-100	-	0.0	-100.0
Farmfoods	140,883	0.6	139,704	0.6	-0.8	132,926	0.5	-4.9
Other Multiples	422,710	1.9	455,197	1.9	7.7	488,462	2.0	7.3
Symbols & Independants	507,322	2.3	520,270	2.2	2.6	532,743	2.2	2.4

Source: Kantar Worldpanel 2013

at 4.8% reflecting its current relatively low market coverage from a smaller base of outlets and its recognised profile for quality food products. Booth's and Marks & Spencer are able to perform on a similar ticket although M&S Simply Food has a much more mature market penetration making it difficult to show the same level of growth and Booths is more regionally challenged.

But it is not only the "quality brands" that are performing; the discounters are continuing to show significant growth and Aldi has outperformed allcomers with a record market share of 3.3%.

Of the majors, Sainsbury's have turned the shop around and are leading the pack with sales growth in excess of 5% and a market share of 16.9%. Asda holds the middle ground, maintaining its own record market share of 17.9% which is surprising given it has been the quietest in terms of new space. Tesco and Morrisons are the market's fall guys as consumers' sentiment becomes detached with market share at 24.9% and 11.7% respectively. Morrisons have suffered from poor market penetration in the lucrative South East and London markets and lack of the smaller convenience offer has held them back. However, with Morrisons buying 49 Blockbuster units for their new M Local store brand the commitment to compete on the convenient convenience ticket cannot be disputed, but it will take time to filter through.

Market Activity Zig Zag

As to activity, nearly all the majors have been guilty of taking one step forward and two steps back. The market has seen operators withdraw from a number of projects especially the larger stores. The future is therefore likely to see very few "district centre" hypermarket type facilities of over 100,000 sq ft emerge in the future and the emphasis will continue to be on convenience and market infill coupled with developing home delivery markets.

One new trend emerging is the interest of food store retailers in extending their business through the bolting on of new brands. Key examples are the purchase by Tesco of the Giraffe restaurants and the bakery chain Euphorium and partnering Harris + Hoole Coffee shop chain to add to the Nando's

Supermarket Statistics

	No. UK Stores	Total sales area	Opened in the last 12 months	The next 12 months	UK sales % increase	Profit % increase
Tesco (as of 10/04/13)	3054		1.5m sq ft (total new space)	Strategy to 'grow the UK core' and plan for stronger like for like sales. Invest 200m to refresh 430 stores.	£42.8 bn	£2.48 bn 1% decrease
Sainsbury's (as of 18/03/12)	1063	20,347m sq ft	Achieved target opened 1.4m sq ft of gross new space – 19 supermarkets, 28 extensions and 73 convenience stores.		6.8% increase	£712m 7.1% increase
Morrisons (as of 14/03/13)	490	13.4m sq ft	17 new supermarkets opened.	Programme to expand. Net selling space increased by 517,000 sq ft up 4%. 2.5m sq ft space over 3 years.	£18.1bn increase 3%	£879m 7% decrease
Asda (Walmart) (as of 22/01/13)	500 +					No published information
Co-Op (as of 05/01/13)	4,800 (retail trading outlets)		Opened 83 new stores 60 format trial stores		£13.5bn 1% increase	Operating profit: £54m
M&S (as of 07/04/12)	701		Increase in 28 stores with 'Simply Food Business'. 400,00 sq ft of new space	UK space like for like growth. 66 new stores mid 2013	£9.9bn 2.0% increase	£658.0m 15.7% decrease
Waitrose (as of 26/01/13)	290		19 new branches, selling space increased by 5.2%	Open 8 core branches, 10 convenience stores	£5.76bn Increase 6.7%	Operating Profit: 292.3m 12.2% increase

Food Store Requirements in Size Terms*

	Location	Min Area (sq ft)	Max Area (sq ft)
Tesco Extra	Strategic	70,000	110,000
Tesco	Standard	25,000	70,000
Tesco Metro	In Town	8,000	15,000
Teco Express	Convenience	1,000	4,500
Sainsbury's	Strategic / Standard	40,000	120,000
Sainsbury's Local	Convenience	1,000	4,500
Morrisons	Strategic	25,000	83,000
Morrisons M Local	Convenience	1,000	4,000
Asda	Strategic / Standard	10,000	130,000
Co-Op	Convenience	2,000	18,000
M&S Simply Food	Convenience	7,000	15,000
Waitrose	Mainline	15,000	40,000
Little Waitrose	Convenience	3,500	5,500
Waitrose Food & Home	Trials	25,000	35,000

* figures are correct as of 11 April 2013

outlets already within some Tesco stores. We will monitor with interest if Tesco extend this activity and if their competitors join the acquisition party.

Sainsbury's, Tesco, Morrisons and Asda also have large estates of existing super stores which will have to be actively managed if they are to remain competitive and secure expected returns. Consequently the future will see more emphasis on refurbishment of existing stores for which hard cash will be required. Extensions of existing stores which have been "no brainer" options for growth in the past will have to be assessed carefully in the future as changing expenditure patterns and competition profiles will require a more detailed critical assessment to support capital expenditure.

Rental Growth - A Natural Conclusion

We therefore see rental growth in food supermarkets as a phenomenon of the past with rental levels having peaked for most grades of store in many locations. However, yields applied to the income streams are likely to remain low as the covenants strengths are undoubted and in this market security has its price.

Fixed Rental Increases - The Trap Door is Set

The bond type qualities of the food store tenant covenant may not diminish, but the values ascribed in the past to fixed rent increase leases must now come under closer scrutiny as the potential for over renting becomes a feature against lower rental growth expectation. Those properties on fixed increases rather than open market rent reviews will have to consider reversionary income falls accountable within capital valuations. This just may take the gloss off what has been a very lucrative part of the commercial property investment sector over the past 10 years.

Rental Value - Real Change

Town Type	Store Type	Rental Range 2012	2013
Large towns	Large format stores	£18-25 psf	£15-22.50 psf
Small towns	Large format stores	£15-£20 psf	£12.50-£20 psf
Town centres	Large format stores	£15-25 psf	£15-£22.50 psf
Town centres	Small format stores	£10-£20 psf	£12.50-£22.50 psf
London conurbation	Large format, limited competition	£30 psf +	£30 psf +

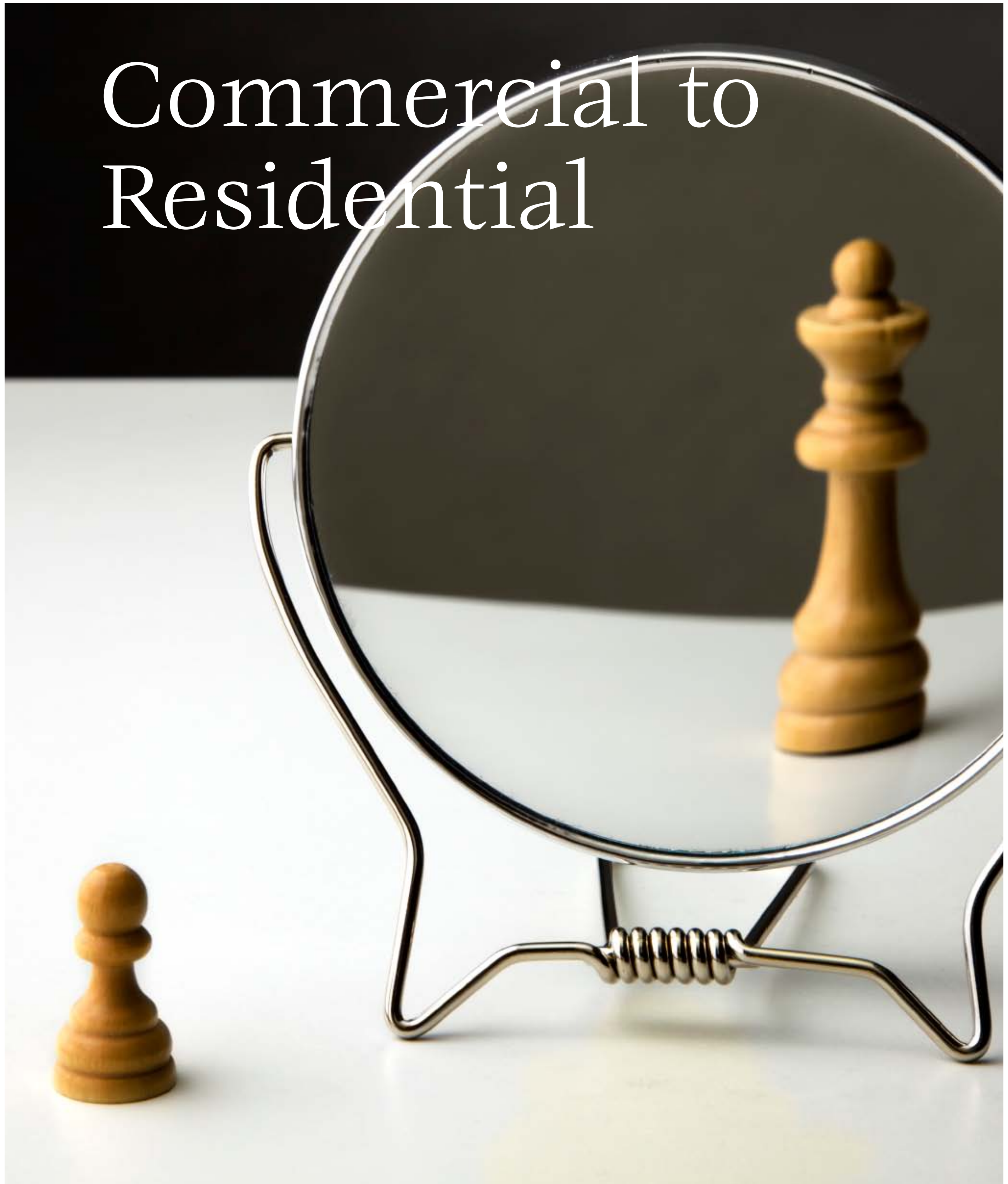
Yield Profile - No Change

Description	Store Type	Equivalent Yield 2012	2013
Fixed or indexed uplifts at RR	Large format	4.25% – 4.75%	4.25% – 4.75%
Large centres (Standard RR to MR)	Large format	4.75% - 5.25%	4.75% - 5.25%
Small centres (Standard RR to MR)	Large format	5.00% - 5.50%	5.00% - 5.50%

C&P

Planning

Commercial to Residential



The budget brought more rhetoric about introducing Permitted Development Rights to allow the change of use from retail to residential. This follows on the back of other proposals released in January of this year for other plans to allow the change of use from office to residential.

Consultation - The Race Is On to Opt Out

The latter is currently out to consultation with Local Authorities who can opt out, but only in exceptional circumstances. Whilst the measures would only be in place for three years it appears that they currently have limited support within Local Authorities: 30 of the 33 London Boroughs are seeking to opt out of the office to residential changes.

The Chancellor's rationale for these measures is wide reaching:

- That it will help kick start construction;
- Help in the delivery of new homes;
- It will address the increase of vacant town centre units;
- In turn increase footfall within town centres and help stem their decline.

Within most centres in the UK there is a lot of secondary retail and office accommodation that is obsolete and lacks the attraction for their intended purpose. However, a lot of this is out-dated and purpose built. Its conversion to residential would not be straightforward and would impact on viability. Consequently it will be critical for landlords and investors to fully understand where the value lies in their assets – is it commercial or is the long term residential?

Ministers also state that these measures will allow conversions without the cost and delay of submitting a planning application. But will it?

Owners may still have to apply for planning permission for any material alterations to the appearance of a building. Sites within conservation area and listed buildings may also require consent. Local Authorities do have powers (Article 4 Direction) to loosen some of these controls, but will they want to lose any further Development Control?

Local authorities must have concerns about the quality of permitted development conversions especially if viability is impacted upon. Additionally do these sites represent truly sustainable locations in areas of good public transport accessibility or close to local services?

Whilst there is logic in relaxing controls to allow for flexibility for development, it can only be done in the context of wider legislative requirements. The Coalition already has "form" for the arbitrary removal of legislative controls, with some Regional Spatial Strategies still being in place even though Eric Pickles attempted to revoke them back in 2010.

National & Local Policies Under Pressure

The introduction of permitted development rights for the change of use from retail to residential could potentially undermine the national and local policies that seek to encourage 'vitality and viability' within primary shopping centres. Our concern is that those units that would lend themselves to conversion would be older building stock dating back to Victorian or even Georgian times, rather than the office and retail formats from the 1960's/70's and 80's. But will this do more harm to our town centres than what it would serve to achieve? It will certainly only occur in the best residential locations so does not lend itself as a solution nationally to town centre decline. How these measures would function with wider policy requirements such as car parking, affordable housing and the Community Infrastructure Levy are also unclear. It could result in ad hoc development without providing for the wider social and environmental benefits that can be achieved through the existing planning control.

Town Centre Investment

Whilst the rhetoric could be seen as a practical response, in reality they do not go far enough to promote the wholesale investment required within town centres. Allowing unregulated change of use would relinquish control of town centre policies and allow land owners to use their buildings without the need to apply for a change of use. This would conflict with emerging local and neighbourhood plans, and dissolve the core retail focus within centres. These ideas will require careful consideration and some kind of framework within which they can function effectively without further impacting on the decline of town centres.

Whereas we seem as a nation to be capable of planning for the growth of new space we seem to forget that the expected reduction in demand for physical retail space will equally require a much deeper understanding and planning than either central or local Government seems committed to accept. The private sector is willing and able to move forward but without the planning process being geared up for fundamental market and social change it looks as if once again the market will be expected to pick its way through a muddled and lethargic planning and decision making system.

Allianz Park – The New Home of Saracens – Site identification, Planning and ongoing consultancy by Chase & Partners to Saracens.

A year on from the publication of the National Planning Policy Framework... are we finally beginning to see some common sense creeping into retail planning?

Sequential Clarity

Maybe….but before George Osborne or Eric Pickles leap to claim all the credit, we should look to the Courts and specifically two important legal judgements issued during the year. These have, in our view, shown a useful, practical and, above all, common sense approach towards the application of the 'sequential approach' when considering new retail development.

Both judgements have stressed how, when assessing the suitability of alternative, 'sequentially preferable' sites, any exercise had to be undertaken with due regard to the 'real world' in which applicants and developers operate.

The Supreme Court Judgment on Tesco v Dundee City Council[1] provides probably the most explicit view – stating that when conducting the assessment of sequential sites:

"It is the proposal for which the developer seeks permission that has to be considered when the question is asked whether no suitable site is available within or on the edge of the town centre." [2]

The Judgement went on to say:

… the question remains….whether an alternative site is suitable for the proposed development, not whether the proposed development can be altered or reduced so it can be made to fit an alternative site."

Perhaps, more bluntly, it states:

"….the issue of suitability is directed to the developer's proposals, not some alternative scheme which might be suggested by the planning authority….(the) criteria are designed for use in the real world in which developers wish to operate, not some artificial world in which they have no interest in doing so." [3]

Similarly, when it comes to viability, the NPPF now omits any explicit requirement for applicants to assess the potential viability of 'sequential sites'. Moreover, as Justice Hickinbottom noted in Zurich Assurance v North Lincolnshire[4]:

"It is unrealistic to expect a commercial operator to reveal its precise commercially sensitive and valuable calculations as to why it considers possible alternatives to the development proposal not to be commercially viable; and unnecessary for them to do so to enable a planning authority to come to a view on viability."

These judgements, we believe, represents a new realism and some common sense to the 'sequential approach'. This must be welcomed – particularly by applicants who, all too often, have been coerced into the needless assessment of inappropriate 'sequential sites.' It should also help 'short circuit' similar exercises that have wasted time and energy at many appeals and public inquires.

1. Tesco Stores Limited (Appellant) v Dundee City Council (Respondent) (Scotland) [2012] UKSC 13 and
2. Op cit paragraph 37
3. Op Cit paragraph 38
4. Zurich Assurance Ltd. v North Lincolnshire Council [2012] EWHC 3708 (Admin)

Assessing Viability of New Development….More important – and more complex – than ever

Viability is Complex

Demonstrating how the financial viability of development schemes can be adversely affected by planning authorities' policy expectations in terms of affordable housing, infrastructure, etc. has never been easy.

Best Practice in Assessing Viability

Over the past decade planners have frequently taken the high ground and sought to assert that only they can assess commercial viability of development projects and then promptly sought to do so by reference to the land value the new use might achieve. This is not only naive and arrogant, but also unrealistic and unreliable, and certainly not a sound basis on which to take important planning decisions about proposed investment. Planners must accept that to properly assess the commercial viability of complex development projects requires skills well beyond those that the overwhelming majority normally possess.

The economic downturn has, of course, compounded the problem, and yet many planning authorities continue to insist on pursuing outmoded policies and on seeking financial contributions that pay little attention to the fact that the economics of development today are very different from when many of these schemes (and certainly many more local development plans) were originally conceived.

Expertise Required

The RICS Guidance Note on Financial Viability in Planning issued last year must be welcomed and should be obligatory reading for any planning professional. This examines the subject matter in full and demonstrates why planners must accept that they cannot dictate on this subject matter but must accede to the skills of other professionals and seek their involvement. Initial resistance appears to be giving way to acceptance (albeit reluctantly) but the initative by the RICS gives the planning sector the tool to understand commercial viability and the true value of planning consents.

What we have been up to - 2012/13…

The Emerson Group
Professional
Advice on leisure rent reviews and arbitration.

Worshipful Company of Tallow Chandlers
In-Town Agency
Letting of high street shops.

London Borough of Tower Hamlets
Local Authority Consultancy
Financial viability assessments.

IPD North America INC.
City Centre Regeneration
Equity funding advice and marketing.

Honourable The Irish Society
In-Town Investment
Strategic investment advice.

Sevenoaks District Council
Local Authority Consultancy
Red Book valuations, Strategic retail development advice, viability assessments and land sales.

CBRE
Out-of-Town Agency & Professional
Asset management and rent review advice on a number of retail parks within the client's portfolio.

Threadneedle Investments
Out-of-Town Agency
Asset management advice on a number of retail parks within the client's portfolio.

Gudrun Sjödén
In-Town Agency
Regional Centre acquisition programme.

London Thames Gateway Development Corporation
Development Consultancy
Town centre regeneration viability, demand and market assessments.

Waverley Burough Council
Professional & Valuation
Expert Witness on viability, valuation, compulsory purchase and compensation issues on new town centre development.

The Restaurant Group
In-Town Agency
Continued advice given on Central London aquisitions.

London Borough of Wandsworth
Local Authority Consultancy
Market and financial viability assessments on major regeneration project.

Saracens
Planning Consultancy
Negotiated consent for redevelopment of the existing athletics stadium in the Green Belt at Barnet Copthall in North London to provide a new Community Stadium and permanent home for Saracens Rugby Club.

Hermes
Planning Consultancy
Ongoing planning consultancy advice given on numerous retail parks within the client's portfolio.

Silvertown Properties Ltd.
In-Town Agency and Investment
Agency and Investment advice given on the client's Central Street Estate, Clerkenwell.

Marie Curie
In-Town Agency
Retained advisors for the South of England for the acquisitions of new shops.

Howdens Joinery Co.
Planning Consultancy
Ongoing planning consultancy advice given to Redbourn Group for the development of 28 new Howdens depots in 2011/2012.

Kerrington
Expert Witness, development consultancy and letting agency
Major new development project in the East Midlands.

Telford Homes
Expert Witness
Development agreement litigation, valuations and Expert Witness report for the High Court.

Jansons
Agency & Development
Sales advice, Bradford Development & asset management advice, Petersfield.

Brookhouse
Out-of-Town Agency
Asset management advice on Warren Retail Park, Ashford.

Land Securities
Out-of-Town Agency
Asset management and development consultancy advice given in relation to Meteor Retail Park, Derby.

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