Billed as one of the biggest commercial property deals in recent years, two designer outlet malls in England have been sold for £600 million.

Cheshire Oaks in the northeast and the Swindon Designer Outlet in the southwest have been bought by US-based LaSalle Investment Management, part of property group JLL, from Nuveen Real Estate in a joint deal.

Cheshire Oaks, in Ellesmere Port, represented the bulk of the purchase price. LaSalle is understood to have beaten a rival offer from Bluewater mall owner Landsec, according to The Times newspaper.

Nuveen originally bought Cheshire Oaks in 2008 in a £365 million deal for three shopping centres, including the Swindon outlet.
At 400,000 sq ft, the 26-year-old Cheshire Oaks is the UK’s biggest designer outlet village. European mall giant McArthurGlen Group manages both sites and is likely to be retained under the new owners, the report also said.

The centre underwent major expansion in 2018 at a cost of £24 million, which created more than 25,000 sq ft of new space, including new retail units, a visitor centre, expanded car parking facilities and a number of other amenities.

The site currently boasts 145 stores, including designer brands Giorgio Armani, Burberry, Mulberry, Michael Kors and Polo Ralph Lauren.

Nuveen had also invested a “significant” amount in the Swindon mall which claims to be one of the largest covered designer outlets in Europe. It features 90 stores including fashion brands Guess, Reiss, Joules, Kurt Geiger, Superdry, Boss, Hobbs, Marks & Spencer Outlet, Ted Baker, Calvin Klein and Tommy Hilfiger.

Town councillor Gary Sumner told the Swindon Advertiser: “It’s great to see the future of the Outlet Centre secured. The site is a valuable asset to Swindon and brings in millions of tourists every year who get to experience a great shopping centre set in an excellent historical setting.”

He added: “We look forward to working with the new owners, and managers McArthurGlen, and hopefully we’ll see new investment into the centre in 2022 and beyond.”

LaSalle Investment Management has so far declined to comment.

Designer outlet malls have been among of the strongest retail sector performers in recent years although the pandemic hit them hard, starving them of foreign visitors who are essential to their success. As international travel restrictions ease, the sector will be hoping for a major bounce-back this year.

By Nigel Taylor