

Whilst the total number of people employed in the retail sector has been calculated, it has not been possible to provide a complete picture of the pattern of retail employment in Huddersfield, principally because employment details were not provided by all town centre businesses (September/October 2001 Business Questionnaire Survey). Nevertheless, a general guide to the ratio of full time to part time employees, and of male to female employees in Huddersfield town centre has been obtained. This revealed that, of those who responded:

- 51% of employees are in full time work, with 49% in part time work;
- Female employment accounts for 57% of all employee numbers in the town centre (full and part time);
- 43% of all full time employees are female, with male full time employees accounting for 57% of jobs;
- 71% of part time employees are female, with male employees accounting for only 29% of part time jobs, and
- 16.2% of employees are from an ethnic minority background.

Glossary of terms

Prime zone A retail rent: This is the rent charged for the most valuable space within a retail unit. The rent (expressed in both pounds per sq.ft. and pounds per sq.m.), relates to the area of the retail unit which is used to attract the shopper into the premises. This is usually taken to mean a depth of 20ft (6m) from the frontage of the unit. The values relate to the zone A rent for a hypothetical standard shop unit in the best (100%) pitch within each centre.

Prime 'all risk yield': This is a measure which enables the values of properties of different size, location and other characteristics to be compared. It is the ratio of rental income to capital value. Thus the higher the yield, the lower the rental income is valued and visa versa. A high yield is an indication of concern by investors that rental income might grow less rapidly and be less secure than in a property with low yield.



Although every care and effort has been taken to ensure the accuracy of the data and statements contained in this publication, Planning Services does not accept responsibility for any errors or inaccuracies which may have occurred therein.

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HUDDERSFIELD TOWN CENTRE AUDIT 2002

FACT SHEET 4: RETAILER DEMAND AND OPPORTUNITIES

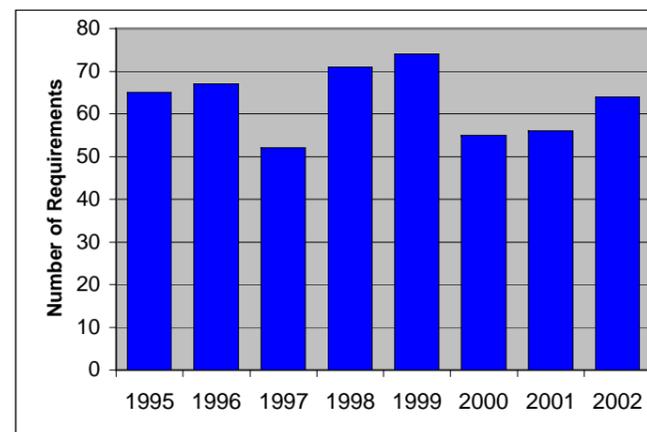
Introduction

This document, produced by Kirklees MC's Planning Service, is designed to provide supplementary information on retail demand, development opportunities, commercial rents/yields and retail employment to accompany the 2002 Town Centre Audit for Huddersfield (in A1 folded form). This is one of a series of Fact Sheets that contain detailed analysis of the indicators of town centre performance presented in the main publication.

Retailer demand

A general assessment of retailer demand was undertaken in June 2002. This revealed that there continues to be a significant unsatisfied requirement for representation in Huddersfield. Figure 1 shows the fluctuation in the level of retailer demand over the last 7 years.

Figure 1: Trends in retailer demand 1995 - 2002



As at June 2002, 64 retailers had a registered interest for representation in Huddersfield, equating to 77,054 sq.m. (829,100 sq.ft.) of sales floorspace. The construction of the Kingsgate Shopping Centre satisfied many of the interests previously expressed, but despite this the 2002 assessment reflects a continuing healthy level of demand for the town. Indeed, this latest assessment actually records a higher level of interest than in both 2001 and 2000.

It should be noted that a requirement for Huddersfield is not necessarily a requirement for the town centre. Some large-space users are looking for units in either out of centre or edge of centre locations. This is principally due to the difficulties of site assembly, high rents and a lack of dedicated surface level parking in the town centre. Retail park locations are required by 12 retailers (30,019 sq.m.) and a further 9 requirements (34,526 sq.m.) are for edge of town locations, including requirements for two convenience goods outlets.

10% of the total floorspace requirement comes from the convenience goods sector, which is dominated by 3 foodstores with a combined floorspace requirement of 6,691 sq.m. (72,000 sq.ft.).

86% of registered interests (73,188 sq.m. of sales floorspace) would be new businesses to the town. Of the businesses (9) who have expressed a desire to relocate from existing premises to larger and/or better quality accommodation, 4 interests have been satisfied by units within the Kingsgate and King Street Yards developments.

Figure 2: Retailer requirements (June 2002)

Category of use	Number of registered interests	Max floorspace requirement sq.m. (sq.ft.)
Convenience	8	7,742 (83,300)
Clothing/footwear	8	4,294 (46,200)
DIY/hardware	3	5,855 (63,000)
Mixed/variety	12	49,071 (528,000)
Other comparison goods	14	3,011 (32,400)
Restaurants/takeaway	14	6,942 (74,700)
Service Uses	1	139 (1,500)
Other	4	Not stated
TOTAL	64	77,054 (829,100)

Source: Retail Focus-- Property Intelligence PLC/KMC

It is important to note that this list of interests should not be treated as definitive. There are likely to be other retailers who have a requirement for representation in Huddersfield or who may wish to re-locate within the town centre to larger and/or better quality premises but have not registered their interest. Furthermore, this assessment has not addressed the demand that may exist from financial and professional services for office accommodation within the town centre.

Development opportunities

As at March 2002, the following sites made up the known development opportunities within or adjoining Huddersfield town centre, amounting to some 8.5 hectares. These are identified on the main Audit document (in A1 folded form). The list is by no means exhaustive and clearly other sites may come forward following land assembly.

- **St George's Warehouse** (site area = 0.45 ha)
This large 5 storey Grade II listed building has been vacant for many years. The warehouse is considered acceptable for a variety of uses including offices, leisure, housing, education and retailing. Planning permission has previously been granted for a mixed-use scheme incorporating retailing, offices and warehousing with car parking.
- **Land adjoining St George's Warehouse** (1.10 ha)
This area of land was the railway goods yard, which has been under-utilised for many years. Any mixed-use scheme for the redevelopment of the warehouse is likely to incorporate this area of land as car parking.
- **Green Street** (site area = 0.44 ha)
This site, adjacent to the viaduct, is in a secondary shopping location and has no notation in the Unitary Development Plan (UDP). Planning Permission has been granted for a mixed use

scheme comprising retail, leisure and office uses with dedicated car parking. Other potential uses might include housing.

- **Imperial Arcade** (site area = 0.40 ha)
Planning permission was granted in 1990 to extend/refurbish this shopping arcade, although this was never implemented. The site is allocated for shopping development in the UDP.

- **New Street** (site area = 0.05 ha)
Following the partial re-occupation of the ex-Co-op department store on New Street, there exists a vacant unit on 3 levels with a ground floor gross area of around 475 sq.m. Retail, leisure, office and housing are considered acceptable uses for this building.

- **Unna Way** (site area = 2.7 ha)
This site, bounded by Lower Fitzwilliam Street, Leeds Road and Unna Way (part of the inner ring road), is situated to the north east of the town centre. A development brief has been prepared for the site which advocates a mixed use scheme incorporating a combination of retail, education, housing, leisure and entertainment or employment uses.



- **St Andrew's Road** (site area = 1.3 ha)
This site, owned by the Council, is located on the edge of the study area to the south-east of the town centre. It is identified in the UDP as an 'opportunity site' where a range of uses are considered acceptable, namely offices, industry, warehousing, leisure and retailing (bulky goods). The site has been cleared and is currently being used as a public car park.

- **Telecom House** (site area = 0.14 ha)
This is a large, vacant 5 storey office block located on the ring road. Refurbished office accommodation would be the most obvious end use but housing or leisure development would be considered as acceptable alternative uses.

- **Victoria Lane** (site area = 0.70ha)
This site is identified in the UDP for shopping purposes and is located above the basement service area for the Piazza and behind the Library/Art Gallery. The site relates well to the shopping core and immediately adjoins the prime retail pitch of Princess Alexandra Walk (the Piazza).

- **Southgate** (site area = 0.13 ha)
This is the site of a former petrol filling station. Although limited in size, it provides an opportunity for re-development. Leisure and offices are acceptable uses.

- **Cambridge Road** (site area = 0.72 ha)
A largely cleared site which used to be the location of swimming baths. The site is currently used as a car park for which improvements are proposed in the Council's Northern Quarters Infrastructure Plan.

Prime rental levels and yields

Average prime zone A retail rents in Great Britain experienced an increase of 4.1% during the 12 months to May 2002. This represents an increase on the 0.4% growth in the previous year, which was the lowest annual growth rate since 1994. Yorkshire and Humberside secured a 3.5% growth in prime rents over the 12 months to May 2002. This again shows an increase on the previous year's performance, which recorded a growth of 2.7%.

The purpose built shopping centres of White Rose near Morley and Meadowhall in Sheffield recorded prime rents of £2,368 per sq.m. (£220 per sq.ft.) and £4,306 per sq.m. (£400 per sq.ft.), respectively. Whilst Meadowhall's prime rent has not changed since 2001, White Rose recorded a 10% increase over the same 12 month period.

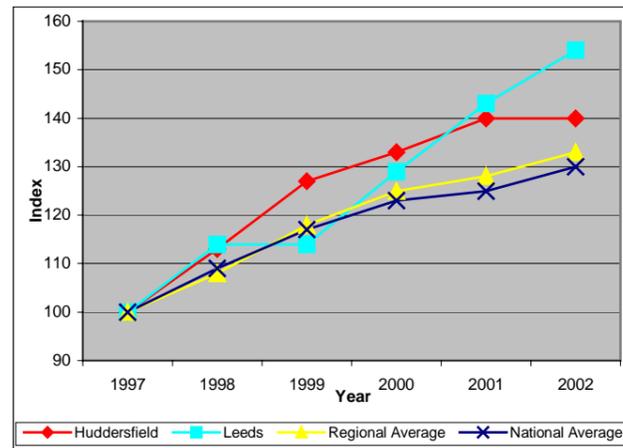
Figure 3 illustrates the difference in prime zone A rents across a broad range of shopping centres in West Yorkshire. As can be seen, Leeds City Centre recorded an 8% increase in prime zone A rent, to £2,906 per sq.m. (£270 per sq.ft), with Wakefield and Barnsley also recording changes of 11% and 9.5%, respectively. Huddersfield's prime retail rent has not changed since 2001 and remains at £1,130 per sq.m. (£105 per sq.ft). Nevertheless, the town has seen a 40% increase in prime zone A rents since 1997.

Figure 3: Changes in prime rents 2001-2002 (£ per sq.m.)

Centre	2001	2002	% change in prime rent 2001-2002
Huddersfield	1130	1130	0
Wakefield	969	1076	+11%
Bradford	1507	1507	0
Halifax	915	915	0
Leeds	2691	2906	+8%
Barnsley	1130	1238	+9.5%
Yorkshire and Humberside	1270	1314	+3.5%
Great Britain Average	1087	1131	+4.1%

The recent opening of the Kingsgate shopping centre in the town is likely to 'peg back' any growth in prime retail rents, despite the continuing interest in the town from a variety of retailers, services and leisure operators.

Figure 4: Prime zone A retail rents



Huddersfield's prime retail 'all risk yield' continues to plateau at 8.0%, matching the average prime retail yield for the Yorkshire and Humberside region as a whole. The completion and trading of the Kingsgate centre is likely to see a rise in the short term of Huddersfield's 'all risk yield', as the increase in the proportion of retail floorspace/shop premises in the town limits the opportunity for rental growth. However, despite the introduction of Kingsgate to the market, there remains a strong demand for representation in Huddersfield and the town centre from a variety of retailers and services. If this is maintained, the next 2/3 years is likely to see a 'hardening' of the town's prime retail 'all risk yield'.

Leeds continues to record a much stronger 'all risk yield' than neighbouring towns and cities, although it has experienced a 'softening' during the 12 months to April 2002 (increasing by 0.75%).

Figure 5: Prime retail yields for selected towns (%)

	1997	1998	1999	2000	2001	2002
Huddersfield	8.0	8.0	8.0	8.0	8.0	8.0
Wakefield	6.0	6.5	8.0	8.0	8.0	8.0
Halifax	8.0	8.0	8.0	9.0	9.0	9.0
Barnsley	7.0	7.0	7.0	7.0	7.25	7.25
Leeds	5.0	5.0	5.0	4.5	5.0	5.75
Bradford	6.0	6.5	6.5	7.0	7.0	7.5
Regional average	7.5	8.0	7.75	8.0	8.0	8.0

Source: Valuation Office Property Market Reports (Spring)

Retail employment

In March 2002, the retail sector in Great Britain employed 10.7% of the country's total workforce (full and part time). Of these, 58% were employed on a part time basis.

Prior to the opening of Kingsgate (February 2002), the retail sector in Huddersfield town centre employed 4,916 people. Of these, 31% were employed in convenience goods retailing, 61% in comparison goods retailing, and 8% in personal retail services. This represented a decrease in total retail employment of 3.8% since 1998. However, the Kingsgate Centre (opened in March 2002) has led to an increase in retail sector employment of 9.6% to give a new total employment figure of 5,387.

Figure 6: Average employee densities by retail sector (Post Kingsgate: April 2002)

Retail sector	Number of employees per '000 sq.m. ('000 sq.ft.) of retail floorspace	
	1998	2002 ¹
Convenience	88.2	81.2 (7.5)
Comparison	54.9	45.1 (4.2)
Clothes/footwear	77.5	45.2 (4.2)
Furniture/carpets	34.4	32.6 (3.0)
Electrical goods	61.3	75.0 (7.0)
D.I.Y./hardware	24.7	57.8 (5.4)
Mixed goods	44.1	34.8 (3.2)
Other comparison goods	61.3	61.5 (5.7)
Personal retail services	141.0	130.3 (12.1)

Average employee densities (expressed in terms of employees per '000 sq.m) have been obtained for each retail sector (Figure 6). As observed in the 1997 and 1999 audits, these vary between retail sectors. The differences are largely due to the nature of the products sold. For example, food products require more labour than many consumer durables because of the necessity to ensure shelf lives are not exceeded and that the distribution is both

¹ Includes the Kingsgate Shopping Centre

frequent and of high quality. Similarly, retail services like hairdressers, travel agents and opticians are labour intensive because of the requirement to provide individual personal attention to consumers.

On average 81 employees per '000 sq.m. of sales floorspace (7.5 per '000 sq.ft) are employed in food shopping. This represents a slight decline (8%) on that recorded in 1998. Similarly for comparison goods shopping, a decline in employee density is recorded over the same 4 year period (17.9%). However, within this retail sub-sector, there are wide variations in the pattern of employment. Whilst clothing/footwear, furniture/carpets and mixed goods each recorded a decline in employment densities, electrical goods, DIY/Hardware and specialist retailing recorded improved employee to floorspace ratios.

Personal retail services continues to record the highest employee density of all the retail sub sectors.

Figure 7: Average turnover per employee by retail sector (Pre-Kingsgate: February 2002)

Retail sector	Turnover per employee (£)	
	1998	2002 ¹
Convenience	77,166	94,904
Comparison		
Clothes/footwear	45,180	57,334
Furniture/carpets	57,324	70,674
Electrical goods	80,043	109,807
D.I.Y./hardware	47,534	50,889
Mixed goods	75,740	72,995
Other comparison goods	41,664	50,356

With the exception of mixed goods, all of Huddersfield's turnover per employee figures have improved since the 1998 Town Centre Audit (Figure 7). This includes improvements of 37.2%, 26.9% and 23.3% for electrical goods, clothing/footwear and furniture/carpets, respectively. Many of these improved turnover to employee ratios have been achieved through real gains in productivity, although the improvement in clothing/footwear is largely due to the reduction in employment numbers that this retail sub-sector has experienced in Huddersfield in recent years.

There are considerable differences noted in turnover ratios between the primary shopping area and secondary shopping frontages. Prime pitch records stronger ratios, and these are especially noted with regard to clothing/footwear and specialist (other comparison) retail sub-sectors.

It is important to note that this assessment is a 'pre-Kingsgate' picture, and that turnover per employee ratios will change following Kingsgate's first completed year of trading. In particular, we are likely to see improvements in the clothing/footwear, mixed goods and specialist (other comparison) retail sub-sectors, reflecting the occupancy mix of the new shopping centre.

Employment patterns in the town reflect the general pattern of shop unit occupancy, in that Huddersfield has a predominance of small retailers, despite the opening of Kingsgate. 373 (82%) of the retail companies in the town employ 10 people or less (full and part time employees). However, 32% of all those working in the retail sector are employed by just 10 companies. These are:

- | | | |
|-------------------|---------|------------|
| Sainsburys | Tesco | Boots |
| Beatties | Peters | Wilkinsons |
| BHS | Matalan | Primark |
| Marks and Spencer | | |