Town Centres Team – Planning Services

HUDDERSFIELD TOWN CENTRE ANNUAL STATEMENT OF KEY ECONOMIC INDICATORS NOVEMBER 2000

Introduction

Since 1996, Planning Services of Kirklees M.C. has carried out a series of town centre audits to monitor the health and performance of shopping centres in the District. The time series data enables the role of individual town centres to be assessed, identifying the scope for change, renewal and diversification.

The first full audit for Huddersfield town centre was published in July 1996. Since that date, audit reports have been produced on an annual basis. This statement represents the 5th that has been prepared for Huddersfield town centre.

The indicators of town centre health and vitality covered here are:

- Retail occupancy in terms of floorspace and shop units
- Vacancy rates
- Pedestrian footfall
- Retail development pipeline
- Retailer demand
- Prime retail rental levels
- Prime retail yields

Retail floorspace, shop units and vacancy

A survey of occupancy undertaken in July 2000 revealed that Huddersfield town centre provides a total of 860,386 sq.ft. (79,962 sq.m.) of net retail floorspace. The tables below illustrate the changes in retail floorspace and shop unit occupancy in Huddersfield since 1993.

Streetscape improvements in King Street

Whilst there has only been a small decline in total retail floorspace in Huddersfield town centre over the last 12 months, there has been a number of changes in the nature of occupancy. These include the opening of a new Lidl foodstore on Castlegate (a unit previously occupied by Comet) which has been the principal contributor to an increase in convenience goods floorspace. Conversely, there has been an 8.8% loss of comparison goods floorspace largely through further demolition within the footprint of the Kingsgate scheme (a precursor to construction work which is now underway), and changes of use from retail/quasi-retail/vacant into non-traditional service uses such as general offices and miscellaneous uses. A significant rise in vacancy has also been recorded (+19.6%) which is a result of the vacation of the MFI and Scottish Power units on the Beck Road retail warehouse park. However, at the time of the survey, the unit previously occupied by MFI was being refurbished to accommodate a Matalan store.

Retail floorspace in the town centre ('000 sq.ft.net)

	Convenience	**Comparison[1]**	**Vacant**	**TOTAL**
1993	187.4 (20.2%)	689.5 (74.2%)	52.0 (5.6%	**928.9 (100%)**
1996	165.7 (17.3%)	718.9 (75.2%)	71.8 (7.5%)	**956.4 (100%)**
1998	172.4 (18.8%)	651.2 (70.9%)	94.0 (10.3%)	**917.5 (100%)**
1999	179.1 (20.4%)	559.3 (63.6%)	140.3 (16.0%)	**878.7 (100%)**
2000	182.4 (21.2%)	510.2 (59.3%)	167.8 (19.5%)	**860.4 (100%)**
% change 1999-00	+1.8	-8.8	+19.6	**-2.1**

The graph below illustrates the proportions of shop units and floorspace given over to different categories of use in Huddersfield against the national averages for 2000 (indexed to 100). This reveals a number of changes since the 1999 assessment, including the growth in vacant floorspace from around 25% above the national average in 1999, to more than 70 percentage points above the 2000 national average; a decrease in furniture/carpets floorspace to 10 percentage points below the national average; and a

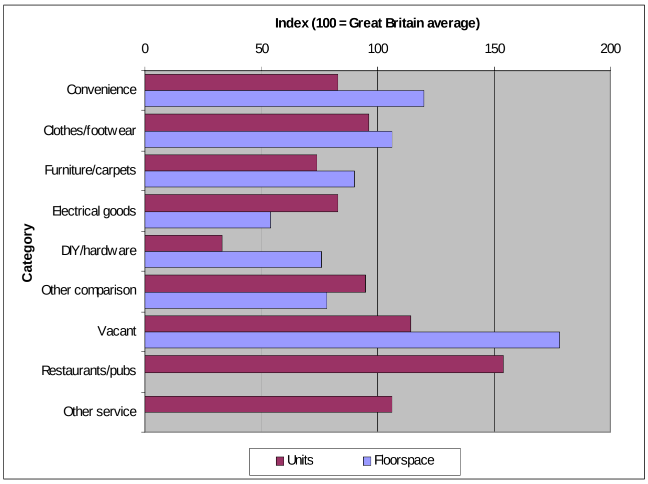
[1] Comparison goods figures include A1 uses such as opticians and travel agents etc.

drop in DIY/hardware floorspace from around 30% above the 1999 national average, to 24% below the average in 2000. The temporary loss of large space users from the Beck Road retail warehouse park (MFI and Scottish Power), has been the principal cause of the drop in the proportion of furniture/carpets and electrical goods floorspace and the consequent increase in vacant floorspace.

Number of shop units in the town centre

	Convenience	Comparison	Service	Vacant	TOTAL
1993	70 (10%)	350 (50%)	224 (31%)	65 (9%)	**709 (100%)**
1996	78 (10%)	377 (50%)	177 (24%)	118 (16%)	**750 (100%)**
1998	62 (8%)	382 (50%)	198 (26%)	119 (16%)	**761 (100%)**
1999	59 (8%)	380 (52%)	191 (26%)	96 (13%)	**726 (100%)**
2000	56 (7.9%)	367 (52.1%)	188 (26.7%)	94 (13.3%)	**705 (100%)**
% change 1999-00	-5.1	-3.4	-1.6	-2.1	**-2.9**

Retail representation in Huddersfield compared with the national average (indexed to 100)[2]



Huddersfield continues to have a strong representation of clubs, pubs and restaurants – reflecting the growth in the evening economy of the town which is primarily supported by the student population. Since the 1999 assessment, a number of pubs have been opened or extensively refurbished within the vicinity of the University.

The table below gives a comparative analysis of Huddersfield against 3 other towns in West Yorkshire. The figures for Huddersfield exclude floorspace located outside the ring road (the Beck Road retail warehouse park and the Sainsbury's foodstore at Shorehead) in order to allow a more direct comparison with the other towns. This comparison reveals that Huddersfield (the largest centre of those assessed) has the highest rate of vacant floorspace, the lowest proportion of comparison goods floorspace, and the highest representation of convenience goods floorspace. Only Barnsley has a higher proportion of vacant units at 17.8% compared to 13.0% in Huddersfield. However, it is important to recognise that this picture is a general reflection of the impact of demolition and changes of use in preparation for the building of the new Kingsgate shopping centre, and the vacation of the Co-op 'Living' department store on New Street in late 1999. These large-scale activities have temporarily affected both the vacancy rate and proportion of comparison goods floorspace in Huddersfield.

Floorspace comparisons[3] ('000 sq.ft. net)

	Huddersfield[4]	Barnsley	Wakefield	Halifax
Convenience	133.4 (18.4%)	75.8 (11.7%)	72.2 (10.7%)	59.5 (13.3%)
Comparison[5]	468.9 (64.5%)	471.2 (72.8%)	547.8 (81.2%)	327.6 (73.3%)
Vacant	124.7 (17.2%)	100.3 (15.5%)	54.9 (8.1%)	60.0 (13.4%)
Total retail floorspace	727.0 (100%)	647.3 (100%)	647.9 (100%)	447.1 (100%)
Vacant units	91 (13.0%)	81 (17.8%)	56 (9.7%)	62 (11.3%)
Total number of units	698 (100%)	445 (100%)	576 (100%)	548 (100%)


The Piazza shopping centre

[2] Based on the UK average, 100 being the average proportion of floorspace or number of units for certain categories of use in a UK town, not including markets.

[3] Barnsley and Wakefield figures are correct as at 1998. Halifax figures are correct as at 1999.
[4] Figures include only retail floorspace and units that are located within their respective town centres. Therefore the Huddersfield figures exclude the Sainsbury's foodstore at Shorehead and the Beck Road retail warehouse park.
[5] Comparison goods figures include A1 uses such as opticians and travel agents etc.

Pedestrian footfall

Pedestrian footfall counts have been undertaken annually in Huddersfield town centre since April 1996. The assessments are designed to measure the volume and pattern of pedestrian flow through the town centre. Count locations are identified on the map (inside back cover) and include both primary and secondary shopping frontages and important pedestrian links.

The table below gives this year's hour sample totals for each of the 9 locations both morning and afternoon for a market day, non-market day and Saturday. These samples have been taken from the wider profile survey which includes 15 minute 'pinch' counts either side of the traditional hour counts, giving a picture of the changes in pedestrian volumes throughout the day. The daily profile graph is also shown opposite.

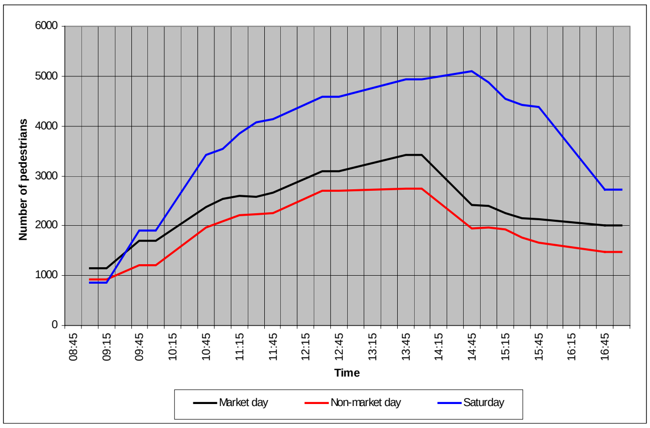
Pedestrian footfall in Huddersfield town centre

Date	3rd May 2000 Non-market day		4th May 2000 Market day		6th May 2000 Saturday	
Weather	**Cold/wet**		**Cloudy/dry**		**Cool a.m. Sunny p.m.**	
Time[6]	**am**	**pm**	**am**	**pm**	**am**	**pm**
Bus Station (Out)	644	417	646	396	713	573
New Street (C&A)	1343	1232	1757	1471	2446	2262
Piazza	1352	951	1146	1063	1767	2647
New Street (M&S)	2279	2101	2102	1474	4818	7035
King Street	1237	1028	1465	1328	1444	1380
Westgate	304	292	822	846	1418	1955
Byram Street	478	374	876	933	1649	1600
John William Street	448	400	723	555	632	528
Queensgate steps	562	646	709	989	367	620
Total[7]	**8085**	**6795**	**9537**	**8066**	**14887**	**17980**

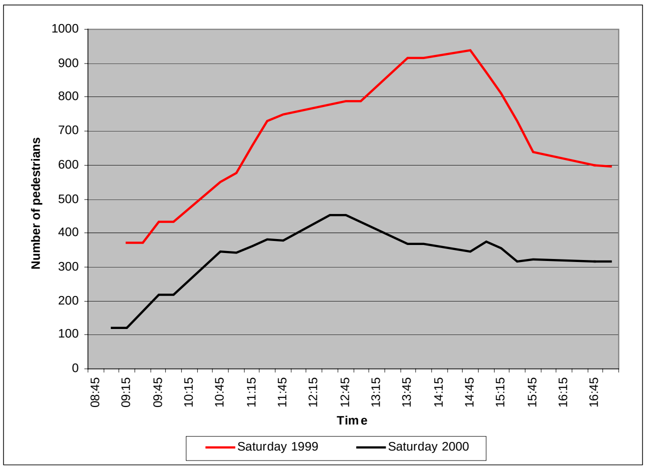
Pedestrian flow on a Saturday continues to well exceed that of a market day or a non-market day. However, in terms of the volumes of pedestrians recorded, there has been a considerable drop against the 1999 assessment. This is particularly true of King Street where streetscape works for the new pedestrianisation scheme were being undertaken at the time of the survey. The difference in footfall recorded on King Street from 1999 to 2000 is illustrated opposite.

[6] Figures given here relate to hour samples extracted from the profile counts – taken from 10.30 in the morning and from 2.30 in the afternoon.
[7] For the purpose of consistency in the time series analysis, hour sample totals exclude Queensgate steps, which was a new count point in 1999.

Total pedestrian numbers – daily profile



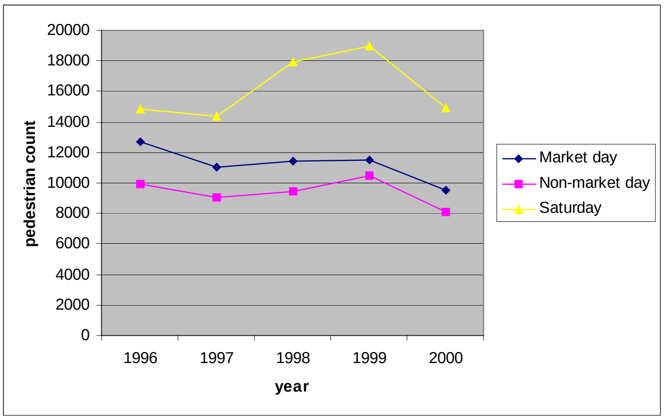
King Street Saturday counts 1999 and 2000



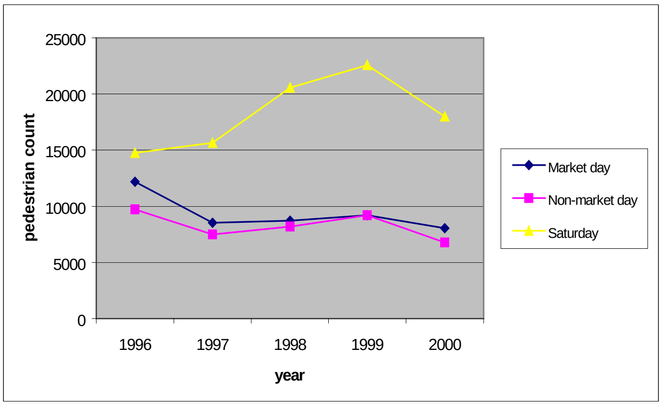
Generally speaking, much of the primary shopping area (New Street and the Piazza) has experienced little overall change in pedestrian numbers or the pattern of movement throughout the 9am to 5pm period. What is noticeable is a shift in the lunchtime peak from around 12.45 pm to 1.45 pm at 5 of the 9 locations. Westgate, John William Street and Byram Street show lower and more consistent levels of pedestrian numbers throughout the day with much less pronounced peaks and troughs than in 1999. Byram Street continues to be the only location where market day pedestrian numbers exceed those recorded on a non-market day.

The changes in both morning and afternoon hour sample counts since 1996 are illustrated in the graphs overleaf. These clearly show the drop in pedestrian numbers recorded from 1999 to 2000, amounting to an average of –15% on a market day, -25% on a non-market day, and –20% on a Saturday. The temporary effects of improvement works on King Street, demolition/building work for the Kingsgate scheme, and the loss of the Co-op 'Living' department store from New Street (which constituted a key anchor at the southern end of the town centre), have all contributed to the decline in pedestrian footfall. The graph below illustrates quite clearly the decline in pedestrian numbers at the southern end of New Street in the 2000 assessment. This was one of the highest performing locations on the Saturday survey in 1999.

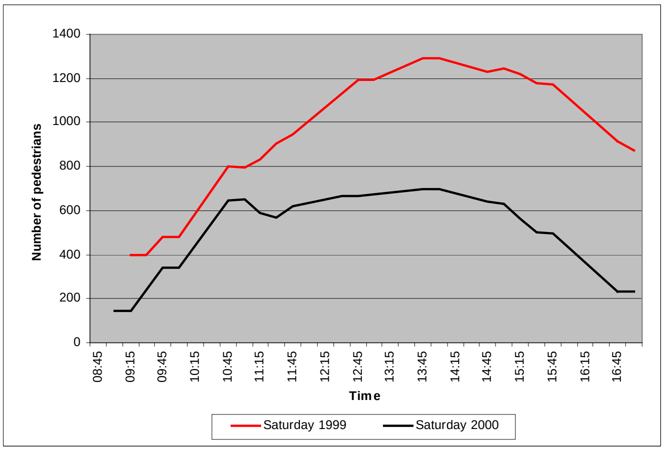
Morning hour samples 1996 - 2000



Afternoon hour samples 1996 – 2000



New Street (C & A) Saturday counts 1999 and 2000

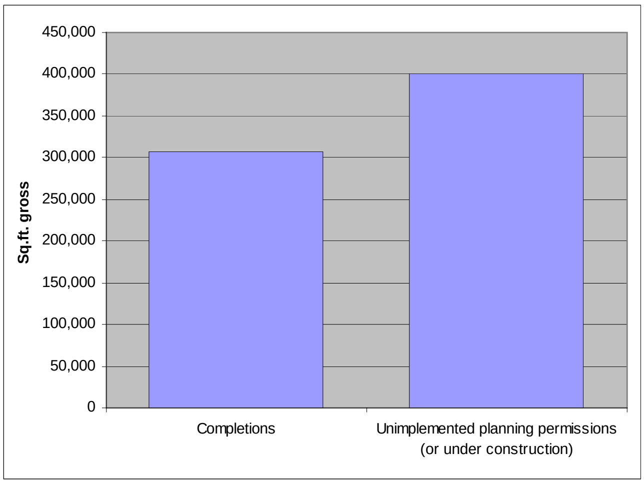


Retail development pipeline

The graph below identifies the retail development pipeline within and adjoining Huddersfield town centre. Completions since 1991 amount to 306,850 sq.ft. (28,518 sq.m.) of gross floorspace, including:

- Refurbishment of Market Avenue
- Construction of 3 new large space units occupied by Halfords on Beck Road, Lidl on Castlegate and Sainsbury's at Shorehead.
- Construction of the Great Northern Street retail warehouse park and its recently opened extension.
- Refurbishment of New Street
- Construction of 3 new retail units on Castlegate.

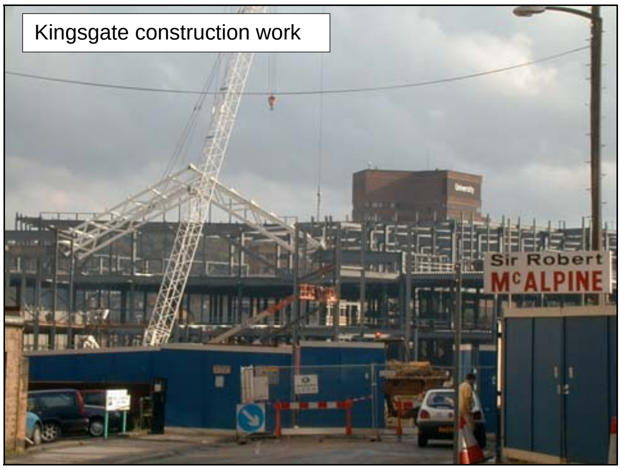
Development pipeline



A number of schemes have received planning permission and are currently under construction or remain unimplemented. These amount to a potential gross floorspace of 400,685 sq.ft. (37,238 sq.m.). This total includes:

- new-build for the Kingsgate shopping centre and 2 shop units at Victoria Lane and Brook Street in the town centre;
- the refurbishment of the Queen Street and King Street Yards; and
- the redevelopment of St George's Warehouse on New North Parade.

This figure also encompasses smaller scale refurbishment to existing units on Beck Road (for Matalan) and New Street (for Wilkinsons).



Kingsgate construction work

Retailer demand

A general assessment of retailer demand for Huddersfield was undertaken in July 2000. The number of retailers who have expressed a requirement for the town are given in the table below by category of use. The level of demand has also been expressed in terms of maximum floorspace requirements.

Retailer requirements for Huddersfield (Summer 2000)

Category	Number of registered interests	Maximum gross floorspace requirements sq.ft (sq.m)
Convenience	5	20,080 (1,866)
Clothing/footwear	9	67,500 (6,273)
Furniture/carpets	1	4,000 (372)
Electrical goods	2	3,250 (302)
DIY/hardware	2	67,000 (6,227)
Variety	5	225,000 (20,911)
Other comparison	18	96,700 (8,987)
Restaurants/pubs	11	99,020 (9,203)
Retail services	1	1,600 (149)
Service uses	3	2,950 (274)
Other	3	13,500 (1,255) [8]
TOTAL	**60**	**600,600 (55,818)**

Source: Focus Research and Information Unit,
Property Intelligence Plc.

There has been very little change in the number and nature of retailer demand for the town since the 1999 assessment. However, the total gross floorspace requirement for the town in 1999 was 150,000 sq.ft. less than that recorded in the 2000 assessment. This is principally due to a number of new requirements from large space users (such as department stores) rather than an increase in the number of total requirements.

4 of the retailers included in the 1999 assessment have now been accommodated in the town and there are a number of others who are committed to taking units within the Kingsgate shopping centre.

Of those retailers included in the 2000 assessment, 82% would be new to the town, equating to a total of 557,020 sq.ft. (51,768 sq.m.) of gross floorspace, or 93% of the total floorspace stated.

It is important to note that a requirements for Huddersfield is not necessarily a requirement for the town centre. Some businesses have registered interest for retail warehouse units either in out of centre or edge of centre locations. This is principally due to the difficulties of site assembly, high rents and a lack of surface level car parking in the town centre.

The assessment of retailer demand should not be treated as definitive. There are likely to be other retailers who have a requirement for Huddersfield or who may wish to relocate within the town centre to larger and/or better quality premises but have not registered their interest. Furthermore, the assessment has not addressed the demand that may exist from financial and professional services for office accommodation within the town centre.

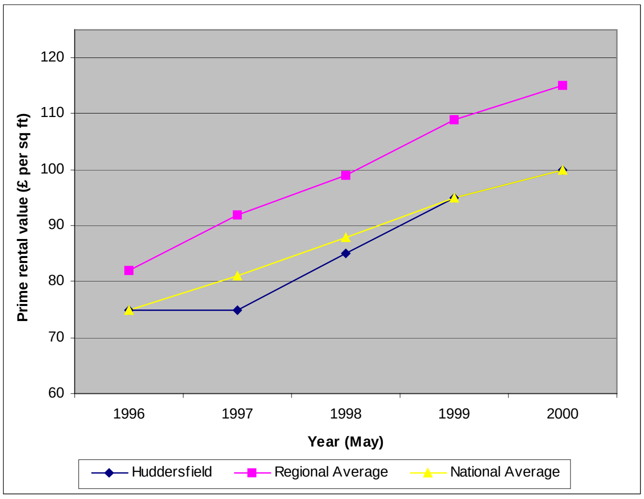
Refurbishment on Queen Street South

Prime retail rental levels

National average prime rents have experienced year on year growth for the last 3 years, and are now 33% higher than in 1996. In the 12 months to May 2000, the national average reached £100 per sq.ft. – a growth of 5.3% for the year.

The Yorkshire and Humberside regional average prime retail rents have grown by 40% over the last 5 years, with a 5.5% increase recorded in the 12 months to May 2000. However, rental growth has slowed since May 1999 and falls well below the rate of growth recorded in 1998 and 1999 (between +7.4% and +10.2%). The changes in both regional and national prime rents since 1996 is illustrated in the graph below.

Change in prime rents 1996 - 2000



The high regional prime rents are attributable to the influence of the White Rose Centre (opened in 1997) and Meadowhall (opened in 1990), which secure £200 per sq.ft. and £400 per sq.ft., respectively. Meadowhall is now the 3rd highest performing centre

[8] Only 2 of the 3 'other' uses have stated a floorspace requirement.

in the country in terms of rental growth, having secured a 220% increase in prime retail rents between May 1990 and May 2000. The Metro Centre on Tyneside and the Merry Hill Centre in the West Midlands are the only other centres to better this performance.

The table below compares Huddersfield's performance against that of 5 nearby metropolitan town centres and the regional and national averages. It can be seen that Huddersfield has a prime rent of £100 per sq.ft. which is comparable to that of Barnsley but higher than that of both Wakefield and Halifax (£90 per sq.ft. and £85 per sq.ft., respectively). Only Leeds (at £225 per sq.ft.) and Bradford (at £140 per sq.ft.) have higher prime retail rents.

Retail performance: Prime zone A retail rents[9] for selected towns

	1996	1997	1998	1999	2000
Huddersfield					
£ per sq.ft.	75	75	85	95	100
£ per sq.m.	807	807	915	1023	1076
Wakefield					
£ per sq.ft.	75	75	80	90	90
£ per sq.m.	807	807	861	969	968
Bradford					
£ per sq.ft.	90	90	105	105	140
£ per sq.m.	969	969	1130	1130	1506
Halifax					
£ per sq.ft.	65	65	70	85	85
£ per sq.m.	700	700	753	915	915
Leeds					
£ per sq.ft.	140	175	200	200	225
£ per sq.m.	1507	1884	2153	2153	2421
Barnsley					
£ per sq.ft.	85	85	85	90	100
£ per sq.m.	915	915	915	968	1076
Regional average [10]					
£ per sq.ft.	82	92	99	109	115
£ per sq.m.	883	990	1066	1173	1237
National average					
£ per sq.ft.	75	81	88	95	100
£ per sq.m.	807	872	947	1023	1076

Source: Investment Property Database

During the 12 months to May 2000, the prime rent for Huddersfield secured a growth of 5.3% - in line with the increase in the national average. However, in this same period, Bradford, Leeds and Barnsley experienced much higher rates of growth (33%, 13% and 11%, respectively).

Prime retail yields[11]

Huddersfield saw a slight increase in its prime retail yield (from 7.6% to 7.8%), despite recording the third consecutive annual increase in prime rents. The town centre's prime yield now mirrors that of the Yorkshire and Humberside regional average.

Prime retail yields for selected towns (%)

	1995	1996	1997	1998	1999
Huddersfield	7.0	7.2	7.1	7.6	7.8
Wakefield	7.9	8.5	8.5	8.5	8.2
Bradford	7.9	7.9	7.4	7.5	7.1
Halifax	8.2	8.7	7.9	7.5	8.0
Leeds	6.6	6.7	6.0	6.0	5.5
Barnsley	7.9	8.2	7.2	7.1	7.0
Regional average	7.3	7.3	6.7	6.8	7.6
National average	7.1	7.1	6.8	6.6	7.5

Source: Investment Property Database / The Valuation Office

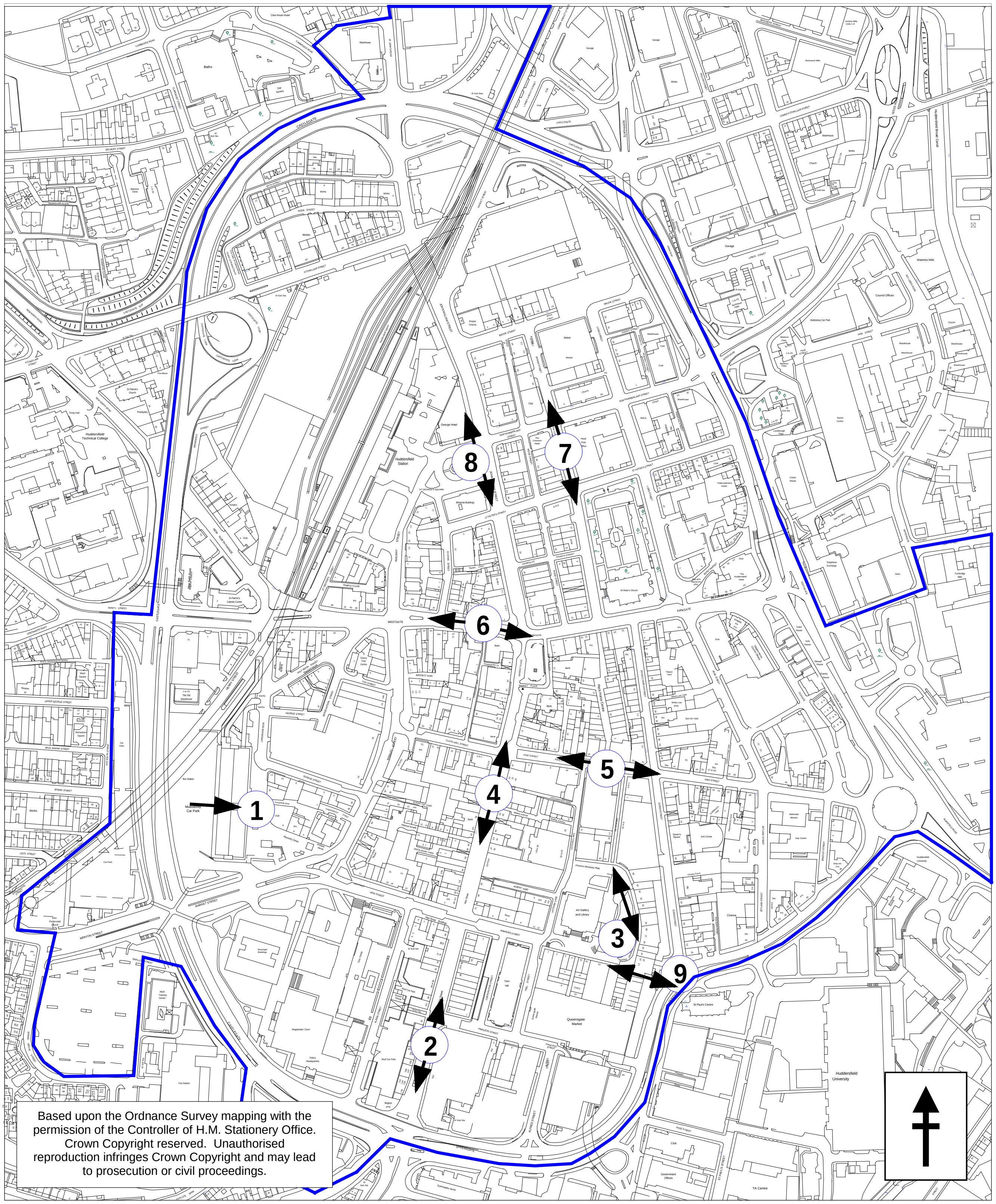
The increase in prime retail yields can be attributed to a variety of different factors. However, the level of retail development activity within Huddersfield during 1999 (for example, the construction of the Great Northern Street Retail Warehouse Park extension, and the commencement of the Kingsgate redevelopment scheme), was particularly influential in 'softening' the town centre's prime retail yield.

Extension to the Great Northern Street park

The prime retail yields for Wakefield, Bradford, Leeds and Barnsley all improved (albeit marginally in most cases). However, both the regional and national averages registered increases of 0.8% and 0.9%, respectively.

[9] The values relate to the zone A rent for a modern standard sized shop unit (6.1m frontage, 18.3m depth and 30sq.m. storage or staff accommodation, and a full insuring and repairing lease). The assessment date is May of each year.
[10] Regional averages relate to Yorkshire and Humberside.
[11] The shop investment market uses the yield of a modern standard size shop unit in the highest rented position in the town centre as its standard. The equivalent yield is the ratio between the discounted present value of the income secured by the lease (current rent plus any uplift to an open market rent on the next review) and the current capital value of the property. Figures quoted are correct at December of each year, therefore data is not yet available for 2000.

Huddersfield study boundary and pedestrian count points



Key to map:

Study boundary

Pedestrian count point and direction of flow

1	Bus station	6	Westgate
2	New Street (C&A)	7	Byram Street
3	Piazza	8	John William Street
4	New Street (M&S)	9	Queensgate steps
5	King Street		

Not to scale

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