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Town Centres Team, Planning Services

HUDDERSFIELD TOWN CENTRE
ANNUAL STATEMENT OF KEY ECONOMIC INDICATORS
AUGUST 2003

INTRODUCTION

Since 1996, the Planning Service of Kirklees MC has undertaken a programme of research into the health and vitality of shopping centres in the District. The annual collection of key performance data enables the role of individual town centres to be assessed, identifying the scope for change, renewal and diversification.

The first assessment of Huddersfield town centre was published in July 1996. Since then, audit reports have been produced on an annual basis covering 7 indicators of town centre health and vitality. These are:

- Shop unit and floorspace occupancy
- Vacancy rates
- Pedestrian footfall
- Retail development pipeline
- Retailer demand
- Prime retail rental levels
- Prime retail yields

FLOORSPACE, SHOP UNITS AND VACANCY

A survey of shop unit occupancy undertaken during June 2003 revealed that Huddersfield town centre provides a total of 83,000 sq.m. (893,600 sq.ft) of net retail floorspace, and 731 shop units. Comparison goods retailing represents 72.3% of that floorspace compared to 68.1% in the previous year. Figure 1 illustrates the make up of the town in both 2002 and 2003.

Figure 1: Huddersfield shop unit/floorspace statistics

	2002		2003	
	Sales fl'space '000 sq.m	Shop units	Sales fl'space '000 sq.m	Shop units
Convenience	16.52 (19.0%)	51 (6.9%)	16.51 (19.9%)	52 (7.1%)
Comparison[1]	59.21 (68.1%)	373 (50.5%)	60.10 (72.3%)	382 (52.2%)
Service	N/A	198 (26.8%)	N/A	206 (28.2%)
Vacant	11.12 (12.8%)	117 (15.8%)	6.45 (7.8%)	91 (12.5%)
TOTAL	**86.85 (100%)**	**739 (100%)**	**83.05 (100%)**	**731 (100%)**

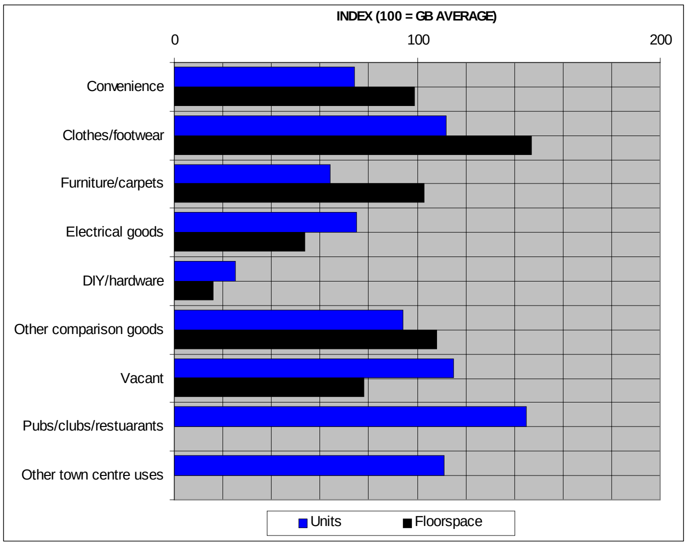
The town has seen a dramatic fall in the number of vacant units and the proportion of vacant floorspace during the last 12 months. Floorspace vacancy is 42% lower than at this time last year and the number of vacant units has dropped by 26. Only 12 of the 91 vacant units in the town are located within the prime pitch and the Kingsgate centre is nearing full occupation. The prime pitch unit vacancy rate is now only 5.7%.

The drop in both the total number of units and retail floorspace recorded in the town is primarily due to the loss of potential retail units to non-traditional town centre office or miscellaneous uses, and the amalgamation of retail units.

Figure 2 below illustrates the representation of floorspace and shop units in different categories of use against the national town centre average. This clearly shows a continued (and declining) under representation of DIY/hardware retailers in terms of both units and floorspace. The number of units occupied by carpet and furniture retailers is also below the national average. Since 1999, vacancy levels within the town have consistently been recorded well above the national average. It is particularly encouraging to note that the level of vacant floorspace is now well below the 100 index and in terms of number of vacant units is only a little above the index.

As can be seen, the town continues to improve its representation of clothing/footwear retailers and of specialist/niche retailers. Since the construction of Kingsgate a number of new businesses from these sectors have opened on both prime pitch and secondary locations within the town. Similarly, the representation of pubs/clubs and restaurants in the town well exceeds the national average.

Figure 2: Comparison with national averages [2]



Below: Some of the new additions to the town

PEDESTRIAN FOOTFALL

Since 1996, annual pedestrian footfall counts have been undertaken in Huddersfield town centre to measure the volume and pattern of visitor/shopper movement. These assessments cover key locations including both primary and secondary shopping frontages and important pedestrian links, which together provide a yearly 'snapshot' of pedestrian activity. Surveys are undertaken on a market day, non-market day and Saturday. The map overleaf identifies the count locations.

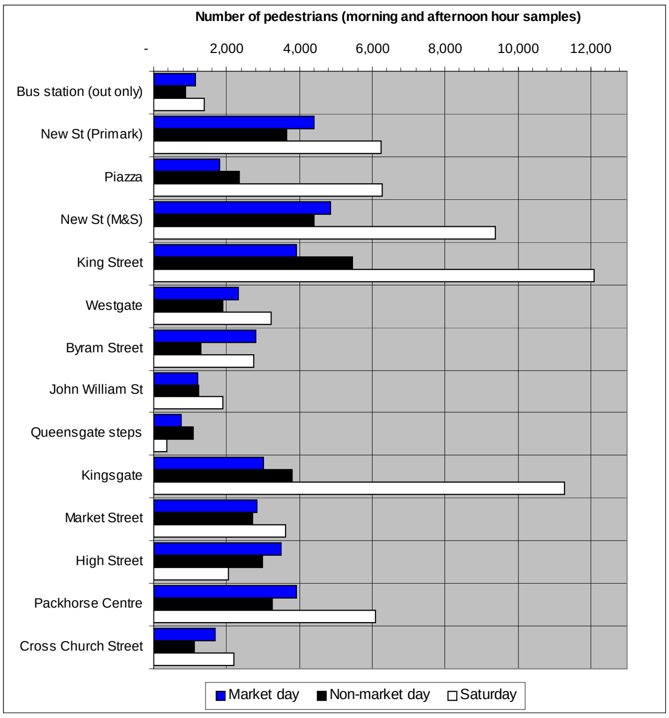
Figure 3: Comparison of pedestrian numbers 2002-03

		2002	2003	% change
Market day	a.m.	12,874	11,453	-11
	p.m.	8,217	11,002	+34
Non-market day	a.m.	10,509	10,505	0
	p.m.	9,905	10,667	+8
Saturday	a.m.	18,948	19,122	+1
	p.m.	23,153	23,118	0
TOTAL		83,606	85,867	+3

Figure 3 identifies the total volumes of pedestrians recorded at 8 locations in the town for 2002 and 2003, and gives the percentage change over that 12-month period. In all, the town has achieved an increase of 3% in pedestrian numbers. However, since 2001 the level of footfall recorded in the town has increased by 11%.

Figure 4 below gives a breakdown of the volumes of pedestrians recorded on a street by street basis. This clearly shows the primary shopping frontages of New Street, King Street, the Piazza, the Kingsgate Centre and the Packhorse Centre recording the highest shopper numbers, particularly on Saturdays.

Figure 4: 2003 pedestrian footfall by street



The draw of the Kingsgate centre continues to strengthen pedestrian numbers in the town. King Street itself has seen significant increases in shopper activity in both the 2002 and 2003 assessments (on all 3 survey days). This is also true of John William Street which is steadily becoming a more important pedestrian link at this end of the town, although comparatively speaking, numbers are still low.

Last year's assessment saw a weakening of pedestrian numbers at the southern end of New Street, beyond the High Street junction. This area is now showing some signs of recovery with increases of between 3% on a Saturday and 13% on a market day compared to last year.

Declining pedestrian numbers have been recorded for the last 2 years at the bus station, the Piazza and the steps linking the shopping area to Queensgate next to the covered market. Much of this trend can be attributed to the changing patterns of pedestrian movement influenced by the Kingsgate centre.

Figure 5: 9am – 5pm profile of pedestrian volumes, 2003

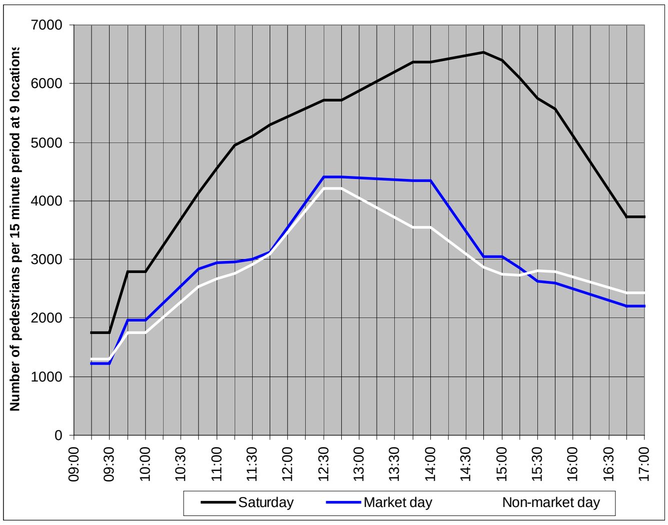
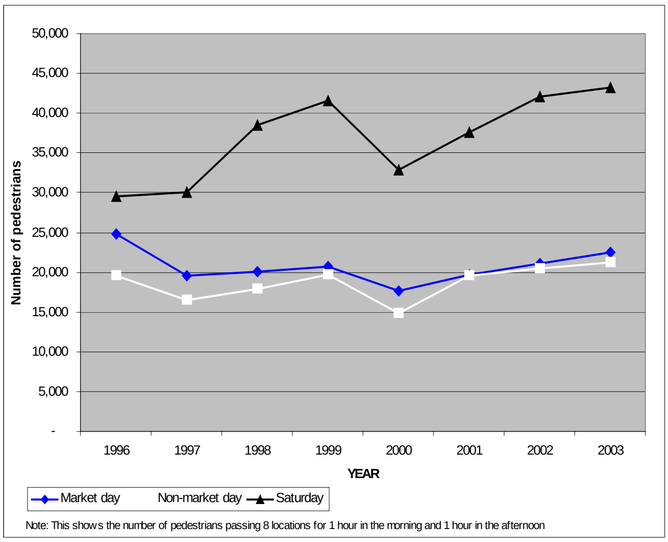


Figure 5 shows the daily profile of pedestrian numbers, plotted using 'pinch' counts either side of the hour-long samples. The profile has changed very little since last year's assessment. The peak in Saturday volumes continues to occur around 3:00pm and both market day and non-market day experience the expected lunchtime peak.

Figure 6: Pedestrian numbers 1996 - 2003



The total footfall recorded during the hour-long counts in both the morning and afternoon of the three survey days has increased by 17.3% over the last 7 years. Figure 6 above shows how these hour counts have changed during that period. The increasing popularity of Saturday shopping in Huddersfield is clearly evident - the number of people recorded on a Saturday has grown by 45% since 1996.

RETAIL DEVELOPMENT PIPELINE

The completion of large-scale development including the Kingsgate centre, the Queen Street/King Street Yards and John William Court, were reported in the 2002 Town Centre Audit. Since then, there has been no major retail development in the town. However, there has been considerable investment in shop front improvements and fitting out as new tenants have come into prime locations in the town. The conversion of a large part of the vacant ex Co-op building on New Street to accommodate the 'Heaven and Hell' nightclub was completed in December 2002.

There remains only one unimplemented planning permission within the Huddersfield town centre study area. This relates to the site bounded by Green Street, St John's Road and the railway viaduct in the north of the town where planning permission was granted to create a mixed use development (retail and leisure) of 1,860 sq.m. gross.

Above: Refurbishment of premises in Wormald's Yard

RETAILER DEMAND

A general assessment of demand for retail floorspace in Huddersfield was undertaken during March 2003. Figure 7 shows the numbers of retailers who have expressed interest in being represented in the town, and their maximum floorspace requirements.

Figure 7: Retail / leisure requirements 2003

Category	Number of registered interests	Maximum floorspace requirement sq.m. (sq.ft)
Convenience	5	10,700 (115,100)
Clothing/footwear	7	2,570 (27,700)
Furniture/carpets	4	3,200 (34,500)
Electrical goods	1	230 (2,500)
DIY/hardware	1	370 (4,000)
Variety/department	10	36,700 (395,000)
Specialist comparison	14	3,100 (33,350)
Restaurants/pubs	12	6,250 (67,200)
Service uses	3	370 (4,000)
Leisure	5	6,130 (66,000)
Hotels	2	Unknown
TOTAL	**62**	**69,620 (749,350)**

Source: FOCUS Information Ltd and KMC

Of the 62 registered interests, 54 would be new to the town equating to 5,800 sq.m. (623,450 sq.ft.) or 83% of the total floorspace requirement. The remaining 8 retailers are currently represented in the town but are seeking larger or improved premises. Since the assessment was undertaken, 5 of the registered interests have been accommodated in the town.

Just under half (49%) of the maximum floorspace requirements are for prime pitch locations within the town centre. This amounts to 34,370 sq.m. (369,800 sq.ft.) and comes from 27 different retailers. Demand for space on established retail warehouse parks has been expressed by 14 retailers with a total requirement of 18,080 sq.m. (194,500 sq.ft.).

Further requirements may exist from other retailers who wish to relocate or establish themselves within the town centre but have not registered their interests. This assessment does not address the demand for office accommodation from financial, professional or other commercial uses.

PRIME RETAIL RENTAL LEVELS

At the national level, average prime zone A retail rents have grown by 3% during the 12 months to May 2003. This represents a slower rate of growth than the 4.1% experienced in the previous 12 months. A similar trend has been noted within Yorkshire and Humberside region where growth has slowed form 3.5% during the 2001-02 period, to 2.4% in the year leading up to May 2003.

Figure 8 identifies rental levels of selected towns in the region and compares the regional and national averages since 1997. Of the towns shown, only Leeds, Barnsley and Wakefield have experienced growth in prime retail rents during the past year. Unsurprisingly, Huddersfield's rents have remained static for the last 2 years, as the increase in the proportion of retail floorspace/shop premises brought about by Kingsgate last year continues to limit the opportunity for rental growth.

**Figure 8: Prime zone A retail rents for selected towns [3]
£ per sq.m. (£ per sq.ft)**

	1997	1999	2001	2003
Huddersfield	807 (75)	1,023 (90)	1,130 (105)	1,130 (105)
Wakefield	807 (75)	969 (90)	968 (90)	1,130 (105)
Bradford	969 (90)	1,130 (105)	1,507 (140)	1,507 (140)
Halifax	700 (65)	915 (85)	915 (85)	915 (85)
Leeds	1,884 (175)	2,153 (200)	2,691 (250)	2,905 (270)
Barnsley	915 (85)	969 (90)	1,130 (105)	1,291 (120)
Regional average[4]	990 (92)	1,173 (109)	1,270 (118)	1,346 (125)
National average	872 (81)	1,023 (95)	1,087 (101)	1,165 (108)

Source: Colliers CRE and KMC

Below: Modern and traditional shop frontages in the town

PRIME RETAIL YIELDS

The introduction of the Kingsgate Centre was predicted to produce a short term rise in the town's 'all risk yield'. However, this has dropped by 0.5% during the 12 months to April 2003 – a reflection of improved investor confidence in the property market as a result of Kingsgate's success and its influence as a catalyst for investment in the commercial and leisure sectors within the town.

Figure 9: Prime retail yields for selected towns [5] (%)

	1997	1999	2001	2003
Huddersfield	8.0	8.0	8.0	7.5
Wakefield	6.0	8.0	8.0	8.0
Bradford	6.0	6.5	7.0	7.5
Halifax	8.0	8.0	9.0	9.0
Leeds	5.0	5.0	5.0	5.5
Barnsley	7.0	7.0	7.25	7.25

Source: Valuation Office Property Market Reports (Spring)

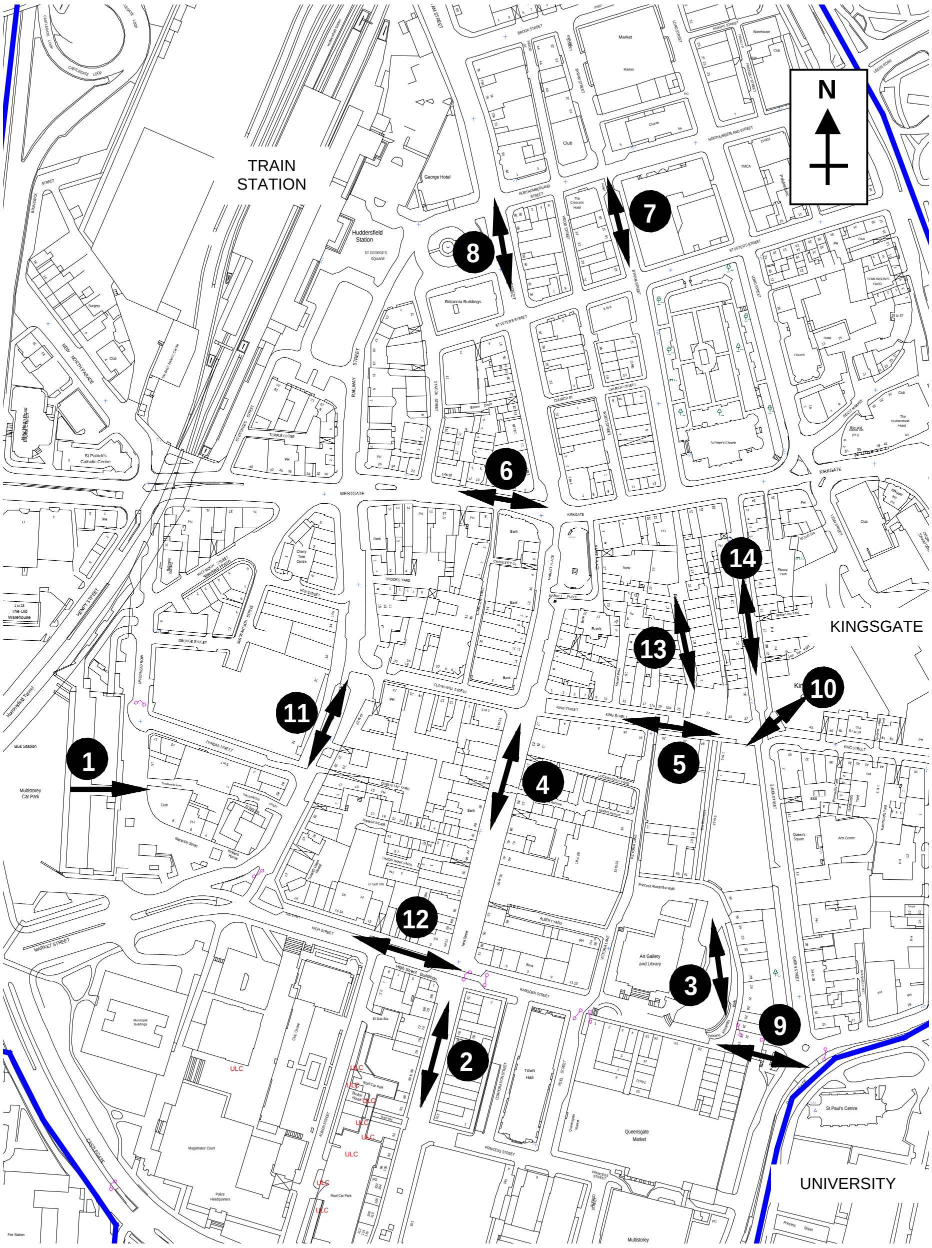
Huddersfield and Leeds are the only towns of those assessed in the region to experience a 'hardening' of prime retail yields during the past year. Continued interest in Huddersfield from investors and the need to satisfy demand from a variety of retailers, services and leisure operators for representation in the town could potentially see a further strengthening of the town's 'all risk yield' over the next 2/3 years.

Below: The updated frontage of the Packhorse Centre

Notes:

[1] Comparison goods figures include A1 uses such as opticians and travel agents etc.
[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] These values relate to the zone A rent for a modern standard sized shop unit (6.1m frontage, 18.3m depth and 30sq.m. of storage or staff accommodation, and a full insuring and repairing lease). The assessment date is May of each year.
[4] Regional averages relate to Yorkshire and Humberside.
[5] 'All risk yields' are calculated by dividing the annual rent as though it had been received as a single sum at the year end, by the capital value or sale price of the property. This is a simple benchmark which the property market uses to assess the comparative attractiveness of different shopping centres.

HUDDERSFIELD STUDY AREA AND LOCATION OF PEDESTRIAN COUNT POINTS



Key to map:

1 – Bus station
2 – New Street (Primark)
3 – Piazza
4 – New Street (M&S)
5 – King Street
6 – Westgate
7 – Byram Street
8 – John William Street
9 – Queensgate steps
10 – Kingsgate main entrance
11 – Market Street
12 – High Street
13 - Packhorse Centre
14 - Cross Church Street

Position/direction of count

Study boundary

NOT TO SCALE

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