Town Centres Team, Planning Services

HUDDERSFIELD TOWN CENTRE
ANNUAL STATEMENT OF KEY ECONOMIC INDICATORS
AUGUST 2006

INTRODUCTION

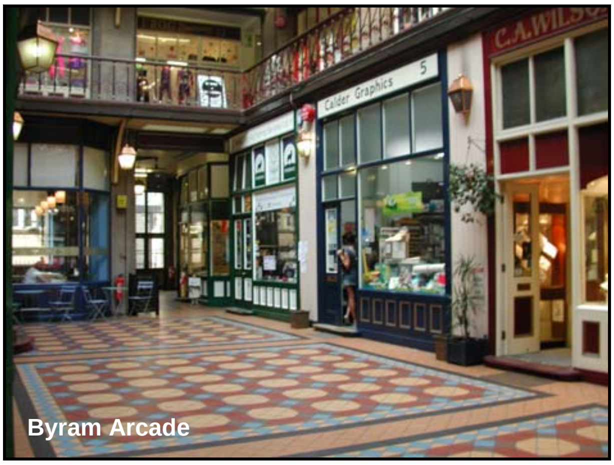
The health and vitality of shopping centres in the Kirklees District is monitored on an annual basis through the Town Centre Audit Programme undertaken by the Council's Planning Services. Performance data is collected and analysed to allow the role of individual town centres to be assessed and to identify scope for change, renewal and diversification.

Since 1996 the performance of Huddersfield town centre against 7 key economic indicators has been reported in annual publications. In this 2006 edition, the following indicators are assessed:

- Shop unit and floorspace occupancy;
- Vacancy rates
- Pedestrian footfall
- Development activity
- Demand for representation
- Prime retail rental levels
- Prime retail yields

FLOORSPACE, SHOP UNITS AND VACANCY RATES

The annual survey of shop unit occupancy was undertaken in April 2006. This revealed that within the Huddersfield Town Centre Study Boundary (shown on the map on page 8), there are 719 shop units trading in either food goods (6.0%), non-food goods (51.9%) or as a traditional town centre service (31.4%), with a unit vacancy rate of 10.7%. In total, the occupied and vacant retail units provide around 86,000sq.m. of net floorspace. Figure 1 shows the breakdown of units and floorspace in the town compared to 2005.



Byram Arcade

Figure 1: Huddersfield shop unit and floorspace statistics

	2005		2006		% change 05-06	
	Sales floorspace '000 sq.m	Shop units	Sales floorspace '000 sq.m	Shop units	Sales floorspace '000 sq.m	Shop units
Convenience (food)	16.24 (20.0%)	47 (6.5%)	15.67 (18.2%)	43 (6.0%)	-3.5	-8.5
Comparison [1] (non-food)	60.46 (74.5%)	384 (53.0%)	60.07 (69.6%)	373 (51.9%)	-0.6	-2.9
Service	n/a	227 (31.4%)	n/a	226 (31.4%)	n/a	-0.4
Vacant	4.43 (5.5%)	66 (9.1%)	10.51 (12.2%)	77 (10.7%)	+137.2	+16.7
TOTAL	**81.13 (100%)**	**724 (100%)**	**86.25 (100%)**	**719 (100%)**	**+6.3**	**-0.7**

Vacant unit – Castlegate Retail Park

The most noticeable change in the make-up of Huddersfield town centre during the last 12 months has been the increase in vacant floorspace - which has more than doubled. The vacation of the two-storey former Tradex store on the Beck Road retail park contributes almost 5,500sq.m. to this vacancy level. Taking this aside, there has also been an increase in the number of vacant units within prime shopping streets in the town – including New Street, Kingsgate, the Piazza and the Packhorse Centre. However, some of these units have been re-occupied since the survey was undertaken. There is further vacancy on the recently built Castlegate Retail Park adjacent to the ring road at Green Street. Most of the vacancy in the town is short term in nature and is likely to be merely transitional as new occupiers take up empty units fairly quickly. Much of the vacant floorspace is being actively marketed either privately or by the Council.

Figure 2: Percentage of floorspace/shop units in Huddersfield compared with national averages [2] and showing trend since last year

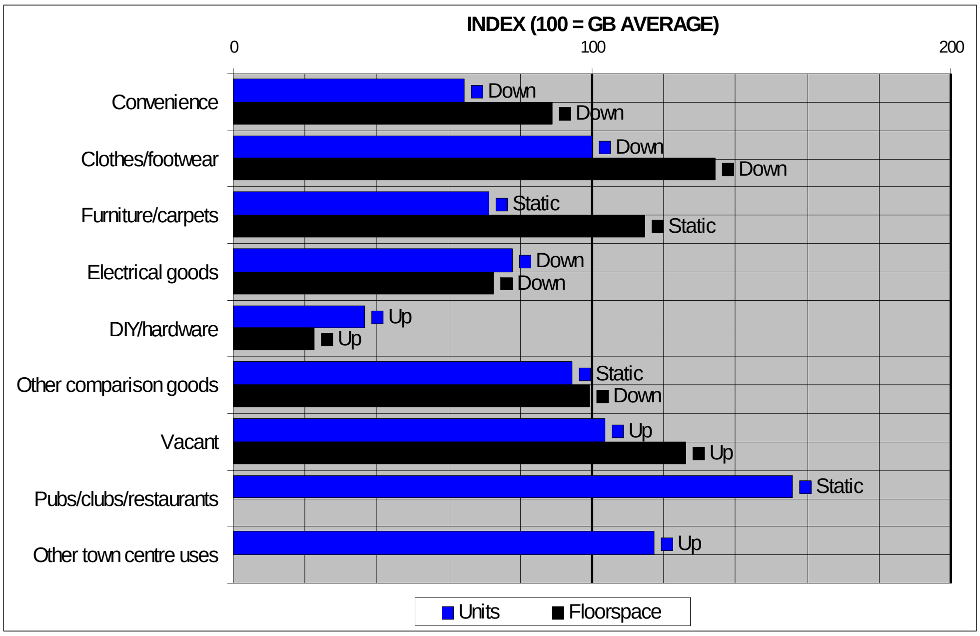


Figure 2 shows the occupancy of Huddersfield Town Centre shop units and floorspace in comparison to the national average, and shows the change in representation since last year. This clearly illustrates the increased vacancy rate – taking Huddersfield above the national average for both units and floorspace. The proportions of clothing/ footwear floorspace and units have declined over the last 12 months but still remain above the national average. Another noticeable change is the increase in DIY/hardware representation in terms of both units and floorspace. This is largely due to the flooring, homewares and bathroom retail units on the new Castlegate Retail Park.

PEDESTRIAN FOOTFALL

The volume and pattern of movement of visitors and shoppers in Huddersfield town centre have been monitored annually since 1996. 14 count locations are assessed covering primary and secondary shopping frontages, key pedestrian routes and access points into the town. The count locations are shown on the map on page 8.

The 2006 assessment revealed that the overall trend in pedestrian numbers has remained relatively static compared to 2005. Figure 3 gives ‘snapshot’ numbers of people during the morning and afternoon periods of two weekdays (a market day and a non-market day) and a Saturday in April. This shows significant changes on the market day afternoon (up by 20%), the non-market day morning (down by 15%), and the Saturday morning and afternoon (down by 10% and up by 10%, respectively). These fluctuations in the volumes of people on the survey days is to be expected and do not necessarily reflect more significant changes in the economic prosperity of the town.

Figure 3: Comparison of pedestrian numbers 2005-2006 [3]

		2005	2006	% change
Market day	a.m.	13,930	13,241	-4.9
	p.m.	9,588	11,510	20
Non-market day	a.m.	12,476	10,599	-15
	p.m.	11,109	10,777	-3
Saturday	a.m.	18,845	16,888	-10.4
	p.m.	19,956	21,832	9.4
TOTAL		**85,904**	**84,847**	**-1.2**

Saturday counts continue to record significantly higher numbers of visitors than the weekdays. This year Saturday figures have levelled off following the peak in 2002/2003 after the opening of the Kingsgate shopping centre. Figure 4 illustrates the trend in footfall levels since 1996 on each of the three survey days based on just the original count points 1 to 8. This also shows the similar volumes of people generated by both the weekdays, and the dip in numbers recorded on the non-market day this year.

Figure 4: Pedestrian numbers 1996-2006 (count points 1 – 8 only) [3]

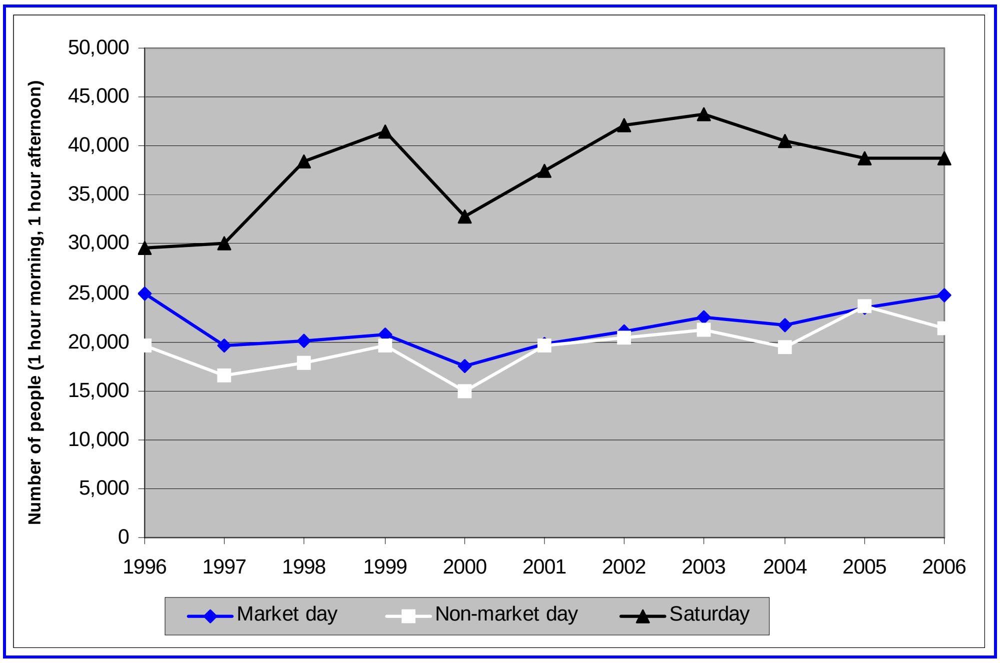


Figure 5 gives a breakdown of volumes of people recorded on a street by street basis during the hour-long sample counts both morning and afternoon. This shows the continued strength of the main shopping streets which record well in excess of 1,000 people per hour – including New Street (north and south ends), King Street, Kingsgate, High Street, the Piazza and the Pack Horse Centre. The ranked position of these streets based on the total footfall recorded over 3 days during the hour-long samples is given in Figure 6. This also gives the street ranking recorded from last year's assessment. It is evident that King Street remains the most well used pedestrian route, with Kingsgate and New Street (both northern and southern ends) fluctuating around second, third, and fourth ranking.

Figure 7 illustrates the profile of visitor numbers over the course of the day from 9.30am to 4.30pm. This uses 'pinch' counts in addition to the hour long samples taken during the morning and afternoon. This year's profile differs from the previous assessment in that the Saturday records a much more pronounced but less sustained peak in activity around 2.00pm. Pedestrian numbers on the Saturday assessment steadily rise to reach this peak and then fall more dramatically towards the end of the afternoon. This illustration also shows the significant difference between Saturday numbers and weekday numbers.

King Street

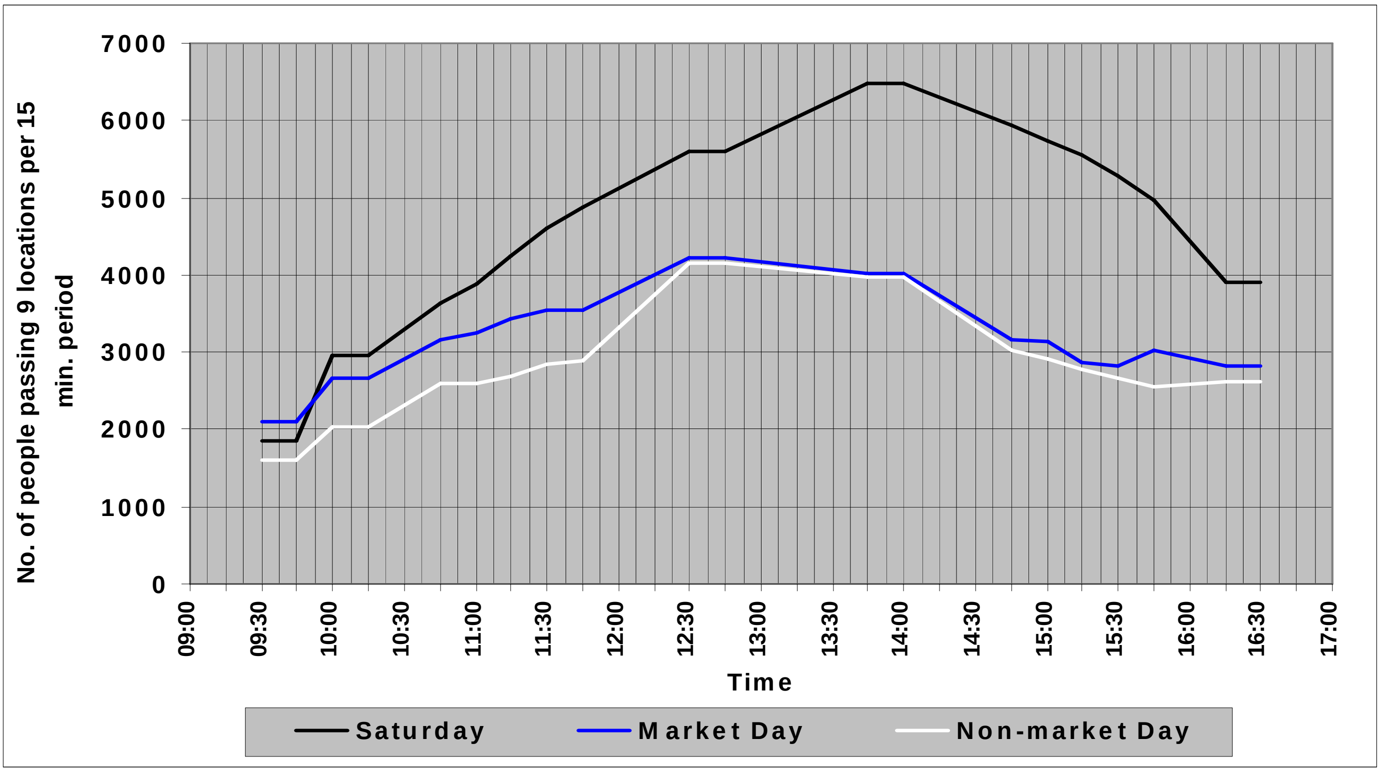
Figure 5: Street by street pedestrian numbers 2006

Date	Mon 24th April Market Day		Wed 26th April Non-Market Day		Sat 29th April	
Weather	Cool, Sunny, Breezy		Dry, Bright		Windy, Sunny	
Time	a.m.	p.m.	a.m.	p.m.	a.m.	p.m.
1. Bus Station (out only)	1139	676	873	533	1130	1080
2. New Street (Primark)	3108	2547	1970	2208	3176	3649
3. Piazza	1177	1068	1214	1072	2597	2735
4. New Street (M&S)	2759	2617	2239	2178	3762	3587
5. King Street	1750	1880	2413	2648	2861	7573
6. Westgate	924	999	914	1046	1045	1239
7. Byram Street	1407	912	462	490	1576	1329
8. John William Street	977	811	514	602	741	640
SUB TOTAL	**13241**	**11510**	**10599**	**10777**	**16888**	**21832**
9. Queensgate Steps	347	420	249	358	119	188
10. Kingsgate	1877	2271	2042	2513	3973	4682
11. Market Street	1852	1550	1485	1557	1830	1430
12. High Street	2163	1815	1400	1159	2711	2146
13. Pack Horse Centre	1682	1108	1235	1131	1736	3431
14. Cross Church Street	824	1005	599	928	1041	1759

Figure 6: Street ranking based on pedestrian numbers [4]

Rank	2005	2006	Rank	2005	2006
1	King Street	King Street	8	Market Street	Market Street
2	New St (Primark)	Kingsgate	9	Westgate	Byram Street
3	Kingsgate	New Street (M&S)	10	Byram Street	Westgate
4	New Street (M&S)	New St (Primark)	11	Cross Church St	Cross Church St
5	Pack Horse Centre	High Street	12	Bus Station (out)	Bus Station (out)
6	Piazza	Pack Horse Centre	13	John William Street	John William Street
7	High Street	Piazza	14	Queensgate Steps	Queensgate Steps

Figure 7: Daily profile of pedestrian numbers 9.30am to 4.30pm - April 2006



DEVELOPMENT AND INVESTMENT ACTIVITY

There has been little retail development within the town centre study boundary during the last 12 months. However, there are various commercial and mixed schemes that are due to be implemented in the near future, and others that are currently the subject of planning applications.

Britannia Buildings

- In July 2005, the upper 3 floors of the part of the former Co-op building nearest the ring road was granted permission to be converted to student accommodation. A further application was received in June this year to demolish this part of the building to construct a 10 storey student accommodation building with commercial uses at ground level. This is still being considered.
- The former Tradex store on the Beck Road retail park just to the north of the ring road is currently vacant and represents a 5,500sq.m. opportunity for a new retail occupier.
- St George's Warehouse off New North Parade is currently the subject of a planning application for 70 apartments and a range of office, leisure and retail units on the ground floor.
- Britannia Buildings in St George's Square (previously occupied by Yorkshire Building Society) is now on the market and has detailed planning permission for 24 apartments, with a café/restaurant and shops on the ground floor.
- The listed ex-Metrodent building (11-17 Chancery Lane) has planning permission for conversion into 4 leisure/bar/restaurant units and 18 upper floor apartments. There is currently no external evidence that work has started.
- Demolition work has now started at Phase 3 of the Media Centre of Northumberland Street where a 5-storey office development will be constructed.
- Just outside the study boundary, the University of Huddersfield have recently submitted an application for a new Creative Arts Building fronting Queensgate. A decision has yet to be made.

- Also outside the study boundary, March 2006 saw the submission of an application for a mixed use development of a site 3.56ha in size at the 'Waterfront Quarter' located off Chapel Hill just south of the ring road. This proposal incorporates a range of office, commercial, leisure and residential uses including a hotel.

DEMAND FOR REPRESENTATION

A general assessment of demand for floorspace in Huddersfield was undertaken in July 2006. This revealed that there are currently 54 registered interests for representation in the town. Some of these companies are already present in the town and are seeking larger or improved premises. However, the majority of registered interests (85%) would be new to the town.

Figure 8 identifies the number of interested companies by category of use along with maximum floorspace requirements. The total floorspace requirement from retail interests amounts to 45,600sq.m. (490,700sq.ft.) which is 83% of the total registered floorspace requirement (excluding miscellaneous uses).

Figure 8: Floorspace requirements 2006

Category of use	Number of interests	Maximum floorspace requirement sq.m.
Convenience (food) goods	7	9,900
Clothing/footwear	8	6,550
Furniture/carpets	3	4,400
Electrical goods	4	2,650
DIY/Hardware	1	1,400
Variety/department	5	20,100
Specialist comparison goods	4	600
Personal retail services	1	100
Restaurant/pub	16	9,100
Miscellaneous	5	Not known
TOTAL	**54**	**54,800**

Source: FOCUS Information Ltd and KMC Planning Services

Over half (52%) of companies have a requirement for prime pitch/high street locations with a further 35% wishing to locate on secondary frontages/fringe prime or busy main roads.

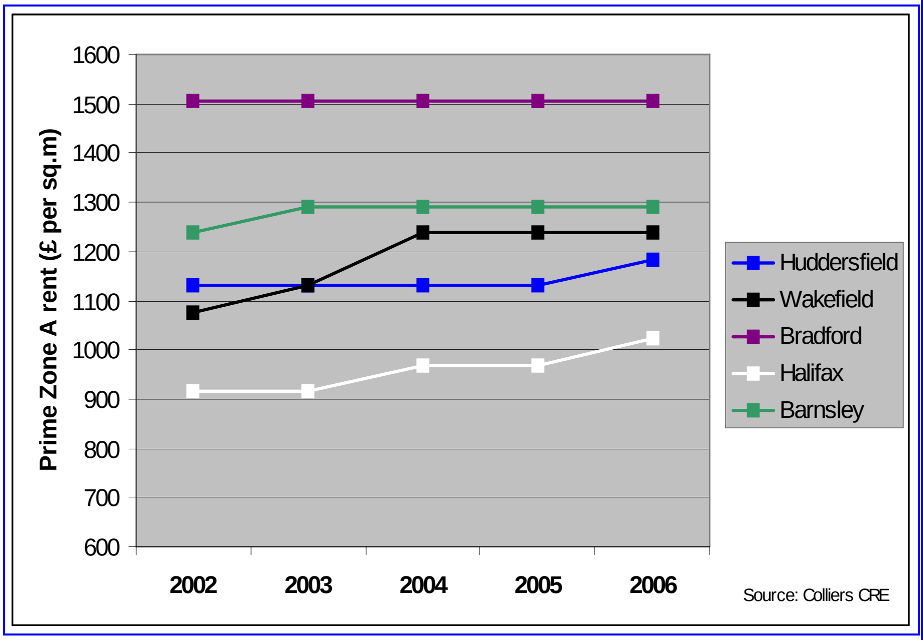
Further requirements may exist from other retailers who wish to be represented in the town or who are already present and require larger or improved premises.

It must be noted that this assessment does not take account of demand from financial, professional or other commercial uses.

PRIME RETAIL RENTAL LEVELS

Prime rents across the UK have risen, on average, by 3.4% during the 12 months up to May 2006, which is lower than the 4% growth achieved in the previous year. At the regional level, Yorkshire and the Humber achieved a higher than average growth rate of 4.0% during this period. This regional performance has reversed the slow trend of the previous year, where a lower than average growth of 3.1% was achieved. Only London, the West Midlands and the South East have out-performed the rental growth of the Yorkshire and Humber region this year.

Figure 9: Prime zone A retail rents for selected towns [5]



In Huddersfield, prime zone A rents have risen during the last 12 months to reach £1,184 per sq.m. (£110 per sq.ft). This represents a healthy growth rate of nearly 5%. Figure 9 illustrates the changes in rental levels for selected neighbouring towns in West Yorkshire for comparison purposes. Halifax is the only other town in the sample that has achieved rental growth up to May 2006 and indeed, has seen two growth periods during the last 5 years. It appears that the previously reported 'dampening' effect of the Kingsgate shopping centre on rental growth in Huddersfield is coming to an end. The effect of forthcoming rent reviews within the shopping centre itself will be monitored in future reports.

Huddersfield performs very well against the national picture in terms of retail rents. The current national average prime zone A rent is £1,291 per sq.m. (£120 per sq.ft). In the regional context, Huddersfield compares well with other similar sized towns. However, the town is overshadowed by large centres such as Leeds, Meadowhall and White Rose all of which achieve rents above £2,690 per sq.m. (£250 per sq.ft).

PRIME RETAIL YIELDS

Prime retail yields for selected towns in West Yorkshire are given in Figure 10. This shows that Huddersfield's 'all risk yield' remains at 7.5% which was achieved in late 2002 following the opening of the Kingsgate Shopping Centre. Of the towns shown, only Wakefield and Leeds have achieved improvement in their prime yield level, recording new yields of 6.25% (from 7.0% in 2005) and 4.75% (from 5.0% in 2005), respectively.

Figure 10: Prime retail yields for selected towns (%) [6]

	2003	2004	2005	2006
Huddersfield	7.5	7.5	7.5	7.5
Wakefield	8.0	7.5	7.0	6.25
Bradford	7.5	7.5	7.0	7.0
Halifax	9.0	9.0	8.0	8.0
Leeds	5.5	5.0	5.0	4.75
Barnsley	7.25	7.25	7.25	7.25

Source: Valuation Office Property Market Report, January 2006

Continuing retailer interest in the town from a variety of companies and in particular from large national multiples, will contribute to maintaining investor confidence levels for the coming 12 months. The prime retail yield level in the town will continue to be monitored.

New occupiers on King Street


Huddersfield train station

Notes:

[1] The comparison goods (non-food) category includes A1 uses such as opticians, travel agents and hairdressers etc.

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

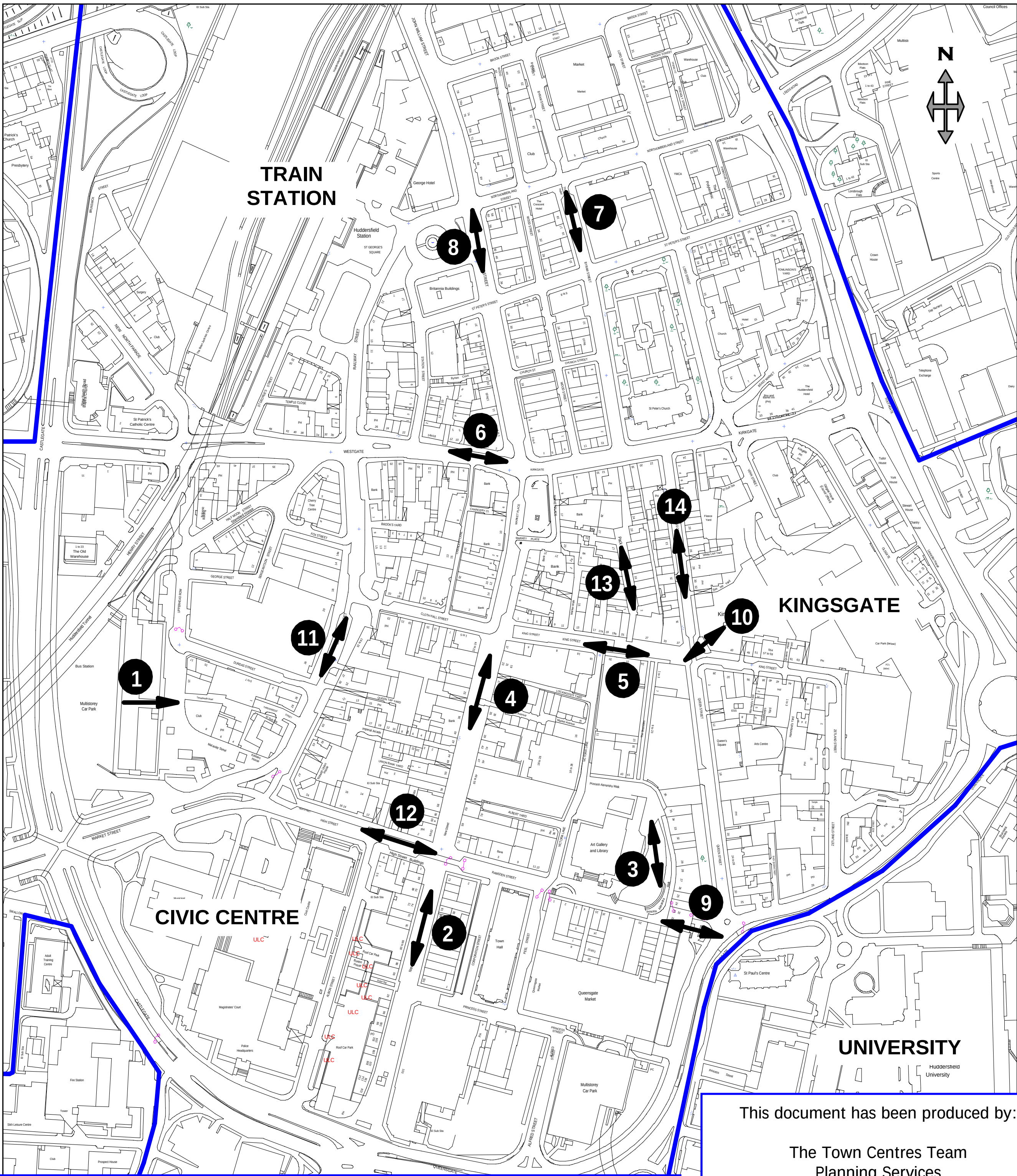
[3] These figures include snapshots of only count points 1 to 8 for historical comparison. Additional count points were added subsequent to 1996 in response to town centre change and development.

[4] The ranking is based only on those streets assessed in the pedestrian footfall survey and totals both morning and afternoon hour-long samples on 3 days.

[5] Prime zone A values relate to the rental level of a typical modern standard sized shop unit in the prime pitch of the town. The assessment date is May of each year.

[6] 'All risk yield' is calculated by dividing the annual rent although 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 TOWN CENTRE PEDESTRIAN COUNT POINTS



NOT TO SCALE

Key to map:

↔ Position/direction of count — Study boundary

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

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