Town Centres Team, Planning Services

HUDDERSFIELD TOWN CENTRE
ANNUAL STATEMENT OF KEY ECONOMIC INDICATORS
JULY 2004

INTRODUCTION

Since 1996, Kirklees MC Planning Services 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 May 2004 revealed that Huddersfield town centre provides a total of 82,076 sq.m. of net retail floorspace, and 730 shop units. 73% of floorspace in Huddersfield town centre is given over to comparison (non-food) retailing. Figure 1 illustrates the make up of the town in both 2003 and 2004.

Figure 1: Huddersfield shop unit/floorspace statistics

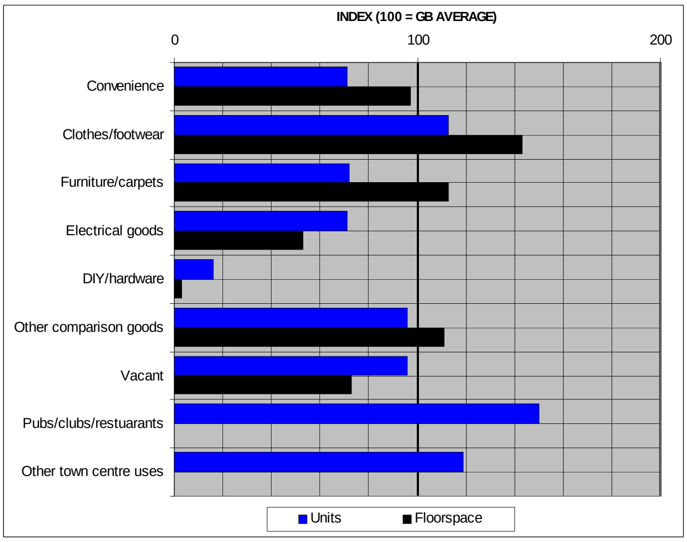
	2003		2004	
	Sales fl'space '000 sq.m	Shop units	Sales fl'space '000 sq.m	Shop units
Convenience (food)	16.51 (19.9%)	52 (7.1%)	16.29 (19.8%)	49 (6.7%)
Comparison[1] (non-food)	60.10 (72.3%)	382 (52.2%)	60.08 (73.2%)	387 (53.0%)
Service	N/A	206 (28.2%)	N/A	220 (30.2%)
Vacant	6.45 (7.8%)	91 (12.5%)	5.71 (7.0%)	74 (10.1%)
TOTAL	**83.05 (100%)**	**731 (100%)**	**82.08 (100%)**	**730 (100%)**

There has been little change in the balance between food and non-food shopping provision in the town during the last 12 months. However, the unit and floorspace vacancy rates have shown significant improvement (17 less vacant units overall). Despite this positive change, much of the previously vacant units have been occupied by service uses such as café's and sandwich bars rather than retail. Figure 2 illustrates this trend.

Figure 2: Percentage changes 2003-04

	Floorspace	Shop units
Convenience	-1.3	-5.8
Comparison	0	+1.3
Service	N/A	+6.8
Vacant	-11.5	-18.7

Figure 3: Comparison with national averages [2]



The principal difference in floorspace proportions when compared to national averages since 2003 is the decrease in vacant floorspace. Vacancy in the town is now well below the national average in terms of **both** floorspace and shop units for the first time since the Audit Programme began. This has been partly attributable to the almost complete occupation of the Kingsgate centre; the increased take-up of units along the refurbished King Street yards; and the recovery of the northern end of New Street following the displacement of occupiers to the Kingsgate Centre when it first opened.

The representation of DIY/ hardware and electrical goods retailers in the town centre continues to decline. This has been the pattern since 1998.

Opposite: New occupiers on King Street

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 on Page 4 identifies the count locations.

Figure 4 illustrates the pattern and volume of pedestrians counted during the 2004 assessment with percentage changes registered over the last year given in Figure 5. Overall, there has been a drop in the number of people recorded in the town centre of 4.9%. This has been particularly evident on the non-market day afternoon, which has seen a 12.3% decrease since the 2003 assessment. Despite this drop in pedestrian footfall, the level of shopper activity recorded in 2004 remains well above that of 2001 – prior to the opening of the Kingsgate shopping centre.

Figure 4: 2004 pedestrian footfall by street

Date	Mon 19th April Market day		Wed 21st April Non-market day		Sat 24th April	
Weather	Wet a.m./ dry p.m.		Dry a.m./wet p.m.		Sunny, warm	
Time	a.m.	p.m.	a.m.	p.m.	a.m.	p.m.
Bus Station (out only)	724	490	559	456	809	685
New Street (Primark)	1939	1624	1723	1667	2909	3328
Piazza	1183	1242	1470	1242	3495	4432
New Street (M&S)	2165	2379	2223	1889	3378	4107
King Street	1899	2035	2180	2165	4431	6581
Westgate	907	1081	1013	1037	820	905
Byram Street	1462	1385	556	469	1862	1189
John William Street	589	607	376	433	837	754
SUB TOTAL	**10,868**	**10,843**	**10,100**	**9,358**	**18,541**	**21,981**
Queensgate steps	200	318	180	239	379	434
Kingsgate	1646	1843	1603	1617	4334	6346
Market Street	1492	1107	2175	2139	2132	1725
High Street	1583	1278	1269	1628	1813	2043
Pack Horse Centre	1928	1532	1701	1500	2154	2956
Cross Church St	339	504	445	597	1035	1836

Figure 5: Comparison of pedestrian numbers 2003-04

		2003	2004	% change
Market day	a.m.	11,453	10,868	-5.1
	p.m.	11,002	10,843	-1.4
Non-market day	a.m.	10,505	10,100	-3.9
	p.m.	10,667	9,358	-12.3
Saturday	a.m.	19,122	18,541	-3.0
	p.m.	23,118	21,981	-5.0
TOTAL		**85,867**	**81,691**	**-4.9**

*Note: The total includes only the first 8 count points for historical comparison (other count points have been added in recent years).

The principal areas of pedestrian activity continue to be found along New Street (particularly towards the northern end), King Street, the Piazza and the Kingsgate centre. Significant volumes of pedestrians are also recorded in the Pack Horse Centre and on Market Street and also around the Byram Street area when the open market is operating.

Figure 6: Pedestrian numbers 1996 – 2004

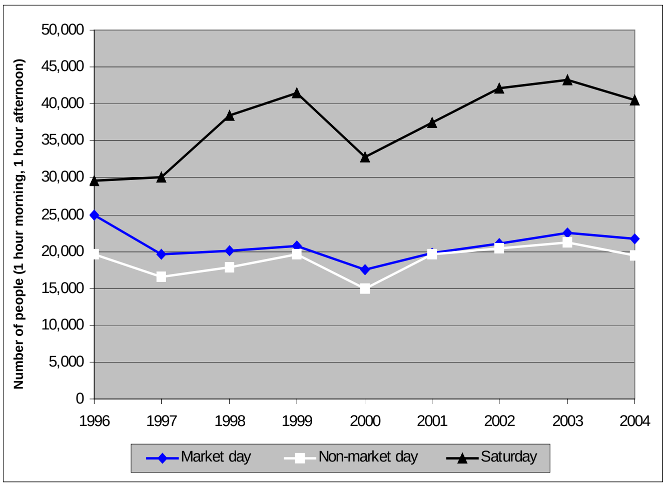
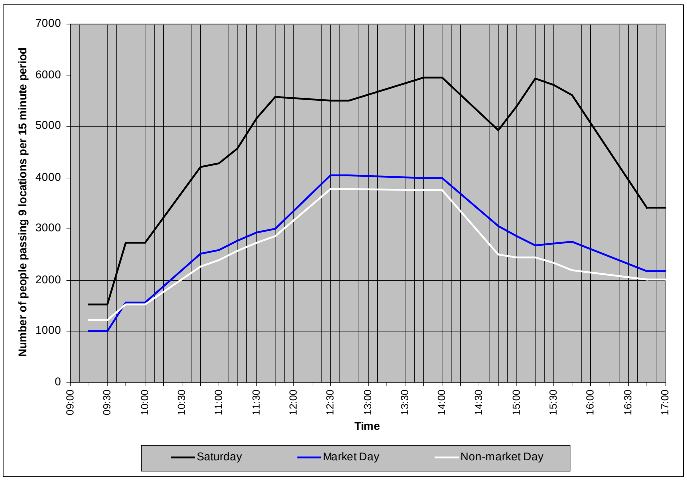


Figure 6 illustrates the changes in pedestrian numbers recorded annually since 1996. A 'levelling out' of footfall activity is observed during 2004. Saturday pedestrian numbers remain almost twice as high as weekday numbers.

The profile of footfall during the course of the day from 9.00am to 5.00pm is illustrated in Figure 7. This pattern has been assessed using a series of 'pinch' counts in addition to the main hour-long samples during the morning and afternoon. Compared to last year, the 2004 pattern shows stronger market day afternoon activity but a less sustained peak in numbers on a Saturday. However, generally speaking the fluctuations in pedestrian flow have remained as expected, with peaks in flow being achieved around lunch time.

Figure 7: Daytime profile of pedestrian volumes, 2004



DEVELOPMENT PIPELINE

Over the last 12 months, development activity in the town centre has generally been small-scale conversion /refurbishment schemes. For example, the occupation of a number of units within the King Street Yards has added a range of service and retail uses to this area of the town.

The only outstanding retail/leisure planning permissions yet to be implemented relate to (i) the land bounded by Green Street and St John's Road adjacent to the railway viaduct. Here, approval exists for a 1,860 sq.m. gross mixed use scheme consisting of retail, leisure and offices; and (ii) the vacant petrol filling station site on Southgate. Planning permission has been granted for a mixed leisure and B8 warehouse scheme.

Below: Sites at Green Street and Kirklees House

Further investment in Huddersfield town centre is set to be achieved through both the Renaissance Town Initiative and the Local Public Service Agreement. These will result in a number of streetscape and environmental improvement works in Macaulay Street, Byram Street, Kirkgate and Westgate.

Work has started on the refurbishment of the ex-NTL building known as Kirklees House on Market Street which will be re-used for offices. Work is shortly to start on the refurbishment of 11-17 Chancery Lane to provide 18 apartments and 3 bars/restaurants. Other town centre retail, leisure and residential schemes are being progressed, but have yet to come forward as planning applications.

RETAILER DEMAND

A general assessment of demand for retail and leisure floorspace in Huddersfield was undertaken during April 2004. Figure 8 shows the numbers of companies who have expressed interest in being represented in the town, and their maximum floorspace requirements.

Figure 8: Retail / leisure requirements 2004

Category	Number of registered interests	Maximum floorspace requirement sq.m. (sq.ft)
Convenience	5	9,800 (105,600)
Clothing/footwear	9	2,750 (29,600)
Furniture/carpets	4	3,100 (33,200)
Electrical goods	2	1,200 (12,500)
DIY/hardware	1	1,400 (15,000)
Variety/department	9	47,000 (506,000)
Specialist comparison	15	5,100 (54,700)
Restaurants/pubs	15	8,300 (89,000)
Leisure/hotels	5	Unknown
Other	2	Unknown
TOTAL	**67**	**78,650 (845,600)**

Source: FOCUS Information Ltd and KMC

Registered requirements amount to 67 separate interests – 5 more than last year. Of these, 63 would be new to the town amounting to a maximum floorspace of 77,350 sq.m. (832,200 sq.ft.) or 98% of the registered interests. 4 of the listed companies have been recently accommodated in the town centre, particularly around the King Street Yards and Kingsgate area.

75% of requirements are for prime pitch town centre locations. Of these, smaller units retailers account for 10,200 sq.m. (109,600 sq.ft.) whilst the remainder is made up of large space users such as department stores, and service/leisure uses.

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

Growth in prime zone A retail rents at the national level has remained fairly constant during the last 12 months – achieving a 3.1% growth to May 2004 compared to 3.0% the previous year. Conversely, Yorkshire and the Humber experienced the highest regional increase in the country over the last 12 months at 4.4%. A number of centres in the region recorded an increase in prime zone A rents.

Huddersfield's prime zone A rents remain at £1,130 per sq.m. for the fourth year due to a period of static activity in the town. The increase in floorspace/shop premises brought about by the Kingsgate development in 2002 continues to limit opportunity for rental growth.

Below: New Street and Imperial Arcade

Figure 9: Prime zone A retail rents for selected towns [3]
£ per sq.m. (£ per sq.ft)

	1997	1999	2001	2003	2004
Huddersfield	807 (75)	1,023 (90)	1,130 (105)	1,130 (105)	1,130 (105)
Wakefield	807 (75)	969 (90)	968 (90)	1,130 (105)	1,237 (115)
Bradford	969 (90)	1,130 (105)	1,507 (140)	1,507 (140)	1,507 (140)
Halifax	700 (65)	915 (85)	915 (85)	915 (85)	969 (90)
Leeds	1,884 (175)	2,153 (200)	2,691 (250)	2,905 (270)	2,905 (270)
Barnsley	915 (85)	969 (90)	1,130 (105)	1,291 (120)	1,291 (120)
Regional average[4]	990 (92)	1,173 (109)	1,270 (118)	1,346 (125)	1,405 (131)
National average	872 (81)	1,023 (95)	1,087 (101)	1,165 (108)	1,201 (112)

Source: Colliers CRE and KMC

PRIME RETAIL YIELDS

Huddersfield town centre continues to record an 'all risk yield' of 7.5% (12 months to April 2004). This compares well to other selected towns shown in Figure 10 below. Investor confidence in the town's commercial property market remains buoyant. Although prime retail rents remain static, the success of Kingsgate has strengthened developer interest in the town.

Figure 10: Prime retail yields for selected towns [5] (%)

	1997	1999	2001	2003	2004
Huddersfield	8.0	8.0	8.0	7.5	7.5
Wakefield	6.0	8.0	8.0	8.0	7.5
Bradford	6.0	6.5	7.0	7.5	7.5
Halifax	8.0	8.0	9.0	9.0	9.0
Leeds	5.0	5.0	5.0	5.5	5.0
Barnsley	7.0	7.0	7.25	7.25	7.25

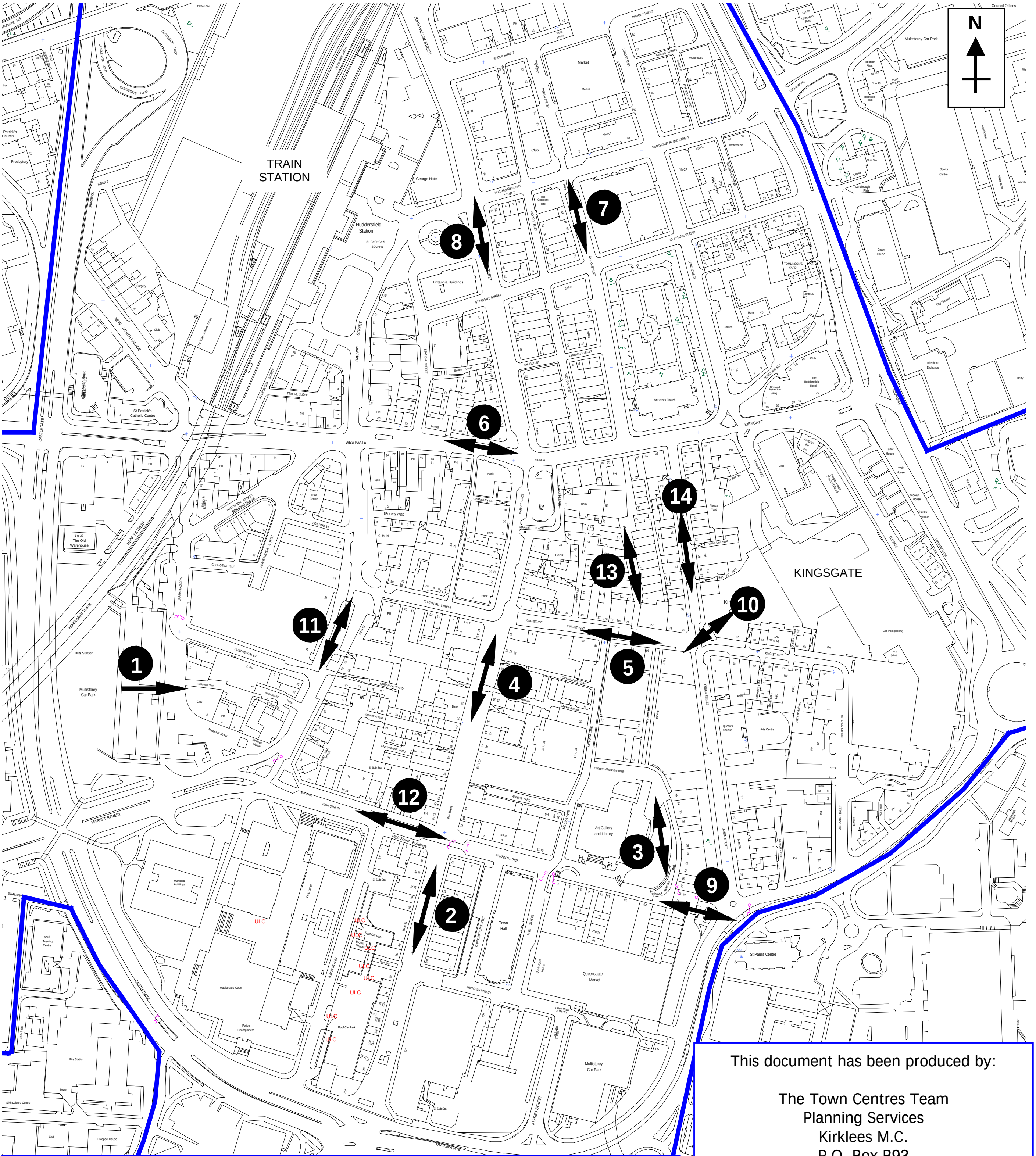
Source: Valuation Office Property Market Reports (Spring)

Below: New additions to the Kingsgate 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 TOWN CENTRE PEDESTRIAN COUNT POINTS



NOT TO SCALE

Key to map:

Position/direction of count

Study boundary

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

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