Town Centres Team, Planning Services

HUDDERSFIELD TOWN CENTRE

ANNUAL STATEMENT OF KEY ECONOMIC INDICATORS
SEPTEMBER 2005

Introduction

The health and vitality of shopping centres in the Kirklees district are monitored through a yearly audit programme by Kirklees Metropolitan Council, Planning Services. Analysis of the performance data collected allows the role of individual town centres to be assessed, identifying scope for change, renewal and diversification.

Since 1996, annual audit reports have been produced assessing 7 key indicators of health and vitality for Huddersfield town centre. These are:

- shop unit and floorspace occupancy;
- vacancy rates;
- pedestrian footfall;
- development information;
- retailer demand;
- prime retail rental levels;
- prime retail yields.

Floorspace, Shop Units and Vacancy

A survey of shop unit occupancy undertaken in March 2005 revealed that within the Huddersfield town centre study area (map 1, page 8) there are 724 shop units, which provide a total of 81,131 sq.m. (872,969 sq.ft.) of net retail floorspace.

Huddersfield town centre has seen no major overall changes in food and non-food retail provision during the last 12 months as shown by figure 1. However, the number of vacant shop units has reduced from 74 to 66 and floorspace vacancy is 22.4% lower than in 2004. Many of the previously vacant units have been occupied by service uses such as cafes and bars rather than retail. This follows a similar pattern to that exhibited in 2004.

Caffe Nero, King Street

Figure 1: Huddersfield shop unit/floorspace statistics

	2004		2005		% change 04-05	
	Sales fl'space '000 sq.m	Shop units	Sales fl'space '000 sq.m	Shop units	Sales fl'space '000 sq.m	Shop units
Convenience (food)	16.29 (19.8%)	49 (6.7%)	16.24 (20.0%)	47 (6.5%)	-0.31	-4.08
Comparison[1] (non-food)	60.08 (73.2%)	387 (53.0%)	60.46 (74.5%)	384 (53.0%)	+0.63	-0.78
Service	N/A	220 (30.2%)	N/A	227 (31.4%)	N/A	+3.18
Vacant	5.71 (7.0%)	74 (10.1%)	4.43 (5.5%)	66 (9.1%)	-22.42	-10.81
TOTAL	**82.08 (100%)**	**730 (100%)**	**81.13 (100%)**	**724 (100%)**	**-1.16**	**-0.83**

Figure 2 shows a comparison of the nature of business use in the centre to the national average. Vacancy rates both in terms of retail units and floorspace remain well below the national average.

The town centre exhibits a higher than average representation of pubs, clubs and restaurants which has been strengthened further by the increase in service use occupancy over the last 12 months. A trend towards a continental café/bar culture appears to be emerging.

There continues to be an under representation of electrical and DIY/hardware retailers in terms of both number and size of shop units.

The Cotton Factory situated on the corner of King Street and Zetland Street

Pedestrian Footfall

Counts of the number of pedestrians using Huddersfield Town Centre have been undertaken annually since 1996 to monitor the volume and pattern of movement of shoppers and visitors. Initially, eight count points were surveyed with the number increasing to 14 over recent years due to development within the centre. These cover primary and secondary shopping frontages and important pedestrian links and are shown on Map 1, page 8.

In 2005, pedestrian numbers have seen an overall increase of 5.2% compared to the 2004 assessment as illustrated in figure 3. Significant increases of pedestrians in the morning on market day and in the morning and afternoon on a non market day have been recorded; however, Saturday afternoon has seen a marked decrease of 9.2%.

Pedestrian numbers recorded for non-market day is the highest since the first assessment in 1996 and records a 21.1% increase since 2004. Market day has seen a steady rise in pedestrian numbers following the lowest recorded figure in the year 2000 as demonstrated by figure 4.

Figure 2: Comparison with national averages[2]

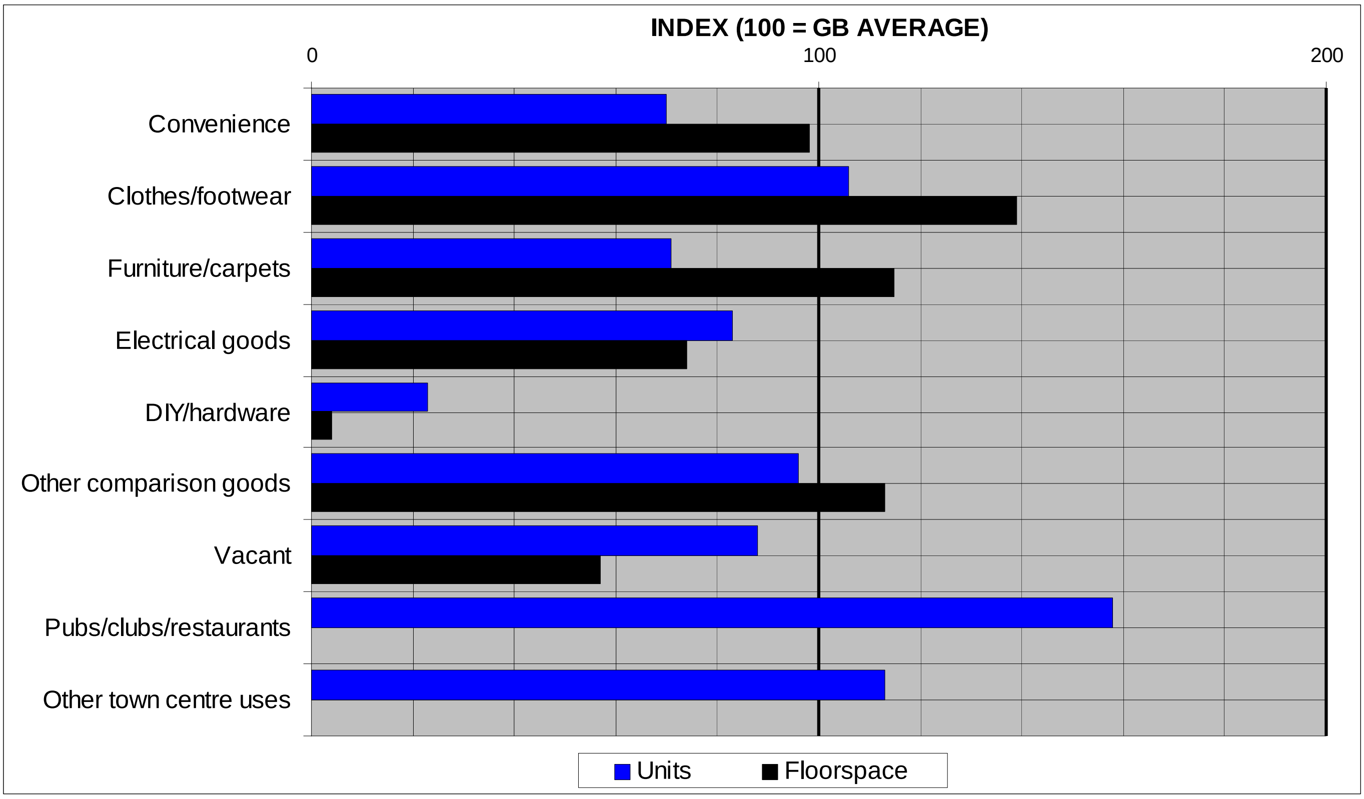


Figure 3: Comparison of pedestrian numbers - 2004-2005[3]

		2004	2005	% change
Market Day	a.m.	10,868	13,930	+28.2
	p.m.	10,843	9,588	-11.6
Non-Market Day	a.m.	10,100	12,476	+23.5
	p.m.	9,358	11,109	+18.7
Saturday	a.m.	18,541	18,845	+1.6
	p.m.	21,981	19,956	-9.2
TOTAL		**81,691**	**85,904**	**+5.2**

King Street

Pedestrian flow on Saturday well exceeds that experienced on weekdays both when the open market is trading and when it is not. However, Saturday numbers in 2005 have recorded an overall decrease of 4.2% on 2004.

Overall, the town centre has seen an 11.8% increase in pedestrians since the 2001 assessment, prior to the opening of the Kingsgate shopping centre in 2002.

Results for hour long samples at fourteen count points are shown in figure 5 overleaf and provide a yearly ‘snapshot’ of pedestrian movement.

New Street

Figure 4: Pedestrian numbers 1996 – 2005 (Count points 1-8)

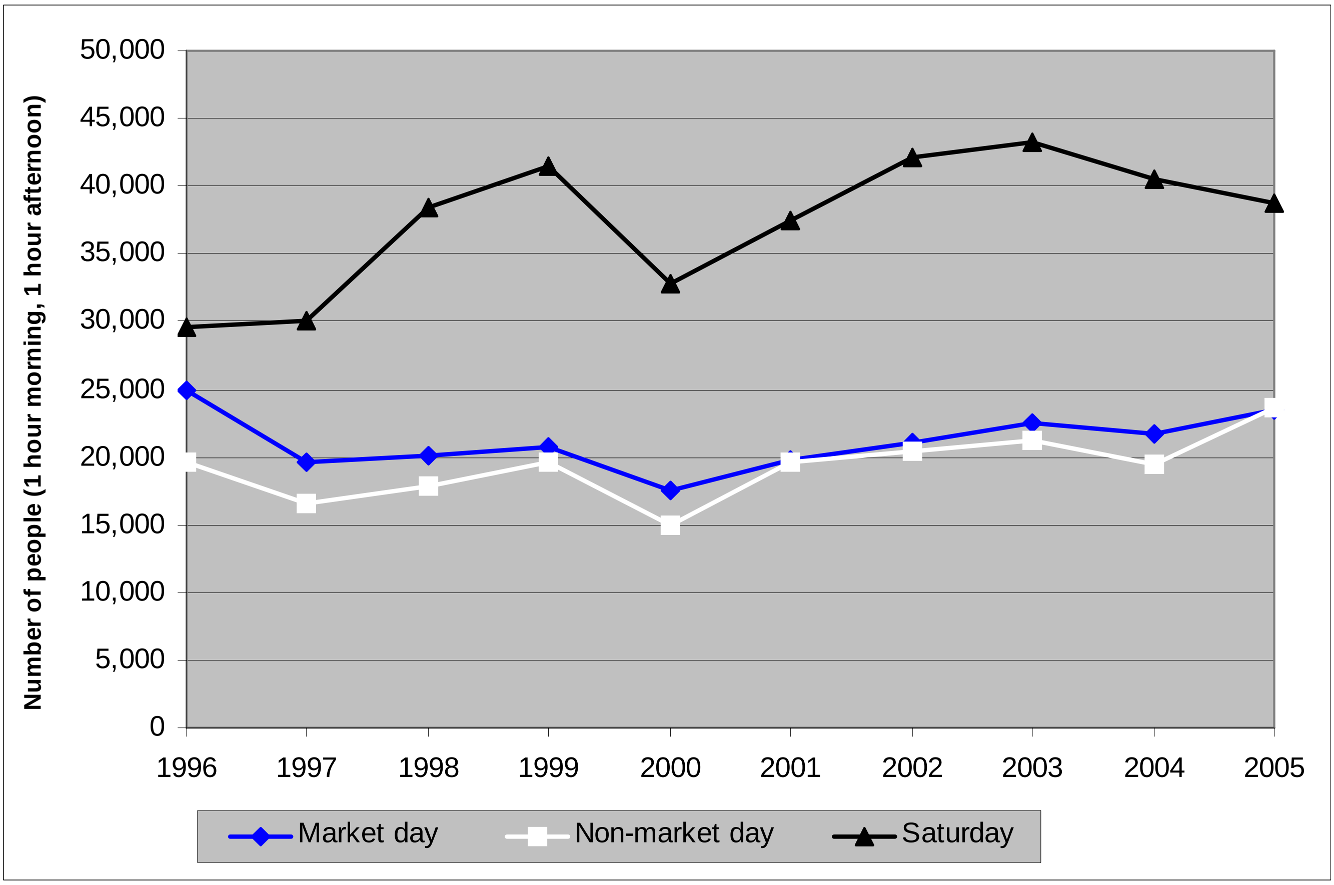


Figure 5: Morning and afternoon hour samples 2005

Date	Mon 14th March Market Day		Wed 16th March Non-Market Day		Sat 12th March	
Weather	Dry, cold, bright		Dull, bright spells, cold		Sunny	
Time	a.m.	p.m.	a.m.	p.m.	a.m.	p.m.
1. Bus Station (out only)	1321	772	1206	740	1091	853
2. New Street (Primark)	2261	1139	3305	2371	3533	4019
3. Piazza	1828	1048	1250	1147	2854	2929
4. New Street (M&S)	2352	2091	2160	2047	2619	3098
5. King Street	2799	2006	2541	2640	4440	4978
6. Westgate	1029	1036	1000	1086	1320	1667
7. Byram Street	1486	782	568	582	1982	1342
8. John William Street	854	714	446	496	1006	1070
SUB TOTAL	**13930**	**9588**	**12476**	**11109**	**18845**	**19956**
9. Queensgate Steps	426	396	249	438	103	154
10. Kingsgate	2091	2115	1860	2175	2836	4729
11. Market Street	1352	1157	1428	1248	1675	1637
12. High Street	1734	1392	1376	1376	1848	1910
13. Pack Horse Centre	2540	1723	1590	1438	3272	2839
14. Cross Church Street	447	567	726	881	1270	2565

The main area of pedestrian activity within the town centre continues to be New Street, King Street and Kingsgate. The Piazza and Pack Horse Centre recorded high pedestrian movement on a Saturday.

Pedestrians on King Street

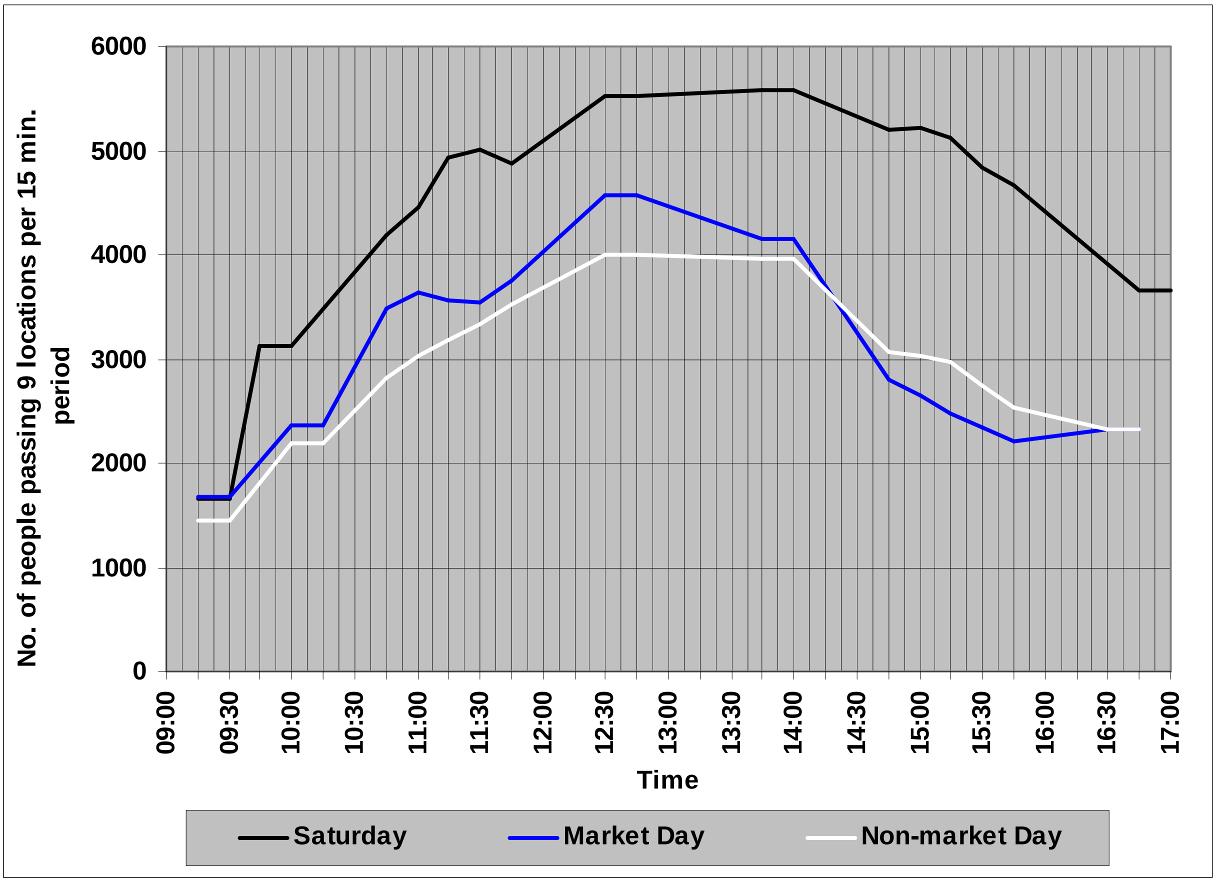
Shoppers in the Pack Horse Centre

Figure 6 illustrates the profile of pedestrian numbers over the course of a day from 9.00am to 5.00pm using ‘pinch’ count data in addition to the hour long samples taken in the morning and afternoon.

Following the pattern of previous years, peak pedestrian flows within the centre were recorded around the lunchtime period on all of the survey days.

Saturday shows a sustained peak with pedestrian numbers declining steadily from around 3.00 pm.

Figure 6: Profile of pedestrian numbers between 9am and 5pm, March counts 2005



Development Information

Over the past twelve months, Huddersfield Town Centre has seen relatively small scale changes with the exception of Castlegate Retail Park located at the junction of St John's Road and Castlegate. The park will comprise a mix of retail and leisure uses.

Castlegate Retail Park

Britannia buildings in St George's Square were left vacant by the Yorkshire Building Society which has moved to premises on the corner of Cloth Hall Street and New Street.

The building has been granted permission for conversion to 24 residential units with leisure facilities and nightclub.

St Peter's building is to be redeveloped to provide accommodation for businesses in the digital media sector with work due to start in the Spring of 2006.

Part of the former Co-op building located on New Street has been vacant, since the closure of the Heaven and Hell nightclub in November 2004. Three upper storeys of the building have been granted planning permission for the change of use to student accommodation.

St George's Warehouse, New North Parade was granted permission in November 2004 for alterations to convert the existing redundant warehouse to a mixed use development of offices and 62 apartments.

Streetscape and environmental improvements in Byram Street, Kirkgate, Westgate and Macaulay Street were completed in late 2004.

Retailer Demand

A general assessment of demand for retail floorspace was undertaken during April 2005.

The number of companies expressing an interest in being represented in Huddersfield and their maxium floorspace requirement is shown in figure 7. This includes businesses which have registered an interest in out of centre locations incorporating established retail parks and/or out of town shopping centres.

Figure 7: Retail / leisure floorspace requirements 2005

Category	Number of registered interests	Maximum floorspace requirement sq.m. (sq.ft.)
Convenience	4	822 (8,850)
Clothing/ Footwear	13	5,623 (60,500)
Furniture/ Carpets	6	2,900 (31,200)
Electrical goods	2	1,162 (12,500)
DIY/Hardware	3	1,784 (19,200)
Motorcycles/ Motor accessories	3	1,087 (11,700)
Variety/ Department	2	14,870 (160,000)
Specialist comparison	10	2,272 (24,450)
Restaurants/ Pubs	23	10,799 (116,200)
Personal Retail Services	2	232 (2,500)
Leisure/ Hotels	7	Unknown
Other	3	Unknown
Total	**78**	**41,552 (447,100)**

Source: Focus Information Ltd and KMC

As at April 2005, a total of 78 separate interests had been recorded, this is an increase of 11 on the previous year.

New companies interested in the town total 62, which require a maxium floorspace of 38,058 sq.m. (409,500 sq. ft.).

36 companies have expressed an interest in prime pitch town centre locations accounting for a maxium floorspace requirement of 28,225 sq.m. (303,700 sq.ft).

One expression of interest from a department store accounts for 49% of the prime pitch maximum floorspace requirement.

Further requirements may exist from other retailers who wish to establish themselves or relocate within the town but have not registered an interest.

This assessment does not address the demand for office accommodation from financial, professional or other commercial uses.

Prime Retail Rental Levels

During the 12 month period from May 2004 to May 2005, United Kingdom prime zone A retail rents have increased on average by 4%, an improvement on the 3.1% growth rate achieved in the previous year.

In the Yorkshire and Humber region rental growth has slowed from 4.4% average in 2004 to 3.1% in 2005. An increase in prime zone A retail rents has been recorded in only 9 centres in the region with all other centres remaining static.

As can be seen in figure 8, of all the towns selected for comparison purposes, rental growth over the last 12 months has only been recorded in Leeds.

Prime zone A rents in Huddersfield town centre remain unchanged at £1,130 per sq m for the fifth year in a row. This figure was achieved in New Street, but Kingsgate Shopping Centre at the bottom of King Street continues to dampen rental growth in the New Street area.

Figure 8: Prime Zone A retail rents for selected towns[4] per sq.m (£ per sq.ft)

	2002	2003	2004	2005
Huddersfield	1,130 (105)	1,130 (105)	1,130 (105)	1,130 (105)
Wakefield	1,076 (100)	1,130 (105)	1,237 (115)	1,237 (115)
Bradford	1,507 (140)	1,507 (140)	1,507 (140)	1,506 (140)
Halifax	915 (85)	915 (85)	969 (90)	968 (90)
Leeds	2,906 (270)	2,905 (270)	2,905 (270)	3,336 (310)
Barnsley	1,238 (115)	1,291 (120)	1,291 (120)	1,291 (120)
Regional average[5]	1314 (112)	1,346 (125)	1,405 (131)	1,432 (133)
National average	1,131 (105)	1,165 (108)	1,201 (112)	1249 (116)

Retailers on John William Street

Prime Retail Yields

The ‘all risk yield’ for Huddersfield town centre continues to remain at 7.5%. Leeds exhibits a much stronger prime retail yield than neighbouring towns and cities, although improvements have been recorded in Wakefield, Bradford and Halifax centres.

Notwithstanding the above, investor confidence in the towns commercial property market remains buoyant. This is in part fuelled by the very strong demand that exists for representation in Huddersfield town centre from a variety of retailers.

Figure 9: Prime Retail yields for selected towns[6] (%)

	2003	2004	2005
Huddersfield	7.5	7.5	7.5
Wakefield	8.0	7.5	7.0
Bradford	7.5	7.5	7.0
Halifax	9.0	9.0	8.0
Leeds	5.5	5.0	5
Barnsley	7.25	7.25	7.25

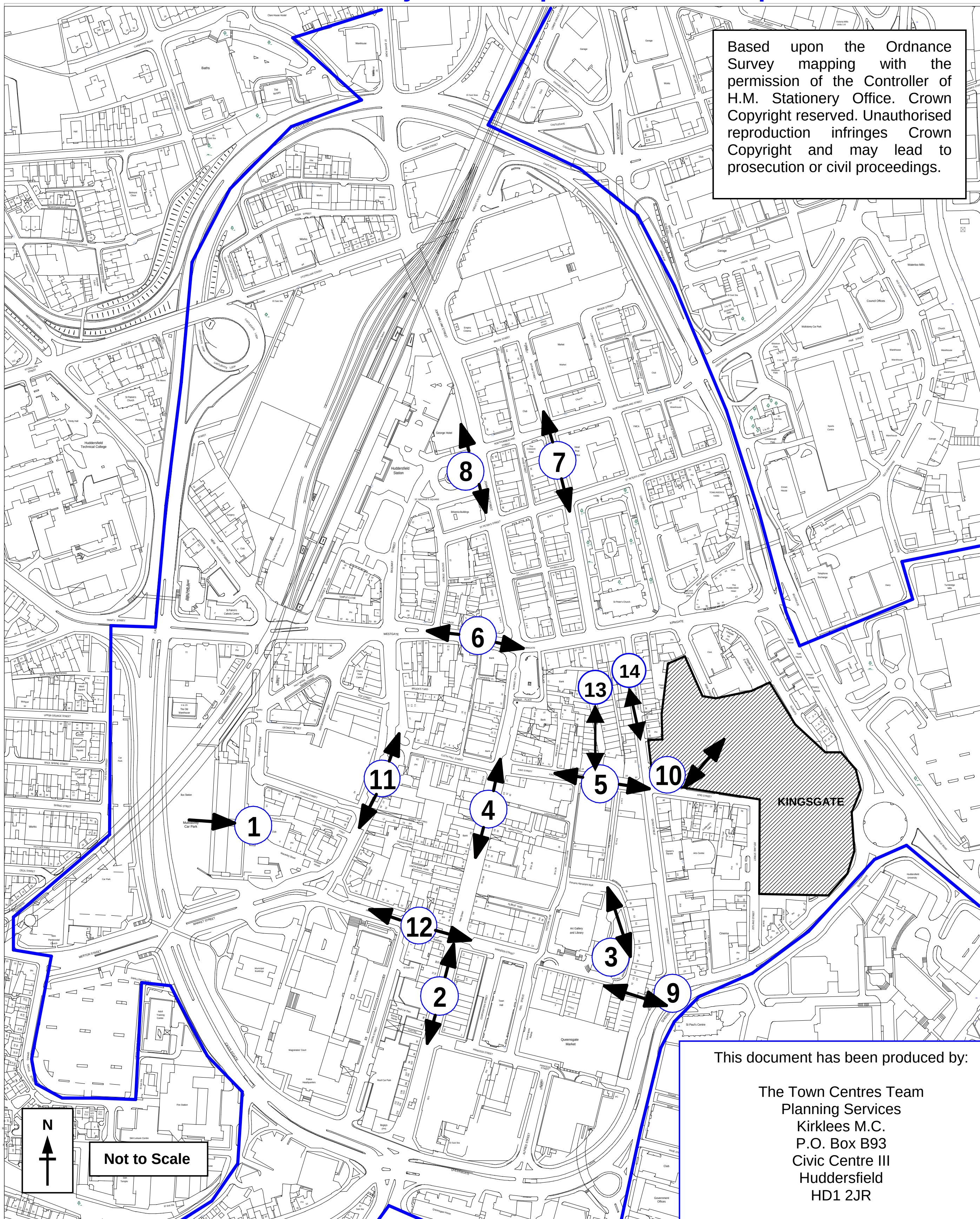
Source: Valuation Office Property Market Report January 2005

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] The total includes count points 1 to 8 for historical comparison. Additional count points have been added in relation to town centre developments.
[4] 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.
[5] Regional averages relate to Yorkshire and Humberside.
[6] ‘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.

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

Huddersfield Town Centre study area and pedestrian count points



Key to map:

Position/Direction of Count

Study Boundary

Count Points

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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