

Property
Week supplement

09|10|09

OUT-OF-TOWN RETAIL



United Business Media

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ANIMAL MAGIC

Pets at Home sniffs out flotation

■ Decathlon flexes muscles ■ Focus turnaround ■ Institutions warm to retail parks

SECONDS OUT

■ Research from **Trevor Wood Associates** shows that retail failures have caused the vacancy rate in retail parks to rise to 11.89%

Property research traditionally focuses on the development pipeline for retail parks and warehouses, but we have always looked at the market from a different perspective. Trevor Wood Associates has the most comprehensive retail warehousing database in the UK and is able to focus on the considerable hidden supply of "secondhand" space coming on to the market each year.

There has been an abundance of secondhand retail warehouses on the market in the second half of 2008 and first half of 2009, despite continuing take-up of space by retailers expanding in these difficult times. This is mainly because of the failures of retailers such as Empire Direct, Ilva, John Peters, Land of Leather, MFI, Rosebys and Woolworths.

Meanwhile, retailers such as B&Q, Focus DIY

& Gardening and JJB Sports continue to downsize, relocate or close marginal stores, and this has contributed to voids. A considerable amount of space left by earlier failed retail tenants such as GlynWebb and Powerhouse is also still available.

Carpets burn

The total retail warehouse market grew marginally to 171m sq ft in 2008 from 169m sq ft in 2007, and is now around 173.5m sq ft (graph 1).

The amount of secondhand space available rose to 18.5m sq ft in 2008 from 12m sq ft in 2007, and is around 19.75m sq ft at present (graph 2).

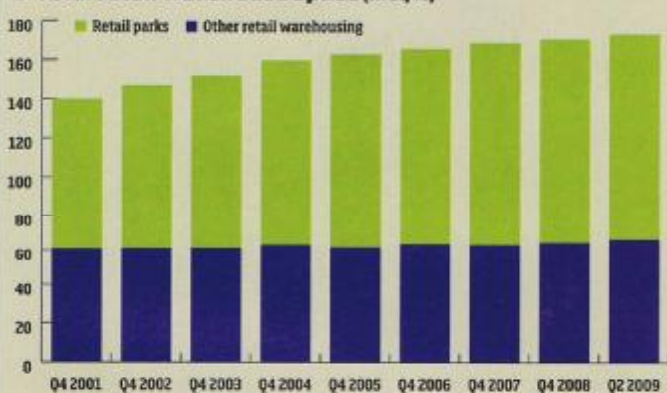
This is set to rise over the next few months by up to 1m sq ft when many former Allied Carpets units cease trading – although we expect some of the

better-located units to be taken by other retailers.

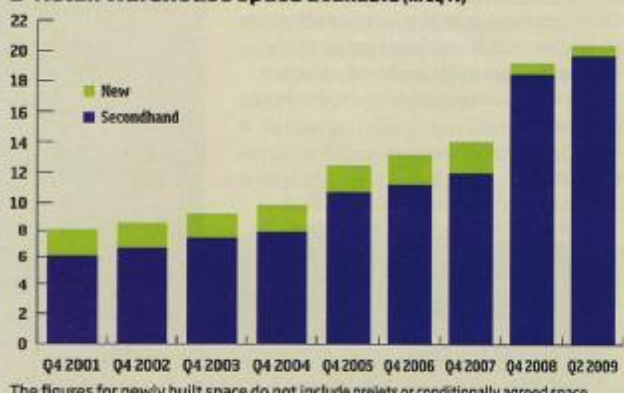
The resulting vacancy rate for retail warehousing – including both freestanding units and parks – has risen from 8.3% in 2007 to 11.3% in 2008, and is now around 11.8% (graph 3). This is likely to rise to between 12% and 12.3% by the end of this year, given likely additions to vacant space over the coming months.

Initial research shows the vacancy rate among open A1 food-consented units is running at more than 1% below the market figures, and those for bulky-goods or restricted consents are around 1% above the market figures. Since the start of the recession, development in the sector has dropped markedly to around 2m sq ft with planning consent or likely to be built (graph 4). ■

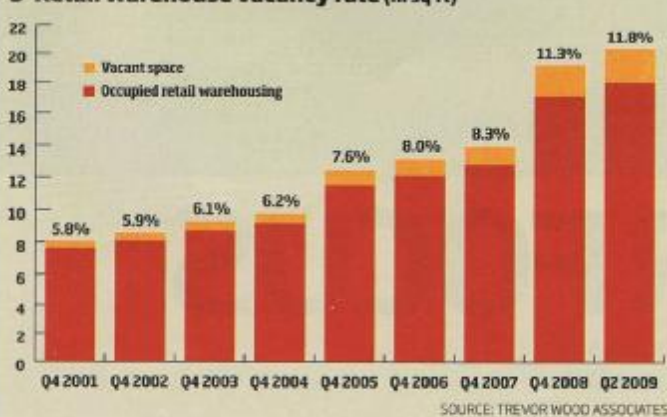
1 Total retail warehouse space (m sq ft)



2 Retail warehouse space available (m sq ft)



3 Retail warehouse vacancy rate (m sq ft)



4 Consented and likely to be built in the next two years (m sq ft)

