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Vacancy rates fall as councils allow use changes

NICK WHITTEN

The increasing willingness of local councils to allow changes of use in the bulky goods warehousing sector is steadily reducing vacancy rates, a leading researcher has found.

Out-of-town bulky goods retailing was hit particularly hard by the downturn, with the collapse of a number of large-space occupiers including MFI, Land of Leather, Allied Carpets and Borders.

Vacancy rates in the sector rose from 9.6% at the end of 2007 to almost 13% by the

beginning of 2009. However, by mid-2010 this had fallen back to 10.7%, according to the latest figures from Trevor Wood Associates.

The firm's founder Trevor Wood said that this was due in part to councils relaxing their planning stances and allowing other uses for bulky goods sites.

"The reduction in out-of-town retail vacancy levels is being aided by local authorities and planning teams, which are a bit more minded to allow a vacated site, intended for bulky goods, to be put to other use," said Wood.

"It would appear that some local authorities are being pragmatic with regard to their out-of-town planning requirements due to current market conditions, making them feel that something is better than nothing."

He highlighted 29 examples where supermarkets had taken over sites formerly occupied by the likes of Courts, Ilva and MFI.

Budget supermarket chain Aldi has taken eight sites totaling 154,000 sq ft, while Tesco, M&S Simply Food and Sains-

bury's have each taken five, with the latter taking the largest amount of floorspace, some 290,000 sq ft.

Councils have also allowed a number of bulky goods sites to be changed to non-retailing uses. Two examples cited by Wood were those of a former 18,500 sq ft Furnitureland store at Bourges retail park in Peterborough, Cambridgeshire, which has been converted to offices, and a 26,000 sq ft former B&Q in Stevenage, Hertfordshire, which has been converted into housing.