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**SECOND HAND SPACE IS THE SAVIOUR  
OF RETAIL WAREHOUSE OCCUPIERS**

Retail warehousing floorspace is still on the increase despite planning restraints, says the fifth annual edition of the *Definitive Guide to Retail and Leisure Parks*, produced by FPDSavills and TW Research Associates.

Retail warehousing rose from 152 million sq ft (14.1 million sq m) to 160 million sq ft (14.9 million sq m) in 2004 while retail park floorspace nudged up from 90.47 million sq ft (8.4 million sq m) to 96.61 million sq ft (9 million sq m). But it is second-hand space, vacated by retailers through business failures or relocations, that is providing most of the available supply to expanding operators.

Second-hand supply, at almost eight million sq ft (700,000 sq m), is now more than four times the supply of uncommitted, newly built retail warehouse space and is greater than the overall supply of new retail warehouse space projected to come on stream in 2005. The vacancy rate has risen to 6.2%.

Trevor Wood of TW Research Associates says: "The supply of 'second-hand' space creates exciting possibilities for newer dynamic companies looking to expand quickly. Retailers such as Argos, Boots, Dreams, Dunelm, Next, Sports World, The Range and TK Maxx have been able to extend their branch network by taking advantage of this readily available space, often in areas where new build is limited."

This year's review includes for the first time a list of the top 100 retail warehouse clusters. The concentration of retail warehousing in the UK has now developed to such an extent that 28 retail warehouse clusters each cover more than 500,000 sq ft (46,000 sq m).

Although only five of the clusters are in the south east of England, the region includes the UK's largest cluster, Lakeside in Thurrock, Essex, which at over 1 million sq ft (98,000 sq m) is greater than the total retail floorspace of Telford town centre.

Competition for floorspace is demonstrated by a continuing upward shift in rents, with 27 parks achieving rents of more than £35 per sq ft (£377 per sq m) and over 100 parks achieving rents in excess of £25 per sq ft (£269 per sq m).

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There are now 100 leisure parks and 85 incorporate cinemas, 50 include a bowling alley or family entertainment centre and 38 have health and fitness centres. However, the review notes that the trend to incorporate leisure facilities such as cinemas and health & fitness centres within larger retail parks is slowing down.

### **Movers and shakers**

- B&Q is still by far the largest retail park tenant, occupying 7.7 million sq ft (715,330 sq m) and having increased its retail park floorspace by 6% in the last year with the net addition of 450,000 sq ft (41,805 sq m). (If all retail warehousing floorspace for B&Q was included, the figure would rise to over 17 million sq ft/1.6 million sq m.)
- Matalan increased its floorspace by 9% to 3.16 million sq ft (293,564 sq m), joining Currys and MFI as the only non-DIY retailers on retail parks with more than 3 million sq ft (278,700 sq m). JJB Sports showed the highest percentage increase in floorspace among those in the top ten, adding 12% to give a total of 2.75 million sq ft (255,475 sq m).
- Highest new entry in the top 50 listing of retail park tenants is The Range, at 39<sup>th</sup>, while the highest increase in floorspace was recorded by Au Naturale, at 111%, leaping into 40<sup>th</sup> place. Dreams had the second highest increase with 92%, entering at 45<sup>th</sup>, while the biggest faller was Powerhouse, who dropped out of the top 20.
- Pillar Property maintained pole position as the leading investment manager of retail parks. With the acquisition of several schemes and recent openings of Manchester Fort Shopping Park and Crown Point North Shopping Park, Pillar now actively manage almost 6 million sq ft of retail parks in the UK - a 14% increase on last year.
- Their closest challenger is Standard Life Investments who overtook Morley Fund Management to secure second place. They have increased their holdings by 21% since 2003 and doubled floorspace in the past two years to just over 5 million sq ft (464,500 sq m).

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- Morley Fund Management has, however, maintained its position as the largest investment manager of retail warehousing overall, with 6.9 million sq ft (641,010 sq m) under active management. Prudential Property Investment Managers drop to fourth place having been overtaken by both Pillar Property and Standard Life Investments.

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**Notes to editors:**

- The Definitive Guide to Retail and Leisure Parks 2005 provides 240 pages of information principally compiled from extensive research among owners, agents and tenants. It contains reviews and detailed listings not only of those schemes currently trading but also those proposed to open during the next three years.
- A retail warehouse cluster is defined as a contiguous area of retail warehousing, including retail parks, retail warehouses, leisure schemes and grocery stores. Where there is a significant gap between schemes (for example between the B&Q and IKEA units and the retail parks at Lakeside), they are not included in the cluster.
- Copies of the review are available for £345 from TW Research Associates (tel: 01494 715 846 or email [retail@twresearch.co.uk](mailto:retail@twresearch.co.uk)).