



STARBUCKS' NEW GROUND

As the coffee chain finalises the clean up of its property portfolio, it now wants a store near you for a fresh cup

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Terrasses du Port
in Marseille

In or out: high
streets vs
out-of-town
centres

RBS and Patron
Capital's Jupiter
Hotels splurge in
the regions

Land Securities
combines
London and
retail arm

SETTING UP SHOP

Vacancy rates are falling faster than expected, research by Trevor Wood shows. **Felicity Francis** crunches the numbers

Trevor Wood Associates' most recent report on the UK's retail and leisure parks highlights plummeting vacancy rates and a rise in floorspace on retail parks.

During 2013, a number of retailers such as Dreams, HMV and Republic left the UK or went into administration, while others such as Staples and PC World have been downsizing, leaving empty units across the UK. However, the tide is turning, and that space is being swallowed up, as revealed in Wood's report *The Definitive Guide to Retail & Leisure Parks 2014*.

"Space has been taken up at a faster rate than for years, though not at the same level of rent as previously except in the most desirable locations," the report says.

"The big surprise is that, although we thought that vacancy rate would come down, since January the market has absolutely taken off in retail and warehousing. We thought that the market would have taken some time to react, particularly as it can take up to two years to gain planning consent for change of use, for example if changing an MFI to a Pets at Home."

Wood says that, while a variety of retailers are increasing their footprints on retail parks across the UK, two stand out: Pets at Home and B&M. Pets at Home is the retailer that has taken up the largest number of former Dreams units, while B&M has taken by far the largest number of former Focus and JJB Sports stores.

"Pets at Home store numbers are up 11%," he says. "They're a category killer. They appeal to all kinds of people and have vast areas of untapped potential in the UK. Pets at Home have plans to open quite a few stores this year."

"B&M has come from nowhere. They weren't even in our top 30 retailers in 2011. Now they have 2.25m sq ft of floorspace on retail parks, and 391 stores on high streets and parks. They're moving upmarket to better locations as well."

Rents have stabilised during 2013 and into 2014. There continues to be a wide variation, with the majority below £20/sq ft. Interestingly, 30% of historic peak headline rents were set by occupiers that subsequently went into administration or entered a company voluntary arrangement.

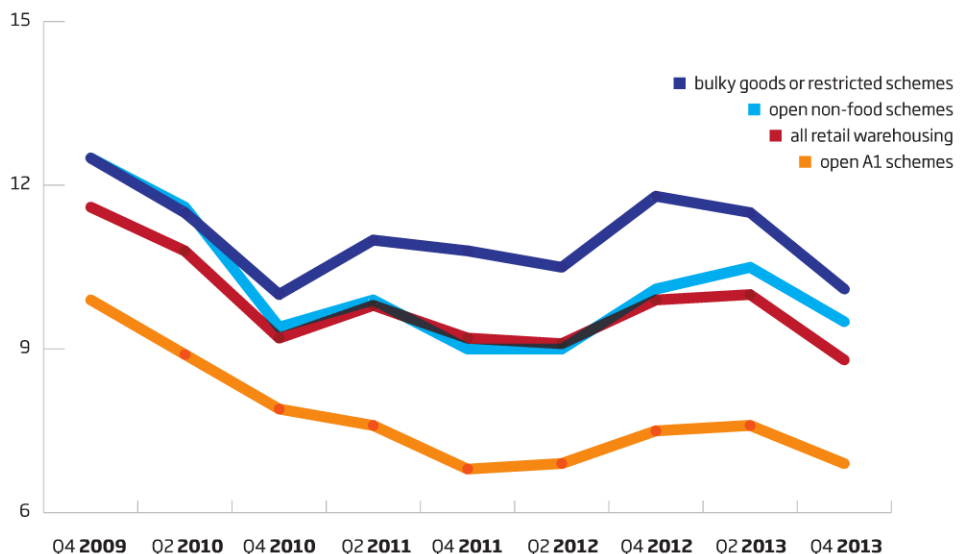
Looking ahead to the rest of 2014, Wood predicts vacancy rate will continue fall as many former Dreams and MFI units finally take on new ownership. Of 242 former MFI units, only 40 remain vacant. ■

FASTEST GROWING RETAIL PARK TENANTS IN %

Rank			Total area on retail parks (m sq ft)		% increase in area*		Increase since 2012 #
	2013	2012	2013	2012			
39		▲	Wren Living	0.46	0.22	0.23	105%
49		▲	Poundland	0.31	0.18	0.13	75%
11	16	▲	B & M	2.28	1.54	0.74	48%
42	50	▲	Oak Furnitureland	0.41	0.28	0.13	46%
37	41	▲	Bensons	0.53	0.36	0.16	45%
23	26	▲	Home Bargains	1.25	0.93	0.32	34%
		▲	Homesense	0.30	0.23	0.07	28%
		▲	H & M	0.25	0.20	0.05	27%
18	24	▲	Poundstretcher	1.46	1.17	0.29	25%
41	42	▲	Debenhams	0.42	0.35	0.07	20%

*% INCREASE IN AREA SINCE 2012
INCREASE IN AREA (M SQ FT)

VACANCY RATES TREND



SOURCE: TREVOR WOOD ASSOCIATES' THE DEFINITIVE GUIDE TO RETAIL & LEISURE PARKS 2014