The Definitive Guide to Retail & Leisure Parks 2007

Executive Summary

by Trevor Wood

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savills

Introduction

It is heartening to be regularly told that our reviews are considered indispensable by many and warmly welcomed throughout the retail and property industries. As always, I would like to thank every one who has passed on comments to us. This year's review has involved the most comprehensive update ever and we have extended the review and analyses as a result of continuous research by my colleagues at Trevor Wood Associates. As we do every year, we discussed the contents of the review with many of our database clients and subscribers to the review. Following these discussions we revised the format and introduced photographs of leading schemes.

There is, again, a considerable amount of informed comment within the review generously supplied by owners, managers, tenants and agents or derived from desk research. I would like to take this annual opportunity to thank the hundreds of people within the industry who respond to numerous letters, emails, questionnaires and telephone calls. Your invaluable help continues to make our reviews unique and as useful as possible to everyone in the industry. I would also like to thank the ever-increasing number of database clients and others who regularly pass on updated market information, news and press releases throughout the year to Trevor Wood Associates. This assistance makes our task that much easier as publication day approaches!

The Definitive Guide to Retail & Leisure Parks 2007 contains 296 pages of information and is produced by Trevor Wood Associates in conjunction with Savills. Copies of the full review are available for £395 from the address overleaf. The report contains reviews and detailed listings not only of those schemes currently trading but also those proposed to open by 2011. Detailed listings for each scheme include location, scheme name, GIA, tenants, scheme type, nearby foodstores, other nearby developments, planning permission, owners / investment managers and letting agents. For proposed schemes planning status and year open are also shown. Recent lettings are detailed together with recent investment transactions, current and proposed developments and numerous league tables.

I sincerely hope you find the information contained within this executive summary interesting and of practical use. As always, my colleagues at Trevor Wood Associates and I welcome any comments you may have that could help to make the 2008 review even better.

Trevor Wood
Senior Partner
Trevor Wood Associates

The key points from this detailed review of 1,621 Retail Parks, Shopping Parks, Retail and Leisure Parks, Leisure Parks, major leisure schemes or retail warehousing developments are summarised here.

Established Schemes

Our research has identified 1,466 established schemes, that is to say they are trading or in the course of construction. These include 103 Leisure Parks, 125 Leisure schemes, 839 Retail Parks, 55 Shopping Parks, 36 Retail and Leisure Parks and 282 Retail Warehousing developments.
The regional location of the established schemes is as follows: -

Scheme Type	EA	EM	N	NI	NW	SC	SE	SW	WA	WM	YH	UK
Leisure Park	3	9	6	2	12	11	27	8	4	11	10	103
Leisure scheme	5	11	6	2	12	4	42	9	9	15	10	125
Retail and Leisure Park	0	0	3	2	11	4	6	3	2	1	4	36
Retail Park	36	61	47	35	86	82	208	65	55	81	83	839
Retail Warehousing development	7	22	15	4	37	22	94	25	14	16	26	282
Shopping and Leisure Centre	0	2	0	0	1	2	14	1	1	3	2	26
Shopping Park	1	4	2	0	11	3	13	5	5	8	3	55
All Schemes	**52**	**109**	**79**	**45**	**170**	**128**	**404**	**116**	**90**	**135**	**138**	**1,466**

Top 10 Retail Parks - For a listing of the top 100 please see the full review

Rank	Scheme	Location	GIA Sq. Ft.	Year Open	Region
1	Castlepoint	Bournemouth - Charminster	645,000	2003	South West
2	Middlebrook Retail & Leisure Park	Bolton - Horwich	634,014	1998	North West
3	Fort Kinnaird	Edinburgh - Newcraighall	576,409	1989	Scotland
4	Retail World	Rotherham	560,425	1987	Yorkshire & Humberside
5	Clifton Moor Centre (Phases 1 - 3)	York - Clifton Moor	546,029	1988	Yorkshire & Humberside
6	The Brewery	Romford	530,006	2001	South East
7	New Mersey Shopping Park	Liverpool - Speke	483,268	1985	North West
8	Gallagher Retail Park	Wednesbury	470,000	1995	West Midlands
9	The Junction, West Thurrock Shopping Park	Grays - Thurrock	469,500	1988	South East
10	Fosse Park Shopping Park	Leicester - Narborough Road	416,536	1989	East Midlands

Top 10 Retail Warehouse Clusters - For a listing of the top 100 please see the full review

Rank	Cluster Name	Location	GIA Sq. Ft.	Region
1	Lakeside	Grays - Thurrock	1,033,019	South East
2	Cribbs Causeway	Bristol - Cribbs Causeway	861,571	South West
3	Thanet	Broadstairs	842,539	South East
4	Middlebrook	Bolton - Horwich	794,014	North West
5	Festival Way	Stoke-on-Trent - Hanley	774,436	West Midlands
6	Newmarket Road	Cambridge	767,425	East Anglia
7	Sealand Road	Chester - Sealand Road	753,601	North West
8	Parkgate	Rotherham	730,835	Yorkshire & Humberside
9	Fosse Park	Leicester - Narborough Road	727,433	East Midlands
10	Newcraighall	Edinburgh - Newcraighall	708,057	Scotland

Top 10 Leisure Schemes - For a listing of the top 50 please see the full review

Rank	Scheme	Location	GIA Sq. Ft.	Year Open	Region
1	London Trocadero	London - Piccadilly	450,000	1984	South East
2	Gunwharf Quays	Portsmouth	444,500	2001	South East
3	Xscape	Milton Keynes	424,000	2000	South East
4	Star City	Birmingham - Nechells	392,993	2000	West Midlands
5	Brighton Marina	Brighton - Marina	372,314	1985	South East
6	The Great Northern	Manchester	371,657	2001	North West
7	Xscape	Castleford - Glasshoughton	368,000	2003	Yorkshire & Humberside
8	Xscape	Renfrew - Braehead	360,000	2006	Scotland
9=	The Light	Leeds	350,000	2001	Yorkshire & Humberside
9=	The Printworks	Manchester	350,000	2000	North West

Leisure Facilities

The trend to incorporate leisure facilities such as Cinemas and Health & Fitness Centres within larger Retail Parks appears to have peaked. 32 Retail Parks, Retail and Leisure Parks or Shopping Parks incorporate Cinemas, 26 include a Bowling Alley or Family Entertainment Centre and 57 have Health & Fitness Centres.

Leisure Schemes sometimes incorporate retail units to broaden their appeal and this year we have identified 26 schemes that we categorise as Shopping and Leisure Centres. 20 Shopping and Leisure Centres incorporate Cinemas, 8 include a Bowling Alley or Family Entertainment Centre and 18 have Health & Fitness Centres.

89 Leisure Parks incorporate Cinemas, 52 include a Bowling Alley or Family Entertainment Centre and 40 have Health & Fitness Centres.

Of the 125 Leisure Schemes listed, 51 incorporate Cinemas, 12 include a Bowling Alley or Family Entertainment Centre and 50 have Health & Fitness Centres.

Night-clubs can be found on 63 schemes and 55 schemes incorporate a Hotel, while The Embassy Centre in Skegness, Tally Ho in Finchley, the Theatre District in Milton Keynes and Loch Lomond Shores in Alexandria include a theatre.

Peak Rents for Retail Parks

There continues to be a wide variation in peak rents achieved on Retail Parks from £6.00 per sq. ft. to £95.00 with, as for the past few years, the majority of parks recording peak rents of between £10.00 and £20.00. **This year we found that the proportion of Retail Parks with peak rents above £25.00 per sq. ft. had risen to 20%** and the entry level for the Top 100 Retail Park Rents has risen to £30.00.

There has been a continuing upward shift in the other rental bands, resulting in a 25% increase in both the £22.50 to £25.00 band and the over £30.00 band. There was also a 15% increase in the £25.00 to £30.00 band.

<table>
<tr><th>Highest rent achieved
Range (per sq. ft.)</th><th>2006
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<tr><td>Over £30.00</td><td>11</td><td>9</td><td>6</td><td rowspan="2">7</td><td rowspan="2">6</td><td rowspan="4">13</td></tr>
<tr><td>£25.00 - £29.99</td><td>9</td><td>8</td><td>6</td></tr>
<tr><td>£22.50 - £24.99</td><td>7</td><td>5</td><td>6</td><td rowspan="2">8</td><td rowspan="2">7</td></tr>
<tr><td>£20.00 - £22.49</td><td>7</td><td>8</td><td>7</td></tr>
<tr><td>£15.00 - £19.99</td><td>25</td><td>25</td><td>26</td><td>28</td><td>28</td><td>26</td></tr>
<tr><td>£10.00 - £14.99</td><td>33</td><td>36</td><td>37</td><td>42</td><td>44</td><td>44</td></tr>
<tr><td>£5.00 - £9.99</td><td>8</td><td>9</td><td>12</td><td>15</td><td>15</td><td>17</td></tr>
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Two thirds of Leisure Park peak rents were in excess of £20.00 per sq. ft. and peak rents ranged from £10.00 per sq. ft. to £41.50. 70% of Retail Warehousing developments recorded rents below £15.00, with rents ranging upwards from £4.00 to £40.00 per sq. ft.

Top 10 Retail Park Rents - For a listing of the top 100 please see the full review

Rank 2006	Rank 2005	Rank 2004	Rent	Scheme	Location	GIA Sq. Ft.
1	1	1	£95.00	Fosse Park Shopping Park	Leicester - Narborough Road	416,536
2	3	3	£75.00	Brookfield Retail Park	Cheshunt	90,000
3=	5	2	£65.00	The Fort Shopping Park	Birmingham	256,947
3=	4		£65.00	Colney Fields Shopping Park	St Albans - London Colney	58,212
5	2	4=	£62.50	Castlepoint	Bournemouth - Charminster	645,000
6=	12=	15	£55.00	New Mersey Shopping Park	Liverpool - Speke	483,268
6=	6=		£55.00	Brent Cross Shopping Park	London - Hendon	92,000
8	6=	9	£51.00	Birstall Shopping Park	Leeds - Birstall	149,396
9	6=	11=	£50.40	Ladymead Retail Park	Guildford	125,000
10=	6=	8	£50.00	Fort Kinnaird	Edinburgh - Newcraighall	576,409
10=	36=		£50.00	Talbot Green Shopping Park	Llantrisant	103,689
10=			£50.00	Orpington Shopping Park	Orpington	115,000
10=	12=	22=	£50.00	Fforest-fach Parc	Swansea - Fforest-fach	231,946
10=	6=	7	£50.00	Gallagher Retail Park	Wednesbury	470,000

Vacant or Available Space

For the last few years we have been highlighting the fact that Retail Parks have had to face a new problem of "Second-hand" supply. During this time administration, receiverships and declining confidence among some retailers has led to an explosion in available space. Taken with downsizing by other retailers, the combined impact of these developments has considerably increased the amount of "Second-hand" floorspace leading to a new peak vacancy rate of 8.0%.

Property research has traditionally focused on the development pipeline for Retail Parks and warehouses but we have always looked at the market from a different perspective.

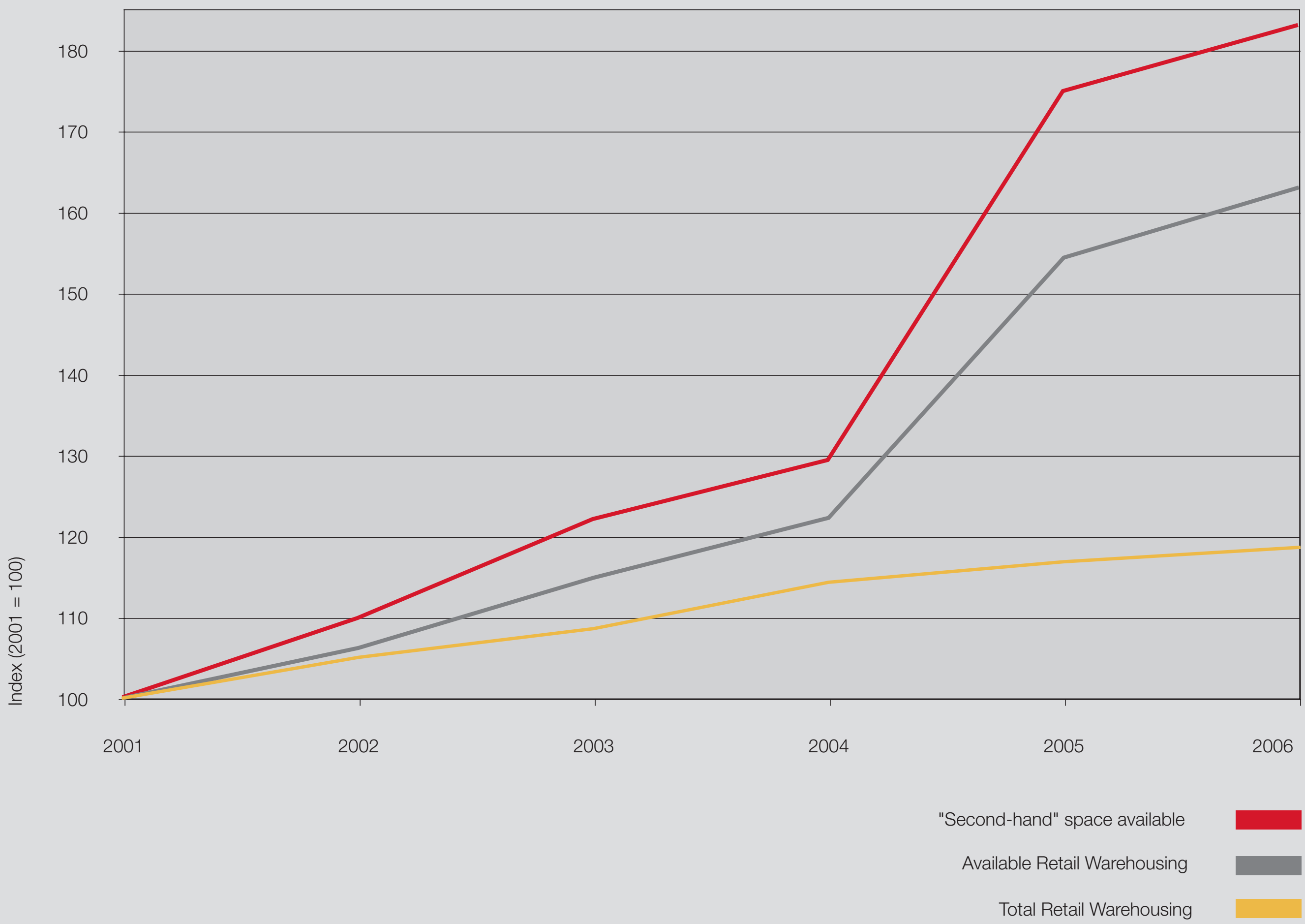
Trevor Wood Associates have the most comprehensive retail warehousing database in the United Kingdom.

What we are uniquely able to focus on is the considerable hidden supply of "Second-hand" space coming on to the market each year.

Despite the take-up of space by expanding retailers there has been an abundance of second-hand retail warehousing coming on to the market during 2005 and 2006. There is also a considerable amount of floorspace previously occupied by tenants such as Landmark, Tempo and World of Leather still available.

Large space users have continued to downsize, relocate or close down marginal stores. 3.3 million sq. ft. or 27.8% of "Second-hand" floorspace in 2006 was accounted for by the top ten Retail Park tenants, compared to 30.7% in 2005.

Retail Warehousing % growth 2001 - 2006



Our research shows that the total retail warehouse market grew marginally to 166.0 million sq. ft. in 2006 from 163.5 million sq. ft. in 2005. The share of Retail Parks' floorspace taken by Comparison Goods retailers (excluding DIY) has risen in 2006 to 57.1%.

During the past four years, as can be seen in the above chart, the overall supply of retail warehousing floorspace has grown by 19%. However, vacant or available floorspace has grown by 63% while "Second-hand" floorspace has grown by a massive 83%. **This has contributed to an increase in vacant or available retail warehousing from 5.8% in 2001 to 8.0% in 2006.**

Top 10 Investment Managers - Retail Parks - For a listing of the top 20 please see the full review

Following the acquisition of Asda Property Holdings' share of BL Davidson, **British Land has enhanced its position as the leading investment manager of Retail Parks in the UK**. They actively manage 9.7 million square feet, almost 10% of the total market. Their closest challenger is still Standard Life Investments who have slightly reduced their floorspace in the past year.

The major change was the 29% increase by Arlington Property Investors following recent purchases that saw them break in to the top ten after four consecutive years in 11th place.

Rank			Owner / Investment Manager	Area - Million Sq. Ft.	
2006	2005			2006	2005
1	1	–	British Land	9.74	9.51
2	2	–	Standard Life Investments	5.80	5.99
3	3	–	Morley Fund Management	5.10	4.94
4	4	–	Land Securities	4.67	4.58
5	5	–	Prudential Property Investment Managers	4.13	4.14
6	7	▲	Henderson Global Investors	3.60	3.35
7	6	▼	Junction Properties	3.36	3.77
8	8	–	Legal & General Investment Management	2.87	2.84
9	11	▲	Arlington Property Investors	2.84	2.20
10	10	–	Hammerson	2.77	2.27
			All Retail Parks	102.13	100.98

Twelve investment managers covered more than 2 million square feet of retail parks, two less than last year. **Twenty four investment managers cover more than 1 million square feet of retail parks**, one fewer than last year. Not surprisingly, following purchases and additional instructions itemised within the review, the ten leading investment managers now look after 44.0% of the overall 102.13 million square feet of retail park floorspace, compared to last year's 43.4%.

Top 10 Investment Managers - Retail Warehousing - For a listing of the top 20 please see the full review

Widening the analysis to include free-standing retail warehouse units, such as B & Q, Currys and Matalan always changes the picture dramatically. It is no surprise to see British Land stretch their lead over Morley Fund Management. They now have 12.4 million square feet under active management, compared to 11.3 million last year.

The next six managers recorded minimal changes and all retain last year's positions. The major change was the return of Arlington Property Investors to the top ten after four years. They rose from 14th to 8th place increasing their floorspace by 26% following several recent purchases

Rank			Owner / Investment Manager	Area - Million Sq. Ft.	
2006	2005			2006	2005
1	1	–	British Land	12.36	11.29
2	2	–	Morley Fund Management	7.75	7.50
3	3	–	Standard Life Investments	6.98	6.80
4	4	–	Land Securities	5.70	5.69
5	5	–	Prudential Property Investment Managers	5.69	5.62
6	6	–	Henderson Global Investors	4.30	4.32
7	7	–	Legal & General Investment Management	4.13	4.05
8	14	▲	Arlington Property Investors	3.55	2.81
9	13	▲	IKEA	3.39	3.01
10	8	▼	Junction Properties	3.36	3.81
			All Retail Warehousing	166.00	163.50

Top 10 Retail Park tenants - For a listing of the top 50 please see the full review

Over 800 different tenants trade from Retail Parks, Shopping Parks, Retail and Leisure Parks, Leisure parks, Leisure Schemes or Retail Warehousing developments. The tenants most likely to be found on Leisure Parks, Leisure Schemes, Shopping and Leisure Centres or Retail and Leisure Parks are Cineworld, Frankie & Benny's, McDonalds and Pizza Hut. The tenants most often found on Retail Parks, Shopping Parks or Retail and Leisure Parks are Carpetright, Currys and Halfords.

Rank			Retailer	Total Area on Retail Parks (Million Sq. Ft.)		% increase in area
2006	2005			2006	2005	
1	1	–	B & Q	8.00	8.33	-4
2	2	–	Homebase	5.02	5.03	0
3	3	–	Currys	4.52	4.56	-1
4	4	–	Matalan	3.39	3.33	2
5	5	–	MFI	3.12	3.14	-1
6	6	–	Focus	2.96	3.02	-2
7	8	▲	Carpetright	2.85	2.81	2
8	9	▲	JJB Sports	2.84	2.79	2
9	7	▼	Comet	2.83	2.85	-1
10	10	–	Halfords	2.30	2.27	1

As can be seen from this table B & Q, with 8.0 million square feet, is still by far the largest Retail Park tenant, even though they have decreased the amount of retail park floorspace they occupy by 4% in the last year. This can be compared to the overall market increase of 1.1% in the last year. For the first time since we produced this review in 2000, a considerable number of tenants have either reduced their retail park floorspace over the past year or shown nil growth. This involves twenty of the top fifty Retail Park tenants although it should also be pointed out that sixteen other tenants are showing double digit growth. Before anyone queries any of these figures with market estimates, it should be noted that we are only looking at space on Retail Parks, otherwise the figure for B & Q alone would more than double.

There are now thirteen retailers with more than 2 million square feet of Retail Park floorspace this year compared to eleven last year. Twenty seven retailers (Twenty four) have more than 1 million square feet while the thresholds for joining the top 30 and top 40 are 780,000 (750,000) square feet and 310,000 (340,000) square feet respectively. Fifty (51) different non-food fascias now occupy more than 200,000 square feet on Retail Parks.

Development Pipeline

155 schemes thought likely to proceed before the end of 2011, including 4 Leisure Parks, 28 Leisure Schemes, 2 Shopping Parks, 82 Retail Parks and 6 Retail and Leisure Parks are also featured.

Order Form

The Definitive Guide to Retail & Leisure Parks 2007 is priced at £395 for delivery within the UK, $600 / 600 Euros for delivery outside the UK. All prices include postage & packing and Zero Rate VAT.

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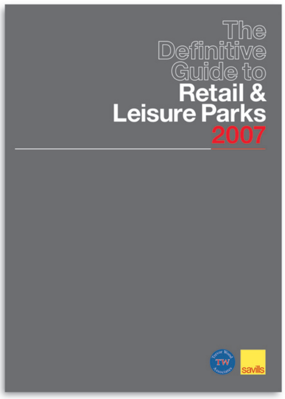

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