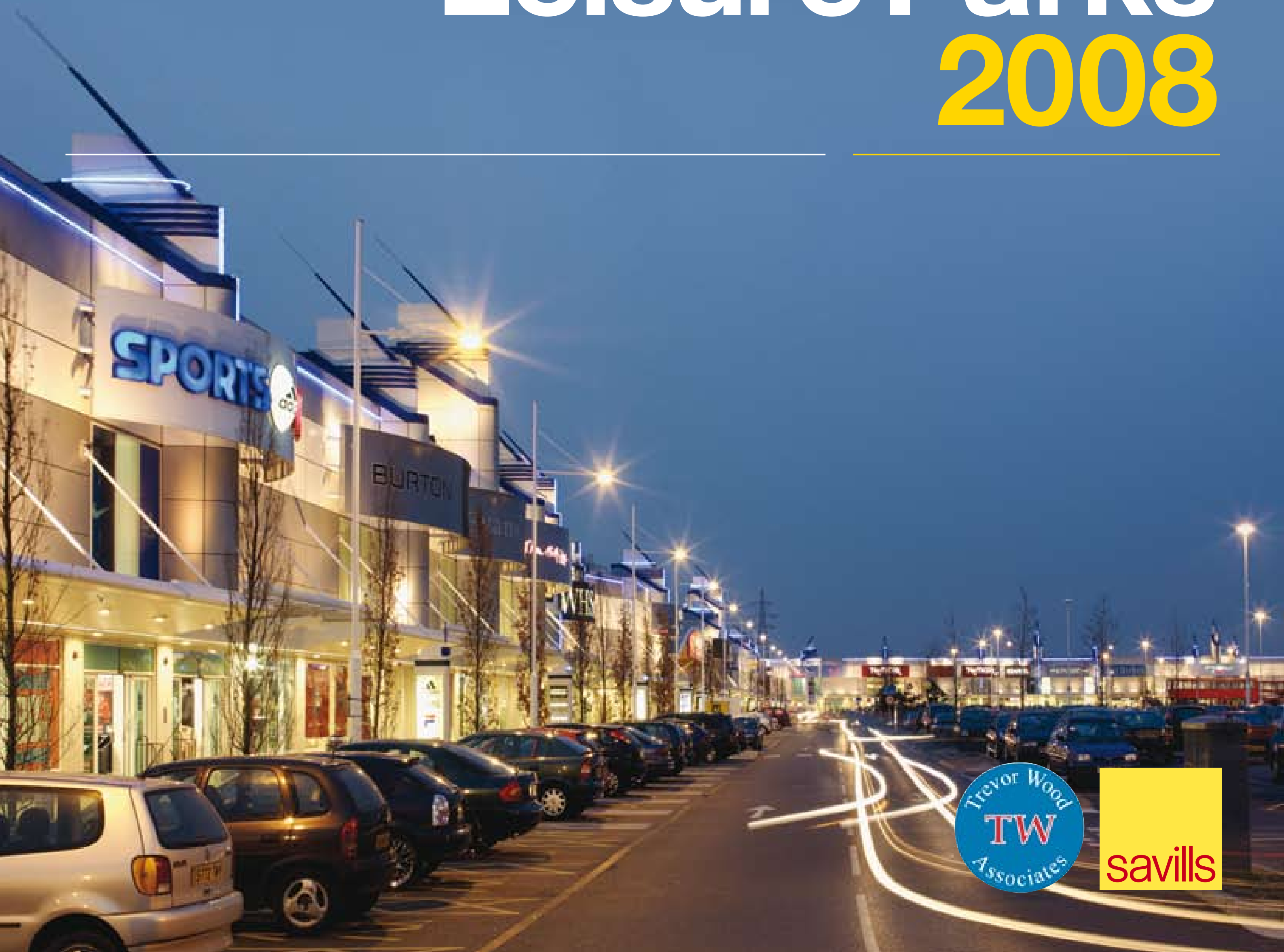
Executive Summary

by Trevor Wood

The Definitive Guide to Retail & Leisure Parks 2008



Trevor Wood TW Associates

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As always, I would like to thank every one of you who have passed on your comments to me in person or written to one of my colleagues or me. It is heartening to be told by so many people throughout the year that our reviews are considered indispensable and are warmly welcomed throughout the retail and property industries. Due to the sea change in market conditions that continues to take place this year's review, for the third year in a row, has involved the most comprehensive update ever. We have again extended the review and analyses still further as a result of continuous research by my growing band of colleagues at **Trevor Wood Associates**. As we have done in previous years, the contents of the review have been discussed with many of our database clients and subscribers to the review. Following these discussions, we have tweaked the format in conjunction with our designer, Darren Pilcher, and introduced even more photographs of leading schemes.

There is, yet 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 and reduces the number of calls you are likely to receive!

The Definitive Guide to Retail & Leisure Parks 2008 contains 304 pages of information and is produced **Trevor Wood Associates** in conjunction with Savills. Copies of the full review are available for £425 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 2012. 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 and photographs.

I sincerely hope you find the information contained within this review 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 2009 review even better and we look forward to receiving periodic updates regarding any changes that take place.

Trevor Wood
Senior Partner
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Established Schemes

The key points from this detailed review of 1,631 Retail Parks, Shopping Parks, Retail and Leisure Parks, Leisure Parks, major leisure schemes or retail warehousing developments are summarised here.

Our research has identified 1,512 established schemes, that is to say they are trading or in the course of construction.
These include 104 Leisure Parks, 129 Leisure schemes, **857 Retail Parks,** 59 Shopping Parks, 36 Retail and Leisure Parks and 301 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	13	11	26	8	4	11	11	104
Leisure scheme	5	12	6	2	13	6	41	8	9	15	12	129
Retail and Leisure Park	0	0	3	2	11	4	6	3	3	1	3	36
Retail Park	36	62	49	37	86	86	212	65	60	80	84	857
Retail Warehousing development	6	24	16	5	39	25	96	29	14	20	27	301
Shopping and Leisure Centre	0	1	0	0	2	2	14	1	1	3	2	26
Shopping Park	1	4	2	0	11	3	15	6	5	9	3	59
Total	**51**	**112**	**82**	**48**	**175**	**137**	**410**	**120**	**96**	**139**	**142**	**1,512**

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	Holywood Exchange	Belfast	630,000	2003	Northern Ireland
4	Fort Kinnaird	Edinburgh - Newcraighall	576,409	1989	Scotland
5	Retail World	Rotherham	560,425	1987	Yorkshire & Humberside
6	Clifton Moor Centre (Phases 1 - 3)	York - Clifton Moor	546,029	1988	Yorkshire & Humberside
7	The Brewery	Romford	530,006	2001	South East
8	New Mersey Shopping Park	Liverpool - Speke	483,268	1985	North West
9	Gallagher Retail Park	Wednesbury	470,000	1995	West Midlands
10	The Junction, West Thurrock Shopping Park	Grays - Thurrock	469,500	1988	South East

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	886,590	South West
3	Thanet	Broadstairs	842,539	South East
4	Middlebrook	Bolton - Horwich	794,014	North West
5	Festival Way	Stoke-on-Trent - Hanley	775,225	West Midlands
6	Sealand Road	Chester - Sealand Road	753,601	North West
7	Newmarket Road	Cambridge	737,305	East Anglia
8	Parkgate	Rotherham	730,835	Yorkshire & Humberside
9	Fosse Park	Leicester - Narborough Road	727,433	East Midlands
10	Tritton Road	Lincoln - Tritton Road	713,158	East Midlands

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	The O2 Entertainment District	London - Greenwich	600,000	2007	South East
2	London Trocadero	London - Piccadilly	450,000	1984	South East
3	Gunwharf Quays	Portsmouth	444,500	2001	South East
4	Xscape	Milton Keynes	424,000	2000	South East
5	Star City	Birmingham - Nechells	392,993	2000	West Midlands
6	Xscape	Renfrew - Braehead	374,112	2006	Scotland
7	Brighton Marina	Brighton - Marina	372,314	1985	South East
8	The Great Northern	Manchester	371,657	2001	North West
9	Xscape	Castleford - Glasshoughton	368,000	2003	Yorkshire & Humberside
10=	The Light	Leeds	350,000	2001	Yorkshire & Humberside
10=	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 has now peaked. 33 Retail Parks, Retail and Leisure Parks or Shopping Parks incorporate Cinemas, 31 include a Bowling Alley or Family Entertainment Centre and 86 have Health & Fitness Centres.

Leisure Schemes sometimes incorporate retail units to broaden their appeal and, as last 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.

90 Leisure Parks incorporate Cinemas, 61 include a Bowling Alley or Family Entertainment Centre and 48 have Health & Fitness Centres.

Of the 129 Leisure Schemes listed, 56 incorporate Cinemas, 17 include a Bowling Alley or Family Entertainment Centre and 54 have Health & Fitness Centres.

The Embassy Centre in Skegness, Tally Ho in Finchley, the Theatre District in Milton Keynes, Loch Lomond Shores and The O2 Entertainment District include theatres, 76 schemes have night-clubs and 78 schemes incorporate a Hotel.

Peak Rents for Retail Parks *for a detailed breakdown since 2001 please see the full review*

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 £35.00 per sq. ft. had risen to 8% compared to just 1% in 2002** and the entry level for the Top 100 Retail Park Rents has risen marginally from £30.00 to £31.00.

There has been a continuing upward shift, with a 20% increase in both the £30.00 to £35.00 and the over £35.00 bands while there was a 15% increase in both the £25.00 to £30.00 and £20.00 to £22.50 bands.

Highest rent achieved Range (per sq. ft.)	2007 %	2006 %
Over £35.00	8	7
£30.00 - £34.99	5	4
£25.00 - £29.99	10	9
£22.50 - £24.99	7	7
£20.00 - £22.49	9	7
£15.00 - £19.99	24	25
£10.00 - £14.99	30	33
£5.00 - £9.99	7	8

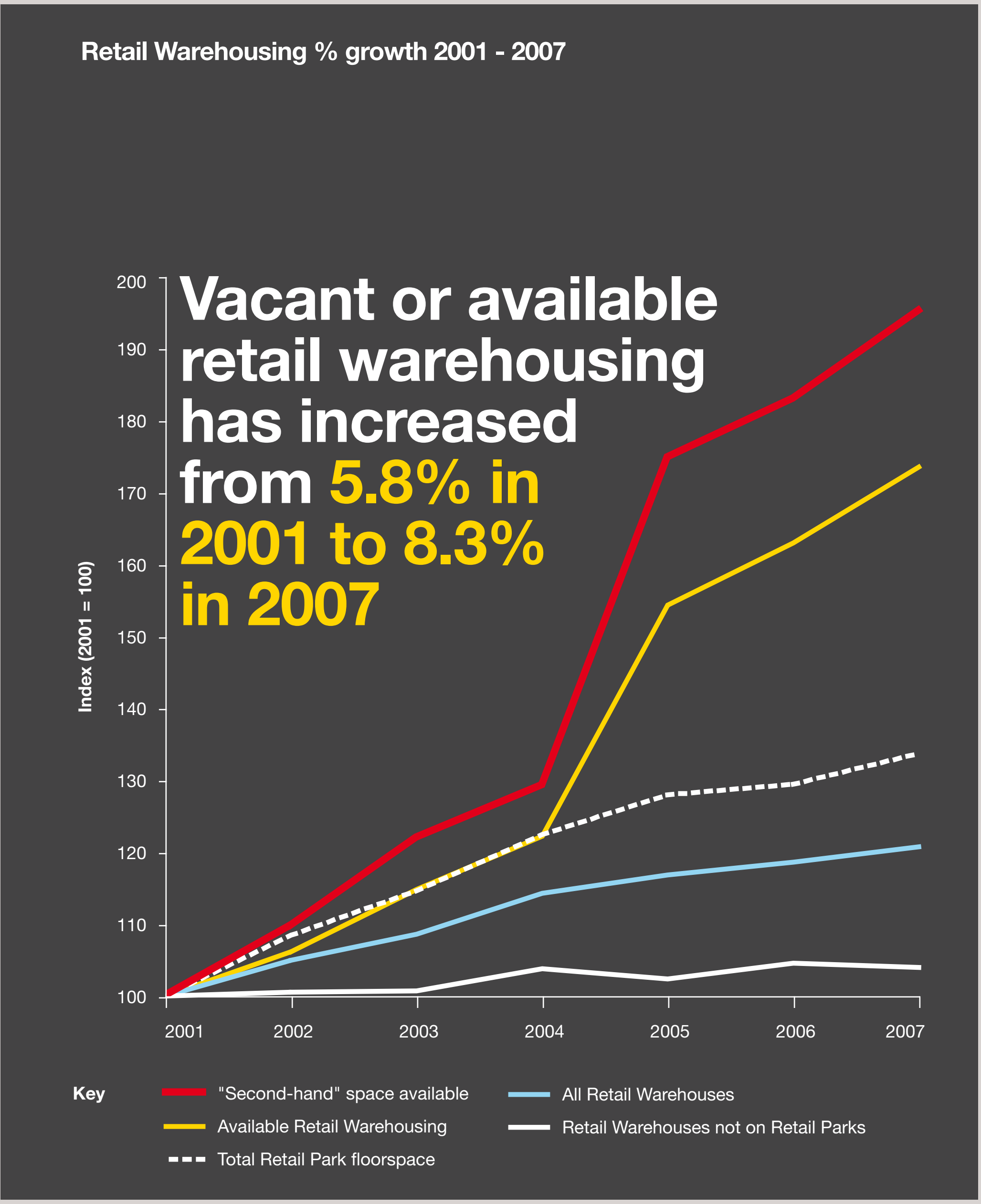
Two thirds of Leisure Park peak rents were in excess of £20.00 per sq. ft. and peak rents ranged from £10.00 per sq. ft. to £42.50. 65% of Retail Warehousing developments recorded rents below £15.00, with rents ranging upwards from £4.00 to £40.00 per sq. ft.

Top 10 Retail Park Rents *for a listing of the top 100 since 2003 please see the full review*

Rank 2007	Rank 2006	Rent	Scheme	Location	GLA
1	1	£95.00	Fosse Park Shopping Park	Leicester - Narborough Road	416,536
2	2	£75.00	Brookfield Retail Park	Cheshunt	90,000
3	3	£65.00	Colney Fields Shopping Park	St Albans - London Colney	58,212
4	7=	£63.75	Birstall Shopping Park	Leeds - Birstall	149,396
5	4	£62.50	Castlepoint	Bournemouth - Charminster	645,000
6	7=	£60.00	The Fort Shopping Park	Birmingham	256,947
7	23=	£57.90	Teesside Retail Park	Stockton-on-Tees - Thornaby	348,553
8=	10=	£55.00	Fort Kinnaird	Edinburgh - Newcraighall	576,409
8=	5=	£55.00	New Mersey Shopping Park	Liverpool - Speke	483,268
8=	5=	£55.00	Brent South Shopping Park	London - Hendon	92,000

Vacant or Available space

For many years we have been highlighting the problem that some Retail Parks have to face of "Second-hand" supply. Numerous administrations, 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 vacancy rate of 8.3%.



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** 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 a further abundance of second-hand retail warehousing coming on to the market during 2006 and 2007. There is also a considerable amount of floorspace previously occupied by tenants such as Courts, Furnitureland and Powerhouse still available.

Large space users have continued to downsize, relocate or close down marginal stores. 4.0 million sq. ft. or 33.3% of "Second-hand" floorspace in 2007 was accounted for by the top ten Retail Park tenants compared to 29.3% in 2006.

Our research shows that the total retail warehouse market grew marginally to 169.00 million sq. ft. in 2007 from 166.00 million sq. ft. in 2006. The share of Retail Parks' floorspace taken by Comparison Goods retailers (excluding DIY) has risen in 2007 to 57.8%.

During the past five years, as can be seen in the above chart, the overall supply of retail warehousing floorspace has grown by 21%. Within this, retail warehousing NOT found on Retail Parks has remained virtually static with Retail Park floorspace growing 34% over the same period. However, vacant or available floorspace grew by 73% while "Second-hand" floorspace has grown by a massive 95%. **This contributed to an increase in vacant or available retail warehousing from 5.8% in 2001 to 8.3% in 2007**.

Top 10 Investment Managers - Retail Parks

For a listing of the top 20 since 2001 please see the full review

British Land has maintained its position as the leading investment manager of Retail Parks in the UK. They actively manage 9.8 million square feet, almost 10% of the total market. Their closest challenger is still Standard Life Investments who have again reduced their floorspace in the past year.

Twelve investment managers covered more than 2 million square feet of retail parks, the same as last year. **Twenty five investment managers cover more than 1 million square feet of retail parks**, one more than last year. Not surprisingly, following sales and other changes itemised within the review, the ten leading investment managers now look after 43.5% of the overall 105.48 million square feet of retail park floorspace, compared to last year's 44.0%.

Rank			Owner / Investment Manager	Total Area on Retail Parks (Million Square Feet)	
2007	2006			2007	2006
1	1	–	British Land	9.79	9.74
2	2	–	Standard Life Investments	5.58	5.80
3	3	–	Morley Fund Management	5.23	5.10
4	5	▲	Prudential Property Investment Managers	4.31	4.13
5	4	▼	Land Securities	4.11	4.67
6	6	–	Henderson Global Investors	3.33	3.60
7	7	–	Junction Properties	3.26	3.36
8	10	▲	Hammerson	3.07	2.77
9	9	–	Goodman Property Investors	2.86	2.84
10	8	▼	Legal & General Investment Management	2.84	2.87

Top 10 Investment Managers - Retail Warehousing

For a listing of the top 20 since 2001 please see the full review

Widening the analysis to include free-standing retail warehouse units, such as B & Q, IKEA and Matalan always changes the picture dramatically but it is no surprise to see British Land maintain their lead over Morley Fund Management. They now have 12.3 million square feet under active management, compared to 12.4 million last year. The major change was the rise of IKEA following the opening of two new stores to 7th place. The top ten managers look after just 33.6% of the overall 169.00 million square feet of retail warehousing floorspace, compared to 34.9% last year.

Rank			Owner / Investment Manager	Total Retail Warehousing (Million Square Feet)	
2007	2006			2007	2006
1	1	–	British Land	12.29	12.36
2	2	–	Morley Fund Management	7.61	7.75
3	3	–	Standard Life Investments	6.59	6.98
4	5	▲	Prudential Property Investment Managers	5.88	5.69
5	4	▼	Land Securities	4.98	5.70
6	7	▲	Legal & General Investment Management	4.29	4.13
7	9	▲	IKEA	3.99	3.39
8	6	▼	Henderson Global Investors	3.97	4.30
9	8	▼	Goodman Property Investors	3.70	3.55
10	11	▲	Hammerson	3.39	3.10

Top 10 Retail Park Tenants

For a listing of the top 50 since 2002 please see the full review

Over 850 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, Nando's Chicken and Pizza Hut. The non-food tenants most often found on Retail Parks, Shopping Parks or Retail and Leisure Parks are Carpetright, Currys and Halfords.

As last year, there are thirteen retailers with more than 2 million square feet of Retail Park floorspace and twenty seven retailers have more than 1 million square feet. The thresholds for joining the top 30 and top 40 are 820,000 (780,000 last year) square feet and 380,000 (310,000) square feet respectively. Fifty two (50) different non-food fascias now occupy more than 200,000 square feet on Retail Parks.

Rank			Retailer	Total Area on Retail Parks (Million Square Feet)		% increase in area
2007	2006			2007	2006	
1	1	–	B & Q	7.80	8.00	-3
2	2	–	Homebase	5.14	5.02	2
3	3	–	Currys	4.52	4.52	0
4	4	–	Matalan	3.40	3.39	0
5	7	▲	Carpetright	3.05	2.85	7
6	5	▼	MFI	2.93	3.12	-6
7	8	▲	JJB Sports	2.91	2.84	2
8	9	▲	Comet	2.89	2.83	2
9	6	▼	Focus	2.79	2.96	-6
10	10	–	Halfords	2.36	2.30	2

Development Pipeline

119 schemes thought likely to proceed before the end of 2012 including 4 Leisure Parks, 20 Leisure Schemes, 3 Shopping Parks, 65 Retail Parks and 5 Retail and Leisure Parks are also featured.

Order Form

The Definitive Guide to Retail & Leisure Parks 2008 is priced at £425 for delivery within the UK, $800 / 625 Euros for delivery outside the UK. All prices include postage & packing and Zero Rate VAT.

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