

The Definitive Guide to Retail & Leisure Parks

Many AR members will have seen a copy of this review, first published in 2000, and some of the key points from the 2011 review are summarised here. If you would like to download a six page executive summary free of charge, this can be found on either the AR website or at www.trevorwoodassociates.co.uk.

Administrations and receiverships led to an explosion in available space since 2007 but, with few new developments being built, a significant proportion of this space was occupied by expanding retailers during the past eighteen months.

Dynamic Comparison Goods retailers such as Argos, B & M, Best Buy, Dreams, Dunelm, Go Outdoors, Home Bargains, Homesense, Matalan, Next, Pets at Home, Smyths Toys, The Range and Wren Kitchens occupied 2.7 million sq. ft. of vacant retail warehousing floorspace between them during the past eighteen months and this resulted in more space taken than became available for the second year running. In addition, a number of units in secondary locations have been converted to other uses such as grocery stores, residential or industrial.

This led to significant reductions in vacancy levels at the turn of 2011, which were 20% down on the previous year. The retail warehousing vacancy rate fell to 9.2%, well below the peak vacancy rate of 11.8% seen in mid-2009. At the end of 2010 we calculated Open A1 vacancy as 7.9%, compared to 9.9% in 2009 with Open Non Food falling to 9.4% from 12.5%.

Despite the take-up of space by expanding retailers highlighted in more detail within our review there was an abundance of “Second-hand” retail warehousing coming on to the market. There is also a considerable amount of floorspace previously occupied by tenants such as GlynWebb still available, although less than recorded in the previous year.

A number of expanding retailers may be termed “budget” retailers and were also highlighted in “Going Shopping 2011 – The Definitive Guide to Shopping Centres”, increasing their presence in both leading shopping centres and retail parks. These include H & M, Peacocks, Poundland, Sports Direct and Wilkinson while other expanding retail park tenants in this category include B & M, Dunelm, Go Outdoors, Home Bargains, Matalan and The Range.

The proportion of Retail Warehousing floorspace taken by Comparison Goods retailers (excluding DIY) rose to an all time high of 51.3% in 2010 compared to 48.9% in 2009 and over 950 different tenants trade from Retail and Leisure developments. Non-food tenants most often found on Retail Parks, Shopping Parks or Retail and Leisure Parks are Argos, Carpetright, Currys, Halfords and Pets at Home. Fifty seven different non-food fascias now occupy more than 200,000 square feet on Retail Parks.

Other points highlighted in the 324 page review include – Middlebrook Retail & Leisure Park is the largest retail park, British Land are the leading investment manager, B & Q are the leading tenant, Savills are the leading managing agent and Wilkinson Williams are the leading letting agent.

As we went to print in May 2011, Focus entered administration and Asda, B & Q, B & M, Wickes and others have since acquired some stores. With further closures announced, by

Habitat, Life & Style, Moben and TJ Hughes amongst others, overshadowing expanding retailers, early indications are that the year end vacancy rate could rise to somewhere around the 10% mark. Even this figure is much better than the reported 12 - 15% rate for the high street and other retail and there is hope the eventual rate could still be in single figures.

The Definitive Guide to Retail & Leisure Parks 2011

Executive Summary

by Trevor Wood



Introduction

I would like to thank every one who has passed on comments to me in person or written to one of my colleagues or me. It is heartening to be told that our reviews are considered indispensable and are warmly welcomed and widely quoted throughout the retail and property industries. We have, once more, extended the review and analyses as a result of continuous research by my colleagues at **Trevor Wood Associates** and this year's review has involved comprehensive updating due to the seismic change in market conditions that have taken place during the past eighteen months. As before, the contents of the review have been discussed with many of our database clients and review subscribers. Following these discussions, we have tweaked the format and introduced more photographs of leading schemes.

There is, yet again, a considerable amount of informed comment within the review supplied from 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 kindly respond to 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 our growing band of more than one hundred database clients and others who regularly pass on updated market news and information throughout the year to **Trevor Wood Associates**. This makes our task producing the reviews that much easier!

As we went to print Focus entered administration - the situation may have changed by the time you read this - early indications showed B & Q, B & M and Wickes were interested in selected stores but not the whole chain. Later developments will be incorporated in our database as soon as possible and will be covered in our 2012 review.

The Definitive Guide to Retail & Leisure Parks 2011 contains 324 pages of information and copies of the full review are available for £475 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 2017.

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 we also show planning status, developer and year open. 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 the review of practical use and interest. As always, my colleagues at **Trevor Wood Associates** and I welcome any comments you may have that could help to make the 2012 review even better and we look forward to receiving periodic updates regarding any changes that take place.



Trevor Wood
Senior Partner
Trevor Wood Associates

Established Schemes

The key points from this detailed review of 1,550 Retail Parks, Shopping Parks, Retail and Leisure Parks, Leisure Parks, major leisure schemes or retail warehousing developments are summarised here.

Our research identified 1,478 established schemes, that is to say they are trading or in the course of construction. These include 100 Leisure Parks, 99 Leisure schemes, **850 Retail Parks**, 65 Shopping Parks, 35 Retail and Leisure Parks and 298 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	3	13	10	26	8	4	8	10	100
Leisure scheme	6	11	4	2	9	5	29	6	6	10	11	99
Retail and Leisure Park	0	0	2	1	11	3	7	3	3	2	3	35
Retail Park	36	62	46	40	87	85	209	70	57	76	82	850
Retail Warehousing development	4	19	16	8	38	19	102	26	14	24	28	298
Shopping and Leisure Centre	0	1	0	0	3	2	17	1	1	4	2	31
Shopping Park	1	4	3	1	11	4	15	6	5	12	3	65
Total	50	106	77	55	172	128	405	120	90	136	139	1,478

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	Middlebrook Retail & Leisure Park	Bolton - Horwich	646,661	1998	North West
2	Castlepoint	Bournemouth - Charminster	645,000	2003	South West
3	Parkgate Shopping	Rotherham	560,425	1987	Yorkshire & Humberside
4	Clifton Moor Centre (Phases 1 - 4)	York - Clifton Moor	559,257	1988	Yorkshire & Humberside
5	The Brewery	Romford	530,006	2001	South East
6	Fort Kinnaird	Edinburgh - Newcraighall	506,000	1989	Scotland
7	New Mersey Shopping Park	Liverpool - Speke	483,268	1985	North West
8	The Junction, West Thurrock Shopping Park	Grays - Thurrock	469,500	1988	South East
9	Fosse Shopping Park	Leicester - Narborough Road	416,536	1989	East Midlands
10	Greyhound Retail Park (Phases 1 - 3)	Chester - Sealand Road	415,893	1987	North West

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	Westwood Road	Broadstairs	1,093,206	South East
2	Lakeside	Grays - Thurrock	1,033,019	South East
3	Cribbs Causeway	Bristol - Cribbs Causeway	960,133	South West
4	WestQuay	Southampton	876,478	South East
5	Sealand Road	Chester - Sealand Road	810,175	North West
6	Middlebrook	Bolton - Horwich	796,661	North West
7	Charminster	Bournemouth - Charminster	770,000	South West
8	Newmarket Road	Cambridge	748,828	East Anglia
9	Parkgate	Rotherham	738,895	Yorkshire & Humberside
10	Thornaby Way	Stockton-on-Tees - Thornaby	730,645	North

Vacant or Available space For a more detailed analysis please see the full review

For many years we highlighted the problem that some Retail Parks had to face of “Second-hand” supply. Administrations, receiverships and declining confidence among some retailers led to an explosion in available space but, with few new developments being built, a significant proportion of this space has been occupied by expanding retailers during the past eighteen months. **Dynamic Comparison Goods retailers** such as Argos, B & M, Best Buy, Dreams, Dunelm, Go Outdoors, Home Bargains, Homesense, Matalan, Next, Pets at Home, Smyths Toys, The Range and Wren Kitchens **have occupied 2.7 million sq. ft. of vacant retail warehousing floorspace between them during the past eighteen months** and this has resulted in more space taken than became available for the second year running.

This has led to significant reductions in vacancy levels, which are 20% down on last year. The retail warehousing vacancy rate has now fallen to 9.2%, well below the peak vacancy rate of 11.8% seen in mid-2009. **In 2010 we calculate Open A1 vacancy as 7.9%**, compared to 9.9% in 2009 with Open Non Food falling to 9.4% from 12.5%.

Property research traditionally focuses on the development pipeline for retail warehousing but we always look 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 highlighted within our review there was an abundance of “Second-hand” retail warehousing coming on to the market. There is also a considerable amount of floorspace previously occupied by tenants such as GlynWebb still available, although less than recorded last year.

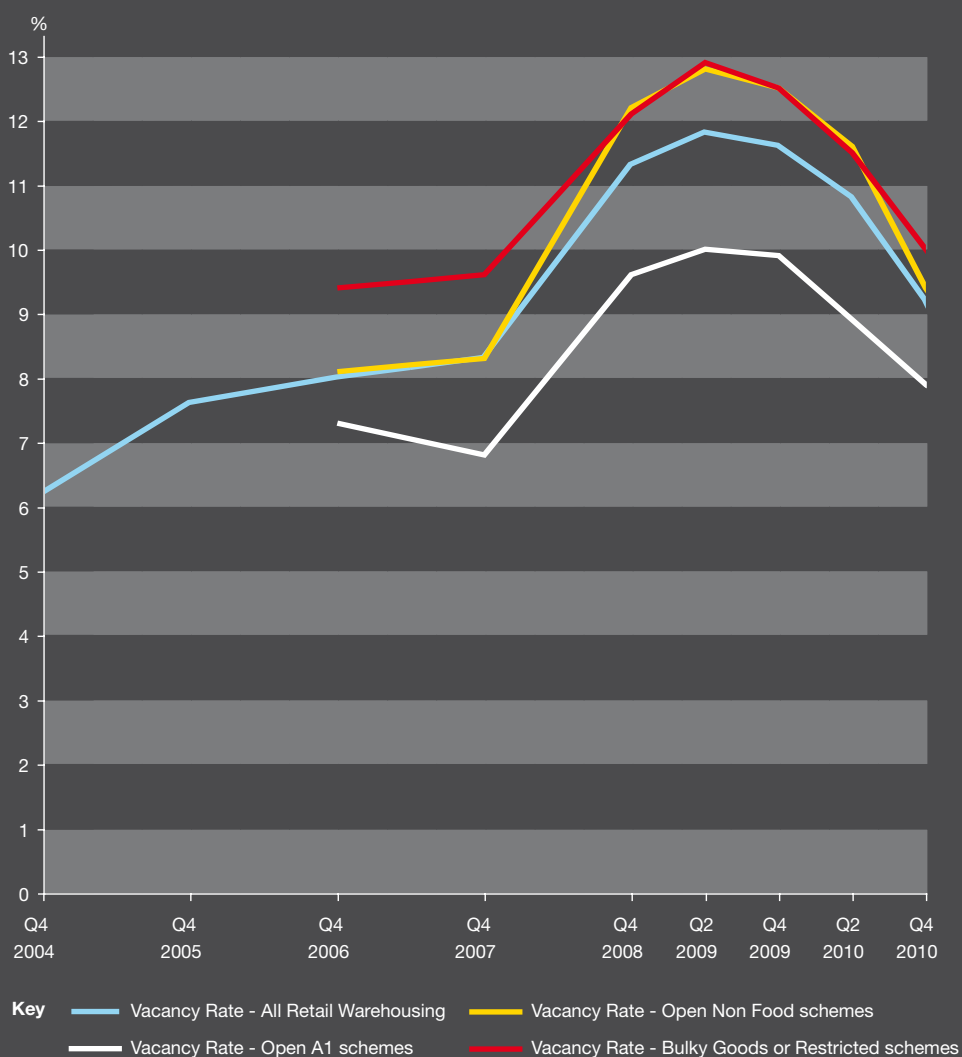
Over the past few years we have seen the rise of temporary retailers such as Computers for Africa, Lee Longlands Clearance and What together with a number of well known national retailers. Many of the expanding retailers mentioned above may be termed “budget” retailers and were highlighted in our other review “**Going Shopping 2011 – The Definitive Guide to Shopping Centres**”. A number of these retailers have increased their presence in not only the leading shopping centres but also on retail parks including H & M, Peacocks, Poundland, Sports Direct and Wilkinson. Other expanding retail park retailers in this category include B & M, Dunelm, Go Outdoors, Home Bargains, Matalan and The Range.

Our research shows the total retail warehouse market grew marginally to 173.80 million sq. ft. in 2010 from 172.50 million sq. ft. in 2009.

The proportion taken by Comparison Goods retailers (excluding DIY) rose to an all time high of 51.3% in 2010 compared to 48.9% in 2009.

Within the total market, floorspace on Retail Parks grew to 107.61 million sq. ft. in 2010 from 106.66 million sq. ft. in 2009. Excluding DIY retailers, the share of Retail Parks’ floorspace in 2009 occupied by Comparison Goods retailers increased to 59.0% from 56.8% in 2009.

Retail Warehousing Vacancy rate 2004 - 2010 By broad planning consent



Top 5 Letting Agents - Retail Warehousing

For a listing of the top 30 please see the full review

Rank 2010	Rank 2009	Letting Agent	Area 2010 - Million Sq. Ft.	2010 Instructions
1	2	▲ Wilkinson Williams	17.04	117
2	1	▼ Savills	16.96	152
3	3	▬ Morgan Williams	16.52	116
4	5	▲ Harvey Spack Field	11.73	82
5	4	▼ Edgerley Simpson Howe	10.51	139

Top 5 Managing Agents - Retail Warehousing

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

Rank 2010	Rank 2009	Managing Agent	Area 2010 - Million Sq. Ft.	2010 Instructions
1	1	▬ Savills	14.64	123
2	2	▬ Workman	12.62	139
3	6	▲ King Sturge	8.66	95
4	4	▬ Capita Symonds	5.65	76
5	5	▬ Edgerley Simpson Howe	4.13	29

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	Clarence Dock	Leeds	555,000	2006	Yorkshire & Humberside
3	Union Square	Aberdeen	550,000	2009	Scotland
4	Westwood Cross	Broadstairs	475,000	2005	South East
5	London Trocadero	London - Piccadilly	450,000	1984	South East
6	Swan Centre	Eastleigh	445,000	1989	South East
7	Gunwharf Quays	Portsmouth	444,500	2001	South East
8	Xscape	Milton Keynes	424,000	2000	South East
9	Star City	Birmingham - Nechells	399,549	2000	West Midlands
10	Xscape	Renfrew - Braehead	374,112	2006	Scotland

Leisure Facilities

The trend to incorporate leisure facilities appears to be receding. 33 Retail Parks, Retail and Leisure Parks or Shopping Parks incorporate Cinemas, 28 include a Bowling Alley and 92 have Health & Fitness Centres.

Of the 31 Shopping and Leisure Centres, 22 incorporate Cinemas, 9 include a Bowling Alley and 18 have Health & Fitness Centres.

48 out of 99 Leisure Schemes incorporate Cinemas, 19 include a Bowling Alley and 42 have Health & Fitness Centres.

87 Leisure Parks incorporate Cinemas, 57 include Bowling Alleys and 48 have Health & Fitness Centres.

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 £8.00 per sq. ft. to £105.00 with the majority of parks recording peak rents between £10.00 and £20.00. Partly due to delayed reviews and partly due to a few key lettings, this year the proportion of Retail Parks with peak rents above £25.00 per sq. ft. rose slightly to 28%. There are now 269 parks in this combined band, compared to 246 last year and just 50 parks in 2002. Similarly, **10% of Retail Parks now have peak rents above £35.00 per sq. ft.** compared to just 1% in 2002 and the entry level for the Top 100 Retail Park Rents has risen marginally from £32.50 to £34.70 with 6 new entries in this year's list. We should, however, note that 20% of the current peak rents were set by occupiers who subsequently went into administration or entered into a CVA with some, like Allied Carpets and JJB Sports, still trading today whilst others, such as MFI and Rosebys, have gone forever.

70% of Leisure Park peak rents were in excess of £20.00 per sq. ft. and peak rents ranged from £12.00 per sq. ft. to £42.50. 65% of Retail Warehousing developments recorded rents below £15.00, with rents ranging from £6.00 to £41.50 per sq. ft.

Highest rent achieved Range (per Sq. Ft.)	2010 %	2009 %
Over £35.00	10	9
£30.00 - £34.99	6	6
£25.00 - £29.99	12	11
£22.50 - £24.99	8	8
£20.00 - £22.49	10	10
£15.00 - £19.99	26	26
£10.00 - £14.99	23	24
£5.00 - £9.99	5	6

Top 10 Retail Park Rents

For a listing of the top 100 since 2003 please see the full review

Rank	Highest Rent per Sq. Ft.	Scheme	Location	GIA Sq. Ft.
2010	2009			
1	1	£105.00 Fosse 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	4	£63.75 Birstall Shopping Park	Leeds - Birstall	163,730
5	5	£62.50 Castlepoint	Bournemouth - Charminster	645,000
6	6	£62.00 Fforest-fach Parc	Swansea - Fforest-fach	134,808
7	7	£60.00 The Fort Shopping Park	Birmingham	283,988
8	8	£57.90 Teesside Shopping Park	Stockton-on-Tees - Thornaby	348,553
9=	9=	£55.00 Fort Kinnaird	Edinburgh - Newcraighall	506,000
9=	9=	£55.00 New Mersey Shopping Park	Liverpool - Speke	483,268
9=	9=	£55.00 Brent South Shopping Park	London - Hendon	92,000

Top 10 Investment Managers - Retail Parks

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

For the sixth year running, British Land are the leading investment manager of Retail Parks in the UK and their closest challengers are now Aviva Investors while Standard Life Investments slip to 3rd place with Prudential Property Investment Managers and LaSalle Investment Management maintaining their positions.

Fourteen investment managers covered more than 2 million square feet of retail parks, compared to fifteen last year while **thirty investment managers cover more than 1 million square feet of retail parks**, five more than last year. The ten leading investment managers now look after 39.4% of the overall 107.61 million square feet of retail park floorspace, compared to last year's 38.3%. The top twenty investment managers now only look after 56.3% of total retail park floorspace compared to 56.8% last year.

Rank 2010	Rank 2009	Owner / Investment Manager	Total Area Retail Parks (Million Sq. Ft.)	
			2010	2009
1	1	- British Land	9.02	8.78
2	3	▲ Aviva Investors	5.00	3.98
3	2	▼ Standard Life Investments	4.94	4.93
4	4	- Prudential Property Investment Managers	4.47	3.89
5	5	- LaSalle Investment Management	3.37	3.59
6	7	▲ Land Securities	3.30	3.40
7	9	▲ Hammerson	3.26	2.89
8	8	- Henderson Global Investors	3.12	3.23
9	12	▲ Threadneedle Property Investments	3.05	2.42
10	6	▼ Aberdeen Property Investors	2.91	3.55

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, Dunelm and IKEA always changes the picture dramatically. For the sixth year in a row, British Land maintain their lead over Aviva Investors and have 10.9 million square feet under active management, slightly up on last year.

Threadneedle Property Investments rose a further seven places to enter the top ten following a 33% increase while ING Real Estate Investment Management rise five places to enter the top twenty. The top ten managers look after 31.6% of the overall 173.8 million square feet of retail warehousing floorspace, compared to 30.6% last year.

Rank 2010	Rank 2009	Owner / Investment Manager	Total Retail Warehousing (Million Sq. Ft.)	
			2010	2009
1	1	- British Land	10.86	10.68
2	2	- Aviva Investors	7.12	6.21
3	3	- Prudential Property Investment Managers	5.77	5.32
4	4	- Standard Life Investments	5.23	5.25
5	12	▲ Threadneedle Property Investments	5.00	3.76
6	6	- LaSalle Investment Management	4.44	4.49
7	9	▲ CB Richard Ellis Investors	4.39	3.89
8	8	- IKEA	4.17	4.15
9	7	▼ Henderson Global Investors	4.09	4.27
10	5	▼ Aberdeen Property Investors	3.95	4.75

Top 10 Retail Park Tenants

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

Over 950 different tenants trade from Retail and Leisure developments. The tenants most likely to be found on Leisure developments are Cineworld, Frankie & Benny's, McDonalds, Nando's and Pizza Hut. Non-food tenants most often found on Retail Parks, Shopping Parks or Retail and Leisure Parks are Argos, Carpetright, Currys, Halfords and Pets at Home.

For the third year running, fifteen of the top fifty Retail Park tenants have reduced their floorspace over the past year or shown nil growth although twelve other tenants have shown double digit growth.

Eleven retailers have more than 2 million square feet of Retail Park floorspace compared to ten last year and twenty six retailers have more than 1 million square feet (twenty five last year). The thresholds for joining the top 30 and top 40 are 850,000 (620,000 last year) square feet and 430,000 (380,000) square feet respectively. Fifty seven (56) different non-food fascias now occupy more than 200,000 square feet on Retail Parks.

Rank 2010	Rank 2009	Retailer	Total Area on Retail Parks (Million Sq. Ft.)		% increase in area
			2010	2009	
1	1	- B & Q	7.50	7.41	1
2	2	- Homebase	5.34	5.52	-3
3	3	- Currys	4.84	4.57	6
4	4	- Matalan	3.77	3.43	9
5	5	- Carpetright	3.08	3.10	0
6	7	▲ Next	2.87	2.58	10
7	6	▼ Comet	2.83	2.82	0
8	8	- Argos	2.66	2.55	4
9	9	- Halfords	2.43	2.40	1
10	11	▲ TK Maxx	2.05	1.99	3

Development Pipeline

72 schemes thought likely to proceed before the end of 2017 including 2 Leisure Parks, 9 Leisure Schemes, 8 Shopping Parks, 37 Retail Parks and 2 Retail and Leisure Parks are also featured.

"Trevor Wood's 'Definitive Guide' series is a must-have for anyone working in the retail warehousing sector."

Nick Howe, Edgerley Simpson Howe

"Chase & Partners have been using the Guide since 2001. It provides a snapshot and useful summaries, as well as detailed information that backs up our own knowledge. It scores highly with new surveyors to the market as a daily reference point."

Gregory Moore, Chase & Partners

"Trevor Wood's 'Definitive Guide' is the 'bible' for the Retail Warehouse property sector – easy to use and regularly referred to."

Steve Perrett, Cheetham & Mortimer

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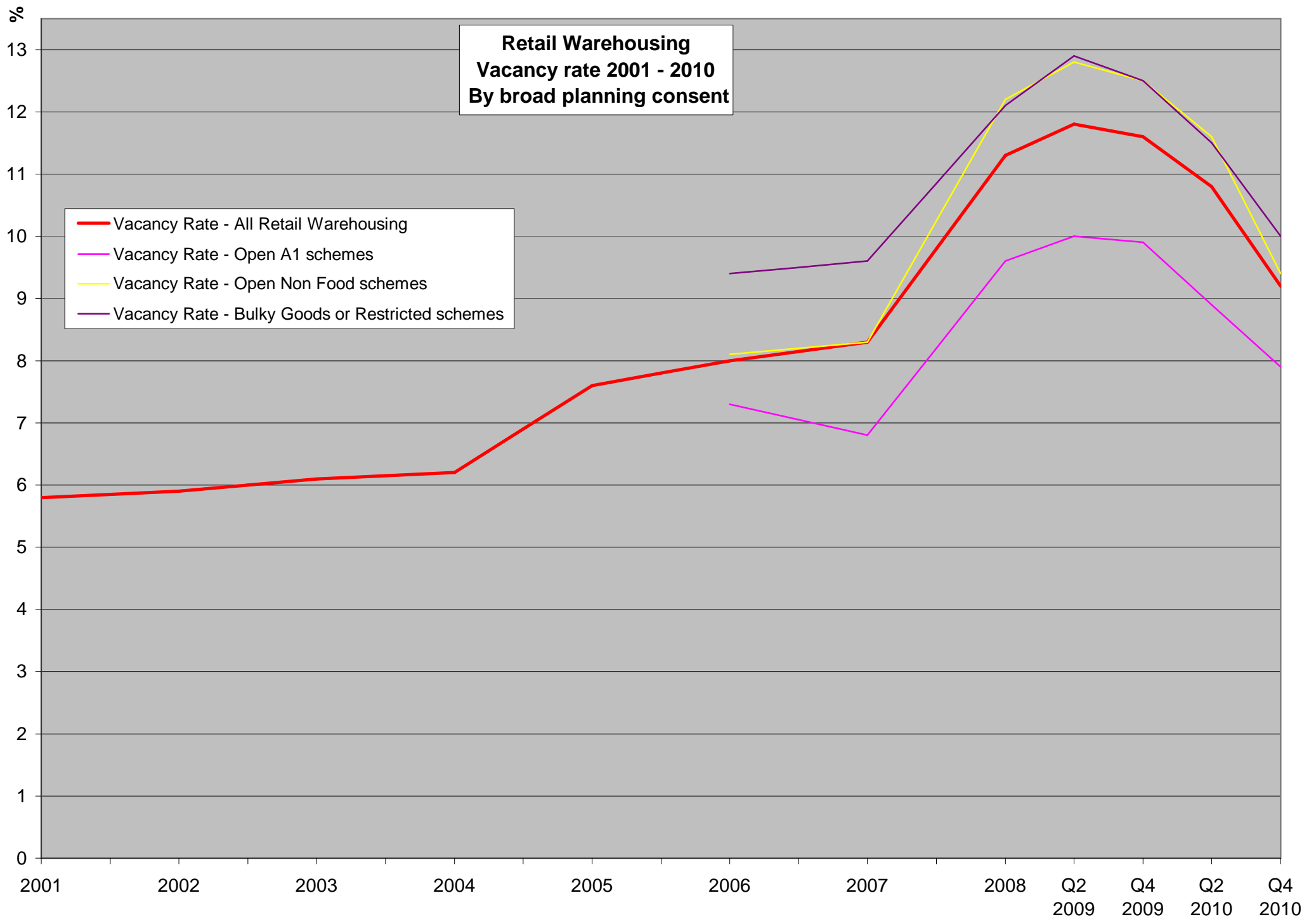
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Source: The Definitive Guide to Retail Leisure Parks 2011