NOTTINGHAM CITY CENTRE RETAIL VACANCY SURVEY May 2016

1. INTRODUCTION

This report is the fifth in the series of retail sector vacancy survey reports for Nottingham city centre. The City Centre Retail Vacancy Survey has been undertaken by Nottingham City Council since February 2009 and provides data which is of value to the Local Authority and partners including Nottingham BID, Nottingham Means Business and Experience Nottinghamshire, who are working to improve the retail offer and wider visitor experience in Nottingham City Centre.

The Retail Vacancy Survey is a ‘snap shot’ survey undertaken on an annual basis by Nottingham City Council officers. This latest survey records the number of ground floor units, noting whether they are occupied or vacant over a three week period during May 2016. The vacant property status is then refined using further data and information from Intu Properties, FHP and Innes England. Retail units comprise convenience, comparison and service uses, the latter which include cafes, bars, restaurants and business services open to the public. The survey covers the city centre boundary as shown in the map at the end of this report.

This report has three remaining sections: the first provides the headline figures and vacancy trends; next the vacant unit stock by duration; and finally the geographic spread of vacant units. There are two appendices: the first presents a map of the city centre survey area and the second the survey methodology.

2. THE HEADLINES

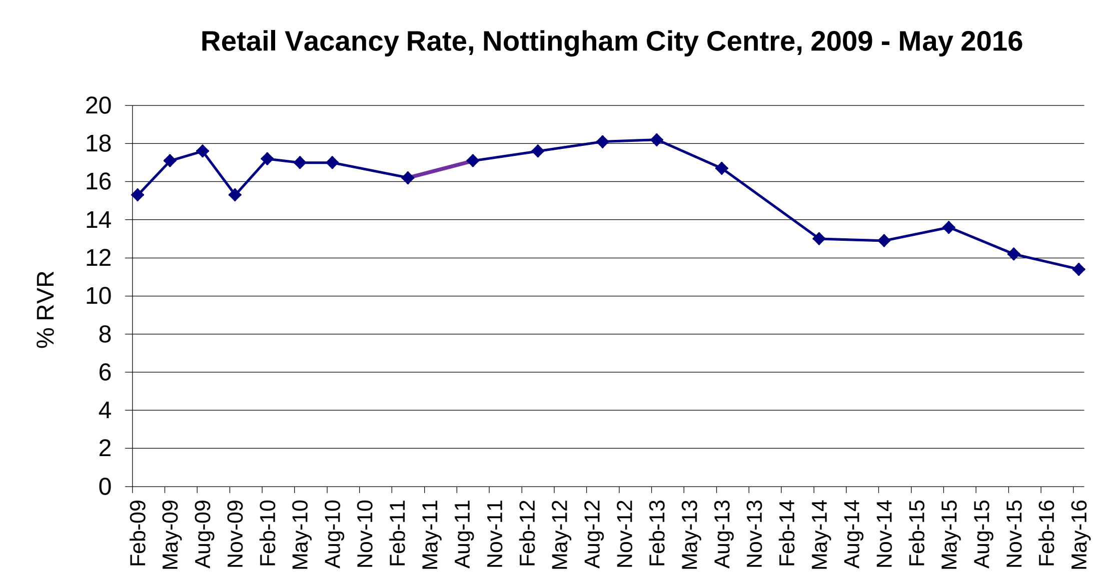
In May 2016, 1,414 retail units were surveyed and of these 1,253 (88.6%) were let (either occupied or awaiting occupancy). The remaining 161 were not currently let giving a Headline Retail Vacancy Rate of 11.4%.

However, property agents have confirmed that 36 of the vacant units surveyed were not available for occupancy, usually because they are either undergoing or awaiting redevelopment. Removing these units from the total figure gives us an Adjusted Vacancy Rate of 9.1%.

Total Units Surveyed		1,414	
Units Let		**1,253**	**88.6%**
of which..	Occupied	1,245	
	Awaiting Occupancy	8	
Units Un-Let (Vacant)		**161**	**11.4%**
of which..	Empty	109	
	Under Offer	16	
	Unavailable	36	
Un-let (excl. unavailable)		**125**	
Adjusted Vacancy Rate			**9.1%**

Source: Nottingham City Council

The chart below trends the Headline (unadjusted) Vacancy Rate since February 2009. The rate peaked in February 2013 and fell sharply thereafter before bottoming out during 2014. The downward trend then once again resumed with the May 2016 rate 2.2 percentage points below that recorded a year earlier. This trend suggests that the City's retail sector is performing quite well.



Source: Nottingham City Council

Survey Date	Feb-09	May -09	Aug-09	Nov-09	Feb-10	May-10	Aug-10	Mar-11	Sep-11	Mar-12	Sep-12	Feb-13	Aug-13	May -14	Nov -14	May -15	Nov - 15	May - 16
Vacancy Rate %	15.3	17.1	17.6	15.3	17.2	17.0	17.0	16.2	17.1	17.6	18.1	18.2	16.7	13.0	12.9	13.6	12.2	11.4

3. VACANT RETAIL UNIT STOCK – DURATION VACANT

Year Unit Became Vacant	No. of Vacant Units		
	May 2015	May 2016	Annual Change
2008	4	2	-2
2009	14	11	-3
2010	5	5	0
2011	15	15	0
2012	22	14	-8
2013	5	2	-3
2014	27	26	-1
2015	59	58	-1
2016	n/a	28	n/a

Source: Nottingham City Council

The above table shows how long the stock of vacant units in the May 2016 and May 2015 surveys had been vacant. The overall picture is a positive one when we compare these surveys - there has been no increase in the number of longer term vacant units and actually a small reduction in those which have not been let for over 6 years.

4. VACANT UNIT 'HOT SPOTS'

In the May 2016 survey, 33 retail locations (which may be streets, arcades, squares or shopping centres) were recorded as having one or more vacant units (excluding units under offer and unavailable, as no intervention can be applied here). This compares with 34 in May 2015.

The following table lists the retail locations which had more than 3 vacant retail units in the May 2016 and May 2015 surveys. Compared with the May 2015 survey we can see that one street saw no change in the number of vacancies, 7 had an increase in vacancies and 3 had fewer vacant units. The largest increase in vacant units was within the City's two major shopping Centres and the largest fall was recorded on Mansfield Road.

The increase in the number of vacant units within the Victoria Centre since May 2015 is because the refurbishment scheme has been completed and any vacant units are fully available for letting, rather than their previous classification as "under development" and unavailable for letting. It should be noted that there were 13 vacant units in the survey carried out in November 2015, and there has been an increase of 1 vacant unit in the last six months.

The decrease in vacant units on Mansfield Road since May 2015 is partly due to some changes in the area of the street which is included in the survey area, taking out units on the eastern side which are in office use and would never be available for retail, as well as some vacant units which have now been filled. It should also be noted that over the last six months there has been an increase of 1 vacant unit on Mansfield Road.

The Broadmarsh Centre actually has 29 units currently vacant, including those on Drury Walk and the 2 units fronting Middle Pavement, but 10 of the units are classified as "under development" due to the redevelopment scheme, and are therefore currently unavailable for long term letting, and 1 unit was awaiting occupancy at the time of the May 2016 survey, so the actual number of vacant available units is 18. On the positive side, since May 2015 a temporary pop-up letting has occupied 3 separate units on the upper mall.

An increase in vacant units on Bridlesmith Gate is a slight concern given this is the premier fashion street in the city centre, but positive that one of the longer term vacant units has now been filled.

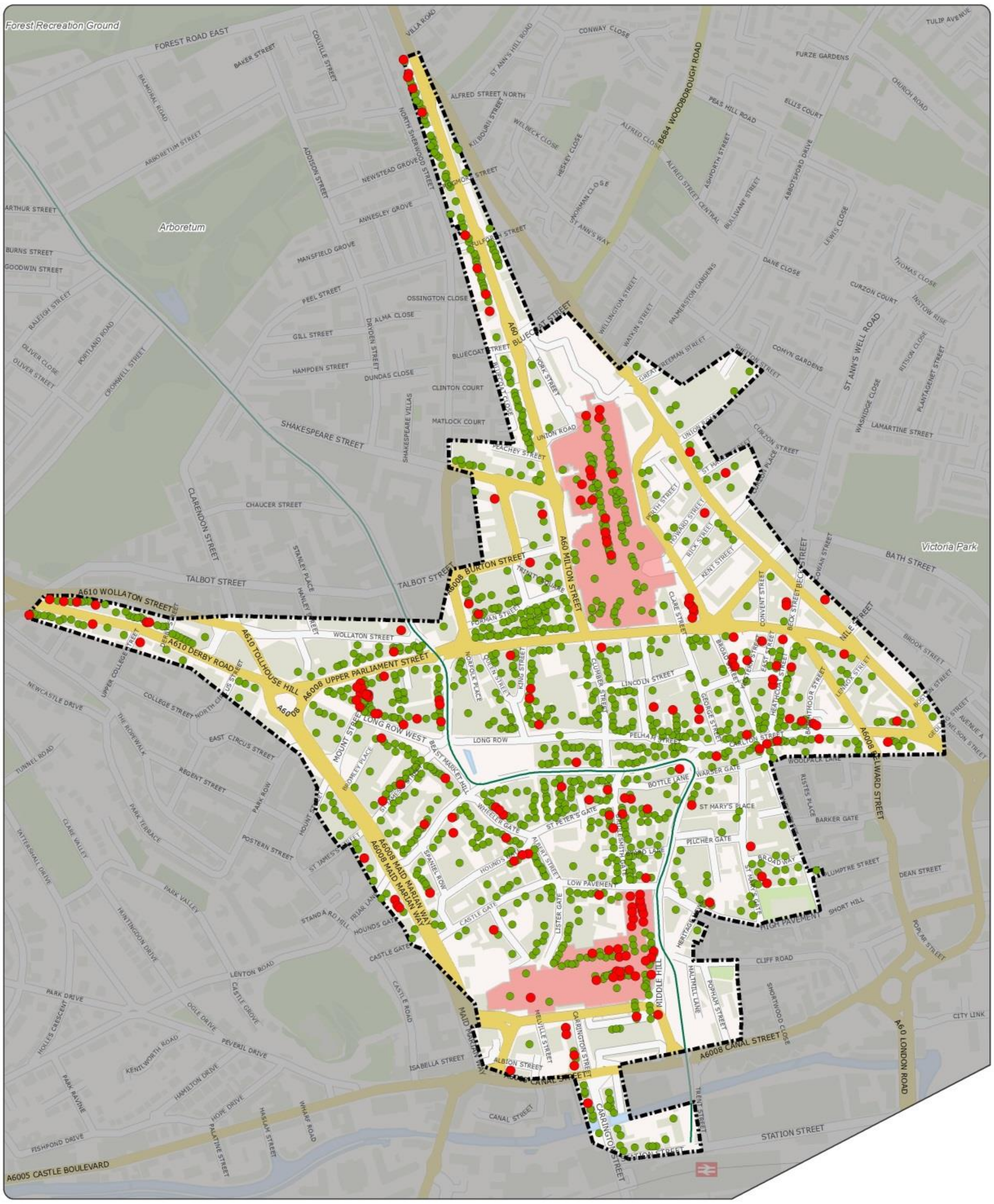
West End Arcade has seen an increase in vacant units since May 2015, however it is hoped that proposed improvements by the new landlord of the upper arcade will lead to vacant units being taken up.

A decrease in vacancy on Derby Road is also positive, with the remaining available vacant units being those which either require significant refurbishment or have difficult lease issues.

Street/Area	No. Vacancies May 2016	No. Vacancies May 2015	Annual difference	Comments
Broadmarsh Centre	18	10	8	Increased vacancies due to businesses moving out due to leases ending/prior to the refurbishment scheme.
Victoria Centre	14	6	8	Centre refurbishment now complete and units available for letting
Mansfield Road	10	20	-10	Decrease mainly due to exclusion of some units from survey as not retail, but also a couple of new lettings.
West End Arcade	9	6	3	New leasehold owner of upper arcade now in place and should help to address vacant units.
Goose Gate	5	3	2	Change due to one hairdresser relocating and ending of a temporary let.
Bridlesmith Gate	4	1	3	3 new units – Coast, Office and British Heart Foundation.
Long Row	4	4	0	There has been change within the year due to units under offer coming back on market, but no overall annual change.
Derby Road	3	6	-3	1 new letting – Room with a Brew - and 2 units under offer. Note there are 4 vacant units held for redevelopment/not lettable.
Hounds Gate	3	2	1	1 new unit – Earnshaw's Shoes.
Market Street	3	1	2	Increase due to 1 unit under offer now back on the market.
Upper Parliament Street	3	4	-1	Decrease due to 1 unit awaiting occupancy for barbers.

Source: Nottingham City Council

Distribution of Vacant Units in the City Centre - May 2016



Key

- Vacant Units
- Occupied Units
- INTU Broadmarsh and Victoria Centre Footprints
- Retail Survey Area May 2016

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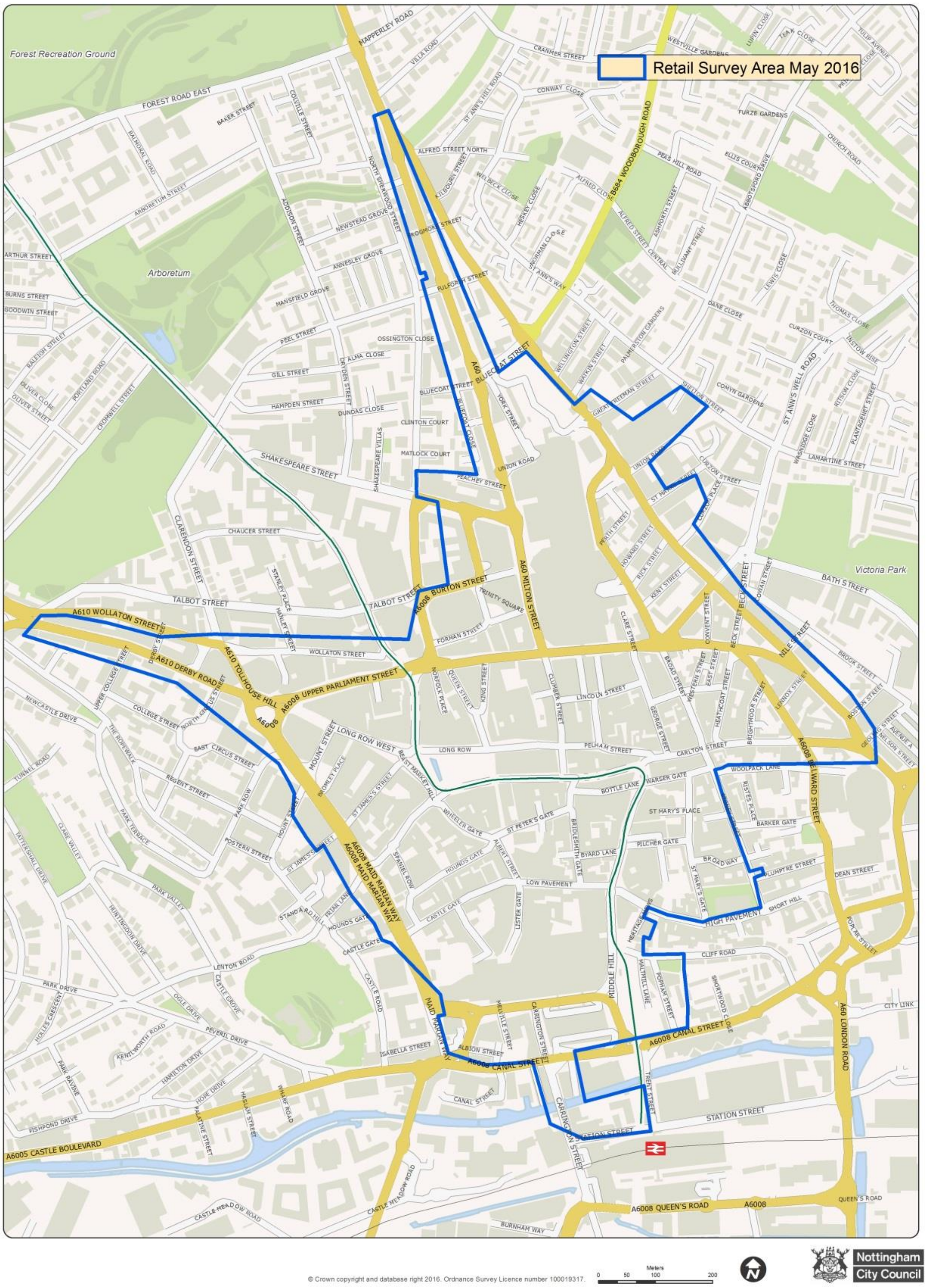
Appendix A: Nottingham City Centre Retail Survey Area



APPENDIX B: METHODOLOGY

Basis of Calculation

A	Total Retail Units Surveyed	1,414	A (= B + E)
B	Total Units Let	1,253	B (= C + D)
	Awaiting Occupancy	8	C
	Occupied	1,245	D
E	Total Units Un-let	161	E (= F + G + H)
	Vacant	109	F
	Under Offer	16	G
	Unavailable	36	H
UVR	Unadjusted (Headline) Vacancy Rate	11.4%	E/ A
AVR	Adjusted Vacancy Rate	9.1%	(F+G)/(A-H)

Source: Nottingham City Council

Retail Categories

Commercial, Community Services, Public / Village Hall / Other Community Facility
Commercial, Hotels, Boarding and Guest Houses, Holiday Let / Accommodation / Short-Term Let
Commercial, Hotels, Boarding and Guest Houses, Hotel / Motel
Commercial, Leisure, Amusements
Commercial, Leisure, Bingo Hall / Cinema / Conference / Exhibition Centre / Theatre / Concert Hall
Commercial, Leisure, Indoor / Outdoor Leisure / Sporting Activity/ Centre
Commercial, Leisure, Library
Commercial, Leisure, Museum / Gallery
Commercial, Medical, Dentist
Commercial, Medical, General Practice Surgery / Clinic
Commercial, Retail, Bank / Financial Service
Commercial, Retail, Other Licensed Premise / Vendor
Commercial, Retail, Public House / Bar / Nightclub
Commercial, Retail, Restaurant / Cafeteria
Commercial, Retail, Retail Service Agent
Commercial, Retail, Shop / Showroom

Property Status Definitions

Occupied	Trading on day of survey
Awaiting Occupancy	Not trading on day of survey but recently 'Let'. So awaiting occupancy or undergoing shop fit out.
Vacant	No business currently trading from unit
Under Offer	Vacant, lease pending
Unavailable	Removed from the market to undergo redevelopment / no longer a retail unit

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