



The new ghost towns on UK high streets

Towns that rely on a few big-name retailers to drive shopper footfall are being marred by voids as spiralling closures hammer trade. Ben Cooper visits some of the worst affected areas to assess the fallout

Shoppers up and down the UK need look no further than their local high street to witness the harrowing effects of this recession.

An exodus of the multiple retail brands, hoardings plastered over once thriving shopfronts and a glut of struggling independent retailers... all are symptomatic of how the downturn is affecting secondary and tertiary towns. Many are rapidly turning into retail ghost towns.

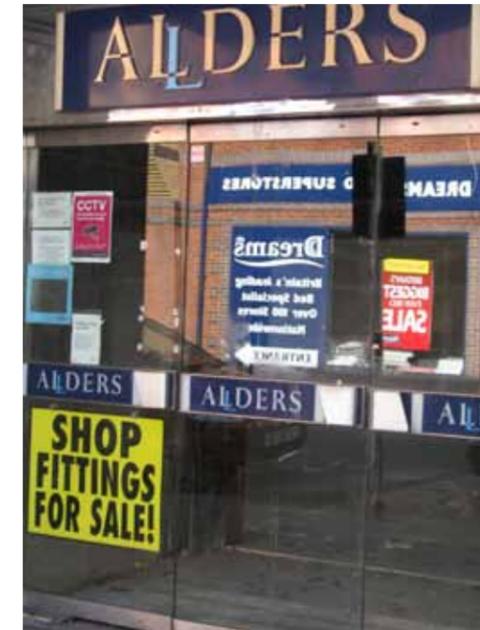
The disappearance of Woolworths, Zavvi and Principles to name just three has left a distinct hole in the retail landscape. The trouble is, it's a cyclical problem – as the major footfall-driving fascias such as Woolworths have started to disappear, the pulling power of many local towns decreases, next to no one is tempted to open a store there, and existing trade continues to spiral downwards. UK vacancy rates have

climbed from 7 per cent this time a year ago to 11.5 per cent last month.

"There are some big changes happening at the moment," says PricewaterhouseCoopers retail director Andrew Garbutt. "We're seeing secondary and tertiary high streets suffering in particular. They've really felt the pressure because of the loss of some of the big footfall drivers."

Experian director of property consultancy Jonathan De Mello warns: "It could become a vicious circle on the high streets with shoppers having less reason to go there because there are voids, and the rest of the shops suffering."

Experian has investigated more than 3,000 shopping locations in the UK, taking into account factors such as the presence of key retailers, multiple retailers and void rates. The resultant Retail Rankings provide the tell-tale



Big names such as Woolworths in Hertford, Rosebys and Alders in Camberley, and Sofa Workshop and Bay Trading in Barnet have all closed down

signs of places where the recession is hitting Britain's shops the hardest.

What does the future hold for our embattled high streets? Much depends on the state of the employment market. A further climb in unemployment figures – as is predicted – will further batter consumer confidence and leave the UK's high streets in an even more precarious state.

Furthermore, a polarisation of the UK's top high streets and those that are foundering is likely to become even more pronounced. CACI associate director of location strategy Nielsen Harrap says: "For retailers in secondary and tertiary high streets not only has the pie got smaller, their share has dropped even further. They've lost a bigger proportion." He adds: "We don't want to see secondary and tertiary high streets with small transitory retailers that just take temporary leases and we don't

want to see local high streets becoming little better than flea markets."

Importantly, though, it is not only the faltering economy that is to blame. Matthew Hopkinson, director of retail and leisure insight provider Local Data Company, believes that years of planning policy and retail strategy have had a profoundly negative effect on Britain's high streets. He says: "We've created this situation by trying to

encourage people to come away from core high streets and go to edge-of-town and out-of-town centres, and it gives people a reason not to go to the high street. In the past three years there's been a mass of property built away from the high street."

De Mello says Barnet is one such example. Many local residents are used to going to the nearby Brent Cross shopping centre to do their primary shop and doing their secondary shopping on Barnet's high street. That is changing. "People are making fewer trips but the ones they do take aren't on the high street," he says.

But, of course, the only way to assess the true state of retail in secondary and tertiary high streets is to pay them a visit. *Retail Week* took a trip to three of those 20 locations that have suffered the biggest rate of decline in the past 12 months. And, unfortu-

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nately, the picture is no less gloomy than the figures suggest.

Camberley, Surrey

Any visitor to Camberley will spot the town's first retail void within minutes of walking out of the train station.

Continue your stroll along the high street and it doesn't get much better. The town's vacancy rate is a staggering 43 per cent.

Two covered malls – linked to a high street that is about half a mile long – pretty much constitutes the town's shopping offer. It is home to several of the high street names you might expect; WHSmith, River Island, Sainsbury's, New Look, as well as a smattering of independents that vary in quality.

However, Camberley's retail offer has declined rapidly since the consumer spending downturn took hold. That's because it was home to no fewer than eight of the big multiples that have gone into administration; Woolworths, Zavvi, Rosebys, Principles, Priceless, Barratts, USC and Bay Trading.

Experian senior consultant Andrew Metherell explains: "Camberley has been hit badly by the administrations among the major chains. These were mainly located in The Mall shopping centre, while the Atrium development has struggled to fill its retail units since opening in 2008 despite several strong brands being present."

Local Data Company, which publishes regular updates on the state of every high street in Britain, says that between December last year and May of this year, 25 retailers have shut their doors in Camberley, 18 of which were multiple retailers.

As a result the town's void rate has shot up from 3.6 per cent at this point last year to 8.1 per cent in January. It now stands at 12.6 per cent, a staggering 350 per cent increase.

Camberley is a perfect example of what happens on a local level when national chains go bust – its high street just isn't strong enough to cope with the losses it has suffered.

As one local Sainsbury's customer service assistant says: "It used to be quite noisy and busy around here with people coming and going from Woolworths. Now it's dead."

Hertford

Hertford was home only to a handful of multiple retailers even before the downturn began. The collapse of its largest footfall driver – Woolworths – has created problems for retailers in this small home counties town.

As soon as you enter the town centre ►

TOP FIVE UK HIGH STREETS WITH THE MOST VOIDS

1 Gateshead, Newcastle	52%
2 Camberley, Surrey	43%
3 Walkden, Salford	40%
4 Dumbarton, Scotland	35%
5 Milford Haven, Pembrokeshire	30%

Source: Experian – The impact of the recession on UK high streets, June 2009



Experian ranks Hertford as the 10th most negatively affected town over the past year

“WE HARDLY HAVE ANY BIG MULTIPLES, IT’S ALL SMALL SHOPS AND PEOPLE ARE JUST KEEPING THEIR HEADS ABOVE WATER”

A store owner in Hertford

see how things are going to get any better for a while.”

With a population of 24,000, local residents are feeling the effects of the recession. One source says that the number of jobseekers paying visits to its Job Centre has doubled since December. The stark reality is that further economic decline and unemployment could mean that the town’s retail scene plummets even further.

Barnet

Step out of High Barnet tube station and you are greeted by a typically uninspiring north London main road. Curry houses, kebab shops, a Domino’s Pizza and several corner shops sit among a number of vacant stores. Trudge further up the hill and you pass more of the same for half a mile or so.

Barnet is one of the unfortunate joint leaders in Experian’s league of the most adversely affected UK high streets. While its vacancy rate of 13 per cent is only a little above the national average, it is among the centres to have lost the most retailers to administration in the past year. Most of the retailers to have gone bust are the small independents towards the bottom of the high street.

Further up is The Spires shopping centre at the more upmarket end of the high street. An inviting and well-let scheme, retailers inside this development include Waitrose, New Look, Monsoon, La Senza and Waterstone’s, all seemingly insulated from the downturn affecting High Barnet. There are fewer voids here, the most notable being Sofa Workshop, which is directly opposite the entrance to the centre and Bay Trading inside.

Unfortunately, the presence of this comparatively buoyant shopping centre is making things worse for retailers on Barnet’s high street. The further away from the centre, the poorer the offer. It is make or break for those outside the safe confines of The Spires’ four walls.

Streets behind

A worrying number of towns in the country are now in a downward spiral. The biggest danger is that when the economy does start to recover, the prime pitches will be the first to benefit and the secondary and tertiary streets will be left behind.

De Mello says: “We’re already seeing signs of recovery in the prime centres.” This is good news for the strong areas where things are looking more positive, but for retailers struggling for survival in places such as Camberley, a protracted economic recovery could prove too much for many.

and walk along Maidenhead Street, vacant stores crop up with alarming regularity. Jason Hemington opened his general merchandise retail business – yet to be named after three days of trading – in the former Woolworths store two weeks ago. “Local people tell me that they’ve noticed things are worse around here since Woolworths closed down,” he says. “We’re hoping trade will pick up now that we’re open.”

Hertford’s shopping offer can be covered on foot in a 20-minute walk. Aside from the selection of charity shops, there is an abundance of independent retailers. Many might assume this is a good thing, but the quality of the offer – from downmarket fashion stores to tatty gift shops – is woefully lacking. The few multiples that do exist include Monsoon, Waitrose, Boots and WHSmith, New Look and QS, and they are all clustered together in one small development called Bircherley Green.

Experian ranks Hertford as the 10th worst affected town over the past year (see table), falling eight places in the retail rankings in 12 months.

Metherell explains: “Hertford does not have the critical mass of retail or a major shopping scheme that could help insulate the town centre from the effects of the credit crunch, despite a reasonably strong upmarket catering and convenience offer, and one or two upmarket retail brands.”

One store owner who has run a shop

in Hertford for 30 years says: “I definitely think trade has been affected. We hardly have any big multiples, it’s all small shops and people are just keeping their heads above water. I can’t

THE 20 HIGH STREETS WITH BIGGEST RISE IN VOIDS

Centre	2009 rank	2008 rank	Change in rank
Barnet	382	372	-10
Gorleston	544	534	-10
Dagenham	624	614	-10
Salford	316	307	-9
Redcar	384	375	-9
Cramlington	449	440	-9
Blyth	496	487	-9
Trowbridge	229	221	-8
Edgware	400	392	-8
Hertford	501	493	-8
West Ealing	515	507	-8
Clydebank	187	180	-7
Rochdale	211	204	-7
Stretford	234	227	-7
Dunstable	344	337	-7
Elgin	206	200	-6
Rotherham	228	222	-6
Penzance	271	265	-6
Kilmarnock	319	313	-6
Letchworth	365	359	-6

Source: Experian – The impact of the recession on UK high streets, June 2009