

REPORT TO: PLACE SCRUTINY COMMITTEE
Date of Meeting: 12 June 2017
Report of: Economy & Enterprise Manager
Title: Pop-Up Shop Space in Exeter

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive Function.

1. What is the report about?

- 1.1 To update Place Scrutiny Committee on the pop-up shop landscape within Exeter.

2. Recommendations:

Place Scrutiny Committee supports the following:-

- 2.1 promotion of the pop-up shop opportunities across the city through the Exeter Commercial Property Register and through social media;
- 2.2 development of a business case to introduce additional incubator spaces in Exeter in consultation with City Development and Corporate Estates, to provide opportunities for new office, workspace, retail and food & drink; and
- 2.3 research opportunities in developing a Teenage Market in Exeter.

3. Reasons for the recommendation:

- 3.1 To promote opportunities within Exeter, and to encourage and support new business start-ups within Exeter.

4. What are the resource implications including non financial resources:

- 4.1 Recommendations will be delivered through existing resources through Growth & Enterprise officers and budget.

5. Section 151 Officer comments:

- 5.1 There are no additional financial implications arising from this report. Any business case for additional incubator spaces will be considered prior to it being presented to Members. If there are negative financial implications arising from the proposal, savings will be required to deliver the project.

6. What are the legal aspects?

- 6.1 None identified in this report

7. Monitoring officer Comments

- 7.1 This report raises no issues to concern the Monitoring Officer.

8. Background

- 8.1 Over the previous three years, Corporate Estates have provided a number of vacant units on South Street and Sidwell Street as a pop-up shop. Due to the high level demand and at times 100% occupancy levels for these units, providing a vacant unit for a period of time has provided difficult, as a result, sign ups have been limited over the previous two years.
- 8.2 This high level of demand for city centre units will continue due to a number of retailers requiring space elsewhere within the city as a result of the Princesshay Leisure, the bus station and St Sidwell's Point development on Paris Street.
- 8.3 Over the previous 12 months the following have taken space within Exeter City Council pop-up space:
- A local theatre has used a number of pop-up spaces for rehearsal space
 - A local charity signed up for a pop up shop for 12 months until the unit was leased, they subsequently relocated to an alternative pop-up unit
 - A local art group used a pop-up unit for an exhibition
 - An local event used a pop-up unit for an exhibition
 - A local clothing retailer was provided with space, whilst their permanent unit was undergoing essential repairs

9. Pop-Up shops and spaces in Exeter

- 9.1 There are a number of public and private sector organisations based within the city that provide pop-up shop space for the short and medium term, which are listed below:

Exeter City Council Corporate Property

Pop up shop space is made available when there is vacant units on South Street, Sidwell Street, Fore Street and Cowick Street.

Guildhall Shopping Centre

When a retail unit is vacated and contracts are being negotiated with a new tenant, pop-up space is made available for a short term let. Food producers can also request space within the street food market, which is held Thursday, Friday, Saturday and Sunday around St Pancras Church.

Debenhams

No current policy on pop-up shops.

House of Fraser

No current policy on pop-up shops.

Exeter College

No policy or space allocated for pop-up shops.

John Lewis

No current policy on pop-up shops, these are negotiated centrally for the John Lewis portfolio.

Princesshay

No policy on pop-up shops.

9.2 Markets

A great way to test the local market for the viability of an idea or product is through a market. There are a variety of markets held across the city, which either focus on food and drink, local arts and crafts, Christmas or general sales. The market organiser is able to provide pitches for short periods of time or for a longer period for those that are ready to trade. Markets in Exeter include:

- Exeter Farmers Market
- Sidwell Street Market
- Matford Sunday Market & Car Boot Sale
- Exeter Street Food (Quayside, Piazza Terracina and Southernhay)
- Inside Outside Craft Market
- Unique Boutique
- Christmas Markets
- Topsham Saturday Market

9.3 There is the potential to attract young people into the city centre and to support creative young adults. The Teenage Market <https://theteenagemarket.co.uk> gives young people a platform to showcase their creative talents. As well as a creative retail offer, an important part of the Teenage Market is performance. Young bands, dancers, musicians or stand-up comedians are invited to perform at the Teenage Market to provide young performers with an opportunity to showcase their creative talents.

9.4 The Teenage Market is a specialist market with live performance that creates a thriving and bustling event which will succeed in attracting a new generation of shoppers and visitors (young adults) into the city.

10. Pop-Up Shop Retail Economy Research

In 2015 The Centre for Economic and Business Research published a report on the pop-up economy – “Britain’s Pop-Up Retail Economy 2015”. The report has highlighted some interesting facts relevant to the sector and Exeter.

10.1 The research found that Pop-up shops remain a small segment of the overall retail sector. However, the growth in both the share of consumers visiting pop-ups and the overall spend in these outlets indicates that the pop-up sector will continue to flourish.

10.2 The main points from the research to highlight include:

- Total turnover of the sector grew by 12.3% comparing 2014 to 2015
- There are approximately 10,500 pop-up shops across the UK, employing 26,200 people
- 44% of consumers visited a pop-up shop in 2015
- The largest proportion of consumers who visit pop-up shops are located in the South West (51%), followed by London (49%)
- The average annual spend of a pop-up shop visitor is £123.50
- The 25-34 year old group shows the biggest increase in visits to pop-up shops, this is also the group with the highest spend per annum at £162

- Pop-up retailers are broadening out into more established retail outlets, both on the High Street and online
- A number of successful ventures transition into established retailers with a permanent location on the High Street
- It was found that the main reason given for visiting a pop-up shop was the ability to purchase unique goods while supporting local businesses
- Whilst the value of pop-up retail sales increased by 12.3% over the past year, the value of total UK retail sales increased by just 1.1%. This implies that the pop-up retail sector is growing at a considerably faster rate than the overall retail sector

10.3 The growing costs required to secure a suitable location to trade has the potential to dent the innovation being created in the pop-up sector. One of the benefits of pop-up shops is that it has provided opportunistic entrepreneurs the opportunity to build a strong platform from which to attract further investment. Exeter City Council could play an important role in driving innovation within the local retail sector, due to the premises we own within the city centre and our neighbourhoods and the type of business support and advice provided to businesses within our premises.

10.4 Finding the perfect location is a key pillar for the success of a pop-up venture. Ideal locations combine high levels of footfall with landlords willing to offer short-term leases to businesses looking to occupy space. Exeter City Council will continue to provide pop up shops within the retail units it owns, providing a permanent tenant cannot be secured.

10.5 Like any businesses today, getting access to fast and reliable internet connection can be a challenge, especially in pop-up shops. Given the growing importance of point-to-point sales devices and real-time consumer promotion through social media, internet connection is an increasingly important element of any successful pop-up.

10.6 Card payments are expected to overtake cash within the next decade, it is becoming increasingly important for landlords to secure superfast broadband for their building and for pop-up shops to put in place point of sale systems in order to allow customers to purchase using debit and credit cards.

11. Proposal

11.1 Considering the high level of demand for small retail units in Exeter and the lack of available small scale commercial units on a short term let, it is proposed to continue with providing pop-up units within the Exeter City Council Corporate Estates portfolio and promote these as and when they become available. Space provided through Markets & Halls and other private sector providers within Exeter will also be promoted within the Exeter Commercial Property Register and through social media.

11.2 The Exeter Commercial Property Register (<https://cpr.exeter.gov.uk/>), which is managed by Exeter City Council, lists available sites and spaces within Exeter. As of May 2017 there were 17 retail listings, 6 for restaurants / pubs and 41 for office accommodation all within the size of a shipping container – approx. 160sqft. Some of these vacant sites and spaces are located within the city centre, some in neighbourhoods and some on the city boundary with

some located in locations not ideal for business. The majority of commercial units in Exeter are not let short term – a big barrier for pop-up shops.

- 11.3 In the first five months of 2017, the Commercial Property Register has received 367 requests/searches for office, retail and pubs & restaurants in Exeter 0-1000sq ft. This indicates a continued demand for space within Exeter for small scale office accommodation, workspace, retail and food & drink.
- 11.4 Considering the limited availability of small and flexible office and workspace units within Exeter, it is proposed to research opportunities around developing additional incubator spaces in Exeter.
- 11.5 Considering the growth in the number of markets held in Exeter over the previous five years, it is also proposed to investigate the potential of Exeter hosting The Teenage Market.

12. How does the decision contribute to the Council's Corporate Plan?

- 12.1 Projects and initiatives listed within this committee report are aimed at getting people into employment and or training, and to provide a platform for economic growth, it also fits within the mission statement of Exeter City Council:

“We will enhance Exeter as the regional capital working with our partners to improve the quality of life for all people living, working in and visiting the city”.

Projects also tie into the purposes of:

- A stronger city
- Provide great things to see and do
- Help me run a successful business
- Deliver good development

13. What risks are there and how can they be reduced?

- 13.1 There is limited risk arising from this committee report, as its recommendation is researching options for future projects.

14. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults; economy; safety and the environment?

- 14.1 Proposals referred to within this report will benefit a wide range of communities, with some initiatives directed towards improving opportunities for young people, people with little or no income and in improving the economy overall.

15. Are there any other options?

- 15.1 There is the option of ‘do nothing’, but this may hinder new business start-ups and supporting growth within Exeter.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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