EXETER CITY COUNCIL

SCRUTINY COMMITTEE ECONOMY
10 MARCH 2011

CITY CENTRE PERFORMANCE UPDATE

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to brief members on current city centre performance levels, with updates on retail unit vacancy rates, car park statistics, retail sales information and pedestrian footfall.

2.0 RETAIL UNIT VACANCY RATES

2.1 The latest full retail units vacancy survey was undertaken in January 2011 and the survey makes encouraging reading, with the lowest number of vacant retail units in the City Centre since August 2008. A summary of survey figures is set out at ***Appendix 1***. It should be noted that 5 of the 16 areas surveyed had no vacancies and 12 of the 16 areas surveyed showed vacancy rates either remaining static or reducing since October 2010. In January 2011 there were a total of 38 vacant retail units in the City Centre – out of a total of 622 units (6.11% vacancy rate). It is worth noting that the current national average vacancy rate is running at approximately 14%. A number of City Centre retailers currently trading can be identified as 'at risk' of closure, but it is not anticipated that the risk of significant post Christmas store closures is as high as in 2009 and 2010. Further significant points arising from the vacancy survey are set out in paragraphs 2.2 to 2.5 below.

2.2 **Fore Street**. The majority of vacancies are within the two arcades. The loss of Pasta Porto represented a setback to progress on broadening-out the appeal of the Fore Street 'evening economy' offer.

2.3 **High Street**. The number of vacant units within the High Street is shown at 3 within the latest survey (although with the recent loss of Fopp this has now increased to 4). This is a significant drop from the corresponding survey figure from the beginning of 2010, when the number of vacant units stood at 10.

2.4 **Guildhall Shopping Centre**. There is currently only 1 vacant unit in Guildhall Shopping Centre, last achieved in November 2009. Interest is being expressed by a number of potential tenants in the former Sands (previously Coffee Plus) unit.

2.5 **Sidwell Street**. The retail unit vacancy rate remains stubbornly high in Sidwell Street, with 8 units currently vacant. It is anticipated that the arrival of the John Lewis at Home store in the autumn of this year will have a beneficial impact on the trading position in this part of the City Centre.

2.6 **Local Data Company**. It should be flagged that in the report published by the Local Data Company during week beginning 14 February ('Terminal Illness or Gradual Decline – A review of GB shop vacancy in 2010'), the vacancy rate quoted for Exeter is significantly higher than the figures reported above. The LDC give a vacancy rate for Exeter of 14.3%. It is understood that the area surveyed by the LDC extends significantly beyond the City Centre area that would be immediately recognisable by most city visitors, shoppers residents and businesses. The LDA figures have been directly challenged by the City Centre Manager.

3.0 CAR PARK DATA

3.1 Comparative **City Council** car park data (ticket sales data) is set out at ***Appendix 2***. Data is shown for the quarters ending September and December 2009 & 2010 and for January 2010 & 2011.

3.2 The quarters ending September 2009 and September 2010 show a broadly static performance.

3.3 A significant drop in ticket sales is shown between the quarters ending December 2009 and December 2010. This is due to two key factors – King William Street car park refurbishment work (delivered between September and November 2010) and significant snowfall in December (which closed a number of car parks during what would have been expected to be the peak pre-Christmas trading period).

3.4 January 2011 car park ticket sales were very positive – marking a significant uplift over January 2010.

4.0 RETAIL SALES DATA

4.1 Retail sales data is monitored on an on-going basis, both formally and informally.

4.2 Dialogue with the Guildhall and Princesshay Centre Management teams and retail store managers indicates that November sales showed year-on-year increases of up to 10%, December sales slowed considerably (with year-on-year comparative figures dropping by up to -7%) and January sales showing significant year-on-year growth of 10%.

5.0 FOOTFALL MONITORING

5.1 Footfall data is included within this report from the Guildhall Shopping Centre, providing a broad indication of footfall within the wider City Centre.

5.2 November 2010 footfall was 2.4% up on 2009 (with the national footfall benchmark figure showing a drop of 2.2%), December 2010 footfall was 3.5% down (with the national benchmark figure showing a drop of 3.1%) and January 2011 footfall was 8.4% up (with the national benchmark figure showing an increase of 1.8%). It is worth noting that during the final week of December (week 52), Guildhall Shopping Centre footfall was up by 8.3%, with the national benchmark figure showing an increase of only 1.5%.

5.3 Footfall data would seem to support the broad message that ‘early’ Christmas trade was encouraging – with cold weather and heavy snowfalls causing significant drops in footfall figures in December. In turn, sales period and January footfall has been very encouraging and has provided a very sound platform for 2011.

6.0 CONCLUSION

6.1 Key data set out above provides a snapshot indicator of recent city centre performance.

6.2 The current economic climate remains challenging, however current analysis of key performance indicators in Exeter and informal feedback from City Centre retailers is relatively encouraging. It has been consistently argued that Exeter is better prepared to deal with the challenging economic climate than many places and that this is a direct result of the significant levels of City Centre investment and effective partnership working delivered over recent years.

6.3 There are, however, no grounds for complacency, with the economic picture often confusing, contradictory and fast changing. Securing continued investment and maintaining the process of city centre change and renewal – a process that would be underpinned through the securing of an Exeter Business Improvement District – will be vital if we are to maintain the broadly successful performance of city centre businesses.

6.4 Analysis of performance will be undertaken on an on-going basis and reported to Economy Scrutiny Committee as appropriate.

7.0 RECOMMENDATION

7.1 That Members note and comment on the performance update.

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ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:
None