



Listening Learning Leading



Retail Vacancy Survey

January 2017

Henley-on-Thames, Thame and Wallingford



INTRODUCTION

The South Oxfordshire District Council Corporate Plan 2016-2020 outlines a commitment to support the local economy with the strategic objective to “create the right conditions for economic growth, so that businesses, residents and workers can prosper” and “to optimize employment opportunities” and the corporate priority to, “seek to support the market towns as places to visit and places to live”.

To achieve this, the council’s economic development team partners with the Henley-on-Thames, Thame and Wallingford town teams to monitor the retail vacancy levels in the town centres. Based on seven years of comparable data, this report discusses the trends in the vacancy levels of retail units in the three market towns.

The average retail vacancy rate across South Oxfordshire’s market towns of Henley-on-Thames, Thame and Wallingford was 4.9 per cent in January 2017, 1 per cent higher than the previous year. This is well below the national average of 11 per cent in January 2017, as recorded by The Local Data Company (LDC). This demonstrates that the work of the council and the towns is contributing to the vibrancy, sustainability and inclusiveness of our town centres.

METHODOLOGY

This report uses data from the LDC and surveys collated by council officers checking the status of retail units against the previously recorded property information. The historical trending and vacancy rates are discussed in the context of national trends, district-wide issues and the initiatives delivered in the towns.

This report is the seventh in an annual series of retail vacancy survey reports in South Oxfordshire. The retail vacancy survey is a snap-shot, recording the number and size of retail units, noting whether they are occupied or vacant on a particular day in January. Retail units include convenience, comparison and service (which include cafés, restaurants, bars and business services). The status can change the day after the survey has been carried out, therefore it is important that the survey is undertaken annually so that changes and trends can be identified. By using the same methodology year on year, changes and trends can be identified easily. There is now seven years’ of comparable data.

BACKGROUND - THE UK RETAIL ENVIRONMENT

The global recession hit the UK in 2008: from the peak in quarter one 2008 to the trough in quarter two 2009, the economy shrank by 6.3 per cent. Gross domestic product fell by 1.5 per cent in the last three months of 2008, accelerating business closures and unemployment.¹

At this time the South market towns experienced high levels of vacant retail properties. In response to this economic downturn, the council implemented a strategy to partner with town councils to 'future proof' the high streets. The strategy, based on the Mary Portas 'Town Team Initiative', included a targeted injection of funding for the development of initiatives to make towns sustainable and vibrant. The strategy has been successful, with fewer vacant retail properties across all three towns and many businesses continuing to operate through the recession.

The 2016 LDC Retail Health and Trends report suggests that 2017 will be an ideal time for town partnerships to review their strategies and refine them to ensure the vibrancy and sustainability of the towns:

"In 2017 Brexit will begin to show challenges through our currency and supply chain which may cause retailers and food industries distress ... town partnerships should use the opportunity to understand the local micro-economy, demographic and strengthen their unique selling point to residents, workers and visitors to encourage financial support in the local towns"².

During 2017 the council's economic development team will continue to support the market towns to develop and deliver initiatives that foster the unique retail offer in each town, while encouraging local spending. The growing number of independent retailers in the market towns contributes greatly to the unique shopping experience.

Retail vacancy rate fell to its lowest level since peaking in 2010, according to research carried out in February 2017 by LDC³. Their shop vacancy index is based on vacancy rates of the top 650 town centres.

¹ ONS. Statistical Bulletin: Gross domestic product preliminary estimate April to June 2016, (Accessed Oct 2016) <http://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/grossdomesticproductpreliminaryestimate/aprtojune2016>

² M Hopkinson. LDC, 2016. 'Summarised findings from the 2016 Retail Health and Trends Report', (Accessed Oct 2016) <https://www.youtube.com/watch?v=DfiGmHRJpnE>

³ <https://www.insidermedia.com/insider/national/retail-vacancy-rate-falls-ldc>

LDC commented that shop numbers in January maintained the trend established in late 2016 by "continuing to recover ground lost in the mid-2016 slump". Leisure vacancy rate was shown to be down to 8.1 per cent, while the total vacancy rate, which includes retail and leisure, also fell to a new low of 11 per cent.

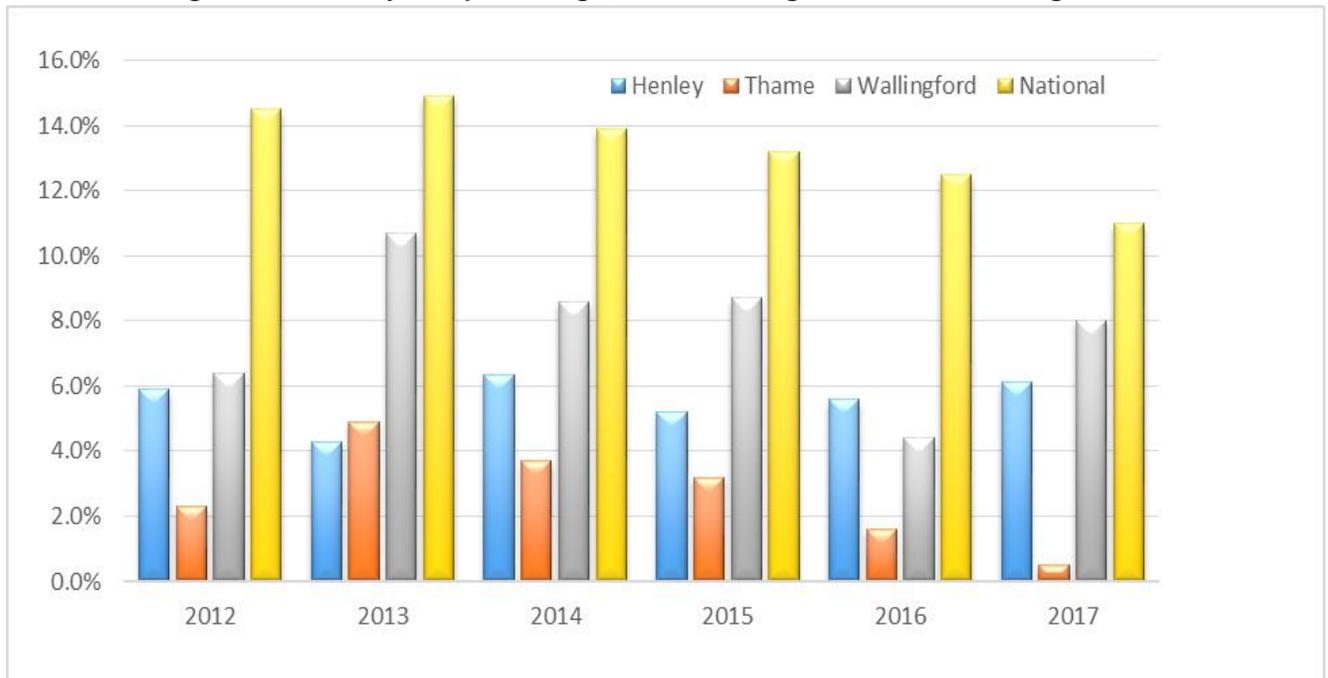
Matthew Hopkinson, director at LDC, said: "The January data shows some optimism for what is happening on Britain's high streets. Shop openings are subdued but stable, but the rate of shop closures is dropping. The result is an encouraging beginning to a reversal of the net loss of retailers that we saw in the middle of 2016." He added: "One to watch is the leisure market which continues to open more outlets than the others combined and recent news suggests that this bubble is certainly deflating and may yet burst in 2017."

The leisure market, which includes food and drink offerings, is a very fast growing market nationally with many chain operators expanding rapidly. In South Oxfordshire however the picture is slightly different. In the last year Wallingford has seen a café and pop up microbrewery open, Henley saw Spoon open in the old Huddledays Cookshop premises, and Thame has not had any new leisure openings.

SOUTH OXFORDSHIRE

Retail vacancy rates in South Oxfordshire are much lower than the national average, and have been consistently better for the previous five years. Chart 1 provides an overview of the vacancy rates in each town compared with the national average.

Chart 1: Average retail vacancy rate percentage, 2012 - 2017 against national average



The 2017 average vacancy rate across the South towns is 4.9 per cent (up from 3.9 per cent), with Henley-on-Thames at 6.1 per cent (up from 5.6 per cent), Thame at 0.5 per cent (down from 1.6 per cent) and Wallingford at eight per cent (up from 4.4 per cent). This is testament to the efforts of the market towns and the council. The challenge going forward is to deliver policies and initiatives responsive to the changing consumer needs.

With the support of the council and the town councils, all three market towns have a coordinator or manager who is responsible for leading a coordinated approach to developing the economy and vitality of the town centre. In consultation with representatives from the district and town councils, and relevant business partnerships, each coordinator develops an annual action plan that identifies projects that will deliver economic benefit to the town centre. These action plans are vital to ensure a coordinated approach to managing retail vacancy rates. In 2017 the council's economic development team will continue to work with the market town coordinators/managers to deliver the projects in the action plans.

HENLEY-ON-THAMES

In January 2017 there were 278 town centre retail businesses with 17 vacant units. Over the last 12 months, Henley-on-Thames has welcomed 15 new businesses, four of these taking over vacant premises. Of the 11 vacant premises in 2016, four have been converted into residential dwellings and seven remain vacant. The turnover of premises is consistent with previous years in Henley and whilst units are vacant there are not many long term vacant units.

The make-up of businesses is still diverse in Henley, with a good mix of independent and chain retailers. Since the last survey a major chain, JoJo Maman Bebe has moved into a prime position on the corner of the Market Place. Benson's Beds has a presence in the town as their parent group refitted the shop containing their now defunct Cargo brand.

There was a change of use in Duke Street as permission was granted to convert Huddledays Cookshop into a café (Spoon). This will add to the growing café culture in the town and help to draw visitors into the town centre during festivals. It also reflects the changing nature of the high street nationally to combine leisure uses alongside retail.

A number of initiatives aimed at improving the economy of the town centre have been introduced over the last 12 months. Projects include supporting the full calendar of festivals that take place throughout the year, and ensuring the organisers are promoting the town centre effectively. Other initiatives include improving signage to channel shoppers into less well used areas, and exploiting Henley's historical and heritage attractions. Henley's retail and hospitality forum has been established, with numbers growing as stakeholders see the benefits of being involved on shaping town centre promotions, events and initiatives.

If you are interested in setting up business in Henley-on-Thames, or would like to know more about the town's projects, please contact the Henley Town Centre Manager, Helen Barnett (h.barnett@henleytowncouncil.gov.uk).

THAME

There are 194 commercial premises in Thame town centre with only one vacant unit, a decrease from one per cent in 2016, to 0.5 per cent in 2017. Thame is now just over 10 per cent less than the national average. Over the last 12 months, Thame has welcomed

eight new businesses, all of these taking over premises that were already occupied. The two vacant shops from 2016 have been demolished.

Thame has a thriving independent sector with only one of the eight new shops opening in the last year being a chain, Fat Face taking over the Cargo branded shop.

The only vacant premises is located on the edge of High Street, where a baby clothing and accessories shop closed due to relocation. Planning permission was recently refused to turn this premise into a house. It is anticipated that another shop will open soon and Thame will have zero vacancy again.

Thame featured in the 2016 Great British High Street competition, finishing as runner up in the Small Market Town category. Local market trader Chris Hurdman was also named as one of the top three in the Retail Market Champion category. The competition saw a record 900 entries across 14 categories, with the public given the chance to vote online for their favourites.

Support for this and other projects, such as the Small Business Saturday event, was aided by Thame's new Market Town Coordinator, Becky Reid. The 2017-2018 action plan focuses on five main priorities: business engagement and support; tourism and markets; infrastructure; and infrastructure. Working in partnership with 21st Century Thame, Thame Centre First and Thame Markets, the Market Town Coordinator will deliver the action plan projects that aim to maintain Thame's vitality and strong high street economy. If you are interested in setting up business in Thame, or would like to know more about the town's projects, please contact Becky Reid (becky.reid@thametowncouncil.gov.uk).

WALLINGFORD

There are 137 town centre retail units in Wallingford with 11 empty shops, a vacancy rate of eight per cent, which is a 4.6 per cent increase from 2016. This can be attributed to a number of redevelopments in the town centre, including a major renovation of the Pettits department store and the former Waitrose store. Wallingford is still three per cent lower than the national average, and it is expected that this will drop significantly as the new town centre takes shape.

Wallingford's independent sector is strong with all of the new shops being independents. One new independent is Sew Very Vintage, previously a pop up shop which became so successful they have taken on a permanent unit that was empty. Another pop up, The Music Box, has also taken on permanent premises in the town. Of the two shops they have vacated, one has been filled by The Keep, a wine bar. The

third pop up shop is occupied by All About Wool. Another pop up shop, Harta, offered an eclectic mix of furniture and home décor. After opening for a successful six weeks at the end of 2016, Harta has developed their brand and customer base and now opened an online store. The benefit of a pop up shop scheme is the ability to test the market demand with a limited financial and resource commitment. The pop up shop scheme has not only given a fresh feel to the high street but provided a good incubator for new innovative retail concepts and businesses in Wallingford.

In February 2017 the Old Post Office was refurbished with a new bar and restaurant space. The refurbishment saw an additional six staff being employed and the installation of a new wood-fired pizza oven. The revitalized Old Post Office greatly enhances the Wallingford night time economy, and supports local businesses by using local and regional suppliers.

If you are interested in setting up in business in Wallingford, please contact Claire Blacker, Wallingford Market Town Coordinator (claire.blacker@southandvale.gov.uk).

CONCLUSION

Towns in South Oxfordshire continue to thrive, with low vacancy levels compared to the national average, and anecdotal reports that shops are normally empty only for a very short time. This is impressive when compared with towns in other parts of the country that are struggling with high numbers of empty shops. The retail vacancy rate across the three South towns is 4.9 per cent, more than six per cent less than the national average of 11 per cent.

Thame has continued to reduce the number of empty shops year-on-year, with almost 100 per cent occupancy. Wallingford's vacancy has increased slightly although the rate is still below the 2015 level. The vacancy rate in Henley has remained relatively stable for the last six years, the challenge is to reduce this. All three towns continue to attract new businesses, and have high levels of independent retailers, which attract shoppers to the town centre where too many chain type retailers can persuade customers to look elsewhere or online.

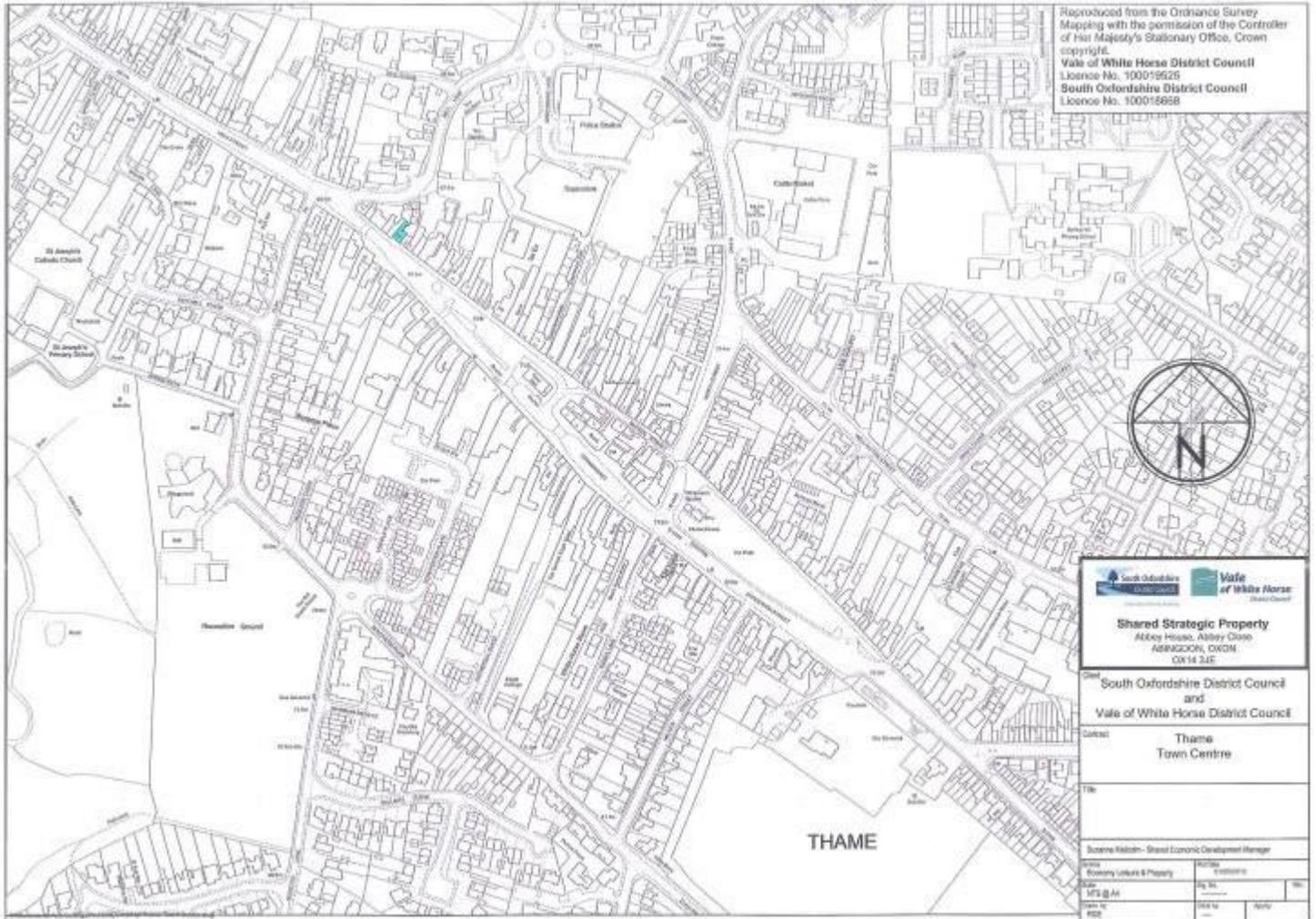
In the coming year, the council's economic development team, through SO Business, will continue to promote retail opportunities in our market towns with the aim of keeping retail vacancy rates below the national average. If you are interested in learning about business opportunities in South Oxfordshire, please contact economic.development@southandvale.gov.uk.

APPENDIX 1: TOWN CENTRE MAPS SHOWING THE LOCATION OF VACANT UNITS

Henley-on-Thames



Thame



Wallingford

