



A cross UK view of total
vacancy rates

A breakdown of vacancies by
both country & region

A split of vacancy trends by
type & length of vacancy

BRC-LDC VACANCIES MONITOR

**PERIOD COVERED:
Q4 2022 (OCT-DEC)**

Press commentary



“While the number of empty stores reduced in the final quarter of 2022, vacancy rates have not recovered to pre-pandemic levels. Retail occupancy was boosted by the return of international tourists visiting UK towns and cities and more frequent visits to offices. These trends have given many retailers the confidence to invest in repurposing and reopening empty units. The North East, in particular, has benefitted from this investment boost, with the region seeing the biggest increase in store openings. However, it still lags behind other parts of the UK, with the highest vacancy rate in the country.

“The first half of 2023 will likely be yet another challenging time for retailers and their customers. There are few signs that retailers’ input costs will ease, putting further pressure on margins, and making businesses think twice on how much investment to make. However, the situation should improve in the second half of the year, as inflationary pressures begin to ease and consumer confidence is expected to return.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“With vacancy rates being such a good barometer of the overall health of the physical retail and leisure landscape, it’s really positive to see the number of empty units at a GB level continuing to fall since they peaked mid-pandemic. Retail parks continue to outperform other location types which is perhaps an indication that some of those shopping habits formed during the height of covid are sticking – with consumers favouring these drive-to locations and larger format units.

“That being said, shopping centres have also seen a relatively significant decline in vacancy rates with investors in some instances seeing an opportunity to convert space into alternative uses to meet the needs of the local catchment, as well as new concepts coming to market and brands returning to expansion. The Christmas trading period seemed to indicate that consumers were favouring, and returning to stores, alongside their online spend. With retail spaces sitting at the centre of our communities hopefully this will support a continued, even if measured decrease in empty units.”

Lucy Stainton | Commercial Director | Local Data Company

Executive Summary

Once again Vacancy Rates in Great Britain improved from the previous quarter, but also once again only slightly. Since the third quarter of the year, there was only a 0.1 percentage point improvement in Q4. However, compared to the same Q4 period a year ago, we see a greater improvement of 0.6 percentage points.

Although vacancy rates have not recovered to pre-pandemic levels, any improvement is welcome news for the retail industry during such turbulent economic circumstances. And we see retail vacancy improving over Q4 by the return of international tourists visiting UK towns and cities and more frequent visits to offices.

Overall Vacancy Rate

In the fourth quarter of 2022, the overall GB vacancy rate decreased to 13.8%, which was 0.1 percentage points down from Q3. This was the fifth consecutive quarter of falling vacancy rates.

13.8%

Overall % - Q4 2022

Shopping Centres

All locations again saw a decrease in vacancies in Q4, with Shopping Centre vacancies falling to 18.2%, down from 18.8% in Q3 2022.

18.2%

Shopping Centre % - Q4 2022

High Streets

On the High Street, vacancies decreased to 13.8% in Q4, which was down from 13.9% in Q3 – again in line with the overall rate.

13.8%

High Street % - Q4 2022

Retail Parks

Retail Park vacancies decreased to 9.0% in Q4, a 0.7 percentage point fall from Q3 2022. Also, it remains the location with by far the lowest vacancy rate.

9.0%

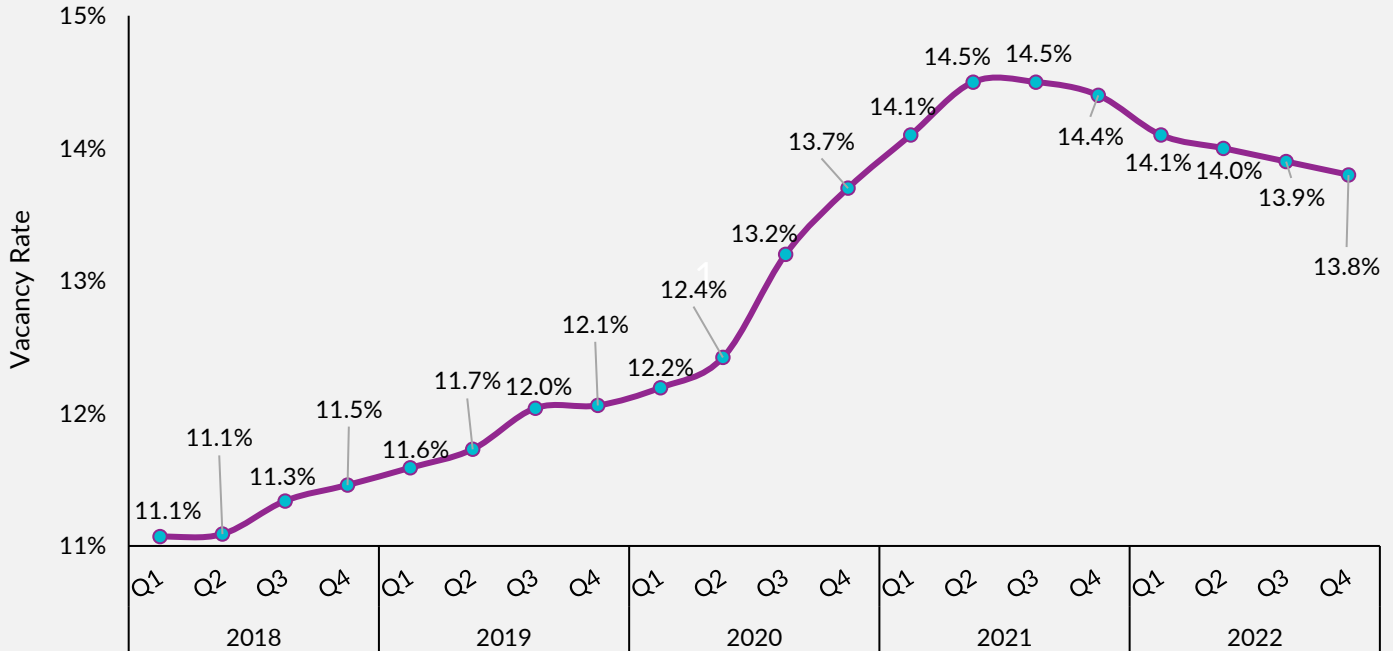
Retail Park % - Q4 2022

OVERALL GB VACANCY RATE

BRC-LDC Shop Vacancy Monitor



OVERALL GB VACANCY RATE (ALL LOCATIONS TYPES)



More Slow Improvement in National Vacancy Rates

The fourth quarter of 2022 saw a third successive decrease in the vacancy rate of 0.1 percentage point. Although this was another encouraging result for retail, the overall Vacancy Rate in Great Britain continues to remain significantly higher than its pre-pandemic levels.

Consumers are continuing to become ever more comfortable visiting stores and other busy areas, which has helped footfall across retail. In addition, more workers going into the office would have had a positive impact on retail footfall.

Other aspects of the economy are also slowly returning to more normal levels, such as tourism, which has seen numbers increase gradually over the year.

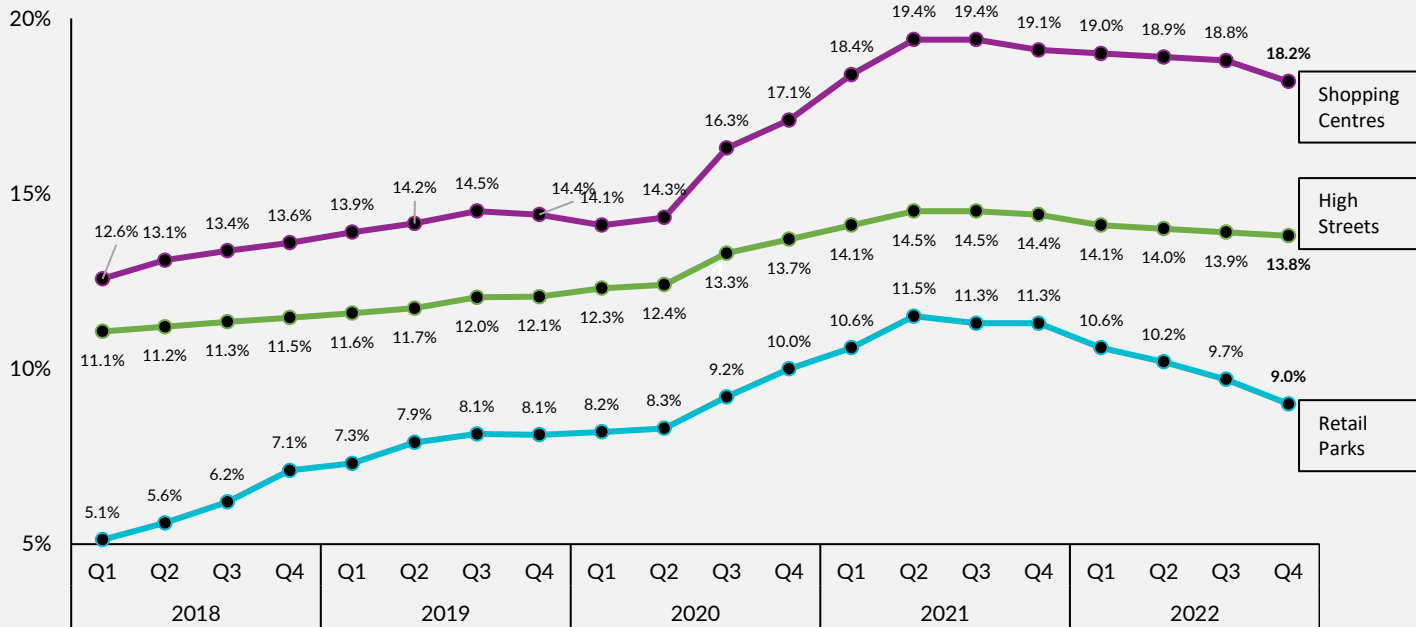
Q4 2022

13.8%

Q4 2021

14.4%

HISTORICAL VACANCY RATES – BY LOCATION TYPE



All Locations See Vacancy Improvements Again

In Q4, all three shopping locations saw an improvement in the proportion of vacant properties from the third quarter of the year. However, the amount of improvement is far from uniform across these locations.

Broadly in line with the strong result seen for Retail Parks in the previous edition of this report, in the fourth quarter their Vacancy Rate improved by 0.7 percentage points, to 9.0%. Retail Parks further extended their advantage over the other two locations, potentially due to shopping habits formed during the height of the Covid pandemic, sticking – with consumers favouring these drive-to locations and larger format units, as mentioned previously.

Shopping Centres also saw a relatively significant decline in vacancy rates, improving by 0.6 percentage points, to 18.2%. This may have been influenced by investors in some instances converting space into alternative uses.

High Streets across Great Britain saw their vacancy rates reduce by 0.1 percentage points for the third consecutive quarter, to 13.8%.

Shopping Centres

18.2%

High Streets

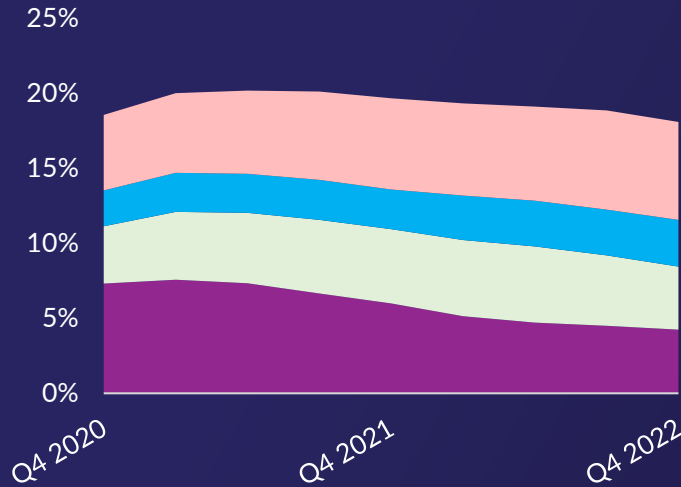
13.8%

Retail Parks

9.0%

Persistent vacancy rate looks at the total number of vacant units in 12 month intervals as a percentage of total units (Live and Vacant)

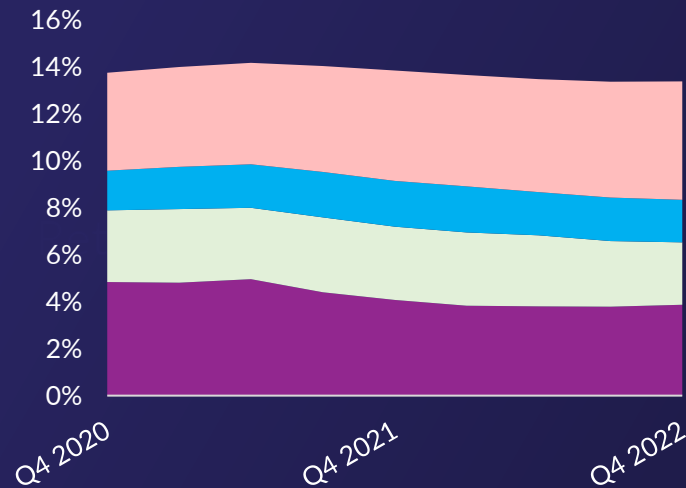
Shopping Centres



Shopping Centres saw an improvement in vacancy rates of less than 1 year, by 0.3 percentage points from Q3 to 4.2% in Q4. They have, on average, higher rates of long-term vacancy compared with the other locations, now with 6.5% of properties being vacant for longer than 3 years.



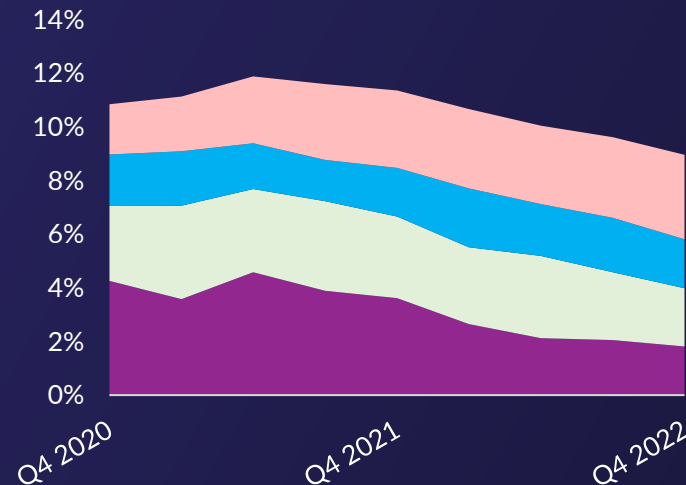
High Streets



High Streets saw vacancies of less than 1 year worsen by 0.1 percentage points, to 3.9% in Q4. Vacancies lasting longer than 3 years, again worsened by 0.1 percentage points from Q3, to 5.0% in Q4.



Retail Parks



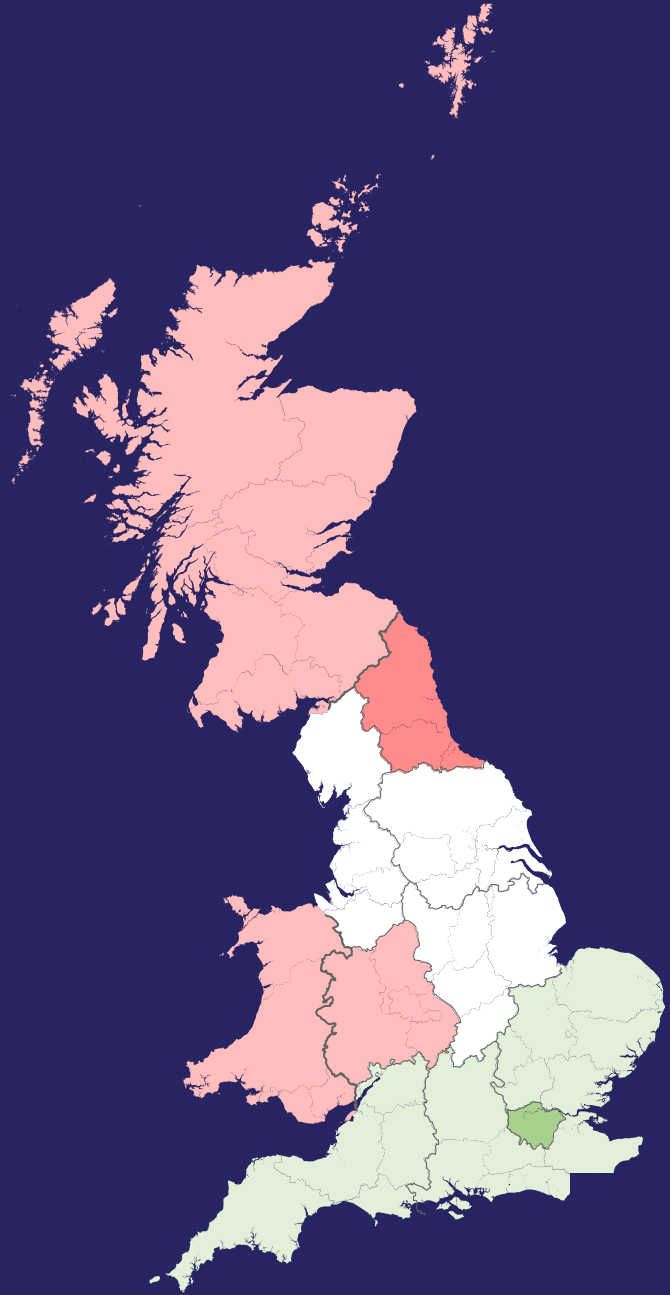
Retail Parks saw vacancies of less than 1 year improve by 0.2 percentage point to 1.8% in Q4. The location remains the lowest in terms of vacancies lasting longer than 3 years, with only 3.2%. However, this was a slight increase of 0.2 percentage points from Q3.



Vacancies by region

Lowest to highest

| | | | |
|-----|--------------------------|---|-------|
| 1. | Greater London | ↔ | 11.0% |
| 2. | South East | ▼ | 11.2% |
| 3. | East of England | ▼ | 12.7% |
| 4. | South West | ▼ | 13.5% |
| 5. | East Midlands | ↔ | 14.7% |
| 6. | Yorkshire and the Humber | ▼ | 15.0% |
| 7. | North West | ▼ | 15.3% |
| 8. | Scotland | ↔ | 15.7% |
| 9. | West Midlands | ↔ | 15.8% |
| 10. | Wales | ▼ | 16.3% |
| 11. | North East | ▼ | 18.2% |



The North / South divide

Similar to Q3, when looking across the regions that make up Great Britain, the disparity in vacancy rates between the southern regions and those towards the north can be clearly seen. Again in Q4 2022, Greater London had the lowest level of vacancies across all regions. And although still sitting at the bottom of the table, the North East saw the largest improvement in vacancy rates, with a 0.4 percentage point change in Q4. No region saw an increase in vacant properties for this quarter.

About Local Data Company

[Local Data Company](#) is the UK's most accurate retail location insight company. They physically track every retail and leisure business across the entire country. Their data powers strategy and decision making for clients working across retail, leisure, out-of-home media, investment, property and financial services.

[Local Data Company](#) is the only business that employs a team of field researchers to physically audit the occupancy and vacancy of each and every unit across the UK on a regular basis. Come rain or shine, each day, the data from their field researchers is sent back to the office via their proprietary tech infrastructure for validation and is then uploaded into their database.

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A black and white photograph of a shopping cart in a supermarket aisle. The cart is in the foreground, and the background shows shelves stocked with various products, slightly out of focus.

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