



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:
Q2 2023 (APR-JUN)**

Press commentary



“The past five years saw Britain lose 6,000 retail outlets, with crippling business rates and the impact of the Covid lockdowns a key part of decisions to close stores and think twice about new openings. The North and Midlands continue to see the highest amount of empty storefronts. London’s vacancy rate remains the lowest, improving over the last quarter thanks to the opening of new flagship stores, more office workers, and tourists visiting the capital.”

“To inject more vibrancy into high streets and town centres, and prevent further store closures, Government should review the broken business rates system. Currently, there's an additional £400m going on retailers' bills next April, which will put a brake on the vital investment that our towns and cities so desperately need. The Government announcement earlier in the week about making changes of use to vacant units easier is welcome but it's important local councils have a cohesive plan, and don't leave gap-toothed high streets that are no longer a customer destination and risk becoming inviable. Government should go one step further and freeze rates bills next year.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“The headline findings from Q2 are unlikely to have come as a surprise to anyone, with economic pressure from rising interest rates and inflation already mounting as the year began. Current challenges to businesses have been compounded by tightening discretionary spend and a dip in confidence among consumers. The economic headwinds that have made the headlines have filtered into the data, reflected in a slight rise in the overall vacancy rate.

“The high street has seen some of the most notable impacts, with rising rents and increased competition putting pressure on small and independent businesses, who may struggle to meet high operating costs. Across all location types, vacancy has reached critical levels, highlighting an ever-increasing need to redevelop units to breathe life back into retail destinations.

“Retail is a diverse industry; each retail and leisure subsector faces its own unique challenges, but also, importantly, has its own unique strengths. As the only location type to see a decrease in long-term vacancy (more than three years) this quarter, retail parks continue to prove resilient, bolstered by their strong occupancy fundamentals and relatively small lot sizes. Retail parks have shown us excellent examples of agile strategy in action, splitting larger units into smaller ones or converting space for alternative uses to successfully revitalise vacant stock. The current climate is undeniably difficult, but it should not be overlooked that today’s retailers are more innovative and future-thinking than ever.

“With the continuing trend in mind, we do not foresee any improvements to vacancy rate in future. However, given that the latest rises in vacancy have not been particularly significant, we anticipate that any increases in the near future will be gradual.”

Lucy Stainton | Commercial Director | Local Data Company

Note: The BRC-LDC Vacancy Monitor was launched at the height of the pandemic, and has run for several years, informing readers about the changes that have taken place in our town and city centres. BRC and LDC have now decided that it is the right time to end the series. Moving forward, the BRC will be looking at what other data we can provide to inform debate and discussions surrounding retail, and will share details in due course.

Executive Summary

Over the past five years, the UK lost 6,000 retail outlets due to business rates and Covid lockdowns. The North and Midlands face the highest number of empty storefronts, while London's vacancy rate improved with the opening of new stores and increased visitors.

Retail parks have shown resilience by adopting innovative strategies, but overall, vacancy rates are expected to remain challenging in the future.

▲ Overall Vacancy Rate

- Increased to 13.9% in Q2 2023
- 0.1% points better than same quarter last year
- Last seen at 13.9% for Q3 2022
- Lower than 2021 average and 2022 average

13.9%

Overall % - Q2 2023

↔ Shopping Centres

- Remained at 17.8% in Q2 2023
- Down from 18.2% in Q4 2022
- Lowest vacancy rate since Q4 2020

17.8%

Shopping Centre % - Q2 2023

▲ High Streets

- Increased to 13.9% in Q2 2023
- 0.1% points better than same quarter last year
- Lower than 2021 average and 2022 average

13.9%

High Street % - Q2 2023

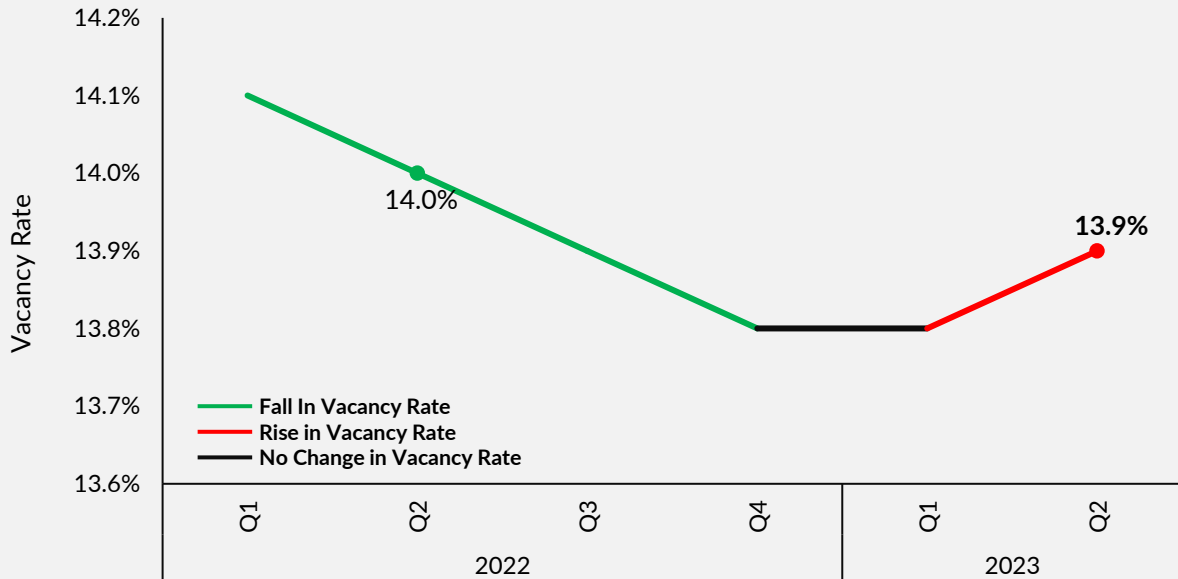
▼ Retail Parks

- Improved to 8.1% in Q2 2023
- Down from 8.7% from previous quarter, Q1 2023
- Lowest vacancy rate since Q4 2019
- Remains the location with the lowest vacancy rate

8.1%

Retail Park % - Q2 2023

OVERALL GB VACANCY RATE (ALL LOCATIONS TYPES)



Economic Pressures in Q2 2023 Impact Businesses

- Q2 2023: Economic pressures, including rising interest rates and inflation, challenge businesses.
- Reduced consumer spending and confidence lead to a slight increase in overall vacancy rate.
- High street impacted by rising rents and intense competition, straining small businesses with high operating costs.
- Critical vacancy levels highlight the need to revitalize commercial spaces and retail destinations.
- Government urged to review flawed business rates system to rejuvenate high streets and prevent store closures.
- Burden on retailers' bills hinders essential investments in towns and cities.
- Local councils need cohesive plans to avoid leaving high streets non-viable for customers.
- Recent vacancy increases have been minor, indicating gradual future rises.

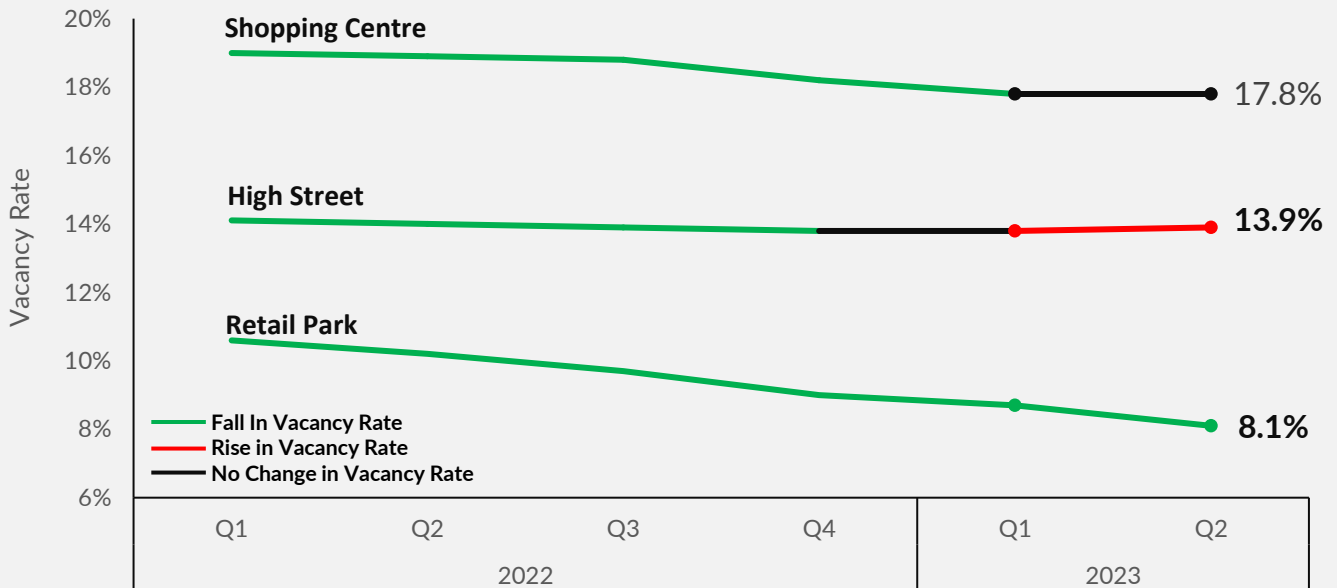
Q2 2023

13.9%

Q2 2022

14.0%

HISTORICAL VACANCY RATES – BY LOCATION TYPE



Retail Parks continue to Outperform Shopping Centres and High Streets

- Retail Parks again experienced increased occupancy in Q2 2023 compared to the previous quarter.
- High streets saw a decrease in occupied properties.
- Shopping Centres vacancy rates remained unchanged during the same period.
- Retail Parks displayed a strong performance with a 0.6 percentage point improvement in their vacancy rate, reaching 8.1%, the lowest since Q3 2019.
- The preference for larger format units and drive-to locations formed during the peak of the Covid pandemic may have contributed to Retail Parks' competitive edge.
- Shopping Centres had the highest vacancy rate in Q2 at 17.8%, remaining constant since the last quarter, and the lowest seen since Q4 2020.
- High Streets in Great Britain recorded an increase in vacancy rates, reaching 13.9%, with the last increase seen in Q2 2021.

Shopping Centres

17.8%

High Streets

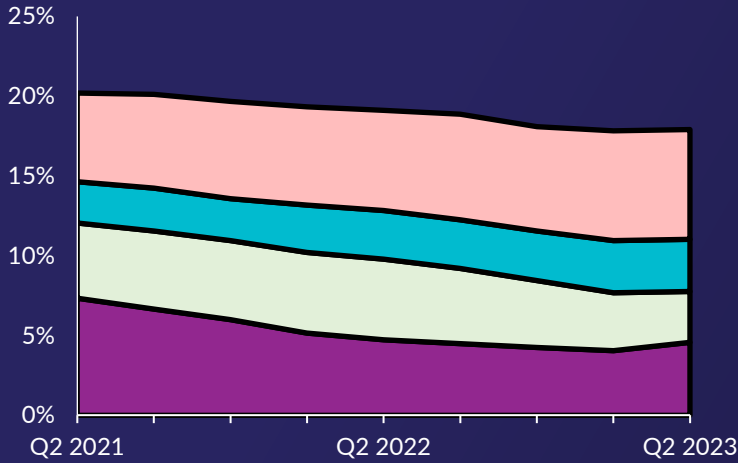
13.9%

Retail Parks

8.1%

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

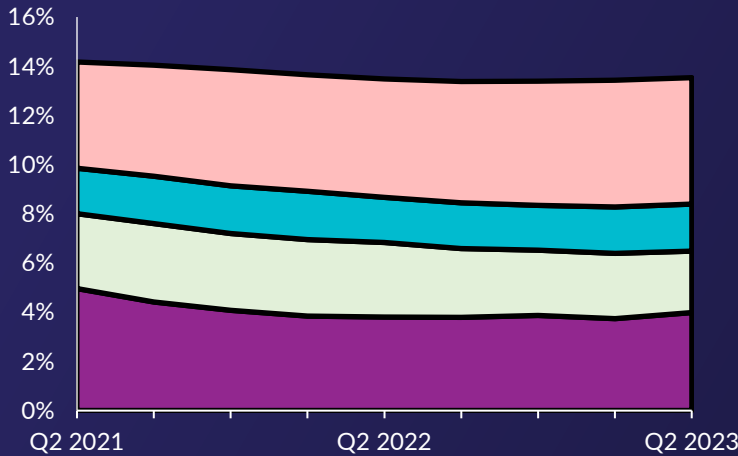
Vacancy rates of less than 1 year worsened to 4.6% in Q2 2023, up from 4.0% in Q1 2023.

Shopping Centres, on average, experience higher long-term vacancy rates than other locations.

6.9% of properties have been vacant for more than 3 years.



High Streets



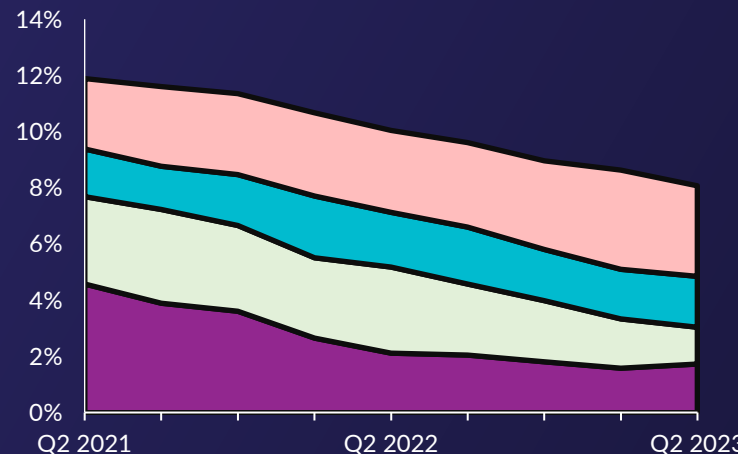
High Streets

Vacancies of less than 1 year worsened by 0.3 percentage points, to 4.0% in Q2 2023.

Vacancies lasting over three years stayed constant at 5.1% from the previous quarter.



Retail Parks



Retail Parks

Vacancies of less than 1 year worsened slightly by 0.1 percentage points to 1.7% in Q2 2023.

The location remains the lowest in terms of vacancies lasting longer than 3 years, with only 3.2%.

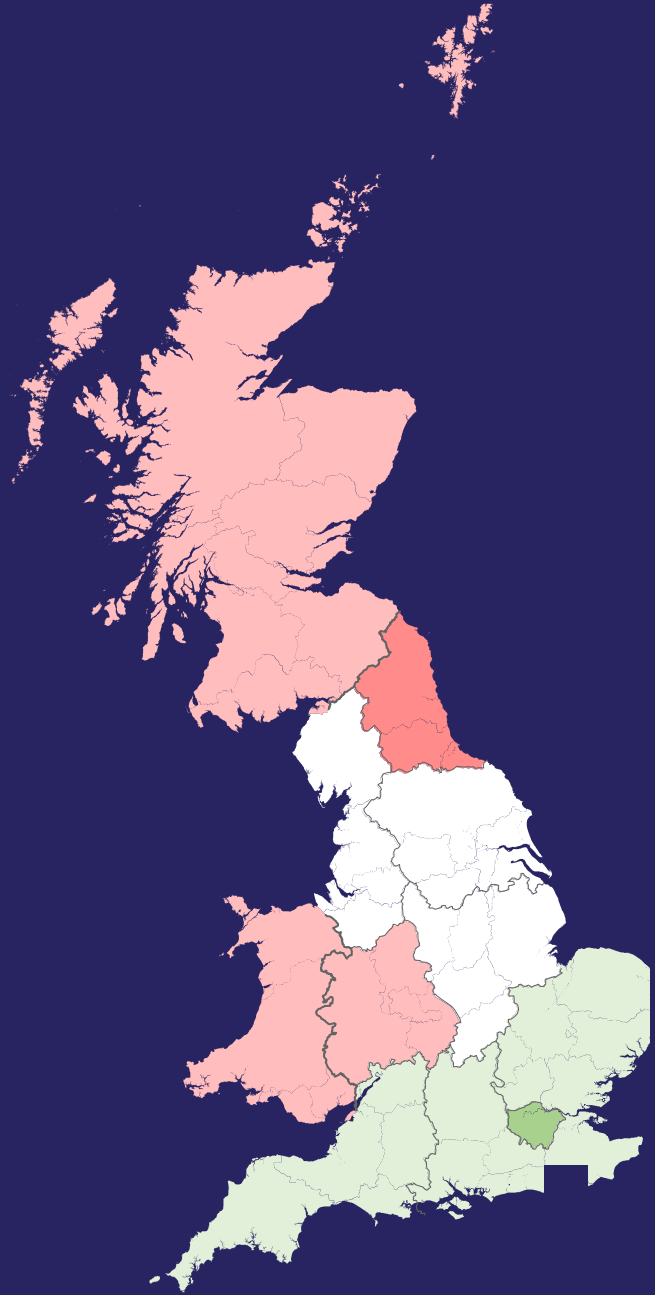
This was a slight improvement of 0.3 percentage points from the previous quarter.



Vacancies by region

Lowest to highest

1.	Greater London	▼	10.8%
2.	South East	▲	11.4%
3.	East of England	▲	13.0%
4.	South West	▼	13.4%
5.	East Midlands	▲	14.8%
6.	Yorkshire and the Humber	↔	14.9%
7.	North West	▲	15.3%
8.	West Midlands	▲	15.9%
9.	Scotland	▲	15.9%
10.	Wales	▲	17.0%
11.	North East	↔	17.5%



The North / South divide

Similar to the previous quarter, Q2 2023 also highlights a noticeable disparity in vacancy rates between the southern and northern regions of Great Britain.

Greater London maintained the lowest vacancy rate, while the North East remained unchanged at the bottom of the table.

Only two regions, Greater London and the South West, experienced a decrease in vacant properties during the 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.

MEDIA ENQUIRIES

LDC Press Office

Sarah Phillips

Senior Manager – Marketing & PR

M: +44 (0)7889 591487

sarah@localdatacompany.com

BRC Press Office

T: +44 (0)207 854 8924

media@brc.org.uk

AUTHOR



ASIM DEY
ANALYST

E: asim.dey@brc.org.uk

T: +44 (0)207 854 8961

EDITOR



DR KRIS HAMER
INSIGHTS DIRECTOR

E: kris.hamer@brc.org.uk

M: +44 (0)7557 231 991