



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:
Q3 2022 (JUL-SEP)**

Press commentary



“The overall shop vacancy rate improved for the fourth consecutive quarter; however, vacancies remain higher than pre-pandemic levels. Some locations are benefitting from a pickup in tourism and a gradual return to offices, but levels of footfall are still below those of 2019. This gave some businesses the confidence to start investing, opening new stores around the country, especially in Retail Parks. But the North-South divide is again laid bare in these figures. While the North has seen some of the biggest improvements in openings over the last year, they still have some of the highest vacancy rates in the country, with one in five shops closed in the North East.

“The costs of operating in many towns and cities remains high and demand will be tested by the fragile economy and falling consumer confidence in the lead up to Christmas. Higher costs are already pushing up prices and the industry faces a government imposed extra £800m business rates bill from April 2023. This will force many retailers to make tough decisions about whether to invest in new stores or close existing ones. Government should freeze business rates and reform the broken transitional relief system. This will support investment in communities across the country and help keep prices low for consumers.”

Helen Dickinson OBE | Chief Executive | British Retail Consortium



“Our latest analysis of the physical retail and leisure market across GB as a whole shows a sustained level of recovery at a time when further economic headwinds have been well-documented. With a decrease in store closures compared to the same time last year, in parallel with an increase in openings, vacancy rates have continued to decline as we look to the end of 2022.

“The pandemic proved the final straw for a number of ailing retailers. The CVA and insolvency activity which typified the most challenged end of the market in the COVID years caused a significant spike in empty units, which are now slowly being reoccupied.

“Independent businesses in particular have continued to flourish as consumers remain loyal to their local high streets. However, we can’t ignore oncoming economic pressures as consumers face a winter of increased caution and reduced disposable income. Just as the market has started to find its feet, we are now about to face a new round of tests— but perhaps the lessons learned during the pandemic will help chains and independents to weather the coming storm. The latest GB figures are encouraging but should still be viewed with real caution, and we would predict that this increase in occupancy could slow as retail and hospitality businesses grapple with a tough winter.”

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 second quarter of the year, there was only a 0.1 percentage point improvement in Q3. That being said, any improvement is welcome news for the retail industry during such turbulent economic circumstances. The quarter encompassed the steep rise in inflation and the ongoing energy price induced cost-of-living crisis, which has hampered the profit margins of companies across the nation.

Overall Vacancy Rate

In the third quarter of 2022, the overall GB vacancy rate decreased to 13.9%, which was 0.1 percentage points down from Q2. This was the fourth consecutive quarter of falling vacancy rates.

13.9%

Overall % - Q3 2022

Shopping Centres

All locations saw a decrease in vacancies in Q3, with Shopping Centre vacancies falling to 18.8%, down from 18.9% in Q2 2022.

18.8%

Shopping Centre % - Q3 2022

High Streets

On the High Street, vacancies decreased to 13.9% in Q3, which was down from 14.0% in Q2 – in line with the overall rate.

13.9%

High Street % - Q3 2022

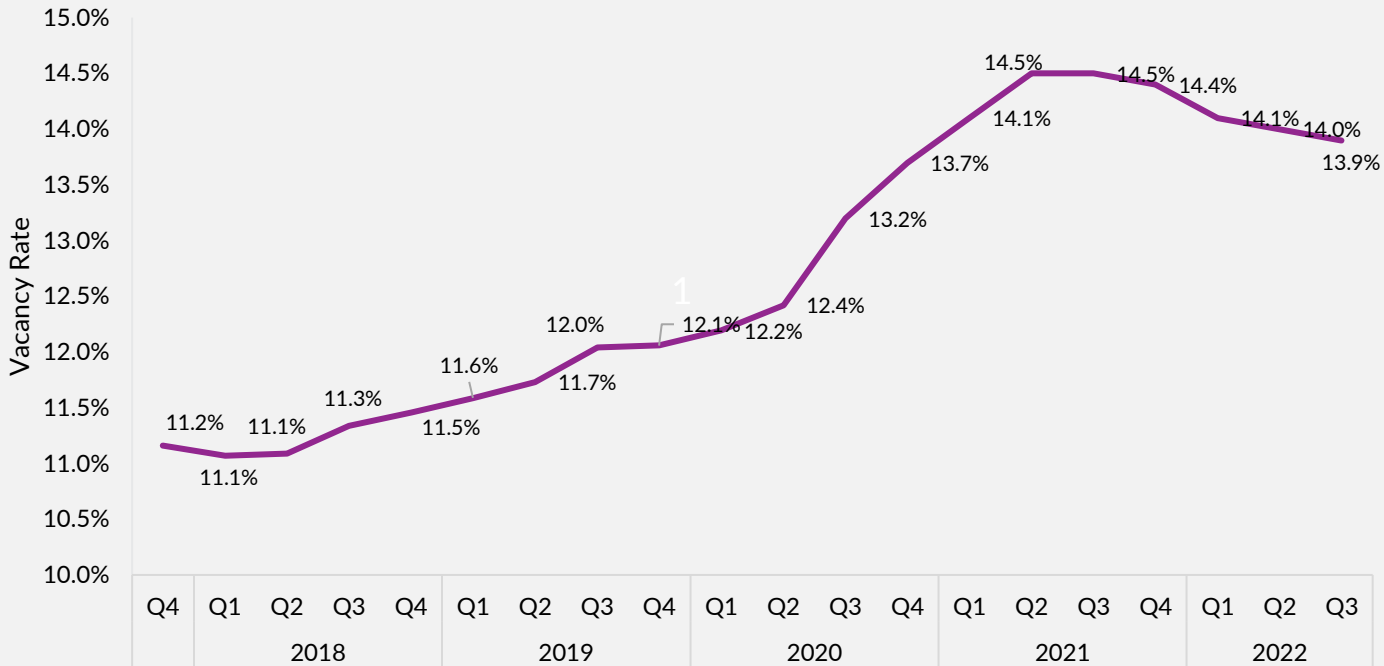
Retail Parks

Retail Park vacancies decreased to 9.7% in Q3, a 0.5 percentage point fall from Q2 2022. Also, it remains the location with by far the lowest vacancy rate.

9.7%

Retail Park % - Q3 2022

OVERALL GB VACANCY RATE (ALL LOCATIONS TYPES)



Slow Improvement in National Vacancy Rates

The third quarter of 2022 saw a second consecutive quarter of meagre 0.1 percentage point improvement from the previous quarter. This was another encouraging result for retail, but the overall Vacancy Rate in Great Britain remains significantly higher than its pre-pandemic levels, which highlights how far there is to go.

Consumers are continuing to become ever more comfortable visiting stores and other busy areas, which has helped footfall across retail. This has continued to provide impetus to retailers to increase store openings figures in the run-up to the all important 'Golden quarter' at the end of the year.

Other aspects of the economy are also slowly returning to more normal levels, such as tourism, which has seen numbers increase gradually over the summer. While this has benefited the retail industry, it has only been focused on the largest cities across the nation.

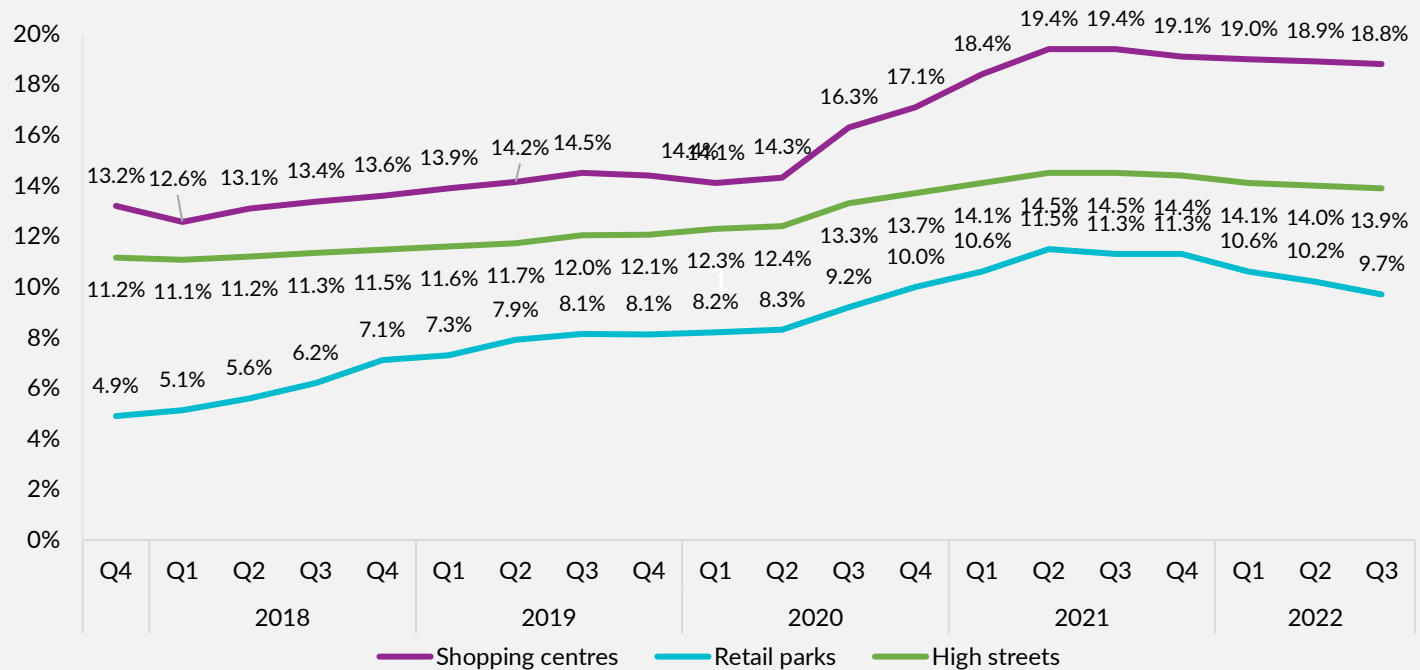
Q3 2022

13.9%

Q3 2021

14.5%

HISTORICAL VACANCY RATES – BY LOCATION TYPE



All Locations See Vacancy Improvements Again

In Q3, all three shopping locations saw an improvement in the proportion of vacant properties from the second 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 third quarter their Vacancy Rate improved by 0.5 percentage points, to 9.7%. Retail Parks further extending their advantage over the other two locations is hardly a surprise, as they have a higher proportion of supermarkets than the other locations, which do not suffer as much from the squeeze on consumer spending as other types of store. Also, a number of retail parks across Great Britain have been repurposed – due to the rapid increase in home delivery requirements – to logistics hubs, which has applied downward pressure to the Retail Park figures.

Both Shopping Centres and High Streets across Great Britain saw their Vacancy Rates reduce by 0.1 percentage points for the second consecutive quarter, to 18.8% and 13.9% respectively.

Shopping Centres

18.8%

High Streets

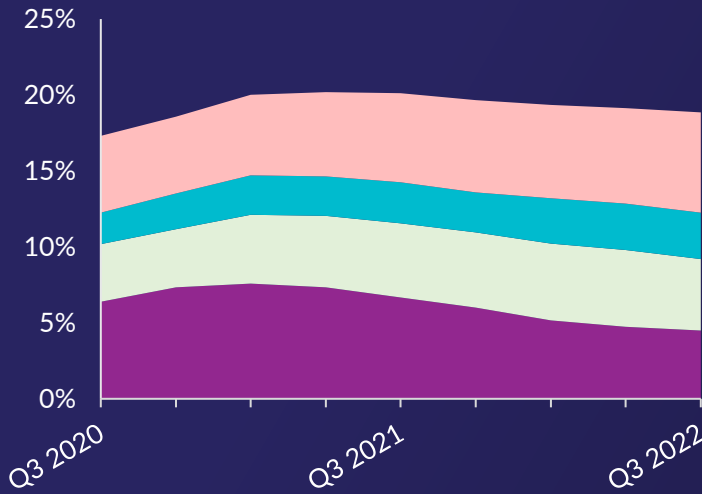
13.9%

Retail Parks

9.7%

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

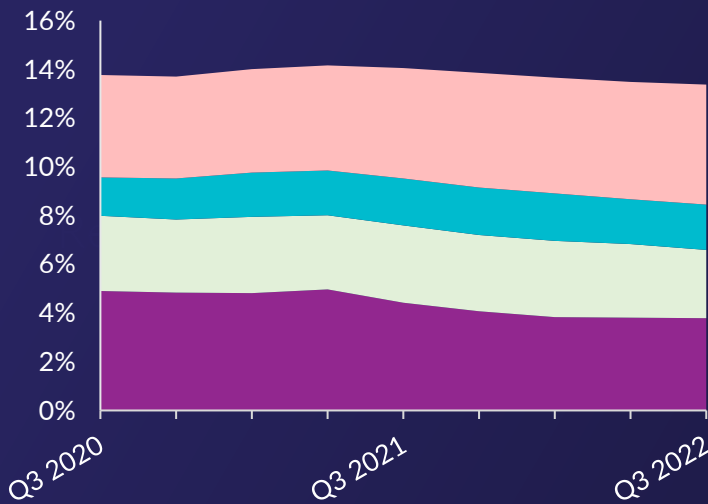
Shopping Centres



Shopping Centres saw a decrease in vacancy rates of less than 1 year, by 0.2 percentage points from Q2 to 4.5% in Q3. They have, on average, higher rates of long-term vacancy compared with the other locations, now with 6.6% of properties being vacant for longer than 3 years.

- Under 1 year
- 1-2 years
- 2-3 years
- + 3 years

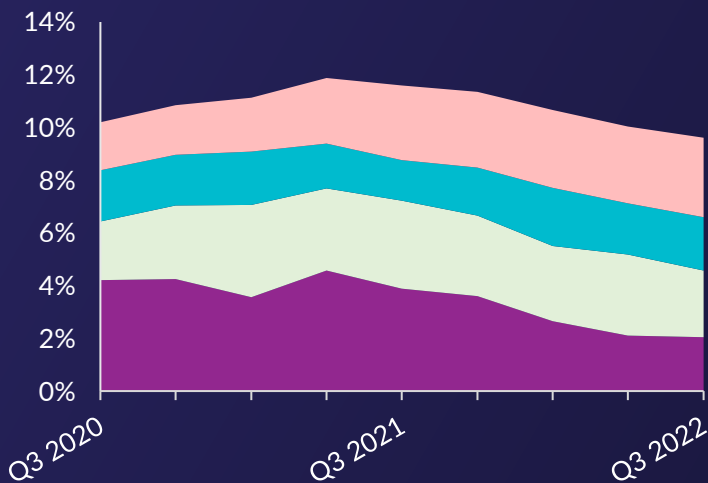
High Streets



High Streets were the only location to see no improvement in vacancies lasting less than 1 year, remaining at 3.8% for the third consecutive quarter. Vacancies lasting longer than 3 years increased by 0.1 percentage points from Q2, to 4.9% in Q3.

- Under 1 year
- 1-2 years
- 2-3 years
- + 3 years

Retail Parks



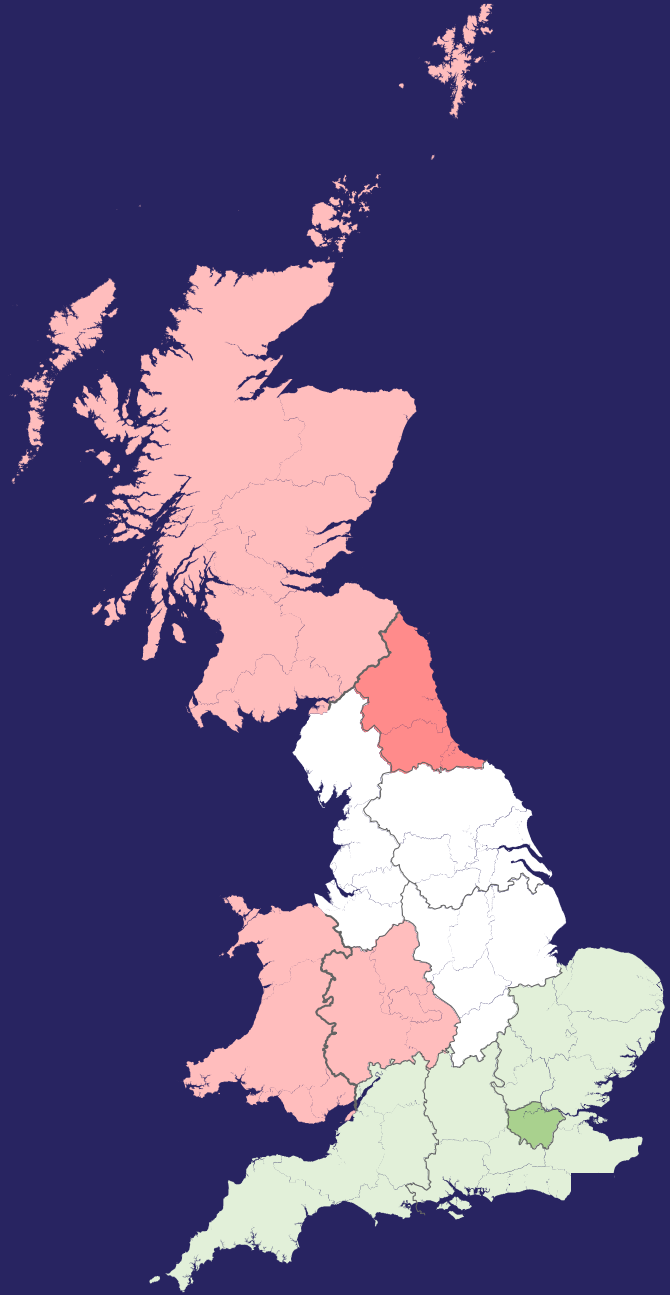
Retail Parks saw vacancies of less than 1 year decreased by 0.1 percentage point, to 2.0% in Q3. The location remains the lowest in terms of vacancies lasting longer than 3 years, with only 3.0%. However, this was a slight increase of 0.1 percentage points from Q2.

- Under 1 year
- 1-2 years
- 2-3 years
- + 3 years

Vacancies by region

Lowest to highest

1.	Greater London	▼	11.0%
2.	South East	▼	11.5%
3.	East of England	▼	12.9%
4.	South West	↔	13.7%
5.	East Midlands	▼	14.7%
6.	Yorkshire and the Humber	▼	15.3%
7.	North West	↔	15.4%
8.	Scotland	↔	15.7%
9.	West Midlands	▲	15.8%
10.	Wales	▼	16.6%
11.	North East	▼	18.6%



The North / South divide

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. In Q3 2022, London had the lowest level of vacancies across all regions, once again. The East Midlands saw the largest improvement in vacancy rates, with a 0.3 percentage point change in Q3. In contrast, the West Midlands was the only region to see an increase in vacant properties, with a 0.1 percentage point rise to 15.8%.

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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