



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:  
Q1 2023 (JAN-MAR)**

# Press commentary



“The vacancy rate in the first quarter of 2023 saw no improvement as cost pressures made many retailers think twice about investing in new stores. Despite shopping centres holding the highest proportion of empty units compared to other locations, it saw the largest quarterly occupancy increase thanks to the success of outlets as well as recent efforts to repurpose empty units, especially in the Northeast. While Northern regions saw the biggest uptick in net openings, they continued to lag behind the rest of the UK with the highest vacancy rates in the country, laying bare the North-South divide.

“With stubbornly high inflation and huge cost pressures facing business, retailers will continue to be cautious about future investments. Any regulatory burdens from Government will only force retailers to make difficult decisions about whether they can open new stores, or if they must close existing ones. By keeping oncoming regulation to a minimum, Government will help to support upholding and growing vibrant communities across the country.”

**Helen Dickinson OBE | Chief Executive | British Retail Consortium**



“The stabilisation of vacancy rates across GB is partially indicative of operators, in the main, having a better than expected Christmas but coming into Q1 still cautious and biding their time to see how various macro-economic factors play out into 2023. This slowdown in activity along with the balance between pockets of growth versus sustained cost pressures has meant the first part of 2023 has seen comparatively slower structural change. That being said, whilst there has been a slowdown in the growth of independent businesses, we are seeing a number of chains return to focus on acquisitions and we predict that activity levels should ramp up between now and the end of the year, as the challenges operators face begin to ease up, with operators adapting their portfolios to meet current consumer demands, within this economic climate.

“It’s encouraging to see vacancy coming down across GB shopping centres, which were badly challenged during the covid pandemic, more so than any other location type. Again this speaks to a cautious return to growth for many chains, as well as more diversity within these schemes, as businesses who have traditionally been more high street focussed such as independents, turn their attention to shopping centre assets.”

**Lucy Stainton | Commercial Director | Local Data Company**

# Executive Summary

The level of Vacancy Rates in Great Britain remained unchanged from the previous quarter, but it is noteworthy that this is the lowest level recorded since Q4 2020. In comparison to the same period in Q1 of the previous year, there has been a 0.3 percentage point improvement.

The stabilisation of shop vacancy rates across Great Britain suggests that retailers performed better than anticipated during the Christmas period. However, they remain cautious in Q1 and are waiting to observe how macro-economic factors develop throughout 2023.

## Overall Vacancy Rate

- Remained at 13.8% in Q1 2023
- Same level as previous quarter, Q4 2022
- 0.3% points better than same quarter last year
- Lowest vacancy rate since Q4 2020 (excluding previous quarter at same level)

# 13.8%

Overall % - Q1 2023

## Shopping Centres

- Improved to 17.8% in Q1 2023
- Down from 18.2% in Q4 2022
- Lowest vacancy rate since Q4 2020

# 17.8%

Shopping Centre % - Q1 2023

## High Streets

- Remained at 13.8% in Q1 2023
- Same level as previous quarter, Q4 2022
- Lowest vacancy rate since Q4 2020 (excluding previous quarter at same level)

# 13.8%

High Street % - Q1 2023

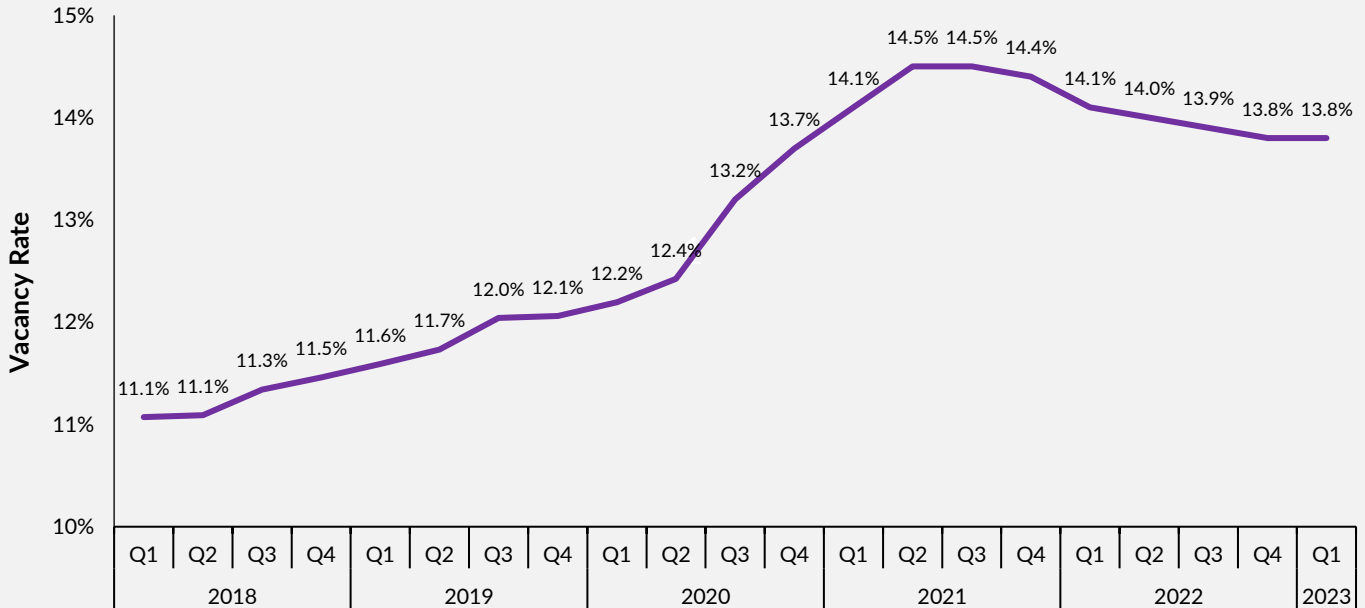
## Retail Parks

- Improved to 8.7% in Q1 2023
- Down from 9.0% in Q4 2022
- Lowest vacancy rate since Q2 2020
- Remains the location with the lowest vacancy rate

# 8.7%

Retail Park % - Q1 2023

## OVERALL GB VACANCY RATE (ALL LOCATIONS TYPES)



## Retailers Cautious To Invest In New Stores

Although the overall shop vacancy rate in Great Britain remains significantly higher than pre-pandemic levels, the first quarter of 2023 witnessed a stabilisation in the vacancy rate at 13.8%.

Overall, the shop vacancy rate has fluctuated slightly over the past few quarters, with a peak in 2021 Q3, followed by a gradual decrease in the subsequent quarters, and stabilisation in 2023 Q1. The trend may indicate some degree of resilience in the retail sector, which could be attributed to factors such as consumer demand, e-commerce, and government support measures.

In addition, the increasing comfort level of consumers with visiting stores and other crowded areas has resulted in a rise in footfall across retail. Moreover, the return of more workers to offices has also had a positive impact on retail footfall.

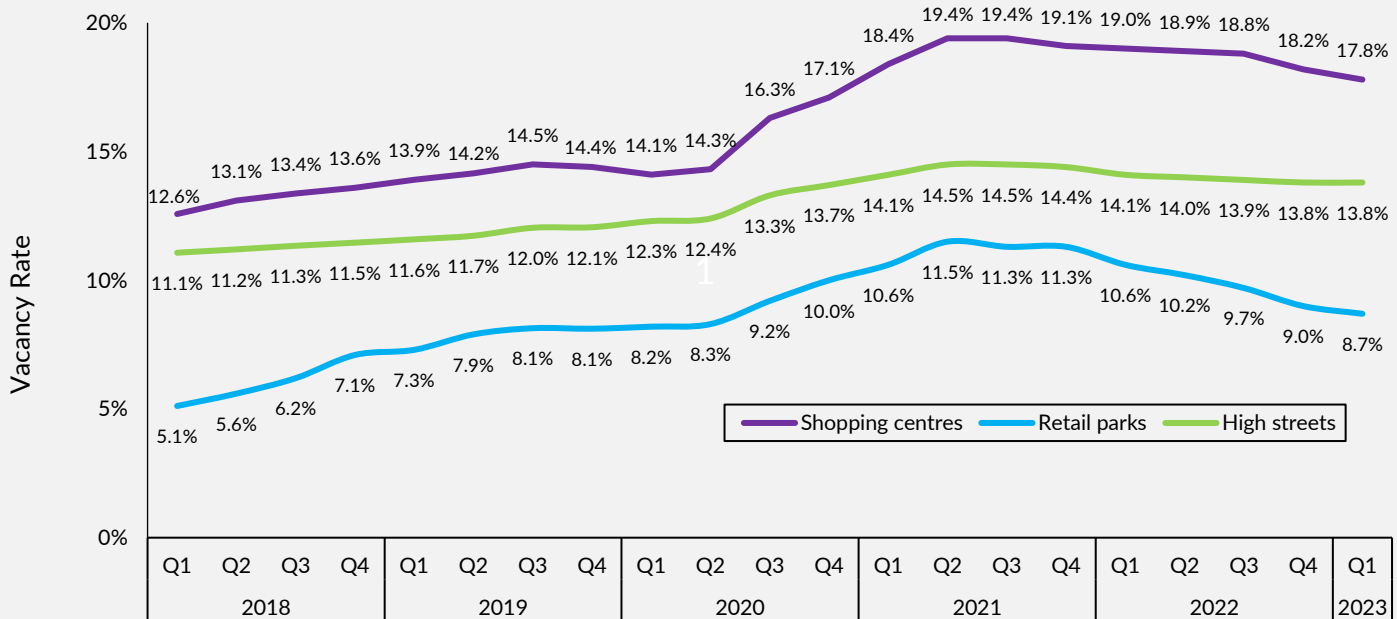
Q1 2023

13.8%

Q1 2022

14.1%

## HISTORICAL VACANCY RATES – BY LOCATION TYPE



## Retail Parks Outperform Shopping Centres and High Streets but Shopping Centres Show Biggest Improvement

During Q1, Shopping Centres and Retail Parks experienced an increase in the proportion of occupied properties compared to the previous quarter, whilst the vacancy rates in High Streets remained unchanged.

Similar to the previous report, Retail Parks showed a strong performance in the first quarter, with a 0.3 percentage point improvement in their vacancy rate to 8.7%, the lowest since Q2 2020. This further strengthened the competitive edge of Retail Parks over other locations, which may be attributed to the shopping preferences formed during the peak of the Covid pandemic, with consumers favouring larger format units and drive-to locations.

Shopping Centres remained the location with the highest vacancy rate in Q1, but there was a noticeable improvement of 0.4 percentage points to 17.8%. This improvement could be attributed to investors converting some of the vacant space into alternative uses.

The vacancy rates of High Streets in Great Britain remained constant at 13.8%, which is the lowest rate seen since Q2 2021.

Shopping Centres

**17.8%**

High Streets

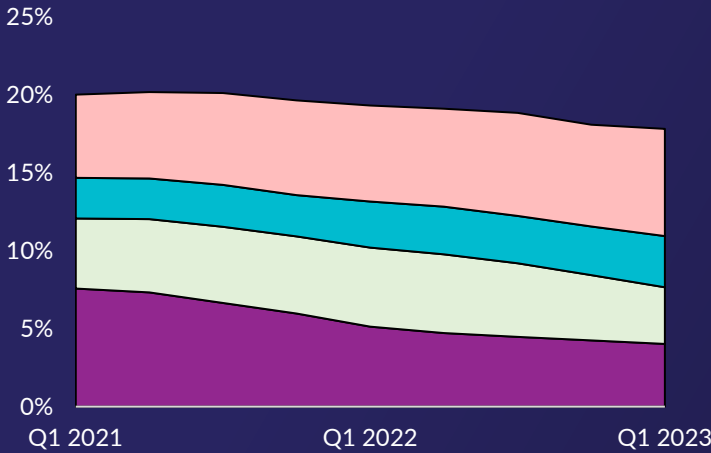
**13.8%**

Retail Parks

**8.7%**

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

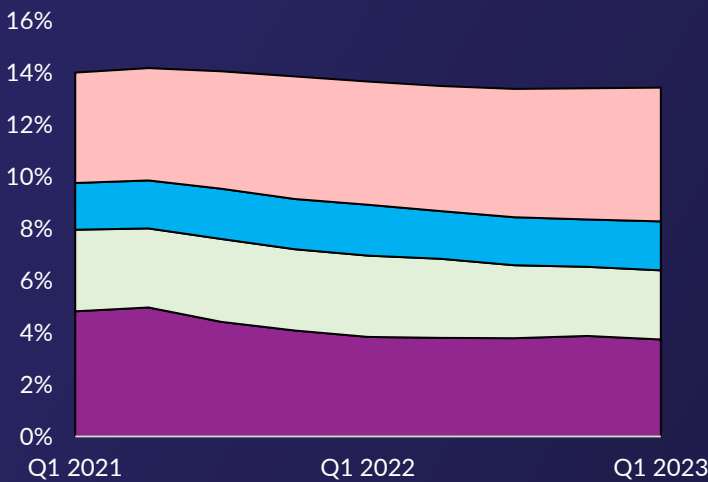
Vacancy rates of less than 1 year improved to 4.0% in Q1 2023 down from 4.2% in Q4 2022.

On average, Shopping Centres have higher rates of long-term vacancy compared with other locations.

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



### High Streets



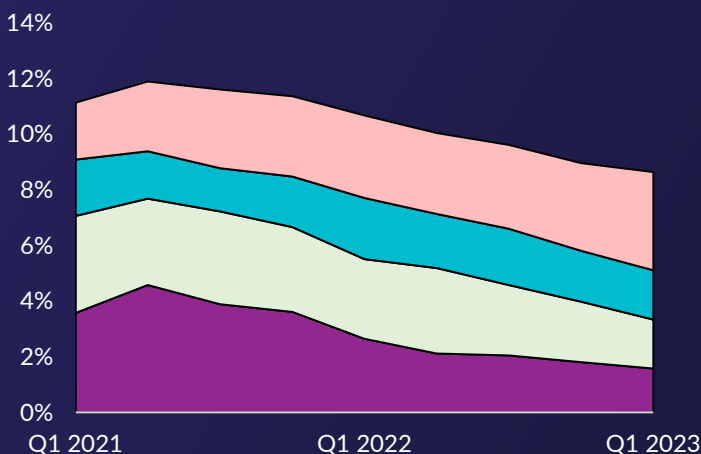
#### High Streets

Vacancies of less than 1 year improved by 0.2 percentage points, to 3.7% in Q1 2023.

Vacancies lasting longer than 3 years, again worsened by 0.1 percentage points from the previous quarter, to 5.1% in Q1 2023.



### Retail Parks



#### Retail Parks

Vacancies of less than 1 year again improved by 0.2 percentage points to 1.6% in Q1 2023.

The location remains the lowest in terms of vacancies lasting longer than 3 years, with only 3.5%.

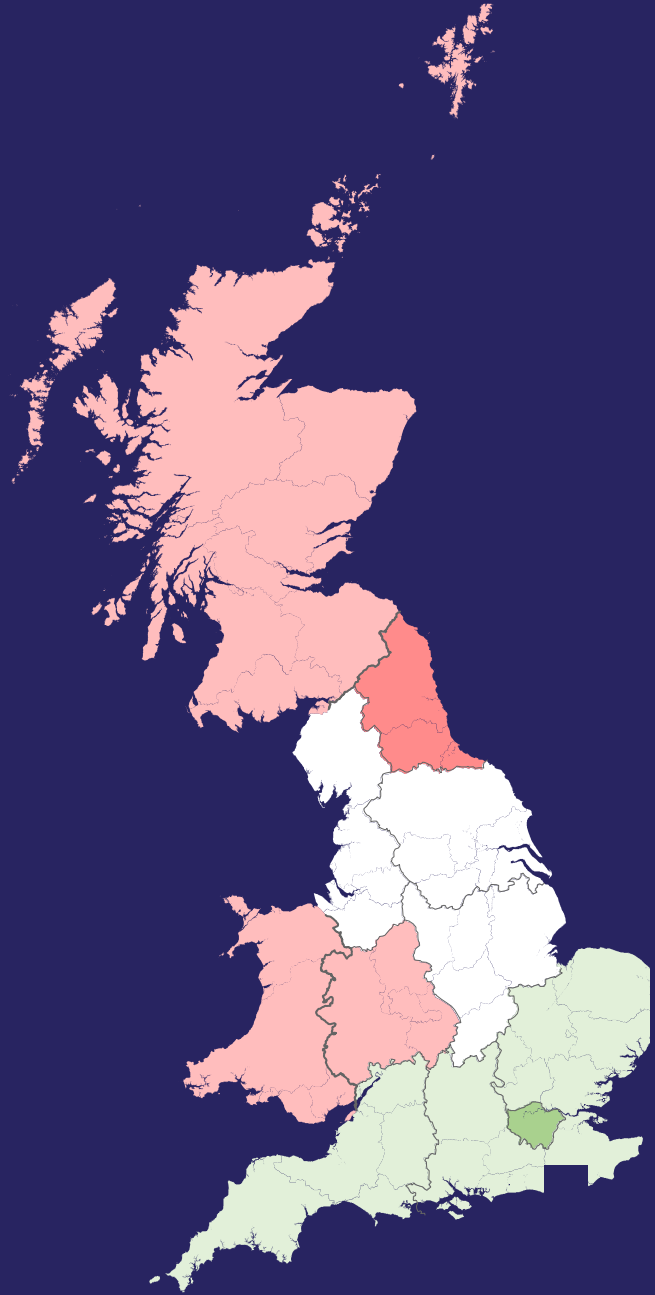
However, this was a slight increase of 0.3 percentage points from the previous quarter.



## Vacancies by region

Lowest to highest

1.	Greater London	↔	11.1%
2.	South East	▲	11.3%
3.	East of England	▲	12.8%
4.	South West	↔	13.5%
5.	East Midlands	▼	14.5%
6.	Yorkshire and the Humber	▼	14.9%
7.	North West	▼	15.2%
8.	Scotland	↔	15.7%
9.	West Midlands	↔	15.8%
10.	Wales	▲	16.5%
11.	North East	▼	17.5%



## The North / South divide

Similar to Q4, 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 Q1 2023, Greater London had the lowest level of vacancies across all regions. And although still sitting at the bottom of the table, the North East again saw the largest improvement in vacancy rates, with a 0.7 percentage point change in Q1. Three regions saw an increase in vacant properties during the quarter, namely the South East, East of England, and Wales



## 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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