BCSC
SHAPING RETAIL PROPERTY

BCSC: Future of Retail Property
Statistics

BCSC has been running a research programme into the future of UK retail property. This is the result of nine different research projects – each commissioned from independent experts – which have been combined into the most extensive study of the retail property industry ever undertaken.

The statistics and useful pointers below provide key insights into the diversity of information found in the research.

CONSUMERS

- The population of the UK is set to grow by 2.8 million over the next ten years, of which 1.6 million will come from net immigration.
- Society is aging; over the next ten years the number of people 45+ will increase by 3.6 million, of whom 2.2 million will be over 55.
- Total retail sales to the over 55s are set to increase from 74.6 billion in 2005 to a substantial £117.2 billion by 2015.
- MORI estimates that CSR activists now comprise some 15% of consumers.
- On average people make about 200 shopping trips per year.
- Over the next ten years overall retail consumer spend will grow by an annual average of 3.3%. From 1990 to 2004 this average was 4.9%.

INTERNET

- Online retailing is reportedly growing 26 times faster than high street retailing.
- Verdict Consulting indicated that online sales as a proportion of total retail sales (including purchases of retail foods but not some services) increased from less than 1% in 2000 to 3.2% by 2005 (equivalent of £8.2 billion). This increased to 3.6% at the end of 2006 and will rise to 10.7% by 2015.
- The percentage of adults shopping online will increase from 35% in 2006 (up from just 17% in 2002) to 49% in 2010 and will reach 65% by 2015.
- In 2006, 55% of people with a PC at home had shopped online, while 61% of people who had access at work had done so but of those accessing the internet via a public place only 40% had done so.
- In 2006 75% of companies believed that the impact of their e-tailing channels had increased their overall sales. Only 11% thought it was eroding in-store sales.

TRANSPORT

- Car travel accounts for 61% of shopping trips whether as a driver or passenger. Walking accounts for 25% of shopping trips while only 9% of shoppers go by bus and 3.5% use rail and other means.
- The transport economy accounts for over 15% of household spending.
- UK households spend £150 billion per year on transport, compared to Government expenditure of only £15 billion.
- Over the last 30 years the average journey length to the shops has increased by 50% although the time spent travelling to shopping destinations has remained roughly the same.
- Freight journeys for retail purposes have grown by over 15% in the last ten years.

PLANNING

- In 1995 14% of new space was being built in town centres in England. This rose to 30% by 2000.
- The proportion of new retail development in town centres is likely to reach 40 % in the next ten years. Progress is slower in Scotland and Wales where in town centre retail development will account for 22% and 19% respectively.
- Medium to local towns will see 64% of the new development happening within their domains. However, only 25% will be within town centres and the rest will be on the edge or out of town. Food supermarkets and retail warehouses will account for most of the new additional retail floorspace on the edge of centre.
- 78% of new retail space in shopping centres completed in Great Britain between 1999 and 2005 was in town centres; the comparable data for supermarkets was 23% – much lower if all extensions and mezzanines were included – and only 7% for retail warehouses.

RETAILING

- At the present time, the UK has approximately 111 million sq m of retail space.
- Retail sales account for 21% of the UK's GDP.

EGI SHOPPING PLACE STATISTICS OCT 2007*	
UK Shopping Centres	742
UK Retail and Shopping Parks	680
UK Factory Outlet Centres	42
Total UK Shopping Places	**1464**

*over 5,000 sq m

- Experian calculations show a need for 6,090,000 sq m of additional (gross) comparison store space between 2006 and 2015. However a total of 7,840,000 sq m of potential new retail space is already in the pipeline. Given that retail development is increasingly focussed in town centres it is estimated that 2.2 million sq m of existing space will have to be demolished to make way for new stock. This means that additional development requirements not already in the pipeline amount to just 484,000 square metres – which is little more than three big shopping centres.
- Estimates in 2005 suggested that over 500 non-UK retailers were currently trading in the UK, numbers which have risen steadily over the past 20 years.
- Sales per square metre for comparison goods are expected to increase by 2.2% per year over the next decade. This is considerably below the 2.9% estimate for the period between 1987 and 2005.
- The proportion of convenience store space given over to selling comparison goods in supermarkets is projected to increase to 25% by 2015 up from 21% in 2005. Without the increase in comparison goods sales there would be barely any need for additional convenience store space over the next decade.

DESIGN

- Future design of shopping places will be driven by different forces for change: consumer-led desire for quality and experience, new urban design agenda, climate change and dynamism and creativity of retailers.

- To reduce the carbon footprint of existing shopping places it will be necessary to review the current situation in order to monitor, minimise and mitigate the issues. Effective strategies for existing centres need to include: power supplies from renewable energy, reduction of glazing and fitting of solar panels, replacement of air conditioning with natural ventilation, use of low energy light bulbs, reduction in temperatures by one degree, improvements in waste management and new fit out requirements that incorporate sustainable practices.
- Future shopping places will need to look at using renewable energy sources including wind, tidal, and solar sources, as well as biomass boilers, underground heat sources, combined heat and power and rainwater.

BCSC'S FUTURE OF RETAIL PROPERTY REPORTS

1. Changing Demographics and Consumer Patterns
2. Consumer Over 55: Silver Shoppers Provide a Golden Opportunity
3. Online Retailing: The Impact of Click on Brick
4. The Future of Brands
5. Access, Information and Flexibility: The Future of Retail Transport
6. In Town or Out of Town?
7. Future of Retail Business Models
8. How Much Space?
9. Future Shopping Places
10. Shopping Places for People

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