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# HOT 100

## RETAIL LOCATIONS 2015

Location specialist CACI has produced an exclusive list of the UK's hottest retail locations for *Property Week*. Simon Creasey reports on the towns and cities that made the cut

LEICESTER

DERBY

POOLE

HULL

DUNDEE

EXETER



# Markets with mass potential

It's fair to say that Milton Keynes has had its fair share of knockers over the years. But the new town is the new kid on the block in terms of retail centres with the greatest mass-market potential, sitting atop the Hot 100 UK retail locations list for the first time.

This year's report, which has been compiled exclusively for *Property Week* by location experts CACI, differs from last year's in that it provides a rundown of the top 100 towns and cities that have the greatest capacity to support more mass-market retail brands rather than the locations that boast the greatest overall retail potential.

John Platt, principal consultant in CACI's property consulting group, explains the rationale. "More affluent towns and cities typically have a more premium retail offer, while those towns with less affluent catchments tend to see higher levels of discounters and budget operators," he says.

"Mass-market operators tend to appeal across the board; they form the basis of most middle-income shoppers' wardrobes, but at the same time you see affluent consumers trading down and the less affluent consumers trading up to shop at them. It is important then that any retail centre has the right mass-market offering."

The good news for mass-market operators is that there are opportunities spanning the length and breadth of the UK, with towns and cities in every region featuring in the top 100, as this six-page special report and our even more detailed interactive online analysis reveal - see [propertyweek.com/data/special-reports](http://propertyweek.com/data/special-reports).

## Sizeable opportunity

The South East unsurprisingly boasts 17 centres in the top 100. "This is largely due to the high volume of middle-income groups living in the home counties and suburbs of London," says Platt. "The satellite towns have relatively strong retail offers, but as more people move out of the capital into these areas there is a growing imbalance between supply and demand."

In the capital, however, only five areas made the ranking. On the face of it, this seems counter-intuitive, but it reflects the fact that the capital's potential has largely been exploited and that it is in the regions that the bigger potential now lies.

"There are locations across the country where there is headroom to expand," says Platt. "Obviously each brand has different store networks and expansion plans, and not all would be wise to expand into these towns, but it shows there are opportunity areas out there."

Many developers are already taking advantage. "A number of centres that feature have either got approved development plans or are acknowledged as under spaced. Birmingham features highly and has recently seen the opening of Grand Central, which will serve this untapped demand," says Platt. ■

## Top 50 hot retail locations

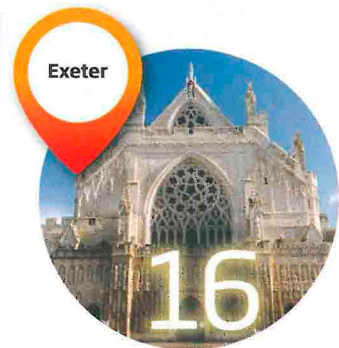


KEVIN GEORGE/ALASTAIR WALLACE/DANIEL DENT/SREEM/SHUTTERSTOCK

**Hot 100 UK retail locations**

Rank	Centre	Score
1	Milton Keynes	95%
2	Norwich	93%
3	Leicester	93%
4	Birmingham	93%
5	Plymouth	93%
6	Reading	92%
7	Huddersfield	92%
8	Derby	92%
9	Nottingham	91%
10	Leeds	91%
11	Southampton	91%
12	Croydon	90%
13	Wolverhampton	90%
14	Manchester	90%
15	Bristol	90%
16	Exeter	90%
17	Ipswich	89%
18	Stoke-on-Trent - Hanley	88%
19	Peterborough	88%
20	Brighton	88%
21	Liverpool	87%
22	Colchester	87%
23	Crawley	87%
24	Grimsby	87%
25	Newcastle upon Tyne	87%
26	Cambridge	87%
27	Watford	87%
28	Kingston Upon Thames	86%
29	Preston	86%
30	Guildford	86%
31	Stockport	86%
32	Dundee	85%
33	Northampton	85%
34	Aberdeen	85%
35	Bromley	85%
36	Taunton	85%
37	Glasgow	85%
38	Bradford	85%
39	Cheltenham	85%
40	Hull	85%
41	Maidstone	85%
42	Luton	85%
43	Bath	84%
44	Camberley	84%
45	Lancaster	84%
46	High Wycombe	84%
47	Tunbridge Wells	84%
48	Doncaster	84%
49	Telford	83%
50	Durham	83%

Rank	Centre	Score
51	Oxford	83%
52	Darlington	83%
53	Canterbury	83%
54	Blackpool	83%
55	Bolton	83%
56	Coventry	82%
57	Yeovil	82%
58	Solihull	82%
59	Cwmbran	82%
60	Burton-on-Trent	82%
61	Southend-on-Sea	82%
62	Sheffield	81%
63	Lincoln	81%
64	Bury St Edmunds	81%
65	Shrewsbury	81%
66	Scunthorpe	81%
67	Poole	81%
68	Enfield	81%
69	Basildon	81%
70	Wakefield	81%
71	Halifax	80%
72	Worcester	80%
73	Harrogate	80%
74	Chelmsford	80%
75	Bury	80%
76	Woking	80%
77	Wigan	80%
78	Fareham	80%
79	Sutton Coldfield	80%
80	Middlesbrough	80%
81	Hereford	79%
82	Basingstoke	79%
83	Swindon	79%
84	Cardiff	79%
85	Warrington	79%
86	Stevenage	78%
87	Mansfield	78%
88	Redditch	78%
89	Stafford	78%
90	Newport - Isle of Wight	78%
91	Worthing	78%
92	Nuneaton	78%
93	Boston	78%
94	Swansea	77%
95	Salisbury	77%
96	Bedford	77%
97	Edinburgh	77%
98	Torquay	77%
99	Harrow	77%
100	King's Lynn	77%



S. KARAUJELICIAN/MILASAN/MAGSPACE/IAN WOOLCOCK/SHUTTERSTOCK INGY THE WINGY/FLICKR

# Top 10 Hot Retail Locations



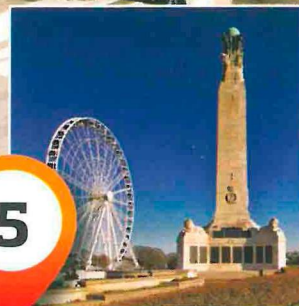
1

2

3

4

5



## Milton Keynes

Milton Keynes is a purpose-built new town designed in the 1960s. It has an affluent catchment and sits within London's commuter belt. There is a slightly larger proportion of premium retail in the town than mass and Milton Keynes retains a large proportion of the market share from its catchment as retail competition in the area is limited.

The town's annual household spend on comparison goods indexes above the UK and is also slightly above the South East average. The town is 15th in the UK in terms of comparison goods market potential, ranking just below Liverpool and Nottingham and is the second-highest town in the South East.

## Norwich

The county town of Norfolk is a fairly isolated rural town with a fairly affluent catchment area. The city is generally in line with the UK average but over-indexes on the proportion of 'countryside communities' within the catchment.

The town dominates its core catchment with high market shares reflecting the lack of alternatives in the immediate surrounding area.

The retail offer is predominantly mass market and the town ranks as the strongest retail centre in the East of England region.

Tourist spend makes up a large part of the town's income, which combined with its large and mostly competition-free catchment area makes Norwich a compelling market for mass-market retailers.

## Leicester

Leicester is the county town of Leicestershire and the biggest city in the east Midlands. Its nearest competing centres include Nottingham and Coventry.

The affluence of the town is generally in line with the UK average but over-indexes in the middling-affluence groups. It is ranked as the 17th retail centre in the UK in terms of comparison market goods potential. In the east Midlands, it is second only to Nottingham.

A quarter of the town's retail offer is considered value but household spend on comparison goods is above the UK average.

Leicester ranks so highly because it has a large retail catchment area that predominantly falls into the middle-income groups.

## Birmingham

Birmingham is the second-largest city in the UK, with a population of more than one million. It has a fairly mixed-affluence catchment and is considered to have the fourth-largest comparison goods market potential in the UK.

The city retains a relatively low market share of its core catchment due to the number of retail destinations in this area: consumers have a choice about where to shop, which dilutes Birmingham's market share.

This analysis is based on data from before the opening of Grand Central. The new scheme, which is more premium dominated, will fulfil some of the potential highlighted in this analysis.

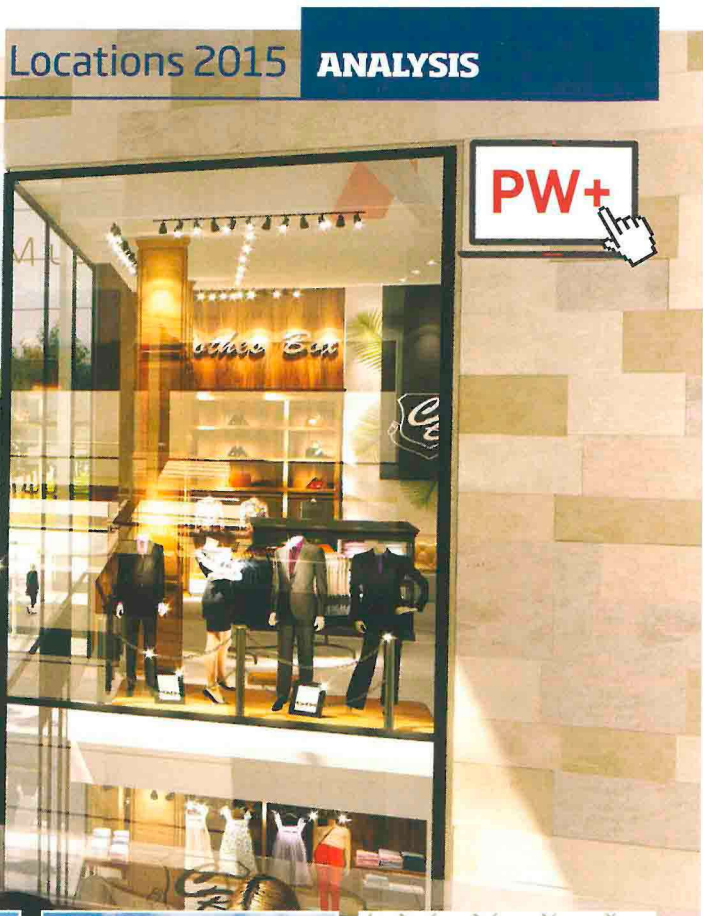
## Plymouth

Plymouth is a coastal city in Devon. The town has a predominantly naval heritage and benefits from seasonal tourism. The city has a very mixed affluence catchment, over-indexing on 'steady neighbourhoods' against the UK and South West averages.

The city retains more than 40% market share of its catchment, reflecting the isolated nature of the settlement.

The retail mix is predominantly mass market with low levels of premium retailers. The comparison market potential is slightly above that of rival Exeter.

The high levels of middle-income consumers across the catchment area mean there is scope to add more mass-market retail to the city.



## Reading

The Berkshire town has an affluent population, reflecting its status as a popular part of the London commuter belt. Its catchment over-indexes on the most affluent Acorn groups, 'executive wealth' and 'career climbers'.

Reading ranks 24th in CACI's Retail Footprint model. The retail offer is well balanced between premium, mass and value. Mass-market brands make up 42% of the retail offer.

The opening of Crossrail could see the number of middle-income consumers living in Reading increase as they take advantage of increased services to London. With this projected rise in population there is strong opportunity for Reading's retail offer to develop.

## Huddersfield

Huddersfield is a large market town in West Yorkshire whose catchment is dominated by middle-income consumer groups. The affluence of the town in terms of average spend reflects this and is in line with Yorkshire and the Humber.

The town is trading in a competitive environment sandwiched between Manchester and Leeds and its offer is skewed towards the more value brands. This offer is likely deterring the more affluent and middle-income consumers found on the outskirts of the catchment area from shopping locally.

Adding strong mass-market brands to the town would appeal to a different demographic group and attract more people into the town centre.

## Derby

Derby is the county town of Derbyshire and has a generally more affluent catchment than the east Midlands average.

The city trades in a very competitive environment, with many shoppers choosing to travel to Nottingham. It is the third-largest retail centre in the east Midlands and there is a strong mass-market base to its retail offer with supporting premium and value brands. The volume of middle-income households in the catchment means the town could support more retail.

The opening of Westfield Derby (now Intu Derby) in 2007 changed the retail landscape of the city significantly. The high street was initially affected but has since seen a resurgence and the city is now thriving.

## Nottingham

Nottingham is a key city in the east Midlands and has the strongest retail offer of any centre in the region. The catchment is dominated by middle-income affluence groups, but also has high proportions of the most affluent consumers, 'executive wealth'.

Intu, which operates two shopping centres in the city, has already identified the opportunity to improve the retail mix in Nottingham. The developer plans to extend and upgrade both Intu Victoria Centre and Intu Broadmarsh. These improvements will inevitably look to better serve the current catchment, capturing more spend from existing customers while attempting to increase the catchment size of the city.

## Leeds

Alongside Manchester, Leeds has become the financial powerhouse of the North. It is the third-largest city in the UK in terms of population.

The city has witnessed recent improvements in its retail offer with the recently opened Leeds Trinity scheme and soon-to-open Victoria Gate development. The retail mix is dominated by premium and mass-market brands. This analysis does not take into consideration the Victoria Gate and goes to show that the development is justified.

The retail offer of the city is already strong, with Trinity Leeds one of the best-performing and innovative schemes in the country. Victoria Gate will further enhance that strong offer.

## Top 10 premium opportunities in the UK

The top 10 premium opportunity ranking has been calculated in a similar way to the main Hot 100. It looks at the relationship between luxury and premium brands and affluent Acorn groups. CACI's definition of premium brands includes the luxury operators (Gucci, Prada and so on) and premium high-street operators such as John Lewis, Apple and Reiss.

The South East dominates the ranking, with the entire top five located in the region. Commuter towns Woking, Horsham, Crawley, High Wycombe and Camberley are home to some very affluent consumers who are more than likely commuting into London. During the week the capital might fulfil their premium retail requirements, but there is an opportunity to increase the premium retail offer to serve them at the weekends. There is also a strong opportunity here for more upmarket catering outlets.



### Premium position: Woking

Woking falls just outside of the top 100 centres in CACI's Retail Footprint ranking and ranks 18th of all centres in the South East in terms of catchment-market potential.

It has an extremely affluent catchment with average spend 15% above the UK average, with the most affluent Acorn groups over-represented in its catchment. The town serves a relatively local catchment, with centres such as Guildford, Kingston upon Thames and Windsor limiting its market area.

However, there is a misalignment between retail offer and catchment demographics. The town centre is very mass-market-focused, with Woking Shopping Centre being dominated by mass-market brands. Just 11% of all retail in the town is premium - far lower than could be expected considering the affluence of the catchment area.

It is likely that affluent Woking consumers are currently spending a large amount of their money in places such as Guildford that have a retail offer more aligned with their needs.

## Top 10 premium opportunities

1	Woking
2	Horsham
3	Crawley
4	High Wycombe
5	Camberley
6	Derby
7	Dundee
8	Bishop's Stortford
9	Chelmsford
10	Altrincham



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## METHODOLOGY

### Mass-market retail potential:

This ranking highlights which towns and cities could support more mass-market retail based on the type of customer living in the catchment area.

The ranking has been created by carrying out supply-and-demand analysis, with supply being the existing provision of mass-market retail and demand being the middle-income consumers living in the catchment area.

CACI's Retail Footprint catchment model has been used to define the catchments, meaning each catchment area reflects the levels of competition in nearby retail centres.

The mass-market brands have been defined by CACI's market

position segmentation. CACI groups all brands into one of six market positions, from luxury through to budget. There are more than 300 mass-market brands in CACI's segmentation including M&S, Currys, Clarks, Boots and Gap.

Middle-income groups are defined as the five Acorn groups that make up the Comfortable Communities category. Acorn is CACI's demographic segmentation that combines life stage, affluence and shopping behaviour to segment the population into one of six categories and 18 groups.

The ranking focuses on towns and cities across the entirety of Great Britain and excludes any regional malls, retail parks or

outlet centres. The focus is on mass-market headroom.

There are inevitably some locations that are prime for development but do not have the under-provision of mass-market brands versus the middle-income consumers in the catchment area.

### Premium retail potential:

The top 10 premium opportunity ranking has been calculated in a similar way to the main Hot 100. It looks at the relationship between luxury and premium brands and affluent Acorn groups.

CACI's definition of premium brands includes luxury operators and premium high-street operators.