Shropshire Council

Shropshire: Town Centre Audit Key Findings September 2023

Research undertaken by Business Improvement: Data and Analysis in conjunction with the Place Plan Officer Team

Published November 2023

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Introduction

Shropshire Council undertakes an annual survey of town centre businesses to assess:

- The range and diversity of the retail offer
- The number and types of non-retail businesses operating
- The number and location of vacant properties
- Distinctive characteristics within the town, for example a strong tourism offer or a high penetration of “low end” traders
- The amount, location and type of domestic residences in the centre of the town
- Change over time and the identification of emerging trends

The research also helps to monitor how towns adapt, and how quickly, to prevailing socio-economic circumstances, such as the Covid-19 pandemic and the cost-of-living crisis.

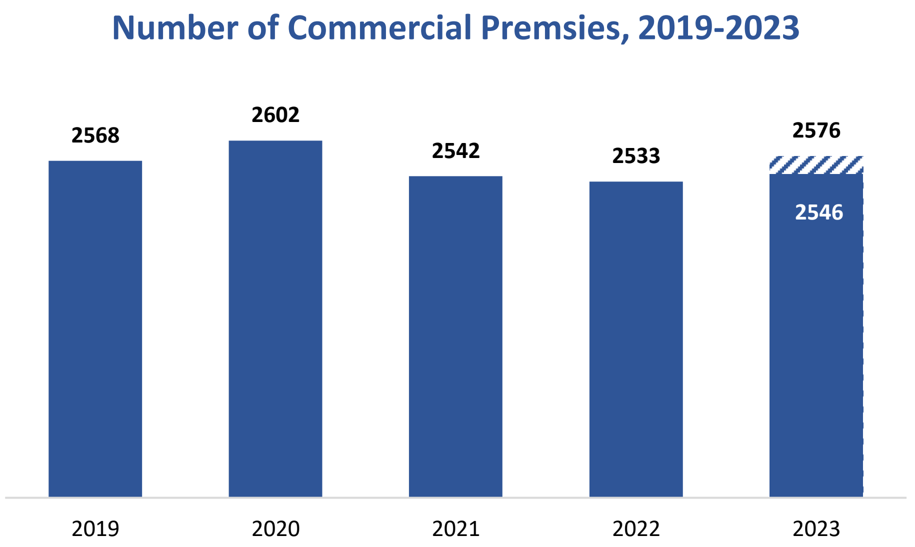
The following towns are part of the survey:

- Albrighton
- Bishop’s Castle
- Bridgnorth
- Broseley
- Church Stretton
- Cleobury Mortimer
- Craven Arms
- Ellesmere
- Highley
- Ludlow
- Market Drayton
- Much Wenlock
- Oswestry
- Shifnal
- Shrewsbury
- Wem
- Whitchuch

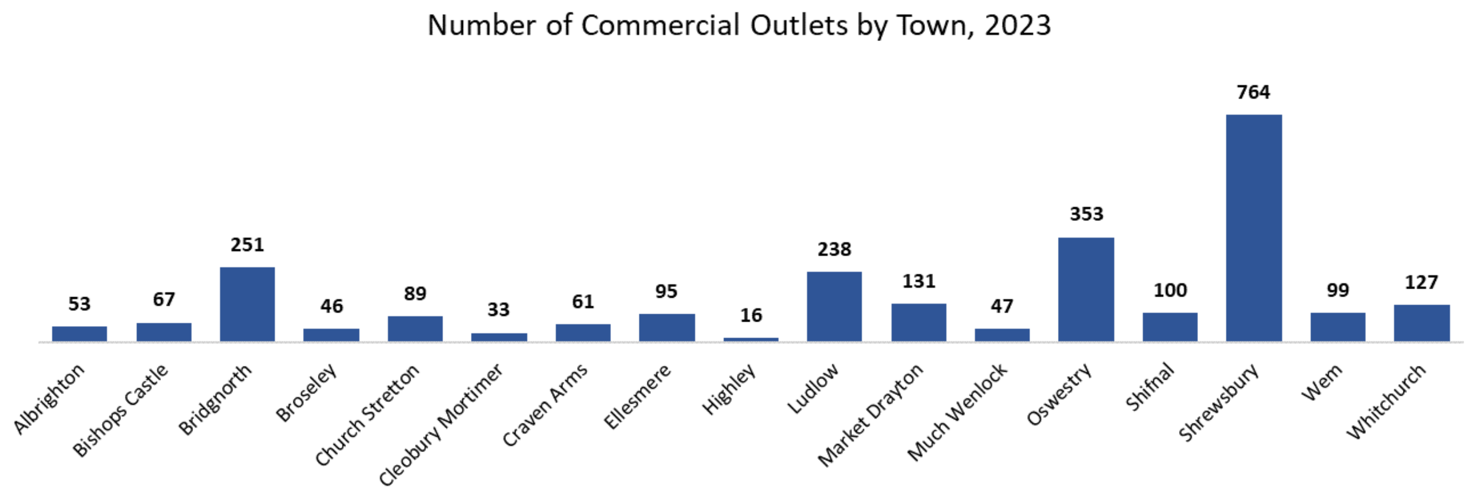
The research was first undertaken in 2019 and has been repeated in September every year since. In 2020 the audit took place following the first national lockdown; non-essential retail and hospitality businesses were able to trade at this time (albeit with strict social distancing measures in place). By September 2021, all pandemic restrictions had been lifted. By 2022, the cost-of-living crisis was gathering pace and in 2023 the rate of inflation was still elevated.

Key Results – Number of Commercial Outlets

- There were 2,576 commercial premises in Shropshire's town centres in 2023. This includes 30 units in the Castle Foregate area of Shrewsbury that were not included as part of the survey area until this year.
- There has been a reduction in the number of premises classed as commercial since 2020 (56 fewer) - this is primarily due to the closure of the Pride Hill Shopping Centre in 2021, which has reduced commercial capacity in Shrewsbury.
- Across the county, some formerly commercial premises are now residential which has also impacted commercial supply.
- There has been a trend for larger units to be split into more than one premise which has led to a slight increase in commercial premises in 2023 in comparison with 2022.
- Despite the contraction in commercial space in Shrewsbury, 30% of all outlets are in the county town. Oswestry is the second largest centre, with a 14% share.
- Accounting for almost one in ten outlets are Ludlow and Bridgnorth.



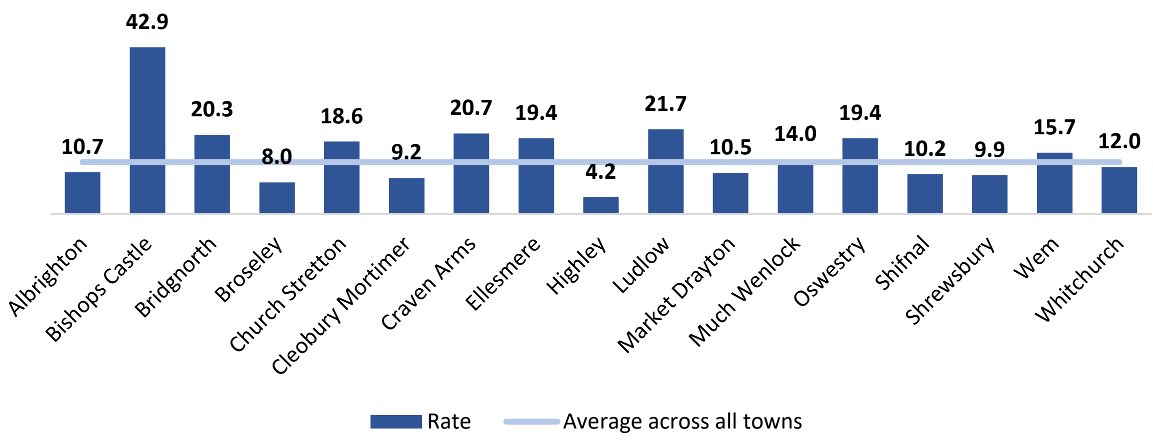
Shaded area represents 30 units in new survey area in Castle Foregate, Shrewsbury



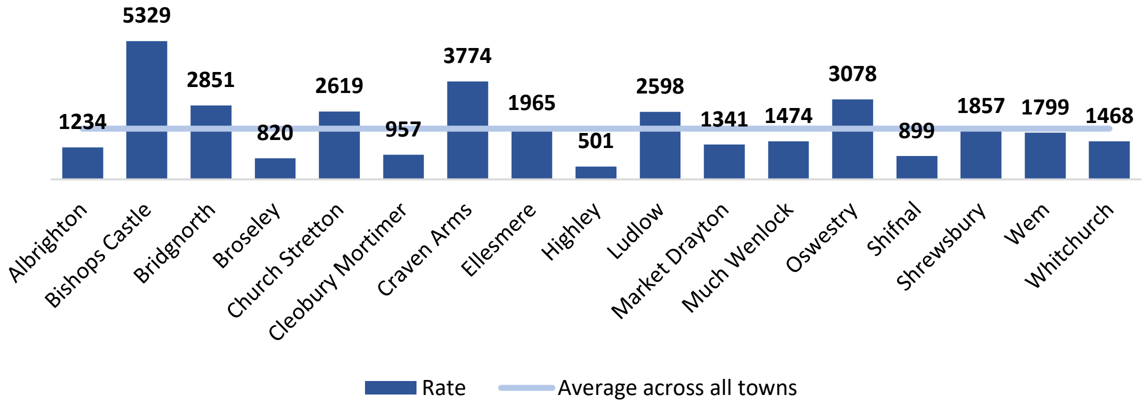
- Highley has the smallest shopping zone, with Broseley and Cleobury Mortimer also supporting fewer than 50 commercial outlets.

Key Results – Commercial Units/Space per Head of Population

Number of Commercial Outlets per 1,000 Population by Town, 2023



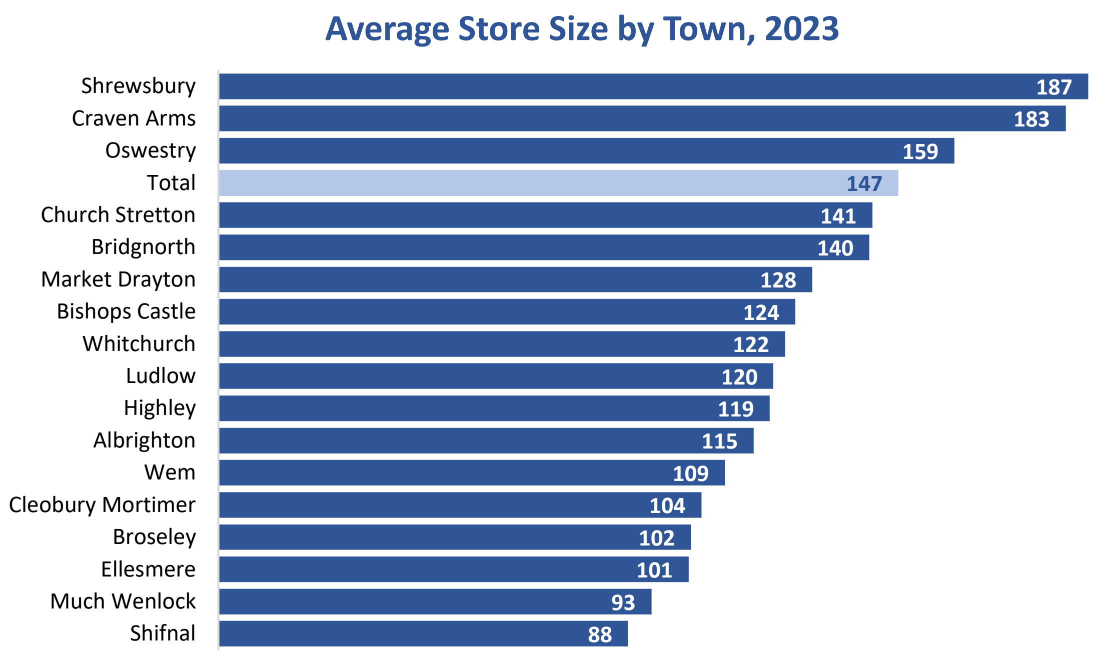
Commercial Floor Space (gross m^2) per 1,000 Population by Town, 2023

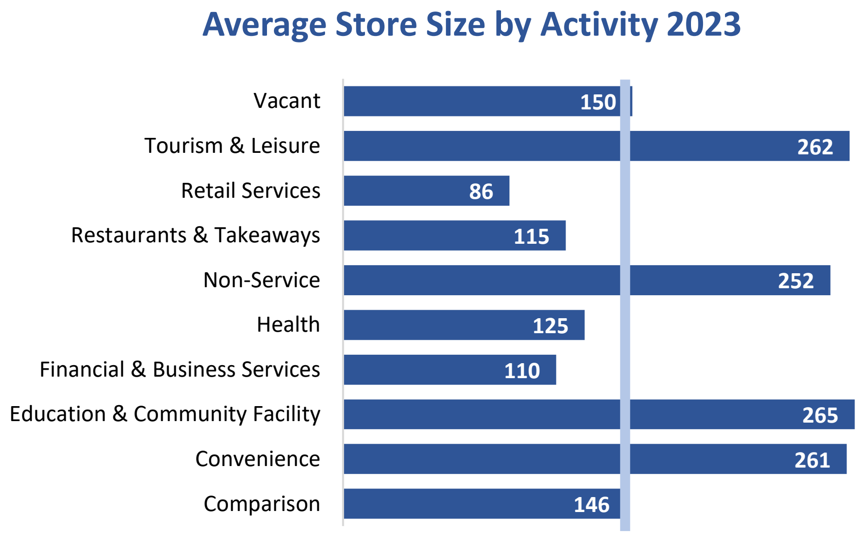


- The average number of commercial outlets per 1,000 population is 13.3.
- Bishop's Castle has the highest number of commercial outlets per head of population – more than twice as many as any other (reflecting its relative remoteness and significant hinterland).
- Highley has the fewest commercial outlets per head of population as well as the fewest commercial operators.
- Shrewsbury has lower than average number of commercial outlets per head of population despite being the largest shopping destination. The county town does, however, have a significant number of commercial operators outside the town centre shopping zone.
- Furthermore, the average store size in Shrewsbury is larger than average, meaning that commercial floor space per head of population is much closer to the average for Shropshire.

Key Results – Average Store Size

- The average gross store size across the Shropshire towns is 147m^2. This varies considerably by town. Stores in Shrewsbury are largest (187m^2 on average) and units in Craven Arms are also much larger, primarily due to one very large unit (Harry Tuffins) which skews the results.
- Units in Church Stretton and Bridgnorth are closest to the Shropshire average.
- Meanwhile, the average size in Shifnal and Much Wenlock is less than 100m^2.

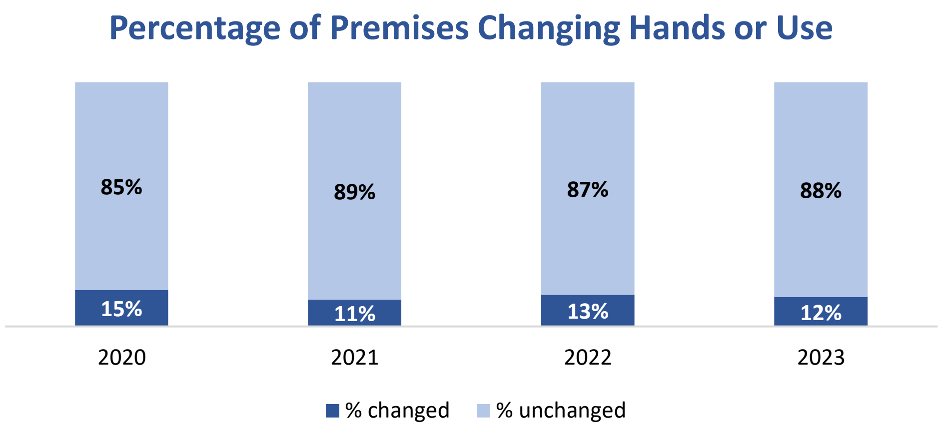


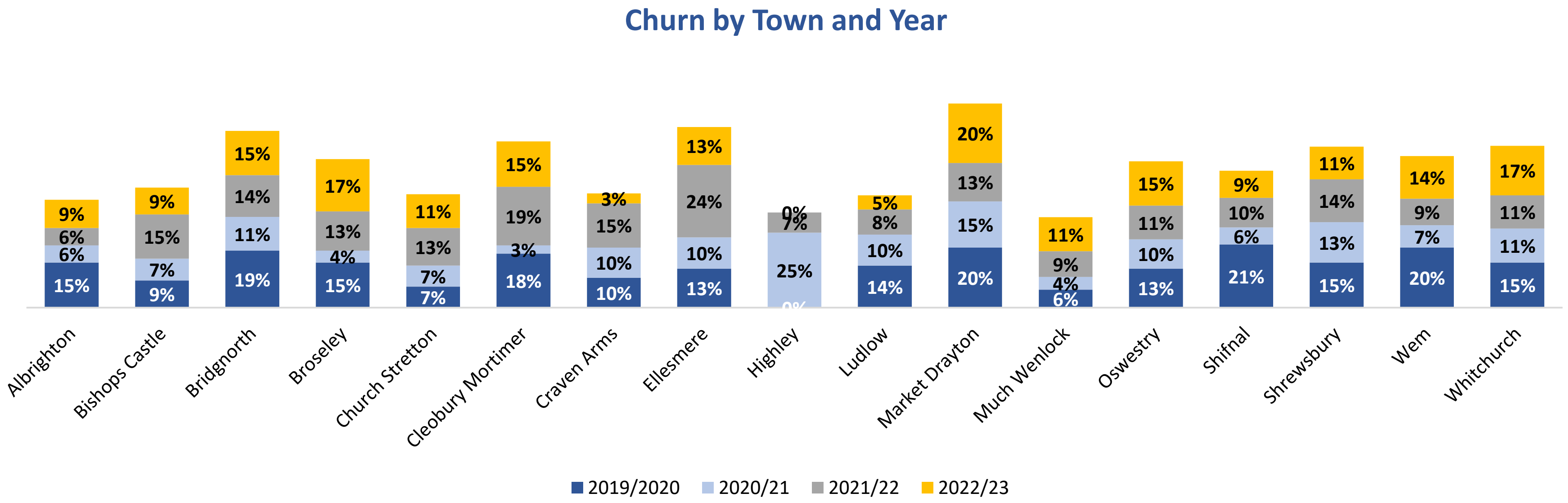


- The size of store also varies depending on commercial activity. Tourism & leisure, education & community facilities and convenience retail are significantly larger than average, while retail services and finance and business service providers typically occupy much smaller premises.

Key Results – Churn

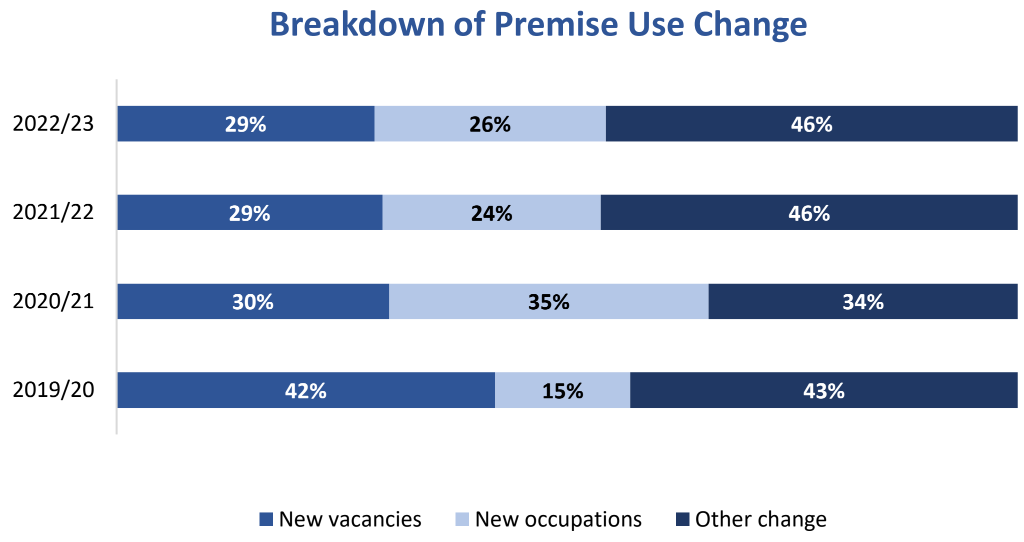
- 304 commercial units changed hands or use (or were rebranded) between 2022 and 2023, which was the equivalent of a churn rate of 12%.
- This rate compares with 13% in 2022, 11% in 2021 and 15% in 2020.
- Since 2019, 1,286 stores across the main Shropshire towns have changed hands or use (some more than once).
- 2023 churn was highest in Market Drayton, Whitchurch, Broseley, Cleobury Mortimer, Whitchurch and Oswestry, and lowest in Albrighton, Bishop's Castle, Craven Arms, Highley, Ludlow, and Shifnal (all less than 10%).
- In smaller towns, churn rates vary significantly year on year. In larger centres, annual churn tends to be more consistent.
- The chart below shows levels of churn over the last four years. Since 2019, churn has been highest in Bridgnorth, Cleobury Mortimer, Ellesmere, Market Drayton, Shrewsbury, Wem and Whitchurch. *(Please note, some business will have changed more than once over the time period.)*

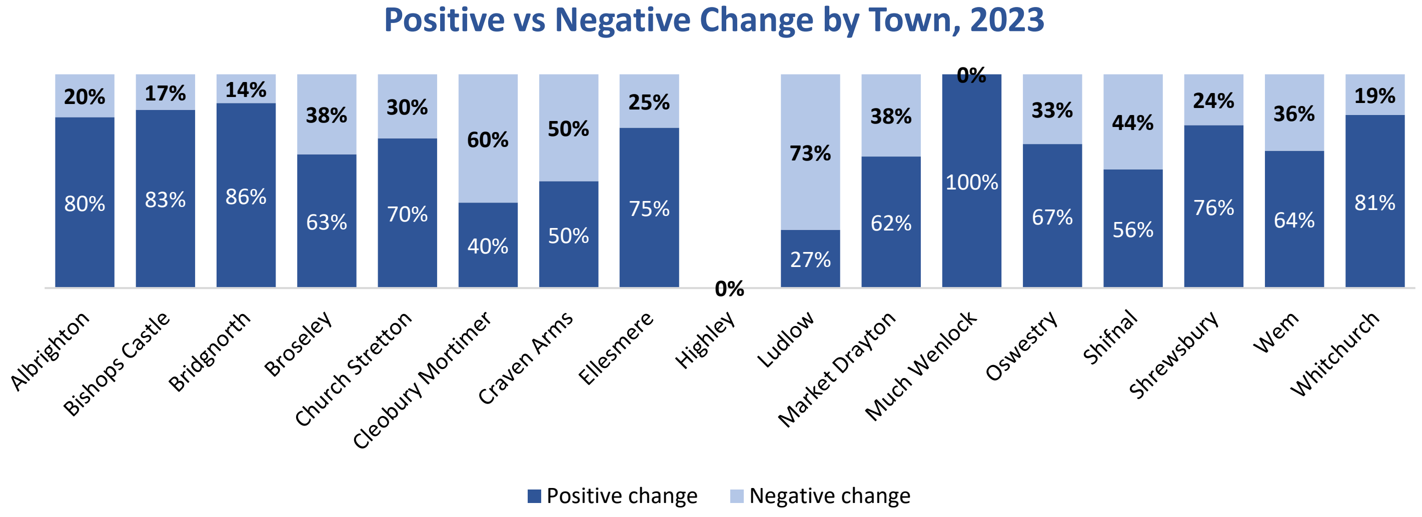




Key Results – Churn by Type of Change

- In 2023, 29% of all change across Shropshire was premises becoming vacant, with 26% of previously vacant premises becoming filled.
- The proportion of change attributable to new vacancies was similar in 2021 and 2022 (29% and 30% respectively). The number (and proportion) of new vacancies in 2020 was much higher as a consequence of the Covid-19 pandemic.
- In most towns, positive change (businesses opening in either previously vacant or occupied premises plus any other change in purpose or use) accounted for the majority of change in 2023, although there are some exceptions (Cleobury Mortimer and Ludlow) where premises becoming vacant accounted for more than half of all change.

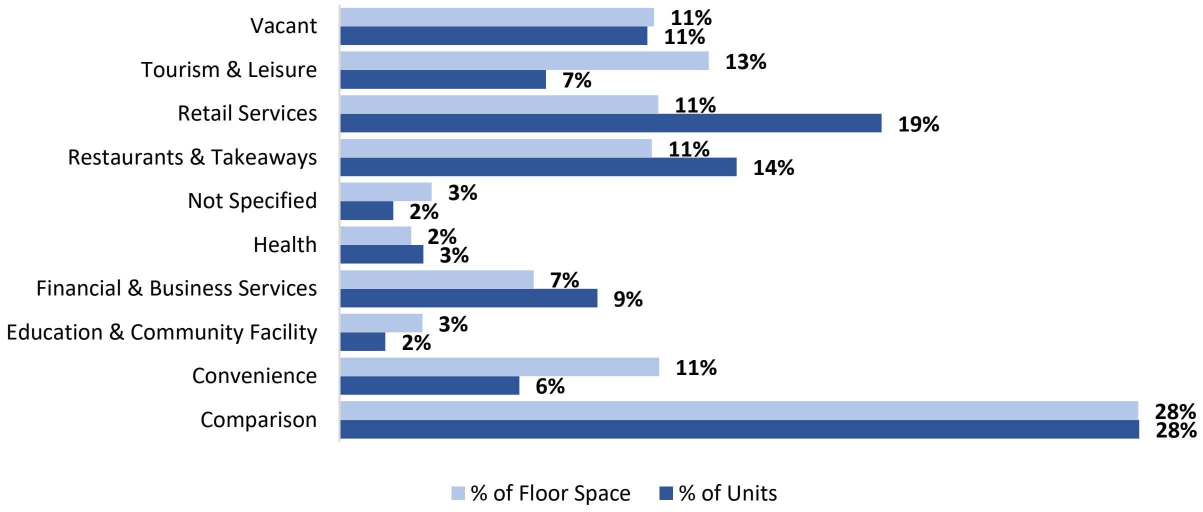




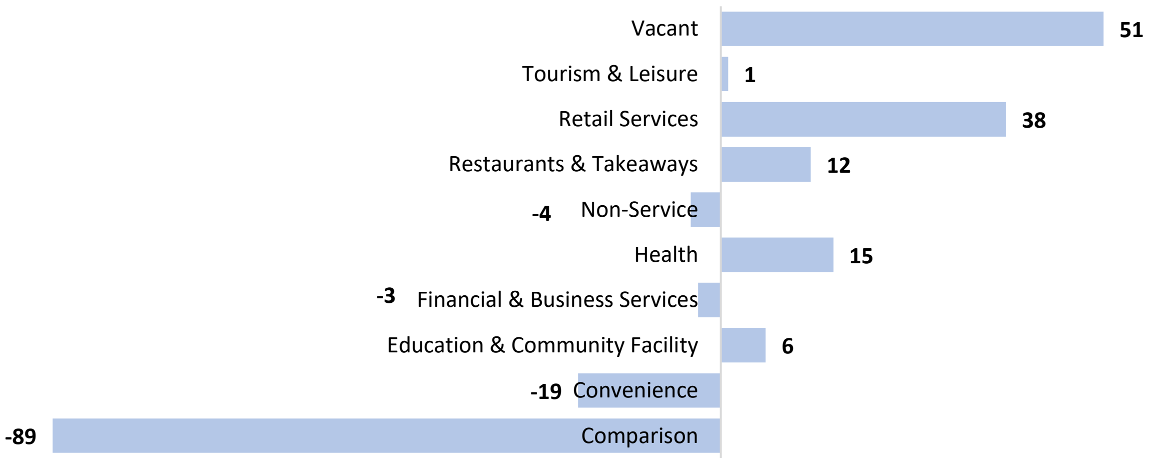
Key Results – Commercial Activity by Sector

- The comparison retail sector was particularly impacted by lower levels of activity on the high street during the pandemic and has been less quick to recover. There were 89 fewer comparison stores operating in 2023 than there were in 2019. The classification nonetheless accounts for the highest share of commercial units and floor space at 28%.
- Other sectors, which were either classified as "essential" throughout the pandemic, or those where it is less easy to substitute an on-line alternative (retail services, which includes hairdressers for example) have been relatively unscathed. Retail services increased their share of units from 17% to 19% between 2019 and 2023 with a net increase of 38 stores during this time.

Breakdown by Classification, 2023



Change in the Number of Commercial Units by Type, 2019/23



- The restaurant sector appears to have withstood lockdown relatively well, and there is evidence of new activity in this sector since 2021 with several new restaurants and cafes opening.
- The convenience sector has declined over the last year, with 19 fewer operators.
- Although the vacancy rate has been stable over the last couple of years, there are still significantly more vacant units than there were pre-pandemic.

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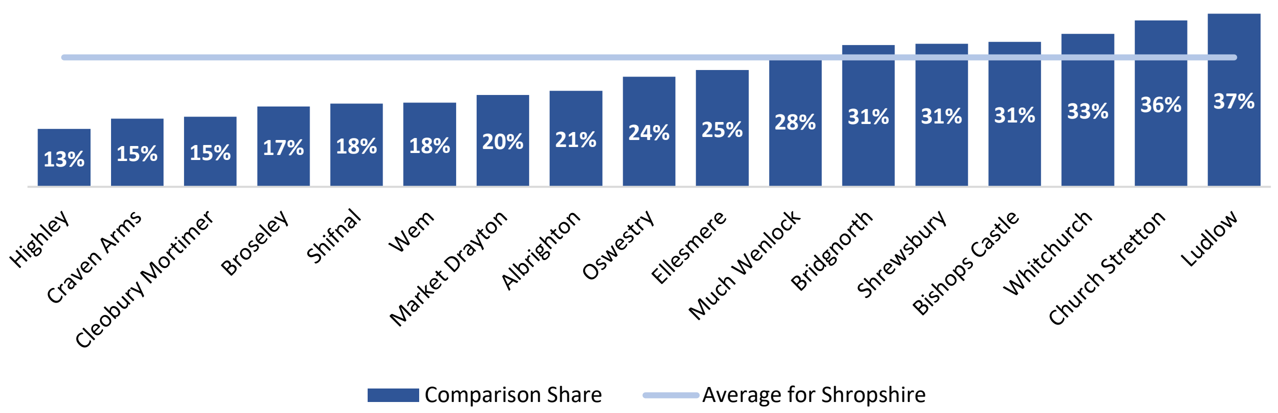
Key Results – Comparison Retail

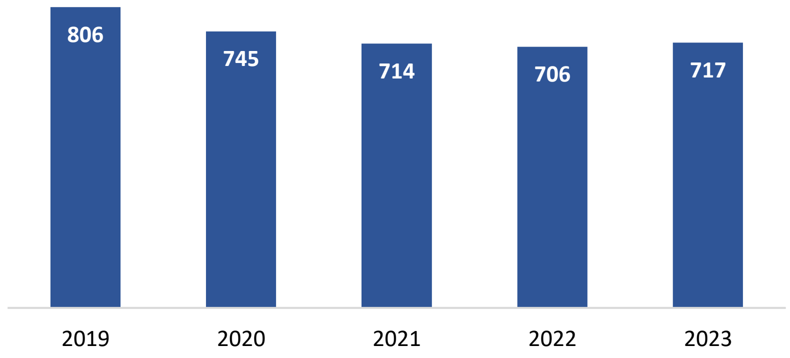
Comparison retail is defined as stores selling products that are not classified as food, drink and tobacco. Key sub–sectors include: clothing; homeware/household goods; antiques; pharmacies; hobbies/crafts, gifts, cards & stationery; mobile phones, computers & electricals; charity shops.

- Comparison retail was particularly impacted during the pandemic when it was categorised as "non-essential". Between 2019 and 2022 the number of operators across the main Shropshire town centre shopping zones fell by 100 (a 12% decrease).
- The sector did recovery slightly in 2023 with an additional 11 stores operating. However, it will be difficult for high street retailers to regain market share lost to on-line platforms.
- Some towns have a much more extensive comparison offer than others – Shrewsbury accounts for a third of all comparison stores.
- Comparison accounts for 28% of all commercial units across Shropshire, but for a significantly higher proportion than this in Ludlow, Church Stretton, Whitchurch, Bishop's Castle, Shrewsbury and Bridgnorth.

Relative Importance of Comparison Retail by Town, 2023

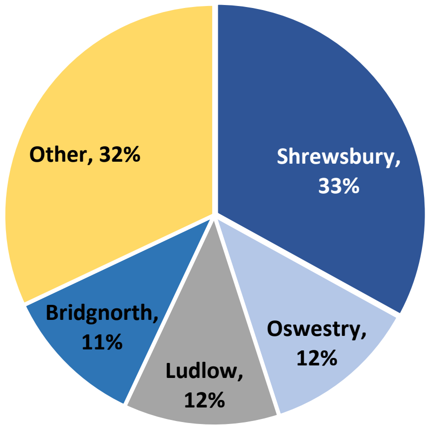


Number of Comparison Retailers



2023 includes one comparison store located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Comparison Retail: Share of Total Units by Town, 2023

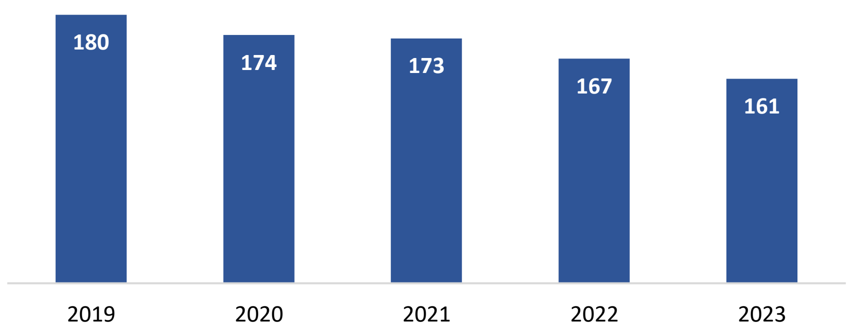


Key Results – Convenience Retail

Convenience retail is defined as stores selling predominantly food, drink and tobacco. Key sub–sectors include: supermarkets and general convenience stores; butchers; bakers; confectioners; delicatessen; health food; greengrocers; fishmongers; off-licenses; newsagents.

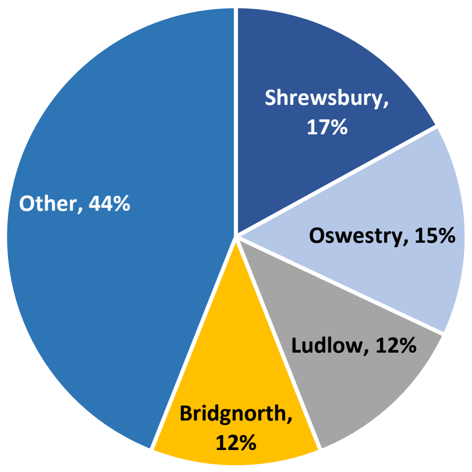
- Like the comparison sector, the convenience offer within town centres has declined since 2019, with a net loss of 19 units over the four-year period.
- In part this decline can be attributable to the continued trend for main convenience retailers, especially supermarkets, to be located outside of the main town centre shopping zones.
- Although 17% of the convenience retail offer is in Shrewsbury, the classification is of lesser importance than in any other town (except Bishop's Castle).
- Convenience retail is of particular significance in Highley, Broseley and Much Wenlock.
- The average size of convenience stores is large (due the presence of some supermarkets), with this classification accounting for 11% of floor space across Shropshire (6% of units).

Number of Convenience Retailers

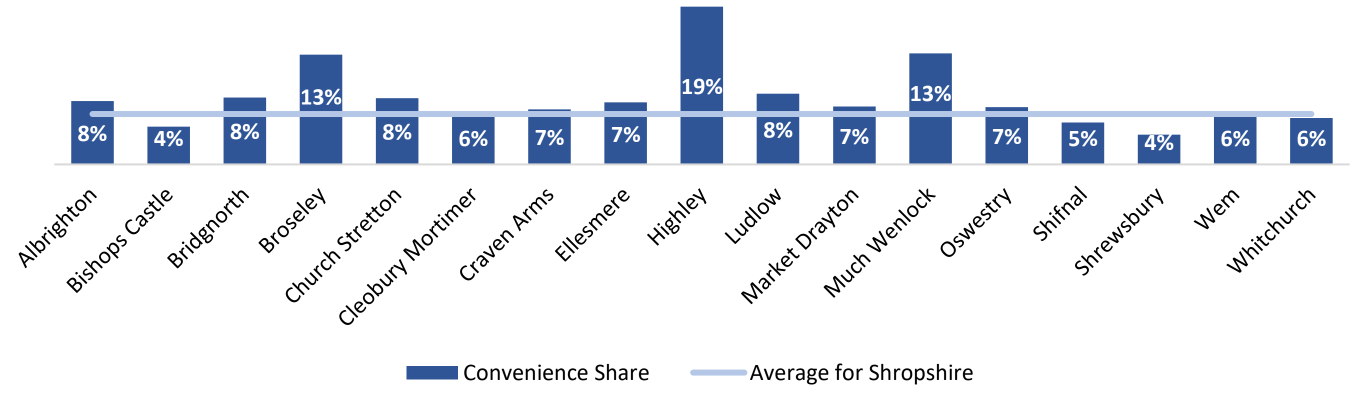


2023 includes one convenience store located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Convenience Retail: Shares of Total Units by Town, 2023



Relative Importance of Convenience Retail by Town, 2023

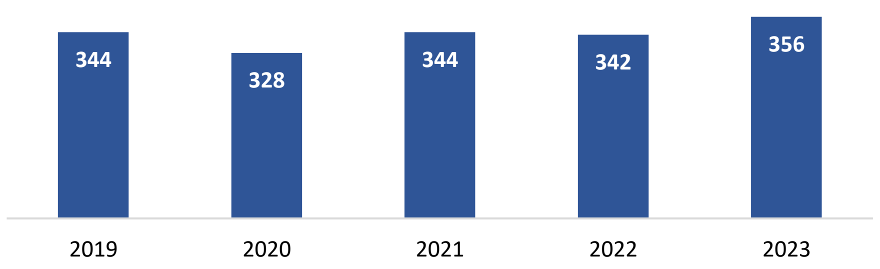


Key Results – Restaurants & Takeaways

The restaurant & takeaway classification includes restaurants, cafes, tea rooms, sandwich shops and takeaways.

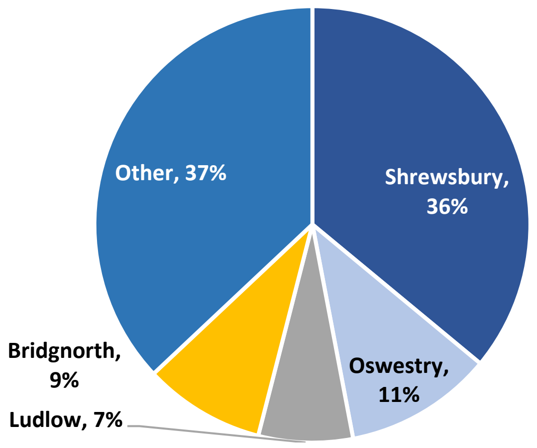
- The sector was significantly impacted by the Covid-19 pandemic in 2020, when the number of units trading fell by 16 (a decrease of 5%).
- Subsequently, however, the sector has recovered, with slightly more operators than there were pre-pandemic (although eight of the 12 additional traders are located in Castle Foregate in Shrewsbury which was only surveyed in 2023).
- Shrewsbury accounts for over a third of all restaurants and takeaways, reflecting the town's significant night-time economy.
- Accounting for 14% of all commercial operators across Shropshire, restaurants and takeaways account for at least 8% of units in each town and have an above average representation in Albrighton, Church Stretton, Cleobury Mortimer, Highley, Market Drayton, Shifnal and Whitchurch as well as Shrewsbury.

Number of Restaurants/Takeaways

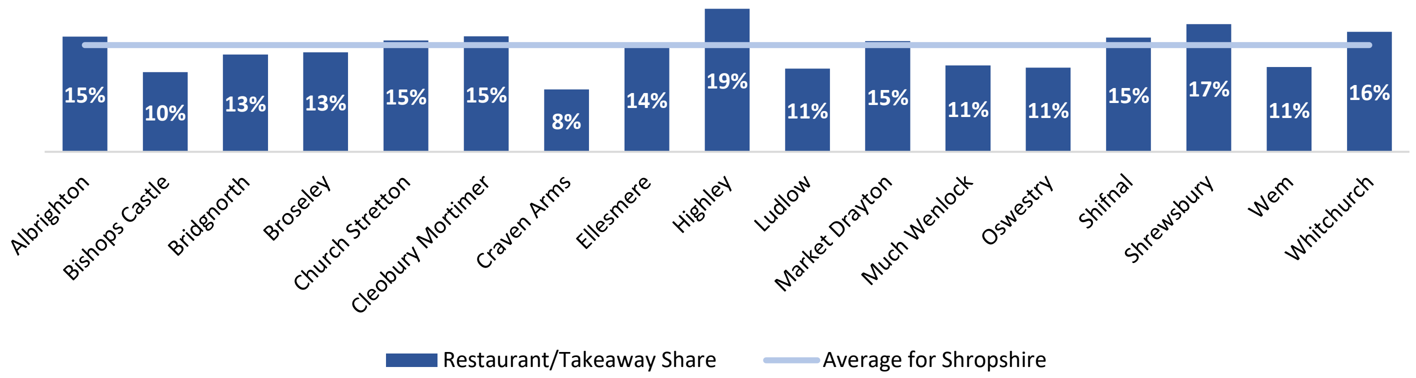


2023 includes eight restaurants/takeaways located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Restaurants/Takeaways: Shares of Total Units by Town, 2023



Relative Importance of Restaurants/Takeaways by Town, 2023

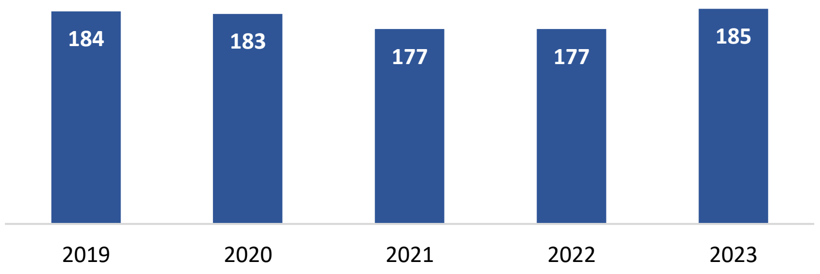


Key Results – Tourism & Leisure

The tourism & leisure classification includes hotels and other holiday accommodation, public houses and bars as well as museums, entertainment venues, visitor attractions and cultural assets.

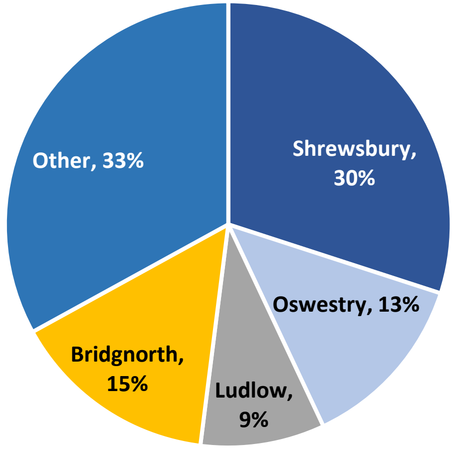
- The number of operators in the tourism & leisure classification fell by seven between 2019 and 2022 but recovered somewhat in 2023, when there were 185 organisations trading (including five within the Castle Foregate area of Shrewsbury which was not included in the Shrewsbury shopping zone until 2023).
- This classification accounts for 7% of units across the Shropshire towns, but as the average size is large, they represent 13% of commercial space.
- There are no operators in this classification Highley, and relatively few in Craven Arms and Market Drayton.
- They command a particularly high share of units in Bishop's Castle, Bridgnorth, Broseley and Much Wenlock.

Number of Tourism & Leisure Operators

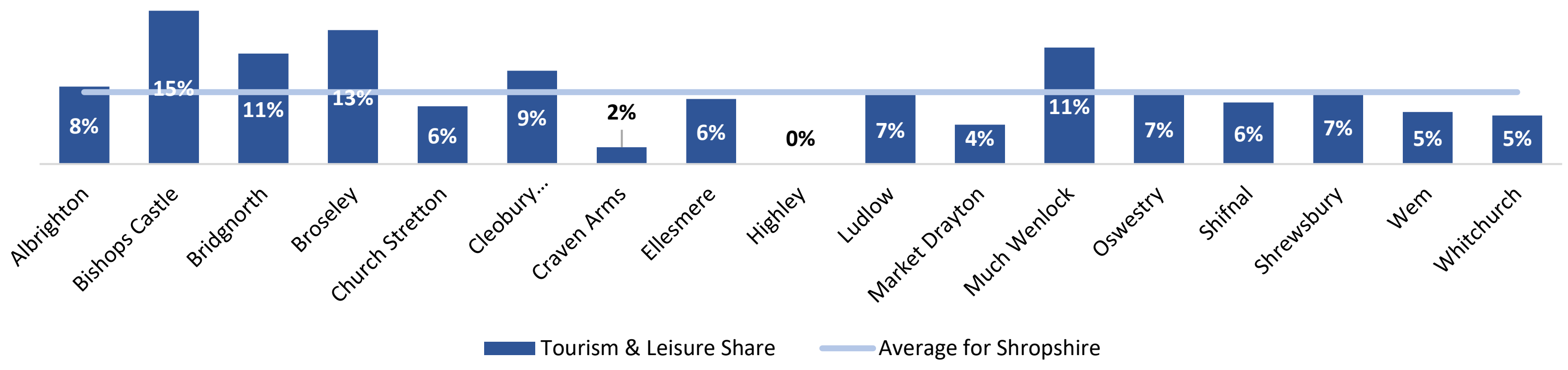


2023 includes five operators located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Tourism & Leisure: Shares of Total Units by Town, 2023



Relative Importance of Tourism & Leisure by Town, 2023

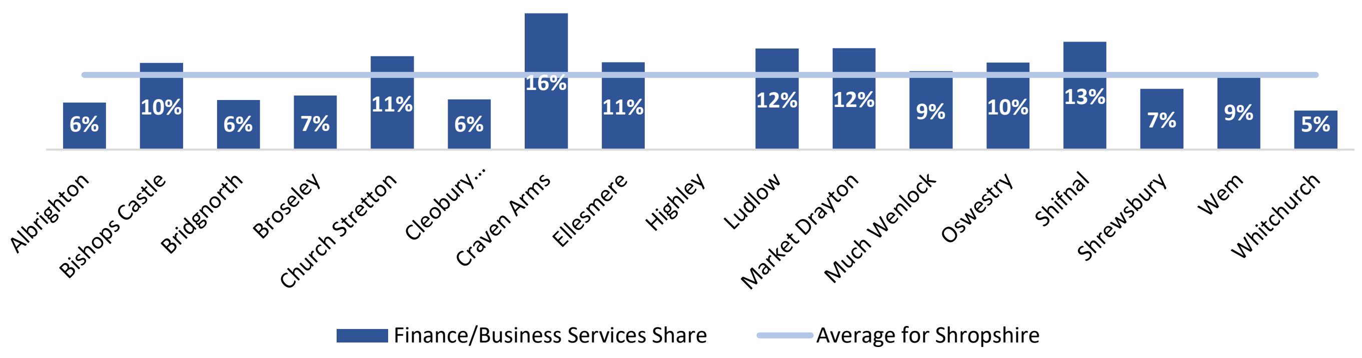


Key Results – Finance, Business & Professional Services

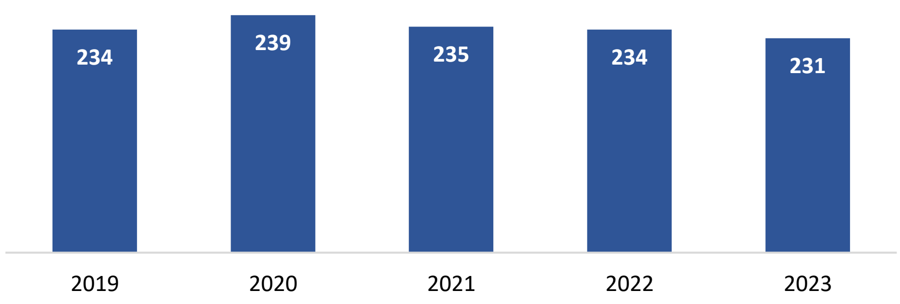
This classification includes a range of financial services providers including banks and building societies, mortgage brokers and financial advisors. It also include a range of professional services such as estate agents, solicitors, accountants and insurance brokers.

- The finance and business services classification has contracted slightly in recent years, with the number of operators falling to 231 by 2023.
- Since 2019, several bank branches have closed in Shropshire, and this has impacted the sector.
- The classification accounts for 9% of units and 7% of floor space across Shropshire and is particularly important in Craven Arms, Church Stretton, Ludlow, Market Drayton and Shifnal.
- Although almost a quarter of operators are in Shrewsbury, this classification is of less importance to Shrewsbury than the Shropshire average, in part because many professional services providers are no located out of town on one of the surrounding business parks.

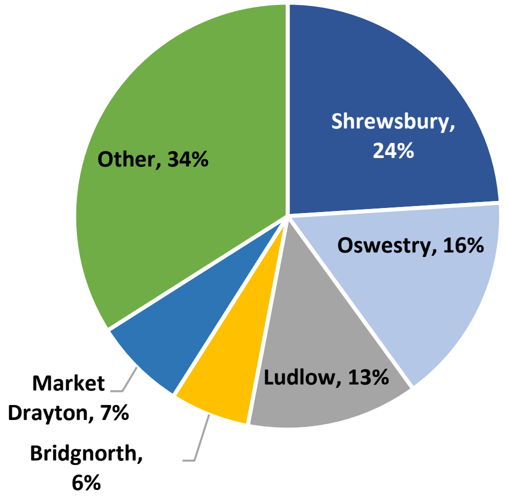
Relative Importance of Finance/Business Services by Town, 2023



Number of Finance/Business Services Providers



Finance/Business Services: Shares of Total Units by Town, 2023

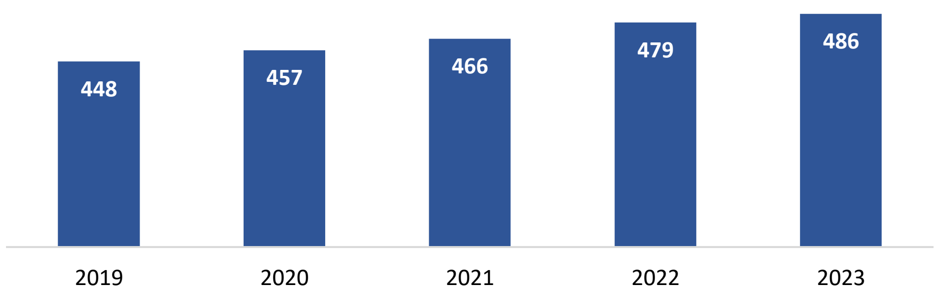


Key Results – Finance, Business & Professional Services

Retail services are defined as businesses selling a service rather than a product, and include hairdressers, barbers and beauty salons, travel agents, opticians, funeral directors, bookmakers, tattooists, photographers and post offices.

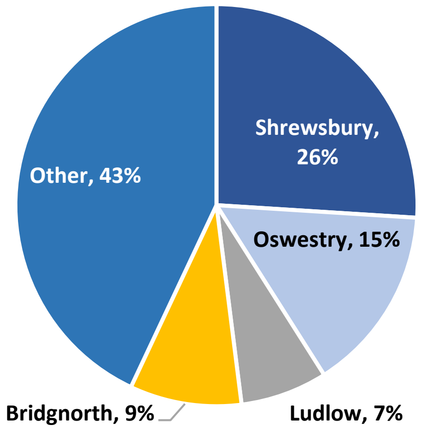
- Retail services have emerged from the pandemic relatively unscathed – although obliged to close during lockdowns, they have bounced back quickly, in no small part because they offer a service that it is mostly impossible to obtain on-line.
- Between 2019 and 2023, an additional 38 businesses in this classification began to trade (including four in the Castle Foregate area of Shrewsbury which was first audited in 2023), which is the equivalent of an 8% rise.
- Retail services account for an average of 19% of units across Shropshire. Premises tend to be smaller than average; hence, this classification accounts for 11% of gross floor space.
- The relative importance of retail services varies considerably from town to town, accounting for more than a quarter of units in Albrighton, Highley, Market Drayton, Shifnal and Wem. In contrast, they account for 10% or less in Church Stretton and Much Wenlock.

Number of Retail Services Providers

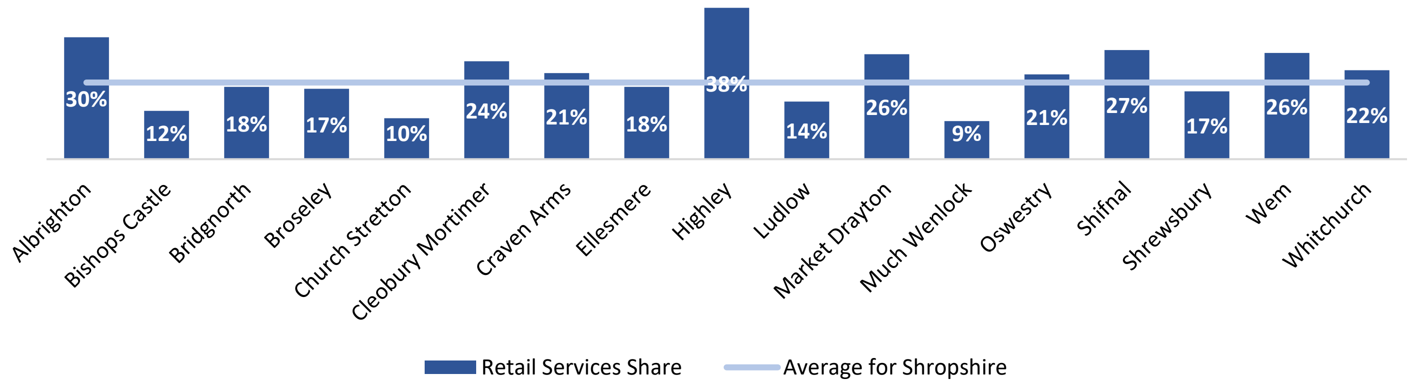


2023 includes four operators located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Retail Services: Shares of Total Units by Town



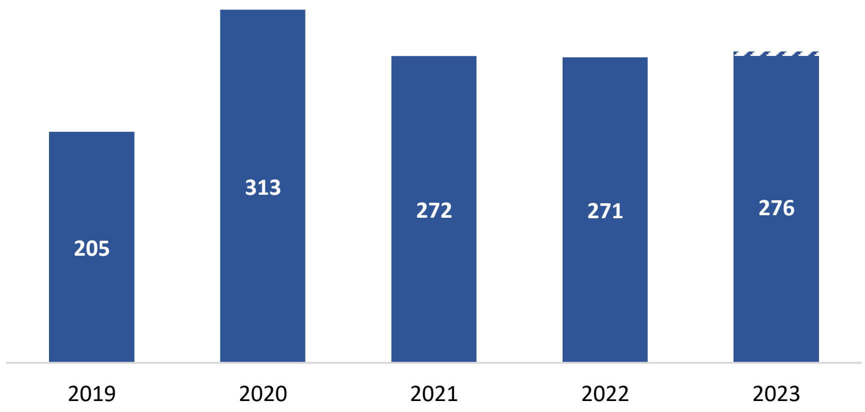
Relative Importance of Retail Services by Town



Key Results – Vacant Premises

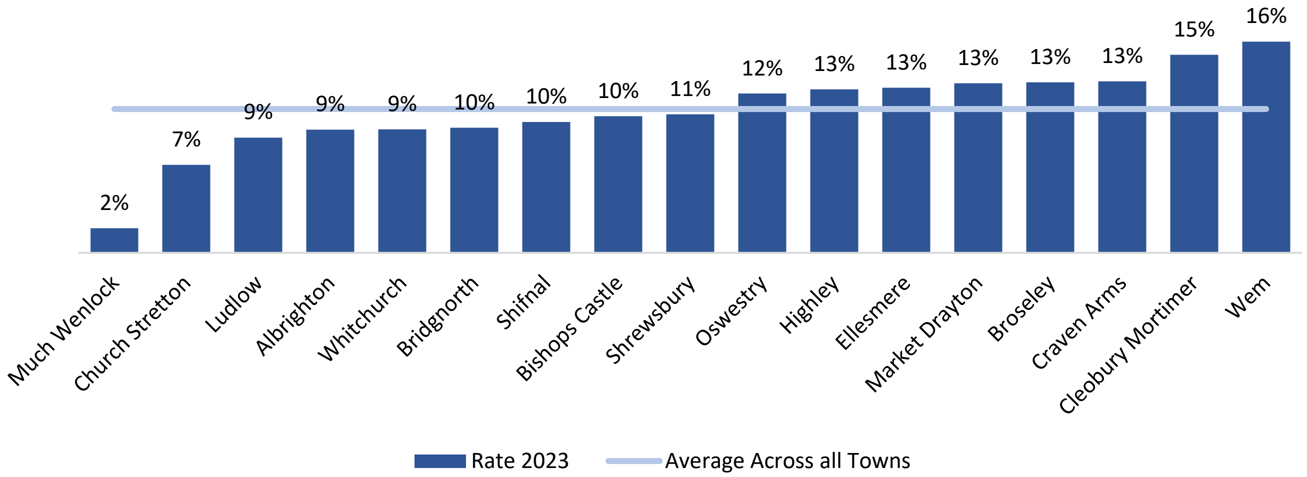
- The number of vacant premises in Shropshire town centres has remained virtually unchanged over the last three years. There were 276 empty commercial premises in 2023 (including four in the Castle Foregate area of Shrewsbury).
- The Covid-19 pandemic had a significant impact on vacancies, with the number rising by 108 between 2019 and 2020 (+53%).
- There was a notable level of recovery in 2021, with vacancies falling to 272 (-13%) but vacancy levels nonetheless remain elevated compared with pre-pandemic norms.
- The Shropshire vacancy rate has remained at 11% for each of the last three years. This is lower than the national average (13.9% in the second quarter of 2023 according to BRC).

Number of Vacant Premises, 2019-2023



2023 includes four vacant premises located in the Castle Foregate area of Shrewsbury that was not included in the survey zone in previous years.

Vacancy Rates by Town, 2023

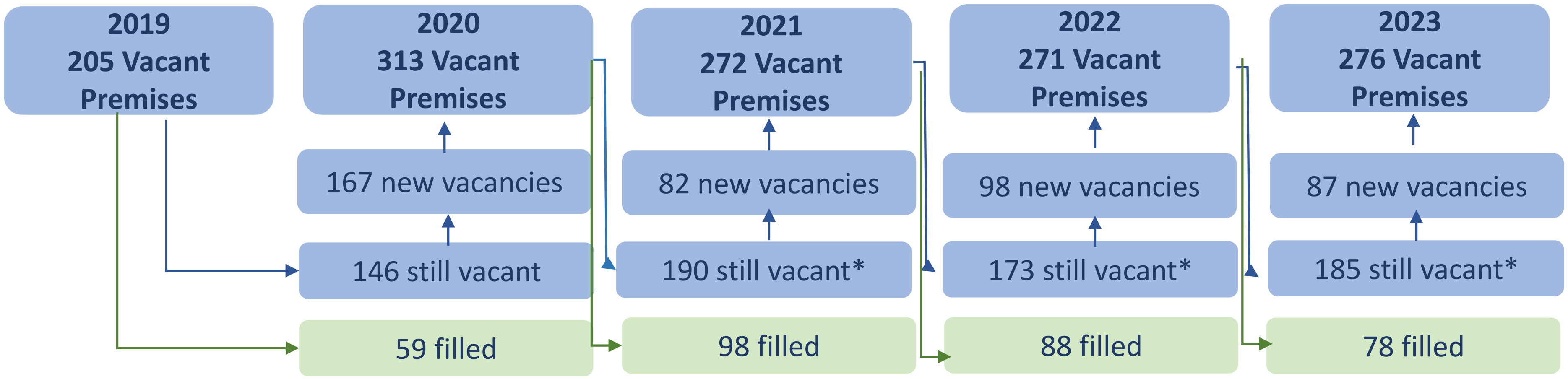


- Vacancy rates are higher than the Shropshire average in eight of the towns surveyed – they are significantly higher than elsewhere in Cleobury Mortimer and Wem (15% and 16% respectively). These are the only towns where the vacancy rate is above the national average.
- At the other end of the scale, vacancy rates are lowest in Church Stretton and Much Wenlock.

Key Results – Vacancy Premises

- 87 premises across the surveyed Shropshire towns have become vacant between the 2022 and 2023 audits. This is a decrease of 11% compared with 2022 and represents a reduction of almost 50% since 2020. In 2023, 78 premises which were vacant in 2022 had been filled; this represents a decrease of 10 (-11%) compared with the 88 2021 vacancies that were filled in 2022.
- New vacancies represented 32% of all vacancies in 2023 meaning almost seven out of ten vacant units have been unoccupied for at least a year.
- 22% of all new vacant premises were located in Shrewsbury in 2023, with Oswestry also accounting for a fifth and Market Drayton for more than one in ten.
- Shrewsbury accounted for 28% of all previously vacant premises becoming occupied – Oswestry and Bridgnorth both accounted for more than 10%.

Change in Vacancies: 2019-2023

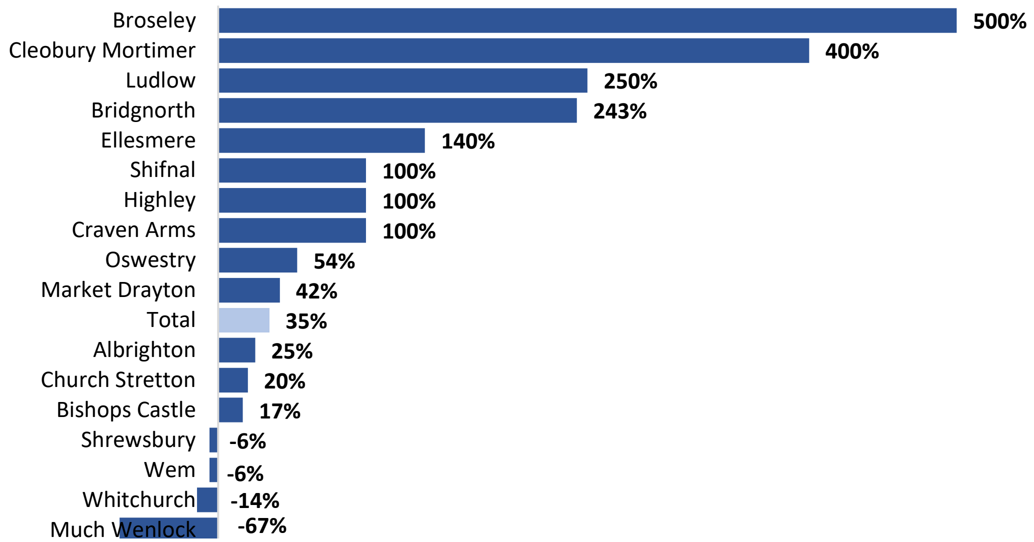


Note: Excludes previously vacant premises which are no longer classed as commercial, including Pride Hill Centre and units repurposed as residential premises. Also excludes premises in the castle Foregate area of Shrewsbury which was not included as part of the survey zone until 2023.

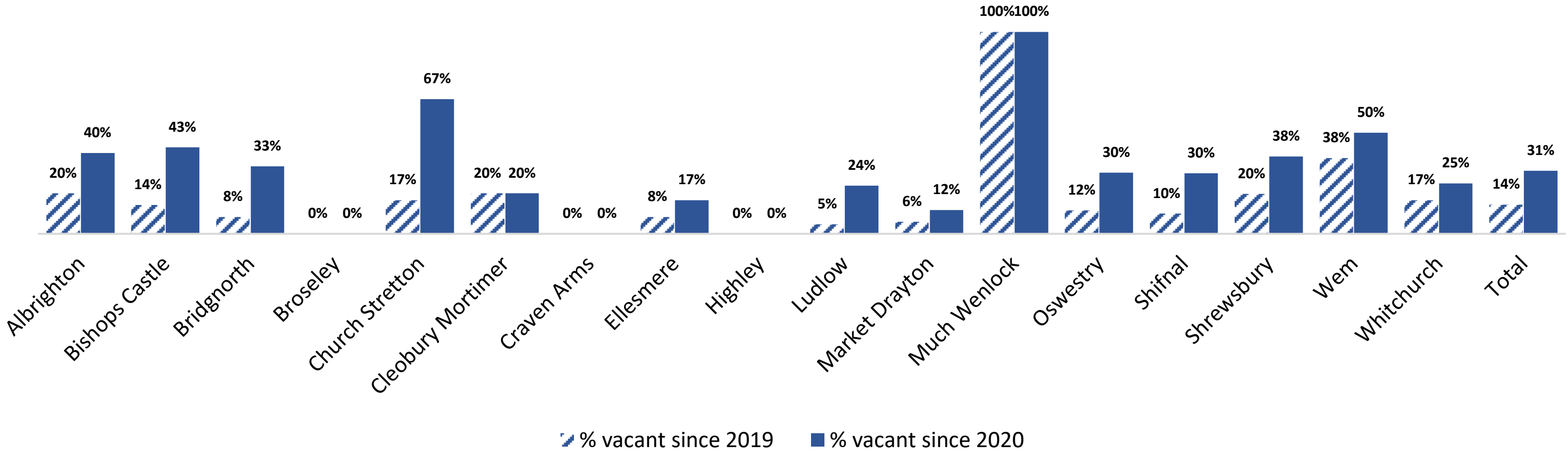
Key Results – Vacancy Premises

- The adjacent chart show that in units terms, the number of vacant units is more than a third higher across the Shropshire towns now than pre-pandemic.
- However, there are fewer vacancies in Much Wenlock, Whitchurch, Wem and Shrewsbury than there were in 2019.
- In contrast, in 2023, the number of unoccupied vacant units was more than twice as high than in 2019 in Broseley, Cleobury Mortimer, Ludlow and Bridgnorth. In Broseley and Cleobury Mortimer, a number of premises are being repurposed from commercial to residential, which adversely impacts vacancy rates. In Ludlow and Bridgnorth, meanwhile, levels of unoccupied premises were exceptionally low pre-pandemic, rose significantly in 2020 and have yet to recover.

Percentage Change in Vacant Premises, 2019-2023



Long-Standing Vacancies



- 14% of vacant premises across Shropshire have been vacant since at least 2019 (40 premises)
- During the pandemic and enforced lockdowns, a significant number of premises became empty, and 46 have remained vacant ever since.
- 31% of vacant premises across the county have, therefore, been unoccupied since 2020.