

INVERNESS CITY CENTRE RETAIL REPORT

November 2006

SUMMARY

- Overall Inverness City centre has seen a small increase in the number of retail outlets between 2004 (382) and 2006 (396) – a rise of 3.7%.
- It has also seen a small increase in floorspace occupied by these outlets between 2004 (95,039m²) and 2006 (96,060m²) – a rise of 1.1%.
- There has been an increase in vacant floorspace between 2004 and 2006, largely due to the closure of the Morrisons store on Rose Street.
- The majority of the vacant units are outwith the Eastgate Shopping Centre.

INTRODUCTION

Inverness is the largest shopping centre in Highland, serving the population of both the City and the wider Highland community. This briefing note provides an overview of the retailing sector within the City centre and compares the situation in June 2006 with that of June 2004. It covers the main shopping areas of the City including the High Street, Eastgate Shopping Centre, Victorian Market, Academy Street, Church Street, Union Street, Queensgate, Castle Street, Huntly Street and Tomnahurich Street. It does not cover the City's "out-of-town" retail parks nor more local shopping in residential neighbourhoods.

The briefing note is based on data supplied by Experian Ltd. Its "Goad Plans" product provides details of the physical layout of many UK town centres, together with information on the retail occupiers and their trades. It is updated annually in June and, as it is a snapshot, will undoubtedly be subject to change between surveys.

In conjunction with the Inverness City Partnership, changing trends will be monitored regularly and reported in future briefing notes.



RETAIL GLOSSARY

There are four categories used to describe the retailing sector in this report. They are explained below:

Convenience outlets – retailers selling food and everyday goods. For example, butchers, supermarkets and off licences.

Comparison outlets – non food retailers, where the purchaser will compare on the basis of price and quality before buying. For example, clothing, electrical goods, furniture and bookshops.

Service outlets – service providers. For example, banks, restaurants and cafés, betting offices and the post office.

Vacant units – unoccupied units.

There is detailed analysis of the number of outlets in each of these categories and the amount of floorspace they occupy.

Floorspace figures provided are in square metres. They are derived from the Goad Plan but only indicate the gross footprint floorspace. They should not, therefore, be read as a definitive report of floorspace, but do provide a useful means of comparison as all units are measured in the same way. With the exception of the Eastgate Shopping Centre, all floorspaces are for ground floor only.

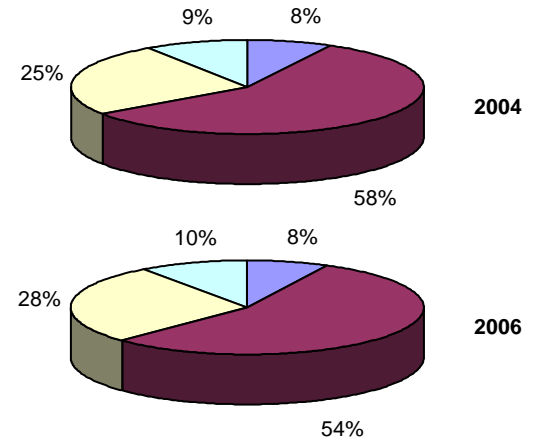
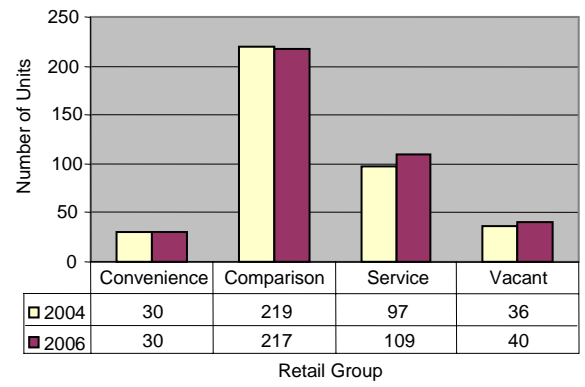


NUMBER OF RETAIL OUTLETS

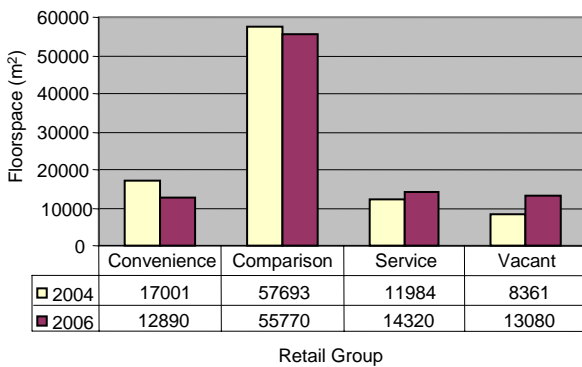
Overall the City centre has seen a small increase in the number of retail outlets between 2004 (382) and 2006 (396) – a rise of 3.7%.

The graph and pie charts to the right show the number of outlets in each of the four categories described on the previous page: convenience, comparison, service and vacant.

- The number of **convenience** outlets has remained the same and represents 8% of the total number of outlets.
- The number of **comparison** outlets has seen a small decrease of 0.9% between 2004 when there were 219 and 2006 (217). In 2004 comparison outlets represented 58% of the total number of outlets and in 2006 54%.
- The number of **service** outlets has risen by 12.4%. In 2004 there were 97 outlets and in 2006 109 – representing 25% and 28% of the total number of outlets respectively.
- The number of units which are **vacant** has increased by 11.1% to 40 between 2004 and 2006. Vacant units now represent 10% of the total number of units compared with 9% in 2004.



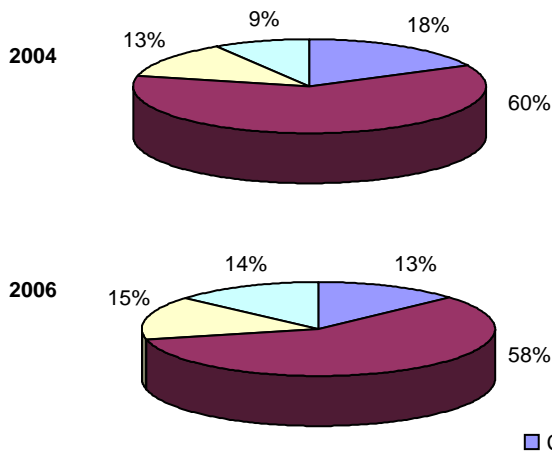
■ Convenience ■ Comparison ■ Service ■ Vacant



FLOORSPACE

Overall the City centre has also seen a small increase in floorspace occupied by the retail units between 2004 (95,039m²) and 2006 (96,060m²) – a rise of 1.1%.

The graph and pie charts to the left show the floorspace figures in the same four categories:



- The floorspace occupied by **convenience** outlets has dropped by 24.2% from 17,001m² in 2004 to 12,890m² in 2006. In 2004 convenience outlets represented 18% of the total floorspace and in 2006 13%.
- **Comparison** outlets have also seen a decrease (3.3%) in the amount of floorspace they occupy. In 2004 they occupied 57,693m² (60% of the total floorspace) and in 2006 they occupy 55,710m² (58%).
- **Service** outlets have seen a rise of 19.5% in the floorspace they occupy from 11,984m² in 2004 to 14,320m² in 2006 – representing 13% and 15% of the total floorspace respectively.
- The amount of **vacant** floorspace has increased by 56.4% between 2004 (8,361m²) and 2006 (13,080m²). Vacant units now represent 14% of the total floorspace compared with 9% in 2004.

■ Convenience ■ Comparison ■ Service ■ Vacant

TYPE OF BUSINESS

Table 1 lists the various types of business that are grouped under the convenience, comparison and service headings and gives detailed figures on the number of outlets and floorspace in 2004 and 2006.

CITY CENTRE RESIDENTIAL DEVELOPMENT

The provision of new homes within the City centre is being increased substantially with 41 flats completed this year and a further 71 nearing completion in four locations: Bridge House (old Highlands and Islands Enterprise office); Huntly Street (old West Parish Church); Strothers Lane (old La Scala cinema site) and Post Office Avenue. This is a critical factor in ensuring the development of a vibrant City centre.

VACANT UNITS

Although the rise in number of vacant units is relatively small the amount of floorspace now occupied by them has risen sharply between 2004 and 2006. This is largely due to the closure of the Morrisons store on Rose Street. The map below shows the location of the vacant units as surveyed in June 2006.

Within the Eastgate Shopping Centre there are 8 vacant units with a floorspace of 1,350 square metres – 10.3% of the total vacant floorspace. The remainder of the units (32) are found outwith the shopping centre and occupy 11,730 square metres – 89.7% of the total vacant floorspace.

Since the survey in June 2006, the City centre has seen considerable change within the vacant sector. Some vacant units are now occupied (Primark, Toni & Guy, Picture This), some are under development (old Bank of Scotland premises) and some previously occupied outlets have become vacant (Bakers Oven, Charles Morgan).

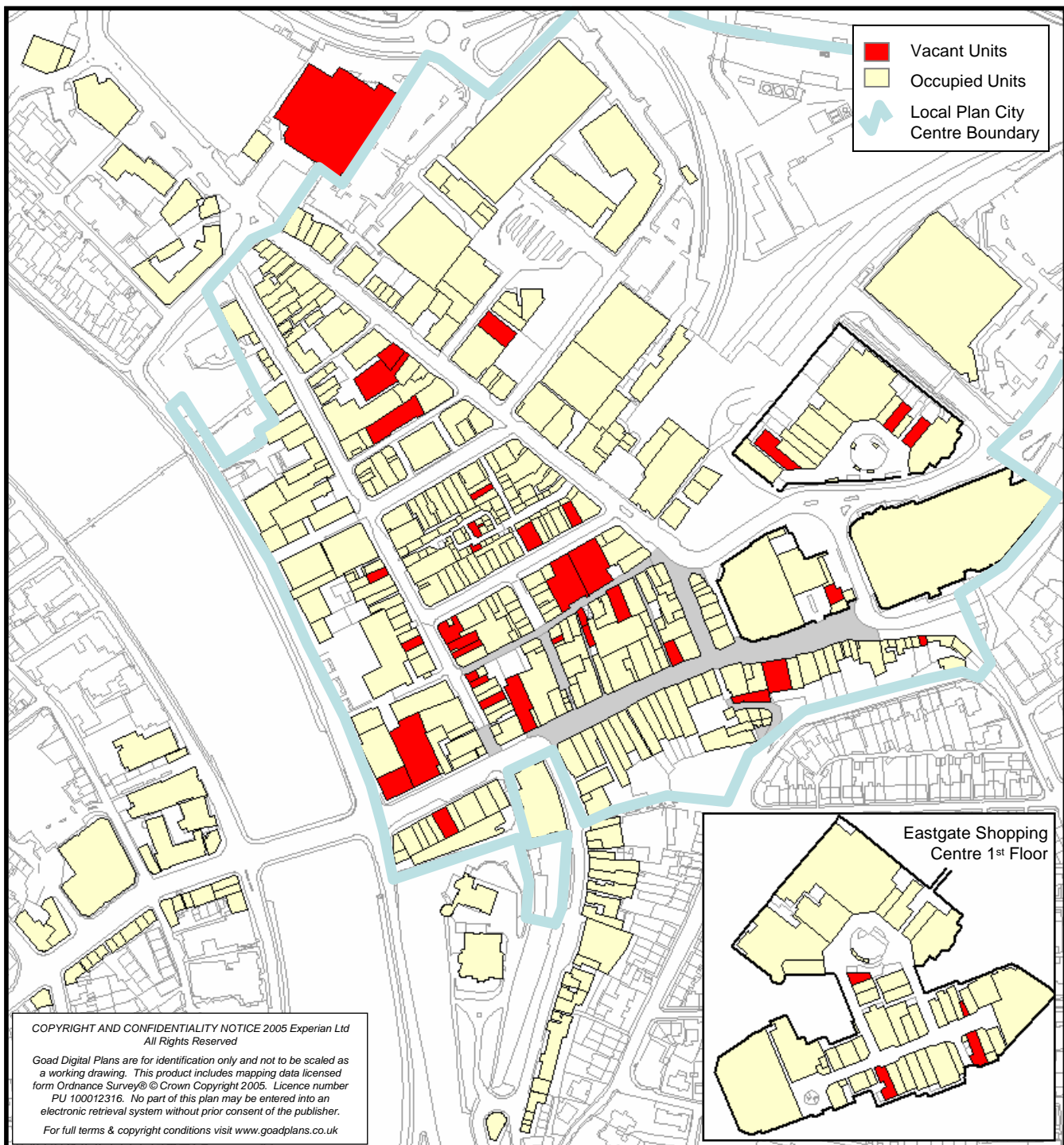


Table 1: Retail Composition in the City of Inverness

	OUTLETS						FLOORSPACE							
	2004			2006			2004			2006			Difference	
	Number	%		Number	%		Area (m ²)	%		Area (m ²)	%	Area (m ²)	%	
RETAIL TRADE GROUP														
Convenience	30	7.9%	30	7.6%	0	0.0%	17001	17.9%	12890	13.4%	-4111	-24.2%		
Comparison	219	57.3%	217	54.8%	-2	-0.9%	57693	60.7%	55770	58.1%	-1923	-3.3%		
Service	97	25.4%	109	27.5%	12	12.4%	11984	12.6%	14320	14.9%	2336	19.5%		
Vacant	36	9.4%	40	10.1%	4	11.1%	8361	8.8%	13080	13.6%	4719	56.4%		
Total	382	100.0%	396	100.0%	14	3.7%	95039	100.0%	96060	100.0%	1021	1.1%		
RETAIL CATEGORY														
Convenience	30	7.9%	30	7.6%	0	0.0%	17001	17.9%	12890	13.4%	-4111	-24.2%		
Bakers	7	1.8%	8	2.0%	1	14.3%	1115	1.2%	1140	1.2%	25	2.2%		
Butchers	2	0.5%	2	0.5%	0	0.0%	186	0.2%	180	0.2%	-6	-3.2%		
Green grocers & fishmongers	2	0.5%	2	0.5%	0	0.0%	93	0.1%	100	0.1%	7	7.5%		
Groceries & frozen foods	11	2.9%	9	2.3%	-2	-18.2%	14679	15.4%	10520	11.0%	-4159	-28.3%		
Off licences & home brew	3	0.8%	4	1.0%	1	33.3%	465	0.5%	560	0.6%	95	20.4%		
CTN & convenience	5	1.3%	5	1.3%	0	0.0%	465	0.5%	390	0.4%	-75	-16.1%		
Comparison	219	57.3%	217	54.8%	-2	-0.9%	57693	60.7%	55770	58.1%	-1923	-3.3%		
Footwear & repairs	12	3.1%	12	3.0%	0	0.0%	1486	1.6%	1420	1.5%	-66	-4.4%		
Mens, boys wear	6	1.6%	8	2.0%	2	33.3%	1208	1.3%	1450	1.5%	242	20.0%		
Womens, girls & childrens	30	7.9%	33	8.3%	3	10.0%	6410	6.7%	7140	7.4%	730	11.4%		
Mixed & general clothing	30	7.9%	25	6.3%	-5	-16.7%	11241	11.8%	10910	11.4%	-331	-2.9%		
Furniture, carpets, textiles	8	2.1%	7	1.8%	-1	-12.5%	3159	3.3%	2560	2.7%	-599	-19.0%		
Books, arts/crafts, stationers/copy	22	5.8%	21	5.3%	-1	-4.5%	3716	3.9%	3550	3.7%	-166	-4.5%		
Elec. home ent. phones & video	27	7.1%	16	4.0%	-11	-40.7%	3902	4.1%	2400	2.5%	-1502	-38.5%		
DIY, hardware & household goods	5	1.3%	6	1.5%	1	20.0%	1301	1.4%	1420	1.5%	119	9.1%		
Gifts, china, glass & leather goods	11	2.9%	11	2.8%	0	0.0%	743	0.8%	730	0.8%	-13	-1.7%		
Cars, motor cycles & accessories	1	0.3%	0	0.0%	-1	-100.0%	93	0.1%	0	0.0%	-93	-100.0%		
Chemists, toiletries & opticians	11	2.9%	19	4.8%	8	72.7%	3159	3.3%	3770	3.9%	611	19.3%		
Variety, department & catalogue	7	1.8%	7	1.8%	0	0.0%	13750	14.5%	12340	12.8%	-1410	-10.3%		
Florists & gardens	4	1.0%	4	1.0%	0	0.0%	186	0.2%	150	0.2%	-36	-19.4%		
Sports, toys, cycles & hobbies	14	3.7%	12	3.0%	-2	-14.3%	3716	3.9%	3690	3.8%	-26	-0.7%		
Jewellers, clocks & repairs	14	3.7%	13	3.3%	-1	-7.1%	1208	1.3%	1150	1.2%	-58	-4.8%		
Charity, pets & other comparison	17	4.5%	23	5.8%	6	35.3%	2415	2.5%	3090	3.2%	675	28.0%		
Service	97	25.4%	109	27.5%	12	12.4%	11984	12.6%	14320	14.9%	2336	19.5%		
Restaurants, cafes, fast food	49	12.8%	56	14.1%	7	14.3%	5667	6.0%	7340	7.6%	1673	29.5%		
Hairdressing, beauty & health	19	5.0%	20	5.1%	1	5.3%	1579	1.7%	1680	1.7%	101	6.4%		
Launderettes & dry cleaners	2	0.5%	1	0.3%	-1	-50.0%	186	0.2%	80	0.1%	-106	-57.0%		
Travel agents	7	1.8%	5	1.3%	-2	-28.6%	1115	1.2%	850	0.9%	-265	-23.8%		
Banks & financial services	12	3.1%	18	4.5%	6	50.0%	2137	2.2%	2930	3.1%	793	37.1%		
Building societies	4	1.0%	4	1.0%	0	0.0%	557	0.6%	590	0.6%	33	5.9%		
Estate agents & auctioneers	4	1.0%	5	1.3%	1	25.0%	743	0.8%	850	0.9%	107	14.4%		
Vacant	36	9.4%	40	10.1%	4	11.1%	8361	8.8%	13080	13.6%	4719	56.4%		
MULTIPLE RETAILERS BY TRADE GROUP														
Convenience	12	6.8%	15	8.5%	3	25.0%	15329	22.8%	11530	18.7%	-3799	-24.8%		
Comparison	130	73.4%	121	68.8%	-9	-6.9%	46730	69.6%	44050	71.6%	-2680	-5.7%		
Service	35	19.8%	40	22.7%	5	14.3%	5110	7.6%	5960	9.7%	850	16.6%		
Total	177	100.0%	176	100.0%	-1	-0.6%	67169	100.0%	61540	100.0%	-5629	-8.4%		

FURTHER RETAIL INFORMATION

Goad Plans data is also available for the following areas within Highland:

- Telford-Carse Retail Park, Inverness
- Inshes Retail Park, Inverness
- Inverness Retail & Business Park, West Seafield, Inverness
- Aviemore
- Fort William