

Report of the Chief Executive

OCCUPANCY UPDATE STAPLEFORD TOWN CENTRE1. Purpose of report

To update members further on the town centre occupancy at Stapleford Town Centre.

2. Background

Members agreed at the Jobs and Economy Committee held on 15 March 2018 that updates on the occupancy of main employment sites are reported twice a year, subject to when the new data is captured and these figures would be reported to the next available Committee. Further to this, the Committee requested that a further report on Stapleford Town Centre was added to the work programme, owing to its comparably lower ground floor retail occupancy rate.

Further details on Stapleford are included in the appendix.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

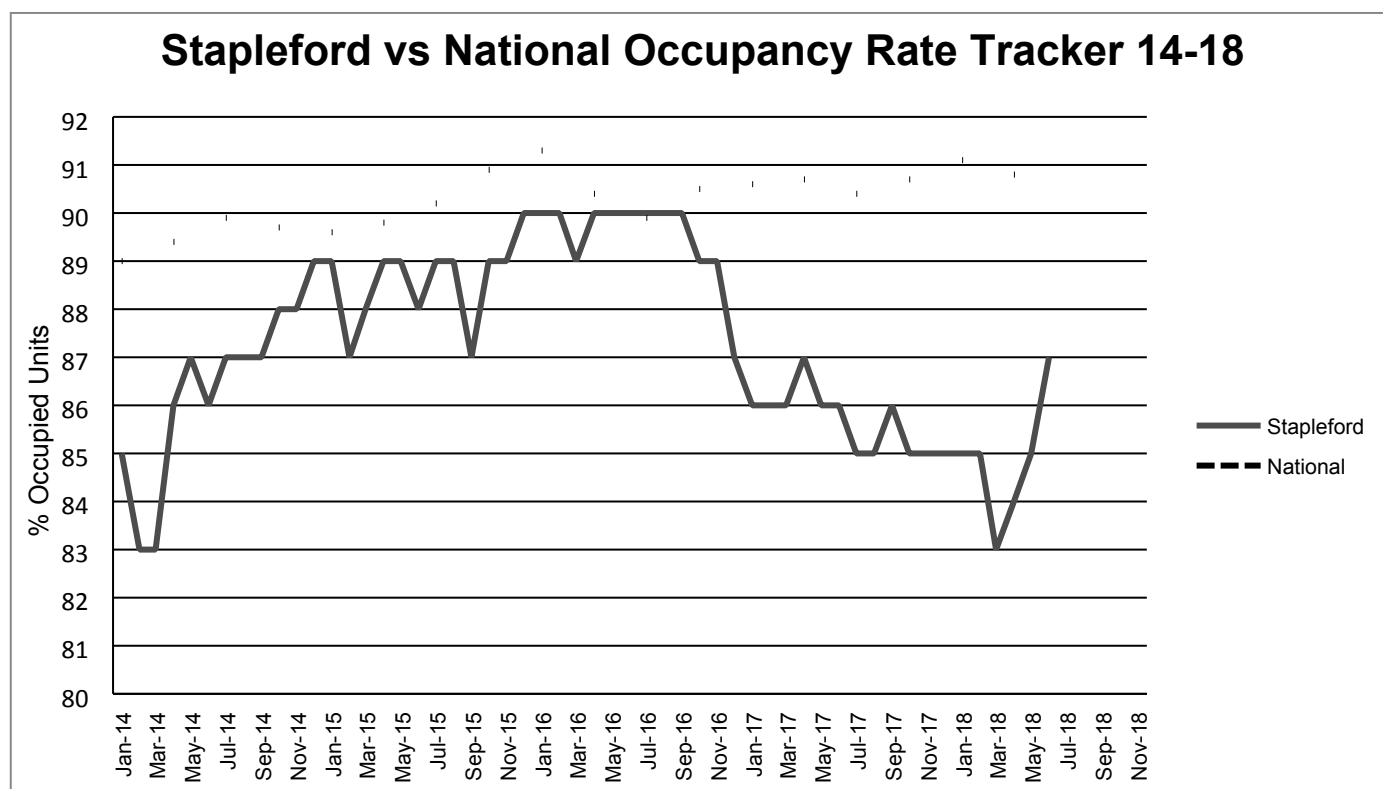
APPENDIX

Stapleford Town Centre Update – May 2018

Stapleford has seen its occupancy rate improve since the Committee last met and now operates at 87%, with the national figure now at 91%.

Context

Although Stapleford has historically sat below the national average for ground floor retail and leisure occupancy, the monthly fluctuation of occupied units has followed a similar trend to that which was occurring nationally, although several points below. The graph below shows Stapleford's occupancy (solid line) improve from an all-time low of 83% in March 2014, reaching 90.4% in January 2016, when national occupancy (dashed line) was 91% and the retail landscape was perceived to be in a healthier position. Further to this, when national occupancy began to decline during the first half of 2016, Stapleford remained more stable and even sat marginally above national occupancy although very briefly.



The graph further illustrates a steep decline in Stapleford occupancy for the second half of 2016, which is likely a result of arguably the four most prominent commercial properties in terms of positioning and frontage, including the town's main supermarket offer (Co-Op) close their doors due to general market pressures. These closures also posed a much longer term challenge for Stapleford during 2017, as these units would naturally have the highest market rents to achieve and lengthy negotiations attached to the transfer of freehold interest at the former Deacon House carpet store and lease interests at former Co-Op, ATS Garage and GEM home improvements unit. The issue of these vacant properties was clearly compounded when growth in retail for the majority was seen in the Food and Beverage sector during 2017, something many local centres have struggled to adapt to quickly and these uses were not particular suitable in these properties. The

vacant anchor properties would have naturally contributed to reduced faith in the long term viability of Stapleford from outside investor perspective and nearby businesses potentially looking to exercise break clauses.

The occupancy decline in 2017 was also mirrored in Broxtowe's other town centres, notably Beeston ending 2017 4% down on its occupancy from the start of 2017. Although this downward trend differs from the national picture, a similar downward trend was occurring regionally, with the East Midlands seeing an overall decline. This demonstrates that Stapleford is not typically different, or resilient, to the property market and retail environment sensitivities seen elsewhere the UK.

With the natural turnover of properties in Stapleford, transfers of freehold interests, the town has seen great improvement in occupancy during 2018.

In light of recently obtained planning permissions and the necessary licensing consultation which ended in June 2018, provided no restrictions to allow the opening of the following businesses:

- 23 Nottingham - Delicious Deserts & Pizza
- 126 Derby Road - Auto Safety Centre
- Unit 2 Alexandra Street – Millipede Ale House

The occupancy in Stapleford Town Centre will improve further to 89.1%.

We have also observed works to refurbish the former Natwest property at 62 Derby Road, which although displaying no agent/marketing details, is likely to have either a tenant primed, or the new owner at the very least has a plan for this unit, which was recently purchased at auction and has been since gutted internally with new windows installed, presumably to suit more as a blank canvas.

The former Deacon House at 54 Derby Road, which is a prominent unit which will also see significant improvement works to the GF retail area, should a long term tenant not be secured before the completion of the planned residential redevelopment above. Should a lease be agreed here, this would put Stapleford's occupancy in line with the current national average of 91%.

As hard as the trend in occupancy from a national context is to predict, we also have the ability to counteract and stabilise occupancy in Stapleford longer term and the Council will use its pro-active planning policy framework to secure additional investment in Stapleford by contracting the town centre boundary to focus retail development in smaller areas and secure additional residential development in upper floors.

This is especially pertinent in areas outside of the prime frontage, where higher concentrations of vacant commercial units are observed. Point 3a of the Council's Economic Regeneration Strategy delivery plan also states an intention to reduce the boundaries of town centres where necessary to help the Council deliver a more compact town centre, where commercial units will be contained within a smaller area. Therefore, increasing the amount of residential units around the town centre.

Vacant property updates

Address	Former Use	Progress Notes	Info obtained
Church Street	Post Office	<p>No further progress to report.</p> <p>Vacant since the transfer of the Post Office franchise to another business located within prime frontage area.</p> <p>No marketing or agent details on display.</p> <p>Property not located within prime frontage area.</p>	Site visit
21 Nottingham Road	Chip Boarded Property	<p>No desire to bring frontage back into use. Not technically vacant, but property is being used for storage, not ground floor retail.</p> <p>Property not located within prime frontage area.</p>	Owner
23 Nottingham Road	Document Store (Maclaren Warner)	<p>Property was being used as a document store and although not technically vacant, saw no activity for 5+ years. The freehold to this property was sold at the beginning of 2018, to a party looking to bring the GF back into retail use, with a tenant primed before the sale. Planning permission was granted on 14/3/18 for a change of use from A2 to A5 ref 18/00031/FUL.</p> <p>'Delicious Deserts &</p>	Agent instructed on the sale, Business owner

Address	Former Use	Progress Notes	Info obtained
		<p>Pizza' to open 15th June 2018.</p> <p>Property not located on prime frontage area.</p>	
25-29 Nottingham Road	And Flowers...by Wendy	<p>No further progress to report.</p> <p>No marketing or agent details on display.</p> <p>Property not located within prime frontage area.</p>	Site visit
2-8 Derby Road	The Nottingham	<p>Frontage of 2-4 is under lease with Impressions Dental Lab, who are currently trading from the 1st floor only. The have part refurbished the GF unit, but cannot occupy until an access dispute between the neighbouring business and the landlord is resolved.</p> <p>Units 6-8 remain vacant with no further progress to report on these frontages. These units became vacant when The Nottingham relocated the Church Street side of this property row.</p> <p>No marketing or agent details on display.</p>	Site Visit, Business owners
22 Derby Road	Saint Estate Agents	<p>No further progress to report.</p> <p>No marketing or</p>	Site Visit

Address	Former Use	Progress Notes	Info obtained
		agent details on display.	
54 Derby Road	Deacon House Carpets	<p>Further to the update on this property at a previous committee, planning permission has since been granted to convert the 1st floor into 6 flats. The owner is currently offering the GF retail space at a reduced market rent to allow any incoming tenant to refurbish to their spec. If the property remains vacant on the completion the 1st floor redevelopment, the owner will refurbish the GF unit to a blank canvas to encourage a lease.</p> <p>Planning permission was granted on 25/5/18 for a change of use from A1 to retail and residential (Class C3) to create 6 flats and external alterations including side dormer. Ref 17/00873/FUL.</p> <p>This property is located within the prime frontage area.</p>	Agent instructed
62 Derby Road	NatWest	<p>No further progress to report. Recently purchased at auction.</p> <p>No marketing or agent details on display.</p>	Site visit
96 Derby Road	Better Living	No further progress	Site visit

Address	Former Use	Progress Notes	Info obtained
	Pharmacy	to report. No marketing or agent details on display. Property not located within prime frontage area.	
122 Derby Road	G.E.M Home Improvements	Hedgehog Electrical Contractors are currently operating a business from the back office area of this property. There is consideration to refurbish the retail area of the property facing into Derby Road which is currently closed to the public as a small electrical supply counter; however there are no plans to complete this work until 2019. Property not located within prime frontage area.	Update from business owner
126 Derby Road	A.T.S Garage	Further to the update on this property at a previous committee, lease terms were recently agreed for a similar use (Car Garage). 'Auto Safety Centres' should be open to the public some time in Q2 2018, although signage and internal works have already been completed. Property not located within prime frontage area.	Agent instructed
230 Derby Road	Nottingham	No further progress	Site visit

Address	Former Use	Progress Notes	Info obtained
	Computers	<p>to report.</p> <p>No marketing or agent details on display.</p> <p>Property not located within prime frontage area.</p>	
242-254 Derby Road	Multiple GF units, Floor Shop, Aden Media	<p>Vacant for several years, the Council has received a planning application to now convert all these GF retail units and create necessary extensions to create 11 new self-contained flats.</p> <p>Property not located on prime frontage area or the town centre boundary.</p>	
171 Derby Road	The Laundry Room	<p>Planning application received in for the change of use from Laundrette to tattoo and body piercing studio (including beauty) ref 18/00314/FUL.</p> <p>Works have already been undertaken to divide the ground floor, providing what could be treatment rooms. It is hoped this business will add specialism to Stapleford, as the owner intends to provide tattoo removal services.</p> <p>Consultation with neighbours due to end 5/6/18 and it hoped the business will be trading as soon as possible</p>	Update from business owner

Address	Former Use	Progress Notes	Info obtained
		<p>following permission.</p> <p>The unit has been vacant since June 2017, following the relocation of the Laundrette to 159a Derby Rd and the Dental lab from 159a Derby Rd to the corner units at the Roach junction.</p> <p>Property not located within prime frontage area.</p>	
157 Derby Road	Stapleford Motor Spares	<p>The freehold for this property is currently for sale for £160,000. This retail unit would be eligible for small business rate relief based on floor size and it is likely a buyer would explore the option to convert the 1st floor to create a flat, due to its dedicated garage to the rear and off street parking for up to 3 vehicles and ability to generate rental income without relying on a commercial lease at the GF. It is not likely this property will be on the open market for an extended period of time.</p> <p>Property not located within prime frontage area.</p>	Agent instructed on sale
139b Derby Road	Your Plumb Stop	Property still has an existing lease which is due to expire in June 2019. Previous leaseholder has	Lease Guarantor

Address	Former Use	Progress Notes	Info obtained
		<p>advised that any property enquiries should be passed onto them or landlord in order to broker a new longer term lease. Previous occupants have since declared bankruptcy.</p> <p>Property not located within prime frontage area.</p>	
137b Derby Road	The Roach Bar	<p>No further progress to report.</p> <p>No marketing or agent details on display.</p> <p>Property not located within prime frontage area.</p>	Site visit
Derby Road	Wilko	<p>Since the previous committee, the Wilko lease has now expired with the agent receiving some interest since actively marketing the property from April. It is anticipated we may receive an application for change of use from A1 retail to A5 within the next few months from an interested party.</p> <p>Property not located within prime frontage area.</p>	Agent instructed
Unit 2 Alexandra Street	The Vanda Vase	<p>Planning permission was granted on 17/4/18 for a change of use from retail A1 to micro pub (Class A4). Ref 18/00094/FUL</p>	Site Visit

Address	Former Use	Progress Notes	Info obtained
		<p>A consultation on licensing is due to end in June 2018. No further works to the interior of the property have taken place.</p> <p>Property not located within prime frontage area.</p>	