

Bury But Better 2009



BURY COUNCIL



Market reassessment

6.

This section considers the following property market sectors in Bury; Residential, Offices, Leisure, Industrial and Retail. It provides an update to the 2003 report.

The section provides a review of key national market trends in each sector since 2003 and focuses on the local property market in Bury. Where general background has been provided in the 2003 report that is still relevant it will not be repeated but referred to as required. Information used in this section has been obtained from recognised national databases as referenced and from discussions with Bury Council representatives, local property agents and land owners and King Sturge agents.

Residential Market

The National Context - Since the Bury But Better Vision was developed the residential property market has been through a period of significant growth nationally and in the North West, at present however the residential market is considered to be in a period of re-adjustment.

In 2002 some of the greatest monthly increases in house prices for nearly ten years were being experienced. This rapid growth continued until 2005 when price increases began to slow down. House prices in many areas of the UK are now in decline. Houses prices as reported by Nationwide showed an annual change of -14.6% in Oct 2008, down from -12.4% in April. The

average change over the three month period to Oct 2008 was -1.6% with May's monthly change of 2.5% being the largest since records began in 1991 (www.nationwide.co.uk). The Halifax also reported similarly significant prices falls of 13.7% in the year to Oct and a 3 month on 3 month change of -5.0 (www.hbosplc.com).

Falling house prices nationally are associated with the national economic downturn that has led to restricted mortgage lending by many banks, which is particularly affecting the first time buyer end of the market. In April mortgage approvals for new house purchase fell to their lowest since



records began in 1993. At 58,000 approvals the annual growth rate dropped to -49%, according to the Bank of England (www.bankofengland.co.uk).

Left: The Mill Gate Shopping Centre;
above: terraces on Fletcher Street

Average House Prices For All Properties; Source: www.landregistry.gov.uk
(* All prices are as at July-Sept)

YEAR*	Bury		Greater Manchester		All England & Wales	
	Price (£)	% Change	Price (£)	% Change	Price (£)	% Change
2003	104,332	16.6	91,209	17.0	160,516	10.4
2004	125,262	20.1	119,987	31.6	187,510	16.8
2005	139,589	11.4	127,793	6.5	193,734	3.3
2006	141,693	1.5	139,296	9.0	211,168	9.0
2007	149,343	5.4	151,366	8.7	229,772	8.8
2008	149,495	0.1	141,005	- 6.8	222,220	-3.3

Considering the rented sector, again due to tighter borrowing conditions, buy-to-let mortgage approvals fell by 13% between Quarter 4, 2007 and Quarter 1, 2008, to 74,800 according to the Council of Mortgage Lenders. The year on year fall was 10% (www.cml.org.uk). With house sales having significantly dropped, demand for rented accommodation remains strong as the balance of agents reporting a rise in new tenant demand rose from +17 in January to +28 in April, compared to a long term average of +21, according to the Royal Institute of Chartered Surveyors (www.rics.org.uk).

The Bury Market - 2003 figures showed that the Bury residential market was experiencing greater growth than the England and Wales average with an increase of 23% annually reported for Bury compared to 14% nationally according to the Valuation Office. Despite significant price increases in Bury the average price of a dwelling still only represented 64% of the national average, which was similar to that in Greater Manchester overall.

The house prices recorded by the Land Registry in the table above show a continued but slowing growth in house price across Bury from 2003 to 2008. The peak of growth in Bury was experienced in 2003, with growth rates remaining high until a substantial slow down during 2006. House prices continued to increase in Bury during 2007 but at a significantly lower rate of 5.4%.

Up to 2006, house prices in Bury have been greater than those for Greater Manchester. However, in 2007 a larger percentage rise of 9% in Greater Manchester led to prices in Greater Manchester creeping over average prices in Bury. House prices in Bury, however, have continued to be significantly lower than the All England and Wales average with average house price figures in Bury for 2008 (July-Sept) being 67.3% of the figure for England and Wales.

The table below provides the most recent house prices available (through the Land Registry), and shows the marked slowdown in the residential

Average House Prices For All Properties Jan - Sept 2008; Source: www.landregistry.gov.uk

Month	Bury		Greater Manchester		All England & Wales	
	Price (£)	% Change	Price (£)	% Change	Price (£)	% Change
Jan - Mar	142,017		142,538		216,075	
July - Sept	149,495	5.3	141,005	-1.1	222,220	2.8

property market at the beginning of 2008. According to these figures house prices are beginning to recover in Bury as they are in the whole of England and Wales after significant drops in average house prices at the beginning of 2008. These figures do not show as greater decreases as those reported by the Nationwide and Halifax but serve to demonstrate the relative slowdown of the residential market locally in Bury, regionally and nationally.

(Land Registry figures have been used here since other sources do not readily break down data to the local level. The house prices figures presented here for 2002 vary from those in the previous report due to the different recording methods of the data collecting bodies).

Views of Property Professionals - Local agents in Bury confirm there has been a marked slow down in the market in the last year, and this has become particularly noticeable in recent months. To date, house prices are reported to have generally stagnated and in several instances asking prices have been reduced by 5% to 10% to achieve sales. The number of transactions in the market is reported to have dropped off noticeably and many purchases in the pipeline at the lower end of the market have fallen through due to problems with mortgage lending. Estate agents continue to have a large number of properties on their books, in the order of 1,400 across the borough, demonstrating that many home owners have the need or desire to move despite the current economic climate.

Demand by property type throughout Bury is reported to be even and in terms of supply there is reported to be a substantial amount of apartment accommodation available. Some agents consider there to be a surplus of apartments accommodation but the Local Housing Market Assessment shows continued demand for smaller properties. The existing stock of apartment accommodation is not generally

within central Bury but on main roads and in the small settlements.

There are varied views among agents as to the potential demand for homes within central Bury. Some agents believe there is little demand for town centre apartments given the current lack of demand and surplus stock across the borough.

However, it is also true that the Bury town centre living market is yet to be tested, and that a lack of demand is due to the lack of accommodation in the centre. The provision of good quality new accommodation alongside the existing benefits of tram access to Manchester and improved town centre leisure facilities is thought likely to attract demand. It is generally agreed, however, that given the current economic climate, demand for town centre living will be slow in the short to medium term. Some level of demand for residential accommodation in central Bury has been demonstrated by two edge of centre apartment and town house schemes that were newly built /under construction in 2003. The schemes at Baron Street and Knowsley Street sold well and have increased in value by approximately 35 % in that time.

Some agents believe that there is scope for a more varied provision of town centre residential accommodation to appeal to varied requirements



Left: new built terraces on Baron Street

and to attract a more mixed population to the town centre. This could include larger apartments of two and three beds perhaps with greater communal spaces and town house accommodation.

The provision of affordable homes is a key issue in the national agenda for residential development and another issue raised by agents. The Council currently has an affordable homes policy, which requires large new residential development to provide 25% of affordable homes. There are some concerns that the prices of affordable homes in Bury are not sufficiently reduced to enable purchasers to comfortably enter the property market.

Pipeline Schemes - Within central Bury there are two residential developments in the pipeline as part of mixed-use schemes at The Rock and Townside. The development at the Rock has planning consent for 397 one and two bedroom apartments alongside substantial retail and leisure facilities. Construction of this scheme commenced in July 2008, with an expected completion date of Autumn 2010. At Townside, development plans include for 225 apartments in the second phase of the scheme, which includes offices, a NHS centre and a hotel in the first phase. On site works have commenced on Phase 1 of the development.



These two schemes could provide a total of over 600 new apartments in central Bury, which would be a significant test of the market for this type of accommodation. Alongside these schemes significant improvements to the retail and leisure offer in the town centre are being developed. (Further details of retail and leisure development are given below.) These facilities should improve the attractiveness of the town centre as a place to live which was an issue noted in the 2003 study.

With the current downturn in the property market the delivery of new homes in many schemes has slowed down or the nature of schemes being delivered has been reviewed to meet changing requirements. These are possible impacts that could influence the delivery of the pipeline residential proposals in Bury.

Conclusions:

- The residential property market nationally is in a period of downturn and re-adjustment, which is impacting demand for residential accommodation in Bury
- The make-up of a solid residential market is present in Bury and will re-emerge when economic conditions improve.
- Some scepticism surrounds the market for town centre residential accommodation in Bury but this is most likely attributed to the market being untested.
- The provision of improved retail and leisure facilities should enable a successful in-town residential market for Bury, but this is likely to be slow to take off in the current market.
- Delivering a range in the size and type of town centre accommodation may help the success of town centre living.

Offices

National Market - The key features of the 2002 office market were stabilisation of rental growth (although the gap between London and rest of the UK looked likely to contract) and

a slight slowdown in the market following the exceptional year in 2000. Developers had a more cautious approach in 2002, which whilst preventing oversupply in most centres, led to undersupply in some centres.

The amount of floor space taken by office occupiers in the six months to March 2008 decreased compared to a year earlier despite an increase in the number of deals recorded over the same time period. This apparently contradictory result was chiefly caused by the lack of very large deals (in excess of 200,000 sq ft) as uncertainties surrounding the global credit crisis made large corporate organisations more cautious. Public sector organisations, traditionally taking up large volumes of space were also less active compared to last year.

These findings suggest that the office occupier demand cycle is entering a downswing, the duration of which will be dependent upon the severity of the current economic slowdown. The adverse impact of recent developments in the economy is expected to be concentrated in construction and financial services, although all sectors will see activity and employment growth decelerate to some extent. The most important business sector in terms of office space occupation is the financial and business services sector which account for 51% of floorspace taken up (2.1 m sq ft) and 46% of deals. Public Sector occupiers (which were the second major grouping after financial services) took almost 500,000 sq ft less of office space in the six months to March 2008, than in the same period last year.

The picture across the country saw the London market have a mixed six months to March 2008 with a 6% increase in transactions but a 27% decrease in space taken, as noted this was principally due to a lack of large space deals. Despite this relatively poor performance in the central London market the overall UK



activity was bolstered by increasing activity from occupiers in the Thames Valley area with several deals over 100,000 sq ft. The Birmingham occupier market was buoyant with floorspace taken doubling in the six months to March 2008 compared to the previous year. Rising take-up to a lesser extent was also recorded in the North West for Manchester as it was also for Bristol, Edinburgh and Swindon. However, falling take-up was recorded for the other major office centres.

Greater Manchester - The make up of the Greater Manchester Office market is outlined in the 2003 report and fundamentally operates in the same manner today. Bury is broadly a North Manchester office location but remains a more localised market.

The freehold side of the office market has been affected to the greatest extent nationally including Greater Manchester due to economic uncertainty and the associated restrictions to financial lending. Consequently the most noticeable impact has been on the small unit schemes, which were previously targeted at the freehold market. New small freehold schemes are not going ahead at present, which could impact on the supply of good quality small units for rental in the medium term.

Far left: Townside Fields under construction;
above: Offices on Bank Street

The Manchester city centre market is, however, still reasonably strong, and design and build schemes are still going ahead in areas of low supply both in the city centre and less prime areas of the North West.

Bury Market - To date demand for office space in Bury has been intermittent. In general terms as Bury is an area of low supply, interest to build new offices should be attracted there in the future. This is only likely to be a gradual process, as Bury is not traditionally considered an office location within Greater Manchester. Further, the economic slowdown is likely to impact growth in the medium term and particularly curtail speculative build.

Bury's stock of office accommodation continues to include much dated premises and some better quality stock built in the last 10 years. Most of the office accommodation in and around Bury town centre is dated and requires good quality refurbishment to attract future demand.

Most recent new build activity in the area has been at locations close to motorway junctions where occupiers have been attracted by ease of access and parking as well as good quality new buildings. Two schemes that were in the pipeline in 2003, Waterfold and The Pavillions both close to Junction 2 of the M66 motorway have been successful. Waterfold has experienced particular success with the site being fully developed out



with 30,000 sq ft of office floor space all of which has been taken up. The Pavillions initially saw significant interest and has been fully let/sold excepting one unit, this could be considered a reflection of the freehold down turn in the current market.

Other office schemes located close to motorway junctions that have proved successful include the Castlebrook development and Hollins Brook at Pilsworth, both close to Junction 1 of the M66 motorway. The Castlebrook office scheme, which was new to the market in 1999/ 2000, initially let well and has continued to be popular with 21,000 sq ft of space recently coming to the market and letting within a couple of months. The Hollins Brook scheme has also been successful but has one unit vacant, which again is likely to be a reflection of current market conditions.

Office rents range from £6 - £15 per sq ft at present, with lower rents associated with the poorer quality, more dated accommodation, mid range rents of £10/sq ft being achieved for well refurbished premises and rents of £14 - £15 being achieved for better quality premises such as Castlebrook.

There are two significant office sites, Townside and Chamberhall Business Park, with pipeline developments in central Bury. **Townside**, owned by the Council is on the southern side of Angouleme Way and close to the transport interchange. The site has a total area of c4 ha and has been masterplanned for a 339,500 sq ft mixed use scheme of offices, leisure, residential, retail and car parking. 'Ask Bury', a joint venture between Bury Council and Ask Development, have commenced work on the first phase of development in Summer 2008, which will deliver 60,000 sq ft of new offices including 40,000 sq ft of offices that have been pre-let to the Council and 20,000 sq ft to Six Town Housing. The first phase will also include a new 50,000 sq ft NHS medical centre and a 110 bed hotel.

Chamberhall Business Park is a c15 ha site, 12 ha of which is owned by the Council, and is located on the northern side of Peel Way in an attractive setting with river frontage. An indicative masterplan has been created for the site that includes a development of approximately 500,000 sq ft of office space with the opportunity for a hotel and associated leisure facilities.

The first stage of road works and infrastructure to the site are underway and a new access road directly off Peel Way is scheduled for completion in Spring 2009.

Planning permission has been granted on the southern end of the site for a new divisional police headquarters, which has commenced development at the end of 2008. An application has also been submitted for the development of 100,000 sq ft of offices in an area to the south east of the site that is in private ownership.

These two new developments should help to promote Bury as an office location with the provision of new office accommodation with easy access to the town centre. The Fire Service have also expressed interest in locating on the site.

In the current economic climate further development beyond that which is committed



Far left top: Townside Fields under construction (June 2008);
far left bottom: Chamberhall Business Park, new access road (June 2008);
above: offices on Bank Street

at these sites may be restricted as speculative development will be more difficult to finance. However, there is likely to be pent up demand from existing office occupiers in the financial and legal sectors in Bury who would take up good quality new premises close to the town centre. This type of demand may support some speculative development in the short and medium term particularly at Chamberhall.

Pipeline developments which are to include improved retail and leisure provision should also serve to improve the attractiveness of the town for businesses and should help fuel future demand.

Premises developed in the short term at these sites will be mainly taken up by existing occupiers in Bury, looking for better quality accommodation. This should lead to a substantial amount of refurbished floor space coming to the market in the next few years that would contribute to a good overall supply of office premises. Notably this is likely to include the two current Council buildings, Craig House and Lester House. The owners of Craig House have indicated that at the present time their likely intentions are to refurbish this building for future letting although a final decision will be dependent on the wider property market when the building is vacated. Additionally, some offices in town houses premises may be vacated if some legal and financial businesses relocate to new accommodation. These premises may not

continue to attract demand as offices as their layout and structure do not lend themselves to modern office needs. However, the prestige associated with the quality of the premises may attract continued business use for activities such as small private medical practises and dentist etc, otherwise a change of use may be required.

Conclusions:

- Bury is not presently considered a significant office location and demand is intermittent for offices.
- Demand has been strongest for offices close to motorway junctions where the most recent schemes have been developed.
- Townside and Chamberhall Business Park are two significant office development opportunities in Bury which have attracted/likely to attract existing pent up demand in the market.
- Future development of the office market is likely to be slow until the current economic climate improves.
- Future demand in Bury should be fuelled by initial development at the Townside and Chamberhall as well as the improved quality of town centre facilities that are in the pipeline.

Industrial

The 2003 report noted a slowing industrial market, with the level of available floorspace in completed buildings continuing to increase, but at a much slower rate and with the total level of available floorspace in completed buildings decreasing. On the demand side, manufacturing requirements were decreasing, reducing demand for larger accommodation although distribution demand had been on the increase. Low interest rates were fuelling demand for smaller scale freehold units.

National - At December 2007 the total level of available industrial floorspace stood at 230.5





million sq ft across Great Britain. This represents the fifth consecutive six month period of rising available floorspace. However, this last increase was marginal.

With a change to previous trends, in the second half of 2007 the regions in the central band of England did not experience the greatest percentage increases in available floorspace, both East Midlands and East Anglia recorded decreases at 2.2% and 5.7% respectively. In Southern England, the largest floorspace contributor, the South East, turned a rise of 6.9% in January 2007 into a marginal decrease of 0.6% in December 2007.

However, availability in the North West continues to rise with a 2.9% uplift, contrasting with a fall of 1.2% in the previous period. Similarly availability in Yorkshire and Humber rose by 2.3%, while the North showed a more modest increase.

National availability in new floor space continued to increase, although by a more modest percentage. Up by 7.4% (2.077m sq ft), to 30.106m sq ft being available. This category now provides 13.1% of the overall available floorspace stock. These figures produce a new high in terms of the amount of new floorspace and the percentage of overall stock. The speculative development of large and ultra large distribution centres continues to have a major impact on the level of available new space. Floorspace availability also continued to rise

in large buildings (over 100,000 sq ft), with an increase of 6.5% in 6 months producing a new total of 67.07m sq ft.

The level of speculative development under construction across Great Britain at January 2008 decreased by 14.1% since June 2007, falling 13.365m sq ft. At January 2008 more than 40% of floorspace under construction speculatively in Great Britain was in two regions, the West Midlands (23%) and the North West (17%).

A new impact in 2008 has been the change in rating for empty industrial buildings, where full rates are payable on premises empty for longer than 6 months at one time. This legislation came into effect as of April 2008 and the most likely impacts that it will have are; less speculative industrial development as empty rates will be liable on new build as well as older stock and less requirements coming out of consolidation as leaving older stock vacant will have greater cost implications.

North West - Despite the economic slowdown the industrial market in the North West has continued to gain strength. As noted, available new floorspace and speculative development levels have both increased. Floorspace available in large buildings over 100,000 sq ft increased by approximately 4.2% during the second half of 2007 to 8,729,604 sq ft and now provides for 34.6% of the region's stock.

Prime rents in the North West remained steady in the last six month of 2007, with just slight increases in Trafford Park where the region's highest rents of £6.75 per sq ft have been achieved and also Warrington where rents of £6.25 per sq ft were achieved. Overall a 0.8% increase in rents was recorded in the second half of 2007, whilst capital growth was -13% with an annual rate of -12%. Prime yields were around 6¾% for both multi-let estates and large distribution properties.

Far left: Businesses on Millet Street;
top: York Street area

Bury - In contrast to 2003, the industrial freehold market in Bury has been quiet in recent months due to the economic climate and the difficulties of gaining finance. The lettings market has been reasonably active as a reaction to the downturn in freehold demand. To some extent a lack of activity in the Bury industrial market can be attributed to a lack of good quality sites in the right location. A factor that was noted in 2003 is that there is a lack of good quality sites close to motorways in Bury. This is particularly important when considering competing with the neighbouring boroughs of Rochdale and Oldham that benefit from sites with good access to the M62 motorway. Accommodation at The Kingsway Business Park in Rochdale has recently become available following extensive access works, which provide direct access to the park off Junction 21 of the M62. The park will support a total of 3.229 million sq ft of industrial and office floorspace over a 170 ha site.

There are sites available for industrial development in Bury but in less popular locations, which lack prominence and easy access to the motorway and so have not come forward for development. Other existing low grade industrial areas close to the town centre and with reasonable motorway access could attract demand in the future given redevelopment to provide good quality new units. However, the economic viability of their redevelopment is

questionable particularly in the current market.

Further, the historic impact of the lack of substantial public sector grant funding to support employment development in Bury unlike its neighbours is still notable. Grant funding has particularly enabled greater levels of speculative build such as at the Kingsway Business Park, Rochdale that is receiving substantial public sector grant support through the North West Development Agency.

The Bury industrial market remains largely a local market, which attracts demand mainly from within the borough and from within Greater Manchester. The greatest demand is as previously for smaller units up to approximately 10,000 sq ft, and there are still good levels of activity in this part of the market particularly for leasehold premises. Rents range from £4.50 – to £5.00 per sq ft for good quality units with the higher rents achieved for stock closer to motorway access.

Until recent years small freehold development has been a buoyant part of the market in Bury with business owners purchasing their own premises as part of their pension plan. In the current market there has been little new development in this way that could lead to a stagnation in the market over time.

Some impact of the ‘empty rates’ legislation has been noted in Bury, with less activity in the speculative market attributed in part to rate issues. Also it is thought that greater levels of demolition are being seen as a method of avoiding empty rates as companies consolidate or long term vacant stock becomes a cost burden.

Conclusions:

- Nationally and in Bury the economic slow down has had a negative impact on the industrial freehold market and speculative development.
- However, the industrial market in Bury



remains active with the greatest demand for units up to 10,000 sq ft and for sites close to motorway junctions.

- There continues to be a shortage of industrial development sites close to motorway junctions in the borough.
- The changes in empty rates legislation is thought to have started to reduce speculative development, reduce lettings and promote industrial demolition in Bury.

Leisure

General Trends - The UK leisure market has continued to steadily grow since 2003, with development activity particularly of health clubs, restaurants and bars. As noted in 2003 cinema development has slowed, with the large catchment of multiplex cinemas leaving little room for additional cinema provision in many areas.

The health and fitness industry is continuing to thrive with the 2007 FIA State of the UK Fitness Industry Report concluding that the UK's £3.6 billion fitness industry is in the best shape of its 20 year history. The report also notes that 11.9% of the UK population are now registered members of a health and fitness club or publicly-owned fitness facility. Like for like membership of health clubs is up by 3% since January 2006 and 230 new public and private fitness facilities have been developed.

The hotel industry has been impacted by a number of events in the last year. These include mostly notably the smoking ban, the impact of this was felt more by the 'wet trade' with the food trading side of business reporting sales slightly up on the previous year.

More recently concerns have been with the 'credit crunch' and rising interest rates. However, despite these issues and with the benefit of interest rates decreasing in recent months,



hotel values both freehold and leasehold have continued to increase both in London and the regions. Budget hotel operators are reported to remain keen to purchase sites and existing businesses.

Considering the pub market, despite the smoking ban of July 2007, pub companies remained active throughout the year as did the number of private buyers in this market.

Bury

Cinema: The 2003 strategy examined the potential for a town centre cinema in Bury. The 2002 Driver Jonas retail report was pessimistic about the demand side of attracting a cinema operator to Bury town centre with the presence of a multiplex cinema at Park 66, Junction 1 of the M66 motorway.

However, the positive aspirations of Westfield (the former owners of the Mill Gate Shopping Centre) to incorporate a new cinema into their proposals for the centre offered significant potential for a new cinema. These proposals by Westfield for development of the Mill Gate Shopping Centre have now fallen away as the shopping centre is in new ownership. A new cinema is now part of development proposals for The Rock, where planning permission has been given for a ten screen cinema alongside the development of retail and leisure floorspace and new apartments.

Far left: the Bridge Trading Estate
- Western Waterside;
above: businesses on Hacking Street

Health and Fitness: As noted, the health and fitness industry has continued to expand in recent years. In 2002, the Drivers Jonas retail study concluded that there was increasing demand for club memberships, but it was thought this demand would be taken up by the Total Fitness that was under construction. Since that time the Total Fitness club has opened in Whitefield and in Bury a JJB Sports health club has also opened at Spring Street close to the town centre. The Drivers Jonas 2007 Retail Report Update does not further consider health and fitness, but given the views of the 2002 report, and the health and fitness provision since, there is unlikely to be demand for further private health and fitness facilities in the short/ medium term.

In the long term, with the development of new apartments in the town centre, there may be demand for additional health and fitness facilities. The future of the Castle Leisure centre and the potential of upgrading or replacing the current facilities could play a role in this provision by attracting demand that would otherwise go to private sector operators.

Restaurants, Bars and Clubs: Bury has continued to have a buoyant evening economy based around a number of bars and clubs in the town centre. These are generally located on Silver Street, Market Street and Kay Gardens.



As noted in 2003, these venues generally attract the 18 – 34 age group, but because of the ability to easily access Manchester city centre the demand for further facilities has been limited.

It was thought that with Manchester city centre having reached some level of capacity and with the bar operators looking to expand, there could be further demand in Greater Manchester towns like Bury. This shift in operator interest has not yet taken hold in Bury, but this may be explained by the lack of suitable property available. In the next few years given the delivery of the major developments proposed for the town including The Rock and Townside, there should be units that match the requirements of bar/ pub operators.

The provision of restaurants in Bury is still limited to a few independent businesses in and around Silver Street. These restaurants contribute significantly to the quality of the environment in this area. Further restaurants and wine bars in the town centre can only serve to contribute to the overall offer provided and should help increase demand. The proposed retail and leisure development at The Rock is likely to attract family restaurants and café operators that will provide for a gap in the market that has existed for some time in Bury for this type of facility.

Planning consent for The Rock development also includes for the provision of a night club.

Family Leisure: The only large scale family leisure facility in the borough has been the Megabowl at Park 66, off Junction 1 of the M66. A new bowling facility forms part of the proposals for redevelopment of The Rock in Bury town centre alongside the cinema. Improving the leisure facilities for all age groups in Bury town centre will be of great benefit to the town's vitality and help to fill the gap for this type of provision. The borough also lacks a Bingo club, which most of the Greater



Manchester boroughs have. The proposed redevelopment of the current Hornby Buildings makes provision for a leisure use, such as bingo, at first floor level.

Hotels: The hotel market in Bury has remained static in recent years with no significant new build activity. The only large independent hotels in the area are the Boholt Hotel off Walshaw Road to the north west of Bury town centre and the Village Hotel (De Vere Group) at Waterfold Business Park at Junction 2 off the M66. There continues to be no branded budget hotels in central Bury, with the nearest located at Junctions 17 and 18 off the M62. It was previously thought that there wasn't sufficient demand for further hotel provision within Bury, with growth most likely to come from increased business demand.

With current proposals for new office development around the town centre as noted, this position has changed and the Townside development plans include for a new 110 bed hotel. It is most likely that in this location and with a potentially increased business market, a budget hotel operator will be attracted.

Conclusions:

- Bury has a good provision of private health and fitness facilities to meet current demand. Provision of a new public facility could take up any further demand in the medium term.
- Major retail and leisure proposals in the pipeline should significantly improve the leisure provision in Bury town centre, adding to its viability and vitality.
- Current proposals include for a new cinema, hotel, bowling facility, restaurants, bars and a club, that will fill the gap in current provision and should complement existing facilities.

Retail

The retail sector continues to be the driving force for Bury town centre, and as set out in the 2003 report, decisions on future retail provision will have a major influence on the health and vitality of the town. This section will update the 2003 Town Centre Health Check and will provide details of current development proposals for the town centre that should significantly improve Bury's retail offer. An update of the 2002 Retail Study by Drivers Jones was prepared in 2007, this study will be used as a key source of information here, as well as drawing on King

Facing page: the JJB's on Angouleme Way;
Top: artist's impression of the Townside Field scheme, image courtesy of Carey Jones Architects

Sturge's research and market knowledge and information from discussion with agents and Council representatives

National and Regional Trends - The retail sector was thought to be holding up at the end of 2007 and the start of 2008 despite signs of economic downturn in the UK. Retail sales were reported to have held up well over the Christmas period. The British Retail Consortium reported that sales growth for December was 2.3% year of year, or 0.3 % on a like for like basis. Figures from the Office of National Statistics came in slightly lower with seasonally adjusted retail sales in December up 1.4% on the previous year. The rate of growth was lower than in previous years, but 2005 and 2006 are considered extremely tough comparatives and the fact that the sector reported growth at all given the weakness in the wider economy actually marked a very solid performance.

As ever there were significant performance disparities between both retail sub-sectors and individual operators. In simplistic terms, food retailers fared very well, whilst the clothing sector struggles. In bulky goods, DIY was strong, whilst electricals and furniture were weak. As discretionary purchases, these sectors tend to be the first to suffer from a downturn. Non-store retailing (mainly internet and mail order) grew over 15% during the last three months of 2007,



underpinned by the success of internet retailing over the Christmas period.

Christmas trading generally exceeded expectation, and for the most part of the 2007, retail sales in many respects defied gravity, shrugging off a series of interest rate rises and the initial effects of the credit crunch.

In recent months, however, decreases in retail sales have been reported. Retail sales volumes fell for the second consecutive month in April, down 0.1% month on month. Food stores have continued to display positive price inflation, whereas in other sectors, discounting and sales events are underpinning sales volumes. The fall in sales volumes has started to be translated to the retail property market with shopping centre developments such as Liverpool One being delayed and lease terms being softened to attract tenants. Secondary centres are also thought to be faring worse as occupiers start to become selective. In out-of-town shopping areas there are instances of floorspace being released by 'rightsizing' large stores, another sign of weakness in the retail market.

Some retailers have been clearly struggling with some major names including Dolcis, Empire Stores and The Works all recently going into administration. The recent failure of Music Zone also highlights the ongoing pressures on the music and entertainment sector exerted by internet sales and downloading, as well as supermarkets now accounting for one third of overall sales in this sector. The limited number of players left in the market makes it difficult for landlords, which has resulted in non-market lease terms increasingly being used to attract the likes of HMV and Waterstones into schemes.

Despite a downturn in sales volumes in recent months there are currently several categories of retailers looking to expand their town centre store portfolios. These include:

	Floorspace 2002		Floorspace 2007	
	Sq ft	% of total	Sq ft	% of total
Convenience	175,022	15%	195,800	17%
Comparison	791,886	66%	662,000	58%
Service/ Miscellaneous	182,988	15%	196,100	17%
Vacant	52,868	4%	94,500	8%
Total	1,202,295	100	1,148,400	100

Floor Space By Type In Bury;
Source: Goad database (Experian)
– Bury survey completed on
20/03/07

- Mobile phone companies;
- Coffee shops;
- A1 food retailers – notably sandwich retail / café chains;
- Grocery retailers looking for stores from 3,000 sq ft upwards, including upmarket organic operators;
- Fashion multiples looking at market towns for stores of 10,000 and 15,000 sq ft;
- Banks looking for modern units of 3,000 and 10,000 sq ft to expand their town centre offer;
- A3 operators of major high street restaurant groups seeking new sites; and
- House of Frazer looking at rolling out a mini-department store concept of 50,000 – 75,000 sq ft.

As trading conditions have, however, weakened, retailers are looking for a variety of ways to limit increases, or better still achieve reductions in operating costs. These include various types of corporate restructuring and downsizing and in

addition comparison good retailers now occupy over half of all out-of-town retail space where rents are cheaper.

Retail In Bury - Bury is one of several sub-regional centres serving the North Manchester sub-region alongside Bolton, Oldham and Rochdale. Using Experian Goad information on the ranking of centres based on the number of retail outlets, floorspace and the number of key attractors, out of the north Manchester towns, Bury is second to Bolton.

With 1 denoting the retail highest ranking, it can be seen that all the centres in North Manchester have slipped down the rankings in the last couple of years. Between 2006 and 2007 Bolton's ranking slipped the furthest at 11% but Bury's ranking also slipped notably.

The figures provided here show a substantial drop in ranking for all the centres between 2002 and 2007. As the ranking data for 2002 came

Town	Shopping centre	No. Units	Selling area sq ft	Total selling area sq ft
Bury	Mill Gate	140	369,000	369,000
Rochdale	Exchange	76	290,000	
	Wheatsheaf	35	187,000	477,000
Oldham	Spindles	55	278,000	
	Town Square	30	190,000	468,000
Bolton	Market Place	34	308,000	
	Crompton Place	55	180,000	
	The Gates Centre	-	105,000	593,000

Shopping Centre Areas (excl. high street); Source: Retail Directory of the UK 2007

Far left: Independent retailers on Bolton Street

Town Centre Ranking; Source: Javelin's Venue Score 2007 (* Experian Goad Ranking)

Town	2002			% Change	
	Ranking*	2006 Ranking	2007 Ranking	2002– 2007	2006 - 2007
Bury	83	130	142	72%	9%
Rochdale	150	188	205	36%	9%
Oldham	161	172	181	12%	5%
Bolton	58	97	108	86%	11%

from a different source these figures are likely to suggest a more significant drop than is actually the case. However, a fall of some degree in the five year period is a clear indication that Bury has not been improving over time, is being left behind as a retail centre and is gradually becoming less able to compete on a national scale.

As other neighbouring centres have similarly been left behind, Bury has probably not lost out to these to date. However, there are major town centre development proposals for Rochdale and Oldham, which would significantly improve their retail offer. Without improvement, Bury could also continue to lose retail spend by an increasing amount to Manchester city centre and the Trafford Centre where retail offer has been ever expanding over the same period.

Experian Goad data for Bury shows that the centre currently has a total shopping area of approximately 1.14 million sq ft. This figure excludes premises within the retail area that are taken up by non retail or retail/service activities including office and industrial premises. This figure has decreased by 53,895 sq ft since 2002 according to the Experian Goad data. This difference is most likely accounted for by the loss of retail outlets to make way for The Rock development. These included a few independent outlets, a Kwik Save foodstore, a Halfords store, a Pilkington tile unit, a Dixons car show room and a Vantage car showroom. The total loss of

floorspace was approximately 65,219 sq ft, which included approximately 56,953 sq ft of retail space.

Comparing the total floorspace in comparison and convenience retail use provides a clearer picture of the change in activity in the centre. The floorspace in convenience retail has shown an increase of 20,000 sq ft (12%) in the five year period. Considering the Kwik Save on The Rock site has closed in this period there has actually been a total of nearly 51,000 sq ft of additional convenience floorspace. Comparison floorspace has decreased overall by 129,886 sq ft (16%) in the same period. The decrease in comparison floorspace is greater than the overall change in floorspace owing to an increase in vacant premises. Up to 54,075 sq ft of this decrease could be attributed to loss of premises to give way for The Rock, which would leave a decrease in comparison retail in the town centre of 75,811 sq ft.

The change in convenience floor space is most likely attributed to the expansion of existing convenience outlets. There has been quite a decrease in comparison floorspace. This could be indicative of Bury's lack of development and improvement as the Rankings suggest, and therefore ability to compete, which has weakened demand for comparison space. Concurrently there has been a nearly doubling in the amount of vacant floorspace that is likely to account partly for the decrease in comparison floorspace.

Current Retail Provision: The key retail occupiers in the town remain generally those that were present in 2003, with the largest space users in the town centre including Marks & Spencers, BhS, Boots and Wilkinsons. Convenience outlets in the town include Asda, Tesco, and Marks & Spencer Food Hall. Of the convenience outlets only Marks & Spencers and also retailers on the market are located inside of the ring road. As noted, some retail and showroom outlets have closed since 2003 that were part of The Rock scheme that is now being constructed.

Shopping provision in Bury continues to be focused on the Mill Gate Shopping Centre. The shopping centre changed ownership in 2005 and is now in the ownership of Scottish Widows. The centre has 140 units, the same number reported in 2003 but has an increased total selling area of 369,000 sq ft (Retail Directory of the UK 2007), up by 54,000 sq ft. Most of the higher order stores are located in the Mill Gate Shopping Centre.

The Mill Gate Shopping Centre continues to provide the largest area of shopping in one centre when compared to the other North Manchester towns, although the three other towns all have two or more shopping centres and a larger overall shopping provision in shopping centre space.

The Mill Gate Shopping Centre also has a larger number of smaller units than the centres of the other towns. As a consequence, larger retail and multiple outlets have been limited in the range of goods they are able to offer in these small units. This factor is considered to have restricted the range of occupiers in the Mill Gate Shopping Centre.

Other retail activity in Bury continues to be focused round Bury's famous market, three retail parks and high street shopping on The Rock and

Bolton Street. The make up of retail activity on these two streets has remained quite constant with The Rock dominated by A2 uses including banks, building society's, travel agents and lower order retailers. Bolton Street contains a number of independent retailers, estate agents and restaurants.

Bury's market has continued to be one of the most successful markets in the North West. This large market has an internal market hall open 6 days a week, a Meat & Fish Hall and an external market open 3 days a week. The market's facilities and structure have continued to be upgraded and it has good linkages with the Mill Gate Shopping Centre. According to Council estimates the market has attracted 250,000 visitors every week in recent years and the market continues to be a significant draw to the town from within the North West and beyond.

Future retail provision: An overview of future retail provision and current proposals is provided in the next chapter 'Town Centre Health Check'. This looks at the detailed proposals/projects by Scottish Widows and Thornfield and their likely impact on Bury's retail market.



Above: Independent retailers on Bolton Street