HDH Vitality Rankings 2022

March 2022

Harper Dennis Hobbs

Foreword

James Ebel
CEO

Harper Dennis Hobbs' 2022 Vitality Ranking looks similar to last year's ranking. The influence of the pandemic cast a long shadow over much of 2021, with shopper movement and tourism severely curtailed, and we started 2022 with the government recommendation to work from home after the emergence of the Omicron variant.

The recovery of larger retail centres has been impeded by these external factors, although some attraction-led destinations have benefited from domestic tourism. However, it is the smaller commuter towns that have maintained their retail vitality to the greatest degree over the last year.

Governments and consumers' responses to the pandemic are beginning to change, partly due to high vaccination rates and the most recent COVID variant appearing to be less severe. Greater consideration is also being given to how to cope with the virus in the long term, and to reduce the impact on everyone's daily lives.

The pandemic will have a lasting effect on many retail centres around the country – from the loss of key anchor stores, to a greater emphasis on leisure to compete with online shopping – but physical stores have proven their appeal as consumers return to their pre-pandemic shopping habits. As government strategies evolve and consumers return to their previous behaviours, the larger centres are likely to regain their past standing in our Vitality Ranking.

Introduction

Andy Metherell
Head of Retail Consultancy

Harper Dennis Hobbs' 2022 Vitality Ranking reflects the realities that consumers and occupiers have had to face over the past year, and that continue into the new year. The effect on public health of the Delta variant and the uncertainty around the impact of the Omicron variant meant the continuation of restrictions on consumer movement and occupier trading, leading to our rankings being comparable to the listing in 2021.

Small commuter towns, often with significant levels of wealth, retained their higher rankings this year, as remote working led to more localised consumer spending. Some larger centres rose in the ranking, many of which benefited from a significant increase in domestic tourism. Although they may well be used to seeing much higher levels of footfall due to international travellers, and the tenants therefore haven't experienced the same turnovers as pre-pandemic levels, compared to other large centres – especially those that rely more on worker spend – locations like York and Cambridge have seen increased vitality.

Our ranking demonstrates the 'retail health' of retail and leisure centres across the country. It does not necessarily reflect a retailer's level of sales, instead our multivariate approach allows us to compare different sizes and types of retail centre. Some of the variables used are consistent with those used in prior years' rankings, whilst new factors have also come to the fore. For example, this year's ranking includes the level of vaccination across a retail centre's catchment to indicate where the impact of COVID has a lesser effect due to the increased protection of local public health. Higher vaccination rates allow a greater movement of consumers, increased confidence in interaction with other members of society and lessen the effect of self-isolating for both shoppers and workers.

We have refreshed the previous datasets used, to ensure the most up-to-date information is incorporated into our analysis. One key element of our analysis is the Google Mobility data, which tracks the movement of consumers into retail, workplace or residential properties. This data in particular has highlighted the increases in footfall seen in UK tourist destinations, such as coastal towns, locations near Areas of Outstanding Natural Beauty and historic centres with tourist attractions.

An increase in vacancy rates clearly influences the vitality of a retail centre: undermining consumer perception of an area, fragmenting the retail circuit and reducing the sales potential due a lower quantum of space. Whilst administrations and occupiers' store network decisions are increasing vacancy rates through store closures, Harper Dennis Hobbs has seen how proactive management of town and city centres by councils, BIDS and other public bodies can counter this. The public sector have engaged in an impressive array of plans for sparking economic activity, regenerating public spaces and engaging with landlords, occupiers and consumers. However, this proactive management is inconstant across the country and is often related to the level of funding available, meaning that the wealthier or more successful high streets see the greatest level of management. The government is theoretically addressing this issue with its levelling-up programmes, but the success of these policies will take time to be seen.

Top 25

Harper Dennis Hobbs' Vitality Ranking for 2022 shows a top 25 that is very similar to that seen in 2021. Beaconsfield maintains its top spot location, whilst Marlborough, Wimbledon Village and Kingston have improved their positions in the top 10. Other significant movers include Harrogate, York, Brighton and St Albans.

Some of the smaller, more affluent locations have increased their standing as they have maintained low vacancy rates. Others have benefited from the continuing work from home recommendation from the government, whilst domestic tourism has also helped to increase visits to retail properties in historic centres to a greater extent than in comparable locations.

Other locations have been negatively impacted by increasing vacancy rates – even if the change has been relatively small. Any greater change would have seen these locations fall out of the top 25, but the slight increase in vacancy reduces their position relative to their peer centres.

Vaccination rates are lower in some parts of the country, such as areas of London, and these have lowered some centres' positions.

However, the majority of the locations in the top 25 have held their position compared to the 2021 ranking, and therefore still look very different to the 2019 ranking.

Source: HDH

2022 Rank	Retail Centre	Region	2021 Rank	Change vs 2021	2019 Rank	Change vs 2019
1	Beaconsfield	South East	1	0	64	63
2	Marlborough	South West	5	3	10	8
3	Wimbledon Village	Greater London Authority	4	1	7	4
4	Kingston upon Thames	Greater London Authority	7	3	20	16
5	Henley-on-Thames	South East	2	-3	28	23
6	Tenterden	South East	3	-3	39	33
7	Sevenoaks	South East	6	-1	30	23
8	Skipton	Yorkshire and The Humber	12	4	110	102
9	Reigate	South East	13	4	12	3
10	Harpenden	East of England	9	-1	139	129
11	Farnham	South East	14	3	75	64
12	Berkhamsted	East of England	8	-4	14	2
13	Ilkley	Yorkshire and The Humber	10	-3	29	16
14	Ringwood	South East	15	1	90	76
15	Harrogate	Yorkshire and The Humber	23	8	22	7
16	Cobham	South East	11	-5	17	1
17	Beverley	Yorkshire and The Humber	19	2	70	53
18	York	Yorkshire and The Humber	45	27	47	29
19	Chester	North West	20	1	46	27
20	Brighton	South East	25	5	21	1
21	Muswell Hill	Greater London Authority	22	1	38	17
22	Chiswick	Greater London Authority	18	-4	24	2
23	St Albans	East of England	32	9	19	-4
24	Milton Keynes	South East	16	-8	58	34
25	Market Harborough	East Midlands	27	2	119	94

Top 26-50

Locations ranking from 26 to 50 in 2022 saw a greater level of variation compared to the top 25. Last year, this grouping included more retail centres that benefited from housing a large proportion of essential retail, but many of these have fallen in the rankings as essential retail is now less of a driver for retail vitality. Those centres have largely been replaced by retail locations that have seen increased visits throughout the last year by people undertaking staycations, such as Windsor, Cambridge and most notably Bowness-on-Windermere in the Lake District. The impact of 'workcations' – where workers get permission from employers to work from a holiday destination – may also have helped this trend, but UK residents' limited ability or desire to travel abroad has undoubtedly contributed to a rise in domestic tourism.

This trend continues outside of the top 50, with coastal towns in the South West like Falmouth, Bude and St Ives, and other tourist destinations such as Keswick and Ambleside, all seeing increased retail activity.

These locations are clearly seeing the unintended benefit of a captured market, as international travel has been severely curtailed. Although many UK residents are still keen to travel abroad when the opportunity presents itself, it is hoped that increased domestic visits to UK tourist hot-spots remains as a positive legacy of the pandemic.

It is also notable that outside of the top 50, larger retail centres are seeing a resurgence in vitality. Major destinations like Leeds, Bluewater and the Westfield malls have all climbed at least 100 places compared to 2021, a sign that the larger centres are recovering their retail health.

Source: HDH

2022 Rank	Retail Centre	Region	2021 Rank	Change vs 2021	2019 Rank	Change vs 2019
26	Oxford	South East	49	23	42	16
27	Hampstead	Greater London Authority	21	-6	43	16
28	Bath	South West	33	5	13	-15
29	Exeter	South West	28	-1	80	51
30	Truro	South West	17	-13	89	59
31	Windsor	South East	44	13	53	22
32	Tunbridge Wells	South East	24	-8	88	56
33	Marlow	South East	26	-7	36	3
34	Clitheroe	North West	39	5	118	84
35	Sherborne	South West	29	-6	26	-9
36	Cambridge	East of England	84	48	1	-35
37	Leamington Spa	West Midlands	42	5	82	45
38	Winchester	South East	34	-4	61	23
39	Knutsford	North West	30	-9	104	65
40	Bromley	Greater London Authority	46	6	69	29
41	Altrincham	North West	37	-4	477	436
42	Totnes	South West	82	40	111	69
43	Wimborne Minster	South West	60	17	99	56
44	Hailsham	South East	43	-1	198	154
45	Taunton	South West	47	2	194	149
46	Heswall	North West	38	-8	140	94
47	Bowness-on-Windermere	North West	169	122	105	58
48	Thame	South East	40	-8	162	114
49	Guildford	South East	48	-1	25	-24
50	Weybridge	South East	41	-9	183	133

Top 50 – Mapping Locations

Top 50 Locations 2022

The locations of the top 50 retail centres in the 2022 HDH Vitality Rankings are consistent with those of the 2021 rankings, with only Yarm, Saffron Walden, Richmond and Stourbridge dropping out.

These have been replaced by Cambridge, Totnes, Wimborne Minster and Bowness-on-Windermere, reflecting the shift towards retail centres that have benefited from domestic tourism.

Scotland and Wales still do not have any locations in the top 50, which is partly a reflection of the stricter rules that have been applied in those nations. Individual centres in these areas have seen an increase in visits to retail property, as visits have increased in many tourist-led destinations, but it has not been enough to push them into the top 50 across Great Britain.

Source: HDH

Ranks 51-100

The retail centres ranked from 51 to 100 are shown in the tables below, along with their 2021 and 2019 ranks.

In addition to the small aspirational retail centres that retained more spend during the pandemic, these centres contain a mixture of locations that have benefited from domestic tourism over the past year and larger destinations that are recovering as shoppers return to their previous shopping habits. Notable examples of the latter include Westfield London in 56th place, Bluewater in 78th position and Leeds in 94th place.

2022 Rank	Retail Centre	Region	2021 Rank	Change vs 2021	2019 Rank	Change vs 2019
51	Yarm	North East	36	-15	65	14
52	Horsham	South East	73	21	136	84
53	Hitchin	East of England	69	16	109	56
54	Crowborough	South East	64	10	261	207
55	Havant	South East	76	21	358	303
56	Westfield London	Greater London Authority	205	149	2	-54
57	Faversham	South East	66	9	566	509
58	Falmouth	South West	90	32	205	147
59	Great Malvern	West Midlands	54	-5	147	88
60	Bude	South West	70	10	232	172
61	Lymington	South East	59	-2	73	12
62	Saffron Walden	East of England	50	-12	132	70
63	South Woodford	Greater London Authority	75	12	129	66
64	Buckingham	South East	61	-3	236	172
65	Barnes	Greater London Authority	72	7	78	13
66	Wilmslow	North West	87	21	51	-15
67	Watford	East of England	149	82	95	28
68	Keswick	North West	178	110	114	46
69	Hertford	East of England	79	10	135	66
70	Dartmouth	South West	166	96	125	55
71	West Wickham	Greater London Authority	74	3	220	149
72	Gloucester Road	Greater London Authority	138	66	296	224
73	Ealing Broadway	Greater London Authority	115	42	173	100
74	Thirsk	Yorkshire and The Humber	134	60	648	574
75	Richmond	Greater London Authority	35	-40	6	-69

2022 Rank	Retail Centre	Region	2021 Rank	Change vs 2021	2019 Rank	Change vs 2019
76	Bishops Stortford	East of England	67	-9	120	44
77	Stamford	East Midlands	85	8	91	14
78	Bluewater	South East	204	126	5	-73
79	East Sheen	Greater London Authority	52	-27	62	-17
80	Loughton	East of England	58	-22	202	122
81	West Bridgford	East Midlands	130	49	126	45
82	Witney	South East	81	-1	81	-1
83	Inverness	Scotland	77	-6	230	147
84	Prestwich - Prestwich Villag	North West	53	-31	201	117
85	Westfield Stratford City	Greater London Authority	230	145	11	-74
86	Colchester	East of England	125	39	204	118
87	Fulham Road (Incl Bromptor	Greater London Authority	127	40	41	-46
88	Blackheath (London)	Greater London Authority	95	7	59	-29
89	Brent Cross	Greater London Authority	129	40	57	-32
90	Saltash	South West	135	45	420	330
91	Portobello Road/Westbourn	Greater London Authority	147	56	84	-7
92	Cheltenham	South West	182	90	67	-25
93	Epping	East of England	78	-15	286	193
94	Leeds	Yorkshire and The Humber	225	131	34	-60
95	Nantwich	North West	88	-7	266	171
96	Romford	Greater London Authority	56	-40	431	335
97	Belper	East Midlands	175	78	873	776
98	Dorking	South East	121	23	159	61
99	Burton Upon Trent	West Midlands	100	1	484	385
100	Lancing	South East	101	1	306	206

Source: HDH

HDH Sector Commentary

Dan Hildyard
Head of UK Retail

Working from home currently limits the number of people travelling into the larger city and town centres, and consumers were subject to restricted movement for significant periods in 2021. Vacancy rates are also increasing across many centre types, but specifically in areas which had higher proportions of mid-market chains stores. However, there are encouraging signs too: many retailers have reported relatively strong sales in their physical stores when restrictions have been lifted, as well as overall revenues comparable to pre-pandemic levels. Landlords are often willing to work with current tenants to help get through tough trading periods, and offer more tenant-friendly terms in order to recruit suitable brands.

The retail property industry, like many others, is still experiencing rapid change due to the pandemic. However, it is becoming more resilient and better optimised to suit a post-pandemic world.

Simon Carson
Head of Leisure

Although the hospitality sector has suffered over the past year due to restricted trading, opportunities are beginning to appear for the brands that have weathered the pandemic most successfully. There continues to be a high level of innovation, with new cuisines available and new concepts coming to the market. Competitive socialising, cinema and other leisure brands are developing and evolving their offers to create more of a destination in themselves, whilst providing exciting and interesting entertainment for consumers. Successful catering chains from outside of the UK are also entering in the market and expanding rapidly, and a shift towards more healthy eating is benefitting operators such as poke brands.

Those with growth plans are benefitting from greater availability of units in suitable locations, whilst their value to a mall or retail centre is being acknowledged by landlords. Catering and leisure enables these physical destinations to compete more effectively with online retailing and their presence will grow to an even greater degree than before the pandemic.

Analysis of Results – Pre-COVID Comparison

The top 50 from 2019 still looks very different to the current rankings. However, there is cause for optimism for the larger centres – and traditional retail destinations in general – from the 2022 Vitality Rankings. The average ranking for larger centres has improved from 167 in 2021 to 116 in 2022, and the average fall in ranking has decreased from 141 in 2021 to 90 in 2022. Clearly shopper behaviours are still significantly affected by the pandemic and the associated restrictions on movement, but these results shows that the recovery is underway. The most notable recoveries have been seen for regional malls like Westfield London, Bluewater and Trafford Centre. Other major city centres, such as Edinburgh and Leeds, have also increased vitality as local consumers return to previous shopping patterns, whilst tourist- or worker-reliant locations, including Knightsbridge, the West End and King's Cross, are also seeing signs of recovery.

2019 Ranking	Retail Centre	2022 Rank	Change vs 2019	2021 Rank	Change vs 2019
1	Cambridge	36	-35	84	-83
2	Westfield London	56	-54	205	-203
3	Knightsbridge	102	-99	330	-327
4	Chelsea	133	-129	247	-243
5	Bluewater	78	-73	204	-199
6	Richmond	75	-69	35	-29
7	Wimbledon Village	3	4	4	3
8	Canary Wharf	509	-501	539	-531
9	London West End	304	-295	348	-339
10	Marlborough	2	8	5	5
11	Westfield Stratford City	85	-74	230	-219
12	Reigate	9	3	13	-1
13	Bath	28	-15	33	-20
14	Berkhamsted	12	2	8	6
15	Edinburgh	245	-230	314	-299
16	Sloane Street	107	-91	210	-194
17	Cobham	16	1	11	6
18	Cribbs Causeway	256	-238	326	-308
19	St Albans	23	-4	32	-13
20	Kingston upon Thames	4	16	7	13
21	Brighton	20	1	25	-4
22	Harrogate	15	7	23	-1
23	Meadowhall	428	-405	472	-449
24	Chiswick	22	2	18	6
25	Guildford	49	-24	48	-23

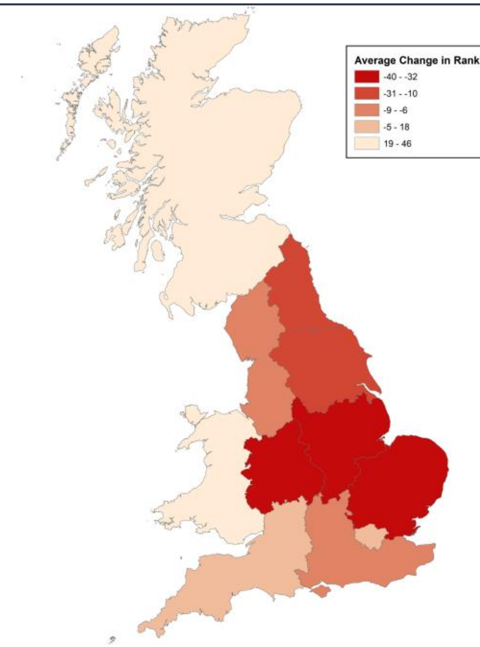
2019 Ranking	Retail Centre	2022 Rank	Change vs 2019	2021 Ranking	Change vs 2019
26	Sherborne	35	-9	29	-3
27	Bristol - Clifton	438	-411	575	-548
28	Henley-on-Thames	5	23	2	26
29	Ilkley	13	16	10	19
30	Sevenoaks	7	23	6	24
31	Birmingham	435	-404	485	-454
32	Chichester	140	-108	162	-130
33	Glasgow	212	-179	365	-332
34	Leeds	94	-60	225	-191
35	Islington - Upper Street	127	-92	161	-126
36	Marlow	33	3	26	10
37	King's Cross	173	-136	367	-330
38	Muswell Hill	21	17	22	16
39	Tenterden	6	33	3	36
40	Kensington	258	-218	338	-298
41	Fulham Road	87	-46	127	-86
42	Oxford	26	16	49	-7
43	Hampstead	27	16	21	22
44	Trafford Centre	236	-192	266	-222
45	St Ives (Cornwall)	134	-89	332	-287
46	Chester	19	27	20	26
47	York	18	29	45	2
48	Liverpool	166	-118	306	-258
49	Lakeside	238	-189	270	-221
50	Manchester	218	-168	349	-299

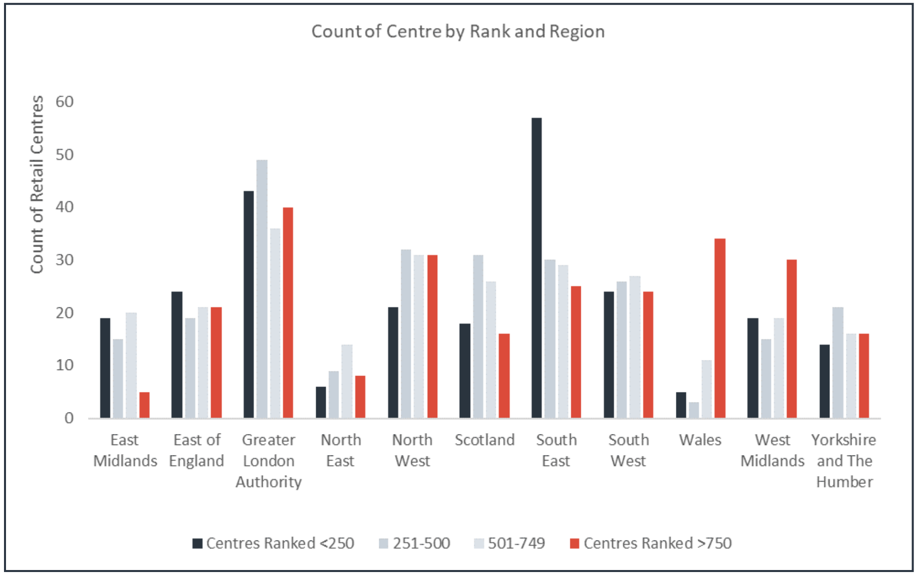
Source: HDH

Analysis of Results by Region

The chart to the left below divides retail centres by region, and aggregates the number of retail centres by rank quartiles. This is to understand the regional variations in the 2022 Vitality Rankings and to show whether certain regions are more vital than others. The South East has the largest amount of retail centres with a ranking below 250, meaning it is the region with the highest number of vital retail centres. Conversely, the majority of Welsh retail centres rank above 750th.

The graph to the right below illustrates the regional change in average ranking since the 2021 Vitality Index, with the darker colours indicating a fall in average position. Despite the majority being below 750th, Wales is the region which has improved its average ranking position the most, followed by Scotland. West Midlands has fallen the farthest in ranking on average, followed by East Midland and the East of England.





Region	Average 2022 Rank	Average 2021 Rank	Average Change
East Midlands	421	385	-36
East of England	485	453	-32
Greater London Authority	481	497	16
North East	551	541	-10
North West	535	529	-6
Scotland	480	525	45
South East	407	399	-8
South West	502	520	18
Wales	751	797	46
West Midlands	563	523	-40
Yorkshire and The Humber	502	489	-13

Source: HDH

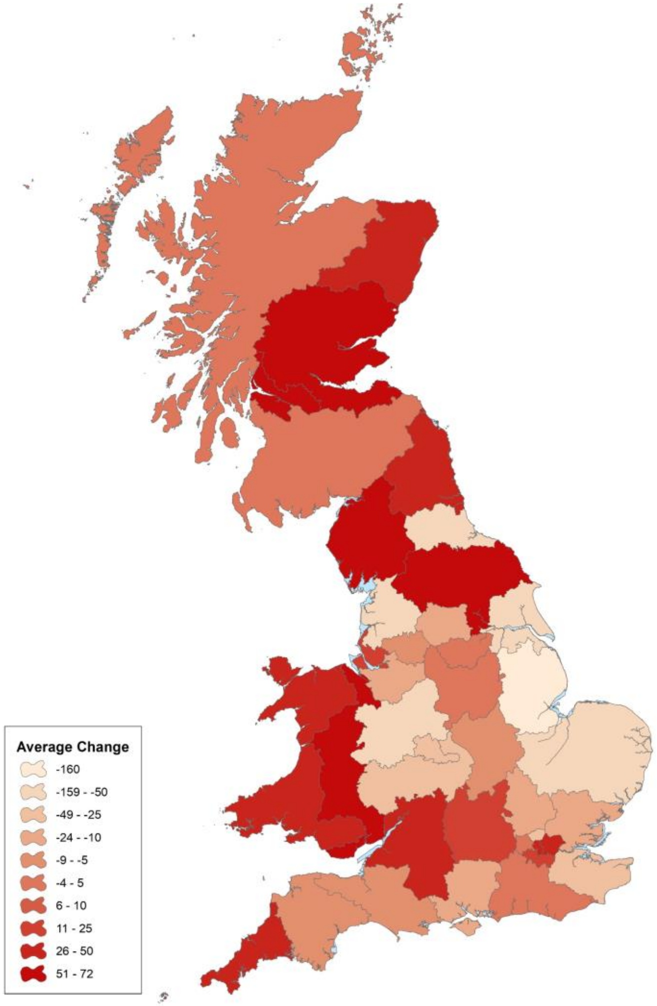
Analysis of Results by County/Urban Area

Mapping the change in ranking by county and urban area helps to demonstrate those locations that have seen an improvement or deterioration in retail health.

Whilst they have not seen any entries into the top 50, several Welsh and Scottish regions have seen an improvement in ranking. As with the centres that experienced the greatest amount of movement, this is explained by the increase in domestic tourism that occurred over the past year.

Stricter restrictions applied by the local governments have impeded the performance to some degree, however this has not held back areas like Eastern Scotland, East Wales and West Central Scotland.

Region	Average Rank in 2022	Average Rank in 2021	Change in Rank: 2021 to 2022
Eastern Scotland	520	592	72
East Wales	758	828	70
North Yorkshire	346	411	65
Cumbria	584	642	58
West Central Scotland	512	566	54
Cornwall and Isles of Scilly	407	455	48
East London	494	538	44
North Eastern Scotland	307	350	42
Gloucestershire, Wiltshire and Bath/Bristol area	493	532	39
West Wales	749	786	37
Northumberland and Tyne and Wear	543	576	34
Inner London	491	516	25
South London	367	381	14
Berkshire, Buckinghamshire and Oxfordshire	321	334	13
Merseyside	582	594	12
Southern Scotland	488	493	5
Highlands and Islands	275	278	3
West London	568	569	1
Derbyshire and Nottinghamshire	395	395	0
South Yorkshire	602	602	0



Source: HDH

Top 5 Centres by Region

Analysis of the top 5 centres by region depicts a clear trend, showing that the highest ranked centres in each region consist mostly of Small and Medium Towns. However, both Newcastle and Cambridge appear in the top 5 centres in their region, demonstrating a return of activity to their city centres. Affluent towns, such as Harpenden, Stamford, Chester and Yarm, continued to perform well in the 2022 Vitality Index.

Region Rank	Retail Centre	Region	Centre Type
1	Harpenden	East of England	Town - Small
2	Berkhamsted	East of England	Town - Small
3	St Albans	East of England	Town - Medium
4	Cambridge - Central	East of England	City Centre
5	Hitchin	East of England	Town - Medium

Region Rank	Retail Centre	Region	Centre Type
1	Market Harborough	East Midlands	Town - Medium
2	Stamford	East Midlands	Town - Medium
3	West Bridgford	East Midlands	Town - Small
4	Belper	East Midlands	Town - Small
5	Swadlincote	East Midlands	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Wimbledon Village	Greater London Authority	London District
2	Kingston upon Thames	Greater London Authority	Town - Large
3	Muswell Hill	Greater London Authority	London District
4	Chiswick	Greater London Authority	London District
5	Hampstead	Greater London Authority	London District

Region Rank	Retail Centre	Region	Centre Type
1	Yarm	North East	Neighbourhood
2	Washington	North East	Town - Medium
3	Newcastle upon Tyne - C	North East	City Centre
4	Guisborough	North East	Town - Small
5	Wallsend	North East	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Chester	North West	City Centre
2	Clitheroe	North West	Town - Small
3	Knutsford	North West	Town - Small
4	Altrincham	North West	Town - Medium
5	Heswall	North West	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Inverness	Scotland	Town - Large
2	Galashiels	Scotland	Town - Medium
3	Peebles	Scotland	Town - Small
4	Hawick	Scotland	Town - Small
5	Dalkeith	Scotland	Town - Small

Source: HDH

Top 5 Centres by Region

The trend continues with the following regions. Notably, the top 5 retail centres in the South East consists entirely of Small Towns, reflecting the increased footfall in commuter towns following the restrictions of travel into London. The South West, Wales and Yorkshire & The Humber all have a presence of City Centres in their top 5 retail centres. Although Wales' largest retail centre, Cardiff, appears in the top 5, the City Centres within the South West and Yorkshire & The Humber are smaller affluent city centres.

Region Rank	Retail Centre	Region	Centre Type
1	Beaconsfield	South East	Town - Small
2	Henley-on-Thames	South East	Town - Small
3	Tenterden	South East	Town - Small
4	Sevenoaks	South East	Town - Small
5	Reigate	South East	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Marlborough	South West	Town - Small
2	Bath	South West	City Centre
3	Exeter	South West	City Centre
4	Truro	South West	Town - Large
5	Sherborne	South West	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Prestatyn	Wales	Town - Small
2	Monmouth	Wales	Town - Small
3	Ruthin	Wales	Neighbourhood
4	Cardiff	Wales	City Centre
5	Blackwood	Wales	Town - Medium

Region Rank	Retail Centre	Region	Centre Type
1	Leamington Spa	West Midlands	Town - Large
2	Great Malvern	West Midlands	Town - Small
3	Burton Upon Trent	West Midlands	Town - Large
4	Cannock	West Midlands	Town - Medium
5	Ludlow	West Midlands	Town - Small

Region Rank	Retail Centre	Region	Centre Type
1	Skipton	Yorkshire and The Humber	Town - Medium
2	Ilkley	Yorkshire and The Humber	Town - Small
3	Harrogate	Yorkshire and The Humber	Town - Large
4	Beverley	Yorkshire and The Humber	Town - Medium
5	York	Yorkshire and The Humber	City Centre

Source: HDH

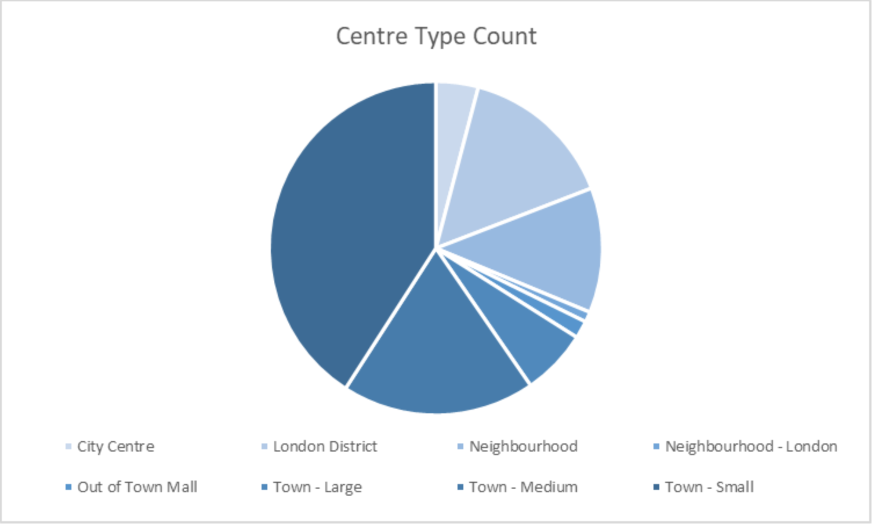
Analysis of Results by Centre Type

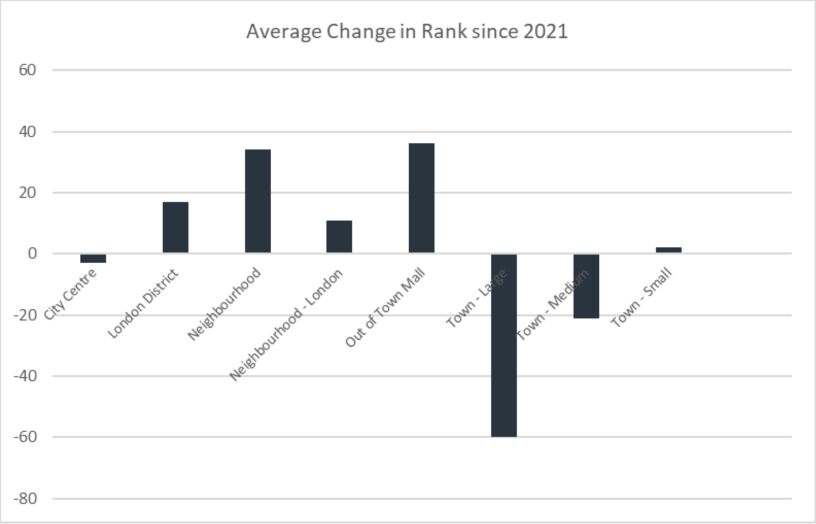
City Centres and Out of Town Malls had the highest average rank in the 2022 Vitality Index, and Out of Town Malls have improved their position since 2021. City Centres in fact saw a slight fall in position from an average rank of 304 in 2021 to 307 in 2022.

Large and Medium Towns also experienced falls in their average ranking position.

Small Towns account for the highest amount of retail centres, followed by Medium Towns and London Districts.

Centre Type	Count	Average 2022 Rank	Average Change in Rank
City Centre	41	307	-3
London District	150	487	17
Neighbourhood	121	536	34
Neighbourhood - London	10	630	11
Out of Town Mall	17	382	36
Town - Large	64	473	-60
Town - Medium	187	528	-21
Town - Small	408	507	2





Source: HDH

Conclusion

After almost two years of the pandemic, consumers and occupiers have become accustomed to movement and trading restrictions as the development of different variants has impeded our ability to return to normal behaviours. Many people have adapted to the routines of working from home, responsible socialising, and the mix of online and physical shopping. However, it is difficult for retailers and hospitality brands to maintain profitability with their units operating at much lower trading levels. If restrictions were to continue, it is likely more and more brands would face ruin.

Thankfully, the success of the vaccination programme has protected many people in the UK, and the lesser severity of the Omicron variant suggests that the virus might be evolving to have a lower mortality rate, so lockdowns might no longer be the policy needed to protect public health and the NHS.

Variables such as the influence of essential retail and the presence of potentially vulnerable residents were included in our Vitality Ranking methodology for 2022 to reflect their continuing impact on the retail health of local high streets. However, other factors are becoming more relevant, with domestic tourism and vaccination rates directly affecting the prosperity of centres. These may also be short-term influencers as the national picture for the pandemic evolves – although many smaller tourist locations will hope to continue to attract domestic visitors after the pandemic passes. Similarly, the number of people living in major city centres has declined during the pandemic, with city dwellers looking for more room and greater access to green space, a trend that could result in a permanent shift away from city centre living.

Since the beginning of the pandemic, government support has provided a degree of stability in a very uncertain world. For example, the job retention scheme protected consumers' income – even if their long-term employment status was still in doubt – and enabled occupiers to plan for consistent staffing levels, whilst business rates holidays reduced the cost of occupancy burden. Some will feel that other policies, such as a break on international tourism or self-isolating rules, have undermined this effort, but others will see these policies as unavoidable impacts from the pandemic. Either way, government policies in response to the pandemic are still influencing our Vitality Ranking, although it is likely that the government are as keen to reduce this influence as much as consumers and occupiers who are affected.

Conversely, there are areas where the government should be taking a more proactive stance – especially in terms of business rates. As many people have said already, the system is in need of modernisation and improvement. It provides an unlevel playing field for high street brands compared to online operators and artificially inflates the cost of occupancy for tenants in the hardest hit locations, with the latter being in direct conflict with any aims to level up regional imbalance across the UK.

2023 will see continued macroeconomic headwinds, from rising cost-push inflation, to manufacturing and supply chain issues and staff availability. As the impact of the pandemic recedes, issues arising from Brexit will become more clear and hopefully will be resolved quickly. However, those occupiers that have weathered what hopefully has been the worst of the pandemic will be well-placed to capitalise on growing consumer confidence, spending and new opportunities that arise in the future.

Appendix: Detailed Description of Variables

Summary of Variables

The variables used to create the 2022 Vitality Ranking are broadly similar to those used in 2021, which were selected to reflect the health of retail centres during the depths of the pandemic. Less weighting was given to factors such as the presence of essential retail and the presence of older consumers, as non-essential retailers were able to trade more freely over the course of the year. Three new variables were included to demonstrate the change in vacancy rates and movement of shoppers into retail properties, as well as the vaccination rate at a local level, which contributes to consumers' comfort level with traveling around and engaging in pre-pandemic behaviours.

	Variable	Description
New for 2022	Vaccination Rate	Sourced from government data, the vaccination rate reflects the ability and willingness of consumers to move around their local area.
	Change in Vacancy Rate	The change in vacancy rate demonstrates how the health of a retail centre is evolving over time, with an increase in vacancy showing a deterioration in the quality of the centre whilst a decrease in vacancy rate demonstrates an improvement in retail health.
	Change in Retail Google Mobility Data	In addition to the absolute value monitored by Google Mobility, the change in movement into retail properties since the 2021 Vitality Ranking shows how well retail centres have recovered compared to last year.
Updated from 2021	Size of Retail Offer	A centre with a large amount of floorspace dedicated to retail indicates a relatively strong destination, with a wider array of choice compared to a smaller centre
	Weighted Spend	A high weighted spend attracted to a retail centre denotes a large market size. Spend by tourists and workers was also considered, to highlight the impact of movement restrictions on these groups of people.
	Essential Retail	A location with a high volume or proportion of essential retail, such as groceries and pharmacies, will have had more tenants able to trade for longer periods of time than the latter, given government rules.
	Restricted and Non-Restricted Hospitality	Bars and nightclubs' trading has been severely restricted, meaning their presence in a centre negatively impacts its vitality. Conversely, restaurant and café offering takeaways have been able to trade, resulting in a positive impact on a centre's footfall.
	Vacancy Rate	A centre with a high vacancy rate signifies decline, and also threatens its future prosperity.
	Department Stores	The department store concept is under threat, and their presence increases the risk of store closures due to poor performance and administrations. Retail centres could lose key anchors create vacancy in large units that will be hard to relet.
	CVAs	A centre with a high presence of retailers who have launched CVAs increases the risk of store closures, again impacting the vacancy rate
	Google Mobility	Google Mobility Data monitors changes in footfall across the UK due to COVID-19. Movement has been classified into Retail & Recreation, Grocery & Pharmacy and Workplace to assess the impact on each.
	Age	Catchments with a high proportion of over 66s in the local population are likely to have been impacted significantly, as this age demographic has spent more time than most shielding, reducing the centre's footfall.
	Number of Cars	High car ownership signifies a greater ability to travel to retail centres, and reduce reliance on public transport. Catchments that have a high proportion of households with 2 or more cars will perform better and boost the vitality
	Aspirational Retail	A sizeable provision of aspirational retail usually indicates a more pleasant shopping environment, as well as higher sales productivity levels.
	Suitability to Local Consumer	The retail supply of a centre has been assessed in relation to the demands of the local customer. Centres with well-aligned centre supply and consumer demand are more successful as they better serve the needs of the local population.

Source: HDH

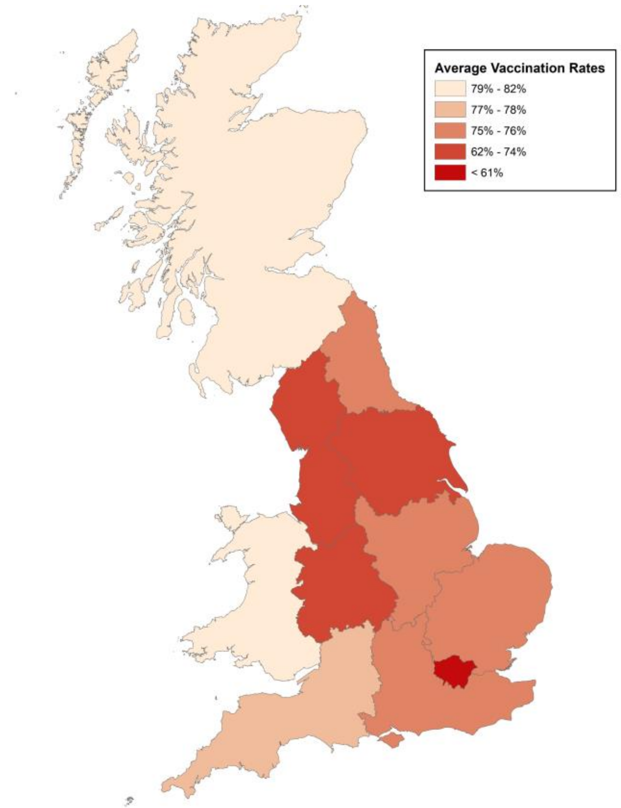
Vitality Index Variables

Vaccination Rates

The proportion of people with two COVID-19 vaccinations was included as new variable in the 2022 Index. Full vaccination demonstrates consumers' willingness and ability to return to normality, and is monitored by the Office for National Statistics.

Centres with higher vaccination rates are likely to have fewer people falling seriously ill, with greater levels of protection for the local population, and enabling consumers to more quickly return to their pre-pandemic shopping behaviours.

Scotland has the highest average vaccination rate in the UK, and the top 5 centres are all within this region. Greater London had the lowest average vaccination rate (61%) at the time of the analysis.



Retail Centre	Vaccination Rate %
Kirkintilloch	90
Oban	89
Campbeltown	89
Dunoon	89
Helensburgh	89

Source: ONS; HDH

Vitality Index Variables

Vacancy Rate

Not only do vacant units harm the aesthetic of a retail centre, but they can also signify a centre's decline, and thus act as a catalyst for other brands to leave. This trend might be more visible following the departure of key anchors, such as department stores and well-known brands, and could be the long-term consequences of Debenhams' and Arcadia Group's administrations.

Higher quantities of vacancy tend to be found in the centres such as cities and large towns, where there is now too much physical retail compared to local demand. Those with the highest proportions of vacant space are located across the UK, in centres in Scotland, Wales and central and southern England.

In shopping malls, where the entire property is owned by a single entity, vacancy rates tend to be lower as the landlord can be more compromising on rents to better curate the retail mix.

Retail Centre	Vacancy Rate
Southsea	46.7%
Stoke-on-Trent - Burslem	44.0%
Newport (Wales)	38.0%
Coventry	37.7%
Edinburgh - Ocean Terminal	37.7%

Source: HDH

Vitality Index Variables

Change in Vacancy Rate

A new variable for the 2022 Vitality Index is the change in vacancy rate from 2021 to 2022. Many retailers continued to suffer into 2021 and fall into administration, causing an increase in vacant units on the high street. The biggest increase in vacancy rates was in Southsea, with an increase of 42%. Southsea has lost both John Lewis and Debenhams department stores recently, as well as a number of other retailers.

In contrast, some retail centres have seen decreases in vacancy rates since 2021, benefitting from localised shopping patterns or more domestic tourism. Aside from Halstead, the centres that have experienced the largest decreases in vacant units are located in the north of England or in Scotland.

Retail Centre	Change in Vacancy Rate
Southsea	42%
Coventry	25%
Edinburgh - Ocean Terminal	25%
Leeds - White Rose	19%
Richmond (London)	19%
Hexham	-16%
Cumbernauld	-10%
Skelmersdale	-10%
Northwich	-9%
Halstead	-9%

Source: HDH

Vitality Index Variables

Essential Retail

Less significant compared to 2020, but still an important factor in reflecting retail health at the beginning of the year, was the classification of essential and non-essential shops. Essential retail, such as grocery and DIY, continued to trade throughout lockdowns, whereas non-essential stores suffered from long-term closures. This variable considers the overall amount of essential retail space, and its proportion to the total available floorspace.

Centres with high proportions of essential retail have still fared well in 2021 compared to those with a higher ratio of non-essential stores.

Higher proportions of essential retail tend to be found in smaller towns or suburbs of larger towns, where large supermarkets are located in addition to other grocery stores. As a result, smaller locations that contain a grocery superstore have scored highly on this variable. The top 5 in this category have either a significant presence of different essential retailers, or a very large superstore located in the centre

Retail Centre	Essential Retail % of Total Floorspace
Southampton - Portswood	56%
Elephant & Castle	55%
Oadby	53%
Hoddesdon	52%
North Cheam	50%

Source: HDH

Vitality Index Variables

Hospitality

Similarly to comparison retail, the hospitality industry suffered massively throughout 2021 lockdowns. Restaurants with outdoor space were able to trade for a longer period in 2021 compared to indoor-only hospitality, yet both types of restaurants and bars spent the first few months of 2021 closed. Nightclubs could not open until July 2021, so suffered for even longer.

Takeaways have remained open and cafés began to operate a takeaway-only service during the lockdowns. Centres with a high proportion of takeaways and cafés have therefore proved to be more vital, as consumers continued to visit these businesses throughout the pandemic restrictions.

Conversely, retail centres with a large number of bars and nightclubs have been weighted negatively, as their temporary closure weakened the available offering for visitors, in turn reducing spend.

Retail Centre	Restricted Hospitality % of Total Floorspace
Sheffield - Devonshire Quarter	56.4%
Bristol - Baldwin Street	40.8%
Gloucester Road	37.9%
Southampton - London Road	37.9%
Edinburgh - Old Town	36.4%

Retail Centre	Non-Restricted Hospitality % of Total Floorspace
Norbury	12.7%
Gants Hill	12.0%
Leicester - Narborough Road	11.3%
Harrow - Rayners Lane	10.6%
Morden	10.6%

Source: HDH

Vitality Index Variables

Size of Retail Offer and Weighted Spend

A large amount of retail, in terms of square footage, and a high weighted spend can both reflect the strength of a retail centre. Consumers have more choice in bigger centres and are likely to visit on destination-led shopping trips. More aspirational retail brands tend to locate in the larger centres, meaning spend per item is higher.

The amount of total spend deriving from tourists and workers was also taken into account in our Vitality Rankings, with varying impacts on the rankings. The lack of movement from workers meant that retail centres lost out on spend from this cohort, whilst domestic tourism has significantly increased in importance since the start of the pandemic.

Retail Centre	Retail Square Foot
London West End	15.8m
Manchester Central	6.2m
Glasgow Central	5.9m
Birmingham Central	5.0m
Nottingham Central	4.1m

Retail Centre	Weighted Spend
London West End	£18.0 billion
Glasgow Central	£5.4 billion
Birmingham Central	£4.5 billion
Manchester Central	£4.3 billion
Leeds - Central	£3.8 billion

Source: HDH

Vitality Index Variables

Google Mobility Data

Google Mobility Data monitors the overall change in footfall due to COVID-19 across retail, residential and workplace destinations. The figures are benchmarked against a baseline day between January and February 2020 – a period prior to the start of the pandemic when no lockdowns or restrictions were in place. From this data, we can take an average change in mobility for a geographical location.

In the 2021 Vitality Rankings, both Retail & Recreation and Workplace mobility were negative for nearly all locations, whilst Grocery & Pharmacy mobility was largely positive. In the 2022 Rankings however, only the Workplace mobility was negative, and the change in the Retail and Recreation average from 2021 has been largely positive.

Retail Centre	Google Mobility - Change in Retail and Recreation Average %
Skegness	46.3
Louth	46.3
Mablethorpe	46.3
Horncastle	46.3
Bangor (Gwynedd)	46.2

Retail Centre	Google Mobility - Workplace Average %
Richmond (London)	-45.8
East Sheen	-45.8
Barnes	-45.8
Teddington	-45.8
Twickenham	-45.8

Source: HDH

Vitality Index Variables

Age and Mobility

Since the end of shielding, many citizens over the age of 66 are less confident when leaving the house and interacting with younger people in crowded areas. Having a large amount of over 66s in the local population will therefore impact the vitality of a retail centre. This is because many elderly people will feel uncomfortable entering a crowded space, and instead they prefer to shop online, reducing a centre's footfall and spend.

Populations with larger proportions of residents aged 75 and over are even more likely to have been shielding and staying inside, creating a greater effect on retail centres in these areas. Those locations with a higher proportion of elderly populations tend to be outside of city centres, and aside from New Milton, tend to be in coastal locations.

Households with 2 or more cars were also assessed, as high car ownership signifies a reduced reliance on public transport – and thus a lower contact with others - and a greater ability to independently travel to retail centres. Catchments that have high proportions of consumers with 2 or more cars will therefore perform better than others, as the consumers are better able to travel safely to the retail centre.

Retail Centre	% 66-75	% Over 75
Hunstanton	17.1%	22.9%
Sidmouth	15.9%	20.9%
New Milton	14.8%	19.9%
Mablethorpe	21.8%	19.2%
Cromer	15.6%	18.2%

Retail Centre	2+ Cars
Inverurie	57.6%
Gerrards Cross	57.3%
Knowle	56.5%
Thame	55.0%
Crowborough	54.2%

Source: HDH

Vitality Index Variables

Provision of Aspirational Retail

Aspirational retail attracts consumers with high propensities to spend and significant levels of wealth. This increases a retail centre's productivity level, in terms of the sales density, and usually indicates a more pleasant shopping environment.

The largest retail centres usually include an element of aspirational retail, as these types of retailers are best aligned to areas of high spend and footfall. However within the larger centres, aspirational retail may only account for a small proportion of the total retail offer. Smaller market towns and wealthy urban neighbourhoods also have a high amount of aspirational retail per total market size, which is reflected in the 2022 Vitality Rankings. These smaller retail centres, such as Sloane Street, are known for being aspirational destinations, which attracts consumers from elsewhere. Aspirational retail is also likely to be located in these smaller centres due the level of affluence in the surrounding area, meaning that the supply is matching the demand.

Retail Centre	Aspirational Retail % of Total Floorspace
Sloane Street	95.5%
Wimbledon Village	91.7%
Knightsbridge	85.7%
Fulham Road	82.4%
Cobham	70.0%

Source: HDH

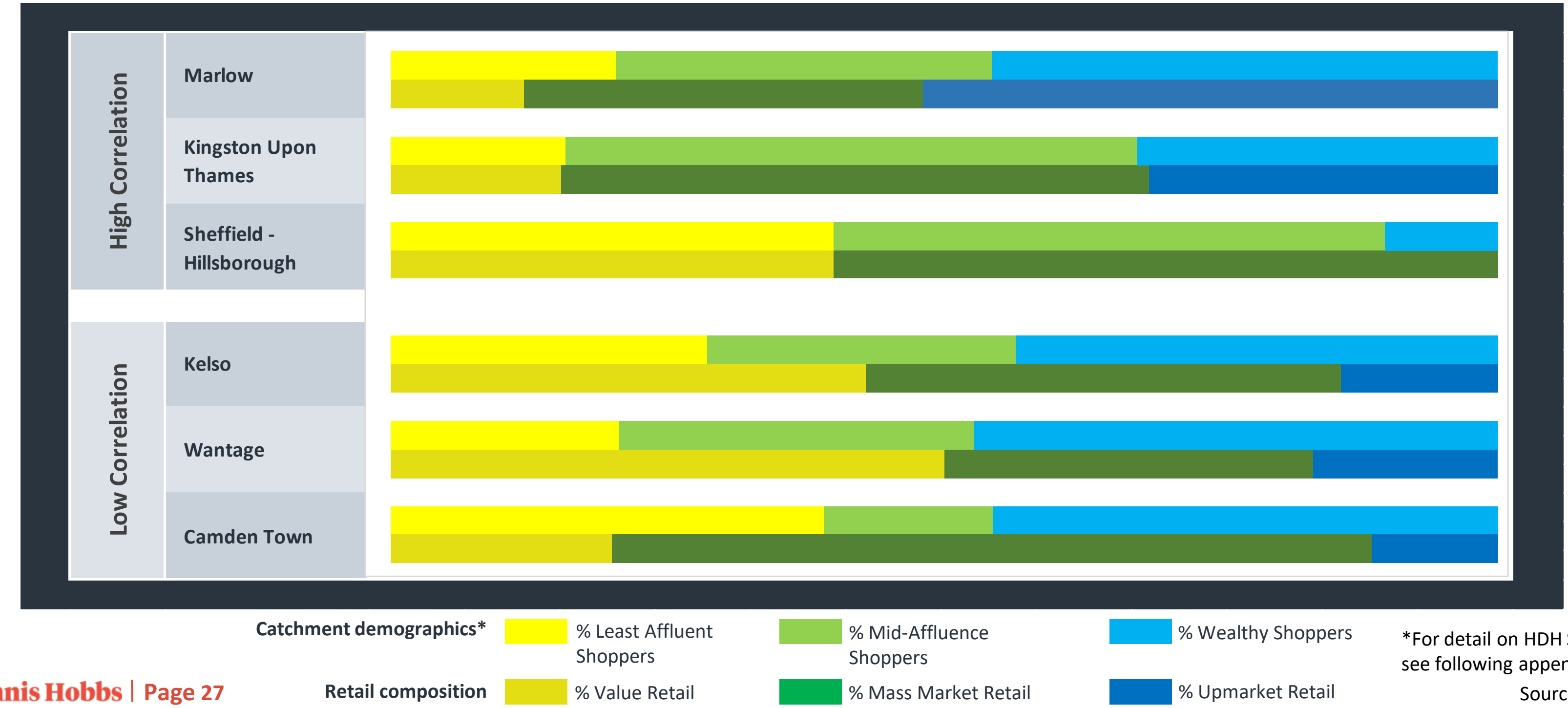
Vitality Index Variables

Suitability to Local Consumer

A centre with a high level of vitality has a retail mix that serves the needs of its local population, with a suitable combination of value, mid-market or upmarket offers. The retail supply of each retail centre was assessed in relation to the demands of the local customer, considering the consumer's demographics.

The retail composition of each location was quantified by assigning hundreds of major UK retailers into value, mid-market and upmarket categories. We also calculated the proportion of the local catchment population falling into three comparable categories using our HDH Shopper Segments – the wealthiest category (groups 1, 2 and 3) is generally attracted to upmarket retail, the middling-affluence shoppers (groups 4, 5, 6 and 7) are more likely to demand mid-market stores and the least affluent groups (8, 9 and 10) shop mostly at value-led shops. We then assessed the correlation between the retail offer and consumer demand to demonstrate the degree of fit between the two.

Below are examples of three centres with high correlations of retail offer vs shopper type, and three centres where the retail mix is less suitable to the catchment demographics.



*For detail on HDH Shopper Groups, see following appendix,

Source: HDH

Appendix: HDH Shopper Segments

HDH Shopper Segment 1: Wealthy Urbanites

Wealthy Urbanites include singles and couples that live in exclusive urban neighbourhoods, such as fashionable city centres or expensive suburban areas. Residences are rented or mortgaged – occasionally wholly-owned – and high prices are not a barrier to occupation. Car ownership is low due to their city living.

Education levels are very high, and people are either employed in well-paid professional jobs or do not need to work due to family or accumulated wealth. They are typically career-driven, with higher levels of disposable income and fewer children. The number of company directors is also high – even amongst the younger members of the segment. Investment is another way this segment increases its wealth.

Wealthy Urbanites are early adopters of technology and fashion trends, as they are interested in new ideas and have the money to afford being at the cutting edge. They are also happy to pay for high-quality service and products, with clothing tastes being modern and on-trend, whilst branding is also important. This group is more likely to foster a global perspective due to their monetary means for international travel.

	Wealthy Urbanites
Annual Salary Per Capita	£70,000
Adult Age	20-59 yrs
Child Age	Few Children
House Price	Very High
Geographical Area	Inner City / Suburbs
Social Group	AB
Qualifications	Very High
Employment Type	Professional
Newspaper Readership	Financial / Quality
Car Ownership	Low
Internet Usage	Very High
Example Locations	Kensington, Chelsea, Knightsbridge, Notting Hill Gate

Source: HDH

Canada Goose Reiss Paul Smith

Burberry Coach Whole Foods

Harvey Nichols Selfridges & Co

Apple Ralph Lauren

Tory Burch Ted Baker

HDH Shopper Segment 2: Maturing Affluence

Mature couples, often with grown-up children who have moved out, are dominant in the Maturing Affluence Shopper Segment. High ranking roles in large organisations, or their own companies, provide sizable incomes that allow ownership of large detached properties in the countryside or the outer-suburbs. Rich retirees are also found in the Maturing Affluence category. Rural living is likely to have been motivated by a search for peace and quiet, after living in expensive city areas that are classified in the Wealthy Urbanites Segment.

Savings built up over long careers add to their high income levels, and, without the burden of mortgages, many have significant discretionary wealth. This is spent on the finer things in life, from foreign holidays and large technology products, to wine and clothing.

Whilst keen for new experiences and quality products, this demographic's tastes are often relatively conservative. Their financial investments are lower risk for the same reason. However, technological literacy is high as they embrace developments that will make life more comfortable and enjoyable.

	Maturing Affluence
Annual Salary Per Capita	£60,000
Adult Age	40+ yrs
Child Age	15+ yrs
House Price	Very High
Geographical Area	Suburbs / Rural
Social Group	AB
Qualifications	High
Employment Type	Professional
Newspaper Readership	Financial / Quality
Car Ownership	High
Internet Usage	Above Average
Example Locations	Guildford, Tunbridge Wells, Epsom, Bath, Berkhamsted

Source: HDH

L.K.Bennett

M&S

John Lewis & Partners

Fenwick

Radley

Waitrose & Partners

Joules

Barbour

Jo Malone

Crew Clothing Co

Hunter

Hobbs

Whistles

HDH Shopper Segment 3: Prosperous Families

These families tend to have relatively young children, and are attracted to affluent rural and suburban areas by well-performing schools and spacious houses and gardens. Household income is well above the national average, even though one parent is sometimes at home, caring for children. This segment is reaching the pinnacle of their careers in a range of capacities: senior positions in both white and blue collar firms, taking responsibility for the running of important corporate functions, and becoming key decision makers.

Whilst their careers may have a global aspect, their focus is local when it comes to personal considerations. They are likely to be active in their communities, from school boards to local councillors, reflecting their desire to influence their offspring's environment and have a positive impact generally.

Good quality is important to these shoppers, in terms of food, clothing and consumer products. The children will have a strong impact on their purchasing decisions, creating demand for technology, large cars and new retail trends.

	Prosperous Families
Annual Salary Per Capita	£50,000
Adult Age	30-64 yrs
Child Age	5-19 yrs
House Price	Above Average
Geographical Area	Rural
Social Group	AB
Qualifications	Above Average
Employment Type	Professional, White Collar
Newspaper Readership	Regional / Quality
Car Ownership	Very High
Internet Usage	High
Example Locations	Salisbury, Thame, Bury St Edmunds, Grantham, Harrogate

Source: HDH

Mint Velvet

Lululemon

M&S

Phase Eight

Disney Store

L'Occitane

Fat Face

Oliver Bonas

Jigsaw

JoJo Maman Bébé

Sweaty Betty

HDH Shopper Segment 4: Settled in Suburbia

Consumers classified as Settled in Suburbia tend to live in medium-sized to large detached or semi-detached homes in pleasant suburban neighbourhoods. House prices are not especially high as these suburbs are in towns across the UK, rather than London or a major city. Owner-occupation is common due to the affordability of the housing relative to the reasonable incomes. Car ownership is high due to weak public transport links.

People will have settled in the area, with no immediate plans to move, creating strong community ties. Professional and white collar occupations dominate, with blue collar roles also present. Consumers often work in the same town in which they live. This group is likely to be more conservative and strong proponents of local impacts.

Reliable, conventional retail brands are popular, with few people straying to either end of the market. Affordability is important, but these consumers will pay more to ensure higher quality.

	Settled in Suburbia
Annual Salary Per Capita	£42,000
Adult Age	30-74 yrs
Child Age	0-15 yrs
House Price	Average
Geographical Area	Towns / Suburbs
Social Group	ABC1
Qualifications	Above Average
Employment Type	White & Blue Collar
Newspaper Readership	Regional / Mid Market
Car Ownership	High
Internet Usage	High
Example Locations	Ruislip, Clacton-on-Sea, Maidstone, Potters Bar

Source: HDH

Charles Tyrwhitt

Timberland

White Stuff

M&S

Superdry

Trespass

Waterstones

GAP

Robert Dyas

Lakeland

Holland & Barrett

Sainsbury's

HDH Shopper Segment 5: Mixed Neighbourhoods

The consumers in the Mixed Neighbourhoods Shopper Segment are united by a comfortable level of affluence. They tend to be relatively securely employed, in mid-range white collar and blue collar jobs, and levels of wealth are just above the average allowing people to live in relative ease.

Diversity is common in these areas. Their lifestage can include younger couples, couples with young children, people living alone and older couples. The neighbourhoods can be found in suburban, rural or coastal areas, and are found in greater numbers at the extremes of the country - further away from London and the South East.

Education levels are lower than the more affluent segments, and whilst they maintain steady jobs in local businesses, family is the driving force in their lives. In the same way, these consumers are not as interested in new trends in fashion or technology. Comfortable and well-made clothing is the priority, rather than the willingness to pay for expensive brands. This group is known for its strong community ties.

	Mixed Neighbourhoods
Annual Salary Per Capita	£34,000
Adult Age	30-74 yrs
Child Age	5-15 yrs
House Price	Below Average
Geographical Area	Towns / Suburbs
Social Group	BC1C2
Qualifications	Average
Employment Type	White & Blue Collar
Newspaper Readership	Regional / Mid Market
Car Ownership	Average
Internet Usage	Average
Example Locations	Glasgow, Plymouth, Birmingham, Leicester

Source: HDH

Next

Sainsbury's

Ikea

Clarks

GAP

River Island

The Body Shop

Roman

Tesco

Zara

H. Samuel

HDH Shopper Segment 6: Average Families

These consumers are generally families with children of varying ages, although some live on their own. They can be found in less affluent suburban areas, often in functional semi-detached or terraced properties, located in the suburbs of cities, towns and coastal areas. As they reflect an average British household, people classified as this Shopper Segment can be found in regions across the UK.

Affluence levels are moderate, allowing people enough money to meet essential needs, such as utility bills and groceries, as well as make reasonably regular discretionary purchases. High spending is not common, however.

Firmly mid-market brands are popular with these shoppers. Function and value are desired equally, with people happy as long as their needs are met. Educational attainment is slightly lower in this Segment but incomes achieved are average, as are indicators such as internet usage, car usage and credit risk. Mainstays for this group are typically family-focused, and motivated on the support and needs of the household, which drives their purchasing preferences.

	Average Families
Annual Salary Per Capita	£26,000
Adult Age	30-64 yrs
Child Age	5-19 yrs
House Price	Below Average
Geographical Area	Towns / Suburbs
Social Group	C1C2D
Qualifications	Below Average
Employment Type	White & Blue Collar
Newspaper Readership	Mid Market
Car Ownership	Average
Internet Usage	Average
Example Locations	Coventry, Swansea, Torquay, Swindon, Hastings

Source: HDH

Boots

Next

GAP Kids

Morrisons

Clarks

Primark

H&M

New Look

Claire's

Asda

Deichmann

HDH Shopper Segment 7: Students and Graduates

With a young age profile, this Shopper Segment tends to be students or recent graduates. They largely live in inner-city areas, near universities or in districts of cheaper housing. Singles dominate in what are usually privately-rented or university-provided flats or small, terraced houses. Population densities are generally quite high, although some nicer suburbs are included. The presence of these youthful consumers can lead to gentrification as independent but stylish retailers and restaurants locate nearby to provide a convenient quality offer.

Levels of affluence are relatively low: students are usually not in employment, and the recent graduates are just starting out in their career - often with a large debt to pay. There is pressure to spend beyond their means in order to wear the latest fashions, and funds are easier to access from parents or bank loans. As a consequence, relatively expensive retailers are popular in combination with better value options. These consumers are at the forefront of trends through a high level of interest and engagement, even if the products are not always affordable. They will both follow the new trends as well as create them, finding inspiration from home and abroad due to very high levels of internet usage.

	Students and Graduates
Annual Salary Per Capita	£22,000
Adult Age	20-44 yrs
Child Age	0-19 yrs
House Price	Low
Geographical Area	Inner City / Suburbs
Social Group	BC1
Qualifications	Above Average
Employment Type	Professional, White Collar
Newspaper Readership	Quality / Mid Market
Car Ownership	Below Average
Internet Usage	Very High
Example Locations	Bristol: Clifton, Leeds: Headingley, Oxford: Headington

Source: HDH

& Other Stories
Zara
Accessorize
Lush
T.K.Maxx
Urban Outfitters
Weekday
Topshop
asos
boohoo

HDH Shopper Segment 8: Struggling Workers

This Shopper Segment is found in poorer city suburbs and towns. Their homes are smaller terraced or semi-detached units, often ex-council houses, and are predominantly mortgaged or rented. Car ownership is low as the extra cost can not be afforded and credit is hard to find, and consequently they are reliant on public transportation.

Due to weaker qualifications than found on average across the UK, Struggling Workers are restricted to low-paying white and blue collar jobs. Rising above this level is difficult given the competition for jobs from better trained citizens and new employees entering the workforce each year. Levels of disposable income are low, as earnings tend to be swallowed up by essentials, such as groceries and household bills. Value retail is the focus for these consumers, making their income go as far as possible. Function dominates their purchases with little consideration of new trends. Branded sportswear is popular, but is used for both sports and home wear. Internet shopping allows bargain hunting for this group.

	Struggling Workers
Annual Salary Per Capita	£18,000
Adult Age	35-59 yrs
Child Age	0-15 yrs
House Price	Low
Geographical Area	Small Towns / Suburbs
Social Group	C1C2D
Qualifications	Below Average
Employment Type	White & Blue Collar
Newspaper Readership	Regional / Popular
Car Ownership	Low
Internet Usage	Average
Example Locations	Tottenham, Leyton, Burnley, Stratford, Mansfield, Corby

Source: HDH

Matalan

Sports Direct.com

JD

Greggs

T.K.Maxx

Lidl

b&m

Iceland

Dorothy Perkins

Primark

HDH Shopper Segment 9: Poorer Families

These families live in low quality housing in some of the least-expensive parts of cities and their suburbs, as well as small towns. Economically-challenged parts of northern England and Scotland are their most likely location. Socially rented properties are common and home ownership is often out of reach – council and housing association tenants dominate.

Qualification levels are low and employment tends to be relatively unskilled and low-paid. With larger families generally requiring one parent/guardian to stay home, there are many single-income families. In turn, car ownership is also low, meaning that this consumer group does not travel far from their homes – trips to large retail centres are rare and shopping is a local, day-by-day pursuit.

Value is the dominating motivation when buying groceries and consumer products to enable their money to go as far as possible, especially with larger families. Multi-line retailers are popular because they meet the needs of the whole family, while not requiring much in the way of disposable income, and often allow cost-comparison within the same store.

	Poorer Families
Annual Salary Per Capita	£12,000
Adult Age	20-59 yrs
Child Age	0-19 yrs
House Price	Low
Geographical Area	Small Towns / Suburbs
Social Group	C1C2D
Qualifications	Low
Employment Type	Blue Collar / Unskilled
Newspaper Readership	Popular
Car Ownership	Low
Internet Usage	Low
Example Locations	Colne, Bradford, Luton, Blackburn, Braehead

Source: HDH

Home Bargains
Sports Direct.com
Wilko
Aldi
Pep&Co
Bonmarché
Primark
Card Factory
Londis
Budgens
Burton

HDH Shopper Segment 10: Borderline Poverty

This demographic is challenged to meet bill payments and pay for essentials such as food, often receiving some form of government support. Qualification levels are very low and, largely as a result, unemployment rates are significant. Employment for this demographic is generally insecure and low-wage. Single parents are more common in this Shopper Segment, which compounds their poverty and reliance on the state.

The majority of people will be claiming some form of means-tested benefit, and socially rented housing is very common. Pawnbrokers and loan companies are also widespread in these areas and are used to deal with cash flow problems. Credit worthiness will be low however, resulting in unfavourable offers.

Value-led occupiers are the only retail option for these consumers, and charity shops help them stretch their money further. The day-to-day focus of this group may be narrowed and driven mainly by meeting their most pressing needs.

	Borderline Poverty
Annual Salary Per Capita	£9,500
Adult Age	20-59 yrs
Child Age	0-19 yrs
House Price	Very Low
Geographical Area	Small Towns / Suburbs
Social Group	C2DE
Qualifications	Very Low
Employment Type	Blue Collar / Unskilled
Newspaper Readership	Popular
Car Ownership	Very Low
Internet Usage	Low
Example Locations	Jarrow, Sheffield, East Kilbride, Rhyl, Toxteth

Source: HDH

Poundland **Bargain Booze**

The Money Shop **McDonalds**

Costcutter **Oxfam**

Ladbrokes **Farmfoods**

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