

APPENDIX 4

Dudley

Retail Profile:

With the introduction of Merry Hill (raising market share by 13.2% between 1989 and 1993) came a 70% decline in Dudley's market share. However, even before the introduction of Merry Hill to the retail hierarchy Dudley was in decline and unable to maintain its market share.

Retail Profiles and Growth:

Dudley's town centre retail floorspace is estimated at 65,030 sq m (0.70 million sq ft), of which an above average proportion of managed floorspace. 29% of the total retail floorspace is accounted for by the town's two managed shopping centres, both located on the pedestrianised High Street called Market Place. They are:

- The Churchill Precinct Shopping Centre, opened in 1969 (refurbished in 1993), holds a retail floor space of gross 15,421 sq m (166,000 sq ft). This shopping centre has more key retailers than the Trident Centre, with Beatties and Woolworths situated within complex.
- Owned by Dollar Land, the 4,383 sq m (101,000 sq ft) Trident Centre is situated at the eastern end of Dudley and opened in 1973.

There are 126 comparison outlets, making £136 million in revenue in 2004.¹

There are only eight key comparison good retailers including Boots, River Island, New Look, Dorothy Perkins, WHSmith and Wilkinsons. There are no major foodstores, with Farmfoods catering to the majority of demand.

In 2004 Dudley had an estimated primary catchment population of 306,000, significantly above the Mainstream Town average and was ranked 62nd. Dudley placed 181st on the CB Richard Ellis shopping population ranking, very much below the national average. Dudley ranks 80th in terms of the volume of comparison retail spending available in the catchment area and is forecasted to see significantly below average percentage growth in the available pool of comparison spending by 2009.

¹ Goddard's survey

The Dudley catchment population ranks 191st in terms of affluence, with the majority of the population falls into the social groups C2, D and E.

Demographic Profiles:

Dudley ranks 200 on the PMA Retail Provision Indicator and 171st on the PMA Anchor Stores Indicator. It can be concluded that Dudley has a slightly weaker retailer provision than might be expected given the size of the shopping population.

Communications:

Currently, Dudley town centre is not directly served by rail or metro services. Tipton and Dudley Port rail stations on the Birmingham to Wolverhampton line are both just under two miles away from the town centre. Dudley is served by a bus link from Sandwell and Dudley rail station, which is approximately three miles away from where intercity trains to Birmingham and London can be accessed. Junction 2 on the M5 motorway is approximately three miles away, via the A4123 principal route, and picks up the Dudley southern bypass road just to the northeast of the town centre. Car borne visitors are served by a series of peripheral car parks at the main entry points to the centre.

The town centre bus station is conveniently positioned on the northeastern edge of the shopping area. Looking ahead, the Midland Metro is proposed to be extended south westwards from Wednesbury to Merry Hill/Brierley Hill, with a stop at Dudley town centre en route. The route has approval and the application for Government funding will be determined around the middle of 2006. On approaching Dudley town centre from the northeast, the route will pass alongside the Castle and Dudley Zoo, before turning south to interchange with the bus station. It then skirts the southern edge of the centre before passing through the King Street/Flood Street development site and proceeding south westwards towards Merry Hill.

Pedestrian conditions within the centre are generally convenient and safe, aided by the pedestrianised High Street. An exception is the current arrangement of land uses on King Street, where a more direct link onto High Street would be favourable.

Requirements:

In December 2005 there were 36 requirements including: TJ Hughes, Peacocks and Superdrug. From this data we can see that in comparison to the national average of 60 and the high requirements for Merry Hill, Dudley fails to meet the demands of higher order mainstream comparison retailers.

Investment Profiles:

Yields have changed gradually from 9% in 1994 to 8.5% in July 2005. This shift represents a slightly falling trend since the mid-1990s and suggests a steady strengthening of investor confidence in the town centre after a period of considerable commercial uncertainty.

KEY INVESTMENTS

Street	Price £m	Yield %	Date	Comment	Purchaser	Vendor
High Street, 33 & 34	£ 2.16	6	3/03	R:£137,841 T:Woolworths plc LEX:2026 RR:2007	Auction	London & Regional Prop
Merry Hill Retail Park	£ 19.30		10/02	7,800 sq m(83,961 sq ft)	Legal & General Property	Friends Provident
Merry Hill Retail Park	£ 29.40	5	12/03	15,143 sq m(163,003 sq ft) T:Carpetright, Halfords	Chelsfield Plc	Coal Pension Properties
Oaks Retail Park	£ 3.00		9/03		Lidl	AXA REIM
Oaks Retail Park	£ 7.06		5/03		AXA REIM	Matrix PFM LLP
Port West Retail Park	£ 3.14	6	10/05	1,415 sq m(15,231 sq ft) R:£211,000 T:Dreams, Bathstore, Floors 2 Go	CBRE Investors	Abacus Developments
Towngate Retail Park	£ 1.22	6	6/03	646 sq m(6,453 sq ft) R:£70,000 T:Blockbuster LEX:2018	Private investor	Friends First UK
Towngate Retail Park	£ 5.68		4/03		Tesco Plc	Undisclosed

Retail Development Profiles:

It is important for Dudley to re-assert itself as a key strategic town, using its history and heritage as a marketing tool. From our research, it appears Dudley is

not in a position to compete with Merry Hill as a quality retail area and therefore should reinforce its convenience offer.

One could argue that the comparison goods market has already been satisfied with the 159,000 sq m (1,711,517 sq ft) Merry Hill Shopping Centre. However, there is one key retail scheme in the pipeline situated at Flood Street/King Street. H&H Holman Properties and Richardson Properties are redeveloping this edge of centre site into a retail park. The site would provide for 23,225 sq m (250,000 sq ft) of convenience and comparison retail in 18 units. In addition, there will be 1,486 sq m (16,000 sq ft) A3, 2,322 sq m (25,000 sq ft) unspecified D2, a hotel and residential apartments.

Planned developments by St. Modwen for the Dudley Zoo are in place, and there is a 7,430 sq m (80,000 sq ft) garden centre being constructed at the edge of the centre with associated 'tourist-related' comparison floorspace. The proposals comprise in total 26,750 sq m (287,944 sq ft) of new development, including the redevelopment of the Zoo and regeneration of natural and heritage based attractions. The area will consist of 13,470 sq m (145,000 sq ft) of retail comprising a garden centre of regional importance and units of heritage retail arranged on a new street originating close to the junction of Castle Street and Broadway. Also in the scheme are A3 and leisure units, a motel, and 281 homes. The Borough Council has resolved to grant planning permission subject to finalisation of a Section 106 agreement. This development would directly benefit from the alignment of the Midland Metro extension.

Conclusion

Dudley town centre suffers from various retail limitations in terms of low requirements, high vacancy rates, and its shortage of current investment profile. With this background and the proximity of Merry Hill, Dudley will have difficulty facilitating a significant comparison retail provision.

Nevertheless, in the immediate future two major schemes are progressing which will underpin the vitality and viability of the centre, adding to the diversity of its functions, resolving the current deficiency in major foodstore provision and building on the town's heritage and tourism strengths. With these changes, Dudley has a natural competitive advantage over the other centres in this part of the Black Country. It is our opinion that diversity is most likely to improve

Dudley's overall profile and economic performance rather on any aspirations to establish itself again as a major retailing centre.

Accordingly, a strategy is being followed to enable the town centre to consolidate and grow by emphasising its own strengths. Geographically, the town has physical limitations for expansion in the central area and is in any event large enough to cater for its immediate catchment and customer base. On this basis, there would appear to be no justification for potentially holding back retail development elsewhere, for example at Brierley Hill, in the hope that Dudley will expand.

Dudley could not expand to provide the comprehensive range of facilities now found at Merry Hill Centre and although it has a good range of multiple retailers this is focused on comparison and discount trading in general terms. In this report Dudley has now stabilised as a town centre and as a town is funding alternative investment strategies to retailing facilities in particular in its heritage and other commercial opportunities. The expansion of the Merry Hill Centre is unlikely to adversely affect Dudley town centre further but on the contrary will assist in strengthening the economic base of the area. With Dudley pursuing a diverse strategy of investment and growth this can only be to Dudley's ultimate advantage.