

APPENDIX 2

Walsall

Retail Profile:

Categorised as a Major Town (by PMA) due to the volume and quality of its retail offer, Walsall has two department stores, Debenhams and Littlewoods, along with a range of comparison retailers including Marks & Spencer and four major food stores such as Tesco and convenience retailers such as Greggs. Retailing, therefore, plays an essential role in Walsall's economy. Prime rents at Walsall are in the region of £125 psf Zone A (£120 as quoted by Colliers CRE), which seems high considering they are almost the same as Wolverhampton's prime rents while Wolverhampton's retail provision is considered to be 'higher' in the retail hierarchy. It is argued that such high rents could be because of the relatively constrained nature of the prime retail area but there is no evidence to support this. On the contrary it suggests that retailers recognise the trading potential which does exist in this centre.

Town centre retail floorspace in Walsall is estimated at 104,977 sq m (1.13 million sq ft), above the Major Town average and ranking the town 66th¹. The town has a relatively compact central shopping area, comprising three principal streets – Bradford Street, Bridge Street and Park Street. Despite these statistics, Walsall's retail provision is not extensive; its quality of space is fairly mainstream, ranking 74th (out of 200) on the PMA Anchor Stores Indicator. Up-market and speciality retailing are limited, reflecting the town's lower order status and relatively poor demographic profile.

The town centre's main supermarket was Sainsbury's, located at the eastern end of the High Street but this has now closed. This currently vacant area has become a key location for investment. Apparently, Asda is interested in occupying this space, and this potential proposal is a positive sign. Pedestrian levels, with the exception of the east side, have been generally strong within Walsall.

The Saddlers Centre, the original modern town centre development, is anchored by Argos and has frontages on both the prime stretch of Park Street and Bradford Street. The multiples on the lower ground floor include Boots, Early Learning, and Goldsmiths Jewellers. On the upper floor, anchored by Marks & Spencer,

¹ Promis

tenants include Clinton Cards, Vodafone, Evans, Clarks and Poundland (to the rear opposite Marks & Spencer).

This is a typical scheme of the 1970s, with relatively low ceilings yet with some decent natural light. There are offset escalators linking the two trading levels. The popular three level car park provides for a considerable amount of pedestrian flow, which emanates from the car park through the centre. In addition, the train station next door at the rear also offers some profiling to this centre since it is located at the heart of Walsall's shopping facility.

Immediately adjoining the Saddlers Centre to the right is a relatively new development occupied by Superdrug, Ottakars, Wallis and Burton Menswear. Directly opposite is the small Park Place shopping centre, which is fronted by Greggs and Wilkinsons, together with New Look on the ground floor frontage. In late 2002 the market hall on the first floor was reconfigured to create an extension to the Wilkinson store. It is coupled with a number of local traders and has access from the rear to the central bus stopping area.

Town Wharf, an on-street unit shop scheme, opened in 1996 and is located at the northern end of Park Street, just beyond the prime pitch (southern end of Park Street). This shopping area includes large units of Bhs and Woolworths.

The old market, in operation since 1220, remains popular. It is situated in front of Buxton and Bonet Arcade, adjacent to the Tesco store, and forms part of the Old Square Shopping Centre. The Old Square Shopping Centre incorporates Tesco as well as Debenhams and Mackays. It is the oldest shopping centre in Walsall and although it has good retailers, Debenhams is in an undersized unit of only 4645 sq m (50,000 sq ft) (trading on two floors) and Tesco is about to relocate to a new facility after having negotiated planning permission with the local authority. On the far side of the Old Square Shopping Centre is a site originally intended for the development of a factory outlet centre, but St Modwens, who was selected as developer, has publicly stated that they are abandoning the project given the competition from the factory outlet centre now trading at Shannon's Mill. However, there are alternatives being considered upon which we comment later.

There are four retail parks: Crown Wharf, Gallagher, Broadwalk, Reedswood and Keyway, all with varying provisions.

Located at the edge of the central area, Crown Wharf is a major retail shopping park development by Chartwell Land. There are eighteen Part Open A1 retail units that form two terraces around the car park in a semi horseshoe shape, with a free standing restaurant and retail unit in the car park. The total gross internal floor area is 16,231 sq m (174,714 sq ft). Unit sizes range from 372 sq m (4,005 sq ft) to 2,190 sq m (23,570 sq ft). The retail line up from left to right in an open square comprising 653 surface parking spaces is as follows: 4180 sq m (45,000 sq ft) Asda Living Store (built in October 2004) and JJB Sports, which is slightly detached from the main block of Maplin; Brantano, Lilley & Skinner, Powerhouse, H&M, Next, TK Maxx, HMV, Peacocks, Mothercare, Birthdays, J D Sports and Co Op Travel Ultra. To the front of the park in self-contained units are Pizza Hut and Blockbuster. The surface car park is well utilised in comparison to the rest of the town centre facilities. However, there is a parking tariff of which one hour is free, 1-2 hours is £1.20, 2-3 hours is £2.00 and 3-4 hours is £3.00, with a maximum stay of 4 hours and over 4 hours is an £8.00 penalty charge. The system is operated by a token arrangement so that the time spent by visitors can be effectively monitored and mirrors the arrangement operated in most of the open town centre car parks including the Saddler Centre. This scheme has added considerably to the quality of retailers in Walsall and has significantly improved the town's retail profile. However, the linkage with the rest of the town centre needs improvement, and the proposed Urban Splash development on the opposite side of the road can enhance this layout.

The largest concentration of retail warehousing in the Walsall area can be found at Axtletree Way at Junction 9 of the M6. Close to 46,450 sq m (500,000 sq ft) of retail warehousing, Axtletree Way is situated on adjacent sites, including Gallagher Retail Park. Occupiers include Carpetright, Currys and MFI, with Ikea and PC World nearby.

There are ten food superstores trading in the Walsall area. Asda has two of the largest stores in the area: one in Bloxwich and one at Great Barr. There is a large Morrisons store at Wallows Lane and a J Sainsbury adjacent to Reedswood Retail Park. In addition, Tesco has a store at Brownhills and Co-op has a store in Walsall. The immediate food superstore facilities in the town are poor, although the conversion of Safeway to Morrisons has been an improvement. Even though comprising some 46,450 sq m (80,000 sq. ft), the existing Tesco in the Old Square Shopping Centre has a weak layout, with poor and inefficient use of space. Tesco is in the process of purchasing a nearby site, which if secures

planning permission and to which they can relocate will allow for the refurbishment and redevelopment of the Old Square Shopping Centre as a whole. Debenhams wishes to expand to a store of at least 7432 sq m (80,000 sq ft), and this would re-establish a new "Old Square" Shopping Centre and strengthen this end of town shopping to counter-balance the Old Square with the new Crown Wharf Centre.

Demographic Profiles:

Bhs, Debenhams, Marks & Spencer and Ikea are major employers, and Poundland has its European HQ at Willenhall on the Black Country route. Over the last twenty years, there has been investment in Town Wharf and Crown Wharf. However, this investment hasn't been on a sufficient enough scale or quality to prevent the decline of Walsall. This weakening can be seen by observing Walsall's current market and economic position. Walsall serves one of the least affluent catchment areas in the UK (188th²) that is limited in size (309,000 people¹) to the southwest and west by Merry Hill and Wolverhampton and to the south and east by Birmingham and Sutton Coldfield. The majority of residents in this area are within the social groups C2, D and E. Unemployment is 3.8%, 1.5% above the national level. Therefore, there is an obvious need for a greater number of affluent (AB) people to relocate to the area. Even with further improvements to Walsall, it is unlikely to promote any significant change in the demographic profile.

In addition, leakage of expenditure is expected to occur due to the greater scale and quality of shopping in Birmingham and Merry Hill. Although Walsall has an above average primary catchment population and total catchment penetration over the past ten years, vacancy rates have been about 5% higher than the UK average. This statistic, along with the forecasted population decline and the reduction in growth of comparison retail spending, presents a bleak outlook to Walsall's future without further investment. On the positive side, there is some investment interest, given the successful completion of the Crown Wharf Retail Park and the proposals to redevelop and refurbish the Old Square Shopping Centre.

² Promis

Communications:

Walsall should improve its transport system. It is well placed in relation to the motorway network, situated at the M5/M6 junction. Improvements due to the new M6 toll, along with the major expansion of Birmingham International Airport, may help regeneration. There is also a frequent train to Birmingham city centre. Although a better transport system will improve the accessibility to Walsall, it may also contribute to leakage of expenditure to Birmingham.

Requirements:

Walsall has a relatively low level of demand for a town of its size and status: 50 in 2003, but 42 presently. All retailers have been lower to middle market level shops (e.g. Superdrug) with the exception of a requirement by TJ Hughes in November 2005. If Walsall can place TJ Hughes within their retail provision, it will substantially benefit the area. However, if demand remains with no sign of an ideal area to implement TJ Hughes, it would be safe to conclude that new developments are needed to fill important demands on the town centre.

Investment Profiles:

Autumn 2005 prime retail yields were 7.5%, increasing from 1999's rate of 6%. They have been steady, remaining at 7.5% since the beginning of 2003. This sign shows low investment confidence yet stability nonetheless. The decline could be determined by the disruption associated with regeneration initiatives and the prospect of Sainsbury's departure.

Threadneedle Investments purchased Old Square Shopping Centre from Dawnay Day Properties in October 2004. The 13,006 sq m (140,000 sq ft) shopping centre was sold for £30 million, reflecting a net initial yield of 7%. In February 2004, Oldvine, a joint venture between Catalyst Capital, Halifax Bank of Scotland, and West Coast Capital, sold its long leasehold interest in the Saddlers Centre to a subsidiary of Chester Properties for £50 million, reflecting a net initial yield of around 6.5%.

KEY INVESTMENTS

Town	Street	Price £m	Yield %	Date	Comment	Purchaser	Vendor
WALSALL	Park Street, 48/50	£ 1.87	6.2	Jul-03	377m ² (4058 sq ft) R:£122,750 T:WH Smith LEX:05/2012	Royal London Mutual	Lattice Group Pension Sch
WALSALL	Saddlers Centre	£ 50.00	6.5	Feb-04	18,302m ² (19,7007 sq ft) R:£3,303,992	Chester Properties Ltd	Oldvine
WALSALL	Saddlers Centre	£ 66.50	5.9	Sep-05	18,580m ² (200,000 sq ft)	Insight Investment	Chester Properties Ltd
WALSALL	Town Wharf Retail Park	£ 36.60		Sep-02	15,793m ² (170,000 sq ft) Chartwell bought out Council interest	Chartwell Land	
WALSALL	Old Square S/C	£ 30.00	7.0	Sep-04	14,353m ² (154,500 sq ft) A:Debenhams, Tesco	Threadneedle Property	Dawnay Day Properties
WALSALL	Boundary Mills	£ 16.20	6.3	Apr-04	7,471m ² (80420 sq ft) R:£1.03m	AXA Sun Life	Boundary Mills
WALSALL	Sainsburys Reedwood Way	£ 18.2	5.4	Sep-03	6,416m ² (69,063 sq ft) J Sainsbury	Pinder Try and Benjamin Limited	Scottish Widows

Retail Development Profile:

In December 2003 came the formation of the Walsall Urban Regeneration Company (URC), which includes Walsall Regeneration Company, Advantage West Midlands and Walsall Metropolitan Borough Council. The central plan is to attract £600 million public and private sector money over the next ten to fifteen years. Primarily, the completion of the art gallery was and remains important, emphasising the cultural selling point of Walsall.

There is also a need to focus on Lower Hall Lane/Digbeth and Old Square redevelopment in the next five to ten years. There was a scheme in the pipeline from Dawnay Day for a total of 11,705 sq m (126,000 sq ft) gross redevelopment of the Old Square Shopping Centre. It will provide 69,063 sq m (50,000 sq ft) of comparison retail plus an 1858 sq m (20,000 sq ft) food store linked onto the centre. They have now sold their ownership to Threadneedle who have yet to establish their proposals for the future of this centre.

Opposite the entrance to the Crown Wharf is a 17 acre cleared site for development by Urban Splash for a mixed use (residential and commercial)

“Walsall Waterfront”. It will offer leisure, commercial and residential space both sides of the canal.

To the east of the town centre there was a proposal by St. Modwen and Goold Estates for a 23,225 sq m (250,000 sq ft) factory outlet shopping centre at Shannon’s Mill. Planning permission has been granted for the overall 23,200 sq m development, comprising conversion of the listed industrial buildings. There will also be new A1 retail units linking through to Digbeth and hence to the heart of the town centre. A supermarket will occupy 1,500 sq m (16146 sq ft) , and there will be a total of 13,000 sq m (139,935 sq ft) of retail floorspace as the first phase. The implementation of the scheme would be a major advantage to the commercial health of this declining part of the town centre and would help restore the quality of the environment. It must be noted, however, that it was reported in September St Modwen may abandon the retail-led scheme in favour of a residential and office based development at this same site.

Part of St. Modwen’s plans includes a 10,962 sq m (118,000 sq ft) Asda superstore adjacent to Shannon’s Mill on the High Street. This will be the shopping centre anchor and a replacement for J Sainsbury. It has been highlighted in this development that there needs to be a local highway improvement to speed access to J9 and J10 of the M6. If this occurs, it will give the eastern end of the High Street an entirely new life commercially and environmentally. A new strong retail anchor will be very advantageous to this area.

Just outside of Walsall near the M6, junction 10, is the Tempus Ten development project. “The complete office environment” has 743-929 sq m (8,000–10,000 sq ft) offices to let (GVA Grimley). This is a £50 million development proposal by Mowlem which is a mixed use project and has already attracted a De Vere Village Hotel and a KFC fast-food outlet, with plans also for a budget hotel.

Also in the Walsall area, Morbaine has outlined planning permission for a 13,935 sq m 150,000 sq ft DIY retail warehouse on Littleton Street West which to date has not been taken up. Ikea has made an application for a 4645 sq m (50,000 sq ft) extension to its Park Lane store and now has a non-determination appeal in respect of an application for what has been presented as a B8 warehouse of 4,210 sq m (45,317 sq ft) gross.

Conclusion

Walsall town centre shows certain obvious effects of the adverse economic conditions faced by the Black Country over recent decades. These outcomes include the relatively high level of vacant properties in parts of the centre, the rise in retail property yields over the early 2000s and the perceptions of town centre users that the environment could be more aesthetically pleasing. Also, some of the important anchor stores in the centre, in particular the Debenhams department store, should be more spaciouly accommodated.

Nevertheless, the underlying strengths of the centre remain intact. It has a good standard of accessibility by a range of transport modes, with train and bus stations well located from the centre. The town has a respectable size and diversity of functions to continue to perform a valid sub-regional role. Overall, recent surveys demonstrate town centre users are generally content with its retail offer. This attribute is further reinforced by the good level of satisfaction with the centre as an area for evening entertainment. A significant cultural strength has been added by the development of the New Art Gallery. Many users also value the town centre's architecture and layout. The aspect about which users express specific dissatisfaction, particularly dirtiness and untidiness, are not fundamental flaws in the make-up of the centre and can be improved with the right management approach.

There is also the prospect of significant new retail investment in the Digbeth/High Street area of the town centre which could be a major advancement in the regeneration of the High Street area and the restoration of pedestrian flows which would be achieved by the introduction of the proposed new large foodstore and multi-storey car park. However, the precise nature of the scheme and its viability are not known.

In the longer term, the pre-conditions are there for the centre to progress in a role as one of the four main Black Country centres, serving what is a reasonably self-contained catchment area, which covers the northeast of the sub-region. A particularly positive indicator in this respect is the suitability of the town centre for mixed-use development of the kind promoted at Walsall Waterfront. This development, intended for commercial leisure and residential use, should stimulate and support further town centre regeneration and growth although this aspiration has yet to be achieved.