Retailing in Scotland's Largest Towns & Cities 2015

A report by The Local Data Company and the Institute for Retail Studies, University of Stirling

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LDC

Sharing knowledge to create a better place to be.

It has to be recognised however, that towns are complex entities and that we have been neglecting their hearts for decades.

Background

The state of our high streets and our town centres has been in the news since the onset of recession. For many the recession and the decline of retailing on the high street are causally linked. This though is overly simplistic and misses the complexity of towns and town centres and the long run structural changes that are impacting our society and economy. Understanding the dimensions of these changes has never been more important.

In England, the Portas review focused attention on high streets, whereas in Scotland the wider and more holistic concept of towns and town centres was the focus of the Fraser review. Since it reported in mid 2013, the Scottish Government, with cross-party support, has developed and implemented its Town Centre Action Plan, funded a series of demonstration projects which run through to March 2016 and has launched a variety of other initiatives, some visible as for example in the form of publications and others less visible simplifying, joining up and focusing town centre activity within and across bodies and groups. All of these are also benefitting from wider changes including the focus on community and social justice; at the heart of which is the notion of people and place.

Glasgow City Centre.

It has to be recognised however that towns are complex entities and that we have been neglecting their hearts for decades. Change will be a slow process and we should not expect rapid results, though as momentum is generated there will be self-reinforcing effects. The focus on the town centre in Scotland and the multiple uses of town centres also point to the requirement, as in the Town Centre First Principle, to think beyond retailing, both as a cause and as a "solution" for the town centre and high street within.

Sometimes this, very welcome, emphasis on the holistic town centre becomes parlayed into a view that retailing in town centres does not matter or is not important. It does, and it is. Retailing alone will not be the saviour of towns, but ignoring its potential and actual role will diminish the chances of success in reinventing our towns. Scotland is moving in the right direction, but it requires further investment in community and place and a coordinated understanding of activities and impacts, including those in and of the retail sector.

With all this action going on, let alone the continuing changes in the retail sector, the (perhaps) reviving economy and changing business requirements, it is imperative that we use the best possible data to describe, analyse and understand the dimensions of changes that are underway and the impacts various interventions are having. We have twice before presented our Scottish Retail Summit and associated report on retailing in our leading towns and cities. Since December 2014, we have updated the data, repeated and extended the analysis and have taken the opportunity of more years of data to focus on change since 2012. Our focus is on retail, and whilst we recognise that town centres are more than just retailing, retailing remains a sound barometer of their state of health.

Given the concern about our towns and cities and the importance of retailing as a signifier, it is particularly important to continue to monitor retail change and to develop the range of the monitoring and understanding. The Institute for Retail Studies (IRS) at the University of Stirling and the Local Data Company (LDC) joined together in 2013 to analyse our leading high streets, town centres and cities to produce a definitive overview of Scotland's retail position. More in depth and detailed research will be coming on stream through our collaborative ESRC PhD studentship, adding new thinking and measures to our scope, measurement and explanation.

LDC undertakes a rolling survey of many towns, cities, shopping centres and retail parks across the UK. On the ground researchers report on the shop and premise presence and occupancy according to pre-defined categories. All centres are visited at least once a year. This report considers the leading Scottish towns and cities. The leading towns and cities were identified by considering all locations in the LDC database in Scotland that have 50 or more premises with retail or leisure uses. The stand-alone regional shopping centres and warehouse parks were excluded from this analysis. The result is 101 places. It needs to be recognised that our recent work (www.usp.scot) on Understanding Scottish Places identified and mapped data on 479 towns across Scotland. This report and the Local Data Company work

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is thus a particular sub-set of all towns in Scotland and is focused on the largest places.

For most towns the wider urban area is used as the base of study as this reflects the whole town and is recognisable as such. In the largest centres however (Edinburgh, Glasgow, Dundee, Perth, Paisley and Ayr) a more constrained central spatial area is used by LDC. This constrained area is the Communities and Local Government boundary definition (in association with Geofutures) which has prepared such boundaries for major centres across GB.

There are a number of terms used in the report. **Retail premises** comprise the convenience, comparison and service outlets in the LDC categorisation. **Vacancy** is used here as vacancies in retail premises. Calculations relating to **line of business** exclude vacant properties. **Persistent vacancy** is a unit vacant for three or more years.

As with any exercise of this scale, it is dependent on both the data collection and the data integrity. Data is collected routinely and systematically and is categorised according to a set of rules. As ever, especially with over 25,000 entries in the locations used here, there are occasional inconsistencies. These however are believed to be suitably insignificant given the breadth of the study and would be unlikely to alter the overall findings.

In this report we have utilised the data directly from the Local Data Company database and not subjected it to detailed checking and filtering as in previous years. One reason for doing this is to maintain comparability and consistency across the period since 2012, as changes 2012-15 are a particular focus of this report, given the data points we now have. For some towns data is not fully available for 2012 as they were initially surveyed after the census date, so in some tables an occasional town is excluded from the analysis.

It also needs to be noted that the level of analysis reported here is at the aggregate level. We have not drilled down into specific towns and the individual premise (unit) level data at which the Local Data Company collect and store the data. That work is better suited to those with interests in particular locations and interested place authorities and managers are encouraged to contact the Local Data Company to see the depth of detailed town analysis that can be produced.

Scotland 2015: The Retail picture

The report is presented in three sections focusing in turn on Retail premises, Retail vacancy and Retail structure, which sequentially paint a more detailed picture of the retail sector in our leading towns and cities and the ways in which this has changed since 2012.

As a preamble to this, it is worth positioning Scotland in comparison to the rest of Great Britain in terms of vacancy rates. The vacancy rates reported in the table on page 5 are the rates calculated by the Local Data Company for all the sites in their database (and from which we draw a sub set to analyse the leading towns and cities in Scotland). These rates are thus comparable across the countries and places of retailing, but not directly with the data presented later.

Dunfermline Town Centre.

The table shows that the Scottish vacancy rate is 11.8% in town centres and this has fallen from 12.4% in 2013. The rate is slightly higher than for England as a whole, but it is well recognised that this England average figure is highly skewed by London and the South East. This Scottish town centre rate is lower than for shopping centres and higher than for retail parks, and indeed shopping centres in Scotland have the highest rates found in the table. Town centres in Scotland are thus moving in the right direction and out performing shopping centres.

GB and national vacancy rates by location type

Country	Town Centres	Retail Parks	Shopping Centres
GB	**11.7**	**6.6**	**14.8**
England	11.6	6.4	14.6
Wales	15.0	7.2	12.7
Scotland	11.8	7.8	17.6

Figure 1. Vacancy rates by location type across GB nations in 2015 (Source: LDC)

Country	Town Centres	Retail Parks	Shopping Centres
GB	**11.9**	**8.1**	**15.3**
England	11.7	8.0	15.3
Wales	15.4	8.0	11.9
Scotland	12.0	9.6	16.5

Figure 2. Vacancy rates by location type across GB nations in 2014 (Source: LDC)

Country	Town Centres	Retail Parks	Shopping Centres
GB	**12.5**	**9.7**	**15.8**
England	12.4	9.3	15.5
Wales	16.0	10.7	18.5
Scotland	12.4	12.6	18.8

Figure 3. Vacancy rates by location type across GB nations in 2013 (Source: LDC)

1. What is the retail scale of Scottish towns and cities?

With 479 towns across Scotland there are obviously very different functions and positions in terms of what we expect from and do in our towns. In terms of retail scale, Glasgow and Edinburgh dominate Scotland, but Aberdeen and Inverness also have significant retail premise scale. Beyond these leading cities, there is a mix of towns and cities. Whilst Scotland has seven designated cities, there is considerable scale overlap between the largest towns and the smaller cities. Thus Ayr, Dumfries, Perth, Stirling, Hamilton, Paisley and Kilmarnock are all significant in terms of retail premises.

Since 2012, the number of premises in Scotland's towns has increased slightly on average and the variation amongst the towns has also increased. This is in contrast to the cities, where the average number of premises has fallen. It appears that the largest centres are making the most adjustments and that different places are on different trajectories. Of the towns, 27 have seen their number of retail premises fall since 2012. Amongst these are special cases such as Denny and East Kilbride where there is a planned pattern of change. Given that it is recognised that town centre have to adjust their premise mix and uses, it is perhaps surprising that more change has not been seen since 2012. However, the process of such adjustments is not easy, and time will be needed.

Headlines

Glasgow and Edinburgh dominate the retail scene.

There is a complicated mix of larger towns and smaller cities and considerable scale overlap.

Only 27 towns have seen the number of retail premises fall since 2012.

Cities and larger towns seem to be on a different trajectory to the smaller towns in our subset, where retail premise numbers have edged up slightly.

2. What is the vacancy rate and how is it changing?

The analysis of vacancy can be done in various ways, but the focus here is on change since 2012. The headline figure from our sub-set of places is that vacancy is currently at 13%, whereas it was at 14% in 2013. This shows that the trajectory across the sample is in the right direction and that vacancy rates continue to fall.

The number of vacancies i.e. the absolute number has declined notably in cities, but has increased very slightly across the whole town set. This reinforces the sense that cities are adjusting to the new realities more rapidly. The vacancy rates for both cities and towns have declined, with cities falling to 13.2% from 14.3% and towns falling to 12.9% from 13.4%. Across the towns and cities, the variation in vacancy rates has declined since 2012, suggesting that the outliers have been

"Since 2012, the number of premises in Scotland's towns has increased slightly on average and variation amongst the towns has also increased."

been the focus of attention and that problem areas have been tackled to some extent. The data however does point to the very different trajectories that towns are on, and the different experiences across Scotland.

The lowest vacancy rate in 2015 is found in Biggar, but other towns with low vacancy rates include Inverurie, Dunbar, North Berwick and Auchterarder. Gretna also has a low vacancy rate, but to some extent is a special case. The highest rates are found in Banff, Cumbernauld, Falkirk, Coatbridge and also East Kilbride, which as noted before is a special case. Those centres with the highest rates do appear to be those where the traditional role of the centre has been lost and adjustments to new roles are having to be made.

When we consider the pattern of change since 2012, we find a very mixed pattern with little by way of potential explanation. As we demonstrated in previous reports, there is no single indicator that explains vacancy rates, and even the typology and inter-relationships model developed as part of 'Understanding Scottish Places' shows only limited associations. About half of the places show a decrease in the vacancy rate since 2015, but this leaves the other half which show an increase. Local circumstances are very important in such situations.

Finally, we consider persistent vacancy. Banff was found to have the highest figure at 21%, but 22 towns and 1 city (Dundee) had a rate of over 10% i.e. I in 10 shops have been vacant for three years or more. This figure is a clear demonstration of the structural shift in both retailing and in towns and the need for such systemic issues to be tackled.

In this report we have not drilled down to these towns, but it would seem that this persistent vacancy rate is often linked to a shifting core of the town and the need to reduce and concentrate activities. In some cases this is being tackled and this might explain the changes in retail premises and vacancy rates in some towns.

On the other hand however, there are towns where the persistent vacancy rate is very low. These include Alness, Gretna (though see the caveat above) Inverurie, Prestwick, Linlithgow and St Andrews.

Headlines

- The number of retail premises vacant in cities has reduced notably since 2012.
- The vacancy rates in towns and cities has fallen since 2012 and now stands at an average of 13% (cf 14% in 2013).
- The variation in vacancy rates has reduced suggesting that towns with the worst situations have begun to tackle them successfully.
- Biggar has the lowest vacancy rate and Banff the highest.
- Towns have very different trajectories with half the towns seeing falling vacancy rates and half seeing increasing rates.
- Persistent vacancy is highest in Banff and lowest in Alness and Inverurie.
- 22 towns and 1 city (Dundee) have persistent vacancy rates above 10% i.e. 1 in 10 premises have been vacant for three years.

"As we demonstrated in previous reports, there is no single indicator that explains vacancy rates, and even the typology and inter-relationships, model developed as part of the 'Understanding Scottish Places' shows only limited associations."

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3. What is the retail structure of our towns and cities?

Retailing is a key component of the economic and social life of our towns and cities. In terms of premises, c75% are devoted to retailing and 25% to leisure as categorised by the Local Data Company. Cities have a different pattern to the towns, with cities having a higher leisure component (but still below 50%).

This difference also extends to the retail independence measure i.e. the proportion of retailers which are independent. Cities are generally less independent on this measure, but Edinburgh and Perth both have high levels of independent retailers. Inverness is the least independent city. Amongst the towns, the most independent is Gourock, with Auchterarder, Biggar, Carnoustie, Dunoon, Strathavan, Isle of Bute and Moffat also having high independent scores. At the other end of the spectrum, Gretna is the least independent with Clydebank, Dumbarton, East Kilbride, Glenrothes and Livingston close behind. These listings of the towns point to the particular situations they face. The most independent include towns which have been distinguished on other measures and they are amongst some of our smaller towns in this data set. The least independent are places that are dominated by large planned centres and thus perhaps have particular tenant mix management regimes. Half the towns in the data set have become more independent and half less independent.

Cities are also different in terms of the mix between convenience and comparison retailing, with cities being more comparison focused than towns. Since 2012, 60% of the towns have seen an increase in the proportion of service sector uses, whereas the equivalent figure for comparison retailing is 30%. This is evidence supporting the generally held belief that towns and cities are becoming more service-oriented and that comparison retailing is particularly affected by the rise of internet sales.

Jenners Department Store, Edinburgh.

One of the features of many modern town centres is the presence of charity shop retailing. This is not without controversy and there are very different views about the benefits or otherwise of some or a large

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number of charity retailers on a high street. Towns as would be expected have a higher presence of charity retailers as a proportion of retailers than do cities, though Perth and Aberdeen have quite high rates. The town with the highest rate of charity shops in Scotland is Penicuik, though Forres and Haddington also have high rates. The town with the lowest rate is Burntisland, and others with low rates include Stonehaven, Auchterarder, Biggar, Broxburn and Gourock. These towns have appeared in a number of the categories examined in this report and they have a degree of activity and distinctiveness perhaps which means there is less opportunity (or need?) for charity retailers to penetrate.

The final disaggregation of the data involves the presence of bookmakers, off-licences and cheque-cashing/money businesses, our so-called Booze, Money and Gambling (BMG) Index. This BMG Index reports the proportion of retailers in these trades. The highest figures are found in Ardrossan, Motherwell, Kilwinning and Coatbridge. The lowest by contrast are found in Callander, Isle of Bute, Kirkwall, Nairn, North Berwick and Turriff. There is an interesting link here with tourism and in most cases coastal locations.

The change in these sectors since 2012 concludes the analysis. In 55% of the towns there has been an increase in the proportion of charity shops since 2012, whereas for the BMG Index the increase occurs in only 40% of the towns. It is notable that 29 towns saw an increase in both charity and BMG category proportions, whereas 34 saw a decline in both proportions. Again this reinforces the very different trajectories of the towns in this data set. Towns where both measure are increasing would appear to be those that are struggling in terms of vacancy and mix perhaps.

Headlines

- Retailing is the major component of the premises in the towns and cities, with cities being more leisure oriented than most towns.
- Gourock is the most independent retail town and Gretna the least.
- The least independent towns tend to be dominated by planned centres.
- There is no discernible pattern in terms of towns becoming more or less independent in their retail make up.
- Towns and cities are becoming more service premise focused.
- There has been a reduction in the proportion of comparison retailing units in many towns, perhaps reflecting the impact of the internet.
- Penicuik has the highest proportion of charity retailers and Burntisland the lowest.
- Ardrossan has the highest BMG index and Callendar the lowest.
- 55% of towns saw an increase in the charity shop proportion since 2012, compared to 40% for BMG.
- 29 towns saw increases in both charity shop and BMG Index measures, compared to 34 towns which saw decreases in both.

"In 55% of the towns there has been an increase in the proportion of charity shops since 2012, whereas for the BMG Index the increase occurs in only 40% of the towns."

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A. Number of Retail Premises

The number of retail premises in the Scottish towns and cities (figures 4, 5 & 6) demonstrates both the scale of retailing across Scotland and some dimensions of its changing nature. Due to the use of the CLG boundaries, Edinburgh city centre has more retail businesses then Glasgow city centre, but overall Glasgow has more shops than Edinburgh and is the more significant retail centre. The two cities dominate numerically the retail landscape in Scotland, supported by Aberdeen and Inverness in terms of number of retail premises.

Behind these leading cities, the pattern is more mixed with major towns being of similar scale to 'official' cities. Thus Ayr and Dumfries are major retail centres comparable in size to Stirling and Perth, and other major towns such as Hamilton, Paisley and Kilmarnock are likewise significant in scale in retail terms.

The data shows that since 2012 for the towns, the average number of retail premises has increased slightly, as has the variation in numbers. Cities however have been moving in the opposite direction with average store numbers and variation decreasing. This adjustment process is most noticeable in the largest centres, possibly pointing to different trajectories and change processes underway. This runs somewhat counter to the perceived wisdom that the hierarchy is contracting, though it may be that the process has some way to run yet and the make up of the retail premises is different.

Number of retail premises

Town	2014 (units)	2015 (units)
Ayr CLG	477	475
Kilmarnock	480	475
Dumfries	432	454
Dunfermline	411	424
Kirkcaldy	356	358

Figure 4. Top 5 Scottish towns by number of retail premises in 2014 and 2015 (Source: LDC)

Town	2014 (units)	2015 (units)
Inverkeithing	45	44
Denny	44	45
Ardrossan	49	46
Burntisland	48	47
Aviemore	47	48

Figure 5. Bottom 5 Scottish towns by number of retail premises in 2014 and 2015 (Source: LDC)

Cities	2014 (units)	2015 (units)
Edinburgh CLG	2,184	2,187
Glasgow CLG	1,375	1,371
Aberdeen CLG	723	718
Inverness	547	552
Dundee CLG	445	447

Figure 6. Number of retail premises across Scottish cities in 2014 and 2015 (Source: LDC)

Figures 7, 8 & 9 presents the change in retail stock in percentage terms for the top and bottom towns and cities. This shows that between 2012 and 2015 only 27 of the towns surveyed showed a reduction in retail premise numbers, and in many cases this was a very low percentage reduction. Denny and East Kilbride stand out as having a large decrease in stock, as part of planned changes. It is perhaps a little surprising that a more general rebalancing has not yet taken place.

B. Retail Vacancy

The number of retail vacancies in a place is a measure of its retail situation and is dependent on the retail stock, the attraction of a place and the management of the town and its attractions and assets. However, in such multi-faceted and complex spaces, direct relationships and causality is often hard to identify.

The number of vacancies in our surveyed towns and cities (figures 10, 11 & 12) has reduced notably from 2012 in our cities, but has increased in our towns. It would seem that this reflects the adjustments in stock underway in our cities and the variable positions our towns find themselves in. There are different trajectories for towns across Scotland. These figures though are suggestive that in some of our towns the process of adjustment to the new retail realities has some way to run, in that stock is increasing, but so too are vacancies.

Rather than sheer numbers of vacancies, figures 15, 16 & 17 (see page 13) focuses on vacancy rates, which do account for changes in the retail premises. Here, the vacancy rates for both towns and cities have fallen from 2012, with a more dramatic decline in the cities. The city

Retail vacancy change

Town	12 month change %	3 year change %
Denny	2.3	-13.5
East kilbride	-11.9	-11.9
Lockerbie	0.0	-7.9
Huntly	-10.9	-5.8
Kinross	1.9	-5.4

Figure 7. Top 5 Scottish towns by percentage change in retail vacancy in the last 12 months and 3 years (Source: LDC)

Town	12 month change %	3 year change %
Ellon	2.7	28.8
Broxburn	1.0	25.6
Gourock	1.5	25.5
Bellshill	2.9	25.3
Musselburgh	0.0	16.7

Figure 8. Bottom 5 Scottish towns by percentage change in retail vacancy in the last 12 months and 3 years (Source: LDC)

Cities	12 month change %	3 year change %
Aberdeen CLG	-0.7	-4.0
Dundee CLG	0.5	1.1
Edinburgh CLG	0.1	-2.6
Glasgow CLG	-0.3	-4.1
Inverness	0.9	3.0

Figure 9. Scottish cities percentage change in retail vacancy in the last 12 months and 3 years (Source: LDC)

vacancy rate is however above that for our towns as a group. The variation among towns has decreased over the 2012 to 2015 period, whereas for cities it has increased, though this may be a function of the small number of cities. These figures again reinforce the point that the pattern across towns is not consistent and that some are clearly having a stronger time of it than others.

Across the towns there are clearly different trajectories and experiences. Some towns and cities have had either consistently low or high vacancy rates over the period, whereas others have seen considerable fluctuations or direction of movement. Some of this movement may be the result of planned developments, which may not yet have been completed.

The lowest vacancy rates in 2015 are found in Biggar, Inverurie, Gretna, Dunbar, North Berwick and Auchterader (figure 15). Of these, Inverurie has been under 5% vacancy throughout the period. At the other extreme, high vacancy rates are found in East Kilbride, Banff, Cumbernauld, Falkirk, Coatbridge, Brechin, Girvan, Ayr and Dundee (figure 16). Of these, East Kilbride has been consistent in this regard since 2012, but this is part of planned changes to the centre.

The listings in figure 13 point to some of our largest towns having high vacancy rates, with lower vacancy rates being found in smaller towns, which may be more self-reliant, but also without the long history and difficult process of adjustment forced on some of our larger towns by economic sectoral change. Change may be more difficult in such places and/or take a longer period. The differences in the nature of towns in figure 13 is quite

Number of vacant retail units

Town	2014	2015	12 month change %
Biggar	1	1	0
Gretna	4	2	-2
Alness	3	3	0
Anstruther	1	3	2
Auchterarder	3	3	0

Figure 10. Bottom 5 Scottish towns by number vacant retail units (Source: LDC)

Town	2014	2015	12 month change %
Ayr CLG	91	100	9
Falkirk	80	88	8
Paisley CLG	72	69	-3
Kilmarnock	71	67	-4
Hamilton	47	58	11

Figure 11. Top 5 Scottish towns by number vacant retail units (Source: LDC)

Cities	2014	2015	12 month change %
Aberdeen CLG	71	72	1
Dundee CLG	96	94	-2
Edinburgh CLG	185	207	22
Glasgow CLG	205	212	7
Inverness	72	69	-3

Figure 12. Scottish cities by the number of vacant retail units (Source: LDC)

clear, but the reasons behind this are complex.

The annual and cumulative vacancy rate changes show the variable patterns and different trajectories. Figure 18 points to the ways in which different types of towns are achieving similar outcomes. Vacancy rate falls of substantial scale are found for example in towns such as Huntly and East Kilbride and similar increases in Inverkeithing and Cumnock. However, overall the pattern is mixed, with about half the towns seeing a reduction in vacancy rates between 2012 and 2015, in some case dramatically. This does mean though that almost half our towns have experienced increased rates, and again in some places, spectacularly so. This points to the vital local nature of places and place management. In quite a few cases though the increase in rates is from a small base, reflecting perhaps small scale change in the smaller towns in our data collection group.

Vacancy is quite a complicated feature to consider and has numerous dimensions. The concept of persistent vacancy is used in figures 21, 22 & 23 to consider aspects of persistency in the market place. Persistent vacancy where a unit is vacant for more than three years is a measure of problems or redundancy in the shop stock. The vacancy for less than 1 year is measuring a shorter term fluctuation in the occupancy of the stock.

Average retail vacant units

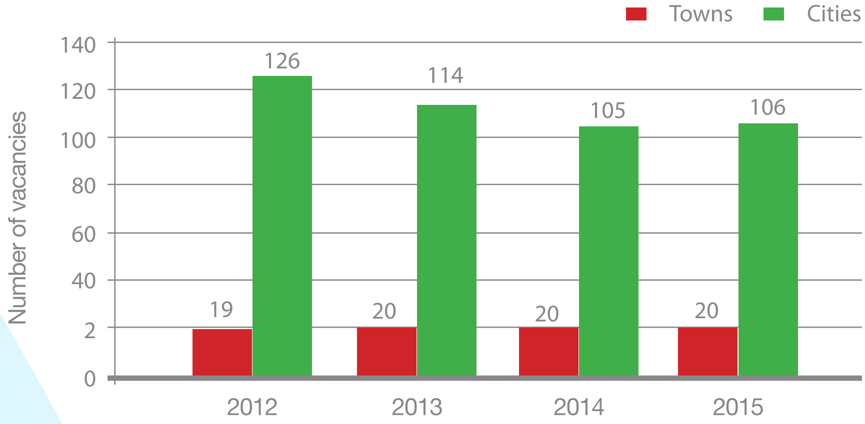

Figure 13. Average number of retail vacant units across Scottish towns and cities over the last 4 years (Source: LDC)

Average retail vacancy rates

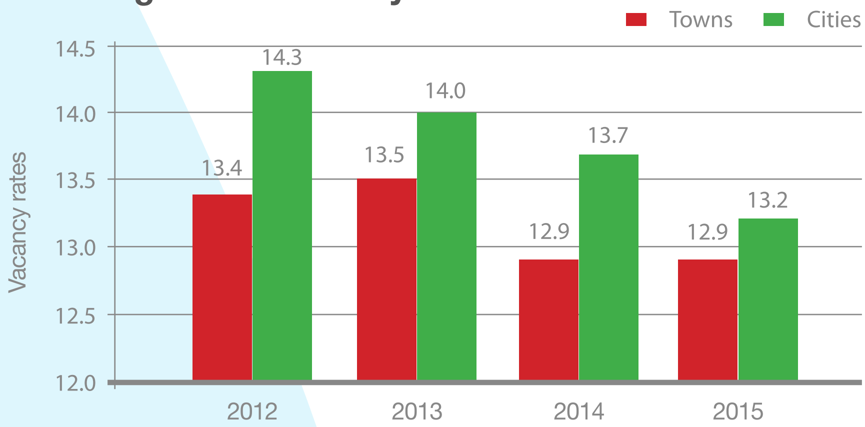

Figure 14. Average retail vacancy rate across Scottish towns and cities over the last 4 years (Source: LDC)

Vacancy rate across Scottish towns and cities

Town	2014	2015	12 month change %
Biggar	1.7	1.8	0.1
Inverurie	4.5	2.3	-2.2
Gretna	6.3	3.2	-3.1
Dunbar	4.0	3.9	-0.1
North Berwick	5.5	4.5	-1.0

Figure 15. Bottom 5 Scottish towns by vacancy rates (vacant premises as a percentage of total premises) in 2015 (Source: LDC)

The persistent vacancy for more than three years is the more important indicator in many ways and figure 21 points to quite a few towns where this indicator is very high. Banff has the highest persistent vacancy rate but there are 22 towns and 1 city where the rate exceeds 10% i.e. over 1 in 10 units has been vacant for more than 3 years. This points to places or parts of towns that really need to be rethought or returned to other uses. The figures also suggest that vacancy rates at a town level can be misleading if the vacancy is concentrated in one part that is recognised as problematic. There is a real need therefore for town managers to get into the depth of data that the Local Data Company holds on these towns. This is beyond the scope of this report.

At the other end of the spectrum however are towns where there is no persistent vacancy of this form. Alness, Gretna and Inverurie are examples, but there are many towns where there does not seem to be a systemic problem, but rather an issue with a particular unit.

Town	2014	2015	12 month change %
East Kilbride	36.7	29.7	-7.0
Banff	28.7	25.6	-3.1
Cumbernauld	24.3	25.2	0.9
Falkirk	22.6	24.9	2.3
Coatbridge	17.4	22.6	5.2

Figure 16. Top 5 Scottish towns by vacancy rates (vacant premises as a percentage of total premises) in 2015 (Source: LDC)

Town	2014	2015	12 month change %
Aberdeen CLG	9.8	10.0	0.2
Dundee CLG	21.6	21.0	-0.6
Edinburgh CLG	8.5	9.5	1.0
Glasgow CLG	14.9	15.5	0.6
Inverness	13.2	12.5	-0.7

Figure 17. Scottish cities by vacancy rates (vacant premises as a percentage of total premises) in 2015 (Source: LDC)

Change in vacancy rate across Scottish towns and cities

Town	12 month change %
Huntly	-10.2
East Kilbride	-7.0
Carluke	-6.9
Adrossan	-6.9
Burntisland	-6.1

Figure 18. Change in vacancy rates in 2015 (Source: LDC)

Town	12 month change %
Inverkeithing	9.2
Cumnock	6.0
Kinross	5.5
Coatbridge	5.2
Haddington	4.9

Figure 19. Change in vacancy rates in 2015 (Source: LDC)

Change in vacancy rate across Scottish towns and cities

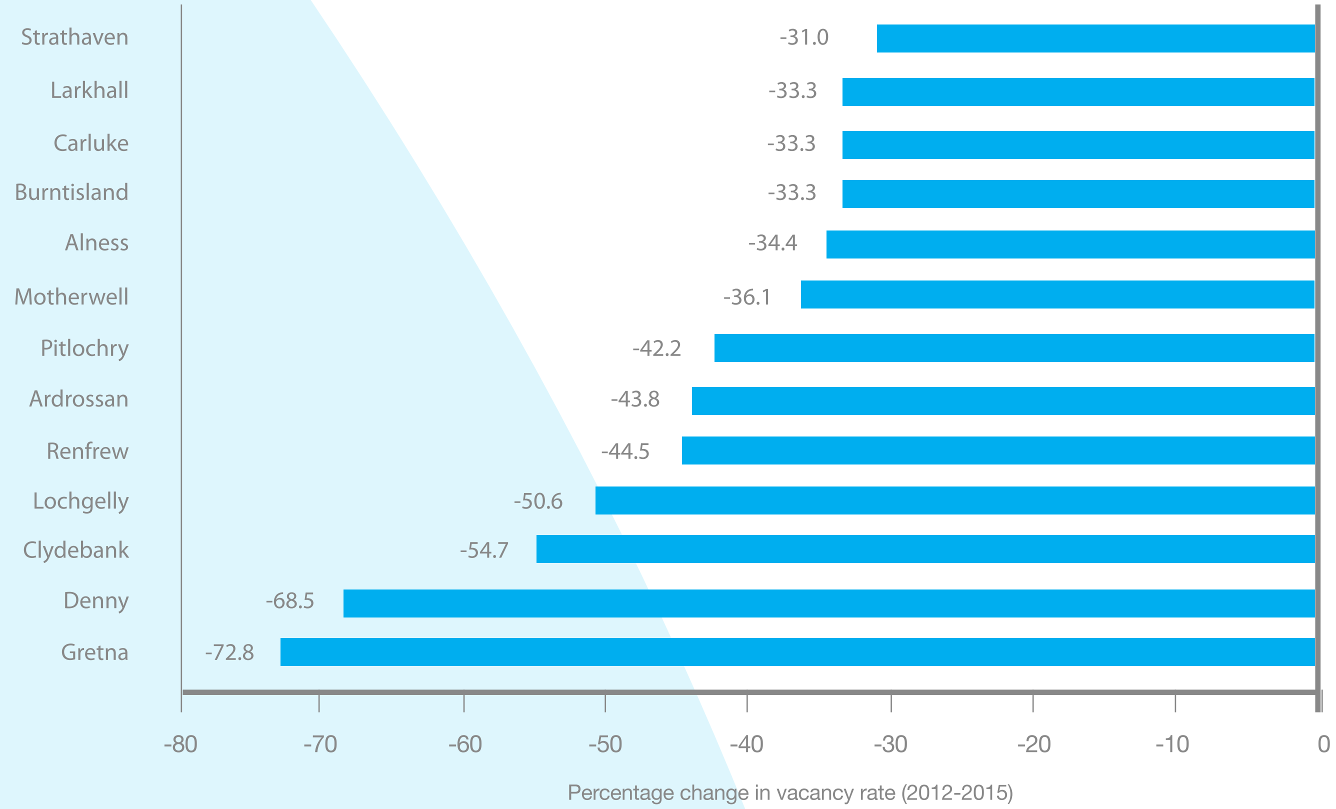

Figure 20. Top 10 Scottish towns by the change in vacancy rate between in the last three years (2012-2015) (Source: LDC)

Persistent vacancy across Scottish towns and cities

Town	% total units vacant for over 3 yrs
Banff	21.1
Ardrossan	17.5
Girvan	17.3
Annan	14.7
Penicuik	14.3

Figure 21. Top 5 Scottish towns by persistent vacancy (% total units vacant for over 3 years) in 2015 (Source: LDC)

Town	% total units vacant for over 3 yrs
Linlithgow	1.0
Prestwick	0.9
Alness	0.0
Gretna	0.0
Inverurie	0.0

Figure 22. Bottom 5 Scottish towns by persistent vacancy (% total units vacant for over 3 years) in 2015 (Source: LDC)

Cities	% total units vacant for over 3 yrs
Dundee	10.3
Inverness	6.2
Glasgow	5.9
Perth	5.0
Stirling	4.4

Figure 23. Scottish cities by persistent vacancy (% total units vacant for over 3 years) in 2015 (Source: LDC)

C. The Retail Structure of Towns & Cities

The premises stock and the vacancy rates are clearly key components of understanding the nature and position of a town or city. The data collected by the Local Data Company however allows a more in-depth analysis of the make-up of the occupiers. As we now have the data since 2012, this section also considers the direction and nature of change in this regard.

Figures 24, 25 & 26 divides occupiers into retail and leisure sectors and considers the current position and the change since 2012. Retail is the majority occupier in all cases and almost invariably is between 70% and 80% of the total. The exceptions to this are the largest cities and indeed these appear as very different paces. It is notable that in all the cities, the retail proportion has declined since 2012, though this is not the case for the largest towns. There is limited discernible pattern of change.

Focusing on retailers themselves, figures 30 - 34 considers the proportion of retailers that is independent, and the change between 2012 and 2015. The larger the places, the less independent it generally is, with the cities being less retail independent than the towns. The exceptions to this are Edinburgh and Perth, which are comparatively highly independent, with Perth just being pipped by Edinburgh as the most retail independent city. Inverness is the least retail independent of the cities, which is perhaps not surprising given its attraction as a very wide catchment draw and thus a centre for investment by multiples.

Change in retail mix across Scottish towns and cities

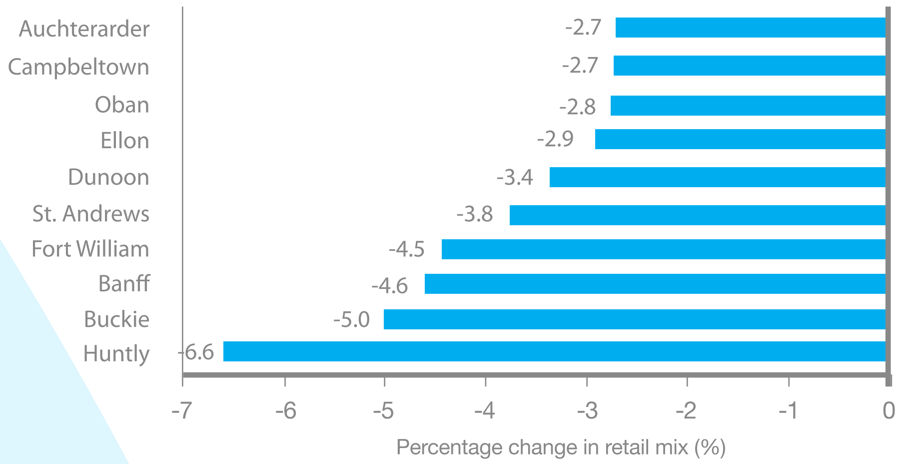

Figure 24. Change in retail mix across top 10 Scottish towns 2012-2015 (Source: LDC)

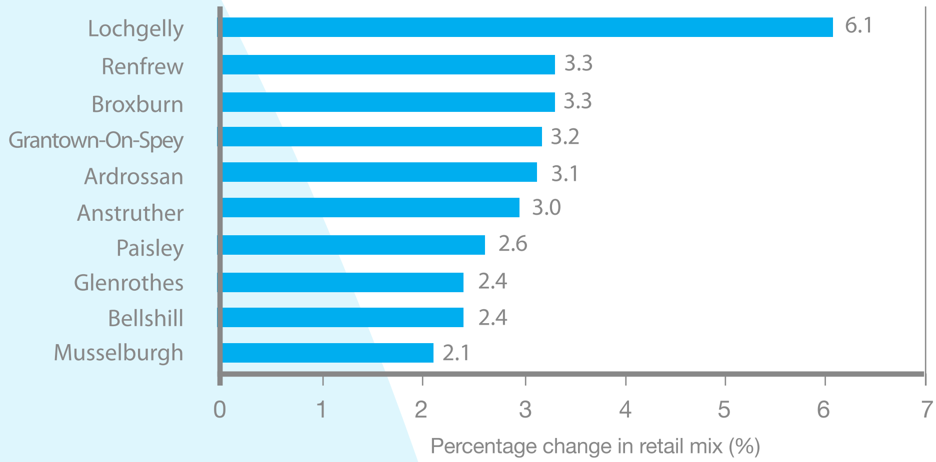

Figure 25. Change in retail mix across bottom 10 Scottish towns 2012-2015 (Source: LDC)

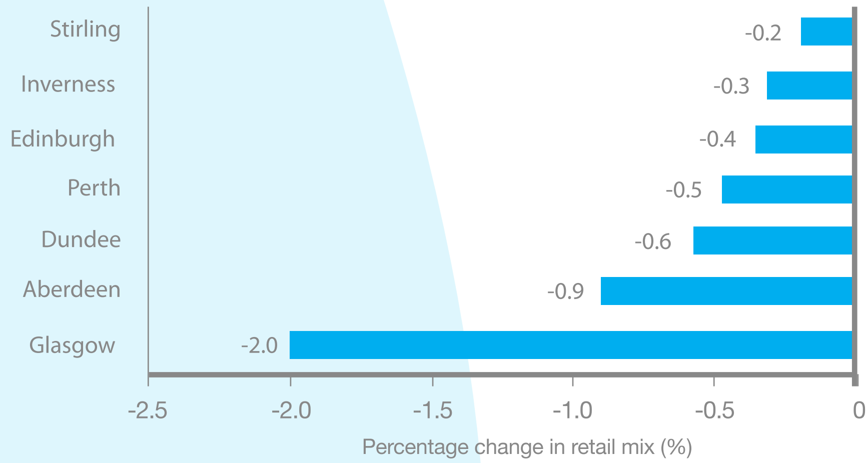

Figure 26. Change in retail mix across Scottish cities 2012-2015 (Source: LDC)

There is a wide range of proportions amongst the towns, with several above 75% retail independent. The most independent is Gourock with its nearest rivals including Auchterarder, Biggar, Carnoustie, Dunoon, Strathavan, Isle of Bite and Moffat. These towns do have some shared characteristics. At the other end of the spectrum, the least independent towns include Gretna (the least of all), Clydebank, Dumbarton, East Kilbride, Glenrothes and Livingston. Again, there is a theme here, and the presence of a dominant centre with particular occupancy and management approaches skews the results. The contrast in places between the highest and the lowest proportion of independents is obvious. This does indicate the different functions these types of places and towns have.

In change terms, almost half the towns have become less independent since 2012, but this means equally that half have become more independent. There is no discernible pattern. The towns becoming more independent are led by Gourock, Paisley and Larkhall. Those becoming less independent are led by Aviemore but other large change towns include Anstruther, Broxburn, Dalkeith, Grantown on Spey, and Peterhead.

The report also considered a different classification, dividing the businesses into comparison, convenience, leisure and service categories. As would be expected, cities are less convenience-oriented than towns. The patterns found are due in many cases to local factors and again no overall explanation is readily identifiable.

Retail mix across Scottish towns and cities

Town	Retail % 2012	Retail % 2015	3 year change %
Montrose	83.0	83.5	0.52
East Kilbride	82.8	83.3	0.55
Gretna	84.4	83.1	-1.3
Cumbernauld	84.8	83.0	-1.8
Glenrothes	80.5	82.9	2.4

Figure 27. Top 5 Scottish towns by the number of retail occupiers as a percentage of the total occupiers in 2015 (Source: LDC)

Town	Retail % 2012	Retail % 2015	3 year change %
Renfrew	65.5	68.8	3.3
Burntisland	66.7	68.8	2.1
St. Andrews	72.3	68.5	-3.8
Fort William	70.9	66.4	-4.5
Aviemore	67.2	65.7	-1.5

Figure 28. Bottom 5 Scottish towns by the number of retail occupiers as a percentage of the total occupiers in 2015 (Source: LDC)

Town	Retail % 2012	Retail % 2015	3 year change %
Glasgow CLG	60.4	58.4	-2.0
Aberdeen CLG	66.2	65.3	-0.9
Dundee CLG	72.1	71.6	-0.6
Perth CLG	76.6	76.1	-0.5
Edinburgh CLG	59.8	59.4	-0.4

Figure 29. Scottish cities by the number of retail occupiers as a percentage of the total occupiers in 2015 (Source: LDC)

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More dramatic and informative however is when we look at the change since 2012. This shows that over 60% of our towns have increased their service category provision between 2012 and 2015, compared to less than 30% which increased their comparison proportion. Convenience and leisure were more equally distributed. The reduction in comparison proportion perhaps indicated an impact from the internet. The growth in service proportion fits with more widely understood changes towards a more service economy.

Figures 35 - 39 takes the disaggregation down a further level. Figures 35 & 36 considers the proportion of retailers in a town that are charity shops, whereas figures 38 & 39 considers the combination of off-licences, cheque-cashing and bookmakers as a proportion (what we term the BMG index).
In terms of charity shops, the proportion in cities is generally lower than in towns, but there are cities with higher proportions – Perth and Aberdeen. From the towns, the largest proportions are found in Penicuik (9.3%), Forres (7.5%) and Haddington (7.5%). There are obviously some towns where charity shops are either not present or have very low presences such as Burntisland, Stonehaven, Auchterader, Biggar, Broxburn and Gourock. There is perhaps a common theme about the independence and vibrancy of place limit9iing potential for charity shops in some cases.

Independent retailers across Scottish towns & cities

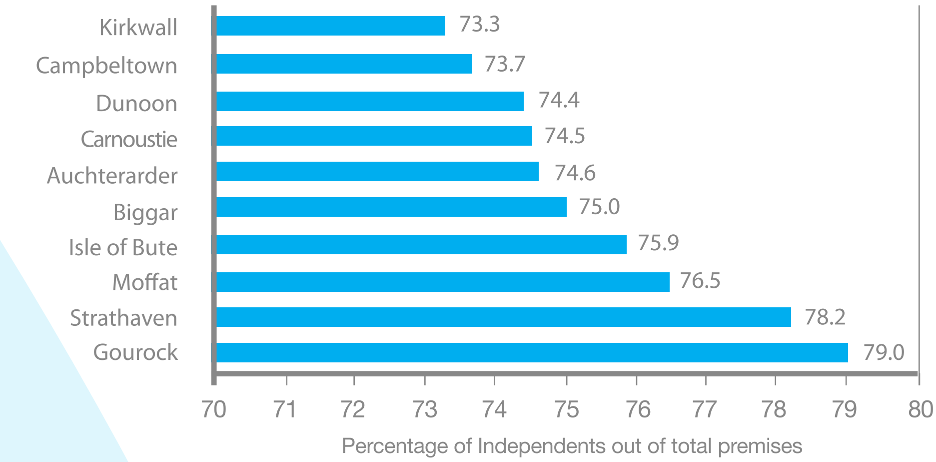

Figure 30. Top 10 Scottish towns by the number of Independents as a percentage of the total units in 2015 (Source: LDC)

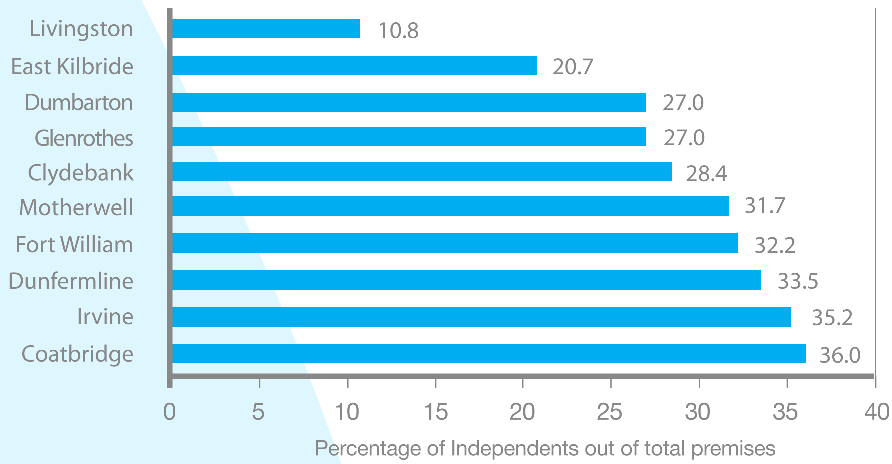

Figure 31. Bottom 10 Scottish towns by the number of Independents as a percentage of the total units in 2015 (Source: LDC)

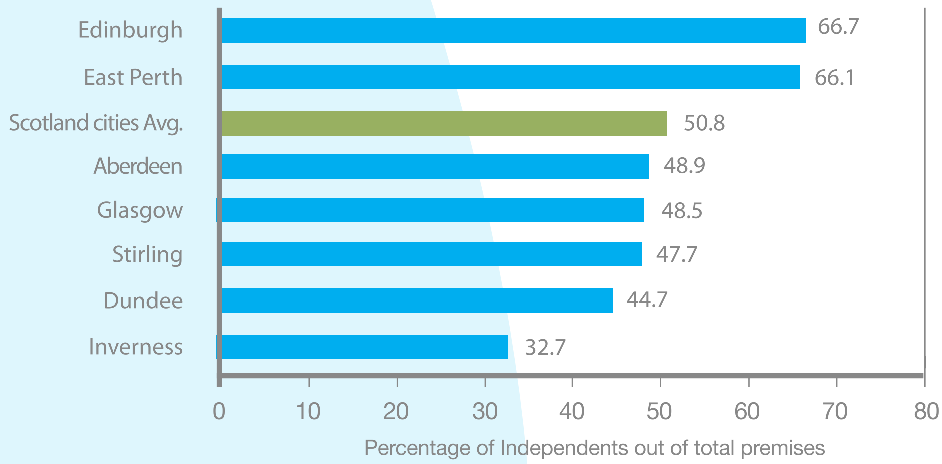

Figure 32. Scottish cities by the number of Independents as a percentage of the total units in 2015 (Source: LDC)

The BMG Index is considered in figures 37, 38 & 39. The highest scores are found in Ardrossan (16.2%). Motherwell (14.4%), Kilwinning (13.1%) and Coatbridge (13.7%) (see figure 37). There is a link here to areas of higher multiple deprivation, but this relationship is not strong across all of our towns. The lowest figure are found in Callander, Isle of Bute, Kirkwall, Nairn, North Berwick and Turriff. There is a theme here perhaps about visitors?

The change in these ratios over time is considered in figures 40, 41 & 42. This considers the increase or decrease in the ratios between 2012 and 2015. Almost 55% of the towns showed an increase in charity shop proportion between these dates, whereas only c. 40% showed an increase in the lines of business in the BMG Index. This does hint at charity shops taking up some of the vacancy slack in some towns and occupying what would be otherwise vacant space, thus leading to a fall in vacancy rates. Commercial businesses are being more selective. Some 29 towns saw increases in both charity and BMG indices which points to the shift going on in these places. However 34 towns saw a decrease in both measures over the period, again pointing to changes underway but on a very different trajectory.

Independent retailers across Scottish towns & cities

Town	Independent Retail % 2012	Independent Retail % 2015	3 year change %
Gourock	69.8	79.0	9.2
Strathaven	76.4	78.2	1.8
Moffat	77.4	76.5	-0.9
Isle Of Bute	75.0	75.9	0.9
Biggar	72.9	75.0	2.1

Figure 33. Top 5 Scottish towns by the number of Independents as a percentage of the total units in 2015 (Source: LDC)

Town	Independent Retail % 2012	Independent Retail % 2015	3 year change %
Glenrothes	25.5	27.0	1.5
Dumbarton	30.4	27.0	-3.4
East Kilbride	20.8	20.7	-0.1
Livingston	14.2	10.8	-3.4
Gretna	14.8	6.3	-8.6

Figure 34. Bottom 5 Scottish towns by the number of Independents as a percentage of the total units in 2015 (Source: LDC)

Number of Charity Shops across Scottish towns and cities

Town	% of total units (Charity Shops)
Auchterarder	1.6
Broxburn	1.1
Livingston	0.3
Burntisland	0.0
Gretna	0.0

Figure 35. Top 5 Scottish towns by the number of charity shops as a percentage of the total units in 2015 (Source: LDC)

Town	% of total units (Charity Shops)
Penicuik	9.3
Haddington	7.5
Forres	7.5
Fort William	6.9
Dingwall	6.8

Figure 36. Bottom 5 Scottish towns by the number of charity shops as a percentage of the total units in 2015 (Source: LDC)

BMG Score by town

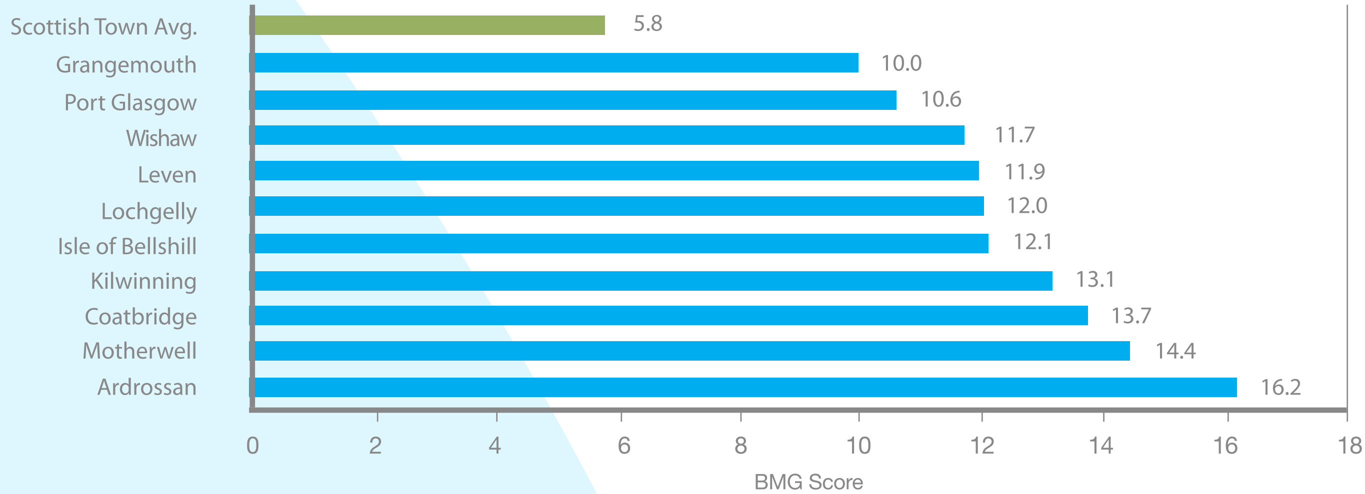

Figure 37. Top 10 Scottish towns by their BMG score (Source: LDC)

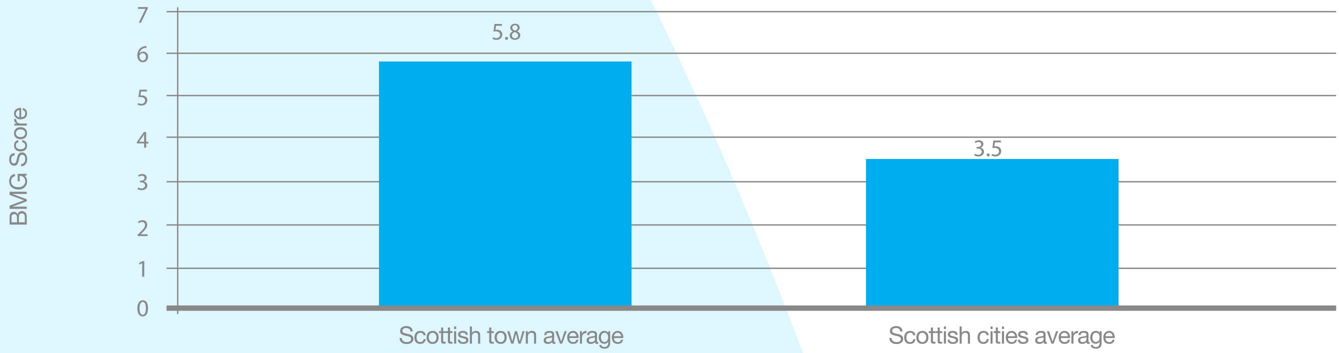

Figure 38. Average BMG score for Scottish towns compared to Scottish cities (Source: LDC)

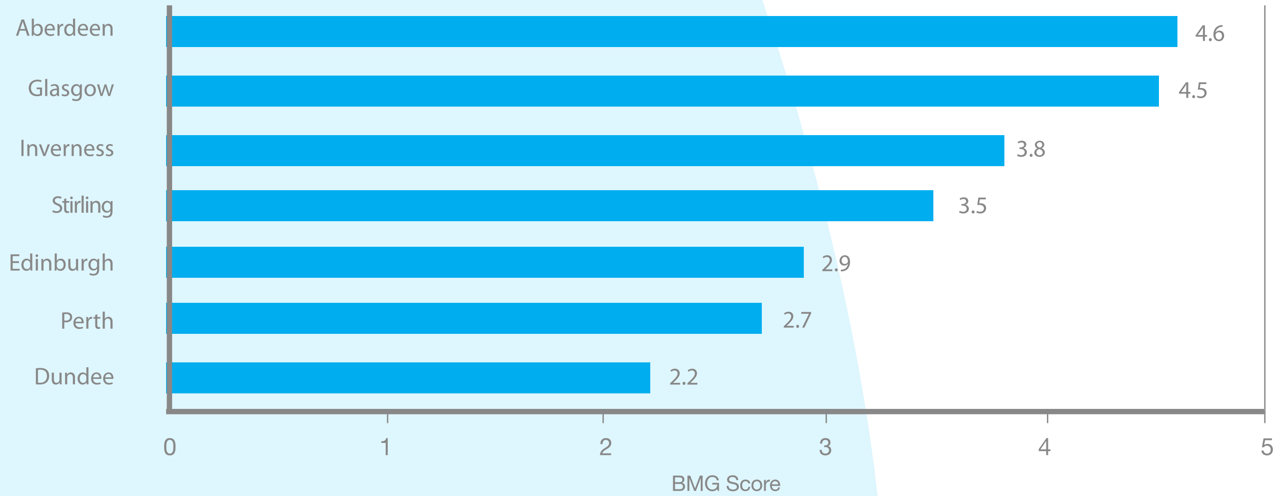

Figure 39. BMG score across the Scottish cities (Source: LDC)

Booze, Money and Gambling 2015 (as % of total stock)

Town	Bookmakers	Cheque Cashiers	Off Licences	BMG Score
Ardrossan	8.1	0.0	8.1	16.2
Motherwell	8.3	1.7	4.4	14.4
Coatbridge	9.3	0.0	4.3	13.7
Kilwinning	6.6	0.0	6.6	13.1
Bellshill	7.1	1.0	4.0	12.1

Figure 40. Top 5 Scottish towns according to their BMG score (BMG as a percentage of total stock) (Source: LDC)

Town	Bookmakers	Cheque Cashiers	Off Licences	BMG Score
Isle Of Bute	1.1	0.0	0.0	1.1
Nairn	1.1	0.0	0.0	1.1
Callander	0.0	0.0	0.0	0.0
Grantown-On-Spey	0.0	0.0	0.0	0.0
Kirkwall	0.0	0.0	0.0	0.0

Figure 41. Bottom 5 Scottish towns according to their BMG score (BMG as a percentage of total stock) (Source: LDC)

Cities	Bookmakers	Cheque Cashiers	Off Licences	BMG Score
Dundee	1.7	0.6	0.0	2.2
Perth	2.0	0.5	0.2	2.7
Edinburgh	1.7	0.0	1.2	2.9
Stirling	1.7	0.7	1.0	3.5
Inverness	2.3	0.2	1.3	3.8

Figure 42. Top 5 Scottish cities according to their BMG score (BMG as a percentage of total stock) (Source: LDC)

Conclusions

The vacancy rate continues to decline in Scotland and in Scottish towns and cities. This is reflective of both the local economy and of restructuring changes occurring in town and city centres. The mix of businesses is altering and the adjustment process to the new form of town centres is underway, more strongly in some places than others. Towns are on differing trajectories reflecting their assets and opportunities and the strategy and vision of their local management. We can identify these differing trajectories through the direction and strength of change in vacancy rates, number of premises, persistent vacancy, independent retailer proportions, charity shop penetration and the mix of types of retail businesses. Distinctiveness is to be welcomed as these processes take hold, though there needs to be caution in some places where there is an over-reliance on some lines of business and thus perhaps insufficient diversity being generated.

This work is presented here at an aggregated level. Underlying it is a rich data source which is expanding annually. Scotland's towns are a key component of national identity, attractiveness and prosperity. Understanding them more deeply is vital. The data here are one step in this process. There is much more that could be done with the data and by extending and linking this data set with other sources. This work will be part of our ESRC collaborative studentship activities, notably in linking Understanding Scottish Places Version 2 with the data here and focusing on selected towns in depth.

Commentary

Professor Leigh Sparks, Institute for Retail Studies, University of Stirling commented:

"The vacancy rate continues to decline in Scotland and in Scottish towns and cities. This is reflective of both the local economy and of restructuring changes occurring in town and city centres. The mix of businesses is altering and the adjustment process to the new form of town centres is underway, more strongly in some places than others. Towns are on differing trajectories reflecting their assets and opportunities and the strategy and vision of their local management. We can identify these differing trajectories through the direction and strength of change in vacancy rates, number of premises, persistent vacancy, independent retailer proportions, charity shop penetration and the mix of types of retail businesses.

Scotland's towns are a key component of national identity, attractiveness and prosperity. Understanding them more deeply is vital. The data here are one step in this process and show the variety of adjustments to new futures for our towns that are underway."

Matthew Hopkinson, director at the Local Data Company commented:

"This third annual Scottish retail report in partnership with the University of Stirling is now a key barometer for how Scotland's towns and cities are performing. This latest report shows not only the significant variances across Scotland in terms of the number of empty shops but also how many of the towns are changing and adapting to the challenges brought on by the internet, out of town shopping centres and retail parks as well as the impact of the supermarkets and overall lower consumer spend levels than in the past.

Understanding your consumer and the local economic environment is key to a successful city and town. Be it fewer shops, more services, more leisure or just less overall stock and thus higher occupancy levels will create a healthy and thriving destination which will be a nucleus for both community and commerce."

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Methodology

1. Shops' refers to Convenience, Comparison and Service retail only.
2. Each 'centre' refers to boundaries that reflect Scottish towns and town centres. These may differ from existing area definitions used by LDC. They are based on official Scottish area classifications including postcodes and intermediate zones.
3. Each centre has been physically walked and each premises recorded as vacant, occupied or demolished as recorded on the day of survey.
5. Vacant units are those units which did not have a trading business at that premises on the day of survey.
   The figures include vacant units within shopping centres where we have had co-operation from the shopping centre owner/management.
6. Centres are updated on 6 or 12 month cycles according to the Local Data Company update plan.
   Changes in vacancy rates are percentage point increase/decrease, unless mentioned otherwise.

Report authors

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About The Local Data Company

'Sharing knowledge to create a better place to be' is The Local Data Company's (LDC) core purpose. It does this by combining powerful proprietary technology with a unique, field researched database of over half a million premises. LDC identifies opportunities and mitigates risk through delivery of insights, market analysis and unique profiling to the leading retailer and leisure occupiers, investors, landlords, banks, analysts and the media. Using its army of field researchers, LDC delivers primary evidence on thousands of locations, including high streets, town centres, shopping centres, retail parks and standalone out of town stores. LDC brings data alive and delivers clarity through its integration, aggregation and highly visual delivery along with unique modelling and analysis carried out in partnership with the UK's leading universities.'

About The Institute For Retail Studies, University of Stirling

The Institute for Retail Studies (IRS) at the University of Stirling is a leading research and education centre on the subject of retailing. Our research tackles issues in retailing, retailer operations and t the interactions of retailing and society. Research projects are conducted on behalf of retail and distributive companies, local and national governments, public sector bodies and research councils. Projects range from three year research fellowships to short term consulting projects. The IRS offers at Stirling and internationally a variety of retail education programmes, leading to formal undergraduate and postgraduate qualifications or CPD, open access or tailored company programmes. Details of our work can be found at www.stirlingretail.com.