

Multiple retailers closed 14 stores a day on average across Great Britain in 2011, says PwC and Local Data Company analysis

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Bookshops, electricals, home furnishing, menswear, off-licenses, bars/pubs and travel shops are all falling in numbers

Charity shops, pound shops, bakers, credit unions and supermarkets/convenience stores are bucking the trend

From a net increase in 2009 of 1.2%, multiple retailers have for the first time shown a net decrease of -0.25%, a net reduction of 174 shops in 2011. Great Britain's multiple retailers closed 14 stores a day on average across Great Britain in 2011, according to data compiled on behalf of PwC by the Local Data Company (LDC).

The data also revealed that across multiple retailers in 500 town centres, bookshops, electricals, home furnishing, menswear, off-licences, bars/pubs and travel shops have been amongst the hardest hit in 2011. Charity shops, pound shops, shoe shops, bakers, credit unions and supermarkets/convenience stores bucked the trend showing growth during the year.

Mike Jervis, PwC insolvency partner and retail specialist, commented:

"A common feature of retailers in distress who we are dealing with is that they have too many locations. Relatively long leases have been entered into in a growth phase of the economy which are no longer appropriate.

"Where over expansion has already taken place, retailers need to face that reality and formulate a strategic plan in partnership with landlords, not in confrontation with them.

"Retail is increasingly becoming a partnership between the store group, its suppliers and the owners of its locations. Like any partnership which falls on hard times, dialogue involving all partners is key.

"The rise in convenience stores is due to them being a growth platform for supermarkets, needing to meet consumer demand for local shopping outlets where it's easy to do regular big shops as well as 'top up' and have easy access to fresh produce.

"Electricals and bookshops have suffered as these products are now increasingly bought online but retailers in this sector are typically carrying unnecessarily large property portfolios."

Risers	Fallers
Convenience food stores	Electricals
Supermarkets	Home furnishing
Charity shops	Bookshops
Pawnbrokers	Menswear
Credit unions	Travel shops
Pound shops	Off-licenses
Shoe shops	Pubs/bars

Source: LDC

Christine Cross, chief retail advisor to PwC, said:

"Inevitably, the reduction in consumer confidence and growth in online spend has placed pressure on retail return on space. Like-for-like retail sales are no longer a sound measure - the real measures are earnings per share or profit for non-listed groups. Those companies who try and drive like-for-like will push new store openings to the point of exacerbating too much retail space, inflating stockholding and reducing returns.

"The new model must be to properly evaluate the role of the store to the customer in all its guises from innovation and inspiration to transact or just collect. There is no point in paying for space that is not earning its keep."

Across Great Britain...

Opening and Closures of Multiple Retailers by Region across the top 500 GB town centres in 2011

Country/	Number of store	Number of store	Change
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English Region*	closures	openings	
East Midlands	404	408	4
East Of England	378	369	-9
Greater London	1084	983	-101
North East	167	143	-24
North West	507	515	8
Scotland	320	283	-37
South East	1035	1040	5
South West	488	465	-23
Wales	146	158	12
West Midlands	399	416	17
Yorkshire and the Humber	340	314	-26
Total	5268	5094	-174

Source: LDC

Matthew Hopkinson, director of the Local Data Company concluded:

"Significant changes have happened in the way multiple retailers operate and locate. With a significant number of leases expiring the opportunity to drawdown to a smaller number of stores that more suit the needs of omni-channel retailing is happening. In the past the closures were offset by openings but 2011 has shown a true decline in multiple retail and leisure outlets across Great Britain. With the move to out of town locations and the numbers of closures being announced currently, this decline is likely to continue into 2012 and thus lead to a rise in vacancy rates."

Notes to Editors:

About PwC

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 163,000 people in 151 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See pwc.com for more information.

About the Local Data Company

The Local Data Company has built up a strong reputation in the business location, local search, insight and imagery market, and its data is currently used by leading directories and search engines as well as local authorities, consultants, retailers, surveyors and financial institutions.

This is underpinned by its commitment to have at least 75% of the company's workforce locally based to their 2,700+ towns and retail centres, harnessing the latest wireless technologies, as well as a commitment to continual improvement, openness and transparency in all it does. This approach enables LDC to respond quickly to its client's needs in a rapidly changing market and retain the most dedicated staff.

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