



ROADSIDE RETAIL

The past 20 months has been a roller-coaster for retail and there is no doubt that the sector has gone through significant changes. With restrictions on retail trading now well and truly behind us, it's allowed for some thought and analysis into the way in which we have shopped throughout the pandemic. With the recovery of larger centres and high streets starting to take shape, there has been one sector of retail which has remained relatively consistent in trading performance and recovery.

Roadside retail including retail parks, neighbourhood centres, drive-thru's and convenience stores have by the most part, traded well as people have shopped closer to home and in places which are perceived safer and parking is readily available and free.

Beechdale Retail Park is a prime example with the site originally acquired by FHP on behalf of Lidl for a new 25,000ft² food store with the remaining site to be sold onto Henry Davidson Developments for a roadside scheme of 6 retail units and a drive-thru all pre let for practical completion during the throws of a global pandemic with operators like Costa, Greggs, Subway, The Tanning Shop, Pepe's Piri Piri, Mother Hubbards Fish & Chips and Treetops Hospice all taking space.

FHP are also acting on behalf of Lidl disposing similar 1,250ft² retail units adjacent to the forthcoming store on the former Burton Rugby Club site, Burton-on-Trent and have 3 of the 5 units under offer.

The drive-thru market remains aggressive with Starbucks, Costa, Tim Hortons, Taco Bell, KFC, Dunkin Donuts, Chaiwala, and Greggs now all competing for sites with new entries to the market in 2021 including Leon, Wendy's and Popeyes. With development land harder to come by, this means that rents are driving up to the mid £40's per sq ft for coffee and the mid £30's for food operators with a record letting to Starbucks at The Portal, Queens Drive, Nottingham adjacent to Dunelm for a new 2,200ft² drive-thru store at £50 per sq ft.

Developers continue to target sites with high traffic flow with good adjacent residential where possible in order to bring forward schemes of this nature as the sector continues to perform exceptionally well – also helped by a buoyant investment market for the product with deals being struck at yields around the mid 5's to early 6's.

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We continue to see increased demand for EV charging points in these locations and as the number of electric cars continues to grow across the UK. In some cases, we are looking at several bays, in other more prominent locations we are looking at full scale forecourts for electric vehicles to sit alongside Food & Beverage and Convenience Stores.

It is worth mentioning that all the success in trade of some drive-thru operators, which has led to the aggression in the market has been brought about whilst most regional office workers were not driving to their places of work every day. As more and more people have returned to the office via car trade should sustain – with challenges now being found in the fulfilment of deliveries, recruitment, land availability and construction costs.

In April 2020 car traffic was around 20-30% of normal levels, according to the Department for Transport. This has been slowly increasing and tapering in line with government measures surrounding the 2020 and 2021 lockdowns. As at June 2021 statistics show levels around 90-100% of car use on our roads, with public transport (in Nottingham City) down around 20-30% – a positive for Roadside Retail.

If you have sites you would like to discuss options for, please get in touch with Jack Shakespeare at FHP Property consultants on 07817 924 949 or Jack@fhp.co.uk

END

Jack Shakespeare
21/10/2021

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