

Newton Heath District Centre

Description

Newton Heath district centre is located in the eastern part of the authority area, approximately 2km to the north east of the Etihad Stadium and 1km to the south of Failsworth (located in the Oldham authority area).

The centre is relatively small, comprising of just 59 commercial units and 12,735 sq.m of commercial floorspace. Due to the presence of the Lidl, Farmfoods, Asda and Iceland stores within the district centre boundary, the proportion of convenience floorspace is considerably above the national average and performs a very important role within the centre. In terms of the provision of floorspace, Newton Heath is the second smallest district centre in the authority area.

The centre lines either side of Old Church Street to the south, running north over the canal, to Oldham Road to the north. It is surrounded by a mix of residential, commercial and recreational uses.

The centre boundary includes a key development opportunity bound by Old Church Street and Oldham Road, to the north of the Lidl foodstore and plots of land to the east of Smallwood Street and surrounding Silk Street. Extant permissions are in place for both sites for principally residential uses.

Table 1 Newton Heath District Centre Floorspace Composition

GOAD Category	Floorspace at 2023 (sq.m)	Floorspace at 2023 (%)	Floorspace UK Average at 2023 (%)
Comparison	1,897	14.9%	30.1%
Convenience	5,698	44.7%	15.5%
Financial	714	5.6%	6.6%
Leisure	2,125	16.7%	26.3%
Retail Service	1,423	11.2%	7.2%
Vacant	878	6.9%	13.8%
TOTAL	12,735	100.0%	100.0%

Source: Composition of District centre based on boundary as defined by Experian Goad and derived from Nexus Planning Survey of February 2023; UK Average from Experian Goad Report February 2023.

Table 2 Newton Heath District Centre Unit Composition

GOAD Category	Units at 2023	Units at 2023 (%)	Units UK Average at 2023 (%)
Comparison	11	18.6%	26.9%
Convenience	10	16.9%	9.3%
Financial	4	6.8%	8.7%
Leisure	16	27.1%	25.4%
Retail Service	10	16.9%	15.8%
Vacant	8	13.6%	13.8%
TOTAL	59	100.0%	100.0%

Source: District centre composition based on boundary as defined by Experian Goad and derived from Nexus Planning Survey of February 2023; UK Average from Experian Goad Report February 2023.

Uses

Newton Heath district centre provides for a total of 12,735 sq.m configured across 59 commercial units. The centre is considered to provide relatively well for meeting the local catchment's day-to-day needs, particularly in respect of the convenience, leisure and retails service offer.

The centre's offer is dominated by its convenience provision, with a total of 44.7% of the commercial floorspace occupied by convenience operators, compared to the national average of 15.5%. A total of ten units are occupied by convenience operators and key retailers include Lidl, Farmfoods, Asda and Iceland, amongst smaller convenience operators including an off licence, CTN and bakery.

In terms of the comparison offer, the centre consists of a total of 1,897 sq.m, or 14.9% of the total floorspace, which falls considerably below the national average of 30.1%. The proportion of comparison units is higher at 18.6% (compared to a national average of 26.9%), indicating that the units occupied by comparison operators are typically on the smaller side. In this regard, the largest comparison operator is Wynsors shoe shop, followed by First Choice Furniture, a second hand furniture shop.

Newton Heath's share of leisure floorspace falls considerably below the national average. However, the proportion of units occupied by leisure operators falls above the national average, again indicating that the sector principally occupies smaller units within the centre. Key leisure operators include the Newton Heath Working Mens Club, the New Crown Inn and White Lion pubs, a McDonald's and a number of takeaways.

Turning to financial and business services, the centre accommodates four operators, comprising a Lloyds bank, a solicitor and two security firms. The proportion of financial floorspace and units falls just below the national average in both cases.

With regard to retail services, Newton Heath has a good offer, providing ten operators over 1,423 sq.m of floorspace. In both cases, the proportion of floorspace and units occupied by retail service operators falls above the national average. The type of retail service operators include hairdressers, barbers, tanning shops, opticians and undertakers.

Daytime/Evening Economy

In light of Newton Heath's role in principally providing for the day-to-day retail needs of the local catchment, the offer is primarily focused on serving the daytime economy.

However, the centre does benefit from a relatively diverse leisure offer, including three public houses and a range of takeaways. Although the overarching food and drink offer is lacking somewhat in diversity, the presence of the public houses and takeaways does mean that there will be some activity into the evening.

Vacancies

Newton Heath's vacancy rate in terms of floorspace is considerably below the national average at 6.9% and in terms of units, just below the national average at 13.6%. The eight units identified as being vacant at the time of our visit are all relatively small in scale, with the largest unit measuring 256 sq.m, and the smallest measuring 45 sq.m. The largest vacant unit is the former Music Hall, located on the southern tip of the district centre.

The vacant units are scattered throughout the centre, although are located predominantly to the south of the canal along Old Church Street.

Opportunity Sites

The district centre provides a series of opportunities for key redevelopment sites, including the parcel of land directly to the north of the Lidl store off Oldham Road, and the plots of land to the east of Smallwood Street and surrounding Silk Street.

In terms of the former, we understand planning permission has been granted, and conditions subsequently discharged (reference 125990/FO/2020) for the erection of 100 apartments, 39 houses and ground floor commercial use. This will significantly enhance the aesthetics of the northern part of the district centre, and also introduce additional footfall into the centre to further support the businesses. The introduction of commercial uses at the ground floor along Old Church Street will also provide additional, modern purpose-built units to help support the district centre.

In terms of the latter, we also understand that planning permission was granted in September 2021 for the erection of 21 houses and 48 apartments (reference 130586/VO/2021).

Again, the construction of additional dwellings will seek to draw in additional footfall into the centre and increase the expenditure available to support businesses. Indeed, the introduction of additional residents into the centre may also encourage the further diversification of the offer within the centre, particularly in relation to future leisure provision.

Finally, a small site adjacent to the Coral bookmakers provides an opportunity for additional commercial uses at ground floor, potentially with residential above.

More generally, we understand that a Neighbourhood Development Framework is to be prepared for Newton Heath and will be funded by the Shared Prosperity Fund. This work will present further opportunities for investment in and enhancements to the centre.

Market Summary

With reference to CoStar data sourced in June 2023, the average annual market rent per sq.ft currently achieved in Newton Heath is £16.23, with this figure representing a 4.9% increase on the £15.48 per sq.ft average achieved in the previous 12-month period. This level of rent is slightly below the average recorded for the 17 district centres in Manchester, of £17.06 per sq.ft. Costar currently predicts market rents to remain fairly steady, increasing gradually to just above £16.00 per sq.ft by 2027.

Additionally, the average market sale price per sq.ft has increased very slightly over the past 12-month period, up 0.4% to £185 per sq.ft, which is roughly in line with the average for Manchester's district centres of £184.59 per sq.ft.

In respect of yields, CoStar find that the current market yield is 7.3%, with this figure remaining the same as the market yield observed in the previous 12-month period. The market yield in Newton Heath is forecast to rise again, to circa 8.0% over the period to 2027.

Increases in rents and decreases in yields are generally considered positive signs in respect of investor confidence in a given location. In this instance, Newton Heath's yields are equivalent to the the average recorded for other centres in Manchester, suggesting a reasonably good level of investor confidence.

In respect of the probability of leasing vacant premises, 50% of premises can be anticipated to be leased after around 4.5 months on the market, with over 75% of premises being let within 12 months.

Pedestrian Flows

Newton Heath was relatively quiet at the time of our visit, with the highest proportion of footfall present traveling in and out of the convenience stores, including the Lidl, Asda and Iceland operators in particular.

The centre does benefit from relatively wide pedestrian footpaths either side of Old Church Street, encouraging walking along the high street. However, in light of the Lidl benefiting from its dedicated adjacent car park, and there being car parking located to the rear of the Asda and Iceland, footfall is less prevalent in the centre itself and more apparent travelling to and from the car parks directly to the foodstores.

Accessibility

Newton Heath is located approximately 4 km from Manchester City Centre along Oldham Road, a major arterial route which links it to Oldham. The centre benefits from a number of dedicated car parks, particularly in proximity to the convenience operators and there were a number of spaces available at the time of our visit. There are also wider on-street parking opportunities.

The centre is served by four bus services, stopping and bus stops located along Old Church Street and at the terminus opposite the Lidl, and then an additional bus services to the north along Oldham Road. The buses link Newton Heath with the city centre, Eccles, Chorlton, Pendleton and the Trafford Centre.

The centre is also in easy walking distance from surrounding residential areas, providing a good walk-in catchment to support the businesses in the centre.

Areas of cycle parking are provided throughout the centre, but no dedicated cycle lanes were present along Old Church Street, which would further encourage visiting the centre by bicycle.

There is no easy link to railway or tram access from the district centre.

Perception of Safety

Newton Heath district centre is generally well-maintained, and its open, linear layout allows for a good degree of both natural and passive surveillance. As a consequence, the centre generally feels safe and secure.

While the busy vehicular traffic is responsible for much of the trade, activity and footfall that help sustain the centre, Newton Heath is in some parts dominated by the traffic travelling along Old

Church Street and Oldham Road (particularly the latter), which does detract slightly from the perception of safety at certain times.

Due to the good mix of uses with daytime and evening opening hours (albeit that the latter is primarily in the form of takeaways and public houses), some of the street frontage remains active for the majority of the day. There is also plentiful street lighting that would help to increase the feeling of safety at night.

Environmental Quality

Although there are a range of relatively well-kept shopfronts and more modern developments, including the Lidl foodstore, overall, the environmental quality within the centre is mixed. This is due to the presence of vacant units, operators which only open in the evening and therefore have their shutters down in the day, and the key development opportunities which in their current state are not attractive.

However, the streets are kept clean, and there is limited evidence of graffiti or litter, which does assist in enhancing the overarching aesthetics within the centre.

Conclusions

Overall, we consider Newton Heath district centre to be reasonably healthy, with future opportunities to further enhance the offer through the development of the key identified sites.

The centre provides a good convenience offer which meets residents' needs, and a range of retail service operators.

However, there are some opportunities to further diversify its offer, particularly through the provision of additional food and drink uses which could be supported in the future by the planned residential growth which will come forward as a result of the key development opportunities in the centre.

Although the centre is accessible by private car and bus, there is still an apparent dominance of movement by car, which is particularly encouraged through the presence of adjacent car parks and a lack of dedicated cycle routes through the centre.

Further improvements to shopfronts and the wider streetscape could also enhance the overarching vitality and viability of the centre in the future, along with the reuse of otherwise vacant units and sites.

