

Trinity Leeds - a £350m bet on the economy

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By Graham Ruddick

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With some 32 shops closing every day across the UK, according to new research, the retail sector currently needs all the good news it can muster. The dark clouds hanging over the **industry** are creating a feeling of gloom which has engulfed Britain's high streets and the wider economy.

However, the city centre of Leeds in Yorkshire shows all hope is not lost. On one day next year, 120 shops are scheduled to open simultaneously in one location.

Trinity Leeds will be the biggest shopping centre to open in western Europe in 2013 and will reshape the heart of Leeds. And for its owner, Land Securities, the development represents a £350m bet on the British economy.

The site covers 1m sq ft and boasts a curving glass roof that the developer hopes will form a new public square for the city centre.

When Land Securities pressed the go button on the scheme in the summer of 2010, eyebrows were raised. How could a new shopping centre be filled when the UK economy is in the doldrums? But today, with the opening still six months away, the centre is 82pc let. And retailers to have signed up include major names Primark, Topshop, Superdry, Hollister, Swarovski, and Urban Outfitters.

Many are coming to Leeds for the first time, some are taking their biggest stores outside London, and only four are relocating from other sites in the city.

According to John Grimes, retail leasing director at Land Securities: “There are a lot of retailers who aren’t trading well, but there are a lot making money, they just don’t want to talk about it. We have had competition from more than one retailer for some of the space. We have turned people away.”

Mr Grimes also insists that Land Securities has not had to cut rents to secure lettings. “We set a budget before. We have maintained rents and packages,” he says.

According to the Land Securities team, one of the drivers for retailer demand is that Leeds city centre has barely changed in the last 20 years. Retailers have struggled to find sites to move to in Leeds and companies already in the city have not been able to expand.

Andrew Dudley, the development director leading the Trinity project, says: “Harvey Nichols opened its first store outside Knightsbridge in Leeds in 1996 but there has been no gamechanger since . Leeds has the highest pent-up demand of any UK city.”

It took Land Securities five years to assemble the Trinity site by acquiring the small, ageing centre already on the land and then numerous surrounding buildings from local developers.

However, although the city centre project was guaranteed to interest retailers, it did not guarantee lettings. Many retailers are cutting their store numbers to focus online.

In light of that trend, Land Securities has been forced to develop a futuristic shopping destination that meets the modern needs of retailers. This has led to larger store units, giant interactive video screens, a mobile app, a tie-up with Google that will allow shoppers to search for items on sale in Trinity, and late-night opening hours.

Most striking, however, is the expansion of the space dedicated to food and leisure compared to older centres.

The uppermost of Trinity's three floors is dedicated to restaurants. The centre will include the first cinema from boutique chain Everyman outside London, while Sir Terence Conran's D&D London business is building two rooftop restaurants to add to upmarket sites in London, Paris, New York and Tokyo. Land Securities is also planning a food market for local traders.

The initial plans were for around 12pc of the centre to be taken up by food and leisure operators, but demand from restaurateurs means this has increased to more than 20pc.

"People need another reason to go to places," says Dudley. "You can do a lot of what we offer here on the internet. You need to get the place right." So, while Trinity Leeds demonstrates there are bright spots in Britain's retail industry, it also reinforces how much the sector has changed. Trinity has also benefited from a series of unique circumstances – such as the dearth of recent developments in Leeds and the fact it will be the only major new shopping centre to open in the UK next year. Jonathan De Mello, head of retail consultancy at property agent CBRE, says: "As a major city, Leeds has always been a priority centre for retailers. Despite the fact that many retailers are closing stores, major regional centres will always be retained.

"Retail development over the last few years has been very much focused on the major cities – the big getting bigger – at the expense of smaller centres.

"This will only serve to exacerbate vacancy rates in such centres while the strongest retail locations will continue to prosper."

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