

Shop closures continue in North East but pace of decline slows

Shop closures in the North East continued to outpace openings last year but the gap has closed, new figures show.

Data from financial services firm PwC found that 502 retail stores, leisure venues and service outlets closed in the North East in 2024 while there were 359 openings. The net closures of 143 stores in the region is one of the lowest of the last decade.

PwC said the figures gave cause for cautious optimism though warned that the rise in National Insurance and minimum wage coming in April would both prove challenging for retail and leisure companies and could make some locations “marginal”.

Nationally, 12,804 retail stores, leisure venues and service outlets closed in 2024 and 9,002 opened, giving a net drop in 3,802 stores across high streets. That was an improvement on the number of closures seen in 2023.

Claire Fox, markets and services lead for deals at PwC, said: “The shopping landscape in the North of England is experiencing notable shifts. High street locations are facing significant challenges, with declines across all three regions.

“Interestingly, retail parks in the North East and Yorkshire and the Humber are seeing modest growth, suggesting a shift in consumer preferences. These trends highlight the dynamic nature of the retail sector and the importance of adapting to changing consumer behaviours. Businesses looking to grow should consider leveraging digital technology to enhance their online presence, diversify their product or service offerings,

and create more personalised shopping experiences.”

PwC said the trend of long term closures was likely to continue, driven in large part by the move towards shopping and services like banking being done online. But it said that decline had been partially offset by the opening of more hospitality and leisure outlets, as well as shops on retail parks rather than traditional High Streets.

Convenience stores and coffee shops helped to drive new openings in 2024, the data showed, but there was a big reduction in the number of bank branches and financial service firm stores as they shifted more operations online.

Zelf Hussain, restructuring partner at PwC UK, said: “Although store closures declined in 2024 compared to the previous year, retailers continue to face significant challenges in 2025.

“While household finances are improving, consumer confidence remains cautious. Additionally, with substantial payroll cost increases and higher business rates taking effect in April, profit margins will remain under pressure, further straining high street retailers.”