South West Wales Retail Study 2016

Key Study Findings

10th February 2017

Reeves Retail
Planning Consultancy

Carter Jonas

Study Objective

Prepare robust retail evidence base compliant with national policy and guidance in the PPW and TAN4 that can inform future decision and plan making.

Scope of Study

- Identify shopping patterns across the region
- Assess the ‘vitality and viability’ of main town centres across the Partner Authorities
- Identify existing levels of retail provision
- Assess capacity to support new retail floorspace and likely demand for identified need over study period (2016-36)
- Advise on the potential effectiveness of a regional strategy and regional hierarchy

Retail Trends Overview

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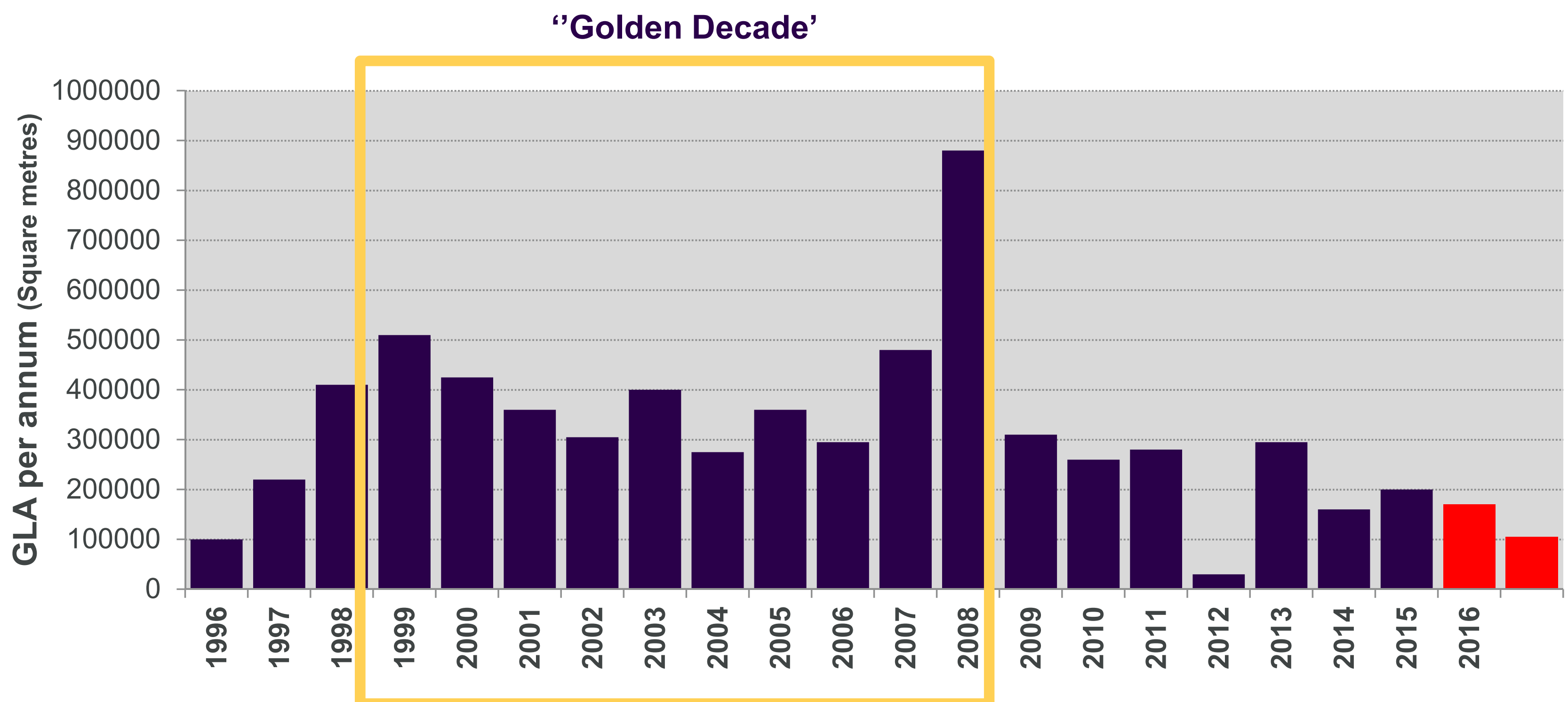
UK-Wide Trends

Shopping Centre Development in UK: 1996-2016

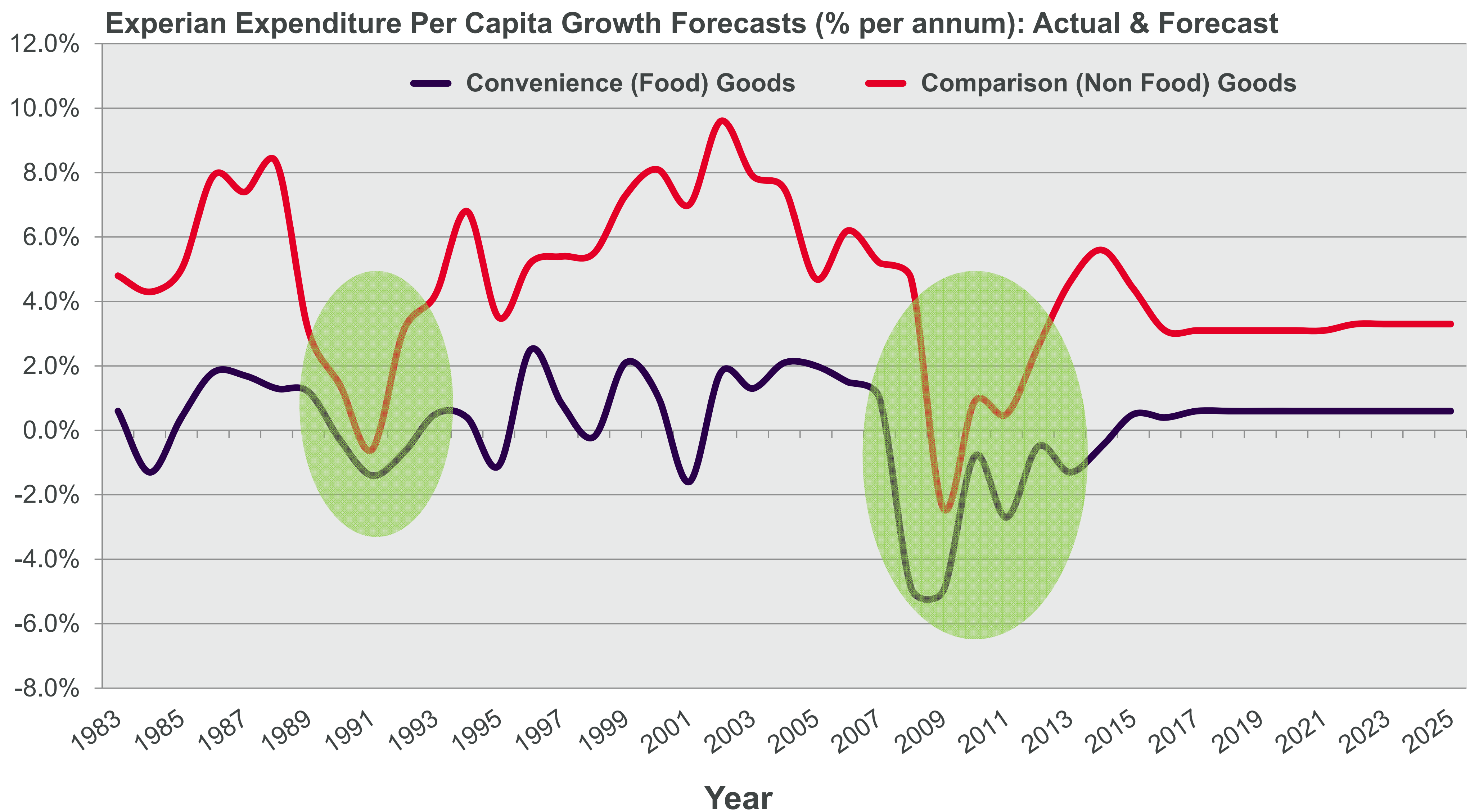


Source: Various

Major schemes in the pipeline for 2016/17

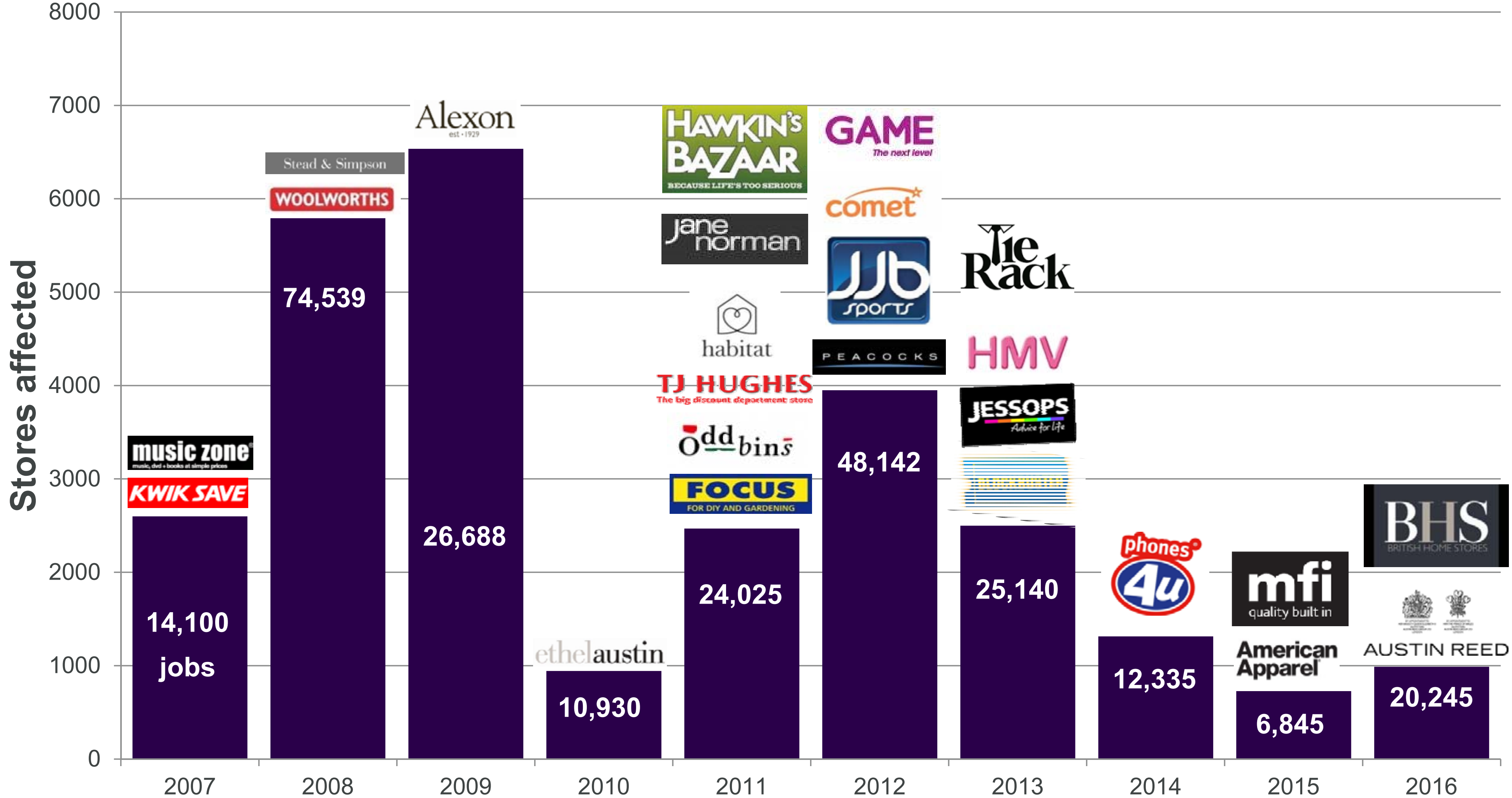
Scheme	City	Developer	GLA (sqm)	Completion Date
Westgate Centre	Oxford	Land Securities/The Crown Estate	74,322	2017
Bracknell Town centre	Bracknell	Schroders/L&G	53,900	2017
Victoria Gate	Leeds	Hammerson	42,000	2016
Bond Street	Chelmsford	Aquila Holdings	27,900	2016

From Boom to Bust...



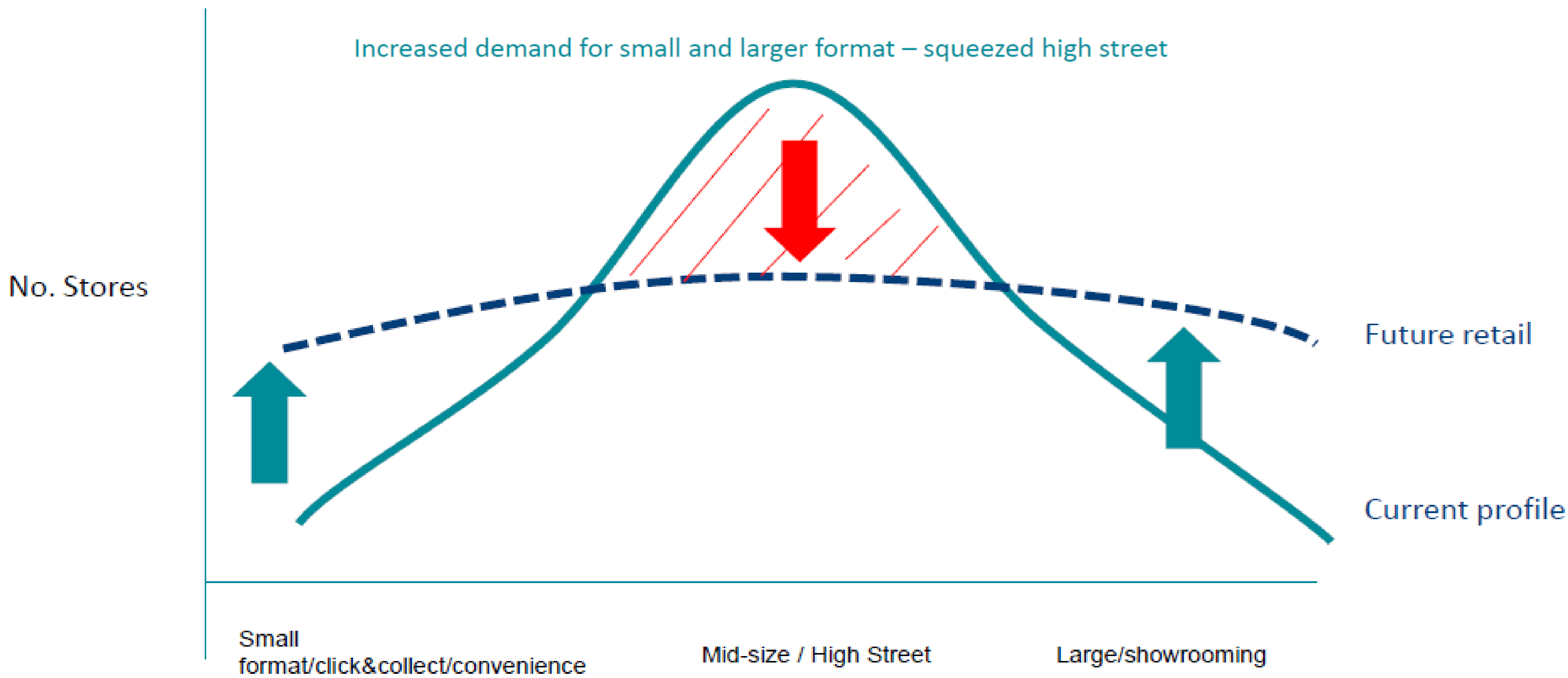
Retail Casualties: 2007 - 2016

Number of stores and jobs affected by retail failures/restructurings



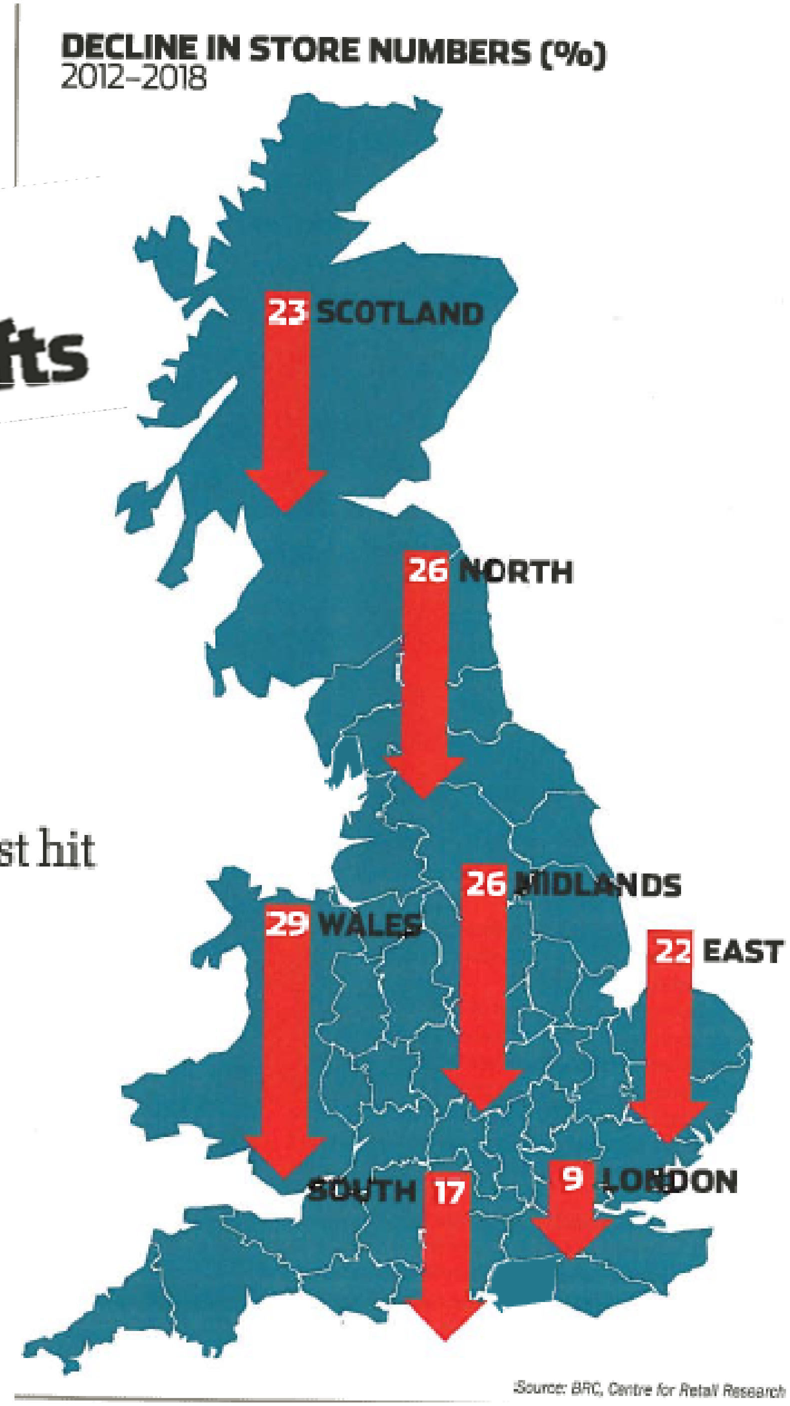
Source: Centre for Retail Research

Changing Retailer Business Models

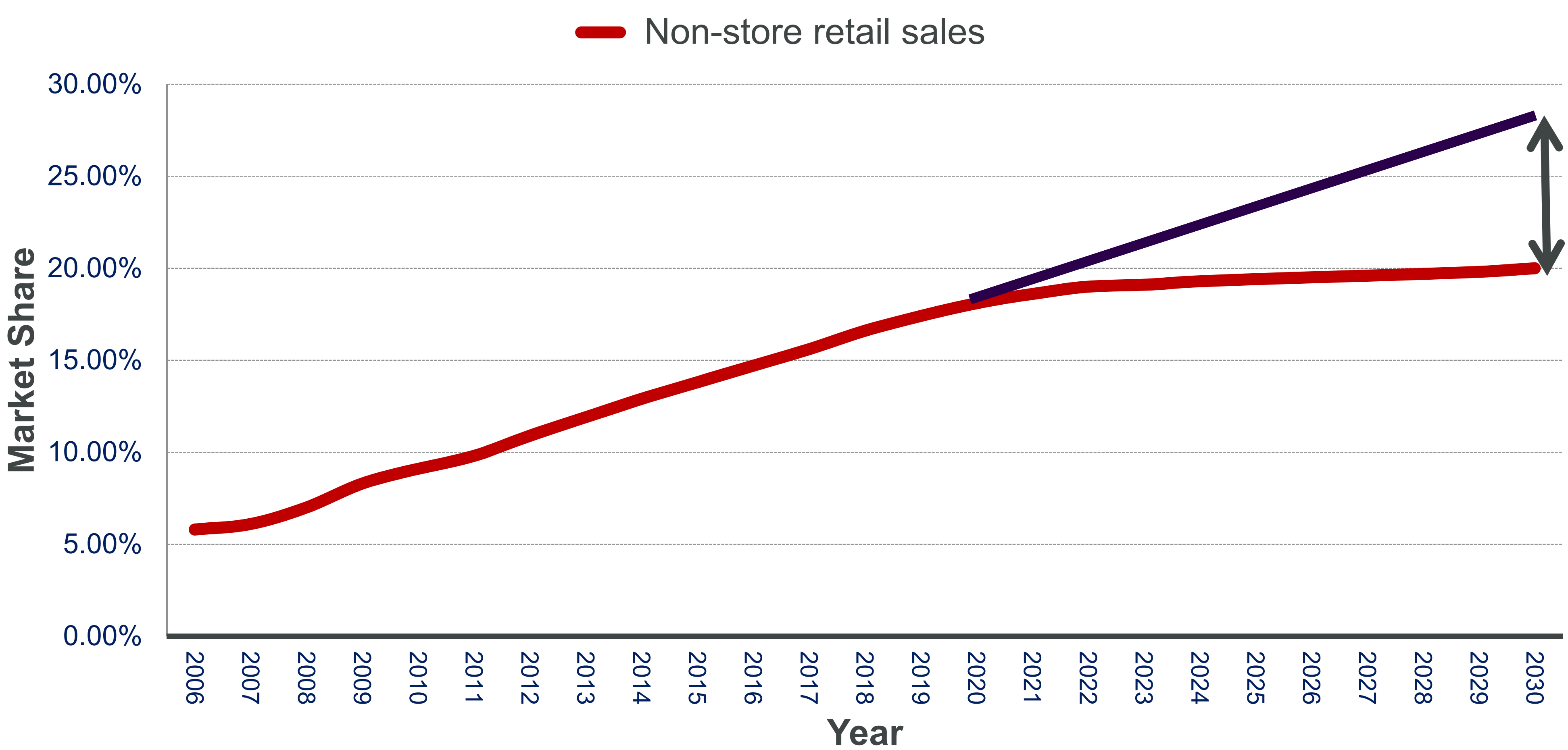


A quarter of stores could close within a decade as landscape shifts

Wales and the North will be worst hit and small businesses impacted



The growth of Internet Shopping



Experian Business Strategies

The Challenges

- High Streets losing customers and sales to internet and out-of-centre schemes.
- Over spaced retailers – end of leases
- High levels of vacancy
- Difficult to let space in town centres
- End of the line for foodstore-led regeneration?
- Polarisation:
  - ➢ North v South
  - ➢ Prime v Secondary centres
  - ➢ Primary v Secondary Frontages

Challenges for South West Wales

Trends in Wales similar to rest of UK

- Slow down in retail development including foodstores
- Impact of online sales
- Changing retailer demand and growth of leisure (food and drink sector)
- Problems of vacant A1 space in town centres and pressure to allow open A1 use out of centre

Challenges for South West Wales cont

- But not all centres are the same and the effect of the national trends is experienced differently in different locations

Positives	Negatives
Vacancy rates falling	Vacancy rates still higher than elsewhere
Growth of Independent traders	Loss of key National Multiples
Rural area with limited competition	Potential for online shopping to grow
Growth of 'Click and Collect'	
Tourism	Lower economic base
Potential growth of food and drink sector	

- Clear vision for centres and development of USP will be key to success

Study Methodology

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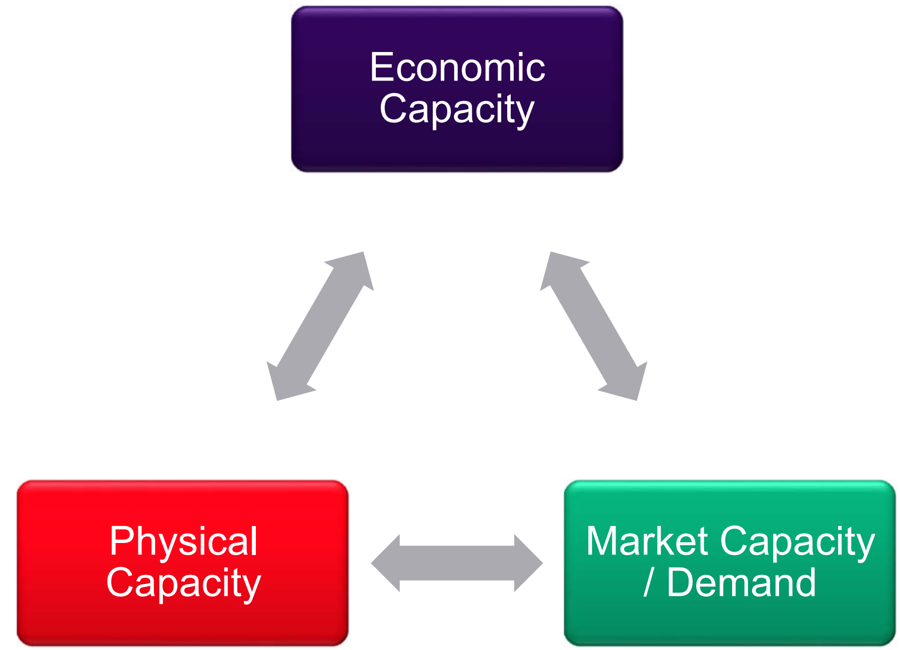
Study Methodology

1. REVIEW OF POLICY AND RETAIL & TOWN CENTRE TRENDS
2. STUDY AREA DEFINITION & PROFILE
3. HOUSEHOLD TELEPHONE SURVEY
4. TOWN CENTRE HEALTH CHECK
5. RETAIL CAPACITY ASSESSMENT
6. ACCOMMODATING NEW RETAIL

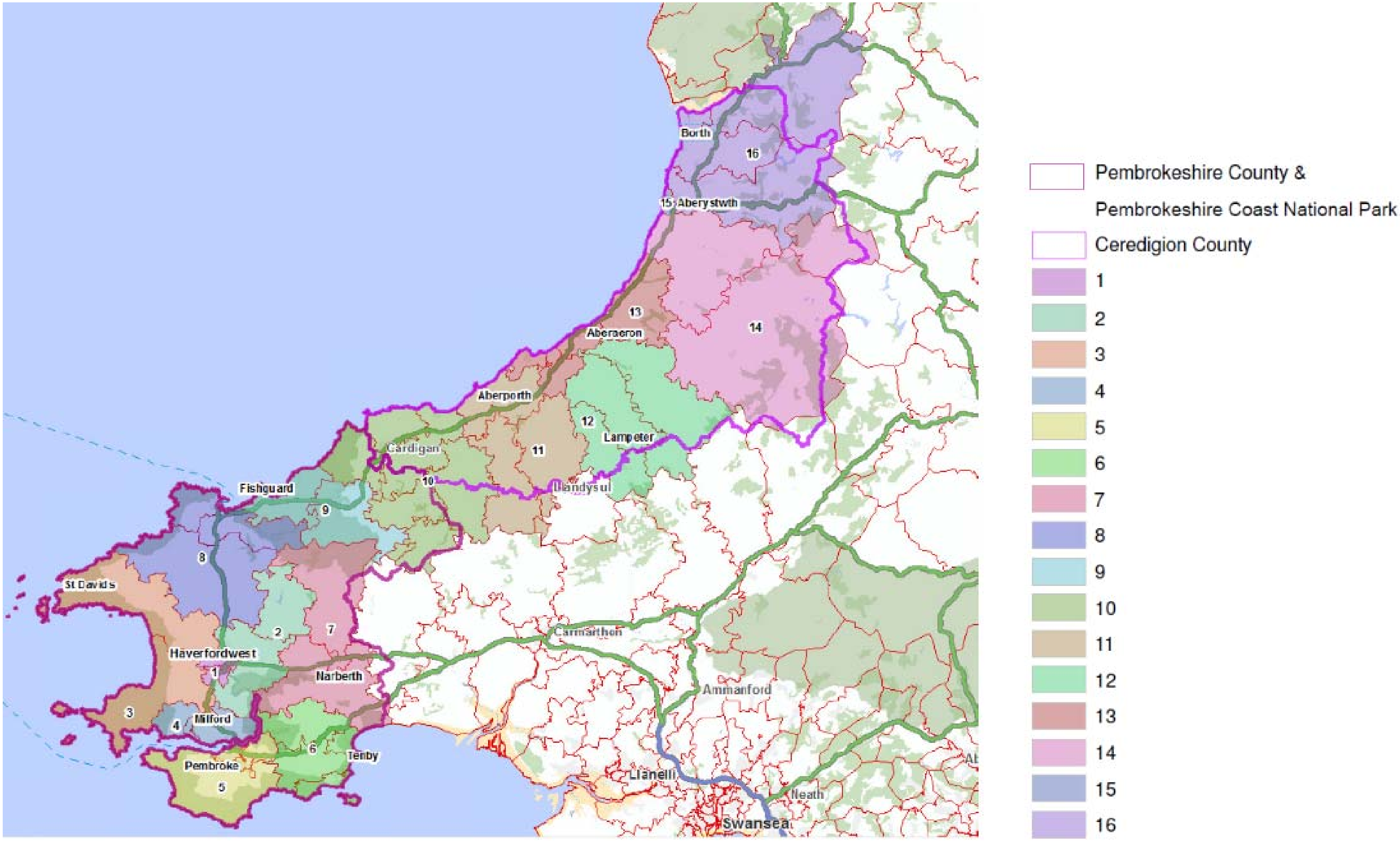


Household Telephone Survey

Provide the robust evidence base needed to inform both the quantitative/ qualitative assessments

- 1,600 interviews across 16 study zones
- Where people shop for their food and non-food purchases → market shares and 'retention' levels
- Competing centres and expenditure leakage
- Impact of 'e-tailing' on shopping
- Perception of main towns in each Partner Authority

Study Area



Borth
16
15 Aberystwth
13
Aberaeron
14
Aberporth
12
Lampeter
Cardigan
11
10
Llandysul
Fishguard
9
8
St Davids
2
7
Haverfordwest
1
Narberth
Carmarthen
Ammanford
3
4
Milford
6
Tenby
Pembroke
5
Llanelli
Neath
Swansea
Pembrokeshire County &
Pembrokeshire Coast National Park
Ceredigion County
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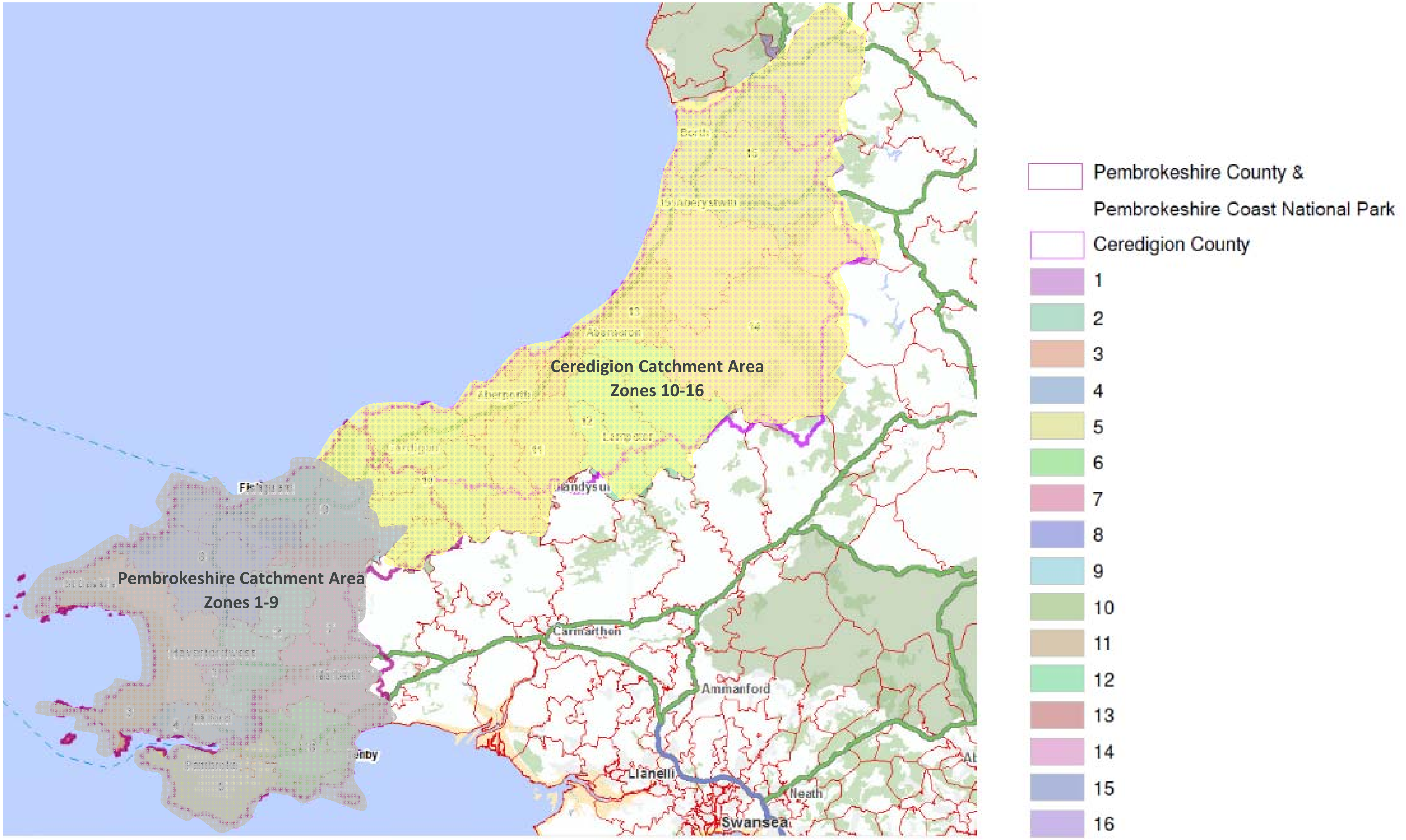
Study Area



Ceredigion Catchment Area
Zones 10-16
Pembrokeshire Catchment Area
Zones 1-9
Borth
Aberystwyth
Aberaeron
Aberporth
Cardigan
Lampeter
Llandysul
Fishguard
St Davids
Haverfordwest
Narberth
Milford
Pembroke
Tenby
Carmarthen
Ammanford
Llanelli
Neath
Swansea
Pembrokeshire County &
Pembrokeshire Coast National Park
Ceredigion County
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Health Check - Methodology

- Health checks undertaken for 16 centres

Ceredigion	Pembrokeshire (exc National Park)	Pembrokeshire Coast National Park
Aberystwyth	Haverfordwest	Tenby
Cardigan	Milford Haven	Saundersfoot
Lampeter	Pembroke	Newport
Aberaeron	Pembroke Dock	St David's
Llandysul	Fishguard	
Tregaron	Narberth	

- Emphasis on indicators that were available for all centres, not just largest
- Use of Authorities' time series data key so could examine trends not just a single snap-shot
- Key considerations were:
    - Changes in the retail offer 2011 - 2016
    - Diversity of uses
    - Retailer representation and demand for space from national multiples
    - Vacancy rates and long term (3+ years) vacancy
    - Customer views
  - Local authority data was supplemented by site visits and responses to household survey

Retail Capacity – Baseline Data & Key Assumptions

- Population Scenario Testing
- Expenditure Growth – Experian forecasts
- Allowance for Special Forms of Trading (e.g. internet sales)
- Productivity Growth – Allow changes in retail floorspace
- Market shares remain constant
- Retail turnover is in ‘equilibrium’
- Expenditure inflow – tourism/ visitor based

Tourism

- Tourism very important contributor to the local economy and the health and vitality of town centres

- Comparison spend from STEAM reports suggests

    - £33.60m annual spend in Pembrokeshire Coast National Park
    - £38.57m annual spend in rest of Pembrokeshire
    - £43.09m annual spend in Ceredigion

- Comparison spend apportioned between study centres and resulted in large increase in available expenditure for centres such as Saundersfoot and St David's.

- Convenience spend had to be estimated from STEAM reports but resulted in uplift in available expenditure of nearly 20%

Retail Capacity - Methodology

DEMAND — RETAINED EXPENDITURE IN AUTHORITY/ CENTRE (£m)

minus

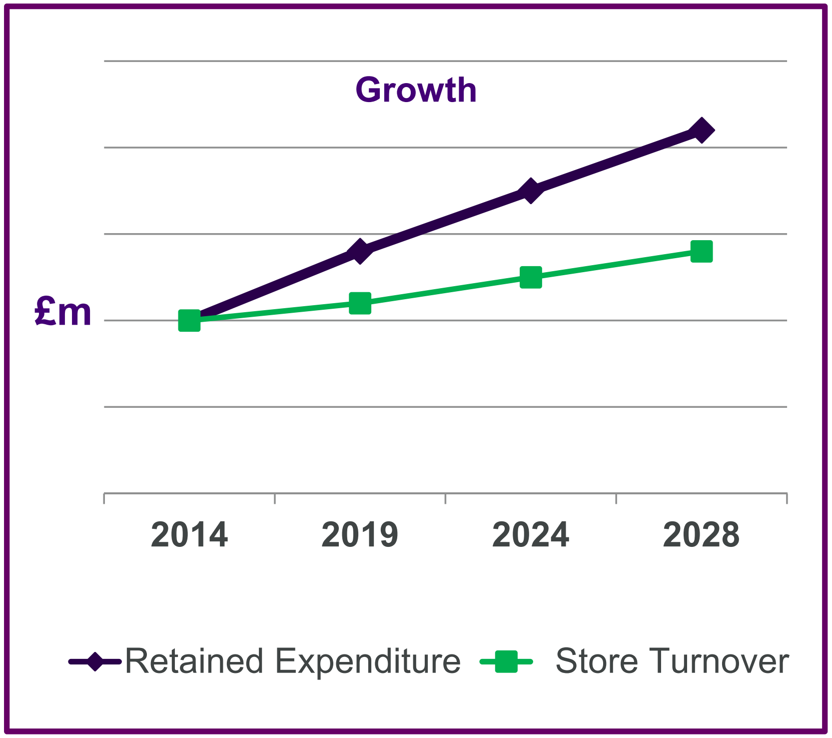
SUPPLY — TURNOVER OF EXISTING + PLANNED STORES (£m)

=

CAPACITY — RESIDUAL EXPENDITURE (£m)

↓

CONVERT TO FLOORSPACE (net sales sqm)



Key Study Findings

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Population & Expenditure Overview

POPULATION PROJECTIONS

2014-based WG Population Projections	2016	2021	2026	2031	2036	% Growth	Net Increase
Study Area	**208,538**	**210,292**	**212,025**	**213,102**	**213,404**	**2.3%**	**4,866**
Pembrokeshire Catchment Area (Zones 1-9)	117,813	118,261	118,487	118,110	117,119	-0.6%	-694
Ceredigion Catchment Area (Zones 10-16)	90,725	92,031	93,538	94,992	96,285	6.1%	5,560

2011-based WG Population Projections	2016	2021	2026	2031	2036	% Growth	Net Increase
Study Area	**211,300**	**214,085**	**216,109**	**217,017**	**217,136**	**2.8%**	**5,836**
Pembrokeshire Catchment Area (Zones 1-9)	118,226	119,667	120,481	120,555	120,110	1.6%	1,884
Ceredigion Catchment Area (Zones 10-16)	91,160	92,480	93,750	94,643	95,139	4.4%	3,979

RETAIL EXPENDITURE

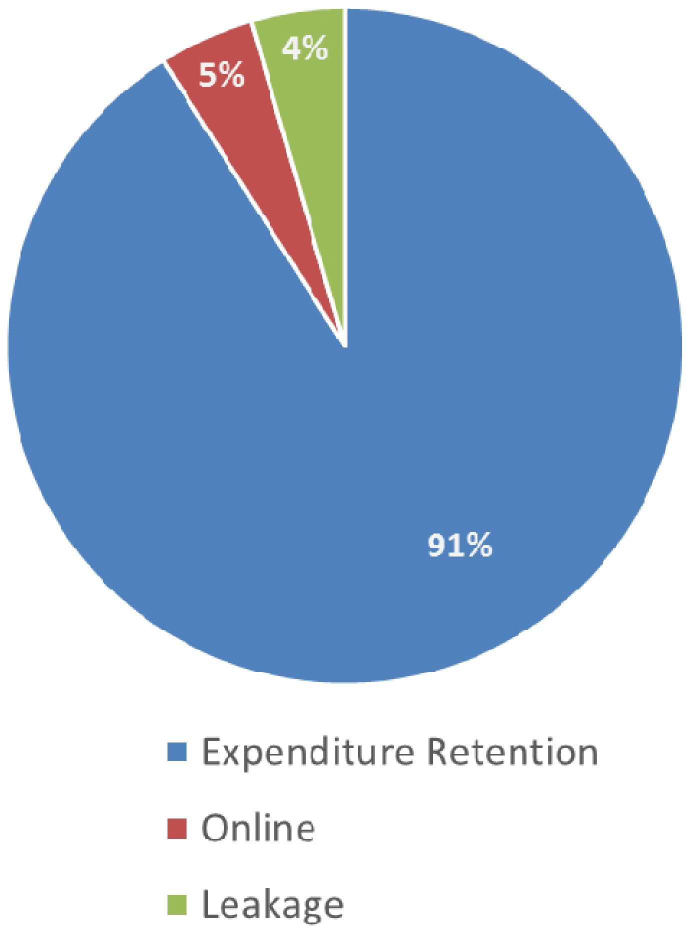
Convenience Expenditure	2016 (incl SFT)	2016	2021	2026	2031	2036	% Growth	Net Increase £m
Study Area	**£443.6**	**£438.9**	**£436.3**	**£440.1**	**£444.0**	**£446.4**	**1.7%**	**£7.5**
Pembrokeshire Catchment Area (Zones 1-9)	£248.9	£246.2	£243.6	£244.2	£244.3	£243.2	-1.2%	-£3.0
Ceredigion Catchment Area (Zones 10-16)	£194.8	£192.7	£192.7	£195.9	£199.7	£203.2	5.4%	£10.5

Comparison Expenditure	2016 (incl SFT)	2016	2021	2026	2031	2036	% Growth	Net Increase £m
Study Area	**£662.2**	**£554.5**	**£603.7**	**£704.3**	**£826.1**	**£965.4**	**68.1%**	**£410.9**
Pembrokeshire Catchment Area (Zones 1-9)	£373.0	£312.3	£338.5	£392.4	£456.5	£528.2	69.1%	£215.9
Ceredigion Catchment Area (Zones 10-16)	£289.2	£242.2	£265.2	£311.9	£369.6	£437.2	80.5%	£195.0

Shopping Patterns – Pembrokeshire

FOOD SHOPPING

- Pembrokeshire-wide retention – 91%*
- Haverfordwest – 40.9% (34% out of centre)
- Milford Haven – 8.8%
- Pembroke Dock – 21.4%
- Tenby – 5.1%
- Smaller centres – limited market share
- Online – 4.5% (UK average 10.1%)
- Leakage - 4.5%

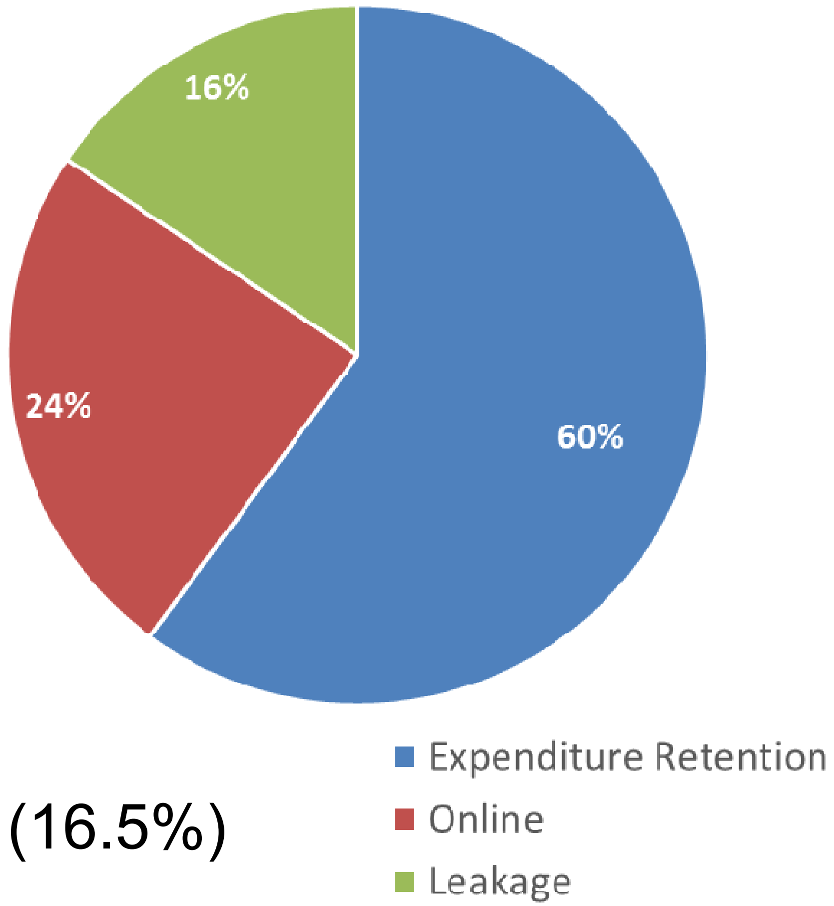


* Percentage of total expenditure from the Pembrokeshire Catchment Area

Shopping Patterns – Pembrokeshire

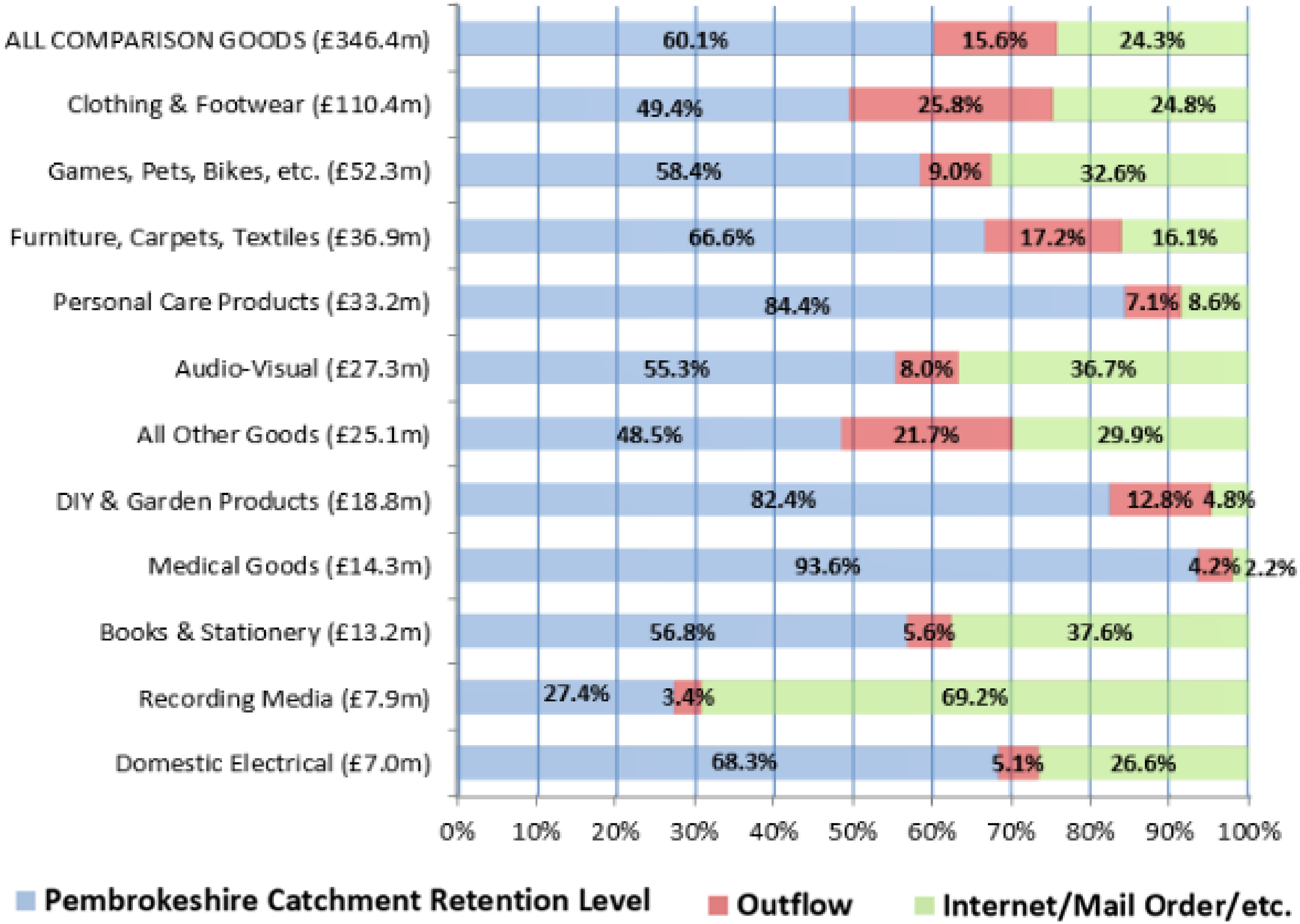
NON-FOOD SHOPPING

- Retention – 57.8% *
- Haverfordwest – 39.7%
- Pembroke Dock – 6.9%
- Tenby – 3.2%
- Low level of leakage – 16.6%
- Competition – Carmarthen (10.3%)
- Online sales (25.5%) above UK average (16.5%)



* Percentage of total expenditure from the Pembrokeshire Catchment Area

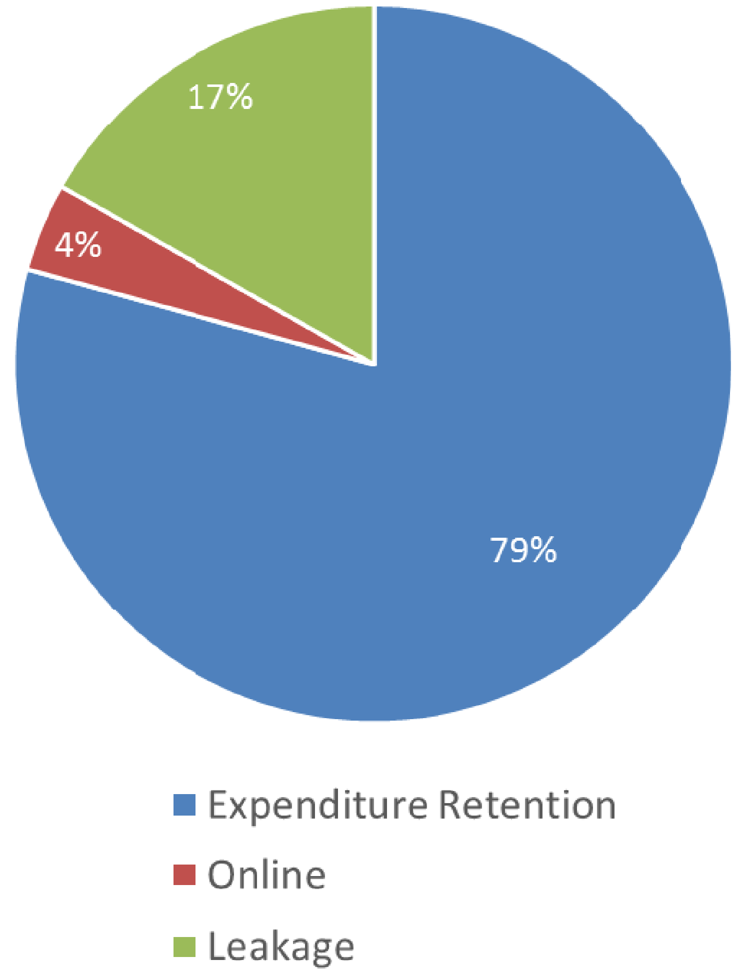
Pembrokeshire : Online non-food market share



Shopping Patterns – Ceredigion

FOOD SHOPPING

- Retention – 79.3% *
- Aberystwyth – 37.3% (Morrisons – 19.5%)
- Cardigan – 22.8% (out of centre – 21.3%)
- Lampeter – 11.2%
- Smaller centres – limited market share
- Online – 4%
- Leakage – 16.8%

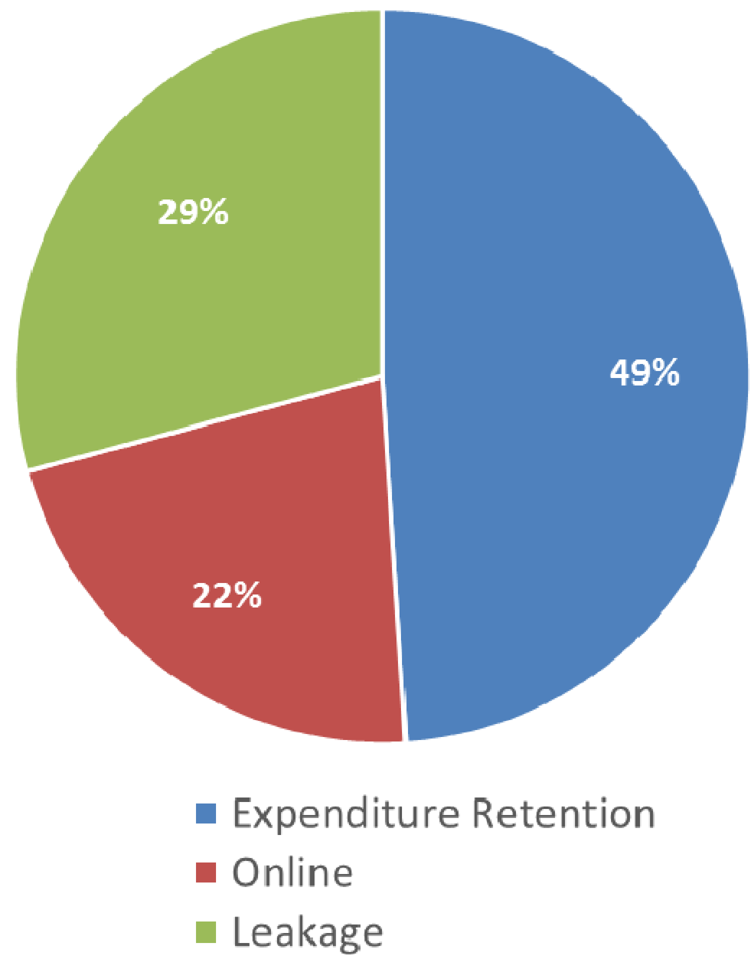


* Percentage of total expenditure from the Ceredigion Catchment Area

Shopping Patterns – Ceredigion

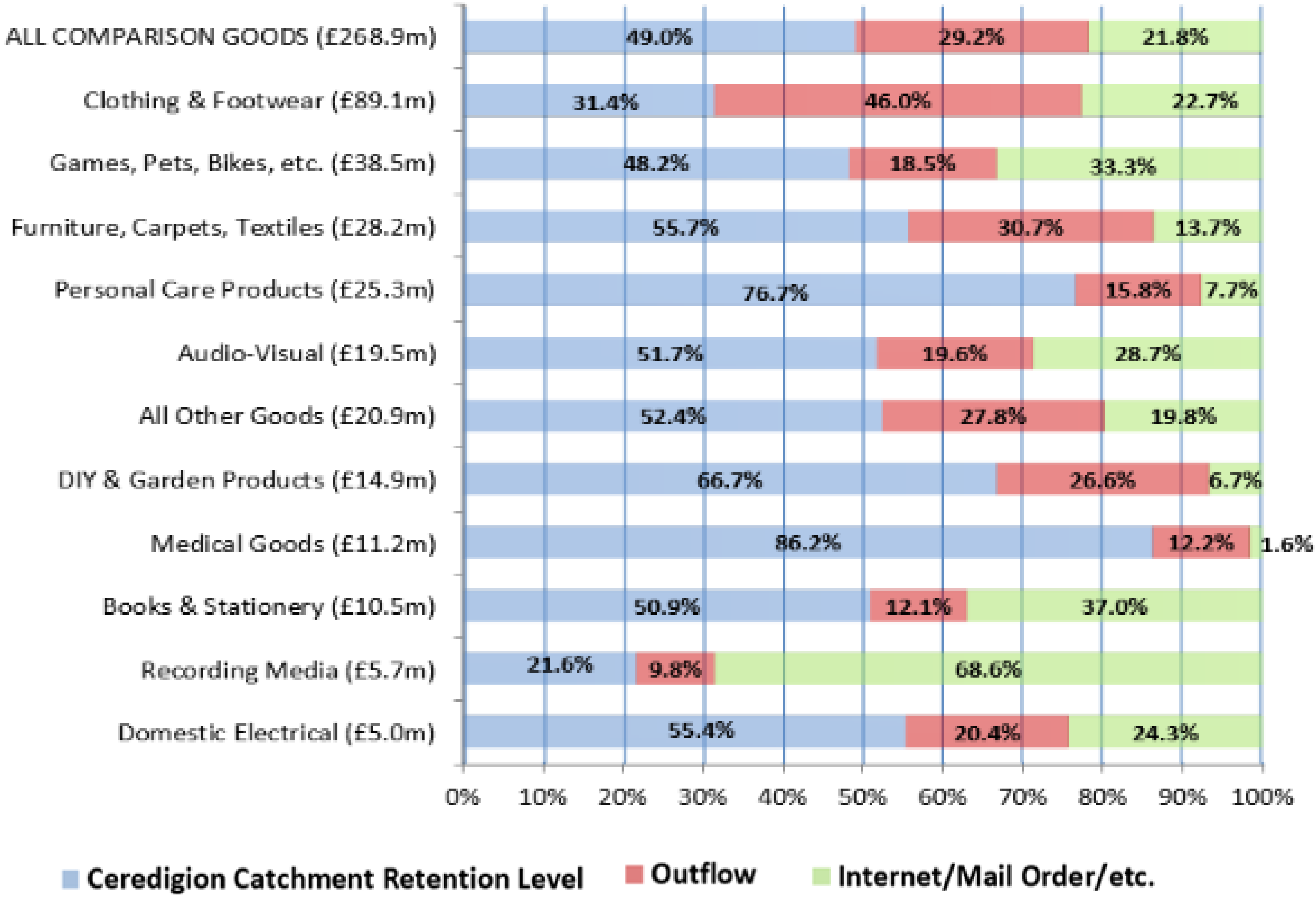
NON-FOOD SHOPPING

- Retention – 46.3%*
- Aberystwyth– 28.2%
- Cardigan – 7.2%
- Lampeter – 4.1%
- Online – 23.4%
- Relatively high leakage – 30.3%
- Competition – Carmarthen (23.5%)



* Percentage of total expenditure from the Ceredigion Catchment

Ceredigion: Online non-food market shares



Health Check Findings – Ceredigion

Aberystwyth

- Extensive retail offer in mix of historic and modern premises catering for shopping needs of local population, students and tourists
- Generally healthy
- Tesco and Marks & Spencer openings will strengthen centre
- Likely to see changes in footfall within the centre and potential for shopping areas closer to the sea front to become more tourist/leisure orientated

Health Check Findings – Ceredigion

Other Centres

- **Cardigan** – Generally healthy but limited variety and vulnerable to closures
- **Lampeter** – Attractive and successful centre but vacancies increasing
- **Aberaeron** – Healthy centre with good, mixed offer for residents and tourists
- **Llandysul** – Currently healthy but vacancies have increased and appears to be limited demand for new space
- **Tregaron** – Attractive centre but with high levels of vacancy and decreasing comparison offer. Considered vulnerable and bank closure now announced

Health Check Findings – Pembrokeshire County

Haverfordwest

- Largest centre in Pembrokeshire with good range of retail and other services
- Has struggled to achieve its potential in recent years
- High level of vacancies indicate centre still vulnerable
- Growing leisure and food and drink sectors currently under-represented

Health Check Findings – Pembrokeshire County

Other Centres

- **Fishguard** – Generally healthy with good range of retail, service and leisure facilities. However, above average vacancies and charity/community shops and investment needs to continue

- **Milford Haven** – Marina area healthy and performing well but historic centre struggling with high levels of vacancy

- **Pembroke** – Healthy centre with important financial service sector and tourist role. Limited retail appeal for residents

Health Check Findings – Pembrokeshire County

Other Centres

- **Pembroke Dock** – Asda is major draw and parts of centre appear to be trading well. Linkage within the centre is not ideal and St Govan's shopping centre appears to be struggling

- **Narberth** – Healthy centre with niche retail offer that attracts visitors from a wide area.

Health Check Findings – Pembrokeshire Coast National Park

- **Tenby –** Healthy centre that serves both tourist and residents' needs
- **Saundersfoot –** Healthy centre that meets convenience needs of local residents whilst independent comparison offer is aimed at tourists

- **St Davids –** Healthy centre with national multiple representation demonstrating the importance of tourist trade
- **Newport –** Small but popular centre with mix of community and visitor facilities

Forecast Retail Floorspace - Ceredigion County

- Foodstore schemes absorb forecast food expenditure
- No capacity for convenience (food) floorspace
- Circa 3,500 sqm net for comparison (non-food) floorspace
- Indicative capacity for bulky goods – 760 sqm net

	All Non-Food Retail (sqm net)				Bulky Goods Retail (sqm net)			
	2021	2026	2031	2036	2021	2026	2031	2036
Aberystwyth	-4,922	-2,751	-222	2,348	-1,873	-1,175	-374	435
Cardigan	-2,730	-2,154	-1,480	-815	-1,035	-855	-646	-440
Aberaeron	-3	98	225	356	-1	29	66	105
Lampeter	-14	293	678	1,072	-7	136	316	499
Tregaron	-1	24	56	88	0	4	9	14
Llandysul	-3	53	124	196	-1	19	44	70
Rest of County	-5	55	131	207	-2	20	48	76
Total Ceredigion County	-7,677	-4,382	-489	3,453	-2,919	-1,821	-537	760

Accommodating Retail Development - Ceredigion

- **Aberystwyth** will remain the main retail centre in the County and is likely to attract the majority of national multiples with requirements in the area

- **Aberaeron** likely to see demand from businesses aimed at tourist trade

- **Cardigan** and **Lampeter** will see limited demand from national multiples. This will restrict developer interest

- **Llandysul** and **Tregaron** unlikely to see demand for new build retail

Forecast Retail Floorspace - Pembrokeshire

- Foodstore schemes absorb forecast food expenditure
- No capacity for convenience (food) floorspace
- Circa 5,000 sqm net for comparison (non-food) floorspace

		All Non-Food Retail (sqm net)				Bulky Goods Retail (sqm net)			
		2021	2026	2031	2036	2021	2026	2031	2036
Pembrokeshire County	Haverfordwest	-3,753	-1,655	735	2,916	-1,450	-740	64	797
	Milford Haven	-970	-731	-479	-250	-359	-300	-242	-190
	Pembroke	-24	50	137	217	-8	16	44	70
	Pembroke Dock	-453	-90	330	713	-167	-45	94	222
	Fishguard	-31	62	172	273	-8	16	46	72
	Narberth	-500	-389	-274	-169	-186	-156	-127	-101
Coast National Park	Newport	-10	20	56	89	-2	4	10	17
	Saundersfoot	-159	-90	-8	68	-61	-33	0	31
	St Davids	-30	68	185	293	-18	41	113	178
	Tenby	-449	-155	195	515	-166	-69	47	152
	Other	-29	73	194	308	-16	41	110	174
Total Pembrokeshire-wide		-6,408	-2,837	1,244	4,973	-2,441	-1,225	158	1,422

Accommodating Retail Development – Pembrokeshire County

- **Haverfordwest** will remain the main retail centre in the County and is likely to attract the majority of national multiples with requirements in the area
- Demand from national multiples and independents likely to be limited in **Milford Haven.** New businesses likely to prefer Marina location
- Limited demand for new retail space likely in either **Pembroke** or **Pembroke Dock** town centres and choice will be between the two rather than both
- National multiples or independents likely to be attracted to **Narberth** to take up allocation
- Interest in **Fishguard** likely to be more limited

Accommodating Retail Development – Pembrokeshire Coast National Park

- Scale of centres and new floorspace means any new development will be relatively small scale
- Greatest demand will be in **Tenby**
- Small scale independent businesses may be attracted to **St David's** and **Newport**, but limited new development likely
- **Saundersfoot** only likely to see new development for tourist provision

Policy Recommendations

Retail Hierarchy Review

- Study offers potential to consider retail hierarchy across the wider area
- Based on size and offer of centre, catchment area and future demand suggest:

Level within Hierarchy	Sub-Regional Hierarchy	Centre	Local Authority
1	Sub-Regional Town Centre	Aberystwyth Haverfordwest	Ceredigion County Pembrokeshire County
2	Primary Town Centre	Cardigan Lampeter Pembroke Dock Pembroke Tenby	Ceredigion County Ceredigion County Pembrokeshire County Pembrokeshire County Pembrokeshire Coast National Park
3	Secondary Town Centre	Fishguard Milford Haven Narberth	Pembrokeshire County Pembrokeshire County Pembrokeshire County
4	Tertiary Town Centre	Aberaeron St Davids Saundersfoot	Ceredigion County Pembrokeshire Coast National Park Pembrokeshire Coast National Park
5	Local Service Centres	Llandysul Newport Tregaron	Ceredigion County Pembrokeshire Coast National Park Ceredigion County

Potential Next Steps

- On-going monitoring of Aberystwyth town centre to understand the effect of Tesco and Marks & Spencer opening on the overall draw of the centre and changes in footfall
- Review of Tregaron following closure of Bank
- Review of the inter-relationship and future development options for Pembroke and Pembroke Dock
- Review of uses and likely floorspace requirements for allocated development sites in Narberth and Fishguard
- Review of options and opportunities for Milford Haven

Any questions?