

# Carter Jonas

## Town Centre and Retail Study 2016

### STAGE 2: NEEDS ASSESSMENT

Prepared on behalf of:

**Wealden District Council**

DECEMBER 2016

FINAL DRAFT

## QA

# Wealden Retail and Town Centre Study 2016: STAGE 2: NEEDS ASSESSMENT REPORT

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## 1 INTRODUCTION & SCOPE OF STAGE 2 REPORT

- 1.1 Carter Jonas (CJ) and Regeneris were jointly instructed by Wealden District Council ('the Council') in 2016 to prepare the *Wealden Retail and Economic Study 2016* (WERS 2016). The scope of work required by the Council has been divided into the following three inter-related stages:
- Stage 1: Baseline Retail, Town Centre and Economic Assessment
  - Stage 2: Need and Demand Assessment
  - Stage 3: Options and Recommendations Report
- 1.2 A Stage 4 report has also been prepared to demonstrate how the work undertaken has been carried out in compliance with the NPPF's 'Duty to Co-operate'.
- 1.3 This Stage 2 (Draft) '*Need and Demand Assessment*' report specifically assesses the quantitative need (capacity) for new retail (convenience and comparison goods) floorspace at the District level, and for the main settlements of Hailsham, Polegate, Uckfield, Crowborough, Heathfield, Forest Row and Wadhurst.
- 1.4 For the purpose of this study the retail capacity/needs assessment is informed by CJ's in-house **CREAT<sup>e</sup>** (Catchment, Retail and Economic Assessment of Trends) model. The (Excel-based) model has been developed over a number of years in accordance with policy and good practice to help inform both plan-making and development management. The model is transparent and easy to understand, such that the critical inputs/outputs of the analysis can be easily followed and tested.
- 1.5 The model and the retail capacity approach are described in more detail in Section 2 of this report.
- 1.6 Drawing on the findings of the Stage 1 '*Baseline Report*', this Stage 2 quantitative assessment provides the evidence to inform the robust advice set out the final Stage 3 '*Options and Recommendations Report*'. For example, the forecasts identifying the need for new retail (convenience and comparison) goods floorspace over the Plan period will inform the review and assessment of the definition of Town Centre Boundaries and Primary Shopping Areas (PSA), as well as whether there is a requirement to allocate key town centre and edge of centre sites for new development to meet the forecast needs over the short, medium and long term in accordance with the NPPF.

## 2 QUANTITATIVE RETAIL NEED ASSESSMENT

- 2.1 This section sets out the results of the quantitative retail need (capacity) assessment for new retail (comparison and convenience goods) floorspace in Wealden District covering the period from 2016 to 2037, broken down into five year periods (i.e. 2021, 2026 and 2031).
- 2.2 This assessment updates and supersedes the findings of the Council's previous evidence-based studies. It is informed by a telephone interview survey of 1,000 households conducted between 22<sup>nd</sup> June and 6<sup>th</sup> July 2016 by NEMS Market Research (see Stage 1 report) (see **Appendix 1**).

### The CREAT<sup>e</sup> Model: Key Assumptions and Forecasts

- 2.3 As described in Section 1, the **CREAT<sup>e</sup>** model has been specifically designed and developed by Carter Jonas over a number of years to assess the capacity for, and impact of new retail (convenience and comparison goods) development and investment.
- 2.4 The (Excel-based) model adopts a transparent '*step-by-step*' approach in which all the key assumptions and forecasts can be easily tested, in accordance with policy advice and good practice guidance. The model specifically draws on the market share analysis derived from the household survey (see Stage 1 report) to help inform the assessment of the baseline turnover and trading performance of existing centres, shops and stores at the base year.
- 2.5 In simple terms the quantitative capacity for new retail floorspace is broadly derived from the forecast growth in population and expenditure, after making an allowance for new commitments, and the increased 'productivity' (or 'efficiency') of all existing and new floorspace. In certain cases capacity can also occur where there is a clearly identified 'imbalance' (or 'over-trading') between the turnover of existing facilities at the base year (2016), and the total available expenditure in the defined study (catchment) area.
- 2.6 The assumptions and forecasts underpinning the **CREAT<sup>e</sup>** model are based on robust evidence and research carried out in accordance with best practice. Some of the key data sources and research evidence used to inform the capacity assessment include the following:
- The **2014 population figures** have been sourced from the retail planner reports derived from CJ's in-house Experian MMG3 Geographic Information System (GIS). The population figures for each zone are based on the latest ONS Sub-National Population Projections.
  - The **average retail (convenience and comparison goods) expenditure per capita** levels by zone 2014 have also been sourced from Experian's MMG3 GIS<sup>1</sup>.
  - The **annual expenditure growth forecasts** for convenience and comparison goods have been informed by the latest available Experian *Retail Planner Briefing Note* (RPBN)<sup>2</sup>. As described in the

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<sup>1</sup> All expenditure and turnover figures are expressed in 2014 prices.

<sup>2</sup> In this case Retail Planner Briefing Note 14 (see Section 3, Table 3.1), published in November 2016. See Stage 1 Report; Section3, Table 3.1.

Stage 1 Report, Experian forecast an annual growth rate of +0.1% for convenience goods between 2024 and 2037, and +3.2% for comparison goods over the same period.

- The survey-derived market shares for **Special Forms of Trading** (ie. 'non-store' retail sales, including internet sales) have been deducted from the expenditure per capita figures at the outset. This is standard practice for retail capacity and impact assessments. The forecast growth in SFT up to 2033 is in line with the national forecasts set out in Experian's latest RPN, based on data published by the Office for National Statistics (ONS). As described in the Stage 1 Report (Section 3, Table 3.2) Experian estimate that SFT accounts for a 13.2% market share of comparison goods sales in 2016, and 3% for convenience goods (adjusted downwards to reflect the proportion of online sales sourced from traditional retail space).
- An allowance for the increased annual '**productivity**' growth in the retail sales densities of existing and committed retail (convenience and comparison goods) floorspace to 2033 has also been informed by Experian's latest RPN. As described in the Stage 1 Report (Section 3, Table 3.4) Experian forecast annual average growth of +2.2% for comparison goods between 2024 and 2037, and +0.1% growth for convenience goods.

- 2.7 It is important to state at the outset that long-term forecasts should necessarily be treated with caution, as they will be influenced by the dynamic changes in economic, demographic and market trends. As a result we advise that greater weight should be placed on the short term forecasts carried out over a five year period (see NPPG, para 003), and the longer term forecasts should be monitored and subject to regular review. Notwithstanding this, the Council will need to take account of the forecast capacity for new retail floorspace over the plan period to inform its policy making and site allocations, as the NPPF (paragraph 23) states that local planning authorities should meet the need for retail and town centre uses "*in full*" (see Section 2 of the Stage 1 Report)
- 2.8 The updated capacity forecasts set out in this section are therefore intended as a guide to enable the District Council to assess the broad strategic options for the spatial distribution of new retail-led development over the plan period, and make informed policy choices about where any forecast need should be met, in accordance with the advice set out in the NPPF. It follows that the allocation of sites to meet any identified need over the next five years, and over the lifetime of the development plan, will depend on a range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres, and the potential to expand existing centres to accommodate the forecast needs.
- 2.9 The identification and assessment of potential strategic sites to accommodate any forecast quantitative and qualitative need for new retail (convenience and comparison) floorspace is assessed in more detail in the Stage 3 Report.
- 2.10 The economic tables supporting the convenience goods and comparison goods capacity forecasts are set out in Appendices 2-8. These economic tables and the key steps in the retail capacity assessment are described in more detail below.

## Study Area Population and Available Retail Expenditure

- 2.11 The first step in the capacity approach involves an assessment of the base year and forecast population and expenditure available to support existing and new retail floorspace within the defined study area<sup>3</sup>.

### **Study Area Population**

- 2.12 To help inform our assessment of the base year population and likely growth in population over the forecast period to 2037, we have first drawn on Experian's population figures derived from our in-house MMG3 GIS.
- 2.13 Table 1 (**Appendix 2**) to this report sets out the baseline and forecast population derived from Experian's '*demographic component model*', which takes into account age, gender, birth rates, ageing, net migration and death rates using *ONS Sub-National Population Projections*. The table shows that the study area population is forecast to increase by +15% (34,678 people) between 2016 and 2037; from 231,513 to 266,191.
- 2.14 However Experian's projections do not take account of the impact of the significant new policy-led housing and employment allocations identified for Wealden District. As described in the Stage 1 (Baseline) Report<sup>4</sup>, both the Council's adopted *Core Strategy* (2013) and the *Issues, Options and Recommendations* (IOR) Report published in October 2015 for consultation as part of the update of the new *Wealden Local Plan* (WLP), identify the need for significant new housing over the plan period to accommodate the forecast growth in the District's population.
- 2.15 The *WLP IOR* has considered a number of options to meet the *Objectively Assessed Housing Need* (OAHN) from 2013 to 2033, and the under-supply of housing within the defined *Housing Market Area* (HMA). The different approaches tested include the *South Wealden Housing Option* (Option 3), which seeks to distribute development away from Ashdown Forest and the AONB, and concentrate development in the most sustainable centres. The main focus is on South Wealden, and the potential for a large scale urban extension around Hailsham/Polegate to meet the OAHN and to contribute to the shortfall from other local authority areas. As described in the Stage 1 (Baseline) Report, some development is also identified to the north of the District where there is good access to Tunbridge Wells on an alternative route to the A26. The total number of additional houses identified in the WLP IOR is 14,635 dwellings, increasing to 19,962 after allowing for all commitments and the Core Strategy strategic sites up to 2015.
- 2.16 To help inform the quantitative need assessment the Council has provided CJ with a more up-to-date and detailed breakdown by zone of the total number of dwellings that are anticipated to be built out across the District from 2015 to 2037, based on the emerging evidence base. This breakdown is summarised in Table 3.1 below.

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<sup>3</sup> see Stage 1 Report (Section 4) for a more detailed description of the study area and Appendix 1 for the study area plan and zones.

<sup>4</sup> see Stage 1 Report; Section 2.

**Table 3.1 New housing allocations across the District, by study zone: 2015 - 2037**

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	TOTAL
Total Dwellings	12,446	1,774	1,317	565	397	24	258	2,795	445	20,021
Dwellings per annum	541	77	57	25	17	1	11	122	19	870
Total Forecast Population	26,487	3,775	2,803	1,202	845	51	549	5,948	947	42,608

Source: Wealden District Council (July 2016).

Notes: The population forecasts assume an average household size (occupancy rate) of 2.3 persons per dwelling in 2015 based on DCLG's sub-national household projections (2014-based). It is assumed that the average occupancy rate will fall to 2.24 by 2025 and 2.16 by 2037. This is in line with the assumptions made by Regeneris on average occupancy rates in their economic modelling.

- 2.17 As the table shows, it is anticipated by the Council that Zone 1 (which comprises Hailsham) will accommodate the majority (12,446) of the new dwellings to be allocated in the District over the plan period. This is equivalent to the delivery of 541 homes over the 23-year period between 2015 and 2037. It should be noted that for the purpose of the strategic economic capacity assessment it has necessarily been assumed that the annual 'targets' for new homes will be met, although in reality it is likely that there will be some variation year-on-year. For Zone 1 the anticipated new dwellings will result in a total population growth of 26,487 between 2016 and 2037. This is significantly higher than the projected population growth of 7,141 for Zone 1 based on Experian's 'demographic component model'. It is also assumed that the population growth in Zones 2 (+3,775) and 8 (+5,948) arising from the new policy-led dwelling allocations will be higher than the projections by Experian; of +2,860 and +3,255 respectively.
- 2.18 Against this background we have necessarily revised the baseline and forecast population figures to reflect the impact of the Council's policy-led housing allocations on population growth and the likely spatial distribution of this new population over the forecast period to 2037<sup>5</sup>. The revised population figures are set in Table 2 (Appendix 1)<sup>6</sup>.
- 2.19 As the table shows the total study area population is forecast to increase to 290,304 by 2037 (+56,406), which is significantly higher than forecast by Experian of 266,191 (+34,678). In Zone 1 (the 'Hailsham zone') the total population will increase by +25,245 people; from 51,397 in 2016 to 76,642 by 2037. This growth is some 3½ times greater than forecast by Experian of +7,141 between 2016 and 2037.
- 2.20 In summary, the strategic economic retail capacity assessment takes into account the significant population growth and distribution of this growth over the plan period based on the Council's policy-led housing allocations. Specifically the forecasts reflect the Council's aspiration to concentrate the majority of the new housing and growth to the south of the District in the Hailsham area (Zone 1) and, to a lesser extent, the Polegate area (Zone 8).

<sup>5</sup> Please note that for the purpose of this strategic economic capacity assessment it has been assumed that the Council's housing-led population growth will only impact on the population forecasts for Zones 1 and 2 and 8, as these are the zones that have been identified for substantial new dwellings and will result in population growth significantly higher than Experian's forecasts. For Zones 3-7 and 9 the dwelling-led allocations result in population growth below that forecast by Experian between 2016 and 2037, and we have therefore assumed that Experian's forecasts are robust and realistic for the purpose of this strategic economic capacity assessment.

<sup>6</sup> Please also note that for the purpose of this strategic retail capacity assessment we have not assessed the spatial distribution of potential housing allocations in neighbouring local planning authorities that may be located in the defined study area zones, as we have reasonably assumed that the new population arising from any growth outside the District will be served by competing centres and facilities in the neighbouring authority areas.

## ***Expenditure Per Capita and Special Forms of Trading (SFT)***

- 2.21 Tables 1 and Table 3 in **Appendix 3** set out the average expenditure per capita estimates for convenience and comparison goods respectively in 2016 for each of the study zones, after making an allowance for Special Forms of Trading (SFT)<sup>7</sup>.
- 2.22 As described above, the base year average expenditure per capita figures have been derived from our in-house Experian MMG3 GIS and have been grown up to 2037 in line with the annual forecasts set out in Experian's latest RPBN. Experian forecast more limited year-on-year growth in convenience and comparison goods expenditure than previous (pre-recession) forecasts, and lower growth than their historic 'ultra' long (1974-2014) and 'medium' term (1997-2007) trends (see Stage 1 '*Baseline Report*'; Section 3). Furthermore it should be noted that these forecasts do not take account of the potential impact of Brexit, which could further dampen economic growth and consumer spending over the short to medium term.
- 2.23 Our allowance for SFT at the local level in this case has been informed by the results of the household survey. The survey-derived shares have necessarily been adjusted downwards to reflect the fact that a proportion of online sales are still sourced from traditional stores rather than from dedicated ('dotcom') warehouses<sup>8</sup>.
- 2.24 Drawing on the survey-derived market share analysis for SFT we estimate that SFT's share of available convenience expenditure across the study area is 2.6% in 2016, which is slightly below the national average identified by Experian of 3%. We have necessarily assumed that the growth in SFT's market share will be in line with Experian's forecasts, which results in a market share of 4.7% in 2037 (see Table 1, **Appendix 3**).
- 2.25 For comparison goods the locally adjusted SFT market share is estimated to be 15.8% in 2016, which is higher than the national average of 13.2%. Assuming growth is in line with national forecasts, SFT's market share is likely to increase to 20% by 2037 (see Table 3, **Appendix 3**).
- 2.26 Clearly if the growth in SFT is higher and/or lower in the District than the national projections, then this will impact on the total retail expenditure available to support both existing and new floorspace over the forecast period.

## ***Total Available Expenditure***

- 2.27 Tables 2 and 4 (**Appendix 3**) set out the total available convenience and comparison goods retail expenditure in the defined study area and zones. This expenditure has been derived by multiplying the population (Table 1, **Appendix 2**) and average expenditure per capita levels (Tables 1 and 3) together. In summary the forecasts show:
- **Convenience Goods Expenditure** - will increase by +21.3% (+£118.2m) within the study area, from £554m in 2016 to £672.3m by 2037. In Zone 1 (the 'Hailsham zone') total expenditure growth is

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<sup>7</sup> As described in the Stage 1 Baseline Report, SFT comprises non-store sales via the internet, mail order, stalls and markets, door-to-door and telephone sales.

<sup>8</sup> Drawing on Experian's latest research we have assumed that some 25% of SFT comparison goods sales and 70% of convenience goods sales are sourced from traditional ('physical') retail space.

significantly higher at +46.3% (£53m), which reflects the strong population growth arising from the policy-led housing allocations identified for the Hailsham area.

- **Comparison Goods Expenditure** – is forecast to increase by +1162% (£1,014.7m) within the study area, from £874.6m in 2016 to £1,889.3m by 2037. The total available expenditure in Zone 1 is forecast to increase by +161.4% (£272.1m) over the forecast period.

2.28 As the forecasts show, the growth in available comparison goods expenditure is significantly higher than for convenience goods spend up to 2037. This effectively means that there should be greater potential for new comparison goods floorspace over the forecast period than for convenience goods retailing; although this will be dependent on the level of retail commitments in the pipeline and the forecast growth in the 'productivity' levels need for existing floorspace and stores to help them maintain their overall viability.

## Market Share Analysis

2.29 The Stage 1 '*Baseline Report*' (Section 4) described the headline results of the survey-derived (%) market share analysis, including SFT<sup>9</sup>. For the purpose of the retail capacity assessment the market share analysis has been adjusted to exclude SFT<sup>10</sup>.

2.30 The revised market shares are set out in Table 1 (**Appendix 4**) for all convenience goods purchases, and Table 1 (**Appendix 5**) for all comparison goods shopping.

2.31 The next key stage in the capacity assessment involves allocating the baseline convenience and comparison expenditure (£ million) within the Study Area and zones to the identified centres, stores and floorspace based on the survey-derived market shares (%). This helps to establish the current 'baseline' (2016) trading performance for the main centres and stores both within and outside Wealden District based on the available expenditure in defined study area and zones. It should be noted that no allowance is made at this stage for any potential "inflow" (trade draw) of expenditure to centres and stores from outside the defined Study Area.

2.32 Table 2 (**Appendix 4**) allocates the convenience goods expenditure to all the main centres and stores in 2016 based on the survey-derived market share analysis (excluding SFT). In summary the table shows that the District's main centres are retaining approximately £251.8m (45.7%) of the available convenience goods expenditure in the study area (£554m), and the out-of-centre stores are retaining a further £34m (6.2%) of expenditure. The remaining £268.3m (48.1%) of expenditure is going to centres and stores located outside the District; principally Eastbourne, East Grinstead and Royal Tunbridge Wells.

2.33 Table 2 (**Appendix 5**) allocates the comparison goods expenditure to all the main centres and stores. In summary the table shows that the District's main centres are retaining approximately £188.7m (21.3%) of total available convenience goods expenditure in the study area (£874.6m), and the out-of-centre stores are retaining a further £13m (1.4%) of expenditure. The residual £679m (77.2%) of expenditure is going to

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<sup>9</sup> The detailed tabulations are set out in Appendix 4 for convenience goods and Appendix 5 for comparison goods in the Stage 1 Report.

<sup>10</sup> This is in accordance with the standard approach for retail capacity and impact assessments, which make a deduction for SFT at the outset from the expenditure per capita figures.

centres and stores located outside the District; principally to Royal Tunbridge Wells and Eastbourne in this case.

2.34 For both convenience and comparison goods the 'baseline' turnovers are projected forward to 2021 (Table 3), 2026 (Table 4), 2031 (Table 5) and 2037 (Table 6), assuming no changes in market shares. The 'constant market share approach' is standard practice and is widely used and accepted for strategic retail assessments. However, the Council will be aware that it is a highly theoretical in that it does not, for example, take account of the potential impact of new retail investment and development (both within and outside the District) on existing shopping patterns and market shares over time.

## **'Inflow' (Trade Draw from Outside Study Area)**

2.35 In order to provide a complete picture of the current trading (turnover) performance of the main centres and stores in the District we have necessarily made informed judgements with regard to the likely 'inflow' (trade draw) from outside the Study Area. In the absence of detailed published turnover and trade draw information at the local level, our judgements have necessarily been informed by previous studies and retail assessments, as well as the survey and health check evidence set out in the Stage 1 '*Baseline Report*'. The 'inflow' assumptions also take account of:

- the scale, offer and location of all existing centres and stores in the District;
- the likely extent of their catchment areas;
- the competition from centres, stores and shopping facilities outside the District and the wider Study Area; and
- the likely retail expenditure derived from people who live outside the Study Area (including visitors and commuters) to main centres and stores in the District.

2.36 Although the assessment of 'inflow' is a matter of judgement and is not a straightforward exercise, due to the complex nature of overlapping catchments and shopping patterns, we have reasonably assumed in this case that the District's main centres and stores currently draw the majority of their shoppers and turnover from within the defined study area due to the influence of larger competing centres and stores in neighbouring authority areas.

2.37 Notwithstanding this, we would nevertheless expect a small proportion of the comparison and convenience goods turnover of the main centres and stores in the District to be drawn from outside the widely defined study area due to the impact of in-commuting and tourists/visitors to the area.

2.38 Table 1 (**Appendix 6**) sets out the 'inflow' (trade draw) assumptions for convenience goods retailing. In this case we have assumed no 'inflow' of expenditure to the District's smaller centres and out-of-centre stores from outside the study area, as the District's stores are principally serving the more frequent day-to-day food shopping needs of their local resident catchment population and will have a more local trade draw. We have however assumed that the District's four larger main town centres (i.e. Hailsham, Uckfield, Crowborough and Heathfield) and the larger out-of-centre foodstores in Hailsham, Crowborough and Heathfield will draw approximately 5% of their turnover from outside the defined study area.

2.39 For comparison goods, we have also assumed no 'inflow' to the smaller local centres and out-of-centre stores in the District (see Table 1, **Appendix 6**). We have allowed for a 5% draw to Wealden's main Town and District Centres to reflect the likely impact of in-commuting and visitors/tourists on turnover levels. We have also assumed that the larger format out-of-centre stores in Hailsham will draw approximately 5% of their trade from outside the defined study area.

2.40 Table 1 sets out the revised base year (2016) convenience goods (**Appendix 6**) and comparison goods (**Appendix 7**) turnover estimates for the main centres and stores in Wealden District based on the robust (survey-derived) market analysis and 'inflow' assumptions.

2.41 These turnover levels are then forecast forward, assuming no change in market shares and 'inflows' up to 2037.

## Retail Commitments

2.42 Table 2 (**Appendices 6 and 7**) sets out all the main convenience and comparison goods floorspace commitments in the District based on information provided by Wealden District Council.

2.43 Where possible we have drawn on the available evidence in retail statements submitted with the applications to help inform our assessment of the trading performance of these main commitments. However in some cases where such evidence is not available we have necessarily made informed judgements as to the likely convenience/comparison sales area split of the main commitments, and their average sales densities and turnovers.

2.44 The following provides a brief overview of the main commitments included in the retail capacity assessment<sup>11</sup>.

- **Lidl foodstore at Dittons Road, Polegate (ref: WD/2016/1067/MAJ)** – permission granted in 2016 for a foodstore with a gross floorspace of 1,837 sqm and a sales area of 1,286sqm net on an out-of-centre site located on the north side of Dittons Road and to the west of the A22 Golden Jubilee Way, on the north eastern edge of Polegate. It is assumed that 80% (1,029 sqm net) of the store's sales area will be set aside for convenience goods and the residual 20% (257 sqm net) for comparison goods. It is assumed for the purpose of the retail capacity assessment that the Lidl store will achieve an average convenience sales density of £5,500 per sqm based on the strong performance of the 'deep discounters' (i.e. Aldi and Lidl) over the last five years. This results in a total convenience goods turnover of £5.6m in 2021 (in 2014 prices). It is assumed that the comparison goods sales area will achieve a total turnover of £1.6m in 2021.
- **New retail unit on land east of Park Road and south of New Road, Hailsham (ref: WD/2013/0637/MEA)** - permission granted in April 2014 to The Fairfield Partnership for a new neighbourhood comprising 460 residential units, a 300 sqm retail unit, employment units, a primary school, public open space and allotments on a circa 35 hectare site identified in the adopted Core Strategy (2013) as part of a wider strategic allocation (development area SD3). For the purpose of the

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<sup>11</sup> A more detailed commentary on the commitments is set out in the footnotes to Table 2 (Appendices 5 and 6).

retail capacity assessment it has been assumed that the retail unit will be occupied by a convenience store and will achieve a total turnover of £1.7m in 2021.

- **New mixed use redevelopment at 89 High Street, Heathfield (ref: WD/2014/1982/MAJ)** – permission for redevelopment of former Dreams Machine site in Heathfield Town Centre for a mixed use scheme comprising new ground floor retail floorspace of 414 sqm gross, offices and five 2-bedroom apartments. The ground floor retail will be sub-divided into four self-contained Class A1 retail units with a total assumed sales area of 331 sqm net. In the absence of named occupiers it has been assumed that 50% of the new floorspace will be set aside for convenience goods and will achieve a total turnover of £0.9m in 2021, and 50% will be for comparison goods with a total turnover of £1m in 2021.
- **Land at Millbrook Industrial Estate, Crowborough (ref: WD/2001/1813)** – permission was granted in 2014 for 9,912 sqm of Class B1 employment use and 1,727 sqm of retail Class A1 (non-food) retail floorspace on land at Millbrook Industrial Estate, off Sybron Way, Crowborough, in an out-of-centre location. The Council has indicated that this permission is still extant at the time of preparing this study, although there is some uncertainty as to whether the scheme will be delivered given the timeline since permission was granted. We have therefore assumed that the retail floorspace will have a total sales area of 1,382 sqm net and will achieve a comparison goods turnover of £6.8m in 2021 based on an average sales level of £4,500 per sqm.

2.45 In summary, we forecast that the new convenience goods floorspace commitments will achieve a total turnover of £8.2m in 2021 (Table 2, **Appendix 6**). The comparison goods commitments are forecast to achieve a total turnover of £9.4m (Table 2, **Appendix 7**).

2.46 The growth in the convenience and comparison goods turnovers of all the committed new floorspace is in line with the 'productivity' growth forecasts set out in Experian's latest Retail Planner Briefing Note<sup>12</sup>. In summary it is assumed that convenience goods turnover will experience a modest increase over the forecast period to 2037, in line with Experian's +0.1% per annum 'productivity' growth forecast for convenience goods floorspace. For comparison goods we have initially tested Experian's 'productivity' growth rate of +2.2% per annum.

## Wealden District: Capacity Forecasts

2.47 The 'global' (District-wide) capacity forecasts for new retail floorspace up to 2037 are set out in **Appendix 6** for convenience goods (Table 3) and **Appendix 7** for comparison goods (Table 3).

2.48 It has necessarily been assumed for the purpose of the capacity assessment that the District's retail market is in '*equilibrium*' at the base year. In other words we assume that the existing centres and stores in the District are broadly trading in line with appropriate '*benchmark*' turnover levels at the base year. This is supported by the findings of the centre audits and site visits which did not show any strong indication of '*overtrading*'<sup>13</sup> in the main town centres and stores. This approach also reflects the impact of the economic

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<sup>12</sup> see Stage 2 report; Section 3, Table 3.4.

<sup>13</sup> Overtrading normally manifests itself at the local level in terms of pedestrian and car park congestion, long queues at checkouts, congestion in aisles, etc.

recession and the growth in internet sales, which has reduced trading levels across the UK, as well as the potential impact of Brexit on the economy and retail sector.

- 2.49 On this basis any residual expenditure available to support new retail floorspace within the Study Area over the development plan period will be derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels; and the growth in 'benchmark' turnovers based on applying robust year-on-year 'productivity' ('efficiency') growth rates to all existing and new retail floorspace<sup>14</sup>.

### **Convenience Goods Capacity**

- 2.50 Table 3 (**Appendix 6**) sets out and explains the key steps underpinning the convenience goods capacity assessment. The 'baseline' expenditure and floorspace capacity forecasts are summarised below:

**Table 2.1 District-wide Convenience Goods Capacity**

	2021	2026	2031	2037
<b>RESIDUAL EXPENDITURE (£ million)</b>	£16.0	£32.3	£48.2	£67.2
<b>FLOORSPACE CAPACITY (sqm net)</b>				
Superstore Format:	628	1,942	3,204	4,695
Supermarket/ Discounter Format:	1,122	3,468	5,721	8,384

Source: Table 3, Appendix 6

- 2.51 In order to convert the residual expenditure into a net sales figure we have assumed that new 'superstore format' floorspace will be occupied by a 'top 6' grocer (i.e. Tesco, Sainsbury's, Asda, Morrisons, Waitrose and Marks & Spencer) and will achieve an average sales density of approximately £12,500 per sqm in 2016 (2014 prices).
- 2.52 On this basis the forecasts show that there is capacity for 628 sqm net of new convenience goods floorspace by 2021 after allowing for all known commitments, increasing to 3,204 sqm net by 2031 and 4,695 sqm net by 2037.
- 2.53 Alternatively, assuming the residual expenditure capacity is taken up by a supermarket (e.g. Co-Op, Budgens, etc.) and/or 'deep discount' retailer (principally Aldi and Lidl) trading at lower average sales levels of circa £7,000 per sqm in 2016, then there is forecast capacity for 1,122 sqm net of new convenience floorspace in 2021, increasing to 5,721 sqm net by 2031 and 8,384 sqm net by 2037.
- 2.54 To further help inform the Council's assessment of the potential scale and optimum location for new retail (convenience and comparison goods) floorspace in the District, we have also carried out a more refined (location-by-location) capacity assessment. However, it should be noted at the outset that any forecast capacity identified for a specific centre/area does not necessarily mean that all the retail floorspace can and/or should be provided within that centre per se. For example, there may be a lack of suitable and viable sites available in some centres, or there may be other policy, heritage, transport and physical constraints to development. Alternatively it may be more appropriate to locate the floorspace capacity in one centre over

<sup>14</sup> The 'productivity' growth rates are informed Experian's latest Retail Planner Briefing Note. However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

another to encourage more sustainable travel patterns and/or help to achieve specific policy, regeneration and/or investment objectives.

- 2.55 Against this background, Tables 4-11 (**Appendix 6**) disaggregate the District-wide 'global' capacity for the main centres and stores based on their relative trading performance and market shares at the base year, and the forecast growth in available expenditure and floorspace 'productivity' up to 2037. The results are summarised in Table 13 for 'superstore format' floorspace only and reproduced below.

**Table 2.2 Main Centres and Shopping Locations: Capacity for Superstore-Format Floorspace**

	2021	2026	2031	2037
HAILSHAM	497	1,157	1,807	2,571
UCKFIELD	139	317	479	676
CROWBOROUGH	132	330	512	728
HEATHFIELD	35	166	297	449
POLEGATE	-382	-345	-309	-266
WADHURST	25	38	52	67
FOREST ROW	48	68	84	104
OTHER LOCAL CENTRES	135	210	281	366
<b>TOTAL CONVENIENCE GOODS CAPACITY</b>	<b>628</b>	<b>1,942</b>	<b>3,204</b>	<b>4,695</b>

Source: Tables 4-11, Appendix 6

- 2.56 The table shows that most of the District-wide capacity for new (superstore format) convenience goods floorspace is allocated to Hailsham; up to 2,571 sqm net by 2037. This reflects the significant population growth forecast for Zone 1 and specifically Hailsham over the plan period. This scale of new floorspace could support a significant new food superstore over the plan period, or the potential expansion and/or redevelopment of the town centre's existing foodstores.
- 2.57 The new convenience floorspace capacity forecast for the District's other main town, district and local centres over the plan period is significantly lower than for Hailsham and could potentially be accommodated by the extension of existing stores in the main town centres, where possible, or the provision of one or more smaller convenience store formats.
- 2.58 It should be noted that the negative capacity forecast for Polegate reflects the impact of the recent Lidl permission, as its turnover takes up all the forecast expenditure growth up to 2037.
- 2.59 Meeting the forecast need in full over the lifetime of the development plan period will depend on whether there are any suitable and viable sites in or on the edge of the main centres that are capable of accommodating a larger quantum of convenience goods floorspace; and whether these sites are currently available and/or will become available over the lifetime of the development plan. If not, then the forecast capacity should preferably be accommodated by the extension of existing out-of-centre stores, subject to compliance with the sequential and impact tests.
- 2.60 If sufficient town centre and/or edge of centre sites are not available to meet the forecast capacity over the development plan period, then local planning authorities are required by the NPPF (paragraph 23) to set policies for meeting the identified needs in other accessible and sustainable (out of centre) locations that are well connected to the town centre and are capable of generating benefits for the centre's overall vitality and viability, such as through linked pedestrian trips and increased footfall.

2.61 We consider the potential availability and suitability of sites in and on the edge of the District's main centres in the Stage 3 report.

### **Comparison Goods Capacity**

2.62 Table 3 (**Appendix 7**) sets out the detailed steps in the comparison goods capacity assessment and the results are summarised below.

**Table 2.3 District-wide Comparison Goods Capacity**

	2021	2026	2031	2037
<b>RESIDUAL EXPENDITURE (£ million)</b>	£1.3	£28.0	£65.5	£123.7
<b>FLOORSPACE CAPACITY (sqm net)</b>	197	3,807	7,987	13,237

Source: Table 3, Appendix 7 (Steps 5 & 6)

2.63 As the table shows, there is limited District-wide capacity for new comparison goods floorspace in 2021 (197 sqm) due to the impact of new commitments. The forecast capacity increases to 3,807 sqm net by 2026, 7,987 sqm net by 2031 and 13,237 sqm net by 2037.

2.64 The forecast residual expenditure capacity has been converted into a net retail sales area based on an assumed average sales density for all new non-food floorspace of circa £6,000 per sqm at 2016. This is broadly equivalent to an average sales density for retail units in prime shopping locations. However, average sales levels will inevitably vary between different locations, different retail formats and different operators<sup>15</sup>. Where this is the case it will have implications for assessing the capacity for, and impact of new retail floorspace. The local planning authority will therefore need to take this into account when assessing and determining applications for different operators and different types of retail floorspace in different locations (such as, for example, 'bulky goods' retail warehousing which typically trades at lower average sales levels).

2.65 As for convenience goods the forecast 'global' capacity has been allocated to the District's main shopping locations based on their relative trading performance and market shares at the base year. The capacity forecasts for Wealden's main Town and District Centres are set out in Tables 4-12 (**Appendix 7**) and summarised in the table below.

<sup>15</sup> This includes the type of goods sold by the retailer, the location and quality of the retail floorspace, and the size and affluence of the catchment population. For example, published trading figures show that 'bulky goods' retailers in the DIY, carpet and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per sqm, whereas large format electrical goods retailers can achieve much higher average sales levels of £7,000 per sqm and above.

**Table 2.4 District’s Main Centres and Shopping Locations – Comparison Goods Capacity**

	2021	2026	2031	2037
HAILSHAM	990	2,607	4,461	6,809
UCKFIELD	256	1,085	2,045	3,247
CROWBOROUGH	-939	-476	64	736
HEATHFIELD	-38	298	700	1,197
POLEGATE	-218	-173	-120	-53
WADHURST	18	68	129	203
FOREST ROW	9	44	84	134
OTHER LOCAL CENTRES	120	354	624	965
<b>TOTAL COMPARISON GOODS CAPACITY</b>	<b>197</b>	<b>3,807</b>	<b>7,987</b>	<b>13,237</b>

Source: Table 4-11, Appendix 7

- 2.66 As the table shows, there is forecast capacity for 2,607 sqm net of new comparison goods floorspace in Hailsham by 2026, increasing to 4,461 sqm net by 2031 and 6,809 sqm net by 2037<sup>16</sup>. As for convenience goods, these capacity forecasts are influenced by the substantial population growth forecast for Zone 1 and Hailsham arising from the new policy-led dwelling allocations. It should be restated that these forecasts assume no change in Hailsham’s (base year) market share over the plan period.
- 2.67 Table 2.4 also shows that there is more limited forecast capacity for new comparison goods floorspace in Wealden’s other main Town and District Centres up to 2031; although capacity does increase significantly between 2031 and 2037.
- 2.68 For the reasons set out elsewhere in this Stage 2 report, we advise that these long term forecasts should be treated with caution and subject to regular monitoring by the Council to take account of the dynamic changes in the economy and retail sector.
- 2.69 We consider the potential for the main Town Centres to accommodate the forecast capacity in more detail in the Stage 3 report.

## Capacity Forecasts ‘Sensitivity’ Tests: Higher ‘Productivity’ Growth Rates

- 2.70 To help inform the Council’s decision-taking we have tested the sensitivity of the comparison goods capacity forecasts only to changes in one of the key inputs to the **CREAT<sup>e</sup>** model. In this case we have increased Experian’s floorspace ‘productivity’ growth rate of +2.2% per annum for the period 2024-2037, to +2.5% per annum. We consider that this higher growth rate is reasonable and justified in this case, as it reflects the fact that existing retailers are facing increased pressures on their turnover and profitability. For example a significant and increasing proportion of retailers’ sales and profits are being taken up by increasing costs (including, for example, by increasing rents, rates and wages). In our judgement retailers and centres will therefore need to achieve a higher ‘productivity’ growth over time to remain viable and vital, in line with the Government’s key objective to maintain and enhance town centres.
- 2.71 The impact of the higher +2.5% ‘productivity’ growth rate is set out in the economic tables in Appendix 8 to this study. The District-wide capacity forecasts are summarised in the table below.

<sup>16</sup> The capacity forecasts for Hailsham and the other main centres includes all town centre, edge of centre and out of centre floorspace.

**Table 2.5 District-wide Comparison Goods Capacity: @ 2.5% per annum 'productivity' growth rate**

	2021	2026	2031	2037
<b>RESIDUAL EXPENDITURE (£ million)</b>	£1.3	£25.6	£58.4	£109.4
<b>FLOORSPACE CAPACITY (sqm net)</b>	197	3,453	6,952	11,231

Source: Table 3, Appendix 8 (Steps 5 & 6)

2.72 As the table shows the higher 'productivity' growth rate reduces the total District-wide capacity for new comparison goods floorspace by 2037 from 13,237 sqm net (based on the 2.2% annual growth rate from 2024 onwards), to 11,231 sqm net.

2.73 The table below shows the distribution of this forecast District-wide capacity across the main study centres.

**Table 2.4 District's Main Centres and Shopping Locations – Comparison Goods Capacity (@2.5%)**

	2021	2026	2031	2037
HAILSHAM	990	2,487	4,103	6,093
UCKFIELD	256	985	1,758	2,701
CROWBOROUGH	-939	-537	-109	410
HEATHFIELD	-38	259	587	982
POLEGATE	-218	-178	-134	-81
WADHURST	18	63	113	172
FOREST ROW	9	40	71	109
OTHER LOCAL CENTRES	120	333	563	845
<b>TOTAL COMPARISON GOODS CAPACITY</b>	<b>197</b>	<b>3,453</b>	<b>6,952</b>	<b>11,231</b>

Source: Table 2-10, Appendix 8

2.74 In summary, the capacity for new comparison goods floorspace in all the main study centres is forecast to fall by 2037 based on the slightly higher 'productivity' growth forecast of +2.5% per annum. For example, the forecast capacity for Hailsham is reduced from 6,809 sqm net to 6,093 sqm net by 2037.

2.75 In our judgement this revised comparison goods capacity assessment represents a more realistic basis for assessing the need for additional retail floorspace over the forecast period, and is preferred to the forecasts based on the lower 'productivity' growth rate of +2.2% per annum assumed for the period 2024 to 2037.

## 3 SUMMARY

3.1 In summary, this Stage 2 report has assessed the economic capacity for new retail (convenience and comparison goods) floorspace in Wealden District and its main centres over the plan period; up to 2031 and 2037. The capacity forecasts have been informed by robust assumptions and forecasts, and carried out in accordance with standard approaches and good practice using CJ's in-house **CREAT<sup>e</sup>** model.

3.2 As its starting point, the capacity assessment assumes that the District's (convenience and comparison goods) retail market is in 'equilibrium' at the base year and tests a 'constant market share approach' over the forecast period in accordance with good practice.

3.3 For the reasons set out in Section 2, we prefer the comparison goods capacity forecasts based on a floorspace 'productivity' growth rate of +2.5% per annum over the period 2023-2037. On this basis the table below summarises the total District-wide capacity for new retail (convenience and comparison) floorspace.

**Table 3.1 District-wide Retail Capacity: @2.5% per annum 'productivity' growth for Comparison Goods**

	2021	2026	2031	2037
CONVENIENCE GOODS RESIDUAL EXPENDITURE (£ million)	£16.0	£32.3	£48.2	£67.2
COMPARISON GOODS RESIDUAL EXPENDITURE (£ million)	£1.3	£25.6	£58.4	£109.4
<b>TOTAL RESIDUAL EXPENDITURE (£ million)</b>	<b>£17.3</b>	<b>£57.9</b>	<b>£106.6</b>	<b>£176.6</b>
TOTAL CONVENIENCE GOODS (SUPERSTORE) FLOORSPACE CAPACITY (sqm)	628	1,942	3,204	4,695
TOTAL COMPARISON GOODS FLOORSPACE CAPACITY (sqm)	197	3,453	6,952	11,231
<b>TOTAL FLOORSPACE CAPACITY (sqm net)</b>	<b>826</b>	<b>5,395</b>	<b>10,156</b>	<b>15,927</b>

3.4 As the table shows, there is a total forecast District-wide comparison floorspace capacity of 11,231 sqm net by 2037, of which 6,093 sqm net is identified for Hailsham. For convenience goods there is capacity for 4,695 sqm net of ('superstore format') floorspace by 2037.

3.5 Overall the total need for new retail (convenience and comparison) floorspace is forecast to be 10,156 sqm net at 2031, increasing to 15,927 sqm net by 2037. In our judgement this represents a reasonable and realistic capacity forecast to help inform plan-making and site allocations up to 2031 and beyond.

3.6 In summary, meeting the need for the forecast new retail floorspace in full over the next 5 years, and over the lifetime of the development plan, will clearly depend on the Council identifying suitable and viable sites and redevelopment opportunities in the District's main centres that are either available now, or will be available at some point over the short, medium and long term. If appropriate sites and redevelopment opportunities are not identified over the development plan period, then consideration should be given by the Council to sites on the edge of these centres that are well connected to the PSA and are capable of reinforcing the pedestrian retail circuit and generating linked trip expenditure to the benefit of each centre's overall vitality and viability.

3.7 We consider the potential for existing centres to accommodate the quantitative and qualitative need for new retail floorspace in more detail in the Stage 3 report.

- 3.8 Finally, it is important to restate that capacity forecasts beyond five years should be treated with caution, as they are based on various layers of assumptions and forecasts with regard to the trading performance of existing centres and stores, the growth in population and retail spending, constant market shares, etc. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts suggest, then this could reduce the future demand and capacity for new 'physical' space over the long term. The Council should take into account these margins for error when assessing the need for new retail floorspace.

FINAL DRAFT

## 4 GLOSSARY

<b>CITY CENTRES:</b>	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions.
<b>TOWN CENTRES:</b>	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
<b>DISTRICT CENTRES:</b>	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
<b>LOCAL CENTRES:</b>	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette.
<b>TOWN CENTRE USES:</b>	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
<b>TOWN CENTRE BOUNDARY:</b>	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
<b>PRIMARY SHOPPING AREA (PSA)</b>	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
<b>PRIMARY &amp; SECONDARY FRONTAGES</b>	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
<b>EDGE-OF-CENTRE</b>	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
<b>OUT-OF-CENTRE</b>	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
<b>OUT-OF-TOWN</b>	A location out of centre that is outside the existing urban area.
<b>CONVENIENCE SHOPPING</b>	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
<b>SUPERMARKETS</b>	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
<b>SUPERSTORES</b>	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
<b>COMPARISON SHOPPING</b>	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
<b>RETAIL WAREHOUSES</b>	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
<b>RETAIL PARKS</b>	An agglomeration of at least 3 retail warehouses.
<b>WAREHOUSE CLUBS</b>	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
<b>FACTORY OUTLET CENTRES</b>	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
<b>REGIONAL &amp; SUB-REGIONAL SHOPPING CENTRES</b>	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.

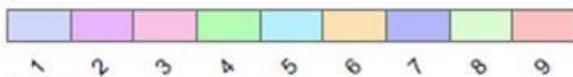
<b>LEISURE PARKS</b>	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
<b>CONVENIENCE GOODS EXPENDITURE</b>	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
<b>COMPARISON GOODS EXPENDITURE</b>	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
<b>SPECIAL FORMS OF TRADING</b>	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
<b>GROSS GROUND FLOOR FOOTPRINT FLOORSPACE</b>	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
<b>GROSS RETAIL FLOORSPACE</b>	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
<b>NET RETAIL SALES AREA</b>	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
<b>RETAIL SALES DENSITY</b>	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
<b>QUANTITATIVE NEED</b>	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
<b>QUALITATIVE NEED</b>	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
<b>OVERTRADING</b>	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
<b>BENCHMARK TURNOVER</b>	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.



# APPENDIX 1: STUDY AREA PLAN



Zones



 Wealden District

# Carter Jonas

**APPENDIX 2: POPULATION PROJECTIONS**

**APPENDIX 3: AVAILABLE CONVENIENCE AND COMPARISON GOODS  
EXPENDITURE**

**APPENDIX 4: CONVENIENCE GOODS MARKET SHARE ANALYSIS (EXCL SFT)**

**APPENDIX 5: COMPARISON GOODS MARKET SHARE ANALYSIS – (EXCL SFT)**

**APPENDIX 6: CONVENIENCE GOODS CAPACITY FORECASTS**

**APPENDIX 7: COMPARISON GOODS CAPACITY FORECASTS (@2.2%  
'PRODUCTIVITY' GROWTH)**

**APPENDIX 8: COMPARISON GOODS CAPACITY FORECASTS (@2.5%  
'PRODUCTIVITY' GROWTH)**