Hastings Retail Study

Executive Summary

Prepared on behalf of Hastings Borough Council

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Prepared by

Knight Frank

20 Hanover Square

London, W1S 1HZ

Executive Summary

1) This retail capacity study has been prepared by Knight Frank in response to Hastings Borough Council's brief to assess the future shopping needs and retail capacity of the Borough. The completed report will underpin the retail policies contained in the forthcoming Local Development Framework and in addition form the basis for assessing retail development proposals over the Plan period. A background paper provides recommendations in respect of St Leonards Town Centre, Hastings Old Town, Bohemia, Silverhill and Ore Village which were the subject of Focus Group meetings.

2) Planning policy at a national, regional and local level will underpin any consideration of future retail trends. The principal relevant policy documents which inform this report are PPS 6 *'Planning for Town Centres',* PPG 13 *'Transport',* RPG 9 *'South East',* the 2005 Draft South East Plan, the 1999 East Sussex and Brighton and Hove Structure Plan and the 2004 Hastings Local Plan.

Analysis Inputs

Catchment Areas

3) The retail capacity of Hastings has been assessed using a number of bespoke data inputs. The catchment areas used to inform the analysis are based upon adjusted 30 minute off-peak drive time calculations originating from Hastings town centre which have been divided into 6 'Expenditure Zones' namely, Hastings East, Hastings West, Bexhill, Rural North, Rural East and Rural West.

Population

4) Base demographic data used in the report was provided by CACI and derived from the 2001 Census. At that time the total population of the study area was 174,827 with 48% of those living in the Hastings East and West expenditure zones.

5) Future population forecasts have been calculated using East Sussex County Council projections based on housing completion estimates to 2021 specially prepared by Rother District and Hastings Borough Councils. Four population projection bases have been used, namely a best estimate of dwelling completions up to 2021, a low projection (best estimate minus 20%), a high projection (best estimate plus 20%) and a projection based on no new housing post 2004. The best estimate projection shows a total increase in population of 13,804 in the 6 expenditure zones from 2001 to 2021. The figure for the low projection (minus 20%) is + 8,942, for the high projection (plus 20%) is + 18,640 and for no development post 2004 there is a fall in population of – 7,514.

Convenience and Comparison Expenditure

6) Consumer retail data for the 6 expenditure zones have been obtained from Experian Ltd in 2003 prices. In terms of convenience goods expenditure per capita, Rural East ranked highest at £1729 per annum with the lowest being Hastings West at £1543. For comparison goods expenditure per capita the area with the highest spending was Rural East with £3214 and the lowest Hastings West at £2777.

7) Convenience and comparison goods expenditure forecasts have been projected for 2005, the base year and 2011, 2016 and 2021 using Experian ultra long term growth rates. Convenience goods spending increases slowly over time at 0.7% per annum and the main dynamic for change is population growth. Using Best Estimate projections, convenience goods expenditure in the Study Area is forecast to grow as follows:-

2005	£294.294m
2011	£317.106m
2016	£334.155m
2021	£349.136m

8) Comparison goods spending grows at a much faster rate than convenience spending, at 4.3% per annum. Total comparison goods expenditure in the Study Area is forecast to grow as follows:-

2005	£581.829m
2011	£773.999m
2016	£972.270m
2021	£1,211.060m

9) Bulky goods form a significant element of total comparison goods spending. Experian growth rates at 3.9% per annum have been used to calculate bulky goods expenditure forecasts. Total bulky goods expenditure in the Study Area – included in the above comparison figures - is forecast to grow as follows:-

2005	£196.083m
2011	£254.998m
2016	£314.189m
2021	£389.950m

Other Expenditure

10) Leisure spending is not retail spending but is an important consideration in the context of town centre planning and Hastings' specific role as a tourist destination. Experian expenditure estimates for leisure spending (recreation, culture, restaurants, accommodation, hair dressing etc), which relate to household spending in the Study Area, have been projected forward as follows (at a growth rate 2.5% per annum):-

2005	£308.777m
2011	£370.019m
2016	£425.891m
2021	£486.103m

11) This includes all leisure expenditure, including holidays abroad, but is indicative of spending levels which could have a noticeable impact upon both the demand for retail premises and the performance of retail service businesses.

12) Visitor spending has been quantified from the on-street survey results commissioned as part of this report. 78% of first time visitors to Hastings who were questioned intended to undertake an element of shopping during their visit spending on average £34.40 per day. Our survey did not provide a means of estimating overall numbers of visitors so it is not possible to get an accurate view of total annual visitor spending.

Floorspace

13) Retail floorspace figures have been derived from an analysis of the 2005 Rating Revaluation and upon acquired data from Goad. Knight Frank's own analysis is illustrated below:

Area	Number of Units	Gross Floorspace (sq m)	Net Floorspace (sq m)
Town Centre	427	109611	66618
St Leonards	245	31027	18131
Old Town	171	13108	7933
Bohemia	98	11403	6169
Ore	47	8560	4511
Silverhill	59	7748	4360
Other Local Centres	86	7732	4902
Off Centre Units	8	25239	17890
Ravenside Retail Park	11	15509	14229
TOTAL	**1152**	**229937**	**144743**

14) Ravenside Retail Park, which lies outside the Borough, is included because of the role it plays in meeting the needs of Hastings residents for bulky goods.

15) Future retail floorspace commitments both in and around Hastings have also been taken into account. Some 10817 sq m gross floorspace either has planning permission or is going through the planning process as of April 2005. Planning commitments and new space awaiting occupation represent some 5.8% of total floorspace with an additional 3.9% in the pipeline. The most significant developments in competing centres are likely to be the Eastbourne Town Centre extension (26,600 sq m gross floorspace) and the Ashford County Square extension (44,872 sq m gross floorspace). Such proposals provide a challenge to Hastings which will need to respond to these changes. Our analysis assumes that Hastings retains its market share over time.

Turnover and Market Share

16) The turnover of major retailers has been estimated by applying national average turnover floorspace ratios (sales densities) to their identified net sales area. We have estimated the turnover of local businesses based on known expenditure levels and the market share information from the Survey.

17) The telephone survey commissioned by Knight Frank and that Council has been used to assess Hastings’ market share across all of the retail sectors. Within the wider Study Area, Hastings has some 53% of convenience and 36% of comparison goods trade. Ravenside Retail Park accounts for 17% of the Study Area’s comparison goods trade, reflecting its dominant position in the bulky goods sector. Hastings’ ability to maintain its market share will depend upon retail innovation by existing retailers, the ability to provide new sites for retail floorspace demand and the activities of competing centres such as Eastbourne, Ashford and Tunbridge Wells.

Retail Capacity Analysis

Convenience Goods

18) Convenience goods are everyday essential items, including food, drinks, newspapers, magazines and confectionery. At 2005, convenience goods expenditure in Hastings is substantially above the convenience turnover required by Hastings’ retailers, suggesting that a number of operators are currently over trading (their turnover per floorspace levels are higher than the national average). The Best Estimate projection model generates a requirement for additional convenience floorspace at each date as follows:-

2006	+2222 sq m
2011	+ 467 sq m
2016	+ 173 sq m
2021	- 2 sq m

19) Growth in convenience goods expenditure in real terms is relatively low and this, combined with slowing population dynamics and our assumptions that turnover/floorspace levels for existing businesses increase in real terms, means that by 2021 there is no net requirement for new convenience goods floorspace. At present Hastings has a substantial inflow of convenience expenditure from Rural North and Rural East resulting in substantial over-trading in this sector. This identified capacity for additional convenience floorspace may be partly addressed by the Morrison and Tesco extensions.

Comparison Goods

20) Comparison goods are not purchased on a frequent basis. They include clothing, footwear, household and recreational goods. This sector is considered in terms of both bulky and non-bulky comparison goods. The bulky goods sector (electricals, DIY, furniture etc) is currently broadly in balance. The Best Estimate population projection shows some small capacity for bulky goods floorspace at present which is likely to be absorbed by the new Wickes store at Ravenside. The estimated capacity is as follows:-

2006	+ 55 sq m
2011	+2826 sq m
2016	+2740 sq m
2021	+2633 sq m

21) The non bulky goods sector (footwear, books, toys, sports etc) displays a small net over provision of floorspace at 2005 and a temporary over supply of floorspace in 2006 whilst developments including extensions at Priory Meadow and Tesco / Morrisons come on stream but the rapid growth in spending will provide significant capacity for additional floorspace for non bulky comparison goods spending as follows:-.

2006	-6405 sq m
2011	+7064 sq m
2016	+6825 sq m
2021	+8181 sq m

22) This is a significant level of capacity and the report identifies a number of options which are consistent with Government advice in PPS6 for the council to consider. In the town centre these include:

- Priory Quarter
- Pelham Place
- Queens Road/Morrisons/adjacent land

Further sites are identified in the background document on local centres in:

- St Leonards (3 no)
- Old Town (1 no)
- Bohemia (2 no)
- Silverhill (2 no)

Job Creation

23) Consideration has been given to the employment consequences of future retail provision. In general terms, convenience businesses require a higher number of staff for any given amount of floorspace than comparison goods businesses due to both wider product ranges and higher turnover of stock. Job creation figures of one new job per 20 sq m of convenience floorspace, 1 new job per 35 sq m for comparison floorspace and 1 new job per 60 sq m for bulky goods floorspace have been used in the report based figures produced by the ODPM. Tesco figures have been used for their Church Wood Drive extension proposal. The pipeline permissions and proposals of which we are aware have the potential to create 383 additional jobs in Hastings, 42% of which are likely to be full-time and 58% part-time in nature. On this basis the total employment resulting from the implementation of proposals in the study period would be over 1300 jobs. This excludes retail service jobs – restaurants, banks, building societies - which would accompany the growth in retailing.

The Retail Hierarchy

24) The report considers the hierarchy of shopping centres within Hastings against the typologies explained in Annex A of PPS6: *Planning for Town Centres.* Three types of centre are identified in Hastings, as follows:

Town Centre	Hastings Town Centre
District Centres	St Leonards Town Centre Ore Village
Local Centres	The Old Town Bohemia Silverhill

25) Focus group meetings were held in St Leonards, the Old Town, Bohemia, Ore and Silverhill and focus group notes are available in a separate background document.

The Town Centre

Role

26) Hastings is a sub-regional shopping centre which directly competes with Eastbourne to the west, Tunbridge Wells to the north and Ashford to the north east. It ranks third amongst these centres in terms of floorspace, fourth in relation to population and second for retailer requirements.

Shopping Patterns

27) A telephone survey of 1000 households was conducted based upon the 6 expenditure zones previously identified. Respondents were asked to identify which centre or retail park they normally used for a variety of shopping trips. Hastings Town Centre was the pre-eminent centre within the study area for clothes and shoes, furniture and carpets, small household goods and books, toys and sports. It is the principal shopping centre used by respondents from Hastings East and West and also attracts high levels of shoppers from Rural East and to a lesser extent Rural North. The Bexhill and Rural West expenditure zones were less supportive of Hastings town centre where Eastbourne Town Centre and to a lesser degree, Bexhill Town Centre have good market share.

Retail Composition

28) Hastings has a good balance of floorspace in the main retail sectors which includes a range of convenience and comparison stores. The principal deficiencies compared with the UK average are in the clothing and footwear categories. The Town Centre has a growing number of support services but is under-represented in terms of restaurants and financial services and over-represented in estate agents.

Household Survey Attitudes

29) The study considers the attitudes of residents in the study area to Hastings Town Centre obtained from the telephone survey. With the exception of Rural West, Hastings Town Centre has high satisfaction scores throughout the study area. Hastings East, which has the highest number of town centre shoppers, has relatively low scores whereas Hastings West has the highest. The least favoured aspects of the centre were cited as car parking, public transport and the evening economy whilst the most favoured was the opening hours of shops.

30) In terms of suggested improvements, general matters such as security, parking, street cleanliness and public transport were mentioned more than matters relating to shopping improvements though the individual reason with the most mentions was ‘an improved range of shops’ or ‘better shops’.

31) Perceptions of households in the study area of public safety in Hastings town centre were higher for Hastings East and West, where usage rates are highest, and generally diminished where usage rates were lower. Perceptions of safety at night were uniformly low, again diminishing in areas with lower usage.

On-Street Survey Attitudes

32) An on-street survey was conducted to elicit the views of town centre users. Their approval ratings were substantially higher than telephone survey householders in the study area and shopping was the overwhelming reason for their visit (82%). When asked how they had reached the centre almost half of respondents had arrived by car with Priory Meadow the most frequently used car park. Over a quarter had walked to the town centre and almost 1/5th had used a bus.

33) Town centre users were more forward in wanting to see an improved range of shops than were householders in the study area (77%), with better car parking being mentioned by 19% as the second most important town centre improvement. The types of improvements to the range of shops sought were more variety/more clothes shops/better quality shops/more independent shops and more shoe shops.

34) Perceptions of safety both during the day and at night were much higher amongst town centre users than was the case with householders. There was a substantial difference between perceptions of safety at night which was considered a much less safe time to visit.

Attitudes Summary

35) Hastings town centre has relatively high levels of satisfaction amongst households in the study area though satisfaction levels were higher, as might be expected, by town centre users. The key issues illustrated by both groups questioned can be summarised as the need to improve perceptions of safety in the town centre. Good, accessible, available and safe car parking is an important component in attracting shoppers to the centre. Respondents want to see a better range of shops coupled with higher quality outlets especially in the fashion and electrical goods sectors.

Key Stakeholders' Views

36) A number of key stakeholders were consulted as part of the study who expressed a variety of shared views concerning Hastings town centre. There exists a consensus that Priory Meadow has a central role to play in the town centre although there is limited capacity to intensify its retail floorspace. The town centre is seen to be relatively weak in terms of fashion and footwear. In line with opinions expressed elsewhere there exists the view that the provision of parking is a central issue which should be incorporated into any future development within the centre, though clearly in the interests of sustainable development, accessibility by non-car modes needs to be improved.

Development Opportunity Sites

37) The compact and densely developed nature of the Town Centre and the Central Shopping Area, with the existing road layouts and conservation area designations that apply to much of it, mean that retail development is likely to be limited to a relatively small number of individual retail sites that may become available. The Sea Space projects provide the main exception to this. Priory Quarter in particular may provide an opportunity to accommodate more retail development incorporating two large sites, the Priory Street Car Park and the ESK site on Cambridge Road and other smaller sites. The landform may enable the use of site levels to provide lower level parking and a mix of non-retail uses could be provided above the retail floorspace. Elsewhere in the town centre, the proximity of residential development to the main retail areas can restrict the potential to intensify retail activities and landform is a further constraint.

38) In the longer term, the Morrisons supermarket site and adjacent council owned land provides an opportunity for a large footplate retail and mixed use development. This could be tied in with the refurbishment of Queens Road.