

Hastings Town Centre - Update of capacity forecasts for future shopping floorspace needs + estimates of additional employment

Feb 2010 version – adopting the new East Sussex in Figures population projections

1.0 Introduction

- 1.1 This update is necessitated by current national economic problems.
- 1.2 The following have been reviewed:-
 - a) Population projections – in view of the latest housing figures emerging from the South East Plan & their incorporation into the latest 'East Sussex in Figures' policy-based population projections.
 - b) Expenditure growth rates – in the light of the current deep recession, in particular during the period from 2009 to 2012.
 - c) The need to advance Town Centre forecasts by a further 5 years to 2026 – to be consistent with the timescale of the South East Plan.
 - d) To review changes in Town Centre floorspace between 2006 & 2009.
 - e) To assess the level of Town Centre commitments, as at 2009.
 - f) To assess the current level of vacant floorspace in the Town Centre.
 - g) To investigate the consequences of market share changes.
 - h) To re-assess needs for new retail warehouse (bulky goods) floorspace.
 - i) To re-assess the consequent change of employment in shopping premises.
- 1.3 The author's September 2007 report, which was prepared before the economic recession, specified a need for almost 30,000 sq.m. of gross shopping floorspace between 2011 and 2021.
- 1.4 This is derived from the March 2006 Knight Frank report, produced for the Borough Council, which indicated that Hastings Town Centre would need c. 15,650 sq.m. of net retail floorspace for the period from 2011 to 2021. This is equivalent to a gross retail floorspace of about 24,000 sq.m. (see para 2.2.9 & 2.2.10 below for explanation of the multipliers). Allowance for related service trade shops (e.g. restaurants, coffee bars, hairdressers, travel agents etc) would increase the figure to a gross shopping floorspace need of about 30,000 sq.m. by 2021 (see para 2.2.9 & 2.2.10 below for explanation of the multiplier).
- 1.5 The updated forecasts start from a 2006 base – using 2002 price levels. The use of a '2002 price level' is consistent with that used in the Knight Frank report. For this report the important principle is that 'same year' prices are used throughout the report. It makes no difference to floorspace forecasts that price levels are those for 2002 rather than for 2006 or 2007. The price levels used are specific to retail goods. (2007 is the latest year for which reliable price level figures are available).

2.0 The updated forecasts

2.1 Population

2.1.1 The updated projections are guided by the policy-based projections produced by East Sussex County Council & published on their 'East Sussex in Figures' (Esif) website. These projections are consistent with the housing programme set out in the published version of the South East Plan. The projections use the Chelmer Housing & Population model.

2.1.2 The Chelmer Population and Housing Model (University of East Anglia) takes account of the following factors :-

Base Population – from the 2001 mid-year estimates (Office for National Statistics). It includes students as resident at their term time address. It also includes those living in institutions. The projections use the 2006 mid-year estimates to fix the 2006 position.

Housing Development – The model uses the housing figures contained in the published South East Plan for the period 2006-2026 (Hastings – 4,200 dwellings, Rother – 5,600 dwellings). Completions are assumed to be evenly spread across the time period. It is also assumed that net housing change from regeneration would be part of these figures.

Housing Vacancy Rates – (including second homes and holiday homes) – source of data – 2001 Census.

Sharing Rates – i.e. households living in 'not self-contained' accommodation in shared dwellings – rates calculated from 2001 Census.

Sharing Factors – i.e. the average number of households living in each shared dwelling – rates calculated from 2001 Census.

Total Dwellings in mid-2001 – This is an output from the model using the above factors.

Internal & International Migration – for both, the model uses a total number of net migrants and an age/gender profile in order to adjust the quinary output for each 5-year modelling period.

Household Representation Rates – (formerly called 'headship' rates or 'propensity' rates) – the propensity of each age/sex group to form a household – from ONS data.

Marital Status Rates – from ONS 2003-based projections.

Fertility & Mortality Rates – from ONS 2004-based projections.

2.1.3 This report takes on board the latest update of the 'Esif' policy-based projections. This update assumes exactly the same amount of future housing development as the earlier version. It has, however, adopted more recent changes to 'household

representation rates' which reflect recent social changes – in particular the reduced ability of elderly households to retire to East Sussex because of difficulties in the housing market. Of particular note in Hastings/Rother by 2026 are :-

- Almost 1,613 fewer one-person pensioner households than expected in the earlier forecasts (20,200 households in the new projections compared with 21,813 in the old projections.
- 836 more one-person households under retirement age (18,076 in new proj. vv 17,240 in old proj.)
- *[In 2026, one-person households are now expected to account for 43.4% of all households]*
- 550 fewer married pensioner households than expected (3,288 vv 3,838)
- 149 more married couple households under pensionable age (14,741 vv 14,592)
- *[In 2026, married couple households are expected to account for just 31.1% of all households – a reduction from 42.2% in 2006]*
- 508 more co-habiting couple households (10,765 vv 10,257)
- *[In 2026, co-habiting couple households are expected to account for 12.2% of all households – an increase from 9.3% in 2006]*
- 556 more lone parent households (5,414 vv 4,858)

This all translates into a higher average household size in 2026 – 2.00 persons per household in the earlier projection, 2.07 persons per household in the new projection,

2.1.4 The catchment area adopted is :-

- a) Hastings Borough.
- b) Rother District (excluding the parishes of Ticehurst, Burwash. Etchingham & Hurst Green).
- c) Wealden District – parishes of Ninfield & Hooe only.

2.1.5 This catchment area is, therefore, a little smaller than that used by Knight Frank in 2006 – particularly excluding the villages of Pevensey & Pevensey Bay.

2.1.6 Knight Frank's catchment area used relatively coarse sub-post-code 'building blocks'. There are no Chelmer projections at post-code level – but there are unpublished projections at smaller parish level. The aim has been to approximate the boundaries. The biggest anomaly has been the Pevensey & Pevensey Bay area (post-code BN24.6) – part of Knight Frank's 'rural-west' zone. The 2007 Eastbourne Household Survey (Eastbourne Borough Council – 2007) indicated that 100% of non-food shopping trips from Pevensey & Pevensey Bay went to Eastbourne – with none going to Hastings – hence its exclusion in this exercise.

2.1.7 The results of this re-assessment are :-

Table 1 – Hastings Catchment Area - Population & Household forecasts 2006-2026

Year	Population	Households	Average Household Size
2006	166,968	76,302	2.19
2009	168,346	77,617	2.17
2011	169,271	78,506	2.16
2012	169,840	78,944	2.15
2016	172,137	80,720	2.13
2021	174,096	82,932	2.10
2026	176,313	85,141	2.07
2011-2021 change	+4,825	+4,426	
2011-2026 change	+7,042	+6,635	

Note : - The household figures are smaller than those in para 2.1.2 because the Hastings catchment area excludes part of North West Rother District.

2.2 Expenditure growth

2.2.1 Adopted base retail per capita spending rates – from the Knight Frank study – for 2006 (2002 prices) are :-

Convenience Goods - £1,645 per person per annum

Comparison Goods - £3,333 per person per annum

2.2.2 These figures could be recast as ‘per household’ spending rates. This would make no difference to forecasts of floorspace need. Special forms of retailing (mail order, catalogue & internet sales) are excluded. Implicitly, therefore, internet growth is excluded.

2.2.3 However the following notes may be useful in relation to the growth of internet shopping:-

- Para 2.10 of the Knight Frank report calculated that in 2005, locally, on-line sales represented 4% of all retail sales. Government reports tie in with this view.
- Growth of internet shopping may be impressive in %age terms but this is from a very small base & much of the internet based growth is at the expense of strong declines in other areas of home shopping – such as traditional mail order/catalogue shopping & book clubs.
- Other elements of internet shopping growth have nil impact on land use since they take place in traditional shops (e.g. Tesco’s home delivery service is based in existing stores with staff (‘pickers’) doing shopping previously done by customers).

- Nationally, on-line shopping as a %age of all retail sales is expected to increase from 4.3% in 2005 to 7.7% in 2010. On the food side the increase is expected from 4.0% in 2005 to 11.0% in 2010.

Most Likely Forecasts

- 2.2.4 For 'most likely' forecasts in this note, per capita expenditure growth rates per annum incorporate an exceptional low rate of comparison goods growth (2.4% per person per annum) for the period 2009-2012, as recommended by Ernst & Young, to take account of the current exceptional national financial problems. The actual volume of retail sales during 2009 confirm the validity of this assumption.
- 2.2.5 After 2012 it is currently a safe assumption that the ultra-long-term comparison goods per capita growth rate of 4.0% per capita per annum will be resumed. Nevertheless this should be kept under review as future economic conditions/policy become clearer.

Table 2 – Adopted spending growth rates (per person per annum) 'most likely' rates

	Convenience	Comparison
2006-2009	1.0% per ann.	4.0% per ann.
2009-2012	1.0% per ann.	2.4% per ann.
2012+	1.0% per ann.	4.0% per ann.

Note :- These rates could be presented as 'per household' but this would not affect floorspace forecasts. These rates are the 'most likely'. They exclude 'special forms of retailing' (see para 2.2.2 & 2.2.3).

- 2.2.6 In order to test the sensitivity of forecasts, alternative rates of comparison goods growth have been used - a high of 5% per annum & a low of 3% per annum.
- 2.2.7 There are uncertainties about the rate of spending growth post-recession. It is clear that there will be a higher level of financial re-regulation and credit control – and that the excessive 6-7% per annum rates of comparison goods growth after the former de-regulation – the so-called 'big bang' – will not be repeated. Consequently even a rate of 5% is probably now on the margins of achievability. Changes in national government policy should also be monitored.
- 2.2.8 Adopted 2006 Town Centre retail turnover figures (derived from the March 2002 Shopping Capacity Review) (2002 prices) are :-
- Convenience Goods - £33,416,000
Comparison Goods - £92,307,000
- 2.2.9 Multipliers used are :-
- Net convenience floorspace to gross convenience floorspace -1.66
- Net comparison floorspace to gross comparison floorspace -1.53

Gross retail floorspace to gross shopping floorspace - 1.3

2.2.10 Multipliers are standard conversion rates derived from surveys:-

- net convenience to gross convenience – this means that, for every 1,000 sq.m. of convenience goods salespace, back-up space of about 660 sq.m. is required for backroom storage, offices, staff facilities, staff catering, staff toilets etc. With the growth of ‘just in time’ deliveries, the amount of on-site storage is tending to decline. Thus the multiplier is also tending to decline. Some years ago it was as high as 1.8.
- net comparison to gross comparison – surveys have shown that for comparison goods floorspace a lower amount of back-up space is required. This appears to be because turnover of individual lines is lower &, on average, item size tends to be smaller – and, of course, they do not require freezer rooms or chiller rooms with their associated machinery.
- gross retail to gross shopping – this multiplier adds in an allowance for service trade shops (e.g. banks, restaurants, coffee bars, hairdressers, travel agents etc) which sell services rather than goods. They are an essential part of shopping in a town centre. Surveys indicate that their floorspace expands at a similar rate to retail shops. The multiplier varies considerably from town centre to town centre (e.g. for Rye TC it is 1.5 because of the comparatively high proportion of cafes etc. in Rye). The source of data is DCLG’s State of the Cities database – for Hastings TC the DCLG figure is 1.27 – which has been rounded up to 1.3 in this exercise.

2.2.11 Retail Efficiency (productivity) changes:-

Convenience goods floorspace intensity – efficiency change - 0.15% per ann.

Comparison goods floorspace intensity – efficiency change - 1.5% per ann.

2.2.12 PPS6/PPS4 requires authorities to take account of increases in retail efficiency (productivity) when undertaking capacity studies. This recognises retailers’ efforts to increase turnover on existing floorspace. The efficiency factor is applied to turnover estimates and effectively ‘ring-fences’ some growth for existing retailers. The factor for convenience goods retailers is much lower than for comparison goods retailers. This recognises that comparison goods retailers have much further to go in adopting new methods of retailing, reducing margins etc.

2.3 Town Centre floorspace change 2006-2009

2.3.1 The most comprehensive data source for Town Centre gross shopping floorspace change (i.e. A1/A2/A3 shops) is that produced for the DCLG ‘State of the Cities’ database reported in Table 4 below. Unfortunately available data for Hastings Town Centre currently only relates to 2000-2004. This data shows that, despite the opening of Priory Meadows 12 years ago, total gross shopping floorspace in the Town Centre declined by 2.5% between 2000 & 2004.

- 2.3.2 Borough Council completion statistics show only one small development of 23 sq.m. in the Primary Shopping Area since 2004 – with a further A1/A2/A3 development of 1,120 sq.m. in Havelock Road – which is outside the Primary Shopping Area (and is, in any event, included in the ‘commitment’ figure in para 2.4.1 below).
- 2.3.3 Against the underlying decline, these two developments should have stabilised the level of Town Centre floorspace. [It should be noted that the Borough Council did not monitor shopping floorspace losses during most of this period]

2.4 Town Centre commitments as at 2009

- 2.4.1 These form a net increase of 1,344 sq.m. (14,460 sq.ft.) of gross shopping floorspace. These arise from 5 town centre schemes. There are four other commitments involving switches within shopping Use Classes.
- 2.4.2 These town centre commitment figures are supplied by the Borough Council. The gross increase is higher than 1,344 sq.m. but is off-set by a number of declines – i.e. planning applications for shifts of shopping floorspace to other uses – such as housing or offices

2.5 Shop vacancies (April 2009)

- 2.5.1 Following the re-letting of the former Woolworth’s store to SportsDirect the vacancy position is now relatively modest.
- 2.5.2 Currently 16.9% of all shop units are vacant (63 units). This is almost the same as the high level of vacancies (64) experienced in 1997 following the opening of Priory Meadows.
- 2.5.3 The current vacancies tend to be small units, often in marginal locations. The proportion of vacant floorspace is only about 6.3%.
- 2.5.4 A healthy rate of vacant floorspace (to allow the property market to function properly) is about 4-5% -- proportions lower than this would result in unacceptable levels of rent inflation for shopkeepers.
- 2.5.5 It would be appropriate, therefore, to ‘ring fence’ about 1,000 sq.m. of floorspace potential in order to reduce the vacancies to a ‘healthy’ level.

2.6 Market share changes for comparison goods expenditure

- 2.6.1 An additional sensitivity test involves increasing the town centre’s comparison goods market share by 2%. This is of the same order as that achieved by the Priory Meadow development. The 2% increase would result from the additional attraction of a major future town centre shopping scheme. In fact the overall market share increase following Priory Meadows was about 3.8% - thus a ‘2%’ increase assumption is quite modest.

2.6.2 Increasing the Town Centre market share does not imply extending its catchment area. There is plenty of potential within the existing catchment area for increases to Town Centre trade. The results of the Knight Frank Household Survey illustrate quite how badly the Town Centre currently performs. For example, only 41% of the clothing & shoe expenditure of catchment area residents is attracted to Hastings Town Centre. For books, toys & sports goods the figure is 40%; for small household goods 38%; for furniture & carpets 23%; for major electrical items 17%; and for DIY & garden goods a mere 9%.

2.6.3 It is also instructive to look at the respective 'draw' in sub-divisions of the catchment area – taking clothing and shoe expenditure as an example :-

- Within Hastings Borough only 65% of clothing and shoe expenditure is attracted to Hastings Town Centre. No less than 13% is attracted all the way to Eastbourne. Catalogue & internet sales account for 5% of expenditure. The remainder is distributed amongst a large number of other centres/stores.
- Moving over to Bexhill, only 10% of Bexhill's clothing and shoe expenditure is currently attracted to Hastings Town Centre. This compares with 56% going to Eastbourne & 20% to Bexhill Town Centre – clearly a major challenge for Hastings with very strong competition from Eastbourne.
- There is a similar pattern for the rural west part of the catchment area (i.e. villages such as Ninfield) – 11% to Hastings TC v-a-v 52% to Eastbourne + 13% to Tunbridge Wells.
- In the rural north (Battle, Robertsbridge etc), whilst Hastings attracts 30% of expenditure, the dominant centre is Tunbridge Wells – attracting 34% of expenditure.
- In the rural east (Rye, Winchelsea, Broad Oak, Northiam) Hastings is the dominant centre with a 44% share – followed by 11% to Ashford, 9% to Tunbridge Wells & 5% to Eastbourne. Almost 10% goes to catalogue and on-line sales.

This confirms that an increase of 2% in Hastings TC market share is really quite modest.

The 'before' and 'after' study at Priory Meadow was carried out by the author.

3.0 The results

3.1 The revised town centre forecasts start from a base year of 2006. Results are shown in Table 3 below & illustrated in the diagram which follows it. The results are :-

3.2 2006 to 2009

3.2.1 During this period new shopping floorspace growth has probably been minimal and vacancies have increased (biggest loss was the former Woolworth store). In consequence the capacity model indicates that the Town Centre Primary Shopping Area could have experienced a small market share loss during this period of about 1.35%.

3.3.2 The capacity model is devised by the author. It deals separately with convenience and comparison goods. The input variables for each forecasting period are:-

- population for initial and final year.
- initial expenditure per head.
- expenditure growth rate per annum.
- shopping centre turnover in initial year.
- commitments (sq.m.).
- floorspace intensity for new floorspace (£/sq.m. – initial year).
- floorspace efficiency changes (% per annum).
- Net retail to gross retail multipliers.
- Gross retail to gross shopping multiplier.
- Market share – initial & final year.
- Price level.

3.3 2009 to 2012

3.3.1 With reduced expenditure growth, the requirement for new Town Centre floorspace during this period is modest. These requirements can largely be met by schemes already having planning permission.

3.3.2 If an allowance is also made for re-tenanting some of the currently vacant shop units, there will be no need for additional floorspace over and above existing commitments. This would enable the town centre to re-capture about 0.15% of the 1.35% market share lost since 2006.

3.3.3 In the light of the current economic difficulties it is probably not practical to fully regain the 2006 market share by 2012.

3.4 2012 to 2026

3.4.1 It is assumed that by 2012 the nation will have largely pulled out of recession and ultra-long-term, pre-2009, expenditure growth rates will have been re-

established. On the 'most likely' forecast it is also assumed that the Town Centre will have re-achieved its 2006 market share by 2016.

3.4.2 After 2016 the 'most likely' forecast assumes continuation of 2006 market share with a 4% per annum comparison goods expenditure growth.

3.4.3 The basis for the alternative forecasts is discussed in Section 2. The alternatives are:-

Low optimistic – Comparison goods expenditure growth of 4% per capita per annum – with a 2% increase in market share from 2016.

High optimistic – as for 'low optimistic', but with comparison goods expenditure growth rate increased to 5% per capita per ann. from 2016.

Low pessimistic – 3% per capita per ann. comparison goods expenditure growth from 2012, rather than 4% - no market share increase.

High pessimistic – 3% per capita per ann. comparison goods expenditure growth from 2012 - but with market share increased by 2% from 2016.

Table 3 – Floorspace Forecasts

	Net Retail	Gross Retail	Gross Shopping
	sq. metres	sq. metres	sq. metres
2006-2009	minimal completions = small drop in market share		
2009-2012	commitments – if all implemented – will recover some market share		
'Most Likely' Forecast	4% per annum per person comparison expenditure growth + 2006 market share from 2016		
2012-2016	5,232	8,028	10,437
2016-2021	4,471	6,868	8,929
2021-2026	5,142	7,897	10,268
Total 2012-2021	9,703	14,896	19,366
Total 2012-2026	14,845	22,793	29,634
Low Optimistic	as Central + 2% market share increase from 2016		
2012-2016	5,232	8,028	10,437
2016-2021	8,588	13,168	17,119
2021-2026	5,734	8,803	11,444
Total 2012-2021	13,820	21,196	27,556
Total 2012-2026	19,554	29,999	39,000
High Optimistic	as Low Optimistic but with 5% per annum per person comparison expenditure growth from 2016		
2012-2016	5,232	8,028	10,437
2016-2021	10,505	16,106	20,938
2021-2026	8,301	12,738	16,559
Total 2012-2021	15,733	24,134	31,375
Total 2012-2026	24,038	36,872	47,933
Low Pessimistic	as Central but with 3% pa comp exp growth from 2012 – no market share increase		

2012-2016	4,098	6,294	8,182
2016-2021	2,756	4,245	5,519
2021-2026	3,049	4,695	6,103
Total 2012-2021	6,854	10,539	13,701
Total 2012-2026	9,903	15,234	19,804
High Pessimistic	as Low Pessimistic but with 2% market share increase from 2016		
2012-2016	4,098	6,294	8,182
2016-2021	6,531	10,020	13,026
2021-2026	3,388	5,214	6,778
Total 2012-2021	10,629	16,314	21,208
Total 2012-2026	14,017	21,528	27,986

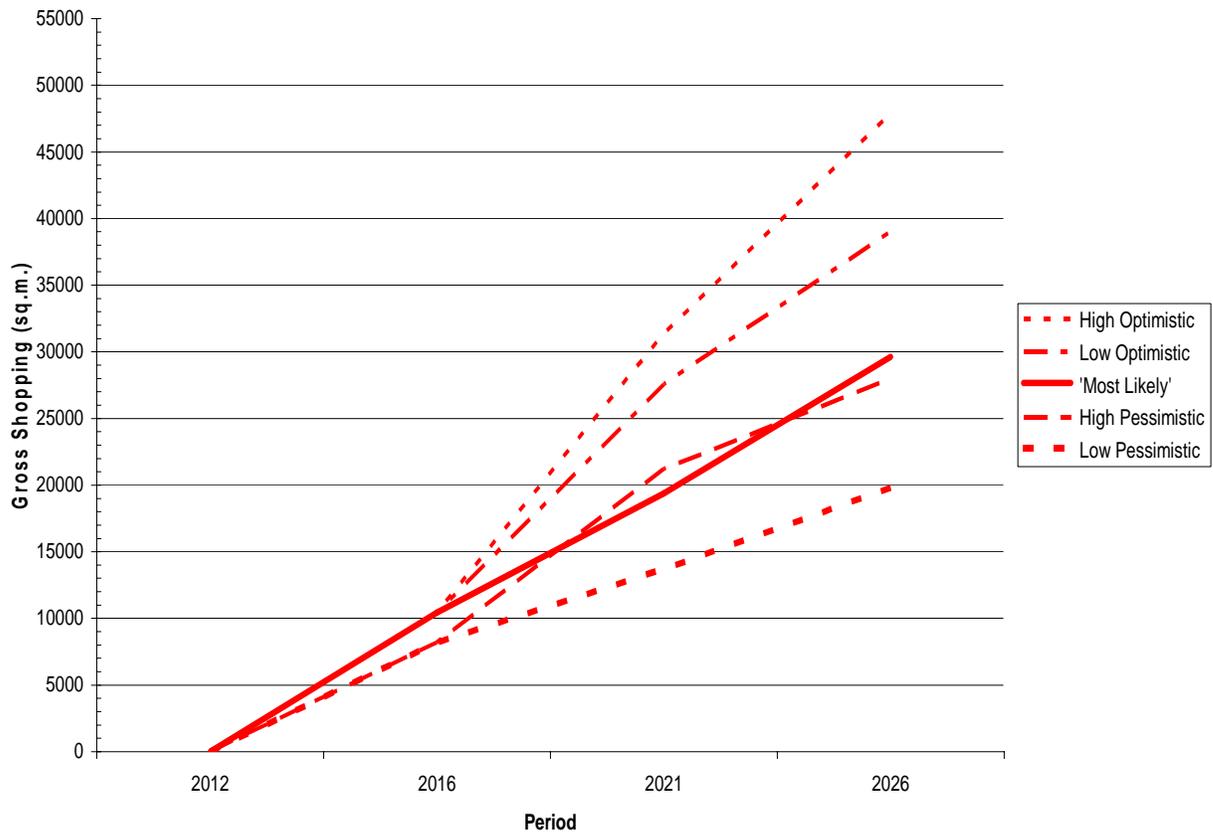
Notes

Net retail = sales space

Gross retail = sales space + storage + ancillary

Gross shopping = gross retail + service trade shops

Hastings TC Gross Floorspace Needs



4.0 Conclusions & Interpretation for Town Centre

- 4.1 The revised 'Most Likely' forecast for Hastings Town Centre in 2021 reduces need from 30,000 sq.m. (see para 1.3 & 1.4) to 19,366 sq.m. gross – a reduction of 36%.

- 4.2 In the additional 5 years to 2026 this need increases to 29,634 sq.m. gross – marginally lower than the original 2021 forecast. (This would increase Town Centre floorspace by about 27%)
- 4.3 The ‘low optimistic’ forecast would bring the ‘Most Likely’ forecast needs forward by about 5 years to about 27,500 sq.m. gross in 2021. This would increase to about 39,000 sq.m. gross by 2026.
- 4.4 The ‘high optimistic’ forecast adds in an increase in comparison expenditure growth to 5%. This would result in a need for about 48,000 sq.m. by 2026. These levels of growth have been more than achieved, nationally, in the past – in the period of financial de-regulation – the so-called ‘big bang’. However, in the future, it seems reasonable to expect higher levels of financial re-regulation and credit control. Consequently it is probable that growth of this magnitude is near the upper level of achievability.
- 4.5 Given lead times of about 10 years for a medium-sized scheme, to achieve a ‘first phase’ trading by 2021 would require land assembly to start in the next 2 years.
- 4.6 The most pessimistic forecast, the ‘low pessimistic’, assumes a sluggish recovery from the recession. With comparison expenditure growth of only 3% per ann., 2026 need would reduce to about 20,000 sq.m.. (This would increase Town Centre floorspace by about 18%)
- 4.7 This ‘low pessimistic’ forecast could have serious consequences for the Town Centre if the economic ‘out-turn’ was more bullish – i.e. if town centre plans were based on 3% p.a. growth AND the rate of growth actually emerged at 4-5% p.a. this would imply a significant loss of the town centres, already poor, market share. The ‘slack’ would undoubtedly be taken up by the town’s competitors – for example, it is known that Eastbourne has ambitions to increase its ‘draw’ from Bexhill
- 4.8 The ‘high pessimistic’ forecast, with the increased market share, shows a 2026 need of 28,000 sq.m. – almost as high as the ‘Most Likely’ forecast.
- 4.9 My recommendation would be to aim for a 2026 need of about 30,000 sq.m. +/- 5,000 sq.m. (The +/- range reflects forecasting uncertainties)

A ‘Phase 1’ scheme of 20,000 sq.m. by 2021 (+/- 5,000 sq.m.) may be supportable – but it must generate significant amounts of prime shopping frontage (i.e. shops alongside a strong shopper footfall. There are few locations in the Town Centre where this can be achieved).

5.0 Future need for retail warehouse (bulky goods) floorspace

- 5.1 Knight Frank assessed the need for new retail warehouse (bulky goods) floorspace in their March 2006 report. This covered the period up to 2021.

- 5.2 The current re-assessment has used a different methodology. Rather than looking at 'Hastings generated growth' we now look at growth generated from all catchment area residents. (This approach recognizes that retail warehouses in Hastings will also draw trade from rural areas – in particular from north and east of the Borough). These needs will largely be met by developments in the two largest urban areas – Hastings and Bexhill. It is assumed that future catchment area needs will be satisfied in the two towns in the ratio 67%/33% - reflecting the ratio of existing urban populations.
- 5.3 The bulky goods sector is a 'subset' of the comparison goods sector and includes electrical goods, furniture, carpets and DIY. These 'bulky goods' do not have to be sold in conventional retail park locations. Indeed, Knight Frank calculated that the Town Centres and local centres accounted for more than half of the spending in 'bulky goods' categories.
- 5.4 In 2006 Knight Frank calculated that about £63m/ann was spent in retail warehouses in the catchment area.
- 5.5 This figure of £63m requires amendment. The ex-MFI unit at Bo-peep has now stood vacant for many months – despite a number of abortive attempts to re-let it. There have also been a number of changes on the Ravenside Retail Park. The former 'Iceland' food store is now occupied as a 'Next' clothing store (not, of course, a bulky goods retailer). 'Kitchen Studio', 'Rosebys' & 'Bensons' have left, whilst 'Pets at Home' have opened a new store [Bensons have moved to the MFI block]. 'Boots' is not a bulky goods retailer. Also a former bulky goods retail warehouse at Sidley has been replaced by a Lidl food store. In consequence overall trading bulky goods space has declined by about 22% suggesting a revised existing turnover of about £49m.
- 5.6 This re-assessment uses the Knight Frank 2006 figures as a base and, post-2006, substitutes revised variables in particular for population & reduced spending growth (see Section 2.0) and changes in tenancy (see para 5.5 above) The net salespace to gross floorspace ratio is assumed to be 1.11 (Knight Frank used a ratio of 1.05).
- 5.7 The results of the analysis are :-
- a) 2006-2012 – need for 2,092 sq.m. gross – this has been more than satisfied by the construction of the Wickes store at Ravenside Retail Park.
 - b) 2012-2016 (Hastings only) – a need for 1,450 sq.m. gross – this could be met by a re-let of the ex-MFI unit (some of its trade would come from Bexhill).
 - c) 2016-2021 (Hastings only) – a need for 1,962 sq.m. gross of new floorspace.
 - d) 2021-2026 (Hastings only) – a need for 2,278 sq.m. gross of new floorspace.

- 5.8 These results represent a significant downward revision of the Knight Frank forecasts. Knight Frank identified unsatisfied need in Hastings for new floorspace to the extent of 7,898 sq.m - between 2006 & 2021. The revised forecast downgrades this to about 3,412 sq.m. (2012-2021).
- 5.9 Extending the forecasts 5 years to 2026 adds additional needs for 2,278 sq.m. of new gross floorspace
- 5.10 Some of the space could obviously be located in, or on the edge of Hastings Town Centre and St. Leonards Town Centre.

6.0 Employment consequences

6.1 Knight Frank considered the employment consequences of new retail provision in their March 2006 report. This included commitments in the whole Borough + floorspace identified in their capacity analysis (up to 2021). Their conclusion was that about 1,316 new jobs were to be expected.

6.2 Their analysis raises the following issues :-

- The analysis extended only to 2021 – and should now be extended to 2026.
- It included only retail shops/warehouses – service trade shops should now be added in.
- It did not consider possible changes to employment densities within the existing stock of shops.
- It did not consider future changes in employment densities.
- The analysis included major commitments (superstores/retail warehouses) outside the Town Centre – clearly this should now be updated.

6.3 A basic source of employment density data for Hastings Town Centre is the DCLG 'State of the Cities' database which gives annual figures for gross shopping floorspace and shopping employment. (Figures are also available for St Leonards Town Centre & Hastings Old Town – not always complete because of confidentiality). It should be noted that DCLG's definition of Hastings Town Centre is by computer driven algorithm & does not replicate exactly the Local Plan definition.

6.4 The current Town Centre data is for years 2000-2004 as follows :-

Table 4 – Hastings Town Centre (State of the Cities database)

	2000	2001	2002	2003	2004	(2006)	(2012)
Gross shopping floorspace (sq.m.)	112,600	111,600	113,200	112,200	109,800		

Employees	2,410	2,440	2,670	2,600	2,700		
Sq.m per employee	46.72	45.73	42.40	43.15	40.67		
						projection	
(linear regression values – straight line equation)	(46.82)	(45.28)	(43.73)	(42.19)	(40.65)	(37.57)	(28.31)

- 6.5 As indicated above, the general trend of 'sq.m per employee' in existing premises is downward – i.e. more employees per 1,000 sq.m. of floorspace. This follows on from the 'efficiency change' assumptions referred to in paras 2.2.11 & 2.2.12 above – more trade per sq.m. = more employees per sq.m.. A linear regression analysis (bottom line of Table 4) using the above data indicates that this degree of increasing job intensity is unlikely to continue through the forecasting period.
- 6.6 There are insufficient values to establish a reliable linear regression (i.e. straight line) equation for forecasting - the 2016 value would have been 22.15, 2021 would have been 14.44 & 2026 would have been 6.73 – these figures, in the medium to long term, are not credible – hence the need for more sensible 'moderated densities'. [There are certainly far too few data pairs to attempt a multiple regression (i.e. curved line) equation].
- 6.7 The following moderated densities are suggested – they should be applied to both existing and future floorspace.
- 2006 - 40.0 sq.m. per employee
2011 - 38.0
2016 - 36.0
2021 - 34.0
2026 - 32.0
- 6.8 Knight Frank actually used a rate of 1 job per 35 sq.m for comparison floorspace + 1 job for 60 sq.m. for bulky goods (+ 1 job for 20 sq.m. for the small amount of convenience goods floorspace). These Knight Frank figures, therefore, seem reasonable. Table 5 below applies the moderated densities to the existing & revised new floorspace figures.
- 6.9 In addition figures are added to Table 5 for bulky goods retail warehouses, existing town centre commitments (1,344 sq.m. from para. 2.4.1 above) & the Silverhill Asda store recently granted consent (Asda's estimate) :-

Table 5 – Estimated employment increases for shopping floorspace in Hastings, 2012-2026

	Sq.m /job	Existing floorspace 109,800 sq.m. (No of jobs)	New floorspace (from capacity study)		New Retail warehouse 'bulky gds' floorspace	TC commitments (para. 2.41)	Proposed Silverhill Asda	TOTAL
2006	40	2,745						
2011	38	2,889						
(2012)	(37.6)	(2920)						
2016	36	3,050						
2021	34	3,229						
2026	32	3,431						
			F/S	jobs				
2006-11		144						
2011-16		161						
(2012-16)		(130)	10,437	290	24	37	350	831
2016-21		179	8,929	263	33			475
2021-26		202	10,268	321	38			561
2012-21		309		553	57	37	350	1,306
2012-26		511		874	95	37	350	1,867

Note : - This table excludes any employment changes in smaller district, local and neighbourhood centres.

6.10 Thus the revised estimate of new 'shopping' jobs between 2012 & 2021 is 1,306 (c.f. Knight Frank 'retail only' estimate, 2011-21, of 1,316). For 2012 to 2026 the 'shopping jobs' estimate is for 1,867.

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