Retail Capacity Analysis of Abingdon Town Centre

Prepared for: **Vale of White Horse District Council**

Prepared by: **The Retail Group**

Date: **July 2011**

Contents:

Retail Capacity Analysis of Abingdon Town Centre

Report prepared for
Vale of White Horse District Council

By **The Retail Group**

1 Study Background

1.1 The Retail Group and Tibbalds were successful in February 2011 in being jointly appointed to undertake a retail capacity analysis of Abingdon Town Centre, as well as the preparation of a development brief for the Abbey Shopping Centre / Charter Area of Abingdon, following a competitive tender process.

1.2 This report has been prepared by The Retail Group and submitted in relation to the Capacity Study element of the brief.

1.3 The council has previously commissioned Savills to undertake Retail Capacity Studies for the district in 2008 and 2010. This report updates that analysis and incorporates the latest information available on population growth and spend; as well as existing retail schemes and new developments, in order to identify the capacity of Abingdon Town Centre to quantitatively and qualitatively sustain additional convenience and comparison goods floorspace.

1.4 New River Capital also commissioned CACI to produce a Retail Impact Analysis of a new supermarket on the Charter Site, which included the calculation of retail capacity figures using computer based gravity modelling techniques. A further purpose of this study has been to reconcile differences between the Savills and CACI studies in order to understand why their findings and conclusions were different.

1.5 This report will also identify strengths and weaknesses of the retail offer of the town centre, and in particular what is missing or needed in the town to improve its retail appeal and ensure its future vitality and vibrancy. This then provides a feed into the development of Tibbald's development options, documented under their Development Brief.

1.6 This report concludes with an assessment of the most appropriate and optimum form of development the redeveloped Abbey Shopping Centre / Charter Area could produce.

2 Study Objectives

From the tender brief and subsequent discussions, the study objectives can be summarised as:

2.1 Update Savills Capacity Analysis in order to identify the capacity of Abingdon Town Centre to sustain additional convenience and comparison goods floorspace. An additional objective over and above the brief is reconcile the Savills and CACI studies to understand the reasons for the differences in findings

2.2 Assess the existing town centre retail offer to qualitatively assess what is missing / inadequate from Abingdon's retail offer.

2.3 Assess the optimum role that the Abbey Shopping Centre / Charter Area could play in terms of satisfying the above demand.

3 Quantitative Analysis of Capacity

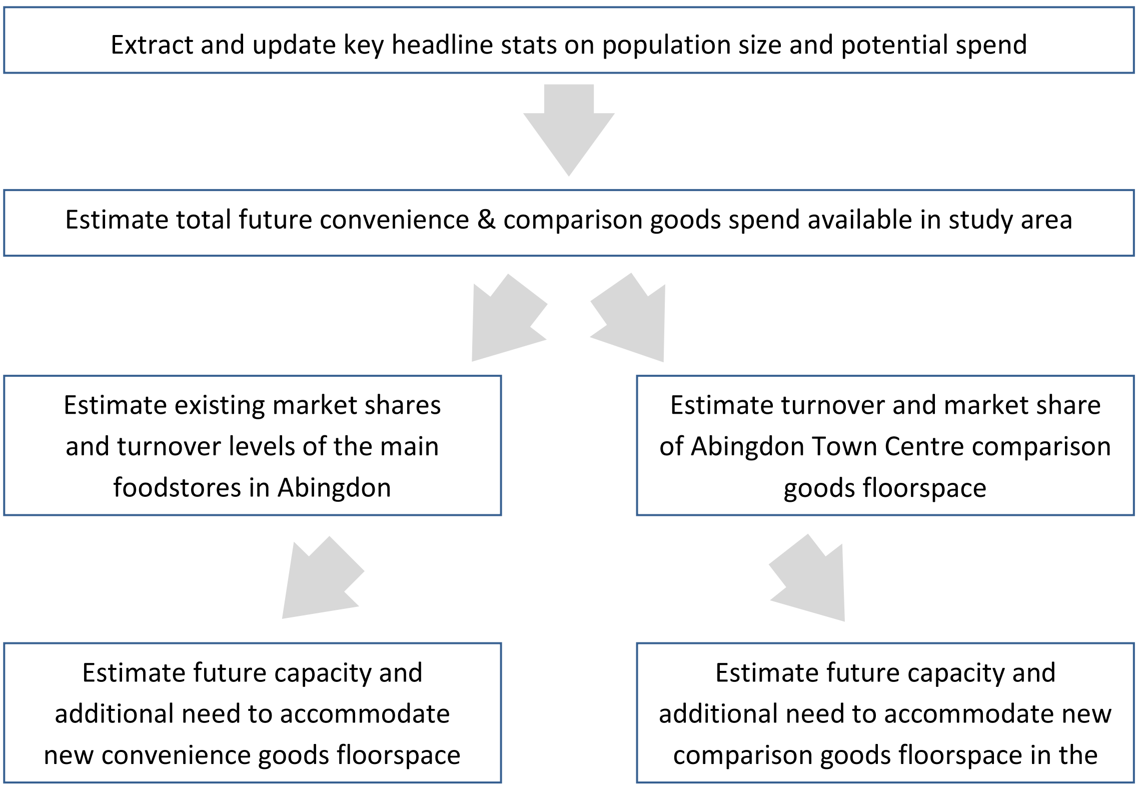
Introduction

3.1 The aim of this section of the report is to update the analysis of capacity in Abingdon Town Centre for new convenience and comparison floorspace, by corroborating and updating key statistics and assumptions made within the most recent Capacity Study available, i.e. Savills 2010 Capacity Update as well as CACI's 2009 Retail Impact Analysis, and then rerunning the analysis. This follows a similar process to that contained in the PPS4 Practice Guidelines.

3.2 Traditional planning type studies tend to be very robust in their estimation of population numbers, growth and expenditure availability. For the purposes of this exercise, we will therefore use the Savills report as the basis for the expenditure availability.

3.3 The CACI study provides a useful and informative assessment of forecast store turnovers and market shares and the outputs of that study will be compared to and cross referenced to the Savills study, when updating the future forecast of available capacity.

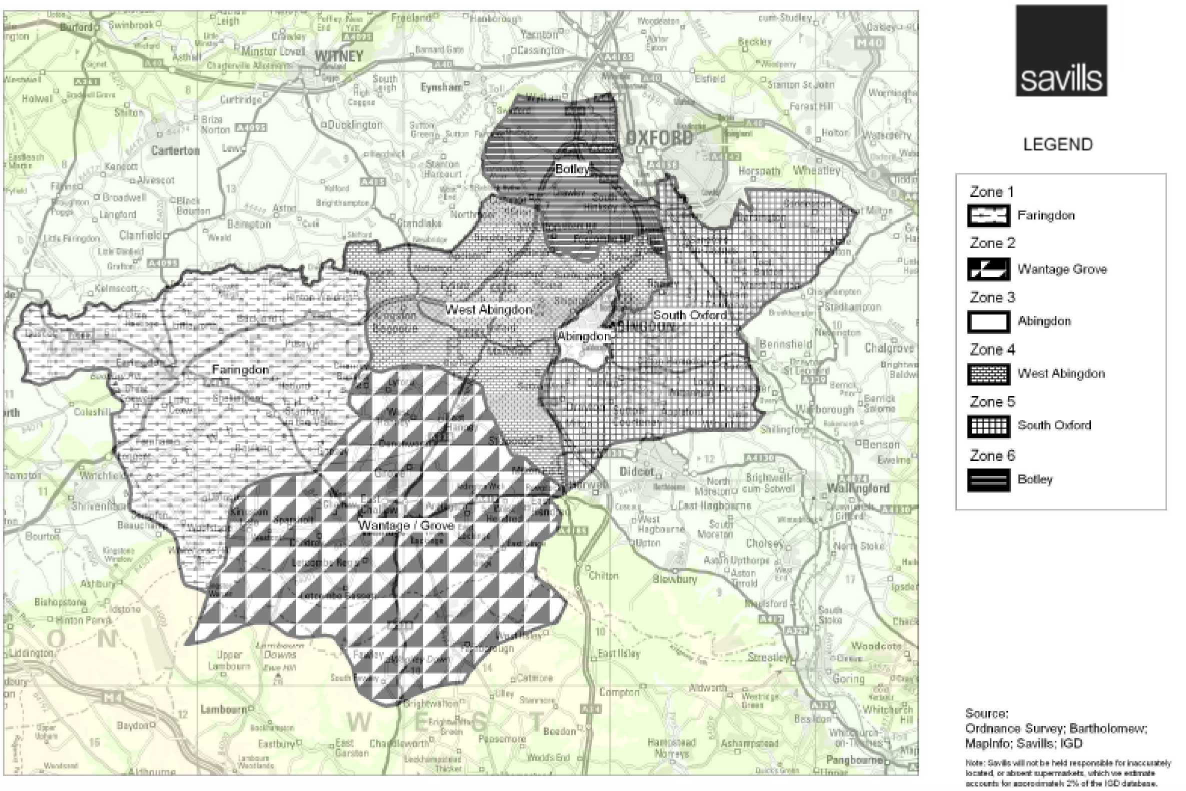
There are 4 key stages to identifying the available capacity:



3 Quantitative Analysis of Capacity

Assessment of Spend Available

3.4 There are an estimated 136,000 residents living in the study area at the base year of 2011 (source: Savills).



3.5 We consider Savills' study area (consisting of the above 6 zones) to be a fair and reflective area on which to base the capacity analysis, given the results of their household survey. Savills conservatively assumed that the population in this area will grow to circa 148,000 residents by 2027, which is approximately a 9% growth and equates to less than 12,000 new residents.

3.6 The Core Strategy however proposes an additional 11,560 *households* in the Core Strategy Preferred Options report. For the purpose of this report we will use the information used in the Core Strategy and assume that each household corresponds to 2 *people per household* hence an additional circa 23,000 new residents, i.e. circa 159,000 total population by 2027. It is also assumed that the house building programme is front loaded as per core strategy. Appendix I highlights the population for each year over the course of the study period. We have factored in a delay to the proposed programme given the economic outlook for the next couple of years.

3.7 Future forecast population for the study area is detailed in Appendix I and summarised below.

2011	136,000
2018	150,000
2027	159,000

3 Quantitative Analysis of Capacity

Assessment of Future Spend

3.8 To arrive at a forecast for future expenditure availability we have used as a start point the expenditure per head on convenience and comparison goods for the study year base of 2011 (source: Savills).

3.9 We have then applied the long term forecast increases in convenience and comparison goods expenditure (source: Experian Retail Planner Briefing note 7.1)

3.10 The estimated future total forecast expenditure availability within the catchment is therefore:

	Convenience	Comparison
2011	£258m	£462m
2018	£287m	£523m
2027	£306m	£557m

Assessment of Current Spend / Market Shares and Turnovers

3.11 According to the Savills study, the Waitrose store in Abingdon is estimated to be attracting a turnover of £17.0m, which equates to average sales of £8,459 per sq.m. This is probably on the low side as the store appears to be trading reasonably well.

3.12 The Tesco Extra store is forecast to be generating a food turnover of £54.2m, equating to a sales ratio of £13,528 per sq.m. This would seem a reasonable estimate of the convenience goods turnover, as at least one third of the store is comparison goods, cafe, garden centre, petrol station etc. which would indicate a broad average turnover in the region of £75m a year or £1.5m a week, which again seems reasonable for the very large size store it is (circa 9,800 sq.m. gross).

3.13 The other shops in the Vale therefore equate to £63.7m.

3.14 The estimated *market shares* of the above stores (i.e. percentage of study area expenditure captured), using the updated population and expenditure figures are detailed in Appendix II and summarised below.

	2011	2018	2027
Waitrose	7%	6%	6%
Tesco Extra	21%	19%	18%
Other stores in the Vale	25%	22%	21%

3 Quantitative Analysis of Capacity

Future Expenditure Capacity and Need for Additional Convenience Goods Floorspace

3.15 We have updated the future available capacity assessment in Appendix III. We have assumed that there will be one additional store in Faringdon, and have assumed it could have a net floor space of 1,800 sq.m. and will trade at the same levels of sales density as the existing stores in the area.

3.16 We do however consider that Savills assumed 60% retention of expenditure of all stores within the catchment is very cautious and have instead used a more realistic figure of 65% from 2018, and it could comfortably be argued that a higher figure of 70% or even 75% could be used, given the improved food store provision in the catchment. This would imply untapped local convenience goods expenditure / leakage of circa £101m by 2018, and £107m by 2027.

3.17 The updated capacity assessment therefore identifies that Abingdon has the capacity for the following convenience goods floorspace:

2011	2,011 sq.m.
2018	3,710 sq.m.
2027	4,908 sq.m.

Comparison Goods Spend and Market Shares

3.18 Savills did not update their capacity forecasts for comparison goods in their 2010 update. Equally, although CACI did provide some broad estimates of total comparison goods expenditure it did not work this back to sustain additional floorspace. So for the purpose of this exercise we have therefore gone back to Savills 2008 study.

3.19 Savills estimate from their Household Survey that Abingdon town centre comparison goods offer was achieving a turnover of £62.5m in 2008. There is no evidence to suggest this will have increased since then so we shall use that figure as the base year (2011).

Abingdon Turnover

3.20 Appendix IV illustrates our update of Savills capacity assessment for comparison goods in the study area. We have added in the additional new retail facilities on Limborough Road in Wantage as they are now trading (Argos, New Look etc.).

3.21 The available capacity for new additional comparison goods retail in Abingdon is therefore:

2011	304 sq.m.
2018	6,422 sq.m.
2027	9,781 sq.m.

3.22 This again is based on a conservative assumption that market share is only 40% and remains constant over the study period. More comparison goods stores in Abingdon will help to keep more expenditure in the town, especially if they are recognisable quality multiple operators.

3.23 It is clear therefore that Abingdon town centre has the capacity to sustain more convenience and comparison goods by 2027.

THE RETAIL GROUP

informed solutions

3 Quantitative Analysis of Capacity

Comparison of Savill's Results and this Updated Analysis

3.24 The objective of this exercise has been to update Savills capacity analysis. Whilst we have used the same study area, we have updated key assumptions, where more up to date information has been available. This has included updated population estimates from the Core Strategy and more up to date long term expenditure forecasts from Experian. We've also included proposed stores that have now opened, as well as new store proposals in Faringdon.

3.25 Updating the above assumptions has generated the following key study outputs, which we have compared to the original Savills's outputs (2010 update and 2008 original study) for the sake of transparency.

	2011	**2018**	**2027**
Study Area Population			
Updated analysis from The Retail Group	136,000	150,000	159,000
Savills 2010 Study	136,000	141,000	148,000
Capacity for Additional Convenience Goods	**2011**	**2018**	**2027**
Updated analysis from The Retail Group	2,011 sq.m.	3,710 sq.m.	4,908 sq.m.
Savills 2010 Study	1,011 sq.m. (at 2013)	2,055 sq.m.	4,212 sq.m.
Capacity for Additional Comparison Goods	**2011**	**2018**	**2027**
Updated analysis from The Retail Group	304 sq.m.	6,422 sq.m.	9,781 sq.m.
Savills 2008 Study	nil	3,195 sq.m.	12,681 sq.m.

4 Qualitative Analysis of Abingdon Town Centre

Introduction

4.1 The aim of this section of the report is to qualitatively assess Abingdon's town centre retail offer, in terms of its mix, width and depth of offer, layout, environment, retail standards and customer experience. This will then provide a clear picture of the strengths to build on, as well as the issues that need addressing in order to achieve its retail potential going forward. It will also identify the opportunities that could be satisfied by the redevelopment of the Abbey Shopping Centre and Charter area.

Overview of the Town Centre Retail Offer

4.2 Abingdon is an attractive and historic market town containing a town centre retail offer dominated by independent convenience, service and catering operators. The offer is centred on the historic Market Place, which has a number of key retail streets extending from it.

Market Place

4.3 Market Place is dominated by the very beautiful and imposing Abingdon County Hall Museum. Retail occupiers around the square include a couple of cafes, a very small M&Co, 2 x jewellers, a sandwich shop, estate agent, a bank and a hardware store which has recently closed. On the opposite side of Market Place to the Abbey Shopping Centre entrance is an attractive and well laid out and merchandised Fat Face store.

4.4 The square comes alive when the weekly market is held on a Monday, as well as the monthly Farmers Market. In many ways, Market Place sums up Abingdon's retail offer; a little bit of everything, trading from small units surrounded by beautiful and historic buildings around and above. Market Place is physically the heart of the town centre, but not its retail heart.

4 Qualitative Analysis of Abingdon Town Centre

Abbey Shopping Centre

4.5 Formerly the Bury Street Precinct, Abbey Shopping Centre is a dated, tired and unattractive retail scheme built in the 1960s. Although it has an excellent location directly off the North West quadrant of Market Place, there is very little to signpost or announce the scheme.

4.6 Initial sightlines are dominated by the brick flank wall, unattractive overhanging canopies as well as poor quality seating and streetscaping.

4.7 The retail mix includes a small Co-op (ex Somerfield) convenience store of circa 400 – 500 sq.m. hidden at the back of scheme, as well as small Poundland, Boots, and Superdrug stores, all in very small units compared to the size of stores in which they can typically be found across the UK in market towns and similar sub-regional centres. WH Smith can also be found in a 'micro' store.

4.8 The rest of the offer contains a few minor comparison goods stores (New Look, Clarks, and an independent toy store), all trading from units less than an estimated 100 sq.m. The remaining units are either service retail or charity stores. Four of the total 35 units in the centre appeared to be vacant at the time of the review.

4.9 Despite being the notional 'centre' of retailing in Abingdon, the Abbey Shopping Centre offers a basic quality, forgettable and weak retail offer notwithstanding the presence of some key national retail brands. Furthermore, linkages to the rest of the offer are low impact with poor or non-existent sightlines. The centre would benefit from the addition of stronger anchor stores and in particular a large supermarket, to help boost footfall.

4 Qualitative Analysis of Abingdon Town Centre

Stert Street

4.10 Things improve a little on Stert Street as a result of a number of independent 'gems'.

4.11 Added Ingredients (cookware / cafe), The Nursery Shop, Sweet Chocolate, Fine Guitars, Masons, and Mostly Books are all attractive, well run, appealing and clear strengths of the Abingdon retail offer.

4.12 Although the environment on Stert Street is attractive as a result of historic streetscape, it's somewhat blighted by heavy traffic being part of the one-way system around the town centre.

4.13 Although not directly on Stert Street, the nearby Waitrose store (accessed on foot via Old Station Yard or mini cut through by Badgers Menswear) is a good anchor for the town. With 25 checkouts and circa 2,000 sq.m. of trading floorspace, the store offers deli, fish and meat counters, a large wine provision and overall appears to be trading well. Whilst it has good appeal for the mid and upmarket consumer base within Abingdon, it is of an insufficient size to effectively anchor the town centre and compete with the extremely large out of town Tesco store.

4.14 A further weakness is that the pedestrian access into the top of the Abbey Shopping Centre via Broad Street is not particularly attractive, and further compounded by poor sight lines of the Queen Street service yard and surface car park.

4 Qualitative Analysis of Abingdon Town Centre

High Street

4.15 The historic High Street of Abingdon starts off well as is leaves Market Place in terms of strength and diversify of the retail offer, however it declines quite quickly in terms of vibrancy and occupancy as it approaches West Saint Helen Street. Initial nuggets include Throwing Buns and Scuffs, as well as Outdoor Traders and Abingdon Sports. Beyond these units, the offer then rapidly declines into value / discount (Poundland and QS), six banks and estate agents on the Southern side of the road, and then several vacant units, especially on the northern side of the road, including the large ex Post Office.

4.16 Interestingly, beyond The Square there is a cluster of better quality Food & Beverage (F&B) restaurants covering a broad range of world foods, suggesting the existence of a mid market customer base available in the evenings and weekends. This would also be backed up by the several good quality mid market independent retailers and plethora of hairdressers spread around the town.

Bath Street

4.17 Several more F&B units can be found on Bath Street, although more fast food oriented in their quality and price positioning. A number of pubs, fish & chips, Chinese, kebab and pizza operators suggests this area performs the role of Abingdon's post pub eating offer.

4.18 Further up Bath Street towards its northern end (near to entrance into the Abbey Shopping Centre) is a cluster of better quality independent clothing retailers including a haberdashers, lingerie, women's clothing and shoe shop. Linkages into the centre are unattractive and dominated by concrete.

4 Qualitative Analysis of Abingdon Town Centre

Bridge Street

4.19 Although a relatively short street, Bridge Street does add to the retail townscape in providing a large hardware / homewares shop (Lewis Baker), hotel and Broad Face public house serving good quality food. It's also an attractive route down to the River Thames past the old Gaol (currently being refurbished into quality flats and restaurants).

Summary of Abingdon's retail offer

4.20 Abingdon is an attractive and interesting place to visit, with a rich history and many beautiful buildings still in use today.

4.21 It's town centre offer is uninspiring and of basic quality however, and has not really progressed for some decades. The existing comparison goods offer is very weak as a result of the limited number of national multiples, the very small average size of unit they are trading from, and the fact that they are not clustered in particular locations around the town centre. Although operators such as M&Co, Dorothy Perkins, Clarks and New Look are solid components of the comparison goods retail offer, they are trading from such small units they are offering shoppers the bare minimum choice in terms of width and depth of offer.

4.22 The convenience goods offer in the town centre is basic and pretty much limited in terms of quantity and quality to the Waitrose store. The small Co-op is ineffective as an anchor for the town centre as a result of its limited size and width and depth of the offer available, hence consumers using the store for "basket" shops only.

4.23 Broadly the multiple offer is weighted towards the mass market, whilst the independent leans towards the mid market.

4.24 The town would benefit from a large modern supermarket to generate additional footfall and reduce leakage out of town.

4.25 The Abbey Shopping Centre is underperforming as a key retail asset for the town given its underwhelming retail mix, poor anchors, limited unit size, poor sightlines and connectivity to the rest of the town centre and very dated physical appearance.

4.26 There are some key retail strengths in the way of overall customer experience as well as quality independents offer, especially on Stert Street and northern end of Bath Street. Every effort needs to be made to ensure their continued success by improving their connectivity into the core retail area of the town centre.

4.27 Similarly, it is important to ensure that other peripheral parts of the town centre and in particular High Street is also protected going forward. This could be achieved by ensuring that any large scale development in the Charter Area is counterbalanced by a strengthening of the offer at the southern entrance of Abbey Shopping Centre leading direct from Market Place, as well as improved signposting and access from the centre to the rest of the town.

4 Qualitative Analysis of Abingdon Town Centre

4.28 So to conclude this section of the report, what does Abingdon Town Centre need going forward? It needs:

- A bigger, well integrated, appropriately sized food anchor that will complement the town centre retail offer
- More and bigger units for recognisable multiple operators (300-700 sq.m.), either all at ground or ground and 1st floor trading. Most of these units can be at the low end of the size range, i.e. 250 – 300 sq.m. is about the minimum that new comparison goods will acquire
- Given the need for a cluster of fashion operators (say five), as well as other uses such as footwear, childrens, household, books, toys, music, gifts & accessories etc. as well as more F&B, this would suggest a minimum of 10 new units are required, and ideally nearer to or slightly in excess of 15 in order to achieve a step change in Abingdon’s retail appeal and positioning within the hierarchy
- More of an integrated connected shopping circuit, including better connections within the town centre retail offer, especially between the Abbey Shopping Centre and Bath Street, Stert Street and High Street
- Better entrances to the Abbey Shopping Centre, especially from Market Place. This includes a stronger retail presence, improved sightlines and visibility
- Stronger and improved retail around the town centre, not just on the Charter Site
- The continued success and viability of the leading independent operators including the likes of Mostly Books, The Shoe Shop, Marie, Throwing Buns, Scuffs, Added Ingredients, the Nursery Shop etc. through better integration and improved visibility.

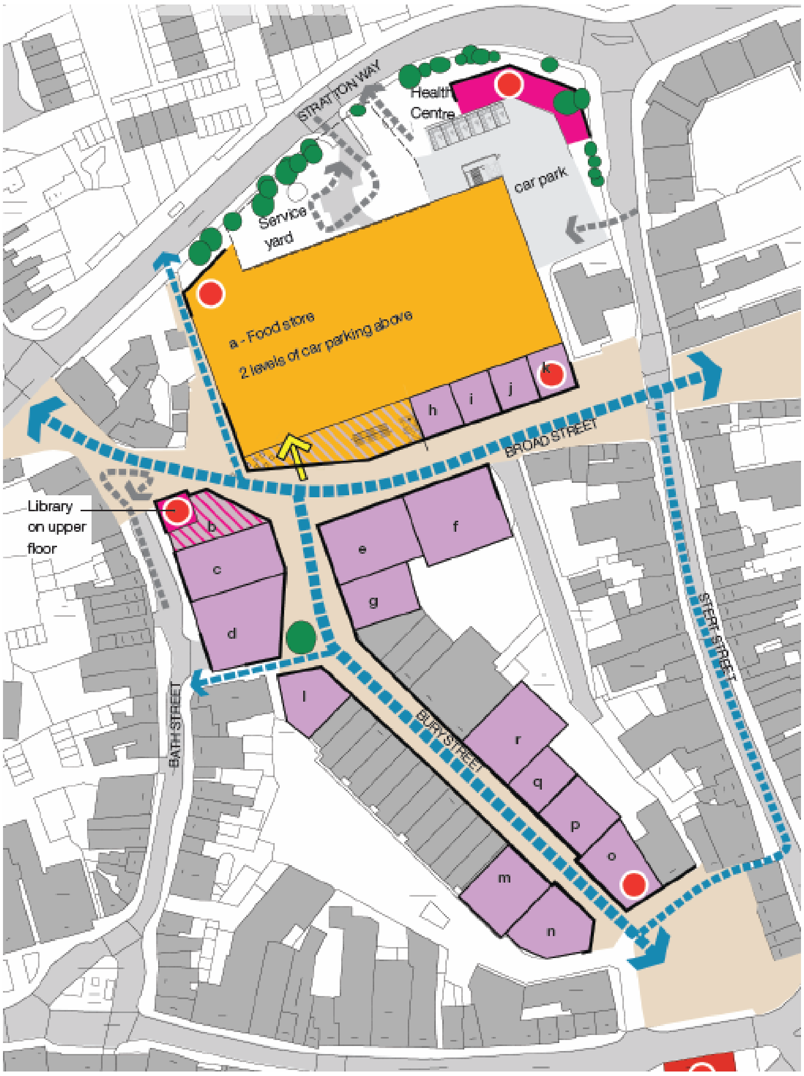
5 Assessment of the Proposed Development Options

Introduction

5.1 The aim of this section of the report is to assess both of the proposed development options that have been developed by Tibbalds, particularly from the perspective "to what extent does each option help to deliver the improvements needed to Abingdon's retail offer?", as identified in the previous section of the report.

Option One – Focus on Maximising Comparison Retail

5.2 The major retail components under this option are a medium to large superstore of circa 4,800 sq.m. gross (approx 3,100 sq.m. sales), all on the ground floor. The large food store would be backed up with 11 new and 6 refurbished small to mid sized units, available primarily for comparison goods units, but could also have alternative uses (catering, service etc.) To put the size of the development option in context, Abingdon currently has a comparison goods floorspace of circa 27,700 sq.m.



5 Assessment of the Proposed Development Options

Option One – Focus on Maximising Comparison Retail contd.

5.3 The major strengths and weaknesses of this option are:

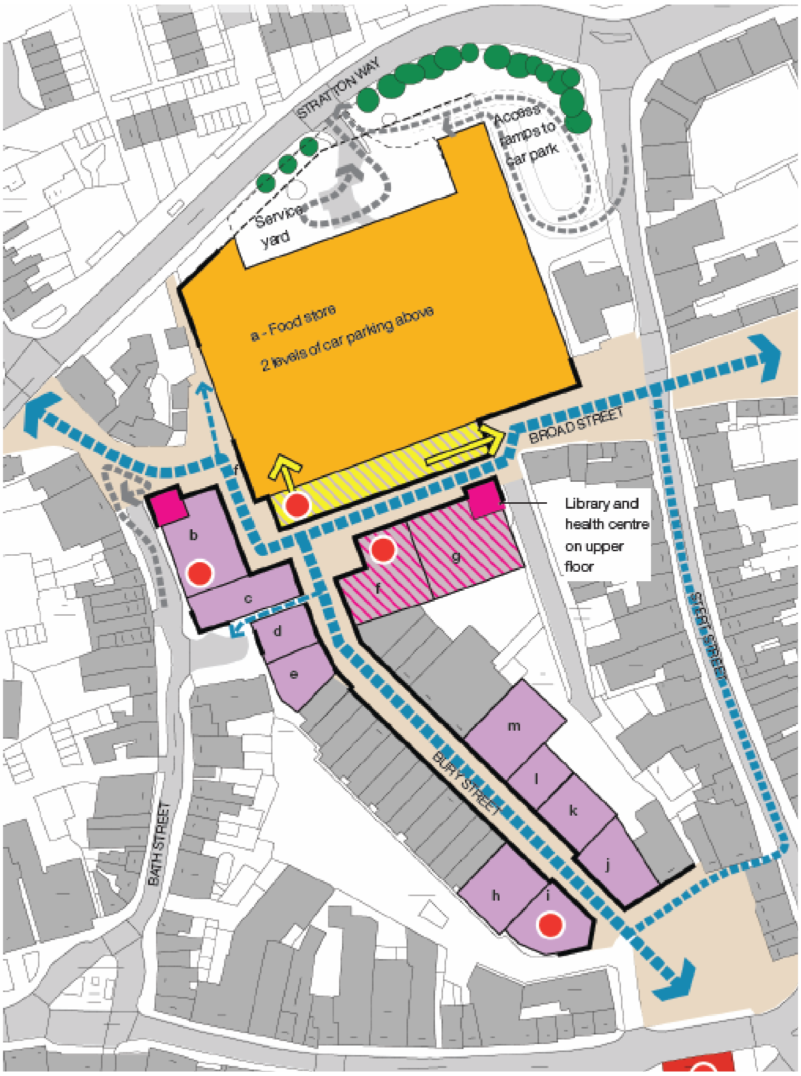
Strengths	**Weaknesses**
Food store is a large superstore, with extensive grocery, ambient goods, frozen and in-store facilities	At this size, the store will have potentially circa 10-15% of its sales area as non-food, which could potentially make the new development less attractive to new comparison goods retailers, such as books, toys and music
17 extra new units have been created for new retailers, of which 11 are new	A store of this size is less than 50% bigger than the existing Waitrose in terms of trading floorspace
The additional 4 smaller units on Broad Street will particularly help to animate this street in terms of footfall, thus potentially significantly helping the independent retailers on Stert Street	Although a full line superstore, it will be less effective at competing with very large Tesco Extra Hypermarket
The store has been designed with an entrance / exit on Broad Street to achieve same benefit	
Six comparison goods units have been created through merging existing smaller units at the Market Place entrance to the centre, to counterbalance the centre of gravity at the northern end of the scheme	

5.4 Overall, this option will help to deliver all of the requirements and improvements needed identified in the previous section. As such, it would be a worthy addition to the Abingdon Town Centre Retail Offer.

5 Assessment of the Proposed Development Options

Option Two – Maximising Size of Food Store

5.5 The major retail component of this option is a large supermarket of circa 6,500 sq.m. gross (circa 4,200 sq.m. sales). This would be a full line store with all of the customer facilities typically available including cafe, deli, fish, butchery, pizza counter as well as pharmacy and potentially photo processing and an optician. Six new comparison units have been provided, as well as 6 refurbished large units.



5 Assessment of the Proposed Development Options

Option Two – Maximising Size of Food Store

5.6 The major strengths and weaknesses of this option are:

Strengths	Weaknesses
A store of this size will be able to compete more effectively with the out of town Tesco Extra store, although it will still be about one quarter smaller	There are fewer additional comparison goods units – 12, of which 6 are replacement
A bigger store will be more able to recapture leakage out of town / increase Abingdon's market share	The increased size of the supermarket presents a greater design challenge to successfully integrate the store into the town centre and provide successful civic spaces and easy to use linked-shopping circuits
A full range supermarket of this size will offer many of the services and facilities typically found in large hypermarkets (won't have items such as bulky sports goods / powertools / gardening etc)	
A store of this size is likely to be of more interest to the bigger food operators	

5.7 On balance, this development option will achieve many of the improvements and changes required. It has potential advantages in terms of deliverability, but will require careful design and detailing to successfully integrate into the town centre as a whole.

6 Study Conclusions

6.1 This report has set out the potential to sustain additional floorspace in Abingdon Town Centre, both in terms of convenience and comparison goods. It has also clearly identified the issues that are holding back the retail appeal of Abingdon town offer, as well as the changes that need making in order to secure Abingdon as a retail destination in the mind's eye of its consumers. We therefore conclude the following:

Capacity to Sustain Additional Floorspace

6.2 Using Savills 2010 capacity study as a base, and updating key statistics and assumptions herein, it is clear that Abingdon has a catchment that is affluent and forecast to continue to grow over the study period. Furthermore, after overlaying Experian's long term expenditure increases, it is clear that Abingdon's pot of available expenditure is expected to rise to £287m for convenience goods and £523m for comparison goods by 2018, £306m and £557m respectively by 2027.

6.3 In terms of convenience floorspace, after subtracting the turnover of existing food stores in the area, (as derived by Savills from their household survey) as well as building in an anticipated new foodstore information, this leaves a surplus of £20m of convenience goods expenditure by 2018, which could sustain 2,011 sq.m. of new convenience goods floorspace, rising to 3,710 sq.m. by 2018 and 4,908 by 2027.

6.4 For comparison purposes, Savills estimate 2,055 sq.m. will be sustainable by 2018, however this is based on conservative housing and market share estimates. CACI estimate 9,811 sq.m. will be sustainable by 2016, however this is based on a different catchment area (they use a 15 min drive time) which extends significantly northwards into the Southern fringes on the Oxford build up area.

6.5 In terms of comparison goods floorspace, Abingdon's existing offer currently achieves a retained market share of 40%. Applying this to the rolled forward available comparison goods expenditure, it leaves a surplus of £25.7m, which could sustain 6,422 sq.m. of new comparison goods floorspace by 2018 and 9,781 sq.m. by 2027.

6.6 It is clear that Abingdon has a particular shortage of comparison goods floorspace in the town centre, but could also sustain a medium to large food store in the town centre.

Qualitative Issues that Need Addressing

6.7 Abingdon has an historic town centre offer with over half of the buildings listed. As a result, most shops are very small. There are a number of very good independent retailers scattered around the town, including on Stert Street, Bath Street and High Street. It is very important going forward that linkages from these streets into the Abbey Shopping Centre are improved.

6.8 The existing multiple goods offer is weak and inadequate. At least 10 more comparison goods shops are needed (mixture of multiple and independent retailers) in units of at least 300 sq.m. as well as 3 to 4 bigger units of up to 750 sq.m. It is important that a range of product categories are included, including several fashion / clothing stores, and a range of other categories such as fashion accessories, children's wear, household, toiletries / health and beauty, cookware and so on.

6.9 The town centre clearly needs additional convenience goods and choice in terms of a new food store, however it is important that any new food store that is provided as part of the Charter Area redevelopment is of an appropriate scale for the town centre, well integrated and has good connections to the rest of the town centre.