



Nathaniel Lichfield  
& Partners  
Planning. Design. Economics.

**Winchester City Centre**

**Retail Advice**

Winchester City Council

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Nathaniel Lichfield & Partners  
14 Regent's Wharf  
All Saints Street  
London N1 9RL

[nlplanning.com](http://nlplanning.com)

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Registered Office:

14 Regent's Wharf

All Saints Street

London N1 9RL

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## 1.0 Introduction

1.1 Nathaniel Lichfield & Partners (NLP) has been instructed by Winchester City Council to prepare additional retail advice in relation to the proposed Silver Hill redevelopment in Winchester City Centre.

1.2 The key objectives of this advice are to provide independent advice on the following issues:

- 1 potential changes to the nature and patterns of shopping in Winchester City Centre following the development of the Silver Hill scheme;
- 2 the implications of any potential changes identified for the City Centre and measures needed (if any) to address the consequences;
- 3 positive and negative impacts of the Silver Hill proposals on the High Street;
- 4 potential opportunities arising from the Silver Hill scheme to improve the wider attractiveness of Winchester City Centre as a retail destination;
- 5 use of available data and information to benchmark Winchester with five other, comparable/aspirational centres in terms of retail and leisure representation, unit sizes, key operator representation and catchment profile;
- 6 strategy for maintaining and improving the retail offer of Winchester, including a review of the role of the market; and
- 7 wider trends in the way people shop more generally and the likely implications for Winchester City Centre, including multi-channel shopping.

1.3 Our analysis also includes a review of the proposals against the conclusions of the recent Retail Study Update, including an analysis of how Winchester's catchment area and trade draw are likely to change and the implications for the trading performance of existing occupiers in the City Centre.

## Background

1.4 NLP prepared a Retail and Town Centre Uses Study for Winchester City Council in 2007. This Study included:

- an assessment of the future needs for additional retail and commercial leisure facilities within the authority area up to 2026;
- an analysis of the role and function of existing centres in the Winchester City Council's area;
- an assessment of the capacity of Winchester's centres to accommodate growth, and the identification of potential development sites; and

- a policy review and proposed issues and options for the Local Development Framework (LDF).

- 1.5 NLP was commissioned to provide updates to the 2007 Retail and Town Centre Uses Study in 2010 and 2012. This work comprised partial updates to the Study, focusing on the retail floorspace projections, retail frontages and opportunities to accommodate growth, and the implications of both changes in population and the continued effects of the recession on retail expenditure levels and forecasts.
- 1.6 A further update was produced in 2013, identifying recent changes and trends in retail planning, including the National Planning Policy Framework (NPPF) and provided an update of the retail capacity assessment based on the latest available information, eg. population, expenditure and turnover levels. The update report also reviewed the capacity for Winchester's centres to accommodate growth. The Silver Hill proposals were included as a retail commitment in the Study update. This update was completed in January 2014

## **Silver Hill Proposals**

- 1.7 Planning permission was granted in 2009 for the mixed use redevelopment of the Silver Hill site (ref. 06/01901/FUL). The approved development comprised:
- 10,247 sq.m gross of new retail floorspace, of which 2,429 sq.m gross is a new food store;
  - 287 residential units;
  - new office floorspace and live work;
  - public car parking spaces;
  - modern replacement bus terminus; and
  - new and improved public spaces.
- 1.8 These proposals have an extant planning permission that can be implemented.
- 1.9 Following a review of the approved scheme, revised proposals are now being progressed, to ensure that the scheme meets the requirements of modern retailers. The key change is that a bus station is no longer required within the site, which allows for additional retail floorspace to be provided.
- 1.10 The revised proposals shown at the recent public exhibition state that there will be 13,700 sq.m net internal area (NIA) of retail floorspace within the revised scheme. This compares to 8,825 sq.m NIA of the approved scheme, ie. an uplift of around 4,875 sq.m. [Note: the RICS definition of NIA is "*the usable space within a building measured to the internal finish of structural, external or party walls, but excluding toilets, lift and plant rooms, stairs and lift wells, common entrance halls, lobbies and corridors, internal structural walls and columns and car parking areas*"]

Figure 1.1: Extract from Silver Hill Public Exhibition Slides, March 2014



Proposed plan



View along Silver Hill

View along Middlebrook Street from High Street

View along Silver Hill

<b>Scheme content</b>	
Public parking spaces	278
Bus Centre	
Retail area	13,700 m <sup>2</sup> NIA (since 1.4 shops and 2/4 large units)
Residential area	14,900 m <sup>2</sup> NIA
3 bedroom	75 units
2 bedroom	44 units
1 bedroom	55 units
Studio	6 units
Private parking spaces	180

1.11 The revised scheme will include a new Sainsbury's store similar in size to the approved food store, together with a new anchor department store of around 5,400 sq.m gross and unit shops. It is anticipated that the unit shops will predominantly be occupied by high street comparison retailers, together with some ancillary restaurant/café/coffee shop uses. The scheme is likely to provide a mix of unit sizes, including some larger units (over 500 sq.m gross).

1.12 In order to prepare this advice, NLP met with the developers of the Silver Hill proposals and their advisors, to review the changes to the scheme proposals, information available, and information on the likely composition of retailers and retail offer within the proposed development.

## 2.0 Retail Audit and Gap Analysis

### Demographic Profile of Centres

2.1 For the purposes of the retail audit, we have selected and agreed with the Council five centres to use as a benchmark centres that are compared with Winchester City Centre. The centres chosen were:

- Salisbury;
- Cheltenham;
- Worcester;
- Tunbridge Wells; and
- Canterbury.

2.2 The benchmark centres have a similar customer profile to Winchester including tourism, but are marginally larger centres ie. centres that have a superior retail offer. These should be viewed as aspirational centres that Winchester can realistically seek to emulate.

2.3 In terms of demographics, Figure 2.1 below shows the 2011 census population for the catchment area of each centre, based on a 15 minute drivetime from each city centre (source: Experian).

Figure 2.1: 2011 Census Population (15 minute drivetime)

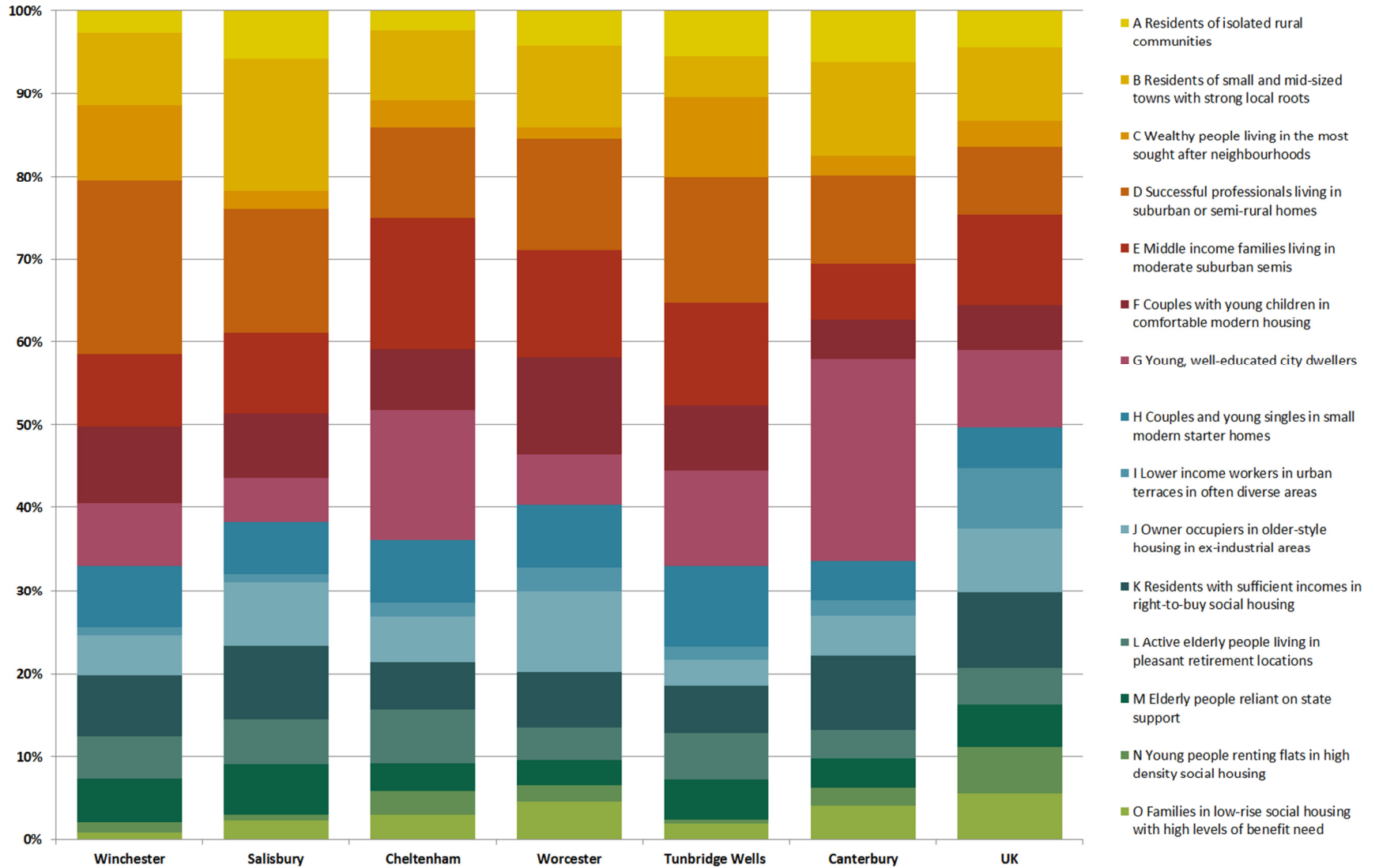


2.4 Figure 2.1 demonstrates Winchester's catchment potential in terms of population is similar to Worcester, Tunbridge Wells and Canterbury and significantly higher than Salisbury.



- 2.5 Figure 2.2 overleaf shows the Mosaic category breakdown for the catchment of each centre, with the UK average for comparison. The UK average has a much more even split between the categories, while Winchester and the other benchmark centres tend to have a higher proportion of the more affluent categories.
- 2.6 The highest proportion (21%) of households within the Winchester catchment fall within the “*successful professionals living in suburban or semi-rural homes*” category (Group D). Within this category, there are four sub-groups – higher income older champions of village communities; older people living in large houses in mature suburbs; well off commuters living in spacious houses in semi-rural settings; and higher income families concerned with education and careers.
- 2.7 This is a relatively affluent, high spending category, with the following description:  
*“Group D contains swathes of Britain's executive and managerial classes who have worked diligently to build up a comfortable lifestyle and a significant, though seldom exceptional, financial asset base.  
Often in their 40s, 50s or 60s, some of them may be owners of small or medium sized businesses whilst others will have risen to senior positions in large national or international companies. They are people who are likely to have built up significant equity in their own homes. With significant incomes from their investments as well as from employment, most of these people pay tax at a higher rate.”*
- 2.8 Group C “*wealthy people living in the most sought after neighbourhoods*” is defined as containing many of the most wealthy and influential residents in Britain. Residents have risen to positions of power and responsibility in the private and public sectors, whether as owners of their own businesses, top managers in large companies, leaders in professional practices or senior civil servants. 9% of the households within Winchester’s catchment fall within this category, and this proportion is much higher than for all other benchmark centres, with the exception of Tunbridge Wells.
- 2.9 Groups C and D are therefore considered to be the most affluent groups. Within Winchester’s catchment area, 30% of households fall within these two classifications. This is significantly higher than all the benchmark centres, the closest being Tunbridge Wells with 25% within these two groups. Canterbury has the least affluent catchment area, with just 13% of households within these groups.
- 2.10 Conversely, Winchester has the lowest proportion of households within the least affluent categories, with less than 1% within the “*families in low-rise social housing with high levels of benefit need*” category (Group O).

Figure 2.2: Mosaic Public Sector Groups by Household, 2012



Source: Experian

- 2.11 The relative affluence of Winchester's catchment area is also demonstrated through the amount of available expenditure generated by the resident population. Table 2.1 below shows that in 2014, Experian estimates the annual average comparison goods expenditure per capita is £3,070, which is 12.6% higher than the national average. The available spending per capita is higher for Winchester than for all benchmark centres, with the exception of Tunbridge Wells. This expenditure data reflects the demographic profile of the catchment areas of each centre.

Table 2.1: Comparison Goods Expenditure per capita

Town	2014 Comparison Goods Expenditure per capita
<b>Winchester</b>	<b>£3,070</b>
Salisbury	£3,059
Cheltenham	£3,126
Worcester	£2,612
Tunbridge Wells	£3,246
Canterbury	£2,588
<b>UK Average</b>	<b>£2,726</b>

Source: Experian (note: excludes special forms of trading)

## Rating of Centres

- 2.12 Venuescore rankings of shopping destinations have been adopted. Venuescore ranks the UK's top 2,500 plus retail destinations including city centres, town centres, malls, retail warehouse parks and factory outlet centres. Each destination is given a weighted score for the number of multiple retailers present, and the score attached to each retailer is weighted depending on their overall impact on shopping patterns.
- 2.13 Venuescore's score does not necessarily reflect the overall size of the centre or the number of shops, but the presence of national multiples and the relative draw and importance that stores have. Each centre is given a weighted score which takes account of its provision of multiple retailers and anchor store strengths. For example, anchor department stores such as John Lewis or Debenhams receive a higher score than other multiple operators, in order to reflect their major influence on non-food shopping patterns. A location which has stronger retailers which attract more visitors to the centre and have a greater influence on shopping patterns will receive a higher score than those that do not.
- 2.14 Figure 2.3 shows the Venuescore attributed to Winchester and the benchmark centres. Winchester has the lowest score of the six centres at 159 and has the weakest retail offer. Salisbury is the next lowest with a score 186, 17% higher than Winchester. Cheltenham achieves the highest score of 267.

Figure 2.3: Venuescore, 2013

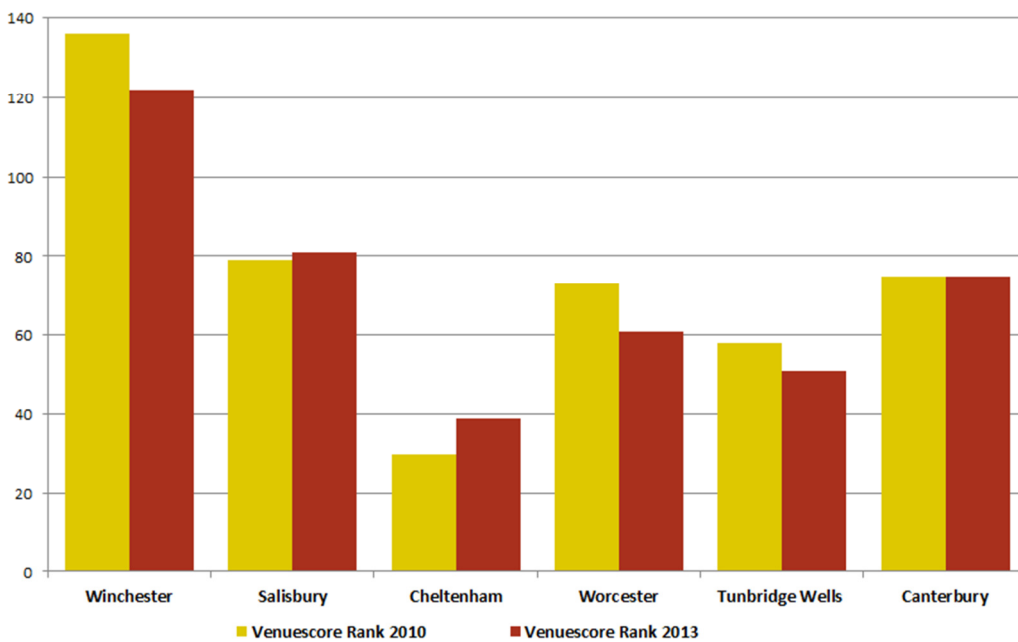


Source: Venuescore, Javelin Group 2013

2.15 Nearly 50% of the retail floorspace within Cheltenham City Centre is occupied by multiple comparison retailers, including large Debenhams, Cavendish House (department store), Marks & Spencer and BHS units, and this will account for its high score. Comparison multiple retailers account for 41% of the floorspace in Winchester City Centre.

2.16 Figure 2.4 below shows the rank achieved by each centre in 2013 and 2010.

Figure 2.4: Venuescore Rank, 2010 and 2013



Source: Venuescore, Javelin Group 2013

- 2.17 Winchester is the only centre not ranked in the top 100, although Winchester's rank has improved marginally, from 136<sup>th</sup> in 2010 to 122<sup>nd</sup> in 2013. These figures suggest Winchester has performed well during the recession but it remains some way behind Salisbury (81<sup>st</sup>), Canterbury (75<sup>th</sup>), Worcester (61<sup>st</sup>), Tunbridge Wells (51<sup>st</sup>) and Cheltenham (39<sup>th</sup>).
- 2.18 The revised Silver Hill proposals are expected to include a department/variety store and up to 16 other comparison goods shops. A department/variety store of this size would achieve a Venuescore of 10 points and other comparison multiples achieve 1 to 2 points. The Silver Hill development is likely to increase Winchester's Venuescore by 34 points, ie. from 159 to 193 points, which is similar to Salisbury (186 points), Canterbury (196 points) and Worcester (210 points). The Silver Hill development should elevate Winchester into the top 100 centres.
- 2.19 Venuescore also assess the market position of the town centres based on the retailers present and the centre's relative position along a spectrum running from discount to luxury (ie. lower, middle, upper-middle to upscale).
- 2.20 In terms of the overall quality and offer of each centre, Venuescore provides classifications based on the grade of centre, market position, fashion position and age position (set out in Table 2.2 below). Cheltenham and Tunbridge Wells are classed as "Major Regional" centres, with Winchester and the other comparable centres classed as "Regional" centres. All of the centres appeal to the "Upper Middle" market, with the exception of Tunbridge Wells, which is categorised as "Upscale". This reflects the relative affluence of the surrounding catchment population. Winchester and Salisbury fall within the "Updated Classic" fashion category, rather than "Fashion Moderate", and the typical age position of these centres is "Old". The centres that score the highest in terms of their Venuescore ranking are those which are "Fashion Moderate", appealing to a younger age group.

Table 2.2: Venuescore Centre Classifications

Town	Venuescore Location Grade	Market Position Classification (Venuescore)	Fashion Position Classification (Venuescore)	Age Position Classification (Venuescore)
<b>Winchester</b>	<b>Regional</b>	<b>Upper Middle</b>	<b>Updated Classic</b>	<b>Old</b>
Salisbury	Regional	Upper Middle	Updated Classic	Old
Cheltenham	Major Regional	Upper Middle	Fashion Moderate	Mid
Worcester	Regional	Upper Middle	Fashion Moderate	Mid
Tunbridge Wells	Major Regional	Upscale	Fashion Moderate	Old
Canterbury	Regional	Upper Middle	Fashion Moderate	Mid

Source: Venuescore, Javelin Group 2013

- 2.21 The relative performance and influence of retail centres can be demonstrated by reviewing the commercial property values, for example zone A rental levels achieved for rental property. Prime Zone A retail rents reflect the supply and demand for retail space within centres and also tend to reflect a centre's position within the shopping hierarchy. Larger centres with stronger demand for

premises tend to command higher prime Zone A rents. Figure 2.5 compares the prime rental values in £ per square metre (£/sq.m) for Winchester and the comparable centres for 2010, obtained from Colliers.

2.22 Winchester performs reasonably well against most of the other benchmark centres, achieving a rental level of £1,615 per sq.m. Canterbury performs best against this indicator, with a rental level of £2,153 per sq.m.

Figure 2.5: Prime Retail Zone A Rent 2010 (£/sq.m)



Source: Colliers

## Retail Audit

2.23 Information has been obtained from GOAD for Winchester and the comparison centres. Table 2.3 below provides a breakdown of the floorspace within each of the centres into the following categories:

- 1 total retail floorspace and number of units – this includes all units within Class A1-A5 plus vacant units;
- 2 comparison goods floorspace, number of units and average unit size;
- 3 multiple comparison goods floorspace, number of units and average unit size;
- 4 convenience goods floorspace, number of units and average unit size;
- 5 multiple convenience goods floorspace, number of units and average unit size;
- 6 retail (A1) service floorspace and number of units;
- 7 leisure (A3, A4 and A5) floorspace and number of units;
- 8 financial and business service (A2) floorspace and number of units; and
- 9 vacant floorspace and number of units.

- 2.24 Experian defines multiple retailers as being part of a network of nine or more outlets. Experian notes that the presence of multiple outlets can enhance the appeal of a centre to local consumers, and the strong branding and comprehensive product mix of retailers such as Marks & Spencer are often sufficient in itself to attract a consumer to a centre.
- 2.25 Retail services (Class A1) cover a range of uses, including hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as Class A3), funeral parlours and post offices.
- 2.26 Table 2.3 also provides an average for the six centres. This is provided instead of the UK average which includes a much broader range of types of centre and would provide a less useful comparison.
- 2.27 This shows that while Winchester has the third largest catchment area population, it has a significantly lower amount of retail floorspace when compared to the other centres.
- 2.28 The data within Table 2.3 is drawn out and analysed further in the assessment below.

Table 2.3: Summary of Retail Floorspace

Town	2011 Population (15 minute drivetime)	Total Retail		Comparison Goods					Comparison Multiples				
		Floorspace		Floorspace		Units		Average	Floorspace		Units		Average
		sq.m gross	no.	sq.m gross	%	no.	%	sq.m gross	sq.m gross	%	no.	%	sq.m gross
<b>Winchester</b>	<b>114,718</b>	<b>65,340</b>	<b>348</b>	<b>37,390</b>	<b>57.2%</b>	<b>157</b>	<b>45.1%</b>	<b>238</b>	<b>26,710</b>	<b>40.9%</b>	<b>70</b>	<b>20.1%</b>	<b>382</b>
Salisbury	71,854	104,950	499	55,280	52.7%	227	45.5%	244	37,080	35.3%	91	18.2%	407
Cheltenham	192,055	180,700	694	106,990	59.2%	286	41.2%	374	88,240	48.8%	127	18.3%	695
Worcester	130,667	152,570	692	76,920	50.4%	279	40.3%	276	54,520	35.7%	93	13.4%	586
Tunbridge Wells	122,072	128,760	690	82,440	64.0%	315	45.7%	262	51,860	40.3%	123	17.8%	422
Canterbury	102,656	124,220	437	84,450	68.0%	206	47.1%	410	62,100	50.0%	101	23.1%	615
<b>Average</b>	<b>122,337</b>	<b>126,090</b>	<b>560</b>	<b>73,912</b>	<b>58.6%</b>	<b>245</b>	<b>44.2%</b>	<b>301</b>	<b>53,418</b>	<b>41.8%</b>	<b>101</b>	<b>18.5%</b>	<b>518</b>

Town	Convenience Goods					Convenience Multiples					Retail (A1) Service				
	Floorspace		Units		Average	Floorspace		Units		Average	Floorspace		Units		
	sq.m gross	%	no.	%	sq.m gross	sq.m gross	%	no.	%	sq.m gross	sq.m gross	%	no.	%	
<b>Winchester</b>	<b>3,190</b>	<b>4.9%</b>	<b>20</b>	<b>5.7%</b>	<b>160</b>	<b>2,360</b>	<b>3.6%</b>	<b>7</b>	<b>2.0%</b>	<b>337</b>	<b>2,210</b>	<b>3.4%</b>	<b>31</b>	<b>8.9%</b>	
Salisbury	9,590	9.1%	29	5.8%	331	8,180	7.8%	11	2.2%	744	5,270	5.0%	56	11.2%	
Cheltenham	9,050	5.0%	37	5.3%	245	6,000	3.3%	16	2.3%	375	6,100	3.4%	75	10.8%	
Worcester	11,360	7.4%	29	4.2%	392	8,970	5.9%	9	1.3%	997	7,530	4.9%	83	12.0%	
Tunbridge Wells	8,180	6.4%	39	5.7%	210	5,850	4.5%	12	1.7%	488	6,710	5.2%	80	11.6%	
Canterbury	6,470	5.2%	21	4.8%	308	5,050	4.1%	7	1.6%	721	5,300	4.3%	43	9.8%	
<b>Average</b>	<b>7,973</b>	<b>6.3%</b>	<b>29</b>	<b>5.3%</b>	<b>274</b>	<b>6,068</b>	<b>4.9%</b>	<b>10</b>	<b>1.9%</b>	<b>610</b>	<b>5,520</b>	<b>4.4%</b>	<b>61</b>	<b>10.7%</b>	

Town	Leisure (A3, A4, A5)				Financial & Business Service (A2)				Vacant			
	Floorspace		Units		Floorspace		Units		Floorspace		Units	
	sq.m gross	%	no.	%	sq.m gross	%	no.	%	sq.m gross	%	no.	%
<b>Winchester</b>	<b>12,040</b>	<b>18.4%</b>	<b>65</b>	<b>18.7%</b>	<b>7,380</b>	<b>11.3%</b>	<b>47</b>	<b>13.5%</b>	<b>3,130</b>	<b>4.8%</b>	<b>28</b>	<b>8.0%</b>
Salisbury	17,560	16.7%	86	17.2%	11,690	11.1%	59	11.8%	5,560	5.3%	42	8.4%
Cheltenham	26,370	14.6%	144	20.7%	12,140	6.7%	67	9.7%	20,050	11.1%	85	12.2%
Worcester	24,210	15.9%	112	16.2%	13,860	9.1%	81	11.7%	18,690	12.3%	108	15.6%
Tunbridge Wells	13,520	10.5%	98	14.2%	7,170	5.6%	56	8.1%	10,740	8.3%	102	14.8%
Canterbury	18,130	14.6%	103	23.6%	6,130	4.9%	38	8.7%	3,740	3.0%	26	5.9%
<b>Average</b>	<b>18,638</b>	<b>15.1%</b>	<b>101</b>	<b>18.4%</b>	<b>9,728</b>	<b>8.1%</b>	<b>58</b>	<b>10.6%</b>	<b>10,318</b>	<b>7.5%</b>	<b>65</b>	<b>10.8%</b>

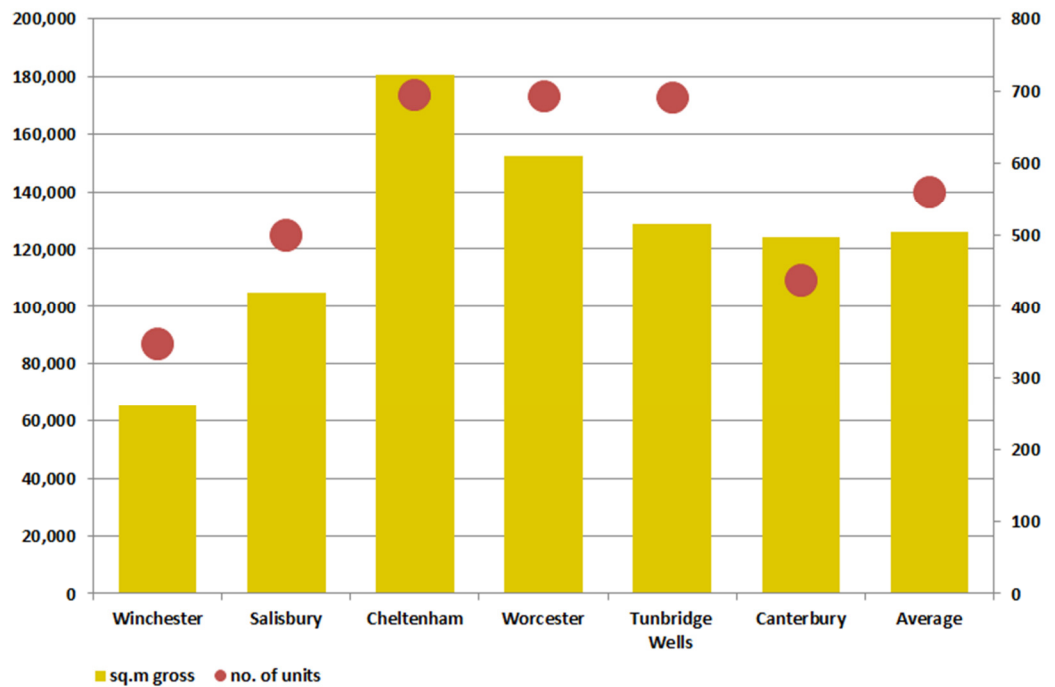
Source: GOAD



2.29

The total retail (Class A1-A5) floorspace and number of units for each of the centres is shown in Figure 2.6 below. Winchester has the lowest amount of floorspace and the fewest number of retail units when compared to the other centres, and only around a third of the floorspace provided in Cheltenham. Salisbury is closest to Winchester in terms of the amount of floorspace, although this still provides around 60% more retail floorspace than Winchester.

Figure 2.6: Total Retail (A1-A5) Floorspace and Units



Source: GOAD

2.30

The revised Silver Hill development will provide about 13,700 sq.m gross of retail floorspace. Taking into account demolished existing floorspace, the Silver Hill development will increase Winchester's floorspace by around 14%. Winchester will still provide less retail floorspace and less shop units than all five benchmark centres.

2.31

The figures below provide a breakdown of the proportion of uses within each centre by floorspace (Figure 2.7) and number of units (Figure 2.8). This shows that despite the much smaller overall amount of floorspace provided, the split in terms of the proportions is broadly similar for all six centres, both in terms of floorspace and number of units.

2.32

Higher order centres generally have a much higher proportion of comparison goods floorspace. The figures show that Canterbury has the highest proportion of comparison goods floorspace (68%) and units (47%). Worcester has the lowest proportion of comparison goods floorspace (50%) and units (40%).

Figure 2.7: Breakdown of Uses (% of floorspace)

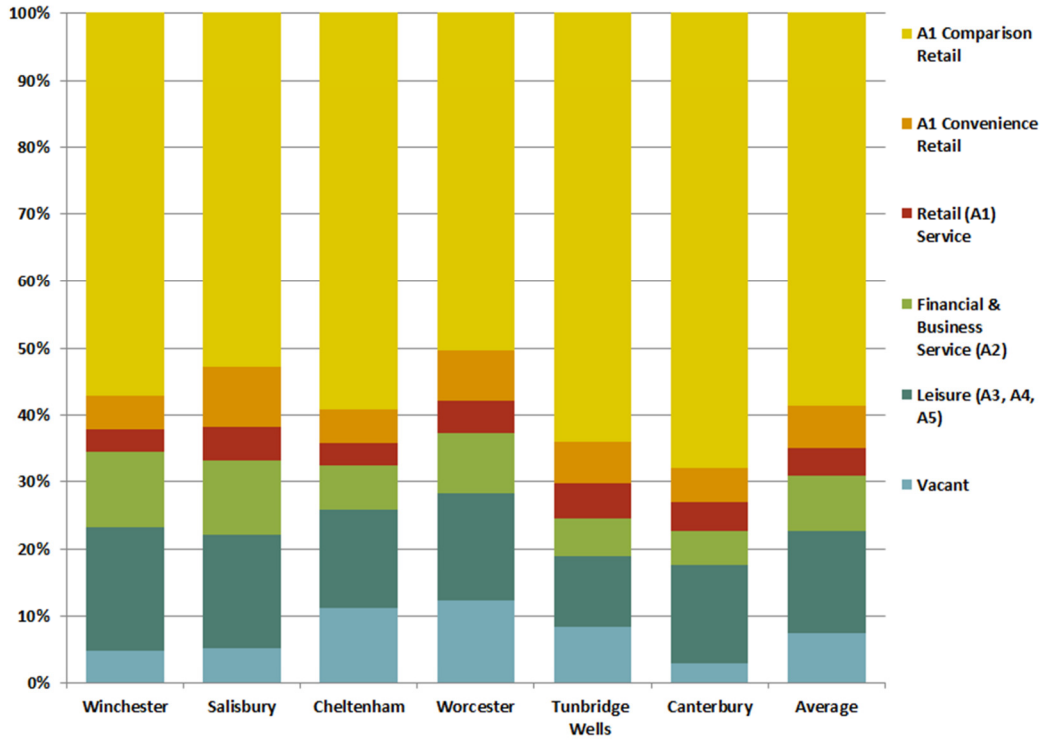
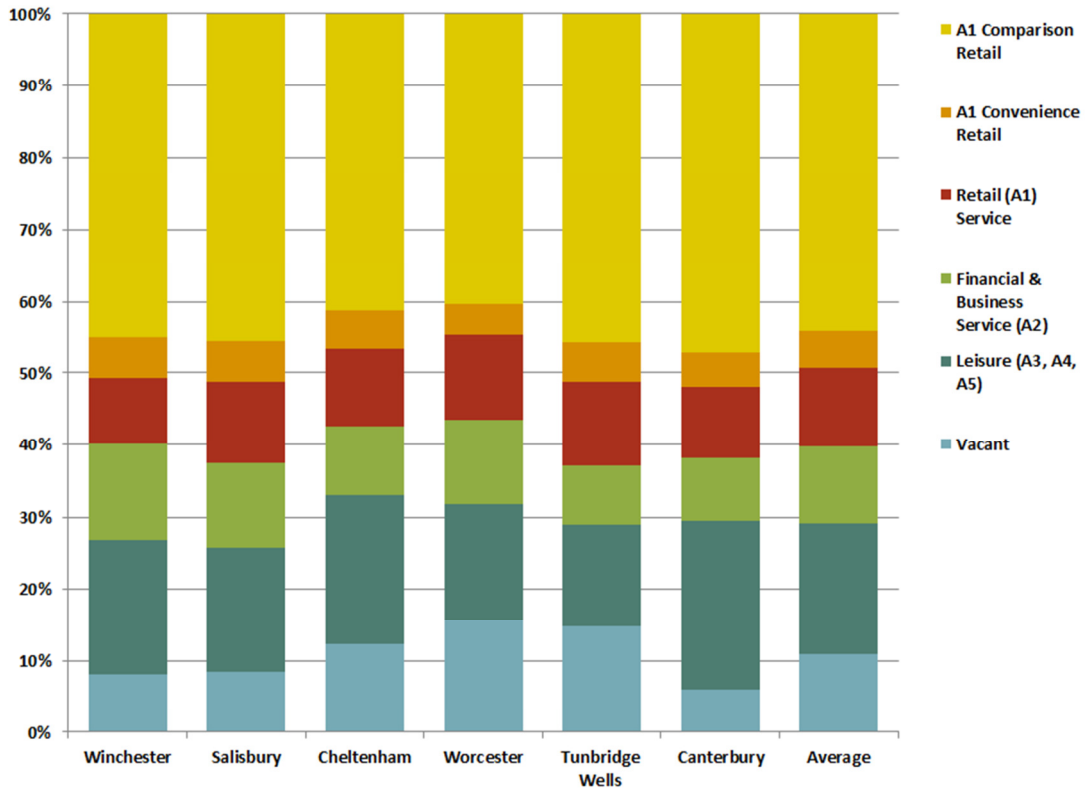


Figure 2.8: Breakdown of Uses (% of units)



Source: GOAD

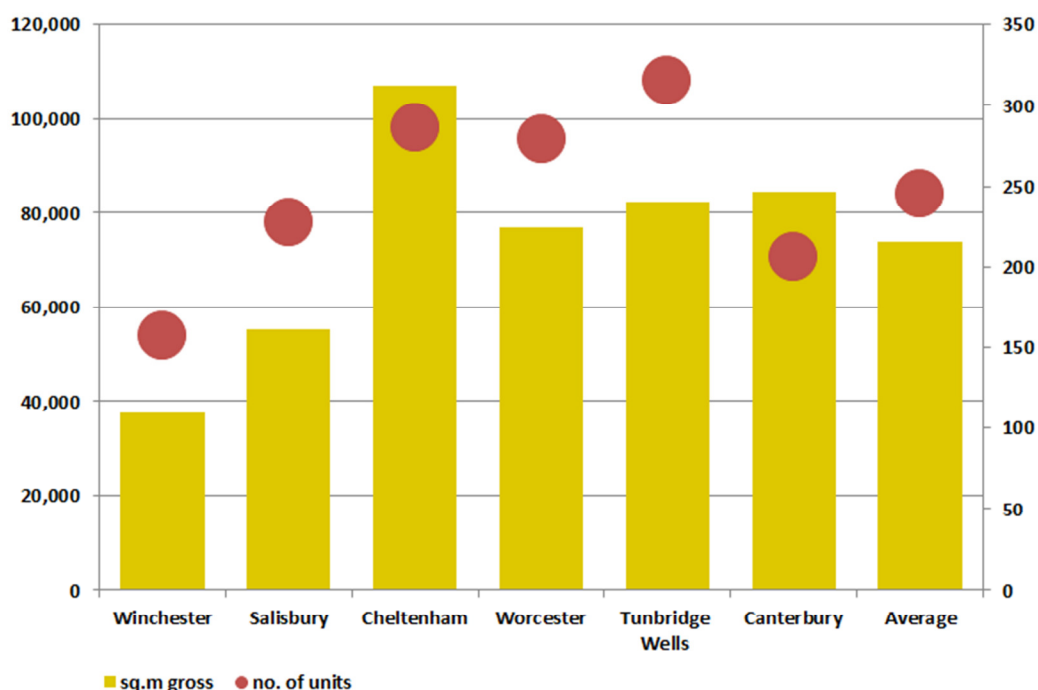
2.33 Winchester has a slightly below average proportion of comparison floorspace (57% compared to the average of 59%) but a slightly higher proportion of comparison units (45% compared to the average of 44%). As confirmed in Table 2.3 above, this suggests that the average comparison unit size is smaller in Winchester when compared with the other centres.

2.34 The very low levels of vacant floorspace and units within Winchester suggest that demand for retail floorspace is strong in the City Centre.

### Comparison Goods

2.35 Focusing specifically on comparison goods, Figure 2.9 below shows that despite having a reasonable proportion of comparison units, Winchester provides a much reduced offer in terms of floorspace and number of units when compared with the other centres. This will limit Winchester’s ability to attract consumers seeking a shopping experience within centres that have an extensive range of retailers, to window shop and compare prices and goods.

Figure 2.9: Comparison Goods Floorspace and Units



Source: GOAD

2.36 Even with the revised Silver Hill development, Winchester’s comparison goods floorspace and number of shop units will still be less than all five benchmark centres.

2.37 As noted above, the presence of multiple retailers within a centre will enhance its attraction to consumers. Winchester currently contains a number of key multiple retailers, including:

- Marks & Spencer;

- Debenhams;
- Boots;
- Primark;
- Next; and
- Argos.

2.38 There are a number of national multiple retailers absent from Winchester City Centre that are present in the comparable centres, and that would usually be expected within major retail centres. In terms of comparison retailers, operators that are absent include:

- BHS;
- Burton;
- Dorothy Perkins;
- H&M;
- House of Fraser;
- Gap;
- TK Maxx;
- Topman;
- Topshop; and
- Wilkinsons.

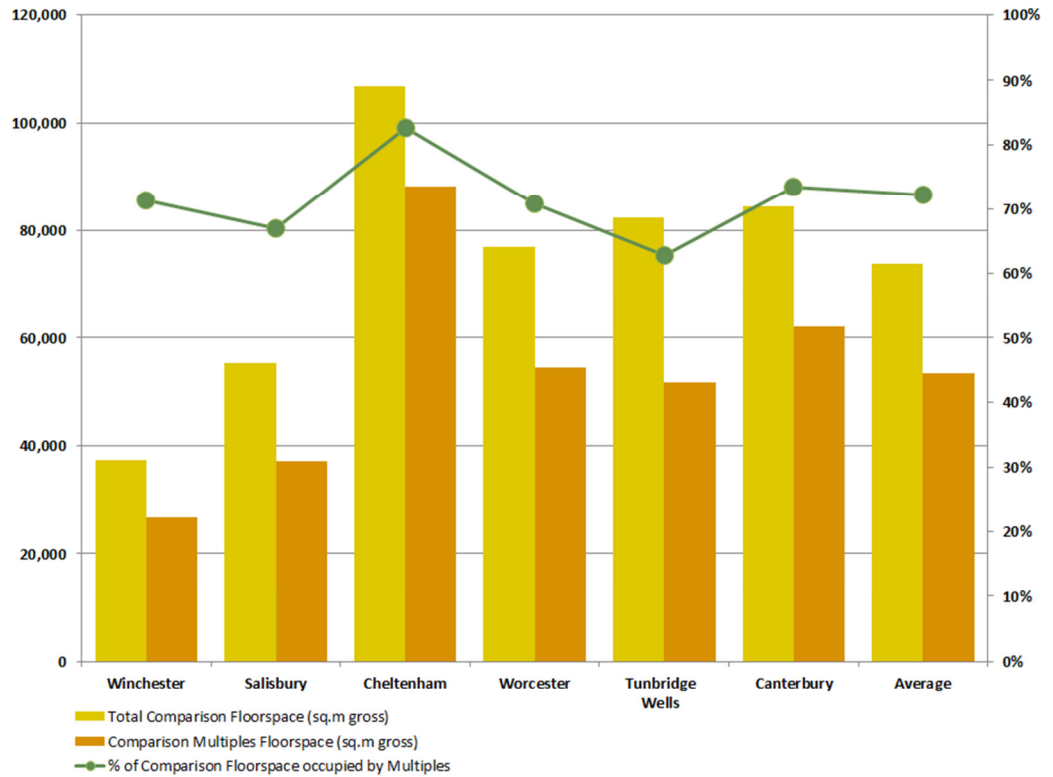
2.39 Figure 2.10 summarises the total amount of comparison goods floorspace together with the floorspace occupied by comparison multiple retailers. While Winchester again has a lower overall quantum of floorspace, the proportion of the comparison goods floorspace that is occupied by multiple retailers is reasonably high and comparable to the other centres, which suggests that the existing comparison goods floorspace provided is likely to offer a good selection of higher order goods.

2.40 In economic terms, the centres with the greatest proportion of multiple retailers are invariably the most successful. The development of a more diverse multiple retailer base would benefit Winchester's overall retail position. This is likely to be the next step in the centre's evolution, particularly if it is to remain competitive with other centres. Each of the benchmark centres has a reasonable proportion of comparison goods units occupied by independent retailers (between 17.% in Cheltenham to 37.1% in Tunbridge Wells) and it is important that centres retain a good selection of independent retailers to add to the diversity and character of a centre. Improving the overall range of multiple retailers within a centre should have wider benefits for independent retailers in increasing the volume of customers in the centre. In the case of Silver Hill, creating new units for occupation by multiple retailers should help by freeing up existing, smaller units and making them available for independent retailers.

2.41

Even with the revised Silver Hill development, Winchester’s offer of multiple retailers will still be less than all five benchmark centres.

Figure 2.10: Comparison Goods Multiples



Source: GOAD

### Convenience Goods

2.42

Figure 2.11 below again shows that Winchester provides a much reduced offer in terms of convenience goods floorspace compared with the other centres.

2.43

The number of convenience goods units within Winchester is similar to Canterbury, however with only half as much floorspace as Canterbury, the average unit size for convenience stores in Winchester is much smaller. This suggests that the convenience offer of the centre is limited and likely to cater for top up retail trips rather than main food shops.

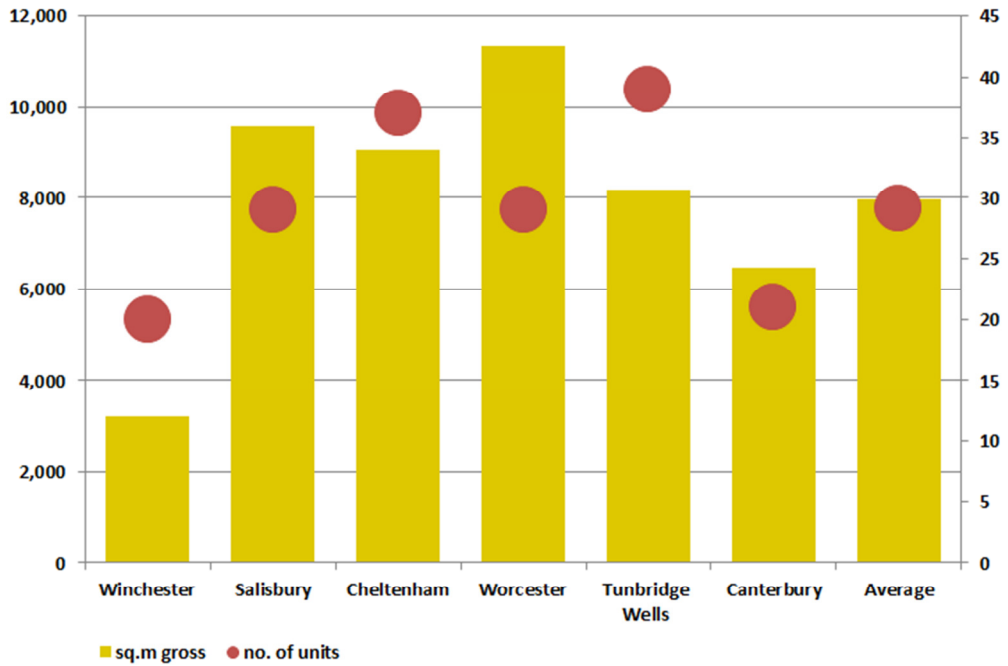
2.44

A reasonably high proportion of the convenience goods floorspace in Winchester is occupied by multiple convenience operators (just under 75%), however the average unit size of convenience multiple units is lower than for all other comparable centres.

2.45

The largest convenience store in Winchester City Centre is the Sainsbury’s store on Middle Brook Street (920 sq.m gross). All of the comparable centres contain larger supermarkets/superstores of at least 2,000 sq.m gross. Salisbury has two stores over 3,000 sq.m gross, while Worcester has the largest store of all the comparable centres (Asda, 6,040 sq.m gross).

Figure 2.11: Convenience Goods Floorspace and Units



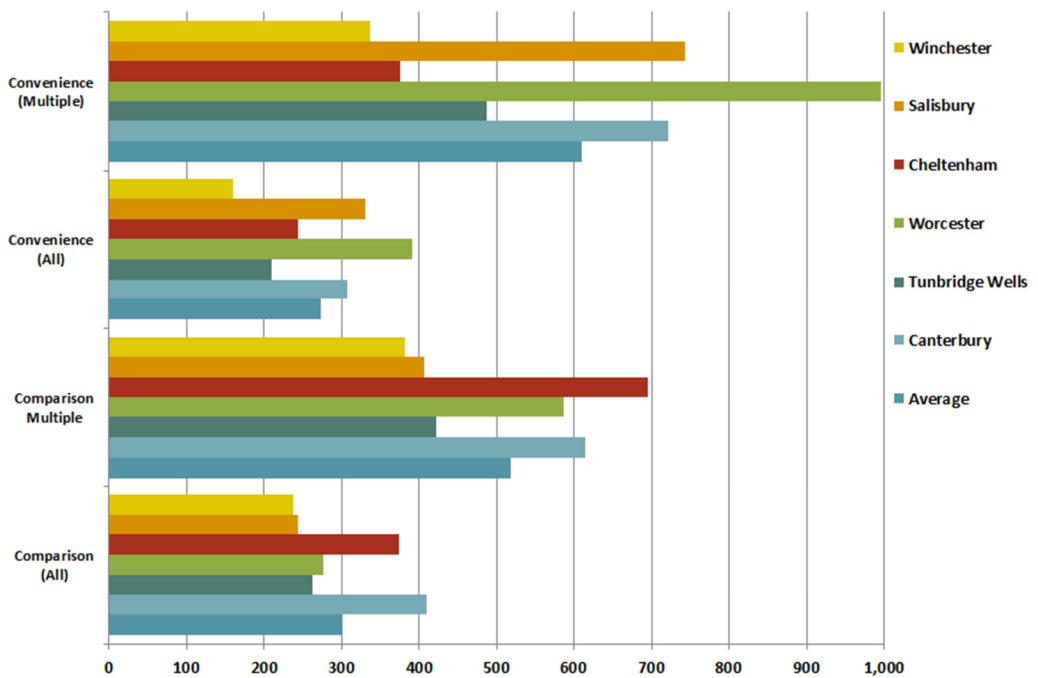
Source: GOAD

### Unit Sizes

2.46

Further analysis of the average unit sizes for convenience and comparison goods units is provided in Figure 2.12 below. Winchester has a lower average unit size than the comparable centres within all categories.

Figure 2.12: Average Unit Sizes (sq.m gross)



Source: GOAD

2.47

Linked to this, Figures 2.13 and 2.14 below show the proportion of convenience and comparison goods units by unit size.

Figure 2.13: Proportion of convenience goods units by unit size

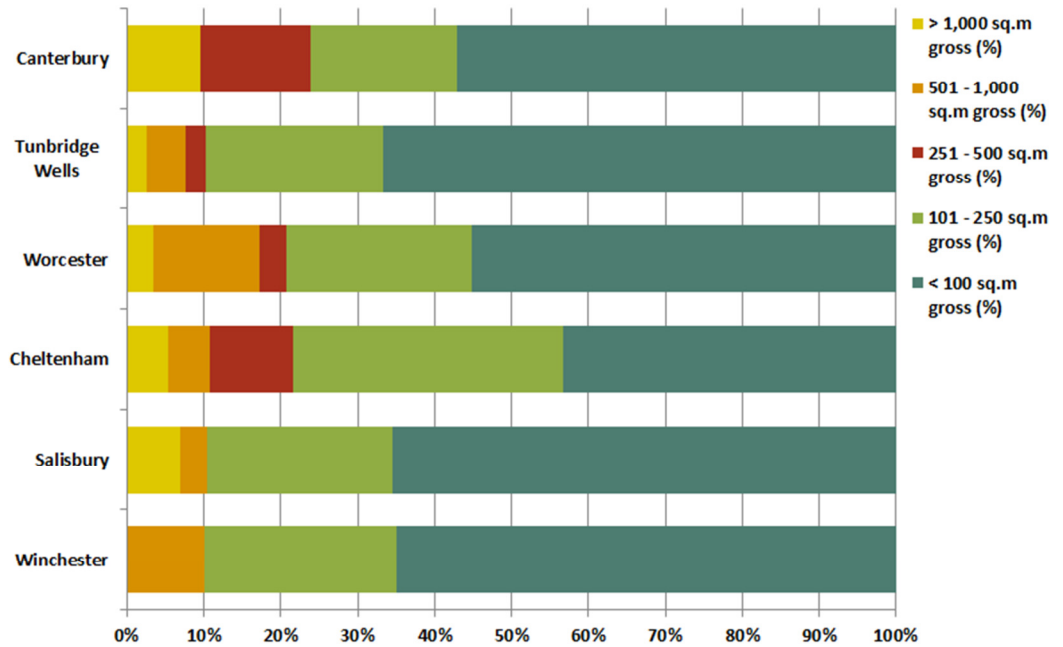
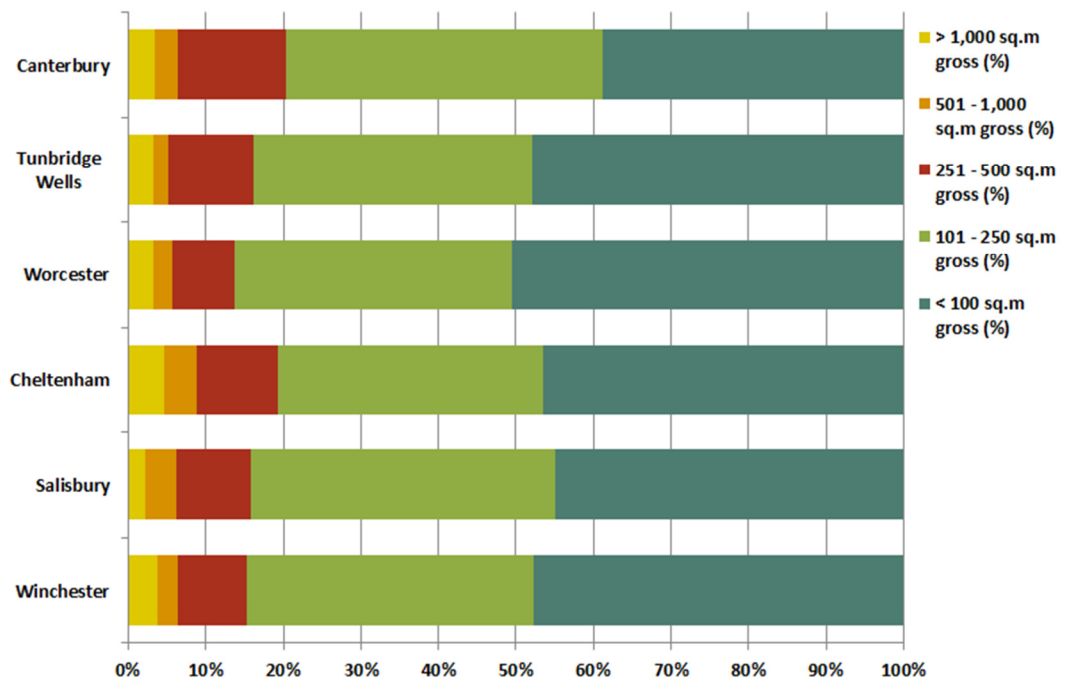


Figure 2.14: Proportion of comparison goods units by unit size



Source: GOAD

2.48

Winchester has a limited stock of large retail units (over 1,000 sq.m gross), with no convenience goods units of this size, and six comparison goods units

above this threshold. Cheltenham has the highest number (13) and proportion (4.5%) of comparison units larger than 1,000 sq.m gross.

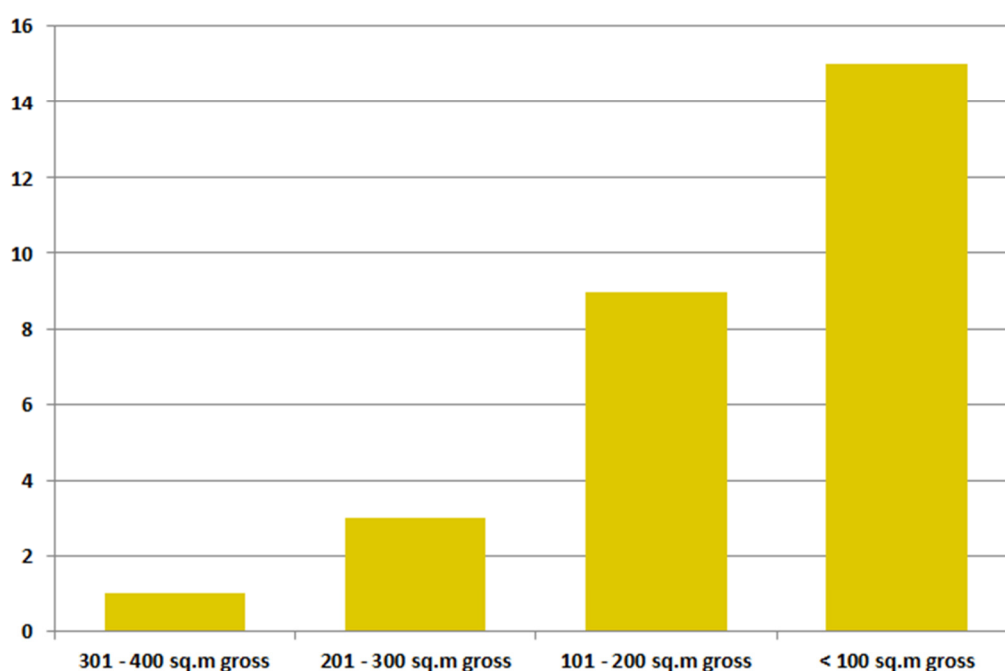
2.49 Within Winchester, 90% of the convenience goods units are smaller than 250 sq.m gross. This proportion is similar to both Salisbury and Tunbridge Wells. Canterbury has the lowest proportion of smaller convenience units (76%).

2.50 Winchester has a low proportion of medium sized units (251-500 sq.m gross) with nine comparison units within this size bracket and no convenience units.

## Vacant Units

2.51 As identified in Table 2.3 above, Winchester has a low level of vacant units both in terms of the quantum of floorspace (3,130 sq.m gross, 4.8%) and number of units (28, 8.0%). Of the benchmark centres, only Canterbury has less vacant floorspace/units. Figure 2.15 provides a breakdown of the vacant units within Winchester by size of unit.

Figure 2.15: Winchester Vacant Unit



Source: GOAD

2.52 The largest vacant unit in Winchester City Centre is 390 sq.m gross, and this is the only unit that is more than 300 sq.m gross. There are no large vacant units (generally 500 sq.m or more). The majority of vacant units are small, with 54% of the units less than 100 sq.m gross.

## Gap Analysis

2.53 An analysis has been undertaken of “missing” retailers, highlighting operators that trade in the comparison centres but are currently absent from Winchester. This focuses on comparison goods retailers.



2.54 It should be noted that this is based on Goad details for each centre, which is a snapshot of the retailers present at a point in time. All centres were surveyed by Goad in 2013, and as a result the gap analysis will not take into account any changes that have occurred in the interim.

2.55 Table 2.4 below ranks the operators by the frequency that they appear in the benchmark centres, giving an indicative sense of priority. Only those retailers that appear three or more times have been included. The Table also includes the average unit size that each retailer operates in the benchmark centres.

Table 2.4: Gap Analysis – Comparison Goods Retailers

Fascia	Frequency	Category	Average Floorspace (sq.m gross)
Ryman	6	Stationer	158
H&M	5	Clothing	886
Topshop	5	Clothing	822
Clintons	5	Cards & Gifts	290
Lakeland	5	Household Goods	252
Game	5	Computer Games	184
Ann Summers	5	Lingerie	150
Goldsmiths	5	Jeweller	132
Barnado's	5	Charity Shop	122
BHS	4	Department/Variety Store	4,450
Sportsdirect.com	4	Sports Goods	1,030
Bathstore	4	Bathroom Furniture	325
H Samuel	4	Jeweller	175
British Heart Foundation	4	Charity Shop	173
Shoe Zone	4	Shoes	163
Ecco	4	Shoes	123
Pandora	4	Jeweller	93
L'Occitane	4	Health & Beauty	88
Claire's	4	Accessories	85
T K Maxx	3	Clothing	1,817
Topman	3	Clothing	940
Mothercare	3	Childrens Wear & Nursery Goods	550
Superdry	3	Clothing	503
Burton	3	Clothing	337
Dorothy Perkins	3	Clothing	337
Republic	3	Clothing	300
Cotswold	3	Outdoor Wear & Camping Goods	287
French Connection	3	Clothing	267
Mountain Warehouse	3	Outdoor Wear & Camping Goods	263
Animal	3	Clothing	177
Office	3	Shoes	167
Austin Reed	3	Clothing	160
Trespass	3	Outdoor Wear & Camping Goods	150
East	3	Clothing	140
Sony Centre	3	Home Entertainment	127
Lush	3	Health & Beauty	110

Source: GOAD

2.56 Table 2.4 identifies that 36 “gap” comparison goods retailer’s trade in at least three of the benchmark centres, of which 12 are in the clothing sector, most

notably H&M and Topshop, with large average sized units in the benchmark centres. Other missing key attractors include BHS, T K Maxx, Mothercare and Sportsdirect.com.

- 2.57 The revised Silver Hill scheme is expected to accommodate around 16 comparison goods retailers. The proposed shop units should be well placed to attract some of the 'missing' retailers shown in Table 2.4.

## Summary

- 2.58 The retail audit and gap analysis identifies the following key conclusions:
- Winchester's catchment area potential is comparable to the benchmark centres in terms of population, levels of affluence and available expenditure, and has greater potential than Worcester, Salisbury and Canterbury;
  - the occupier demand indicators are strong for Winchester, ie. high rental values and low vacancy rates;
  - despite the catchment potential, Winchester provides significantly less retail floorspace than all other benchmark centres and has lower than average shop unit sizes;
  - the retail offer within Winchester is upmarket, but does not match the benchmark centres in terms of choice;
  - there are a number of key comparison goods retailers absent from Winchester;
  - the Silver Hill development is expected to provide units sizes capable of attracting some of the key retailer missing in Winchester; and
  - the proposed Silver Hill development would increase the amount of retail floorspace and the overall offer of the City Centre, but would still not bring Winchester fully in line with the benchmark centres.

## 3.0 **Quantitative Retail Capacity**

### **Introduction**

3.1 NLP was commissioned by Winchester City Council to provide the retail and town centre uses study. This update was completed in January 2014 and was based on the latest available information, eg. population, expenditure, home shopping etc.

3.2 A summary of the key findings of the January 2014 retail study update are as follows:

- 1 Collectively convenience goods retail floorspace in Winchester is currently trading 3% above national average levels. The current convenience goods expenditure surplus in Winchester is £4.83 million. Population and expenditure growth will increase this expenditure surplus to £10.66 million in 2021.
- 2 Allowing for the replacement of the Sainsbury's and Iceland stores with an enlarged Sainsbury's store within the Silver Hill development, the projected convenience expenditure surplus will reduce from £10.66 million to £0.48 million in 2021. The capacity figures demonstrate there is sufficient expenditure capacity to support the food store element of the Silver Hill development.
- 3 The existing comparison goods turnover of retail floorspace within Winchester (excluding out of centre retail warehouses) is £167.24 million. The current sales density is £6,454 per sq.m net, which is a healthy level of trade based on high street retail operator's national average sale densities.
- 4 Population and expenditure growth will increase the existing comparison goods turnover of Winchester to £208.30 million in 2021, an increase of £41.06 million (taking inflation into account). The uplift in comparison turnover of the Silver Hill development (as permitted) is £33.66 million in 2021, which will be offset by the projected £41.06 million expenditure growth between 2013 and 2021.

### **The Silver Hill Proposals**

3.3 The original Silver Hill development was expected to provide 10,247 sq.m gross of retail floorspace, of which up to 7,818 sq.m gross was expected to be occupied by comparison goods retailing with a maximum net sales area of 5,864 sq.m net, within NLP's retail study. Taking into account demolished existing retail floorspace on the site and comparison sales floorspace within the proposed enlarged Sainsbury's food store, the maximum increase in comparison foods sales floorspace was estimated to be 4,734 sq.m net. The January 2014 retail study update assumed this increase in floorspace would generate a comparison goods turnover of £33.66 million in 2021.

- 3.4 The latest Silver Hill proposals are expected to include a department/variety store of about 5,400 sq.m gross, which would have a net sales area of around 3,800 sq.m net. The average sales density for the main department/variety store operators (ie. M&S, House of Fraser, Debenhams and John Lewis) is £4,600 per sq.m net. This average sales density figure suggests an expected turnover of £17.5 million.
- 3.5 Other shop units (20) would provide around 6,500 sq.m gross. Four of these units (1,100 sq.m gross) are expected to be occupied by Class A3 food and drink uses, therefore the maximum amount of floorspace that could be occupied by comparison goods sales is around 5,400 sq.m gross, with a net sales area of not more than 4,000 sq.m net. Adopting an average sales density of £6,000 per sq.m net suggests a comparison goods turnover of £24 million.
- 3.6 In total the comparison goods sales floorspace (including the new Sainsbury store's non-food space) is likely to have a comparison turnover of about £42.5 million.
- 3.7 Taking into account demolished existing floorspace the net increase in comparison goods sales floorspace is around 6,700 sq.m net, compared with 4,734 sq.m net assumed in the January 2014 retail study update. The amount of additional comparison goods sales floorspace over and above the previous permitted scheme is around 2,000 sq.m net. The uplift in comparison good turnover is around £36 million, compared with £29.8 million for the previous scheme.

## Retail Impact

- 3.8 As shown above, the uplift in comparison goods turnover generated by the revised Silver Hill development is about £6.2 million higher than previously estimated. The first phase of the development is expected to be completed in 2017. Silver Hill will take a further two years to build up full and settled trading levels. The implications of the revised scheme in terms of comparison goods retail expenditure capacity at 2019 and beyond is shown in Table 3.1 below.

Table 3.1: Impact of Revised Silver Hill Development

	2013	2019 without Silver Hill	2019 with Silver Hill	2021	2026
Available Expenditure	£187.04	£215.66	£221.73	£235.93	£278.85
Benchmark Turnover - Existing Floorspace	£182.84	£182.84	£182.84	£182.84	£182.84
Increase in Turnover Efficiency - Existing Floorspace	-	£23.07	£23.07	£31.39	£53.68
Benchmark Turnover - Commitments	£0.00	£0.00	£36.00	£36.72	£40.54
Surplus Expenditure	£4.20	£9.75	£-20.18	£-15.02	£1.79

- 3.9 The 2013 base year comparison turnover of Winchester is £187.04 million. This is the amount of expenditure that is currently being spent in Winchester City Centre, based on existing market shares derived from the household shopper survey. If it is assumed that the market share remains constant in the

future, then growth in available expenditure and population will increase this turnover to £215.66 million in 2019.

- 3.10 The benchmark (or expected) comparison goods turnover of Winchester City Centre is £182.84 million in 2013. Assuming that the turnover of the existing floorspace is able to improve in real terms in the future, an increase in turnover efficiency of 2% per annum is applied as recommended by Experian. If achieved then the City Centre's turnover will increase to £205.91 million in 2019, an increase of £23.07 million between 2013 and 2019.
- 3.11 Projected surplus comparison expenditure, i.e. the difference between the actual available expenditure and the benchmark turnover of the centre, at 2019 is £9.75 million, without the Silver Hill development.
- 3.12 As indicated above, the revised Silver Hill development will have an additional turnover of about £36 million. The development will not only help to maintain but will increase Winchester's overall market share of expenditure and increase total turnover from £215.66 million to £221.73 million in 2019. About 17% of the Silver Hill development's turnover (£6 million out of £36 million) will be attracted from diverted expenditure from other towns.
- 3.13 This projected turnover (£221.73 million) is £34.69 million higher than the base year 2013 turnover (£187.04 million). The additional turnover of the Silver Hill development (£36 million) should be offset by expenditure growth up to 2019.
- 3.14 Table 3.1 suggests that in 2019, there would be a "deficit" of £20.18 million, i.e. the total expected future turnover of the City Centre (including the allowance for an increase in turnover efficiency) plus the Silver Hill development would be more than the available expenditure. The implication of this difference is that existing shops may not achieve the assumed 2% annual increase in turnover efficiency. In other words, this suggests that the Silver Hill proposals will not result in a reduction in the actual turnover of existing floorspace, but facilities will achieve only limited growth (around £3 million between 2013 and 2019). By 2021, the growth in the turnover of existing floorspace will increase to over £16 million, and by 2026, it is estimated that the existing facilities will fully achieve a 2% per annum increase in turnover efficiency. This equates to an increase of £53.68 million (or around 29%) over the 2013 turnover of the City Centre.
- 3.15 On average, therefore, existing comparison shops will not experience a significant reduction in turnover between 2013 and 2019. Future growth in expenditure and population beyond 2019 will be more than sufficient to support the Silver Hill development and allow for an improvement to the turnover of existing floorspace.
- 3.16 These projections suggest the Silver Hill development is unlikely to cause shop closures within the rest of the town centre, due to trade diversion.

## 4.0 **Retail Trends and Shopping Patterns**

### **Retail Trends**

- 4.1 It is important to consider changes in the retail sector nationally and the implications for Winchester.
- 4.2 The economic downturn had a significant impact on the retail sector. A number of national operators have failed (e.g. Blockbuster, Comet, HMV, JJB Sports, Jessops, Clinton Cards, Woolworths, MFI, Land of Leather, Borders, Game, Firetrap, Peacocks, La Senza, Past Times, Barratts and Habitat), leaving major voids within town centres and on retail parks.
- 4.3 This trend has not had a significant impact on Winchester, because most of the affected businesses did not have stores within the City Centre. A comparison between Goad data available for Winchester updated in 2010 and 2013 identifies that only six of the operators listed above were present in the City Centre in 2010 – Blockbuster, JJB Sports, Jessops, Clinton Cards, Game and Past Times. All of these stores have now closed stores within the City Centre, however when comparing the number of vacant units in 2010 (26) and 2013 (28), it is evident that these vacated units have generally been reoccupied, and the failure of these retailers has not had an adverse impact on Winchester City Centre. The area covered by Goad appears to have changed slightly, with a total of 299 units in 2010, compared to 348 units in 2013. As a result, the vacancy rate has actually fallen from 8.7% on 2010 to 8.0% in 2013.
- 4.4 Many town centre development schemes have been delayed and the demand for traditional retail warehouse operators has also been affected. Even some of the main food store operators have seen a reduction in growth.
- 4.5 Assessing future expenditure levels needs to take into account the economic downturn and the likely pace of recovery. As set out in the previous section, the retail study update established the appropriate level of expenditure growth to be adopted over the study period, taking a long term view and recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken.
- 4.6 An overview of national trends within the retail sector is set out below.

### **Expenditure Growth**

- 4.7 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. However following the recent economic downturn, the recovery is expected to lead to slower growth in the short term.

- 4.8 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The economic downturn and current forecasts suggests that past rates of growth are unlikely to be achieved in the short term (next 5 years), but the underlying trend over the medium (5 to 10 years) and long terms (beyond 10 years) is expected to lead to a need for further retail floorspace. These national trends are likely to be mirrored across all parts of the South East, including Winchester.
- 4.9 For convenience goods, Experian anticipates limited growth up to 2015, but stronger growth thereafter (0.8% per annum). For comparison goods, higher levels of growth are expected in the future (2.9% per annum after 2015), still at a lower rate than previous pre-recession trends.
- 4.10 Low expenditure growth and deflationary pressures in the non-food sector have had an impact on the high street in the last few years. As a result of these trends, the national shop vacancy rate (based on Goad Plan data) has increased from around 10% in 2005 to over 12% in 2014. The vacancy rate in Winchester City Centre is below the national average at 8%, and also below all of the benchmark centres assessed in Section 2, with the exception of Canterbury. These figures suggest that during and since the recession Winchester has performed better in terms of shop vacancies than other most other centres across the country.

### **New Forms of Retailing**

- 4.11 New forms of retailing (multi-channel shopping) have continued to grow, as an alternative to more traditional shopping. Home/electronic shopping has increased with the growth in the use of personal computers, smart phones and the internet. Click and collect shopping has become more popular. The future growth of multi-channel retailing including home computing, internet connections and interactive TV will continue to have an effect on retailing in the high street and from traditional stores.
- 4.12 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains a relatively low percentage of total retail expenditure (about 11.5% of all retail expenditure). Recent national trends suggest continued strong growth in this sector. Experian's Retail Planning Note 11 (October 2013) states:

*"The strong increase in online shopping in the past decade has lifted the share of special forms of trading (SFT) to a level where it now accounts for around a tenth of total retail sales..."*

*The rising share of internet sales in total retail transactions dominates the picture of SFT. Internet sales' share of total retail sales stood at near 10% in mid-2013 against 4.7% in June 2008 and just 2.9% as recently as March 2007...*

*Non-store retailing continues to grow rapidly, outpacing traditional forms of spending. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. There were 52.7 million internet users in the UK (representing 84.1% of the population) in mid-year 2012 according to Internet World Stats. So growth of the internet user base will be less of a driver than in the past decade. But growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing. We expect that the SFT market share will continue to increase over the forecast period, although the pace of e-commerce growth will moderate markedly after about 2020. Our forecast has the SFT share of total retail sales reaching 17.4% by 2020 (15.4% in Retail Planner Briefing Note 9 of September 2011), rising to 20% by the end of the 2020s (15.5% previously)."*

- 4.13 The retail update makes an allowance for future growth in e-tailing based on Experian's latest projections. The implications on the demand for retail space need to be carefully considered. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators and click and collect operations, therefore growth in on-line sales may not always mean there is a reduction in the need for retail floorspace.
- 4.14 Given the likelihood that multi-channel shopping is likely to grow at a faster pace than total retail expenditure, the retail update assessment has adopted relatively cautious growth projections for retail expenditure, and allowance has been made for retailers to increase their turnover density, due to growth in home shopping and click and collect.
- 4.15 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. Retailers have also changed their trading formats to include smaller store formats capable of being accommodated within town centres (such as the Tesco Express/Metro, Sainsbury's Central/ Local store and Marks and Spencer's Simply Foods formats). The number of Tesco Express and Sainsbury's Local stores has increased significantly during the last decade, due to the operator's national expansion in this sector, and perhaps also due to the absence of available sites for larger food stores.
- 4.16 The expansion of European discount food operators Aldi and Lidl has been rapid during the last decade. Food store operators have also implemented a programme of store extensions, particularly Tesco, Sainsbury and Asda. These operators, faced with limited growth in food expenditure, have often increased the sale of non-food products within their food stores, including clothing and electrical goods. The recent recession halted this trend for extensions nationally.
- 4.17 Comparison retailers have also responded to market conditions. The bulky goods warehouse sector has rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, Next, TK Maxx and Poundstretcher. Matalan has also opened numerous discount clothing stores



across the UK. Sports clothing retail warehouses including Decathlon have also expanded out-of-centre.

- 4.18 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will halt. In many centres, charity shops have occupied vacated shop premises during the recession. In many cases charity shops can afford higher rents than small independent occupiers because of business rate discounts, therefore it does not follow that these charity shops will be replaced by traditional shops when the market recovers, particularly in secondary frontages.
- 4.19 The discount comparison sector has also grown significantly in recent years e.g. pound shops. Based on our experience, this trend is not particularly evident in Winchester. There are a number of charity shops (5.1% of comparison units) but not a particularly high proportion, and below the national average of 8.4%.
- 4.20 Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation of activity into the larger regional and sub-regional centres. Operator demand for space has decreased during the recession and, of those national multiples looking for space many prefer to locate in larger centres.
- 4.21 The continuation of these trends will influence future operator requirements in Winchester City Centre with smaller vacant units becoming less attractive for new multiple occupiers, and retailers increasingly looking to relocate into larger units in higher order centres. However smaller vacant units could still be attractive to independent traders and non-retail services.
- 4.22 The proportion of vacant shop units available within Winchester City Centre is low. As set out in Figure 2.15, most of these vacant units are small (less than 100 sq.m gross) and are not suitable for multiple retailers. Around 85% of all convenience and comparison shop premises within Winchester City Centre are small units (under 250 sq.m gross). The centre has a limited supply of medium (251 –500 sq.m gross) and large units (over 500 sq.m gross).
- 4.23 The strategy in Winchester City Centre should be to provide more medium/large (250 sq.m gross or more) units suitable for multiple retailers.

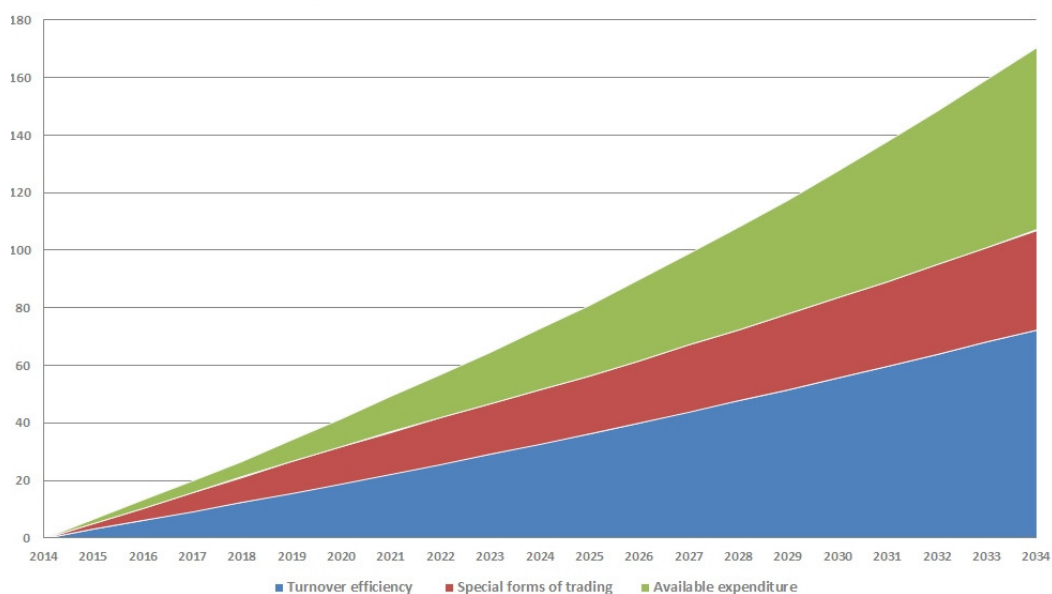
## High Street Retail Trends

- 4.24 The number of shop units within town centres has declined consistently since the early 1970s. The Centre for Retail Research's "Retail In 2018" (CRR) figures show a decline from over 300,000 units in 2001 to 282,000 in 2012. The CRR "Retail In 2018" report predicts nearly 62,000 high street stores across Great Britain (22% in total) will close between 2012 and 2018.
- 4.25 Online/multi-channel shopping and increasing retail operating costs are cited as the main culprits. Similar predictions of the High Street's decline were made during previous recessions in the early 1980s and 1990s, which subsequently

proved to be exaggerated. On this basis, it is important to examine these predictions within the context of longer terms structural trends.

- 4.26 These trends hide underlying structural changes in the retail sector. These changes are not new and have been affecting the High Street for many years. In response to these trends, town centres have changed and diversified. The food and drink, leisure and non-retail service sectors have been successful in occupying space no longer suitable for shopping. There have been cyclical trends in vacancy rates reflecting the macro economic trends, but in most cases town centres recovered during periods of stronger growth. The High Street is more resilient than many commentators give it credit.
- 4.27 There is an underlying trend towards fewer but larger retail stores. Valuation Office data indicates the amount of retail floorspace in England and Wales has grown by over 3% during the economic downturn (2008 to 2012), despite a period of poor expenditure growth and an increase in on-line shopping.
- 4.28 Shopping behaviour will continue to change and the High Street will need to continue to respond. All town centres will need to focus on the advantages they have over other forms of multi-channel shopping, for example using the internet as an extended shop window, click and collect facilities and providing a combined retail and leisure experience. There will always be demand for a day out and customers cannot eat or drink on-line.
- 4.29 Experian data indicates that retail expenditure reduced by 1.3% during 2009 to 2012, with the food/grocery and bulky comparison goods sectors hardest hit. These expenditure trends explain why the High Street has performed better than out-of-centre retail parks. During this period the proportion of expenditure attributed to non-store trading (including home shopping) increased from 7.1% to 11.5%. These figure help to explain why High Streets and retail parks have struggled.
- 4.30 Experian's most recent forecasts suggest comparison goods expenditure per person will increase on average by 2.9% per annum, in real terms over and above inflation. If this forecast growth rate is achieved then comparison goods expenditure per person will increase by a third over the next 10 years and by 77% over 20 years. Taking into account ONS population projections, comparison goods expenditure in England will double over the next 20 years.
- 4.31 Not all projected expenditure growth will be available to support new retail floorspace. Non-store expenditure (special forms of trading) is expected to grow at a faster rate than expenditure and in proportional terms will absorb more growth. Continuing trends towards more modern and higher density stores, and the replacement of inefficient space will result in growth in turnover efficiency – Experian suggests a growth rate of 2% per annum for comparison floorspace. Figure 4.1 below shows how much expenditure growth may be available for new development over the next 20 years.

Figure 4.1: Growth in Comparison Goods Expenditure in England 2014 to 2034 (£ billion)



4.32 Allowing for growth in multi-channel shopping and increased turnover efficiency, there could still be £33 billion of growth available for new retail development in England over the next 10 years and £72 million over the next 20 years.

4.33 The challenge for town centres generally, and Winchester specifically, will be to capitalise on this growth by securing much needed investment. There will be continued scope for centres to diversify, for example the evening economy, leisure and entertainment and more focus on convenience and service, but comparison retail will still be the driver of growth in many centres.

4.34 The delivery of town centre redevelopment opportunities will be the priority. There will be a requirement to build more retail floorspace within Winchester City Centre, not only to boost its retail offer and compete effectively with other centres, but also to secure investment in the centre.

## Winchester Markets

4.35 Winchester has a range of different street markets, including a weekly “Taste of the South” food and produce market (Wednesdays), “shabby chic and bric-a-brac” stalls (Thursdays), food and general stalls (Fridays and Saturdays), a farmers’ market twice a month, monthly antiques and collectibles market, and seasonal (March – December) monthly art and design and vintage/retro markets.

4.36 Winchester’s markets run along the High Street and Middle Brook Street in the City Centre. The markets tend to attract large crowds in search of fresh produce and a variety of products, including many tourists browsing the shops and stalls. The Winchester farmers’ market on Middle Brook Street and the adjacent car park is officially the largest farmers’ market in the UK (95 stalls) and was voted best in the country by the Guardian Food Magazine.

- 4.37 The presence of a street market in Winchester is important to maintain the vitality and viability of the City Centre, providing a key local service and attracting tourists. The importance of markets is recognised in “The Portas Review – an independent review into the future of our high streets” (Mary Portas, December 2011). This report states:
- “Markets are a fantastic way to bring a town to life. There’s a market for all of us. From a bustling ‘roll up, roll up’ veggie market to a thriving organic middleclass farmers’ market. What both these types of endeavours share is people coming together to buy, to sell, to meet, to share, to discover and enjoy each other’s company. It is the oldest type of commerce. But strangely, more than any other type of retailing, I believe markets can serve as fundamental traffic drivers back to our high streets.*
- From food, fashion, homemade, second hand, organic, craft, gardening and flowers, car boot fairs and recycled goods; mixing up all these types of markets will bring all types of people of every age group into the town.*
- On a market stall people can try out their ideas and get their business booming without too much upfront cost. And it’s great for our town centres too, bringing in fresh ideas and products and preserving our nation’s cultural heritage to boot.”*
- 4.38 The street market helps to differentiate Winchester from other competing town centres and provides an added attraction for customers. It is an important feature in the City Centre and adds to the vibrancy of the high street. Markets are also positive features in terms of generating additional footfall, encouraging customers to use shops and services in the vicinity of the market.
- 4.39 We understand that the Silver Hill proposals would not affect the operation of the various street markets in Winchester and these markets will continue to be held on Middle Brook Street and the High Street following the redevelopment.
- 4.40 In our view, the redevelopment of the Silver Hill area and Winchester’s markets are mutually beneficial, with knock-on benefits resulting from bringing more people into the City Centre and increasing the amount of retailing activity taking place. The different markets on different days of the week will attract a broad customer base. Improving the range and quality of retail units at Silver Hill will also bring new customers to the City Centre, and specifically this part of the centre. The markets should continue to play an important role and provide a complementary retail offer in the City Centre.

## **Winchester Shopping Patterns**

- 4.41 The Silver Hill development will have a positive effect and will increase Winchester’s overall market share of expenditure, meaning that there will be less leakage of expenditure to other retail destinations.
- 4.42 The existing site is currently underused. Part of the site is located within the defined primary shopping centre, however it functions as a more secondary area of the City Centre, away from the primary retail core.

- 4.43 The revised proposed development therefore has the potential to strengthen the overall retail offer of Winchester, and provide much needed new, modern retail units, however it is important to avoid the development operating independently from the rest of the city centre.
- 4.44 In order for the proposed Silver Hill scheme to fully integrate with the existing retail core, it is necessary to ensure that the links and open spaces are well designed to enable a clear retail circuit around the centre and increase footfall around the centre as a whole. This aspect of the proposed development will need to be carefully considered.
- 4.45 The western end of Winchester's centre contains a higher proportion of smaller units, independent operators and non-A1 retail uses. This area provides a different offer to the main stream occupiers on the central part of the High Street. The Silver Hill development is expected to include an anchor variety store and units for national multiples. In our view, the redevelopment of Silver Hill should have a positive effect on other parts of the City Centre. The development will have a different offer than the independents, and rather than compete directly, these should continue to focus on their unique and complementary offer. If existing retailers within the City Centre choose to relocate to larger units within Silver Hill, this should be seen as an opportunity for independent retailers to occupy the vacated units.
- 4.46 Winchester could seek to identify particular pockets within the City Centre and brand these as individual character areas, each with distinct identities and attractions. This is already evident in some parts of the centre, such as the evolving "cultural quarter" in Jewry Street. Areas of the High Street could develop into speciality retail clusters that will enhance the overall retail offer.
- 4.47 The pedestrianized part of the High Street contains most of the main multiple retailers within Winchester. This pedestrianized area is about 400 metres long and is relatively compact with strong footfall along its entire length. The development will extend the prime pitch to the east by only 100 metres. The scale and location of the Silver Hill development is unlikely to polarise pedestrian footfall to the east of the centre, to the detriment of the western part of Winchester. The Silver Hill development should also enhance the existing pedestrian circuit to the benefit of the centre as a whole, ie. along the parallel routes along High Street, George Street/Silver Hill and the Square. This will also benefit the market by increasing footfall and passing trade.
- 4.48 Winchester City Centre needs to provide more than just shops to remain an attractive retail destination, as there is increasingly a need to create more of an all-round experience. With a higher proportion of disposable income spent on entertainment, people increasingly expect the shopping experience to include retail, leisure and catering options. For centres to compete with the ease of home/internet shopping, every effort has to be made to make people want to go shopping, and getting the mix and balance of uses right will make shopping centres more attractive and successful. People's behaviour and their expectations of what constitutes a "shopping experience" has changed. Embracing this change seems to be key to delivering schemes that align with

what people want and create successful destinations. Moving forward, the strategy for Winchester could involve creating leisure “hubs” within the City Centre, providing food and drink options and/or family entertainment to enhance the shopping experience and extend the length of customers’ visits to the centre.

## 5.0 **Summary and Conclusions**

- 5.1 The study has examined the implications of the revised Silver Hill development proposals on Winchester centre and the way it functions as a retail destination.
- 5.2 The retail audit and gap analysis indicates Winchester is a relatively strong shopping destination, but it is underperforming when assessed against the five benchmark centres. Particular areas where Winchester falls short include the quantum of retail floorspace overall in relation to the catchment area potential, the average size of units and representation of key retailers. The low level of vacant units suggests that there is strong demand for shop premises within Winchester.
- 5.3 A key priority for new development within Winchester should be to improve the supply and quality of medium to large units in order to attract new investment.
- 5.4 The proposed Silver Hill development will provide much needed, large modern retail units within the City Centre, that will attract retailers that are not currently able to operate within the units available.
- 5.5 The revised Silver Hill scheme is expected to include around 20 modern and flexible Class A1/A3 units, with a range of unit sizes from small “kiosk” units up to over 2,000 sq.m gross, plus the new Sainsbury’s store and department store. The majority of the units are between 100 and 600 sq.m gross. The new anchor department store will be a key anchor attraction for the scheme and Winchester city centre as a whole. Most operators require medium to large size units of over 200 sq.m GIA. The size of units proposed will therefore address the current mismatch between available vacant premises and operator’s space requirements.
- 5.6 The proposed Silver Hill development is likely to attract operators that are currently unable to locate within Winchester, and by enabling them to meet customer’s needs in turn provides customers with the range and choice of brands they expect to find. If retail and leisure operators’ requirements are not being accommodated then this clearly demonstrates that customer’s needs are not being satisfied.
- 5.7 The proposed Silver Hill development is primarily aimed at attracting new operators to Winchester, in particular high quality fashion retailers and restaurant operators. There may also be some opportunities for existing retailers to upsize and remain within the City Centre rather than relocating to a competing centre or out-of-centre location. This in turn will release further premises for new entrants to Winchester. The revised Silver Hill proposals should help to facilitate a healthy churn of operators in the Centre as well as allowing new operators to invest in Winchester.

- 5.8 The supporting text to the adopted 2006 Local Plan policy regarding the Silver Hill site (para. 11.23) stated that:
- “The development should significantly extend the range and quality of retail provision in the town so as to complement and reinforce the shopping function of the town. Retail provision should reflect the floorspace needs in central Winchester for convenience and comparison goods as identified in the Winchester Retail Study 2003.”*
- 5.9 The total amount of retail floorspace within Winchester City Centre is 65,340 sq.m gross (as set out in Table 2.3). The revised Silver Hill proposals will provide around 13,700 sq.m gross, which will replace around 4,500 sq.m gross of existing retail floorspace on the site. This uplift of 9,200 sq.m represents approximately 14% of the total existing retail floorspace in Winchester. This increase in floorspace is not considered to be of a magnitude that would alter the overall balance of the City Centre, bearing in mind projected expenditure growth. This is confirmed by the retail impact assessment in Section 3.
- 5.10 On balance, the development of the Silver Hill scheme is likely to have a positive impact on the City Centre and encourage investment elsewhere in the centre.







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