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# Retail Study Update

## Watford Site Allocations Stage 1 Report

Watford Borough Council

September 2013



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# 1. Introduction

- 1.1 Since 2010, GVA has been retained by Watford Borough Council to advise on retail matters and assist the preparation of the Council's retail and town centre policies. GVA undertook the Watford Retail Study (November 2010) which was later supplemented by a further report, published in November 2011. During the course of the examination in public, GVA provided further evidence to inform the Watford Local Plan, which has since been found sound and adopted.
- 1.2 In August 2013, GVA was instructed by Watford Borough Council to undertake further detailed analysis to update and supplement the existing retail evidence base and inform the preparation of the Watford Local Plan Part 2 – Site Allocations document.
- 1.3 This report forms an initial stage which focuses on updating the existing retail evidence base, highlighting relevant changes in circumstances since the previous analysis was undertaken. Drawing on the most up-to-date data sources and economic growth forecasts, we provide a further update of the capacity forecasts to establish the extent to which the Council will need to allocate sites for additional retail floorspace over the plan period.
- 1.4 The outputs of this report will directly inform the Stage 2 works which will consider specific development site opportunities and their potential as allocations for retail development.
- 1.5 This report is structured as follows:
- **Section 2** summarises the current national and local policy context;
  - In **Section 3** we review current and emerging economic and retail trends and consider the implications for Watford;
  - In **Section 4** we examine the current retail offer of Watford town centre and establish the extent to which there are any obvious deficiencies / opportunities for further enhancement;
  - **Section 5** sets out the updated capacity projections for additional convenience and comparison goods floorspace in Watford, taking account of recent/committed developments and current economic conditions up to 2026; and
  - In **Section 6** we set out our findings and key conclusions to inform Stage 2.
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## 2. Policy Update

- 2.1 Since 2011, there have been a number of material changes in the policy framework at the national, regional and local level. In March 2012, the Government adopted the National Planning Policy Framework (NPPF), providing a single, streamlined national policy document to replace the suite of Planning Policy Statements including PPS4.
- 2.2 Also as part of the Localism Act 2011, the Government announced its decision to revoke regional strategies and in January 2013, the East of England Plan was formally abolished.
- 2.3 At the local level, Watford formally adopted its Local Plan Core Strategy in January 2013. This now forms part of the Borough's Development Plan alongside the remaining 'saved policies' in the Watford District Plan (2000).

### **The National Planning Policy Framework (2012)**

- 2.4 The NPPF was adopted in March 2012, and makes clear the Government's commitment to securing economic growth in order to create jobs and prosperity and to ensure that the planning system does everything it can to support sustainable economic growth.
- 2.5 The NPPF requires Local Planning Authorities (LPAs) to adopt a positive approach to decision-taking and to apply a presumption in favour of sustainable development. For decision-taking this means that applications which accord with the development plan should be approved without delay. Where the development plan is absent, silent or relevant policies are out of date, permission should be granted unless the adverse impacts of doing so would significantly outweigh the benefits of the development when assessed against the policies in the NPPF.
- 2.6 In terms of retail policies, the NPPF maintains the general thrust of PPS4. It advocates a 'town centres first' approach, and requires planning policies to positively promote competitive town centre environments and manage the growth of centres over the plan period. LPAs are required to allocate a range of suitable sites to meet identified needs for retail and other town centre uses in full, which should not be compromised by limited site availability (paragraph 23).
- 2.7 Paragraphs 24-27 confirm the requirements for assessing planning applications proposing new retail floorspace. Paragraph 24 states that a sequential test should be applied to
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planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. Local authorities should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre.

2.8 Paragraph 26 confirms that when assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set threshold or default threshold of 2,500 sqm.

2.9 Paragraph 27 directs local authorities to refuse an application where it fails to satisfy the sequential approach, or is likely to have significant adverse impact on one or more of the factors listed under Paragraph 26, including:

- The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made (up to ten years for major schemes).

### **Practice Guidance on Need, Impact and the Sequential Approach (2009)**

2.10 The Government Practice Guidance was published in December 2009 to support Planning Policy Statement 4 (PPS4: Planning for Sustainable Economic Growth). The Practice Guidance provides advice to developers and LPAs about the interpretation of town centre policies set out in PPS4. PPS4 was superseded following the adoption of the NPPF. The Government has confirmed that the Practice Guidance remains in effect until the finalisation of new online planning practice guidance which is anticipated later this year (2013). The Government is currently inviting comments on the new guidance which has been published in draft.

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## Watford Core Strategy Local Plan (2013)

- 2.11 The Watford Core Strategy Local Plan, adopted in January 2013, sets out the strategic vision and spatial strategy for the Borough. The Core Strategy forms Part 1 of the Local Plan. Part 2 will include development management policies; site allocations; and town centre policies. This report will form part of the evidence base underpinning Part 2 of the Local Plan.
- 2.12 The Core Strategy seeks to strengthen the regional role of Watford town centre by further developing its vibrant mix of shops, offices, leisure and cultural activities, within a highly accessible pedestrian and cycle friendly environment. By 2031, the vision sees the town having extended its range of services and facilities, providing for the needs and aspirations of residents and visitors of all ages, interests and background (Strategic Objective 1).
- 2.13 In line with this, Policy SS1 seeks to focus retail, leisure and cultural facilities within the town centre to support Watford's regional role. The policy also supports an appropriate level of facilities in the Special Policy Areas (SPAs) and in neighbourhood centres. There are six SPAs including the Town Centre; Watford Junction; Health Campus; Western Gateway; Lower High Street; and Dome Roundabout. There is a specific policy for each SPA.
- 2.14 Over the next 5 years, the Council seeks to deliver an additional 10,000 sqm net comparison goods floorspace as part of the redevelopment of Charter Place in the town centre (SPA1); and 2,500 sqm net convenience goods floorspace in the form of a supermarket at Ascot Road (SPA6). The principle of retail use as part of a wider mixed use development is also established at Watford Junction (SPA2) and Lower High Street (SPA4) (subject to criteria); and the Health Campus (SPA3).
- 2.15 Chapter 7 relates to Town and Local Centres and sets out the retail hierarchy. Watford is defined as a town centre, supported by North Watford/St Albans district centre and a network of eight neighbourhood centres and 18 local shops.
- 2.16 Over the plan period (i.e. up to 2026) there is identified capacity to support c.40,000 sqm net additional comparison goods floorspace and c.4,500 sqm net additional convenience goods floorspace. Policy TLC1 seeks to direct the majority of this capacity towards the town centre. However, it is accepted that some will be delivered at other SPAs, subject to being of an appropriate scale and to there being no significant adverse

impact on the vitality and viability of the town centre or planned investment at Charter Place.

### **Watford District Plan Saved Policies (2000)**

2.17 A number of policies within the Watford District Plan have been saved alongside the adopted Core Strategy. These include the following which are of most relevance to this Study.

- **Policies S5** and **S6** seek to control non-retail uses in the prime retail frontage and within the Harlequin shopping centre to preserve the predominant retail function in these areas.
- **Policy S7** seeks to retain a general retail character within the secondary frontage while permitting an adequate number of non-retail units.
- **Policy S9** seeks to retain the general retail character of North Watford shopping centre and local shopping frontages.

### **Greater Flexibilities for Change of Use Consultation (August 2013)**

2.18 The Government is presently consulting on proposed changes to permitted development rights to help make better use of existing buildings, support rural communities and high streets, provide new housing and contribute to the provision of child care for working families. The following proposed changes are of particular relevance to this study:

- To create a permitted development right to assist change of use and the associated physical works from an existing building used as a small shop or provider of professional/financial services (A1 and A2 uses) to residential use (C3); and
- To create a permitted development right to enable retail use (A1) to change to a bank or a building society.

2.19 It is the government's intention to bring forward the changes for April 2014.

### **Summary**

- The NPPF was adopted in March 2012 and replaces former national planning guidance including PPS4. The NPPF maintains the general thrust of PPS4 and advocates a 'town centres first' approach. It requires planning policies to positively

promote competitive town centre environments and to manage the growth of centres over the plan period so that needs for retail uses are met in full and are not compromised by limited site availability.

- The Watford Core Strategy Local Plan – Part 1 (2013) and saved policies within the Watford District Plan (2000) represent the Development Plan for the purposes of determining planning applications in the Borough.
- The Council is currently in the process of preparing Part 2 to the Local Plan which will include development management policies; site allocations; and town centre policies. This report will form part of the evidence base underpinning Part 2 of the Local Plan.
- The Government is currently in the process of updating the practice guidance accompanying the NPPF which this report has had regard to. The Government is also currently consulting on proposed changes to Permitted Development rights which will also have a bearing on future policies for town centres and in particular, retail frontages.

### 3. Retail Market Review and Town Centre Trends

- 3.1 Since 2010, the UK economy and the retail sector have seen further on-going changes. In this section we review the current retail market and social trends likely to influence future retailing in Watford. This draws on published data sources, including research by Experian and Verdict.
- 3.2 This section also provides an analysis of relevant government research and town centre strategies which have come forward over the last few years, in response to the retail trends identified, to promote the consistent policy objective to seek to strengthen town centres.

#### Economic Outlook

- 3.3 Advice published by Experian (Retail Planner 10.1, September 2012) explains that the UK economy is continuing to struggle following the recession as a result of weak domestic demand, declining disposable incomes, low levels of investment and reduced government spending. Household spending has been in decline since 2007. However, Experian expects that as inflation continues to ease steadily, household finances will gradually improve, reverting back to modest growth in 2013.
- 3.4 Over the short term, Experian expect economic growth to remain muted. Whilst there may be a modest revival in household consumer spending, this is likely to be balanced against poor retail growth. Looking at the outlook for the medium term, Experian predict annual average GDP growth of 2.3% between 2015 and 2019; which is less buoyant than before the recession due to tight government finance, household debt and higher levels of savings. Over the longer term the economy is predicted to improve slightly, however due to continuing fiscal restraint this growth is likely to be constrained.

#### Sales Efficiencies and Growth Rates

- 3.5 Spending on comparison goods is expected to grow at a higher rate than on convenience goods over the period to 2028. For comparison goods, Experian forecast an annual growth rate of 1.6% over the period 2011-2013; increasing to 2.8% per annum 2013-2018; and to 2.9% per annum post 2018. For convenience goods, Experian forecast

- no spending growth between 2011 and 2013. Over the period 2013-2018, growth is forecast at an annual rate of 0.5%, increasing to 0.8% per annum post 2018.
- 3.6 The sales efficiency growth rate represents the ability of retailers to increase their productivity and absorb higher than inflation increases in their costs (e.g. rent, rates and service charges) by increasing their average sales densities. Applying a turnover 'efficiency' growth rate to current sales densities is a standard approach used in retail planning studies and has been used in this study in accordance with good practice.
- 3.7 Following the recession, many retailers have struggled to increase or maintain sales density levels and, together with other financial problems, this has led some retailers into administration. With the expectation of weak expenditure growth, sales density growth is also expected to be significantly lower than the high rates seen during the boom of the 1990s.
- 3.8 The trend towards the demolition of inefficient stores and the provision of more modern stores with higher and more efficient densities is expected to result in less scope to increase comparison goods sales densities over the longer term. Accordingly, Experian expect an efficiency growth rate for comparison goods of c. 2.1% between 2014 and 2019, falling to 1.8% post 2020. For comparison goods we have incorporated an efficiency growth rate of 2.1% per annum over the period 2013-2018; 1.9% per annum 2018-2023; and 1.8% per annum 2023-2028.
- 3.9 Scope for increased sales densities is much more limited for convenience goods because the majority of foodstores already drive high sales efficiencies. For convenience goods, our analysis makes an allowance for growth in sales efficiency at a rate of 0.1% per annum 2013-2018; and 0.2% per annum post 2018.

### **Changing Retailer Requirements**

- 3.10 During the recession some independent retailers' margins have become too tight to survive and some multiple retailers have either collapsed or have shrunk their store portfolios after entering administration (recent high street retailers to fall in to administration include HMV, Blockbuster, Jessops and Comet). This has led to a decline in the amount of occupied retail space in town centre locations. These losses have not been offset by new developments as many town centre schemes have been put on

hold or scaled downwards during the recession. With online presence allowing national coverage, it is expected that retailers will remain cautious about store expansion.

- 3.11 Retailers are focusing their development programmes on the provision of larger flagship stores in strategic locations, supported by smaller satellite stores and transactional websites. The larger flagships accommodate the fuller range while smaller stores offer a more select range supplemented by Internet kiosks allowing access to the wider range. This model of polarisation offers many advantages to retailers including lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions.
- 3.12 The polarisation trend will result in larger dominant centres continuing to attract key retailers (where space is available), with a negative impact on smaller centres where stores may close. Subject to being able to provide suitable large units, Watford is clearly well placed to benefit from these trends.

### **Out of Centre Retailing**

- 3.13 As retailers opt to develop stores in the most strategic and cost effective locations, there has been a notable resurgence to out of centre destinations which offer benefits of lower rents, larger retail units and in most cases, free car parking. According to Verdict, out of town retailing is the only form of retailing which has seen store numbers increase consistently since 2000. The Department for Business, Innovation and Skills (BIS) reports that the number of out of centre stores has increased by up to c.1,800 (25%) since 2000; whilst the number of town centre stores fell by almost 15,000 between 2000 and 2009, the majority of which are likely to have been in 'high street' locations.
- 3.14 Many traditional town centre retailers have developed an out of town store format, including John Lewis, who operate a number of 'At Home' stores in out of centre locations, and other retailers such as Next, Primark and H&M. This is in addition to their online offer (discussed later).

### **The Role of the Town Centre**

- 3.15 The town centre has been the main shopping channel for the last 30 years. However, its future role is set to change dramatically. Emerging trends suggest that it will be used more for leisure and social activities with more bars, restaurants, food outlets and community spaces opening in vacant units. The delivery of additional non-retail uses in
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town centres will be secured through the changes to permitted development rights for a temporary two year period.

- 3.16 As retailers improve their multichannel offer, town centre stores will be used more to support e-retailing with click and collect points and safe drop boxes for customers to collect their online orders as well as satellite stores opening for customers to make online purchases. As overall demand for retail floorspace declines, it is anticipated that more secondary and tertiary space which suffers from lower levels of footfall will increasingly be converted into alternative town centre and residential uses.
- 3.17 In order to ensure that town centres have a viable function moving forwards, it will be important for Councils to drive footfall and increase dwell time to improve awareness of offers and impulse purchases. This can be achieved by getting a better understanding of the catchment area and what local people want, improving the mix of retail and non-retail outlets in the town to make them stay longer, and making centres accessible.
- 3.18 As recognised in the Core Strategy, it will be important for Watford to maintain and enhance its non-retail offer to provide an attractive shopping and leisure experience that cannot be provided online. Accordingly providing an enhanced food and beverage offer, cultural attractions and events in Watford town centre will become increasingly important over time.

### **The Internet, Multichannel Retail and Technology**

- 3.19 As of 2011, there were an estimated 30.7 million online shoppers, representing 77% of all Internet users in the UK<sup>1</sup>. In 2008 retail growth rates peaked at 30% growth and since then the market has matured, with most retailers now having an online presence. Between 2012 and 2017, Verdict anticipates that online sales (as a share of retail spend) will grow from 10.5% to 14.9%. By 2017, Verdict estimates that the online retail market will be worth almost £50 billion, with one pound in every seven that is spent on retail accounting for online sales<sup>2</sup>.

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<sup>1</sup> Verdict Research, "e-Retail in the UK 2012", September 2012

<sup>2</sup> Verdict Research, "UK Online Retail Annual Forecasts 2012-2017", November 2012

- 3.20 The growth in online sales will reduce some of the need for bricks and mortar stores, however the need for physical stores will remain, particularly due to growth in multi-channel retailing (including click and collect services). High streets will need to compete with the choice that online retailing provides. This will not only be driven by the price and range of products, but also by service and expertise. Online shopping has driven expectation of convenience and service upwards and customers now expect more from in-store ambience to tempt them to make a purchase<sup>3</sup>. Town centres and high streets will increasingly have to provide a shopping 'experience' that the Internet is unable to match.
- 3.21 Trends indicate that the online and in-store shopping channels are becoming gradually more blurred as shoppers increasingly research purchases online or in stores before making purchases. According to Verdict, in 2010 63% of shoppers researched goods online before purchasing in store (an increase from 54% in 2007). At the same time, it is estimated that 29% of customers research purchases in store before buying online, an increase from 13% in 2007<sup>4</sup>.
- 3.22 Within the clothing, footwear, food and furniture sectors, major opportunities remain for Internet sales growth. Key drivers of growth include more sophisticated online offers from retailers, increasing consumer confidence in e-retail, the increase in click and collect services and the continued growth of smartphone and tablet devices.
- 3.23 M-commerce (sales through mobile devices), will become increasingly important as the usage of tablet computers continues to grow. Verdict predicts that m-commerce will account for 22% of the online market by 2017 (in 2012 m-commerce sales only accounted for 7% of online sales). New technologies such as QR Codes (Quick Response Codes) have increased consumer and retailer interaction, enabling customers to scan QR barcodes on their mobile phones to gain direct access to the product website.
- 3.24 While the Internet and new technologies pose challenges to the high street, retailers are constantly looking for ways to exploit trading opportunities available through offering a
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<sup>3</sup> Verdict Research, "How Britain Shopping: Overall 2011", March 2011

<sup>4</sup> Verdict Research, "UK e-Retail 2011", May 2011

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multichannel shopping experience. The advantages of physical stores, in terms of the overall shopping experience and immediacy of products, will see a network of key stores remain a fundamental component of retailer's strategies to provide an integrated multichannel retail proposition.

## **Retail Sector Trends**

### **Food and Grocery**

- 3.25 Despite on-going space expansion by the Big Four supermarkets, sales volume growth is anticipated to decline as retailer coverage reaches peak levels. In 2011, Tesco and the Co-operative gained a presence in every postcode in the UK. As a result retailers are likely to cut back on levels of expansion and focus on redevelopment and refurbishment of existing stores, with the remaining expansion focusing on areas of under representation where there can be gains in market share.
- 3.26 Developing smaller store formats for top up food shopping will also become increasingly popular in response to consumers seeking to reduce waste by moving from weekly shops to frequent smaller shops, or being discouraged from travelling long distances by high fuel prices. Following in the path of Tesco and Sainsbury's, Asda, Morrisons and Waitrose are all expanding smaller concept stores, with Morrisons recently acquiring 49 Blockbuster stores to open their new M Local convenience format stores.
- 3.27 Food retailers will continue to develop online offers to meet increasing consumer demand for convenient food shopping, whilst click and collect services will ensure that online customers are brought in to stores<sup>5</sup>.

### **Clothing and Footwear**

- 3.28 In 2015, Experian estimate that the clothing and footwear sector will represent 15.7% of all retail spend (a slight increase from 14.7% of retail spend in 2010). Low levels of consumer confidence in addition to high prices are expected to keep clothing and footwear sales volumes low. Premium and luxury brands will continue to maintain their consumer appeal, encouraging sales through their quality products. Growth from value
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<sup>5</sup> Verdict Research, "UK Retail Forecasts to 2015", February 2012

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clothing and footwear retailers will become more subdued as they seek to ensure their profitability<sup>6</sup>.

#### Premium and Luxury Goods

3.29 More affluent consumers have been able to maintain a higher level of personal and discretionary spending during the recession and therefore the premium and luxury goods sector has remained relatively strong and resilient in comparison to other retail sectors.

3.30 In addition Verdict consider that the premium sector of the UK department store market will account for 43% of total department store expenditure in 2017 reflecting the trend for midmarket department stores to provide more luxury products (e.g. John Lewis and House of Fraser).

#### Electronics

3.31 The electronics sector is set to face continued pressure and further decline over the short term as a result of the unwillingness of consumers to spend on electrical items. In this climate, retailers at the value end (e.g. supermarkets) and premium/aspirational end (e.g. Apple or John Lewis) of the market will be the most successful, whilst mid-range retailers will continue to be squeezed. Apple, for example, has recently opened a store in Watford.

#### Homewares

3.32 Growth in the homeware market has been heavily reliant on the recovery of the housing market which has remained weak and growth in this sector is expected to remain largely stagnant until 2014. Limited disposable incomes means limited spending power which has caused more people to stay at home but has encouraged spending on lower price homeware items as people see to make the home more enjoyable to use and entertain in.

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<sup>6</sup> Verdict Research, "UK Retail Forecasts to 2015", February 2012

### Music, Video and Books

- 3.33 Overall the music and video sector size has shrunk by a quarter since 2006, while online sales have doubled. As a result of an increase in music and video streaming (e.g. Spotify and Netflix), Verdict expect that online music and video sales will reach saturation point by 2016, by which point online sales will account for 97% of sector sales.
- 3.34 Online is expected to overtake in-store book sales by 2016, and Verdict predict online sales will account for 70% of total book spend. Growth in this sector will be largely driven by the increased uptake of e-reader devices (e.g. Kindle), and the lower price of e-books compared to hard copies. Book shops will become increasingly reliant on driving customer loyalty and hosting in store events to increase dwell time.

### Relevant Government Research

#### The Portas Review (December 2011)

- 3.35 In May 2011, Mary Portas was appointed to lead an independent review into the future of the high street, in response to the effects of the recession on the retail industry and local high streets in particular.
- 3.36 The report suggested measures to tackle the further decline of the high street. Amongst 28 separate recommendations in the report, there is a call to strengthen policy in favour of 'town centres first' following the publication of the draft NPPF. In summary the recommendations aim to:
- Run town centres like businesses: by strengthening the management of high streets through 'Town Teams', developing the BID model and encouraging new markets;
  - Get the basics right: by looking at how the business rate system could better support small businesses and independent retailers, encouraging affordable town centre car parking and looking at further opportunities to remove red tape on the high street;
  - Level the playing field: by ensuring a strong town centre first approach in planning, introducing Secretary of State 'exceptional sign off' and encouraging large retailers to show their support for high streets by mentoring local businesses;
  - Define landlords' roles/responsibilities: by looking at disincentives for landlords leaving properties vacant, empowering local authorities where landlords are negligent and making proactive use of Compulsory Purchase Order powers; and

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- Give communities greater say: by including the high street in neighbourhood planning and encouraging innovative community uses of empty high street spaces.
- 3.37 The Government published its formal response to the Portas Review in March 2012, which accepted the majority of Portas' recommendations. It announced that 'Portas Pilot' towns will set up Town Teams to create plans for the future of their high streets. In addition, the Government will provide investment to help Business Improvement Districts (BIDs) access loans for set-up costs and funding for a Future High Street X-Fund (now rebranded as the High Streets Renewal Fund) to reward towns which are delivering innovative plans to bring their town centres back to life. The Government also supports a National Market Day in June and plans to double small business rate relief.
- 3.38 The Government supports community involvement in the redesigning the concept of their high streets to reinvigorate areas of decline, to increase footfall and encourage people to live in town centres. However, the Government did not support the call to introduce Secretary of State 'exceptional sign off' for all new out-of-town developments and require all large new developments to have an 'affordable shops' quota. The Government states that LPAs are best placed to understand local needs and 'exceptional sign off' is contrary to the Government's ethos of devolution. As such, the Government will continue to use the call-in power sparingly.
- 3.39 During May and June 2012, the Government designated 27 Portas Pilot towns throughout England, which each receive funding of up to £100,000; a dedicated contact point in government to provide advice and support; free support from retail industry leaders, including Mary Portas' team and other sector experts; and the opportunity to meet and discuss with fellow pilots to share experience. One year on, a Freedom of Information request revealed that only 13% of funds had been spent in the pilot towns by March 2013, indicating that putting innovative schemes into action is difficult, and the majority of the Portas pilot towns have faced increasing vacancy rates over the last year.
- 3.40 The Future High Street Forum has been set up by central Government to seek to; relax planning restrictions in order to increase flexibility of pop up shops in empty units, facilitate better parking provision and encourage the online offer alongside (rather than instead of) high street stores. In May 2013 the Government identified seven towns across the country to receive a share of the £1m High Street Renewal Fund including Herne Hill in London. Funds will be put towards innovative ideas to revitalise town centres.
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### Understanding High Street Performance (December 2011)

3.41 The department for Business, Innovation and Skills (BIS) published a report exploring factors impacting on the economic and social performance of town centres and high streets. The study identifies key issues that the public, private and third sectors need to take into consideration when taking action or investing in high streets. The study identifies a range of influencing factors which have stimulated and affected change on the high street:

- Externalities – despite planning policies to protect town centres, high levels of retail and landlord debt and public spending cuts have squeezed consumer spending;
- Spatial and Physical Factors – large format stores, accessible by car and where shopping is done under one roof, dominate the market to the detriment of traditional high streets.
- Market Forces – the growth in market share of out-of-centre shopping centres, major supermarkets and retail parks in comparison to town centres, demonstrates that consumers are voting with their feet; and
- Management – high streets are difficult to manage and as a result are disadvantaged compared with supermarkets and shopping centres.

3.42 The study states that for retail based high-street performance the broad market indicators suggest this will continue to be increasingly challenging. Town centres will continue to be impacted by the growth in out-of-centre retail, supermarkets non-food sales, and the Internet. It is emphasised that the high street of the future will need to differentiate itself from shopping centres, as a social space with a range of functions.

3.43 The report concludes that the traditional high street faces a number of challenges, not least from the tightening of retail spend and changing consumer behaviour, but also from increasing competition posed by the Internet and out-of-centre developments. Whilst the future is uncertain, strategies which support the high street are considered ever more vital.

### The Grimsey Review: An Alternative Future for the High Street (September 2013)

3.44 In September 2013, Bill Grimsey published the Grimsey Review which set out 31 alternative recommendations to help revitalise high streets and town centres. In his review, Grimsey criticises Portas Review which ‘promised the earth but delivered little’.

Building on elements of Portas', Grimsey's recommendations call for more radical action to change the approach to planning and managing town centres, including the need to adopt a more business-like approach.

3.45 In summary, the research undertaken by Grimsey and his team of associates reached the following conclusions:

- Town centre/high street plans must encompass a complete community hub solution incorporating; health, housing, education, arts, entertainment, business/office space, manufacturing and leisure, whilst developing day time, evening time and night time cultures where shops are just a part of the total plan.
- A number of radical government actions are required in order to create a level playing field which will provide conditions for town centres to facilitate change, encourage local investment, cutting through red tape and providing a common set of measures to track performance.
- A methodology and timetable is required to enable all local authorities to produce a town centre business plan complete with timelines, capital and revenue costs and benefits. The output for each town centre will be different identifying their own individual selling proposition and vision based on their unique heritage.

3.46 Acknowledging the above, Grimsey's recommendations range from acknowledging the fact that there is already too much retail space in the UK and there is a need to embrace the 'digital future'; to a fairer and more flexible approach to business rates which can be adjusted to changes in economic conditions as they occur. Consistent with Portas, Grimsey calls for the repopulation of high streets and town centres as community hubs encompassing a range of uses and a wider function beyond just retail.

3.47 Amongst the more controversial recommendations is a one-off levy requiring national chains to invest 0.25% of one year's sales (2014) into a local economic development fund to sponsor local start-up businesses. Action should also be taken to encourage motorists to shop by building in a 2-hour free high street and town centre parking and for local authorities to freeze car parking charges for 12 months.

3.48 The Government has yet to formally respond to Grimsey's report.

### Centre for Cities: Beyond the High Street (September 2013)

- 3.49 Coinciding with the release of the Grimsey review, Centre for Cities published new research investigating the role that city centres play in the wider economic of cities. The data shows that in London and large cities, city centres play an ever increasing role in city-wide economic performance, whereas the opposite has occurred in medium and small-sized cities where there is an increasing number of private sector jobs based away from city centres.
- 3.50 The Study concludes that too much focus on high street jobs and not enough on helping city centres to attract and retain a wide range of jobs, is not helping cities adapt to a changing economy. Rather than focus on retail in isolation, the paper calls for policymakers to start focusing on the city centre economy as a whole. This means unpicking some of the contradictory policies e.g. the protection of retail in city centres over other uses.

### 21st Century Retail Policy (September 2013)

- 3.51 This paper, prepared by the Policy Exchange and also published around the time of the Grimsey review, questions the effectiveness of the town centre first approach and proposes its replacement with an Access First policy. This would focus on giving low income households access to social and retail hubs, but not restricting where these retail centres should be built.
- 3.52 The paper recommends:
- Well run councils or high streets with attractive features should be left to their own devices as they already cater for local demand.
  - Councils which preside over poorly run high streets but which have the potential to flourish should have their powers removed and transferred to management companies consisting of people with retail experience. These companies would effectively replicate the way large out-of-town or in-town shopping centres are run, taking over key decisions on issues such as parking, wi-fi facilities, change of use and the location of ATMs and public toilets.
  - High streets that are small, badly located, and have little to no chance of competing with the Internet and other retail destinations should be transformed into housing or office space.

## Summary

- Economic growth will continue to remain muted over the plan period. However, the performance of London and the south east remains relatively resilient.
- It is evident that the traditional high street faces a number of challenges, not least from the impacts of the recession, including tightening of retail spending and changing consumer behaviour, but also from increasing competition posed by the Internet, multichannel retailing and out of centre developments.
- Town centre strategies which support the high street are considered ever more vital. This may involve providing a high quality shopping 'experience', maximising the benefits of visitor trade, and improving the mix of retail and non-retail outlets to increase length of stay. The enhanced role and offer of a wider mix of uses, and in particular, food and beverage provision in Watford town centre will be crucial over the plan period.
- It will be important for town centres to be well positioned to be able to adapt to on-going changes in the retail and leisure sector over the development plan period.
- The on-going pattern of polarisation suggests that centres like Watford are well placed to maintain and enhance their offer. However, this is dependent on continued investment and evolution of Watford's retail offer.

## 4. Watford Town Centre Retail Composition

- 4.1 The following section assesses the current retail offer of Watford town centre in order to establish the extent to which there are any obvious deficiencies or opportunities for enhancement.

### Context

- 4.2 Watford Town Centre is an important regional shopping location at the northern edge of the Greater London conurbation. Despite the centre's proximity to a number of regional shopping destinations including Brent Cross (21km east), Westfield White City (34km south) and London's West End (29km south), in the results of the latest household survey (2010) Watford accounted for a large market share of comparison goods expenditure both from its immediate local area, as well as a relatively wide geographic area to the north of London.
- 4.3 The attractiveness of Watford as a retail destination is no doubt linked to a number of factors including the accessibility of the centre on the road network, its location at the northern gateway to London and the relative strength of current retail provision compared to neighbouring similar-sized centres such as St. Albans, Hemel Hempstead, Aylesbury and Welwyn Garden City. However, it faces continued pressure to evolve and grow in order to meet ever changing consumer demands.
- 4.4 As highlighted in Section 3, the increasing popularity of the Internet, competition from large regional and out-of-centre shopping destinations, the economic climate and strains on consumer spending have changed the way we use town centres. Successful town centres are those which are able to differentiate themselves and provide an engaging experience for visitors. This is often linked to providing a wide diversity of activities (including shopping, eating, drinking, leisure, professional services, etc) both during the day as well as into the evening. In order to meet the needs of its local and wider regional catchment, Watford must continue to grow and evolve to meet these changing consumer expectations.
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## Town Centre Offer

- 4.5 Watford Town Centre is oriented along a long, linear High Street which runs southeast to northwest. The southern end of the High Street is anchored by Intu Watford (formerly The Harlequin), a two storey enclosed shopping centre which has over 138 units totalling around 67,445 sqm of retail floorspace<sup>7</sup>.
- 4.6 The centre was originally designed in the 1980's as a rival to Brent Cross and opened in 1990. It contains the largest concentration of comparison goods floorspace in Watford and hosts a large number of national multiple retailers including John Lewis, Apple, Disney, H&M, Zara, Primark, M&S, Bhs, Boots, Next and Karen Millen.
- 4.7 Intu Watford forms part of a parallel retail circuit which starts at the High Street in the south and connects to Charter Place to the north. Access is also possible along Queens Road. Several units (Primark, M&S, Bhs, Boots) maintain dual entrances/exits from both the Mall and High Street which contributes to permeability in the centre.
- 4.8 Charter Place continues to pale in comparison to the more modern Intu Watford directly to the south. Charter Place suffers from dated units and a less than optimal layout which interrupts the circular flow of footfall in the centre. The proposed redevelopment of the precinct will provide an important opportunity to reorganise this space so that it integrates seamlessly with both Intu Watford and the adjacent High Street. It will also provide an opportunity to introduce a variety of new uses to Watford which will help enhance the diversity of the centre.
- 4.9 The traditional High Street comprises generally smaller units which accommodate a range of uses, operated by a mix of national multiples and independent retailers. The northern half of the High Street is pedestrianised and offers the opportunity for outdoor seating. There is also a cluster of bars/pubs in this area.
- 4.10 Sainsbury's, Albert Road is situated east of the High Street at the northern end of the town centre. The store, and surrounding retail uses, are somewhat dated and have relatively poor visibility and integration into the High Street. This area presents a potential

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<sup>7</sup> <http://www.intugroup.co.uk/where-we-do-it/key-facts/>

redevelopment opportunity to create a better integrated mix of retail and other town centre uses.

### Diversity of Uses and Gaps Analysis

4.11 Tables 4.1 and 4.2 below present the composition of uses in Watford town centre, based on the latest survey undertaken by Goad (July 2012), compared to the current UK National Averages.

**Table 4.1 Watford Town Centre Retail Composition (Unit Count)**

Retail Category	No. Units	% of Total	UK Average (%)	Variance (%)
Convenience	22	5.1	8.2	-3.1
Comparison	177	41.3	33.2	8.1
Retail Service	45	10.5	13.9	-3.4
Leisure Service	91	21.2	22.2	-0.1
Financial Service	45	10.5	11.0	-0.5
Vacant	49	11.4	11.5	-0.1
<b>TOTAL</b>	<b>429</b>	<b>100</b>	<b>100</b>	<b>-</b>

Source: Experian Goad Category Report (July 2012)

**Table 4.2 Watford Town Centre Retail Composition (Floorspace)**

Retail Category	Floorspace (sqm gross)	% of Total	UK Average (%)	Variance (%)
Convenience	14,093	9.4	14.7	-5.3
Comparison	80,758	53.9	36.8	17.1
Retail Service	6,707	4.5	7.4	-2.9
Leisure Service	28,232	18.8	23.2	-4.4
Financial Service	10,005	6.7	8.5	-1.8
Vacant	10,024	6.7	9.4	-2.7
<b>TOTAL</b>	<b>149,820</b>	<b>100</b>	<b>100</b>	<b>-</b>

Source: Experian Goad Category Report (July 2012)

- 4.12 As shown above, comparison goods floorspace in Watford accounts for 54% of total floorspace in the centre, well above the national average of 37%. Likewise, comparison goods occupiers equate to circa 41% of all units in the town centre, exceeding the national average of 33%.
- 4.13 In contrast, all other use categories appear to be under represented when compared to the national average, both in terms of the amount of floorspace and number of units. The greatest divergence from the national average is in the amount of leisure floorspace in the centre, which is more than 4 percentage points below the national average. The results also indicate a deficiency in convenience goods and retail service provision.
- 4.14 Bearing in mind Watford's regional role in the network of competing centres, it is not unsurprising that it has strong representation within the comparison goods sector. However, whilst new development should seek to reinforce this important role, it should also seek to improve the balance by introducing a range of complementary uses.
- 4.15 In particular, we consider that there is merit in introducing complementary leisure services to the town centre to help generate and encourage a seamless transition between the day and night time economy. Specifically, we consider that a cinema and mix of restaurant, bars and cafe facilities would help to encourage activity in the centre outside of normal retail hours and enhance the overall attractiveness of the centre for a wide variety of users, including families.

### **Vacancies**

- 4.16 Based on the latest Goad survey, vacancies in Watford account for 11.4% of total units, which is in line with the national average. Vacancies represent 6.7% of total floorspace in the centre, which is below the national average of 9.4% and reflects the relatively small size of vacant units in the centre. It should be noted that a certain level of vacancy in town centres is considered healthy and is necessary to support the natural 'churn' of town centres as businesses adapt to changing consumer demands.
- 4.17 Vacancies are primarily located in the southern half of the centre. This is not unexpected given the identification of Charter Place as an area for change.
- 4.18 The latest Focus CoStar report for Watford (September 2013) identifies 27 A1 retailers which have identified outstanding requirements for representation in the town centre. These registered requirements are for a wide range of unit sizes, totalling between 6,070 –
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11,863 sqm of floorspace. In addition there are outstanding requirements from 6 food and drink operators (A3/A5) and a budget gym (D1).

- 4.19 The extent of latent demand may indicate a gap between the quality/size/location/orientation of existing vacant units and the operational requirements of potential occupiers. This should be borne in mind when considering redevelopment options for the town centre.

### Opportunity Sites

- 4.20 The redevelopment of Charter Place will provide an important opportunity to deliver new, modern floorspace which fully integrates with both Intu Watford and the wider High Street. Redevelopment should reinforce the important comparison goods offer in the centre as well as help to rebalance the diversity of uses in the centre by delivering a range of restaurants, cafes, pubs, bars, and other ancillary services. The current proposals will deliver an additional 10,300 sqm gross A1 retail floorspace, 4,000 sqm A3 and a new cinema which in itself would be a positive enhancement for the town centre.
- 4.21 We also consider that the Sainsbury's at the northern end of the town centre and its immediate environs could represent a further potential town centre development opportunity. The existing Sainsbury's store is dated by modern standards and would benefit from an improved layout and better integration with the town centre. Taken together with adjacent units fronting onto the high street, there is potential to create a foodstore anchored mixed-use development, further broadening the range of uses on offer in the town centre and creating a more modern, attractive high street development. We do however, acknowledge that this would likely require the use of CPO powers and would be dependent upon commercial viability.

### Summary

- Watford continues to maintain a strong comparison shopping offer and is evidently an attractive location for prospective retailers. However, there is a need to enhance the wider 'experience' to help maintain its competitiveness relative to other nearby centres and alternative modes of shopping (e.g. online). The redevelopment of Charter Place will be a vital contributor towards achieving this as would the redevelopment of the Sainsbury's site.

- The Council will also need to adopt a more flexible approach to planning for the town centre to ensure that opportunities to extend the range of uses are not lost.

## 5. Capacity Forecasts

5.1 This section updates the quantitative capacity forecasts for additional convenience and comparison goods floorspace in the Borough over the period to 2028 (incorporating the interim years of 2018 and 2023 and adopting a new base year of 2013). This draws on the household survey underpinning the Watford Retail Study (2011) which was undertaken in March 2010. For the purposes of this assessment, we have updated the following input assumptions:

### **i) Estimates of Population in the Survey Area**

5.2 Population estimates and forecasts for the Watford survey area have been derived from the Experian E-Marketer in-house system, which are based on revised ONS population projections (projected from the 2011 Census results). It should be noted that the latest population projections identify a greater population numbers across all zones in the survey area (particularly Zones 7-8 and 14-16 in the outer catchment area) compared to the previous 2010 projections which were based on the 2001 census.

5.3 Overall, the population of the survey area in 2013 is currently 1,126,919. This is forecast to grow to 1,187,374 by 2018, to 1,244,895 by 2023 and to 1,295,793 by 2028. This represents an increase in population in the survey area of 15% between 2013 and 2028. This compares to 10% growth previously anticipated over the period 2010-2026. An increase in estimated and forecast population growth in the survey area has a bearing on the overall available expenditure in the area to support new floorspace.

### **ii) Available Expenditure in the Survey Area**

5.4 The Experian e-marketer system also provides estimates of the per capita expenditure for convenience and comparison goods in 2011 prices. We have applied individual per capita expenditure figures across each survey zone to provide a more detailed understanding of available expenditure in different parts of the survey area.

5.5 We have made appropriate deductions for special forms of trading (SFT) which represent expenditure not available to spend in the shops based on the most up to date information provided by Experian. SFT includes the Internet, mail order sales, stalls,

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markets and other non-store sales, although the Internet largely dominates this retail category.

- 5.6 Experian anticipate that non-store retailing (led by the Internet) will increase at a faster rate than total retail sales over the medium term. It is estimated that 85% of the UK adult population were Internet users at the end of 2011, so growth of the Internet user base will be less of a driver than in the past 10 years, although these same people will use the internet more frequently. However, it is anticipated that growth momentum will be sustained as new technology such as m-commerce (mobile phones) and the development of interactive TV shopping boost Internet retailing. The deductions we have applied in respect of SFT (set out in Table 2 in Appendix 1 and 2) moving forwards take these factors into account.
- 5.7 We have applied growth rates for comparison goods of 1.6% pa for the period 2011 to 2013; 2.8% pa for the period 2013 to 2018; and 2.9% pa from 2018 onwards. For convenience goods we have assumed no growth between 2011 and 2013. For the period 2013 to 2018, we have applied a growth rate of 0.5% pa and for 2018 onwards a rate of 0.8% pa. These growth rates are based on the latest economic forecasts published by Experian Business Strategies (Retail Planner 10.1).
- 5.8 We expect spending on comparison goods to grow faster than on convenience goods, as the scope to purchase more food is limited. These assumptions take into account current economic circumstances and the on-going effects of the recession, which have had a significant impact on forecast levels of growth expected over the period to 2028. Taking these considerations into account, we have generated expenditure by Zone to highlight variations across the survey area and grown them accordingly to 2018, 2023 and 2028 (i.e. 5 year forecasting periods as required by the NPPF).
- 5.9 Table 3, Appendix 1, applies per capita expenditure within each zone to baseline population forecasts, which indicates that total available convenience goods expenditure within the survey area is currently £2,126m. This is forecast to grow to £2,269m by 2018; to £2,453m by 2023; and to £2,645m by 2028. This equates to an overall growth of £519m (24%) between 2013 and 2028. Reflecting the increase in population, there is a much greater overall pot of convenience goods expenditure than previously identified.

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5.10 Table 3, Appendix 2, sets out the total available comparison goods expenditure within the survey area by again applying per capita expenditure within each zone to the baseline population forecasts. This indicates that total available comparison goods expenditure within the survey area is currently £3,285m at 2013. This is forecast to grow to £3,809m by 2018; to £4,506m by 2023; and to £5,407m by 2028. This equates to an overall growth of £688.6m (65%) between 2013 and 2028. Again, this is a much greater level of available expenditure than previously identified, as a result of changes in estimated population levels and forecast growth over the period to 2028.

### iii) Floorspace Data

5.11 We have updated the existing floorspace estimates for convenience and comparison goods drawing on the latest data available from Experian Goad and Trevor Wood. We have identified a marginal reduction in the amount of convenience and comparison goods floorspace based on the latest data available from Experian Goad and the Trevor Wood database.

### iv) Retail Commitments

5.12 We have factored in the following commitments to take into account new retail floorspace which will come forward in the Borough. Further details are set out in Table 17, Appendix 1 and Table 9, Appendix 2.

- Morrisons, Ascot Road – 2,500 sqm net convenience / 1,216 sqm net comparison
- The Health Campus - 2,823 sqm net convenience floorspace

## Convenience Goods Capacity

5.13 We have examined the capacity arising for further convenience goods floorspace at the global level for the Borough up to 2028, incorporating interim years of 2018 and 2023. It is important to note that capacity forecasts become increasingly open to margins of error over time and that longer term projections should be treated with caution. As such it will be necessary for the Council to update these forecasts over the Local Plan period.

5.14 In order to translate residual convenience goods expenditure into floorspace, we have assumed that mainstream foodstore operators would aim to achieve average benchmark sales densities of £13,000 sqm net. As is our normal practice, we have not prepared low and high sales density capacity forecasts, rather we have focused on the

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capacity available to support main foodstores. The forecasts are therefore conservative; if smaller operators and discounters come forward the amount of capacity available would be greater as such retailers' trade at a significantly lower sales density. For example, we have assumed that local stores, such as Co-op stores and independent retailers trade at c.£5,000 per sqm net.

- 5.15 Retail need for convenience goods floorspace is driven by forecasts of likely population growth and the resultant increase in available convenience goods expenditure within the survey area. By apportioning the current available expenditure to existing foodstores, based on market share patterns identified in the household telephone survey, it is possible to estimate the turnover of existing foodstores, as well as the proportion of convenience goods expenditure which is retained within the catchment area.
- 5.16 The performance of existing foodstores can then be assessed against benchmark averages to estimate whether foodstores are under or over trading. Whilst significant levels of overtrading can highlight a deficiency in levels of existing floorspace provision, and therefore a 'need' for new floorspace, strongly performing foodstores can also indicate inflated levels of capacity. Qualitative indicators of overtrading are outlined in the PPS4 Practice Guidance and include noticeable overcrowding and congestion within stores.
- 5.17 Taking into consideration the growth in population and available retail expenditure, and deducting any expenditure to support committed convenience goods developments, retail need is forecast by calculating the residual expenditure available in the survey area (as a result of population and expenditure growth), and applying an average turnover sales density in order to convert this expenditure into quantitative retail need (sqm).
- 5.18 Based on the population and expenditure growth, the performance of existing convenience goods floorspace in the Borough, and taking into account committed developments, Table 18, Appendix 1 identifies residual expenditure to support additional convenience goods floorspace over the plan period. This equates to £34.5m residual expenditure up to 2018, rising to £59.4m up to 2023, increasing to £83.0m up to 2028. This is a greater level of surplus expenditure than previously identified, largely as a result of the increased levels of population identified within the survey area.

- 5.19 Table 5.1 below converts the residual spend arising into convenience goods floorspace need across the Borough, using a benchmark sales density for new floorspace of £13,000 per sqm net.

**Table 5.1: Baseline GLOBAL (Borough Wide) Capacity Forecasts for Convenience Goods**

September 2013	2018	2023	2028
GLOBAL Residual Expenditure (£000)	35,455	59,437	83,021
<b>GLOBAL Floorspace Capacity (sqm net)</b>	<b>2,714</b>	<b>4,504</b>	<b>6,229</b>

Source: Table 18, Appendix 1

## Comparison Goods Capacity

- 5.20 In assessing capacity for future comparison goods floorspace, we have assumed that the efficiency with which existing floorspace is being used will increase over time. Drawing on the latest advice published by Experian (Retail Planner 10.1), we have assumed an annual growth in existing sales per sqm net of 2.1% pa between 2013 and 2018, 1.9% pa between 2018 and 2023 and 1.8% pa beyond 2023.

- 5.21 Table 10, Appendix 2 identifies residual expenditure to support additional comparison goods floorspace over the plan period, on the basis of maintaining constant market shares and after factoring in the committed comparison goods floorspace of the Morrisons at Ascot Road. This equates to £45.8m residual expenditure up to 2018, rising to £163.2m up to 2023, and to £345.4m up to 2028.

- 5.22 Table 5.2 below illustrates the baseline global comparison goods capacity arising in the Borough. These figures are based on constant market shares and factor in the above commitments, but do not take into account the utilisation of existing vacant floorspace. We have applied a global sales density of £6,000 per sqm net in order to calculate the global comparison goods floorspace capacity arising.

**Table 8.2: Baseline GLOBAL (Borough Wide) Capacity Forecasts for Comparison Goods**

	2018	2023	2028
GLOBAL Residual Expenditure (£000)	45,830	163,180	345,443
<b>GLOBAL Floorspace Capacity (sqm net)</b>	<b>7,510</b>	<b>24,339</b>	<b>47,128</b>

Source: Table 10, Appendix 2

5.23 Again, the capacity identified in Table 8.2 is greater than that previously identified as a result of the increased levels of population identified within the survey area.

## Summary

- On the basis of current market shares and forecast growth in population and expenditure, we have identified global capacity to support additional convenience goods floorspace in the Borough over the plan period. In total, capacity has been identified for 2,714 sqm net up to 2018, increasing to 4,504 sqm net up to 2023 and to 6,229 sqm net up to 2028.
- Based on the current market share of Watford town centre and out of centre retail warehouse provision, and after taking account existing commitments for additional comparison goods floorspace, our analysis identifies global baseline capacity to support approximately 7,510 sqm net up to 2018, rising to 24,339 sqm net up to 2023, increasing to 47,128 sqm net up to 2028.
- The level of convenience and comparison goods capacity identified exceeds previous estimates. This is largely attributed to much greater population levels established by the 2011 census which has increased the amount of expenditure available to support both existing and new retail floorspace.

## 6. Interim Conclusions

- 6.1 In this section, we draw together the analysis of previous sections to provide the Council with a set of interim conclusions and the next steps required as part of the second stage of works to underpin the Local Plan part 2.
- 6.2 Our review of current economic and retail trends highlight the increasing vulnerability of the high street and its focus on retail in particular. Retailers are continuing to rationalise their stock, maintaining the best performing stores in prominent retail locations and increasingly adopting multi-model formats, utilising the Internet and continuing advances in technology (e.g. mobiles) to sell goods.
- 6.3 Watford is regarded as a prominent retail location, evidenced by the continuing strength of its comparison retail offer and level of outstanding retailer requirements, demonstrating that Watford is still a sought after location. However, it is also evident that existing stock is not currently meeting retailer demands. There is also the need to widen the range of leisure and cultural activities in order to achieve the strategic objectives of the Local Plan.
- 6.4 The proposed redevelopment of Charter Place, which will deliver approximately 14,300 sqm gross A1/A3 floorspace and a new cinema, will go some way towards achieving these objectives. However, there are other potential opportunities to improve the quality and range of uses in the town centre including potential scope to redevelop/reconfigure the existing Sainsbury's foodstore to create a higher density scheme which is better integrated with the high street.
- 6.5 The updated forecasts identify a greater level of capacity to support both convenience and comparison goods. This takes into account current commitments including the new Morrisons at the Western Gateway and new retail at the Health Campus, but does not include an increase in floorspace at Charter Place as this is still subject to planning. The uplift in capacity identified is largely attributed to much higher levels of population within the survey area established by the 2011 census.
- 6.6 The updated forecasts identify capacity to support a further large foodstore in the Borough or a combination of two medium sized stores. In accordance with the Local Plan strategy this should be directed towards existing centres in the first instance or the
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SPAs where the potential for additional retail floorspace has been identified. There is also sufficient capacity to support the proposed redevelopment of Charter Place in addition to scope to support further comparison goods floorspace in the town centre. Again, this should be directed towards the town centre in the first instance to assist the strategic objectives of the Local Plan.

- 6.7 In light of the updated analysis, the Council will need to identify and consider the opportunities to accommodate new retail floorspace in the Borough in a manner which will help to achieve the objectives of the planning strategy and address the identified needs in full. The next stage will need to involve the detailed analysis of identified sites to establish the extent to which they are able to contribute towards meeting the identified need.



# Appendix 1

Convenience  
Goods  
Capacity  
Forecasts

## Watford Retail Study Update 2013

Table 1: Survey Area Population Forecasts

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
<b>2013</b>	24,197	24,422	23,673	46,806	17,422	37,249	69,490	88,163	44,782	85,066	124,255	77,748	127,525	80,522	170,817	84,782	<b>1,126,919</b>
<b>2018</b>	25,038	26,406	25,140	48,705	17,899	38,972	71,660	89,885	45,791	88,936	133,251	81,900	135,195	84,435	184,594	89,567	<b>1,187,374</b>
<b>2023</b>	25,924	28,048	26,473	50,618	18,372	40,663	73,869	91,899	46,823	92,855	141,598	86,246	142,582	88,352	196,781	93,792	<b>1,244,895</b>
<b>2028</b>	26,694	29,334	27,608	52,363	18,781	42,115	75,975	93,753	47,656	96,628	149,085	90,193	149,245	91,807	207,200	97,356	<b>1,295,793</b>

Source: Experian Micromarketer, August 2013

Table 1A: Population Growth Rates

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
<b>2013-2018 (%)</b>	3.5	8.1	6.2	4.1	2.7	4.6	3.1	2.0	2.3	4.5	7.2	5.3	6.0	4.9	8.1	5.6	<b>5.4</b>
<b>2013-2023 (%)</b>	7.1	14.8	11.8	8.1	5.5	9.2	6.3	4.2	4.6	9.2	14.0	10.9	11.8	9.7	15.2	10.6	<b>10.5</b>
<b>2013-2028 (%)</b>	10.3	20.1	16.6	11.9	7.8	13.1	9.3	6.3	6.4	13.6	20.0	16.0	17.0	14.0	21.3	14.8	<b>15.0</b>

Source: Experian Micromarketer, August 2013

## Watford Retail Study Update 2013

Table 2: Convenience Goods Retail Expenditure Forecasts Per Capita (2011 Prices)

	Growth in Per Capita Expenditure: 2011 - 2013 0% pa 2013 - 2018 0.5% pa 2018 - 2028 0.8% pa															
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2011	1,901	1,711	1,928	1,967	2,095	1,997	2,125	2,066	2,048	1,890	1,896	1,976	1,922	1,955	1,746	1,972
2013	1,901	1,711	1,928	1,967	2,095	1,997	2,125	2,066	2,048	1,890	1,896	1,976	1,922	1,955	1,746	1,972
2013 (Minus SFT at 2.3%)	1,857	1,672	1,883	1,922	2,047	1,951	2,076	2,019	2,001	1,846	1,852	1,931	1,878	1,910	1,706	1,926
2018	1,949	1,754	1,977	2,017	2,148	2,047	2,179	2,118	2,099	1,937	1,944	2,026	1,970	2,005	1,790	2,021
2018 (Minus SFT at 3.4%)	1,883	1,695	1,909	1,948	2,075	1,978	2,104	2,046	2,028	1,872	1,878	1,957	1,903	1,936	1,729	1,953
2023	2,028	1,826	2,057	2,099	2,235	2,130	2,267	2,205	2,185	2,016	2,023	2,109	2,050	2,086	1,863	2,104
2023 (Minus SFT at 4.2%)	1,943	1,749	1,970	2,011	2,142	2,041	2,172	2,112	2,093	1,932	1,938	2,020	1,964	1,998	1,785	2,015
2028	2,111	1,900	2,140	2,184	2,326	2,217	2,359	2,294	2,274	2,098	2,105	2,194	2,134	2,171	1,939	2,189
2028 (Minus SFT at 4.6%)	2,014	1,812	2,042	2,084	2,219	2,115	2,251	2,189	2,169	2,002	2,008	2,093	2,036	2,071	1,850	2,088

Source: Experian Micromarketer, August 2013 / Experian Retail Planner 10.1 (September 2012)

Table 3: Total Survey Area Convenience Goods Retail Expenditure (£000) (2011 Prices)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	44,944	40,828	44,588	89,954	35,664	72,665	144,264	177,980	89,590	157,054	230,140	150,128	239,437	153,818	291,427	163,308	<b>2,125,788</b>
2018	47,143	44,750	48,000	94,886	37,143	77,069	150,808	183,943	92,864	166,450	250,185	160,313	257,318	163,504	319,249	174,890	<b>2,268,515</b>
2023	50,375	49,055	52,164	101,771	39,345	82,988	160,436	194,088	97,999	179,351	274,371	174,227	280,069	176,568	351,225	189,005	<b>2,453,037</b>
2028	53,754	53,167	56,375	109,101	41,681	89,071	171,000	205,191	103,363	193,413	299,365	188,814	303,798	190,133	383,246	203,309	<b>2,644,782</b>

Source: Tables 1 and 2

## Watford Retail Study Update 2013

Table 4: Sainsbury's, Watford Town Centre: Convenience Goods Allocation - % Market Share

Sainsbury's, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	26%	41%	4%	2%	2%	11%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
2018	26%	41%	4%	2%	2%	11%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
2023	26%	41%	4%	2%	2%	11%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
2028	26%	41%	4%	2%	2%	11%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%

Source: Watford Household Telephone Survey, March 2010

Table 5: Sainsbury's, Watford Town Centre: Convenience Goods Allocation - Spend (£000) 2011 Prices

Sainsbury's, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	11,862	16,749	1,672	1,648	673	8,300	0	0	0	0	0	0	721	2,081	0	0	43,707
2018	12,443	18,357	1,800	1,738	701	8,803	0	0	0	0	0	0	775	2,212	0	0	46,830
2023	13,296	20,123	1,957	1,864	743	9,479	0	0	0	0	0	0	844	2,389	0	0	50,694
2028	14,187	21,810	2,115	1,999	787	10,174	0	0	0	0	0	0	915	2,572	0	0	54,559

Source: Tables 3 and 4

Table 6: M&S Simply Food, Watford Town Centre: Convenience Goods Allocation - % Market Share

M&S, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	2%	2%	2%	2%	0%	1%	1%	2%	0%	0%	0%	0%	0%	1%	0%	0%
2018	2%	2%	2%	2%	0%	1%	1%	2%	0%	0%	0%	0%	0%	1%	0%	0%
2023	2%	2%	2%	2%	0%	1%	1%	2%	0%	0%	0%	0%	0%	1%	0%	0%
2028	2%	2%	2%	2%	0%	1%	1%	2%	0%	0%	0%	0%	0%	1%	0%	0%

Source: Watford Household Telephone Survey, March 2010

Table 7: M&S Simply Food, Watford Town Centre: Convenience Goods Allocation - Spend (£000) 2011 Prices

M&S, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	973	882	944	1,648	128	690	2,032	2,724	273	0	0	0	0	1,623	0	0	11,917
2018	1,020	967	1,016	1,738	133	732	2,124	2,816	283	0	0	0	0	1,725	0	0	12,554
2023	1,090	1,060	1,104	1,864	141	788	2,260	2,971	299	0	0	0	0	1,863	0	0	13,440
2028	1,164	1,149	1,193	1,999	149	846	2,409	3,141	315	0	0	0	0	2,006	0	0	14,370

Source: Tables 3 and 6

## Watford Retail Study Update 2013

Table 8: Other Shops, Watford Town Centre: Convenience Goods Allocation - % Market Share

Other, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	2%	4%	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	2%	4%	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	2%	4%	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2028	2%	4%	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Watford Household Telephone Survey, March 2010

Table 9: Other Shops, Watford Town Centre: Convenience Goods Allocation - Spend (£000) 2011 Prices

Other, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	812	1,764	0	569	0	460	0	0	0	0	0	0	0	0	0	0	3,606
2018	852	1,933	0	601	0	488	0	0	0	0	0	0	0	0	0	0	3,874
2023	911	2,119	0	644	0	525	0	0	0	0	0	0	0	0	0	0	4,199
2028	972	2,297	0	691	0	564	0	0	0	0	0	0	0	0	0	0	4,523

Source: Tables 3 and 8

Table 10: Tesco Extra, Lower High Street: Convenience Goods Allocation - % Market Share

Tesco Extra, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	13%	22%	32%	5%	3%	16%	1%	0%	0%	0%	0%	1%	0%	22%	2%	5%
2018	13%	22%	32%	5%	3%	16%	1%	0%	0%	0%	0%	1%	0%	22%	2%	5%
2023	13%	22%	32%	5%	3%	16%	1%	0%	0%	0%	0%	1%	0%	22%	2%	5%
2028	13%	22%	32%	5%	3%	16%	1%	0%	0%	0%	0%	1%	0%	22%	2%	5%

Source: Watford Household Telephone Survey, March 2010

Table 11: Tesco Extra, Lower High Street, Watford: Convenience Goods Allocation - Spend (£000) 2011 Prices

Tesco Extra, Watford	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	5,673	8,912	14,222	4,943	947	11,476	1,163	0	0	0	639	1,668	0	33,544	6,760	7,575	97,523
2018	5,951	9,769	15,310	5,214	986	12,171	1,216	0	0	0	695	1,781	0	35,656	7,406	8,113	104,268
2023	6,359	10,708	16,638	5,593	1,044	13,106	1,294	0	0	0	762	1,936	0	38,505	8,148	8,767	112,860
2028	6,785	11,606	17,982	5,995	1,106	14,067	1,379	0	0	0	831	2,098	0	41,463	8,890	9,431	121,634

Source: Tables 3 and 10

## Watford Retail Study Update 2013

Table 12: Asda, Odhams Trading Estate: Convenience Goods Allocation - % Market Share

Asda, Odhams Trading Estate	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	22%	7%	14%	37%	5%	2%	2%	0%	2%	1%	0%	2%	2%	8%	0%	0%
2018	22%	7%	14%	37%	5%	2%	2%	0%	2%	1%	0%	2%	2%	8%	0%	0%
2023	22%	7%	14%	37%	5%	2%	2%	0%	2%	1%	0%	2%	2%	8%	0%	0%
2028	22%	7%	14%	37%	5%	2%	2%	0%	2%	1%	0%	2%	2%	8%	0%	0%

Source: Watford Household Telephone Survey, March 2010

Table 13: Asda, Odhams Trading Estate: Convenience Goods Allocation - Spend (£000) 2011 Prices

Asda, Odhams Trading Estate	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	9,942	2,910	6,451	33,573	1,893	1,704	2,326	0	1,386	1,239	0	3,632	3,665	11,653	0	0	80,373
2018	10,428	3,189	6,945	35,414	1,971	1,807	2,432	0	1,436	1,313	0	3,879	3,939	12,387	0	0	85,140
2023	11,143	3,496	7,548	37,984	2,088	1,946	2,587	0	1,516	1,415	0	4,215	4,287	13,376	0	0	91,601
2028	11,891	3,789	8,157	40,719	2,212	2,088	2,757	0	1,599	1,526	0	4,568	4,650	14,404	0	0	98,361

Source: Tables 3 and 12

Table 14: Sainsbury's, Dome Roundabout: Convenience Goods Allocation - % Market Share

Sainsbury's, Dome Roundabout	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	16%	4%	28%	27%	3%	0%	3%	1%	0%	1%	2%	0%	1%	3%	1%	0%
2018	16%	4%	28%	27%	3%	0%	3%	1%	0%	1%	2%	0%	1%	3%	1%	0%
2023	16%	4%	28%	27%	3%	0%	3%	1%	0%	1%	2%	0%	1%	3%	1%	0%
2028	16%	4%	28%	27%	3%	0%	3%	1%	0%	1%	2%	0%	1%	3%	1%	0%

Source: Watford Household Telephone Survey, March 2010

Table 15: Sainsbury's, Dome Roundabout: Convenience Goods Allocation - Spend (£000) 2011 Prices

Sainsbury's, Dome Roundabout	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	7,077	1,799	12,412	24,429	1,091	0	3,924	1,362	0	1,239	5,524	0	1,832	4,411	2,253	0	67,353
2018	7,424	1,972	13,362	25,769	1,137	0	4,102	1,407	0	1,313	6,005	0	1,968	4,689	2,469	0	71,616
2023	7,933	2,161	14,521	27,639	1,204	0	4,364	1,485	0	1,415	6,586	0	2,143	5,064	2,716	0	77,228
2028	8,465	2,343	15,693	29,629	1,275	0	4,651	1,570	0	1,526	7,186	0	2,324	5,453	2,963	0	83,077

Source: Tables 3 and 14

## Watford Retail Study Update 2013

Table 16: Watford Existing Convenience Goods Floorspace 2010

	Net Floorspace (sqm)	Net Convenience Ratio (%)	Net Convenience Floorspace (sqm)	Company Average Sales Density (£ per sqm net)	Total Potential Turnover (£000s)
<b>Watford Town Centre</b>					
Sainsbury's, Albert Road South	2,743	75%	2,057	12,526	25,769
M&S Foodhall, Harlequin Centre	1,556	100%	1,556	10,833	16,856
Other Local Stores	4,584	100%	4,584	5,000	22,922
<b>Watford Town Centre Sub Total</b>	<b>8,883</b>	<b>-</b>	<b>8,198</b>	<b>7,996</b>	<b>65,548</b>
<b>Edge-of-Centre</b>					
Tesco Extra, Lower High Street	7,821	60%	4,693	12,842	60,262
<b>Out-of-Centre</b>					
Asda, Odham's Trading Estate	8,060	55%	4,433	15,390	68,224
Sainsbury's, Dome Roundabout	3,346	90%	3,011	12,526	37,721
<b>TOTAL</b>	<b>28,110</b>	<b>-</b>	<b>20,335</b>	<b>11,397</b>	<b>231,755</b>

Source: IGD Database / Experian Goad (July 2012) / Verdict Grocery Retailers (2010)

## Watford Retail Study Update 2013

Table 17: Convenience Floorspace Commitments

	Convenience Floorspace (sqm net)	Benchmark Sales Density (£ per sqm net)	Average Turnover 2013 (£000s)	Average Turnover 2018 (£000s)	Average Turnover 2023 (£000s)	Average Turnover 2028 (£000s)
Morrisons, Ascot Road	2,500	11,988	29,970	30,120	29,821	30,120
Health Campus	2,823	9,500	26,817	26,952	26,684	26,952
<b>Total</b>	<b>5,323</b>	<b>10,669</b>	<b>56,787</b>	<b>57,072</b>	<b>56,505</b>	<b>57,072</b>

Source: Watford Borough Council

Note A: Allowance for growth in sales efficiency 0.1% pa 2013-2018 and 0.2% pa 2018-2028

## Watford Retail Study Update 2013

Table 18: Watford Urban Area Convenience Goods Capacity Projections

Growth in sales per sqm (Sales Efficiency)		2013 - 2018: 0.1% per annum 2018 - 2028: 0.2% per annum			
	2013	2018	2023	2028	
Residents Spending in Watford Urban Area (£000)	304,479	324,282	350,023	376,524	
Existing Convenience Goods Floorspace (sqm net)	20,335	20,335	20,335	20,335	
Sales per sqm net (£)	14,973	11,397	11,511	11,627	
Sales from Existing Floorspace (£000)	304,479	231,755	234,081	236,432	
Sales from Committed Floorspace (£000)	-	57,072	56,505	57,072	
Residual Spending to Support New Shops (£000)	0	35,455	59,437	83,021	
Sales per sqm net in new shops (£) Based on Large Store Format	13,000	13,065	13,196	13,329	
<b>Capacity for new Convenience Floorspace (sqm net)</b>	<b>0</b>	<b>2,714</b>	<b>4,504</b>	<b>6,229</b>	

Source: Tables 5, 7, 9, 11, 13, 15 and 17



## Appendix 2

Comparison

Goods

Capacity

Forecasts

# Watford Retail Study Update 2013

Table 1: Survey Area Population Forecasts

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
<b>2013</b>	24,197	24,422	23,673	46,806	17,422	37,249	69,490	88,163	44,782	85,066	124,255	77,748	127,525	80,522	170,817	84,782	<b>1,126,919</b>
<b>2018</b>	25,038	26,406	25,140	48,705	17,899	38,972	71,660	89,885	45,791	88,936	133,251	81,900	135,195	84,435	184,594	89,567	<b>1,187,374</b>
<b>2023</b>	25,924	28,048	26,473	50,618	18,372	40,663	73,869	91,899	46,823	92,855	141,598	86,246	142,582	88,352	196,781	93,792	<b>1,244,895</b>
<b>2028</b>	26,694	29,334	27,608	52,363	18,781	42,115	75,975	93,753	47,656	96,628	149,085	90,193	149,245	91,807	207,200	97,356	<b>1,295,793</b>

Source: Experian Micromarketer, August 2013

Table 1A: Population Growth Rates

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
<b>2013-2018 (%)</b>	3.5	8.1	6.2	4.1	2.7	4.6	3.1	2.0	2.3	4.5	7.2	5.3	6.0	4.9	8.1	5.6	<b>5.4</b>
<b>2013-2023 (%)</b>	7.1	14.8	11.8	8.1	5.5	9.2	6.3	4.2	4.6	9.2	14.0	10.9	11.8	9.7	15.2	10.6	<b>10.5</b>
<b>2013-2028 (%)</b>	10.3	20.1	16.6	11.9	7.8	13.1	9.3	6.3	6.4	13.6	20.0	16.0	17.0	14.0	21.3	14.8	<b>15.0</b>

Source: Experian Micromarketer, August 2013

## Watford Retail Study Update 2013

Table 2: Comparison Goods Retail Expenditure Forecasts Per Capita (2011 Prices)

	Growth in Per Capita Expenditure: 2011 - 2013 1.6% pa 2013 - 2018 2.8% pa 2018 - 2028 2.9% pa															
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2011	3,138	2,882	3,252	3,258	3,772	3,394	3,551	3,378	3,538	3,060	3,258	3,359	3,158	3,175	2,531	3,254
2013	3,240	2,975	3,357	3,363	3,894	3,504	3,665	3,487	3,652	3,159	3,363	3,468	3,260	3,277	2,612	3,359
2013 (Minus SFT at 10.7%)	2,893	2,656	2,998	3,003	3,477	3,129	3,273	3,114	3,261	2,821	3,003	3,097	2,911	2,927	2,333	2,999
2018	3,719	3,415	3,854	3,861	4,470	4,023	4,208	4,003	4,192	3,627	3,861	3,981	3,743	3,762	2,999	3,856
2018 (Minus SFT at 14.3%)	3,187	2,927	3,303	3,309	3,831	3,447	3,606	3,431	3,593	3,108	3,309	3,412	3,208	3,224	2,570	3,305
2023	4,291	3,940	4,447	4,454	5,157	4,641	4,855	4,618	4,837	4,184	4,455	4,593	4,318	4,341	3,460	4,448
2023 (Minus SFT at 16.1%)	3,600	3,305	3,731	3,737	4,327	3,894	4,073	3,875	4,058	3,511	3,737	3,854	3,623	3,642	2,903	3,732
2028	4,950	4,545	5,130	5,138	5,950	5,354	5,601	5,328	5,580	4,827	5,139	5,299	4,981	5,008	3,992	5,132
2028 (Minus SFT at 16.1%)	4,153	3,813	4,304	4,311	4,992	4,492	4,699	4,470	4,681	4,050	4,312	4,446	4,179	4,201	3,349	4,306

Source: Experian Micromarketer, August 2013 / Experian Retail Planner 10.1 (September 2012)

Table 3: Total Survey Area Comparison Goods Retail Expenditure (£000) (2011 Prices)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	70,000	64,873	70,972	140,561	60,578	116,549	227,454	274,516	146,035	239,980	373,195	240,768	371,255	235,652	398,504	254,285	<b>3,285,176</b>
2018	79,805	77,282	83,041	161,151	68,571	134,351	258,430	308,364	164,523	276,434	440,948	279,440	433,643	272,254	474,476	295,978	<b>3,808,691</b>
2023	93,323	92,712	98,762	189,157	79,492	158,323	300,875	356,078	190,005	325,969	529,215	332,354	516,529	321,755	571,265	350,054	<b>4,505,871</b>
2028	110,861	111,862	118,822	225,745	93,748	189,173	357,003	419,080	223,100	391,337	642,815	400,970	623,745	385,711	693,939	419,188	<b>5,407,100</b>

Source: Tables 1 and 2

## Watford Retail Study Update 2013

Table 4: Watford Town Centre: Comparison Goods Allocation - % Market Share

Watford Town Centre	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	71%	70%	68%	60%	47%	65%	42%	17%	26%	20%	10%	23%	25%	58%	18%	24%
2018	71%	70%	68%	60%	47%	65%	42%	17%	26%	20%	10%	23%	25%	58%	18%	24%
2023	71%	70%	68%	60%	47%	65%	42%	17%	26%	20%	10%	23%	25%	58%	18%	24%
2028	71%	70%	68%	60%	47%	65%	42%	17%	26%	20%	10%	23%	25%	58%	18%	24%

Source: Watford Household Telephone Survey, March 2010

Table 5: Watford Town Centre: Comparison Goods Allocation - Spend (£000) 2011 Prices

Watford Town Centre	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	49,744	45,582	48,065	84,604	28,462	76,026	94,816	46,357	38,435	48,976	36,209	55,310	91,744	137,471	72,168	61,983	1,015,952
2018	56,711	54,302	56,239	96,997	32,218	87,639	107,729	52,073	43,301	56,415	42,782	64,194	107,161	158,823	85,926	72,146	1,174,656
2023	66,318	65,143	66,885	113,854	37,349	103,277	125,423	60,130	50,007	66,525	51,346	76,350	127,644	187,700	103,455	85,327	1,386,733
2028	78,780	78,599	80,471	135,877	44,047	123,400	148,820	70,769	58,717	79,865	62,368	92,113	154,139	225,010	125,671	102,179	1,660,825

Source: Tables 3 and 4

## Watford Retail Study Update 2013

Table 6: Watford Retail Warehousing: Comparison Goods Allocation - % Market Share

Watford Retail Parks	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16
2013	13%	15%	13%	13%	6%	11%	5%	1%	1%	1%	2%	2%	3%	15%	2%	4%
2018	13%	15%	13%	13%	6%	11%	5%	1%	1%	1%	2%	2%	3%	15%	2%	4%
2023	13%	15%	13%	13%	6%	11%	5%	1%	1%	1%	2%	2%	3%	15%	2%	4%
2028	13%	15%	13%	13%	6%	11%	5%	1%	1%	1%	2%	2%	3%	15%	2%	4%

Source: Watford Household Telephone Survey, March 2010

Table 7: Watford Retail Warehousing: Comparison Goods Allocation - Spend (£000) 2011 Prices

Watford Retail Parks	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	TOTAL
2013	9,112	9,553	9,077	17,671	3,454	13,014	12,104	2,545	1,470	2,557	8,341	3,672	9,719	34,652	7,728	10,719	155,389
2018	10,389	11,380	10,620	20,259	3,910	15,001	13,753	2,859	1,656	2,946	9,855	4,262	11,353	40,035	9,201	12,476	179,955
2023	12,148	13,652	12,631	23,780	4,533	17,678	16,012	3,301	1,913	3,474	11,827	5,069	13,522	47,314	11,078	14,755	212,689
2028	14,431	16,472	15,197	28,380	5,346	21,123	18,999	3,885	2,246	4,170	14,366	6,116	16,329	56,718	13,457	17,669	254,905

Source: Tables 3 and 6

## Watford Retail Study Update 2013

Table 8: Watford Existing Comparison Goods Floorspace

	Net Floorspace (sqm)
Watford Town Centre	53,179
<b>Foodstores (Comparison Floorspace)</b>	
Tesco Extra, Lower High Street	3,128
Asda, Odham's Trading Estate	3,627
Sainsbury's, Dome Roundabout	335
<b>Sub Total</b>	<b>7,090</b>
<b>Century Park</b>	
Furniture Village	1,123
Comet	1,465
Currys	1,544
Hobbycraft	745
Halfords	740
Toys R Us	1,480
PC World	1,264
<b>Sub Total</b>	<b>8,363</b>
<b>Colne Valley Retail Park</b>	
Oak Furnitureland	482
DFS	1,491
Carpetright	872
Paul Simon	966
Harveys / Bensons	809
ScS	682
Dreams	743
<b>Sub Total</b>	<b>6,044</b>
<b>Lower High Street</b>	
Wickes	1,934
<b>Sub Total</b>	<b>1,934</b>
<b>St Albans Road</b>	
Homebase	3,236
Staples	912
TK Maxx	1,368
<b>Sub Total</b>	<b>5,516</b>
<b>Waterfields Retail Park</b>	
Next	1,632
Mamas & Papas	591
Sports Direct	741
Boots	598
Argos Extra	390
<b>Sub Total</b>	<b>3,952</b>
<b>Watford Arches Retail Park</b>	
B&Q Warehouse	7,629
Mothercare World / Early Learning Centre	1,117
<b>Sub Total</b>	<b>8,745</b>
<b>TOTAL</b>	<b>92,890</b>

Source: Experian Goad (July 2013) / Trevor Woods Database (2013)

## Watford Retail Study Update 2013

Table 9: Comparison Floorspace Commitments

	Convenience Floorspace (sqm net)	Benchmark Sales Density (£ per sqm net)	Average Turnover 2013 (£000s)	Average Turnover 2018 (£000s)	Average Turnover 2023 (£000s)	Average Turnover 2028 (£000s)
Morrisons, Ascot Road	1,216	6,800	8,269	9,174	8,391	9,219
<b>Total</b>	<b>1,216</b>	<b>6,800</b>	<b>8,269</b>	<b>9,174</b>	<b>8,391</b>	<b>9,219</b>

Source: Watford Borough Council

Note A: Allowance for growth in sales efficiency 2.1% pa 2013-2018; 1.9% pa 2018-2023; and 1.8% pa 2023-2028

## Watford Retail Study Update 2013

Table 10: Global Comparison Goods Capacity Projections - Forecast

Growth in sales per sqm (Sales Efficiency)	2013 - 2018 - 2.1% per annum 2018 - 2023 - 1.9% per annum 2023 - 2028 - 1.8% per annum			
	2013	2018	2023	2028
Total Available Expenditure (£000)	3,285,176	3,808,691	4,505,871	5,407,100
Market Share from Survey Area	36	36	35	35
Survey Area Residents Spending (£000)	1,171,340	1,354,611	1,599,422	1,915,730
Existing Retail Floorspace (sqm net)	92,890	92,890	92,890	92,890
Sales (£ per sqm net)	12,610	13,991	15,371	16,806
Sales from Existing Floorspace (£000)	1,171,340	1,299,606	1,427,851	1,561,067
Sales from Committed Floorspace (£000)	-	9,174	8,391	9,219
Residual Expenditure to support new floorspace (£000)	0	45,830	163,180	345,443
Sales per sqm net in new shops (£)	5,500	6,102	6,704	7,330
Capacity for new floorspace (sqm net)	0	7,510	24,339	47,128