

Carter Jonas

**Mid Sussex Retail Study Update 2016:
Final Report**

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Mid Sussex Retail Study Update 2016

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1. INTRODUCTION

- 1.1 This report was commissioned by Mid Sussex District Council (the 'Council') and updates the key findings of the *Retail Study Update 2014* ('2014 RSU') prepared by Strategic Perspectives (now part of Carter Jonas) in 2014. The findings of the update will be used to inform the emerging Mid Sussex District Plan.
- 1.2 Using the **CREAT^e** Capacity and Impact Model developed by Carter Jonas (CJ) this update assesses the future need ('capacity') for new retail (convenience and comparison goods) floorspace over the development plan period (to 2031).
- 1.3 The update is based on the study area (see Appendix 1) and market share analysis that informed the 2014 RSU, but specifically takes account of revised housing capacity and population projections provided by the Council. This includes housing projections identified in the *Housing and Economic Development Needs Assessment 2015* (HEDNA). The population projections are also adjusted to reflect major housing allocations in the District, including sites near Burgess Hill (3,980) and Pease Pottage (600), which fall within Zone 2 and 5, respectively, of the study area.
- 1.4 The capacity update also takes account of:
- the most up to date retail (convenience and comparison goods) expenditure per capita levels derived from the latest *Retail Planner Reports* produced by Experian.
 - the most recent forecasts of expenditure growth and 'non-store' retail sales (otherwise referred to as Special Forms of Trading)¹ based on Experian's latest *Retail Planner Briefing Note 13* (October 2015).
 - an update and overview of key retail trends and assumptions (see **Appendix 2**).
 - the current pipeline of committed new retail floorspace and implemented retail schemes in the District since the 2014 RSU was published, as provided by the Council.
- 1.5 It should be noted at the outset that capacity forecasts carried out over a long period of time are inherently less certain and should be treated with caution. This is principally due to the impact of economic, demographic and market trends on the key assumptions and forecasts. As a result we advise the Council that greater weight should be placed on the short term forecasts carried out over a three-five year period in accordance with the NPPG. Notwithstanding this, account should also necessarily be taken of the forecast growth over the development plan period.

¹ SFT is made up of purchases that generally occur outside of shops such as, for example, via mail order, vending machines, telephone sales, market stalls and the Internet.

2. ECONOMIC CAPACITY MODEL AND ASSUMPTIONS

2.1 This section provides an update on the key assumptions and forecasts underpinning the quantitative need (capacity) assessment for new retail (comparison and convenience goods) floorspace in the Mid Sussex District area up to 2031. The assessment updates and supersedes the retail capacity findings identified in the 2014 RSU taking account of revised population projections based on identified housing need across the District.

ASSUMPTIONS & FORECASTS

2.2 The 'baseline' capacity tabulations for convenience goods and comparison goods are set out in **Appendix 3** and in **Appendix 4**, respectively. The capacity forecasts are based on the population growth projections provided by the Council, which are based on housing need estimates over the forecast period.

2.3 The following describes the key steps and assumptions underpinning the retail capacity assessment.

Population Projections

2.4 **Table 1A** sets out the base year (2014) population and projections sourced from the MMG3 GIS. It also shows the population projections to 2031 based on Experian's 'demographic component model', which takes into account age, gender, birth rates, ageing, net migration and death rates. Experian's population projections show a +13.1% growth for the study area as a whole between 2014 and 2031, from 265,876 to 300,589 (+34,713). These forecasts are broadly in line with projections identified in the 2014 RSU.

2.5 Although Experian's population projections are widely used for retail assessments, this study has tested housing-led population projections obtained from the *Housing and Economic Development Needs Assessment 2015* (HEDNA). The projections are based on the ONS 2012-based Sub-national Population Projections (SNPP), which are then adjusted to take account of local economic indicators. These projections are preferred for the purpose of this retail assessment as we understand that they will be used to inform the preparation of the Council's other evidence-based studies. In summary, the latest projections for Mid Sussex District based on housing need show an increase in the population of 22,351 from 142,890 in 2014 to 165,241 by 2031, which is equivalent to growth of approximately +0.9% per annum.

2.6 In the absence of more detailed information as to the likely distribution of this population growth up to 2031, CJ has necessarily made informed assumptions based on existing and proposed housing allocations across the District as a whole, and specifically

within the defined study zones that broadly fall within the local authority area (i.e. Zones 1-6 and 9). Those allocations include:

- **Burgess Hill** – potential to accommodate some 3,980 new homes in total on land to the east of the town at Kings Way (under Policy DP8 of the Mid Sussex District Plan 2014-2031: Pre-Submission Draft) and to the north and north-west (under Policy DP9).
- **Pease Pottage** – the Focused Amendments to the Pre-Submission Draft District Plan identifies a strategic housing site at Pease Pottage (under Policy DP9A) for up to 600 new homes. The site is located to the south of Crawley and has been identified accommodate some of the unmet housing need for Crawley Borough Council.

2.7 Together these two strategic allocations could house an estimated population of some 9,353 people, based on a reasonable average household density of 2.35 people per dwelling. This represents some 55% of the total population projection growth forecast for Mid Sussex to 2031 (of 17,082). The residual population growth has then been distributed across the District's main centres and settlements based on the indicative allocations provided by the Council.

2.8 For study zones that fall outside of the District, we have applied the ONS's SNPP population projections.

2.9 **Table 1B** sets out CJ's revised population projections. Overall the study area population is projected to increase by 12%, from 265,876 in 2014 to 297,840 by 2031 (+31,964). The table shows the higher growth forecast for Zone 2 (+36%), comprising Burgess Hill, which reflects the current allocation of some 3,980 homes to the north and east of the town centre. In addition, the population of Zone 4 has been adjusted to take account of the housing allocation (600 homes) at Pease Pottage. This represents an increase of 11.6% for Zone 4 over the plan period.

Expenditure per Capita & Special Forms of Trading (SFT)

2.10 The revised per capita expenditure and growth forecasts for each study zone are set out in Table 2 (**Appendix 4**) for convenience and Table 2 (**Appendix 5**) for comparison goods. The base year average expenditure figures have been derived from our in-house Experian MMG3 Geographic Information System (GIS).

2.11 In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e. Special Forms of Trading) at the base year and over the forecast period. An allowance for SFT at the base year has been informed by the results of the household telephone interview survey. The market share analysis (**Appendix 5**) shows that some 19.2% of all comparison goods expenditure in the defined study area

was accounted for by internet and non-store sales (including mail order purchases). For convenience goods SFT accounted for 6.5% of total available expenditure in the study area (**Appendix 4**).

- 2.12 The SFT forecasts have then been 'adjusted' to take account of goods sourced from traditional ('physical') retail space. Drawing on Experian's latest *Retail Planner Briefing Note 13* (October 2015), we have assumed that some 25% of SFT comparison goods sales and 70% of convenience goods sales are sourced from traditional ('physical') retail space. This reduces the survey-derived market share of SFT across the study area to 14.4% for comparison goods in 2014 and to 1.9% for convenience goods. As Table 2 shows, Experian's national figures show a lower market share for comparison goods of 11.2% and a higher share for convenience goods at 2.5%.
- 2.13 Based on Experian's national forecasts and other research we have made a robust allowance for the growth in SFT for comparison goods over the plan period from 10.6% to 14.6% between 2014 and 2031, and from 2.2% to 5.8% for convenience goods over the same period.
- 2.14 As highlighted in the 2014 RSU, our SFT forecasts are informed by the 2014 household survey results and Experian's forecast. Therefore, if the take-up and growth in internet shopping is stronger than forecast by Experian, and a smaller proportion of online retail sales are sourced from existing shops, then this will reduce the total retail expenditure capacity available to support existing and new retail floorspace in the study area. We therefore advise the Council to regularly monitor the research and update the forecast growth rates when necessary.

Average Expenditure Growth Forecasts

- 2.15 The growth in average expenditure per capita levels up to 2031 has been informed by the forecasts set out in Experian's latest Retail Planner Briefing Note (Figure 1a). As described in more detail in **Appendix 2**, Experian's forecasts show for:
- **convenience goods** – limited, but stable growth of 0.1% in annual expenditure per capita over forecast period; and
 - **comparison goods** - stronger forecast annual growth over the short term (+5.3% in 2015), with growth averaging +3.3% per annum up to 2031. This forecast growth is lower than long-term historic (1997-2014) trends of +5.8%.

Total Available Expenditure

- 2.16 Total available retail expenditure in the study area is derived by multiplying the population and average expenditure per capita levels together. The forecasts show:

- a 10.7% (+£64.7m) growth in total **convenience goods** expenditure by 2031 (Table 3, **Appendix 3**); and
- a 82.4% (+£729.8m) growth in total **comparison goods** expenditure between 2014 and 2031 (Table 3, **Appendix 4**).

2.17 The growth in comparison goods expenditure significantly outstrips convenience goods spend, which means that there should be greater capacity potential for new comparison goods floorspace over the forecast period than for convenience goods. This assumes no changes in the key forecasts (i.e. expenditure, population and special forms of trading) and before taking into account new commitments and an allowance for the increased 'productivity' of all existing and new floorspace.

'INFLOW' AND BASE YEAR TURNOVER ESTIMATES

2.18 In order to provide a complete picture of the current trading (turnover) performance of the District's main centres and stores we have necessarily made informed judgements with regard to the likely 'inflow' (trade draw) from outside the study area. In the absence of detailed turnover and trade draw information for the District's centres and stores, our judgements have been informed by previous studies and retail assessments, as well as the survey and health check evidence². The 'inflow' assumptions also take account of:

- the scale, offer and location of all existing centres and stores in the District;
- the likely extent of their catchment areas;
- the competition from centres, stores and shopping facilities outside the District and Study Area; and
- the likely retail expenditure derived from people who live outside the Study Area (including visitors and commuters) in the District's main centres and stores.

2.19 Although the assessment of 'inflow' is not a straightforward exercise, due to the complex nature of overlapping catchments and shopping patterns, it is reasonable to assume that for comparison goods retailing the District's main centres and larger shopping facilities will draw a proportion of their shoppers and trade from outside the defined study area. On the other hand the District's smaller stores, village centres and local centres will draw the majority of their shoppers and trade from within their more localised catchments, with limited or no 'inflow' from outside the study area.

² This includes the market share and trade draw pattern identified by the Council's *2008 Retail Capacity Study* and applied to the 2014 RSU, which covered a wider catchment than the Mid Sussex study area.

- 2.20 For convenience goods it has reasonably been assumed that there is no net 'inflow' of expenditure from outside the defined study area due to the scale, quality and location of competing food and convenience stores in neighbouring areas.
- 2.21 Based on the (survey-derived) market analysis and the 'inflow' assumptions, Table 10 sets out the revised convenience and comparison goods turnover estimates for all the main centres and stores in Mid Sussex.

PLANNED COMMITMENTS & NEW DEVELOPMENT SINCE 2014

- 2.22 In terms of retail commitments, **Appendix 5** sets out planned retail floorspace identified for convenience goods (Table 1) and for comparison goods (Table). This also includes retail floorspace associated with new store developments since the RSU 2014 was published. Floorspace data has been provided from Mid Sussex District Council and the evidence submitted in support of the planning applications. The main commitments and new store developments include:

- **Haywards Heath: Haywards Heath Railway Station (ref: 12/02935/FUL):** Permission for a mixed use development by Solum Regeneration (JV between Network Rail and Kier) on land in and around Haywards Heath Railway Station to include a new Waitrose store with a net sales area of 2,323m² (sourced from the *Retail Assessment* submitted by Savills in August 2012). In addition the foodstore will include a cafe (93m²) and will be served by some 208 parking spaces. There is also permission for an additional 516m² gross of new Class A1-A4 floorspace and it has been assumed for the purpose of this assessment that up to 20% of the new Class A1-A4 will be taken up by small-scale food and convenience goods retailing, and a further 20% will be for comparison goods retailing.
- **Haywards Heath: Walnut Park (ref: 14/01439/FUL):** Extension to One Stop to provide 149m² gross of additional convenience floorspace.
- **Haywards Heath: Units 1 to 7 The Orchards Shopping Centre (ref: 13/03046/FUL):** External and internal upgrade of the parade of units including an extension of the existing to units to create 75m² gross of additional comparison floorspace.
- **Haywards Heath: Units 51 to 53 The Broadway (ref: 12/04005/FUL):** Extension of the existing building to form an additional retail unit (57.5m² gross) and residential above.
- **Haywards Heath: 39 Larch Way (ref: 14/01439/FUL):** Extension of the existing convenience store, now occupied by One Stop, to form an additional retail floorspace of 149.7m² gross.

- **Haywards Heath: former Mayflower Public House (ref: 13/02762/COU):**
To provide 814m² gross of new convenience goods floorspace. The scheme has been implemented and the store is occupied by My Local.
- **Burgess Hill: The Martlets Shopping Centre (ref: 15/3858/FUL):** Planning permission for the redevelopment of The Martlets Shopping Centre to include 14,562m² of new Class A1 retail floorspace, 2,261m² of Class A2-A5 floorspace, a 10-screen cinema operated by Cineworld, a 63-bedroom hotel, 142 residential units, a replacement library and reconfigured car parking to provide 163 spaces. The scheme will result in net additional retail floorspace (7,000m² gross) that will primarily accommodate new fashion retailers. We understand that a new foodstore will be provided within the scheme, with the intention that the existing Lidl store will be relocated as part of a separate proposal. However, for the purpose of this assessment we have assumed no change in relation to foodstore provision.
- **Burgess Hill: Land East of Kings Way (ref: 12/01532/OUT):** Outline permission for a residential scheme comprising 480 new houses and neighbourhood centre. The neighbourhood centre includes provision for 280m² gross of retail floorspace. It is assumed the floorspace will support a convenience outlet with a net sales area of 196m² net (assuming 70% of gross) and would be occupied by a supermarket retailer (e.g. Budgen's, Co-op, One Stop, etc.).
- **Burgess Hill: Co-operative, 86 Junction Road (ref: 12/02873/FUL):**
Planning permission for a mixed use development including a convenience store (360m² gross) at ground floor level with residential above. The scheme has been implemented and the store is now occupied by Co-op.
- **Burgess Hill: Co-operative, 200 London Road (ref: 13/02762/COU):**
Planning permission to redevelop a car showroom for a 496m² gross retail unit. The unit is now occupied by Co-op.
- **East Grinstead: Sussex House, London Road (ref: 13/04040/FUL):**
Planning permission was granted for a vertical extension to an existing residential block and the formation of a retail unit. The site was previously subject to a prior approval allowing permitted change of use from office to residential. The retail unit extends to 102m² gross of retail floorspace. It is assumed that the retail floorspace will accommodate a local convenience retailer.
- **East Grinstead: former Caffyns Garage, King Street (ref: 14/03838/FUL):** Planning permission was granted to redevelop the former Caffyns Garage, King Street to accommodate a single storey retail unit and

residential units above. The retail unit extends to 1,528m² gross. The retail is intended to be occupied by Wilko.

- **Hassocks: 22-24 Keymer Road (APP/D3830/A/11/2155099/NWF):** Permission granted at appeal for the demolition of the existing building at Keymer Road and its replacement with a larger building to include an expanded ground floor retail space comprising a net additional floor area of 70m² gross. The scheme has been completed and the retail unit is now occupied Sainsbury's Local.
- **Hickstead: Maidenhead Aquatics, London Road (ref: 13/01386/FUL):** Planning permission was granted to extend the existing store showroom to create 240m² of new retail sales floorspace. The extension has been completed.
- **Copthorne: Garden Centre, Copthorne Road (ref: WP/2290/12):** Planning permission was granted for new retail accommodation (215m² net) to facilitate a garden centre.
- **Bolney: petrol filling station, London Road (ref: BK/2739/13):** Planning permission was granted for new convenience floorspace (116m² net sales) to serve an existing petrol filling station.

2.23 It should be noted that a number of the schemes identified above have been implemented and trading since the completion of the household survey in July/ August 2014. However, given that the stores are relatively small in nature they are unlikely to have had a significant impact on shopping patterns. For the purpose of this assessment they are treated as committed schemes within the capacity analysis.

3. RETAIL NEEDS ASSESSMENT UPDATE

- 3.1 This section sets out the results of the quantitative need (capacity) update for new retail (comparison and convenience goods) floorspace in the Mid Sussex District up to 2031. The results supersede the findings of 2014 RSU following a review of population projections linked to potential housing need forecasts for the District.

METHODOLOGY

- 3.2 The update is based on CJ's **CREAT**^e model and draws on the most up to date population and average retail (convenience and comparison goods) expenditure reviewed in **Section 2** and informed by key retail trends detailed in **Appendix 2**. The forecasts are presented for the District with more detailed breakdown is also provided of the potential capacity for new floorspace in each of the District's main centres.
- 3.3 The capacity forecasts will enable the local planning authority to test the strategic options for the spatial distribution of new retail-led development over the plan period, and make informed policy choices about where any forecast need should be met in accordance with the advice set out in the NPPF (para 23). The allocation of sites to meet any identified need over the next five years and over the lifetime of the development plan will depend on a range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres, and the potential to expand existing centres to accommodate the forecast needs.
- 3.4 The capacity assessment is underpinned by market shares for stores and centres across the District, which was identified by a Household Telephone Interview Survey (HTIS) conducted by NEMS Market Research in July/ August 2014.
- 3.5 It has necessarily been assumed for the purpose of the District-wide capacity assessment that the District's (convenience and comparison goods) retail market is in 'equilibrium' at the base year. In other words we assume that the District's existing centres and stores are broadly trading in line with appropriate 'benchmark' turnover levels at the base year. On this basis any residual expenditure available to support new retail floorspace within the study area over the development plan period is derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels; and the growth in 'benchmark' turnovers based on applying year-on-year 'productivity' ('efficiency') growth rates to all existing and new retail floorspace³.

³ The 'productivity' growth rates are based on Experian's latest Retail Planner Briefing Note. However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

- 3.6 For all existing and new convenience floorspace we have assumed an annual average 'productivity' growth rate ranging from -0.2% to no growth (0%) over the forecast period. We have assumed a corresponding annual productivity growth for comparison floorspace averages at circa 1.9%. These growth rates have been informed by Experian's latest Briefing Note⁴ and other research.
- 3.7 At the outset we advise that all capacity forecasts beyond a five year period should be treated with caution. This is because long term trends in the economy, consumer demand and retail property market could have a significant impact on the potential capacity and need for new retail floorspace. For example, as discussed previously, a higher growth in non-store retail sales (i.e. Internet sales) than forecast by Experian would reduce the capacity for new retail floorspace over time. Notwithstanding this, it should also be noted that this District-wide strategic capacity assessment is based on a standard constant market share approach. It does not therefore take account of any potential uplift in market shares and capacity that could occur within catchment areas due to the 'claw back' of expenditure to planned retail floorspace in more convenient and sustainable town centre locations. This differs from this capacity 'refresh' which has necessarily modelled the likely changes to market shares from new store openings based on the survey evidence and informed judgements.

CAPACITY: DISTRICT-WIDE FORECASTS

Convenience Goods Capacity

- 3.8 Table 12 (**Appendix 3**) sets out and explains the key steps underpinning the convenience goods capacity assessment based on residual expenditure. The 'baseline' expenditure and floorspace capacity forecasts are summarised in the table below:

Table 3.1 District-wide Capacity Forecasts – Assuming 'Equilibrium' at 2014

	2019	2024	2029	2031
Residual Expenditure (£m):	-£36.3	-£23.0	-£8.0	-£2.2
Floorspace Capacity (m² net):				
Option 1: Foodstore Format:	-2,998	-1,902	-664	-186
Option 2: Supermarket/Discounter Format:	-5,650	-3,585	-1,252	-350

Source: Table 12, Appendix 3.

- 3.9 In order to convert the residual expenditure into a net sales figure we have assumed that new floorspace occupied by the 'top 6' grocers (i.e. Tesco, Sainsbury's, Asda,

⁴ However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

Morrison's, Waitrose and Marks & Spencer) will achieve an average sales density of circa £12,250 per m² in 2014 (2014 prices).

- 3.10 As the table shows, after taking into account all known commitments (principally the Waitrose planned as part of the Haywards Heath Railway Station redevelopment and other smaller developments/ openings) there is no identified capacity to support additional convenience retail floorspace in the District over the plan period (up to 2031).
- 3.11 The lack of capacity is also explained by limited growth in convenience expenditure and floorspace productivity, which restricts the potential for residual expenditure. However, while there is no quantitative capacity to support new floorspace, there may be market demand for new foodstore offer, particularly for deep discount floorspace (Lidl and Aldi) where operators are expanding their store portfolio.
- 3.12 Furthermore, a review of benchmark turnover and survey-derived turnover suggests that the District's key foodstores are over-trading by a considerable margin, even when taking account of the District's relatively affluent catchments.
- 3.13 Should the Council consider the potential for a new convenience floorspace within the District development then this should be located in a sustainable and sequentially preferable location - preferably located either in or on the edge of an existing town centre in accordance with national and local plan policy.

Comparison Goods 'Baseline' Capacity

- 3.14 Table 12 (**Appendix 4**) sets out the detailed steps in the comparison goods capacity assessment. The residual expenditure and floorspace capacity forecasts are summarised in the table below. As for convenience goods this approach assumes 'equilibrium' at the base year and constant market shares over the forecast period.

Table 3.2 District-Wide Capacity Forecasts – Assuming 'Equilibrium' at 2014

	2019	2024	2029	2031
Residual Expenditure (£m):	-£38.2	-£7.8	£44.6	£69.4
Floorspace Capacity (m² net):	-6,025	-1,111	5,781	8,643

Source: Table 12, Appendix 4 (Steps 5 & 6)

- 3.15 As the table shows, after allowing for planned development there is no forecast capacity for new comparison goods floorspace in Mid Sussex in the short to medium term (up to 2024), although forecast capacity emerges by 2029 for 5,781 m² net; increasing to 8,643 m² net by 2031.
- 3.16 It should be noted that the forecast expenditure 'surplus' has been converted into a net retail sales area based on an assumed average sales density for all new non-food

floorspace of circa £5,500 per m². In our judgement and experience this is broadly equivalent to the average sales density of new comparison goods floorspace trading in prime shopping locations. However, average sales levels will inevitably vary between different locations and different types of operators⁵, and this will impact on the capacity and impact of new retail floorspace. Local planning authorities will therefore need to take this into account when assessing and determining applications for different operators and different types of retail floorspace (such as retail warehouses for example).

CAPACITY FORECASTS FOR KEY CENTRES

- 3.17 Capacity forecasts have been identified for each of the District's main centres located within the ten study zones. This will help the Council to identify where new retail development should be directed within the District; particularly taking account of potential housing growth areas.
- 3.18 It should be noted at the outset that any forecast floorspace capacity identified for a specific centre does not necessarily mean that all the retail floorspace can and/or should be provided within that centre per se. Reasons may include:
- a lack of suitable and viable sites available in some centres that can accommodate the forecast capacity;
 - it may be more appropriate to locate the floorspace capacity in a nearby centre to encourage more sustainable travel patterns and/or help to achieve new regeneration/investment initiatives; and/or
 - floorspace capacity may be required to support new retail provision as part of a new town, district or local centre, which may form part of a strategic housing area where a local need for new retail provision is identified.
- 3.19 Furthermore, if sufficient town centre and/or edge of centre sites cannot be identified to meet the forecast capacity over the development plan period, then the local planning authority is required by the NPPF (paragraph 23) to set policies for meeting the identified needs in other accessible locations that are well connected to the town centre and are capable of generating benefits for the centre's overall vitality and viability, through linked pedestrian trips and increased footfall.
- 3.20 Against this background, the following sets out our approach and retail capacity forecasts for Haywards Heath, Burgess Hill, East Grinstead and the District's smaller centres.

⁵ This includes the type of goods sold by the retailer, the location and quality of the retail floorspace, and the size and affluence of the catchment population. For example, published trading figures show that 'bulky goods' retailers in the DIY, carpet and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per m², whereas large format electrical goods retailers can achieve much higher average sales levels of £7,000 per m² and above.

Convenience Goods

3.21 For the purpose of this update our capacity forecasts assume 'equilibrium' at the base year, as for our District-wide forecasts. The results of the capacity assessment convenience goods floorspace for the District's main centres are set out in Tables 13 to 16 (Appendix 4) and are summarised in the table below.

Table 3.3 Convenience Floorspace Capacity: District's Main Centres (m² net)

	2019	2024	2029	2031
Haywards Heath				
Residual Expenditure (£m):	-£36.6	-£32.4	-£28.3	-£26.7
Option 1: Foodstore Floorspace (m ² net):	-2,988	-2,686	-2,344	-2,211
Option 2: Supermarket/ Deep Discount Floorspace (m ² net):	-5,632	-5,061	-4,417	-4,167
Burgess Hill				
Residual Expenditure (£m):	-£2.5	£1.9	£6.8	£8.7
Option 1: Foodstore Floorspace (m ² net):	-204	157	564	721
Option 2: Supermarket/ Deep Discount Floorspace (m ² net):	-384	295	1,062	1,359
East Grinstead				
Residual Expenditure (£m):	£2.9	£7.3	£12.2	£14.1
Option 1: Foodstore Floorspace (m ² net):	239	601	1,010	1,168
Option 2: Supermarket/ Deep Discount Floorspace (m ² net):	451	1,133	1,903	2,201
Hassocks, Hurstpierpoint, and other main villages				
Residual Expenditure (£m):	-£0.6	£0.3	£1.3	£1.6
Option 1: Foodstore Floorspace (m ² net):	-46	24	104	34
Option 2: Supermarket/ Deep Discount Floorspace (m ² net):	-86	46	195	253

Source: Tables 13-16, Appendix 3

Note: Equilibrium assumes that market shares identified for the District and centres remain constant over the forecast period.

3.22 After taking account of new foodstore and convenience commitments serving each of the main centres the table shows:

- No capacity for new convenience floorspace in **Haywards Heath** due to the planned Waitrose and other convenience floorspace commitments, which absorb all residual convenience expenditure over the plan period (up to 2031).
- There is no forecast capacity for new convenience floorspace in **Burgess Hill** in the short term (i.e. up to 2019). However, capacity emerges in 2024 for 157m²

net, increasing to 721m² net. This could support a local foodstore format outlet (e.g. Tesco Express, Sainsbury's Local, Little Waitrose, etc.) or an extension to an existing store. Alternatively, based on a lower sales density there is capacity over the forecast period to support a deep discount foodstore (e.g. Lidl, Aldi, Netto, etc.) or a local supermarket (e.g. Co-op, Budgen's, etc.).

- The highest quantum of forecast convenience capacity out of the District's three main centres is identified for **East Grinstead**, with 239m² net foodstore format floorspace identified in the short term (i.e. up to 2019) and steadily increasing over the plan period to 1,168m² net by 2031. This could support an extension to an existing foodstore and/or provision of a new 'local' format foodstore (e.g. Tesco Express, Sainsbury's Local, Little Waitrose, etc.). Based on a lower sales density, there is capacity over the forecast period to support a deep discount foodstore (e.g. Lidl, Aldi, Netto, etc.) or local supermarket (e.g. Co-op, Budgen's, etc.).
- There is limited capacity within the District's smaller centres, such as Hassocks and Hurstpierpoint and other villages, with up to 134m² net of foodstore format floorspace identified over the plan period (up to 2031). Alternatively, based on a lower sales density, forecast capacity increases to 253m² net. The identified forecast capacity could support a small convenience outlet in one centre or an extension to existing facilities.

3.23 Forecast floorspace could also be used to enhance convenience offer at the District's major strategic housing areas at Burgess Hill (land east of Kings Way) and Pease Pottage. Whilst there is an extant commitment for up to 280m² of convenience retail floorspace to serve the first phase of housing at the Burgess Hill site (up to 3,980 homes) , there is likely to be further demand for additional convenience offer either at Burgess Hill Town Centre or part of a new neighbourhood centre serving the housing area. Similarly, future housing development at Pease Pottage (600 homes) could support a local convenience facility in the area. This should be located either within an existing nearby centre or as part of a new neighbourhood centre, rather than a standalone out of centre store.

3.24 To help inform our capacity assessment and recommendations to the Council, we have also assessed the likely 'benchmark' turnovers of the District's main stores/centres (see Table 17 and 18, Appendix 3) based on sales areas and company average turnover levels derived from a number of published sources (including Mintel's Retail Rankings and Verdict). Table 18 (Appendices 3) shows the differences between the forecast 'benchmark' turnovers (Table 17) and our assessment of 'current' turnover levels based on the survey-derived market share analysis (Table 5). The analysis indicates that all out of centre foodstores are trading above company 'benchmarks' by a considerable margin. However, it is likely that planned new foodstores (e.g. new Waitrose store and

Sainsbury's extension, Haywards Heath) and investment in existing foodstores will attract trade from the out of centre foodstores, although it is likely that these stores will continue to perform strongly against 'benchmark' levels.

- 3.25 We consider that the level of over-trading and under-trading of existing superstores in the District should not necessarily be used to support additional capacity for new convenience goods floorspace at the base year, over and above the forecasts set out in Tables 3.1 and 3.3. We would expect the District's stores to trade above company UK averages based on the catchment profile of the study area, which based on socio economic data can be described as relatively⁶ affluent. Finally, there have been significant changes in the grocery sector and online retailing over the last two years, since the 2014 RSU was prepared. The commercial reality now is that there is limited demand from the main grocery retailers for new larger superstore format floorspace, with sector growth focused on the deep discount foodstore and 'local' format foodstore market.
- 3.26 Based on the qualitative assessment and qualitative evidence from the 2014 RSU (e.g. town centre health checks) we advise that forecast convenience capacity could be met by the extension of existing town centre stores, or the construction of new appropriately sized foodstores on suitable and viable sites within the District's main centres. By focusing new floorspace within the District's main centres this may help to retain a greater level of expenditure within the town centres, which would strengthen footfall and linked trips to other businesses.

⁶ A review of the Experian Mosaic consumer profiles show that 47% of the study area population fall within categories that are characterised as affluent, including City Prosperity (group A), Prestige Positions (group B), Country Living (group C), and Domestic Success (group G). Experian Mosaic categories are informed by socio economic and consumer population data derived from a variety of sources.

Comparison Goods

- 3.27 For comparison goods Tables 13 to 16 (Appendix 4) provide a more detailed breakdown of floorspace capacity for the main centres within the District's ten defined zones assuming 'equilibrium' at the base year. The results are summarised in the table below.

Table 3.4 Comparison Floorspace Capacity: District's Main Centres (m² net)

	2019	2024	2029	2031
HAYWARDS HEATH				
Residual Expenditure (Em):	-£2.9	£6.5	£22.1	£29.5
Floorspace Capacity (m ² net):	-459	927	2,869	3,675
BURGESS HILL				
Residual Expenditure (Em):	-£31.1	-£21.8	-£4.9	£3.2
Floorspace Capacity (m ² net):	-4,896	-3,124	-637	396
EAST GRINSTEAD				
Residual Expenditure (Em):	-£2.9	£7.8	£25.7	£34.2
Floorspace Capacity (m ² net):	-463	1,116	3,334	4,254
HASSOCKS & HURSTPIERPOINT				
Residual Expenditure (Em):	£0.0	£1.2	£3.3	£4.2
Floorspace Capacity (m ² net):	0	176	422	525

Source: Tables 19-16, Appendix 4

- 3.28 The table shows that the majority of the District-wide forecast comparison goods capacity by 2031 is directed to the three town centres.
- 3.29 For **Haywards Heath**, there is no capacity in the short term (up to 2019) after taking account of committed comparison goods floorspace associated with the planned Waitrose store and other retail offer included in the station redevelopment. However, capacity emerges in 2024 for 927m² net of new comparison floorspace, increasing to 2,869m² net in 2024, and 3,675m² net in 2031.
- 3.30 There is limited forecast comparison goods capacity is identified for **Burgess Hill** after taking account of planned new retail floorspace that will be delivered as part of the Martlets Shopping Centre redevelopment scheme. The estimated turnover of the planned new floorspace absorbs forecast residual expenditure up to 2029. By the end of the forecast period (2031) capacity emerges for 396m² of new comparison goods floorspace.

- 3.31 Out of the three town centres, the highest quantum of forecast comparison goods capacity is identified for **East Grinstead**. Planned committed comparison goods floorspace, namely the new Wilko store, absorbs residual expenditure capacity in the short term. However, forecast capacity emerges in 2024 for 1,116m² net of new comparison goods floorspace, increasing to 4,254m² net by 2031.
- 3.32 Forecast capacity is more limited for the District's smaller centres, with a combined forecast of 525m² net by 2031 to support new comparison floorspace. This is expected for smaller centres where the role of comparison retailing is limited and where retail offer is largely serves day to day convenience needs of the local population.
- 3.33 Given the scale of forecast comparison floorspace for the District, and across the three town centres, the Council is faced with the challenge of identifying sites in existing town centres to accommodate the identified floorspace capacity in full over the development plan period. Some of the identified floorspace capacity is likely to support comparison goods retail offer for new neighbourhood centres serving key housing areas at Burgess Hill and Pease Pottage. However, market demand for new comparison goods floorspace within new neighbourhood centres is likely to be limited.
- 3.34 If forecast floorspace cannot be accommodated within existing or proposed town centres policy consideration may be required to support out of centre retail facilities. However, new out of centre floorspace should only be directed to existing locations that are well served by public transport and other sustainable travel modes, and where it can be demonstrated that there will be no 'significant adverse impact' on the vitality and viability of existing centres in accordance with the NPPF (paragraph 26).

4. SUMMARY AND CONCLUSIONS

4.1 This report provides an update on the quantitative need for new retail (comparison and convenience goods) floorspace in Mid Sussex District and its main centres over the emerging District Plan period (up to 2031). The findings supersede the results of the 2014 RSU.

4.2 The update has been informed by revised population projections for the District and study zones associated with housing allocations identified in the emerging District Plan up to 2031. In addition, the update takes account of revised expenditure data and expenditure growth forecasts as well committed retail floorspace and new retail development since the publication of the 2014 RSU.

4.3 The capacity assessment update is underpinned by robust evidence and forecasts, including:

- the latest forecast growth rates for retail expenditure, Special Forms of Trading (SFT) and floorspace 'productivity' informed by the latest *Retail Planner Briefing Note* published by Experian Business Strategies (EBS);
- the market share analysis of shopping patterns for different types of retail (convenience and comparison goods) purchases derived from the telephone interview survey (after making an allowance for Special Forms of Trading); and
- the latest ONS-based population projections for the local authority area and wider Study Area, and the broad distribution of this population growth on a zone-by-zone basis, as agreed with Mid Sussex District Council.

4.4 Based on the key baseline assumptions that the retail market is in 'equilibrium' at the base year (2014) and that market shares remain constant over the study period, the table below summarises the District-wide capacity for new retail (convenience and comparison goods) floorspace over the plan period, up to 2031.

Table 4.1 District-wide Retail Capacity

	2019	2024	2029	2031
Convenience Floorspace Capacity (m² net):				
Option 1: Foodstore Format:	-2,998	-1,902	-664	-186
Option 2: Supermarket/Discounter Format:	-5,650	-3,585	-1,252	-350
Comparison Floorspace Capacity (m² net):	-6,025	-1,111	5,781	8,643

Source: Table 12, Appendix 3 and Table 12 Appendix 4.

4.5 The headline forecasts show that for:

- **Convenience goods** - there is no District-wide capacity for new (foodstore format) retail floorspace over the study period, as any expenditure growth will largely be taken up by the Waitrose store permitted as part of the station redevelopment in Haywards Heath (Local Authority Reference: 12/02935/FUL) and other convenience floorspace commitments.
- **Comparison goods** - there is no short to medium term capacity (up to 2025) as a result of planned new comparison retail floorspace, particularly relating to new retail schemes in Haywards Heath (e.g. station redevelopment) and Burgess Hill (e.g. The Martlets redevelopment). However capacity emerges towards the end of the forecast period in 2029 for 5,781m² net, and is forecast to increase to 8,643m² by 2031.

4.6 The capacity forecasts have then been disaggregated for the main town and village centres to help identify the potential strategic allocation of new retail floorspace over the development plan period. The results are summarised in the table below.

Table 4.2 Forecast Retail Capacity: District's Main Centres & Zones (m² net)

	2019	2024	2029	2031
HAYWARDS HEATH				
Convenience Capacity (m ² net):				
Option 1: Foodstore Floorspace :	-2,988	-2,686	-2,344	-2,211
Option 2: Supermarket/ Deep Discount Floorspace:	-5,632	-5,061	-4,417	-4,167
Comparison Capacity (m ² net):	-459	927	2,869	3,675
BURGESS HILL				
Convenience Capacity (m ² net):				
Option 1: Foodstore Floorspace :	-204	157	564	721
Option 2: Supermarket/ Deep Discount Floorspace:	-384	295	1,062	1,359
Comparison Capacity (m ² net):	-4,896	-3,124	-637	396
EAST GRINSTEAD				
Convenience Capacity (m ² net):				
Option 1: Foodstore Floorspace :	239	601	1,010	1,168
Option 2: Supermarket/ Deep Discount Floorspace:	451	1,133	1,903	2,201
Comparison Capacity (m ² net):	-463	1,116	3,334	4,254
HASSOCKS, HURSTPIERPOINT, & OTHER MAIN VILLAGES				
Convenience Capacity (m ² net):				
Option 1: Foodstore Floorspace :	-46	24	104	134
Option 2: Supermarket/ Deep Discount Floorspace:	-86	46	195	253
Comparison Capacity (m ² net):	0	176	422	525

Source: Tables 13-16, Appendix 4

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- 4.7 The identified forecast floorspace for convenience and comparison floorspace should be directed as priority to the District's three town centres.
- 4.8 For **Burgess Hill**, forecast retail floorspace capacity takes account of the future population of the strategic housing sites at Kings Way and to the north and north-west of the town, which will increase demand for convenience and comparison retailing. Forecast capacity identified for new convenience floorspace could support local facilities within the strategic housing area as part of a neighbourhood centre. However, capacity for comparison goods floorspace is limited for the town centre over the short to medium term (up to 2029) due to planned new floorspace associated with The Martlets redevelopment scheme. The scheme which includes new retail floorspace aimed at attracting new fashion retailers to the town centre, along with a 10-screen cinema anchored by Cineworld, and a new hotel, is likely to stimulate further investment for the town centre and interest from new retail and leisure operators. This could increase retail expenditure retention for the town centre, which in turn could increase future capacity for new retail floorspace.
- 4.9 A considerable level of both convenience and comparison retail floorspace is capacity is forecast for **East Grinstead**. Consideration should be given to bringing forward sites identified in the Town Centre Masterplan to accommodate this forecast need. The 2014 RSU highlighted two key sites including Railway Approach and the potential redevelopment of Queens Walk. These sites could accommodate some or all of the identified need for new retail floorspace in the town centre over the plan period.
- 4.10 The planned Waitrose for **Haywards Heath** is will meet identified all forecast need for new convenience retail for the town centre over the plan period. The future opening of the store and ongoing investment at The Orchards Shopping Centre is likely to attract interest from new retailers seeking to locate to the town centre. Subject to the availability of sites in the town centre, this could help to meet forecast need for new floorspace identified over the plan period.
- 4.11 The 2014 RSU highlighted that the main opportunity for new retail development for the Districts **smaller centres** is likely to be in Hassocks. This remains the case. In addition to this, the proposed strategic housing allocation at Pease Pottage is likely to require a local convenience facility to serve the area, which could form part of a local/ neighbourhood centre serving strategic housing area and Pease Pottage.
- 4.12 Against this background meeting the need for the forecast new retail floorspace in full over the next 3-5 years and over the lifetime of the development plan will clearly depend on the Council identifying suitable and viable sites and redevelopment opportunities in the District's town centres that are either available now, or will be available at some point in the next 5, 10 and 15 year periods. If appropriate sites and redevelopment opportunities are not likely to come forward over the development plan
-

period, then consideration should be given by the Council to sites on the edge of these centres that are well connected to the primary shopping areas and are capable of reinforcing the pedestrian retail circuit and generating linked trip expenditure to the benefit of each centre's overall vitality and viability.

- 4.13 Finally, it is important to restate that capacity forecasts beyond five years should be treated with caution, as they are based on various layers of assumptions and forecasts with regard to the trading performance of existing centres and stores, the growth in population and retail spending, constant market shares, etc. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts suggest, then this could reduce the future demand and capacity for new 'physical' space over the long term. The Council should take into account these margins for error when assessing the need for new retail floorspace, particularly post 2025.

GLOSSARY & ABBREVIATIONS

CITY CENTRES:	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions.
TOWN CENTRES:	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
DISTRICT CENTRES:	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
LOCAL CENTRES:	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette.
TOWN CENTRE USES:	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
TOWN CENTRE BOUNDARY:	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
PRIMARY & SECONDARY FRONTAGES	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
EDGE-OF-CENTRE	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
OUT-OF-CENTRE	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
OUT-OF-TOWN	A location out of centre that is outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.

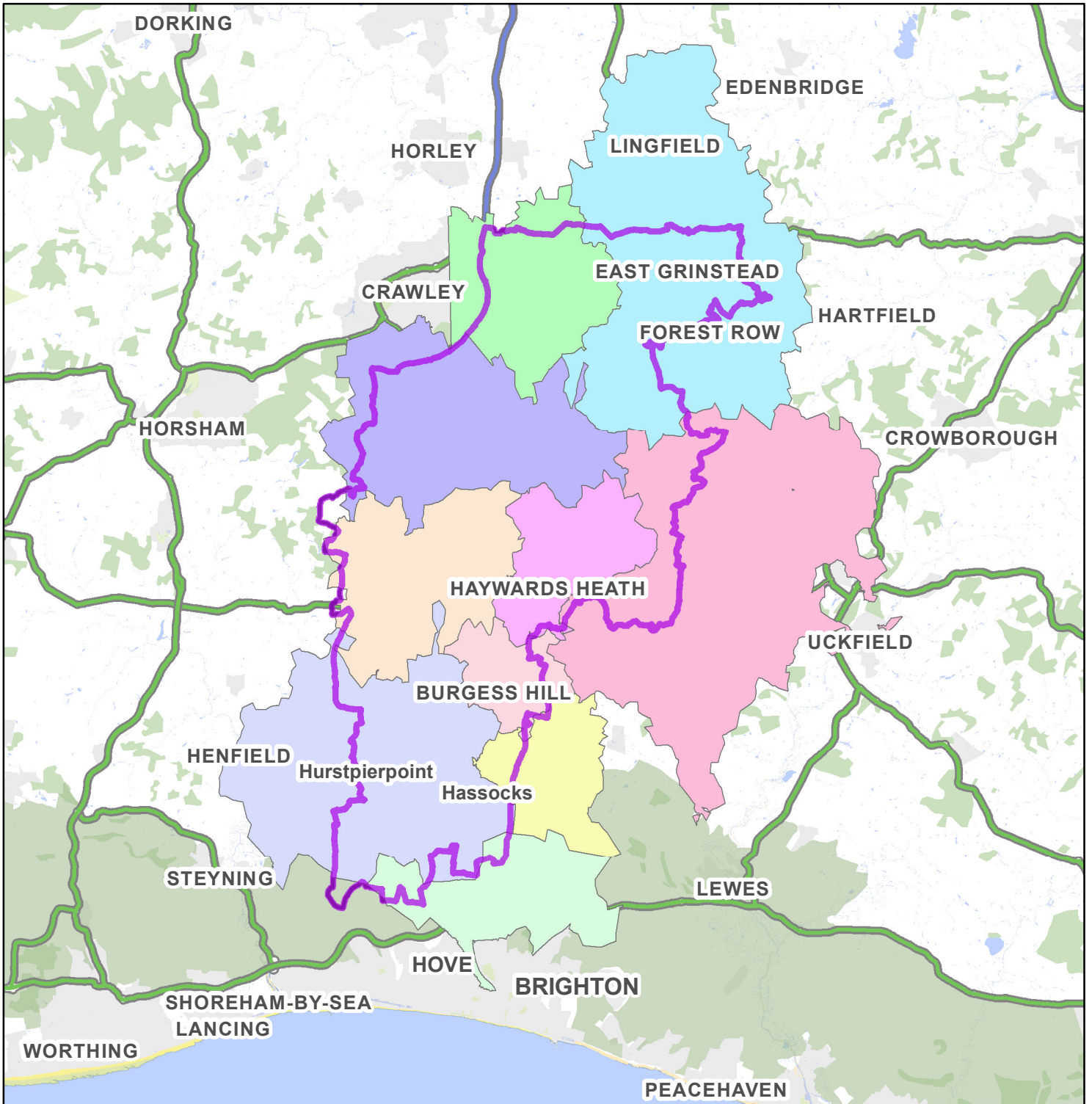
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
REGIONAL & SUB-REGIONAL SHOPPING CENTRES	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.


<p>FLOORSPACE 'PRODUCTIVITY' ('EFFICIENCY') GROWTH</p>	<p>The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period. The choice of the most appropriate level of growth will depend on individual circumstances, and in particular the capacity of existing floorspace to absorb increased sales. It is also important that selected rates of growth in productivity are compatible with assumptions about the growth in per capita expenditure.</p>
<p>QUANTITATIVE NEED</p>	<p>Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.</p>
<p>QUALITATIVE NEED</p>	<p>Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.</p>
<p>OVERTRADING</p>	<p>The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).</p>
<p>BENCHMARK TURNOVER</p>	<p>In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.</p>

– END –






APPENDIX 1: STUDY AREA

Mid Sussex Zones Plan



 District Boundary

Zone

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-  2
-  3
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-  10

APPENDIX 2: RETAIL TRENDS UPDATE

NATIONAL RETAIL TRENDS

- 1.1 The following summarises some of the key trends that have fuelled the changes in the retail sector over the last three decades, and the impact of these trends on the UK's town centres. It provides a commentary on the impact of the downturn in the economy since 2007 and the growth of internet ('multi-channel') retailing on consumer spending, retail development and retailers' business strategies. Drawing on the latest research it also describes how these trends may continue to shape changes in the future, and whether and how town centres can respond to help maintain and enhance their overall vitality and viability.

RETAIL EXPENDITURE GROWTH

- 1.2 Following an unprecedented period of growth in consumer spending since the mid-1990s, the onset of the economic recession in 2007/08 had a dramatic impact on consumer spending and market demand. Business and consumer confidence was further weakened by public sector cuts, the rise in VAT, increasing unemployment, less expansionary consumer credit and the rising cost of living (including higher energy costs, petrol and housing prices). This has effectively reduced disposable income and retailers' margins are being squeezed further.
- 1.3 The table below shows the actual and forecast growth in retail (convenience and comparison goods) spending per head identified by Experian Business Strategies in their latest *Retail Planner Briefing Note 13* (October 2015).

Table 1.1 Forecast year-on-year growth in retail expenditure per capita

Vol. Growth per head (%):	-----ACTUAL GROWTH-----					FORECASTS				
	2010	2011	2012	2013	2014	2015	2016	2017	2018-22	2023-35
Total Retail Spend	0.9	-0.6	1.4	2.3	2.7	3.2	2.1	2.0	2.0	2.4
Convenience Goods	-0.8	-2.7	-0.4	-0.7	-1.8	-0.2	0.1	0.3	0.1	0.1
Comparison Goods	1.8	0.6	2.5	4.2	5.5	5.3	3.2	2.9	3.0	3.2

Source: Experian Retail Planner Briefing Note 13 (October 2015); Figures 1a and 1b.

Notes: The table also shows historic growth rates for the period 1997-2007 (the pre-recession period) and for 1997-2014 (the recession and its aftermath).

- 1.4 Although there has been negative annual growth in convenience goods expenditure per capita levels since the onset of the recession in 2008, the forecasts for 2016 onwards show a return to positive growth. For comparison goods the forecasts show that annual growth rates are recovering from a low of -2.6% in 2009 to a high of +5.5% in 2014, before falling back to +3.2% in 2016 and +2.9% in 2017. Experian forecast

that growth will average +3.0% per annum for the period 2018 to 2022, increasing to +3.2% for 2023 to 2025; although this is well below historic trends of 8% per annum for the period 1997 to 2007.

- 1.5 In summary there are positive signs of improvement in the UK economy and consumer and business confidence since 2014/15. Notwithstanding this, it is clear that forecast growth in retail sales volumes will be much lower and slower than in recent history. Furthermore, the retail sector is still vulnerable to fluctuations in the UK economy, and how it responds in the future to changes in the Eurozone and global economies.

SPECIAL FORMS OF TRADING AND INTERNET SHOPPING

- 1.6 *Special Forms of Trading* (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).
- 1.7 Based on ONS data, Experian Business Strategies (EBS) estimate that the current (2015) value of internet sales is £42.1bn (current prices) and other (non-internet) SFT sales stand at approximately £7.9bn. This results in total SFT sales of £50bn in 2015 (£48.9bn in 2011 prices), which represents a circa 186% increase from £17.1bn recorded in 2006. Overall the market share of SFT as a proportion of total retail sales has increased from 5.6% in 2006 to 13.4% in 2015. This significant growth has been fuelled by internet shopping.
- 1.8 Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, electrical goods, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products and services on the high street (the most recent examples being HMV and Blockbusters). However this does not mean that other comparison goods categories are immune to the impact of the internet, including clothing and footwear.
- 1.9 The table below sets out Experian's latest forecasts of the growth in the total market share of SFT between 2014 and 2032, based on retail spending growth assumptions and predictions as to the future take-up and expansion of internet shopping¹.

¹ Please note that although no official data is available for convenience and comparison goods, EBS have provided their own market share estimates.

Table 1.2 SFT's market share of total retail sales

	2014	2016	2021	2026	2032
TOTAL:	12.5%	14.3%	18.3%	19.1%	19.5%
Comparison	14.9%	16.5%	20.0%	19.9%	19.3%
Convenience	8.3%	10.0%	14.7%	17.0%	19.9%

Source: Appendix 3 of Experian Retail Planner Briefing Note 13 (October 2015)

- 1.10 EBS forecast that non-store retailing will continue to grow rapidly over the short to medium term, outpacing traditional forms of spending. They predict that this growth will be sustained by new technology (such as browsing and purchasing through mobile phones) and the development of interactive TV shopping, but will slow after 2020.
- 1.11 However such forecasts need to be treated with caution, as according to Experian approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than from 'virtual' stores and/or distribution warehouses. On this basis Experian has adjusted the SFT market shares to reflect the proportion of internet sales sourced from existing stores.

Table 1.3 SFT's revised market share of total retail sales

	2014	2016	2021	2026	2032
TOTAL:	8.1%	9.2%	11.7%	12.2%	12.4%
Comparison	11.2%	12.4%	15.0%	15.0%	14.5%
Convenience	2.5%	3.0%	4.4%	5.1%	6.0%

Source: Appendix 3 of Experian Retail Planner Briefing Note 13 (October 2015)

- 1.12 Although the growth in online sales will inevitably continue to impact on the need for traditional shops, some commentators believe that the development of multi-channelling as part of retailers' business models will result in internet shopping actually driving demand for 'bricks-and-mortar' stores. This may be due to the need for 'click-and-collect' facilities in easily accessible locations (for example, on the high street, in existing out-of-centre stores or at important transport nodes), or for 'showrooms' where customers can view and test products in store before purchasing online. This co-ordinated multi-channel strategy should therefore help to support demand for retail space over time.

FLOORSPACE 'PRODUCTIVITY' GROWTH

- 1.13 Floorspace 'productivity' (or turnover 'efficiency') growth represents the ability of retailers to absorb higher than inflation increases in their costs over time (such as

rents, rates and service charges) to help maintain their profitability and viability. It is standard practice for retail planning assessments to make an allowance for the year-on-year growth in the average sales densities of existing comparison and convenience goods retail floorspace.

- 1.14 However there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. Furthermore analysis of past data and trends is complicated by the fact that sales density increases have been affected by changes in the use of retail floorspace over the last 20 years; such as, for example, the growth in out-of-centre retailing; Sunday-trading; longer opening hours; and the very strong growth of retail expenditure relative to the growth in floorspace. However following the recession many retailers struggled to increase or even maintain sales density levels and, together with other financial problems, this resulted in some retailers going out of business.
- 1.15 The table below sets out the latest sales density growth forecasts for comparison and convenience goods floorspace published by Experian Business Strategies (EBS), based on predicted changes in retail floorspace over time and after making an allowance for non-store retailing.

Table 1.4 Forecast 'productivity' growth rates (% per annum)

	2014	2015	2016	2017	2018-22	2023-35
Convenience	-2.0	-0.4	-0.4	-0.1	-0.1	+0.0
Comparison	+5.4	+5.5	+3.1	+2.2	+1.9	+2.0

Source: Figures 4a and 4b, Experian *Retail Planner Briefing Note 13* (October 2015)

- 1.16 The forecasts show that the scope for sales density growth is very limited for convenience goods retailing. This is mainly due to slow growth in sales volumes and limited additions to the floorspace stock. For comparison goods retailing, the trends towards more modern, higher density stores and the demolition of older inefficient space is forecast to continue, resulting in average growth rates of close to +2.0% per annum over the next two decades. However, this is still well below the rate seen during the boom of the early years of this century².

RETAIL DEVELOPMENT PIPELINE

- 1.17 The retail development pipeline slowed dramatically during the economic downturn compared with the shopping centre 'boom' experienced in the ten year period up to 2007. One of the key impacts has been to 'weed out' some of the more expensive and

² Please note that the floorspace 'productivity' growth rates forecast by EBS have been used to inform the retail capacity assessment set out in Section 3 of this study.

unviable development schemes that were in the pipeline before the economic downturn.

- 1.18 The latest Shopping Centre Development Pipeline Report published by the *British Council of Shopping Centres* (BCSC) indicated that in 2012 the quantum of completed new shopping centre floorspace in the UK was at its lowest level since the 1990s. Following the development of circa 260,000m² in 2009, 232,000m² in 2010 and 280,000m² in 2011, no new floorspace opened in 2012. Notwithstanding this, the BCSC research also identified the first significant signs of new development activity in 2013 following the opening of circa 140,000m² of new retail floorspace (including Trinity Leeds). More recently, two new shopping centres opened in 2015, including Grand Central (over 18.600m²) in Birmingham and Old Market (32,500m²) in Hereford. There are also positive signs that new investment is returning to the shopping centre market from UK-based and international funds seeking assets in prime and secondary locations that offer the potential for growth.
- 1.19 Given that it takes on average over ten years for a town centre scheme to be planned and developed, and can take even longer to deliver more complicated sites, then it follows that it will take a number of years for centres to benefit from the economic upturn and renewed investment and development confidence. Furthermore, the more challenging retail environment means that those shopping locations outside the ‘top 100’ centres that missed the previous (pre-recession) development cycle may face a long wait for new town centre development, or require a new approach if they are to secure new shopping centre development in the future. Even then, the scale and type of new retail investment that will emerge in the post-recessionary period could be very different to the last “golden decade” of shopping centre development between 1997 and 2007.

RETAILER REQUIREMENTS

- 1.20 The economic downturn, in combination with other trends (such as changes in customer requirements, planning legislation and the growth in internet shopping), has created a need for retailers to review and rapidly adapt their business strategies, requirements and store formats. In general terms those retailers with strong brands and loyal customers, trading from the right stores in the right locations, and with a good online facility have managed to weather the economic storm. The following highlights some of the key trends that are occurring in the convenience and comparison goods retail sectors.

Convenience Goods Retailing

- 1.21 The changes in the food and grocery sector over the last decade illustrate the dynamic changes in the retail industry. Some of the key trends include:

- The move by all the major national grocery retailers into the smaller convenience store sector in order to increase market share further, including for example the Tesco 'Express', Sainsbury's 'Local' and 'Little Waitrose' formats.
- The growth of European 'deep discount' food operators (such as Aldi and Lidl) has also continued during the economic downturn. In response, this has resulted in the expansion of own-brand 'value' ranges by the established grocers.
- The 'race for more space' and new store openings over the last decade has also resulted in extensions to existing stores and/or new mezzanine space, and the growth of online shopping.

1.22 Over the last 12-18 months, however, the focus for the main foodstore operators has shifted to opening more convenience store formats, and growing their market shares of online sales. At the same time applications for large store formats have slowed significantly and permissions are not being built out in some cases. For example Tesco and Morrisons are disposing of some of their under-performing superstores, and Tesco is in the process of selling some 49 sites with permissions for new foodstores, including sites in Manningtree, Basingstoke and Dartford. This will inevitably have implications for the scale and type of new floorspace required by foodstore operators across the UK in the future.

Comparison Goods Retailing

- 1.23 In the non-food sector, those retailers that experienced significant growth up to 2007 have had to adapt to the very different market conditions. The retailers that have not been flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high-end and value retailing, have largely struggled to maintain market share over recent years. In some cases, this has resulted in a series of high profile 'casualties' and a number of key retailers have either disappeared from our high streets altogether (e.g. Woolworths, TJ Hughes, Jessops and Jane Norman), or have gone into administration and been forced to reduce their representation in centres across the UK (e.g. HMV, Blockbusters, etc.).
- 1.24 Within town centres, some traditional high street multiple operators are also changing their formats and requirements. For example, key anchor retailers such as Boots, Next, Mothercare, TK Maxx, John Lewis and Marks & Spencer are actively looking for larger format new-build or existing stores in out-of-centre locations to accommodate new retail formats (such as John Lewis at Home) and display their full range of products. These changes in retailer requirements and market demand will continue to have a significant impact on the UK's town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.

- 1.25 Research also shows that there is an increasing polarisation of development activity and investment interest in the larger regional and sub-regional centres (i.e. the 'top 100' centres). This is because these centres usually have large and established catchment areas, and therefore represent less 'risky' investments in the current uncertain economic climate. These larger centres have also generally benefitted from recent new shopping centre development and investment over the last decade, and are therefore better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.
- 1.26 The out-of-centre sector has also not been immune to change. Since 2007 there has been a notable downturn in the demand from traditional 'bulky goods' retailers for new space. For example, during the late 1990s both B&Q ('Warehouse') and Homebase were rolling out very large out-of-centre retail warehouses (some exceeding 10,000m² gross) in an attempt to dominate market share. However, these same operators are now looking to close or scale down their under-performing stores in certain areas. Other 'bulky goods' operators have simply gone out of business (such as Focus DIY). Notwithstanding this, out-of-centre retailing still accounts for a significant proportion of existing and new retail floorspace and sales in the UK. For example recent research has highlighted the fact that of the new retail developments approved since the NPPF was published in March 2012, 72% were in out of town locations, 16% were edge of centre and just 12% were in town centres³.

TOWN CENTRE FUTURES

- 1.27 A number of high profile research reports have been commissioned over recent years that set out recommendations and guidance on how to maintain and enhance the future vitality and viability of the UK's town centres. These include:
- The **Portas Review** (2011) reports on the findings and recommendations of research led by Mary Portas into the future of the High Streets. The report presented 28 key recommendations for government, local authorities and businesses to help high streets respond to the current challenges facing them and to prevent further decline.
 - The **Grimsey Review** (2013) addresses the continuing decline of many local high streets. The review highlights the dramatic impact that recent technological changes have had on consumer behaviour and the knock-on effects for high

³ <http://www.acs.org.uk/en/research/planning.cfm> referenced in Why Our High Streets Still Matter: A Think Piece by Mary Portas, 30th May 2014.

streets. It suggests that the Portas recommendations failed to adequately account for this.

- The **Distressed Town Centre Property Taskforce** (DTCP) report (November 2013) was produced by an industry-led cross sector taskforce, assembled in response to the Portas Review. The report specifically focuses on the role that property ownership, investment, development and occupation can have on town centre viability, and provides recommendations on how the property sector can act to leverage in investment for town centres and support their ongoing viability.

1.28 The table below provides an overview of some of the common themes and recommendations identified by the different research in support of town centre revitalisation, including the Portas Review.

Strategy	Description
Reforming the management of town centres	Improving the ways in which town centres are managed was a key recommendation made by the Portas Review. In response, the Government has set up 27 'Portas Pilots' and 333 Town Teams, which bring together local councils, retailers and businesses to try out new ideas to drive their local economy. Strategies to deliver change are formulated in recognition of the particular strengths of each local area. It may be too early in the process to comment on the success of these, however a recent thought piece published by Portas (May 2014) has suggested that progress has been slow. There is also increasing financial support for Business Improvement Districts (BIDs) , which enable local businesses to take on responsibility for realising improvements in their local area. The Government has launched a BID Loan Fund to help those wishing to set up a BID in their area. Support for local (street) markets is also increasing, as a way to increase footfall and enhance the vibrancy of local centres. This was also a key recommendation in the Portas Review.
Making use of the planning system to protect and enhance town centres	The planning system is being used in various ways to enhance and protect local centres where possible. This includes maintaining use of ' town centres first ' policies (as set out in the NPPF) in order to protect town centres from unnecessary competition from out-of-town developments. Where BIDs are in place, the improved planning conditions may also facilitate development. More stringent protection has been advocated by some sources. The Portas Review included a recommendation to introduce 'exceptional sign off' for all new out-of-centre retail development in order to protect existing centres. However, this was one of the few Portas recommendations that was not taken on by the Government. LPAs are also being encouraged to make use of CPOs in order to address issues of fragmented ownership and to facilitate comprehensive development across a centre.
Engaging communities	Encouraging communities to support their local high streets and town centres is essential and was a key recommendation in the Portas Review. Recent strategies to promote community participation in the development of local centres have included government support for communities wishing to take on the responsibility for ownership and management of assets of community value, such as their local pub or shop. A £19 million fund has been set up and more than 300 assets have already been listed under the Community Right to Bid.

<p>Leveraging investment and funding</p>	<p>There are a number of new sources of public sector investment now available to facilitate improvements to local centres. These include £3.6m of funding via the Town Teams, a High Street Innovation Fund worth £10m and High Street renewal awards to date worth £1m. The DTCP suggestion that a workable Tax Increment Finance (TIF) model be put in place has since been actioned by the government. This will allow LPAs to raise finance to fund development and infrastructure based on the projected future increase in business rates resulting from investment. The DTCP report has also recommended greater engagement between LPAs and the private sector in order to tackle the challenges faced by town centres proactively. They support the use of joint venture partnerships between the public and private sector to facilitate development. A recent report by Peter Brett⁴ suggested a new method that would involve the selection of a Property Company Partner (possibly private sector) who will then fund future investment in the centre. The Property Company would be assisted by the LPA through use of CPOs and restricting leases to de-fragment the ownership of the high street.</p>
<p>Adapting to take on the threat from increasing internet sales</p>	<p>Recent research has highlighted the importance of recognising the threat from increasing internet retailing as an important trend that will continue over the short term. Some centres are adapting better than others for example, the incorporation of Click & Collect (delivery and returns) points into centres. Other more general strategies include ensuring adequate parking and accessibility to improve the general accessibility of the centre. The Grimsey Review recommends that town centres focus on their role as a community hub, where retail is just one element, creating a diverse offer which will help local centres to compete more effectively with online retailers. The DTCP recommends adapting retail capacity models in order to account for the erosion of the physical retail space requirement in the face of competition from online retail. LPAs in many secondary town centres will need to actively plan for this future loss of retail space requirement, particularly from the larger retailers.</p>
<p>Encouraging a mix of uses</p>	<p>A recent trend has been the growing presence and proportion of food and beverage (F&B) units within shopping centres and high streets. A BCSC report⁵ suggests that there are various benefits that may result from this, and recommends that shopping centre development include a mix of retail, F&B and leisure which are generally mutually supportive. However, there are also warnings that this is not the whole solution to filling current vacancies left by retail decline. The BCSC recommends that F&B units in retail centres should be targeted appropriately according to the likely consumer profile. Conversion from shops to residential uses is also becoming one way for LPAs to make better use of underused retail space and prevent unwanted vacancy. Increased residential populations living in or near to the town centre will also improve footfall and potentially spend in these areas. However, with high levels of pressure due to national housing shortages, there is a danger that the influx of residential development into town centres could undermine the retail and leisure functions of the centre.</p>

⁴ Peter Brett (2013): Investing in the High Street: Town Centre Investment Management & its role in delivering change

⁵ BCSC (2014), Food and Beverage: A solution for shopping centres?

- 1.29 Although there are positive signs that the UK is finally beginning to emerge from the economic downturn, it is clear that our town centres and high streets post-recession will be very different to the 'boom' years of the last decade. Over the short to medium term at least the economy is forecast to experience a sustained period of lower growth in consumer spending, reduced bank lending, limited access to credit and cuts in public sector expenditure. This presents significant challenges for all those involved in town centre management, development and investment.
- 1.30 The growth of online shopping is also impacting on the vitality and viability of many of Britain's centres and high streets. This is placing pressures on rental growth and market demand in many centres; particularly the smaller secondary centres and market towns outside the 'top 100' shopping locations. This has been further compounded by rising vacancy levels and the loss of key retailers. As a result, the share of non-food retail sales conducted through town centre shops has declined; from 64% in 2002 to just over 40% by 2013. In our opinion, a far more uncertain future awaits the next wave of new retail investment and development. The evidence suggests that high quality schemes in the strongest prime shopping locations will continue to prosper. In contrast, the weaker secondary centres and shopping locations with a more limited offer, smaller catchments and negligible market demand will struggle to attract market interest and investment.
- 1.31 Notwithstanding the threat of online shopping, industry experts still predict that the demand from major retailers for new space will continue as it remains the primary mechanism for retailers to 'reach' their customers and grow their businesses. Over the short to medium term any increased demand for space from retailers will have to be met by the current retail stock (i.e. existing shopping centres, the high street and out-of-centre facilities), as there is limited new retail floorspace in the pipeline in town centres. With increased demand and the lack of supply over the short to medium term, research for the British Council of Shopping Centres (BCSC) predicts that this will effectively 'push up' rental levels for the larger modern desirable units until a significant amount of new development reaches completion. As a result, over the medium term, retailers will be competing for limited available space. Therefore those centres that are able to accommodate and deliver new developments over the next 5-10 years should be in a good position to attract operator interest. However, this will depend on the new retail floorspace being in the right location (i.e. preferably prime shopping locations) and having the right size, format and specification to meet the needs of modern retailers.
- 1.32 Research by the BCSC has also identified an increased emphasis on asset management, as owners and developers invest in the expansion or refurbishment of existing shopping centres to increase their investment value and turnover. In the current economic climate this investment in existing assets is less risky and financially

onerous than new build projects. However, as the supply of suitable units “dry up” in prime locations, so retailers will also look at alternative options for delivering growth, such as through new out-of-centre openings, increasing sales through the internet, and/or expanding internationally.

- 1.33 Finally, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, the market appetite for new and extended shopping facilities in out-of-centre locations shows no signs of slowing. The lack of available, suitable and viable sites in town centres to meet the demands of modern retailers and commercial leisure operators for larger format units will inevitably result in an increase in new out-of-centre applications and/or applications to widen ‘bulky conditions’ conditions on existing retail parks.
- 1.34 In this context, it is clear that the ‘top 50-100’ prime centres and shopping locations in Britain should continue to flourish once the economy recovers. The greatest challenge facing local planning authorities will be how to revitalise the fortunes of struggling small and medium sized centres and market towns that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development; including the centres in Mid Sussex District.

APPENDIX 3: CONVENIENCE CAPACITY ASSESSMENT

TABLE 1A: EXPERIAN BUSINESS STRATEGIES - BASE YEAR (2014) POPULATION & PROJECTIONS (to 2031)

ZONE:	2014	2019	2024	2029	2031
Zone 1:	35,941	37,429	38,953	40,257	40,721
Zone 2:	32,904	34,093	35,373	36,589	37,097
Zone 3:	6,795	7,065	7,278	7,472	7,544
Zone 4:	26,084	27,520	28,888	30,065	30,545
Zone 5:	37,588	39,378	41,098	42,641	43,179
Zone 6:	47,787	49,446	51,320	52,990	53,600
Zone 7:	17,539	18,275	19,096	19,783	19,997
Zone 8:	9,295	9,598	9,869	10,113	10,206
Zone 9:	16,744	17,324	17,869	18,373	18,556
Zone 10:	35,199	36,136	37,156	38,589	39,144
TOTAL:	265,876	276,264	286,900	296,872	300,589

% GROWTH:

2014-31
13.3%
12.7%
11.0%
17.1%
14.9%
12.2%
14.0%
9.8%
10.8%
11.2%
13.1%

Source: The base year (2014) population and projections to 2031 have been sourced directly from Experian's latest 'Retail Area Planner' Reports for each study zone using SP's (Experian-based) MMG3 Geographic Information System (GIS). The base year population estimates are based on 2012 ONS (mid-year) population figures. The population projections for each Study Zone draw on Experian's revised 'demographic component model'. This takes into account 2012 mid-year age and gender estimates and projects the population forward year-on-year based on Government population projections for local authority areas in England. The yearly components of population change that are taken into account are the birth rate (0-4 age band); ageing; net migration; and death rate.

TABLE 1B: MID SUSSEX DISTRICT COUNCIL - REVISED BASE YEAR (2014) POPULATION & PROJECTIONS (to 2031)

ZONE:	2014	2019	2024	2029	2031
Zone 1:	35,941	36,191	37,202	38,404	38,884
Zone 2:	32,904	35,404	39,121	43,143	44,752
Zone 3:	6,795	6,964	7,133	7,302	7,370
Zone 4:	26,084	26,972	27,860	28,748	29,103
Zone 5:	37,588	38,588	39,606	40,628	41,037
Zone 6:	47,787	48,037	48,867	49,843	50,233
Zone 7:	17,539	17,789	18,201	18,653	18,833
Zone 8:	9,295	9,522	9,750	9,977	10,068
Zone 9:	16,744	16,869	17,447	18,139	18,416
Zone 10:	35,199	35,699	37,015	38,536	39,144
TOTAL:	265,876	272,035	282,203	293,372	297,840

% GROWTH:

2014-31
8.2%
36.0%
8.5%
11.6%
9.2%
5.1%
7.4%
8.3%
10.0%
11.2%
12.0%

Source: The revised population projections for Mid Sussex District have been sourced from the local planning authority. These are taken from the Housing and Economic Development Needs Assessment 2015. The population projections are based on ONS (Sub-National Population Projections - 2012 Base) released in May 2014 and have been adjusted to take account of economic indicators over the plan period (i.e. April 2014-March 2031) and other datasets. Greater weight has been placed on the Council-derived population figures to align with other evidence-based studies that are using the same ONS published figures. CJ has necessarily applied the year-on-year growth rates at the District level to the key zones that broadly make up the local authority area. In this case it is assumed that Zones 1-6 and Zone 9 are broadly equivalent to the Mid Sussex District area. CJ has then allocated the forecast population growth to the different zones based on the planned and proposed housing allocations across the District and its main urban areas.

TABLE 2: REVISED EXPENDITURE PER CAPITA FORECASTS (excluding SFT)

ZONE:	2014 (incl SFT)	2014	2019	2024	2029	2031
EXPERIAN - SPECIAL FORMS OF TRADING (%):		2.5%	3.8%	4.9%	5.5%	5.8%
HOUSEHOLD SURVEY - REVISED SFT (%):		1.9%	3.0%	3.8%	4.3%	4.5%
Zone 1:	£2,271	£2,227	£2,213	£2,204	£2,205	£2,204
Zone 2:	£2,242	£2,198	£2,185	£2,176	£2,176	£2,176
Zone 3:	£2,575	£2,525	£2,509	£2,499	£2,500	£2,499
Zone 4:	£2,084	£2,044	£2,031	£2,023	£2,023	£2,022
Zone 5:	£2,274	£2,230	£2,216	£2,207	£2,208	£2,207
Zone 6:	£2,422	£2,375	£2,360	£2,351	£2,351	£2,350
Zone 7:	£2,673	£2,621	£2,605	£2,595	£2,595	£2,594
Zone 8:	£2,474	£2,426	£2,411	£2,401	£2,402	£2,401
Zone 9:	£2,455	£2,407	£2,392	£2,383	£2,383	£2,382
Zone 10:	£2,275	£2,231	£2,217	£2,208	£2,209	£2,208

% GROWTH:

2014-31
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%
-1.0%

Source: Average spend per capita estimates for 2012 are derived from Experian 'Retail Area Planner' Reports using the MMG3 GIS and the year-on-year expenditure growth forecasts have been informed by the latest Retail Planner Briefing Note published by Experian Business Strategies (October 2015).
 Notes: An allowance has been made for the market share of retail expenditure per capita on non-store sales (SFT - including mail order and internet shopping) at the base year and over the forecast period based on the research and forecasts published by Experian Business Strategies in the most recent Retail Planner Briefing Note.

TABLE 3: TOTAL AVAILABLE CONVENIENCE GOODS EXPENDITURE, 2014 - 2031 (£m)

ZONE:	2014 (incl SFT)	2014	2019	2024	2029	2031
Zone 1:	£81.6	£80.0	£80.1	£82.0	£84.7	£85.7
Zone 2:	£73.8	£72.3	£77.3	£85.1	£93.9	£97.4
Zone 3:	£17.5	£17.2	£17.5	£17.8	£18.3	£18.4
Zone 4:	£54.4	£53.3	£54.8	£56.4	£58.2	£58.9
Zone 5:	£85.5	£83.8	£85.5	£87.4	£89.7	£90.6
Zone 6:	£115.7	£113.5	£113.4	£114.9	£117.2	£118.1
Zone 7:	£46.9	£46.0	£46.3	£47.2	£48.4	£48.8
Zone 8:	£23.0	£22.5	£23.0	£23.4	£24.0	£24.2
Zone 9:	£41.1	£40.3	£40.4	£41.6	£43.2	£43.9
Zone 10:	£80.1	£78.5	£79.1	£81.7	£85.1	£86.4
TOTAL STUDY AREA	£619.5	£607.5	£617.3	£637.6	£662.6	£672.2

GROWTH: 2014-31

%	£m
7.1%	£5.7
34.6%	£25.0
7.3%	£1.3
10.4%	£5.5
8.0%	£6.7
4.0%	£4.6
6.3%	£2.9
7.2%	£1.6
8.8%	£3.6
10.0%	£7.9
10.7%	£64.7

Source: Total available expenditure within each zone has been calculated by multiplying the revised base year population and projections sourced from Mid Sussex District Council (Table 1B) and the expenditure per capita levels (Table 2).

TABLE 10: TRADE DRAW FROM OUTSIDE THE STUDY AREA AND TOTAL TURNOVER

		Estimated 'Inflow' from Outside Study Area (outside Zones 1-10)				
		2014	2019	2024	2029	2031
Main Town Centres:		£89.0	£90.4	£93.4	£97.0	£98.4
Haywards Heath Town Centre	0%	£14.8	£15.0	£15.5	£16.1	£16.4
Burgess Hill Town Centre	0%	£40.7	£41.4	£42.7	£44.4	£45.0
East Grinstead Centre	0%	£33.5	£34.0	£35.1	£36.5	£37.0
Village Centres & All Other Centres, Shops and Stores		£44.4	£45.1	£46.6	£48.4	£49.1
Hassocks		£9.5	£9.6	£10.0	£10.3	£10.5
Hurstpierpoint		£4.2	£4.3	£4.4	£4.6	£4.7
Other Village Centres		£9.6	£9.8	£10.1	£10.5	£10.6
Haywards Heath: All Other Shops & Stores		£10.1	£10.2	£10.6	£11.0	£11.2
Burgess Hill: All Other Shops & Stores		£7.4	£7.5	£7.8	£8.1	£8.2
East Grinstead: All Other Shops & Stores		£3.6	£3.7	£3.8	£3.9	£4.0
Out of Centre Stores		£230.2	£233.9	£241.6	£251.0	£254.7
Tesco, Jane Murray Way, Burgess Hill		£71.4	£72.5	£74.9	£77.8	£79.0
Sainsbury's, Brooklands Way, East Grinstead		£61.5	£62.5	£64.6	£67.1	£68.1
ASDA, London Road, East Grinstead		£21.4	£21.8	£22.5	£23.4	£23.7
Sainsbury's, Bannister Way, Haywards Heath		£75.6	£76.8	£79.3	£82.4	£83.6
Other Out-of-Centre Stores		£0.3	£0.3	£0.3	£0.3	£0.3
MID SUSSEX DISTRICT - TOTAL:		£363.5	£369.4	£381.5	£396.5	£402.2

Notes: The 'inflow' (trade draw) of expenditure from outside the study area to the District's main centres and stores are CJ's judgements based on the available evidence. The 'inflow' represents expenditure by commuters, visitors and tourists in shops and stores.

TABLE 11: NEW RETAIL COMMITMENTS - ESTIMATED CONVENIENCE GOODS BENCHMARK TURNOVERS

	BENCHMARK TURNOVER ESTIMATES (£ million)				
	2014	2019	2024	2029	2031
	£m	£m	£m	£m	£m
HAYWARDS HEATH	-	£38.9	£38.8	£38.8	£38.8
BURGESS HILL	-	£5.7	£5.7	£5.7	£5.7
EAST GRINSTEAD	-	£0.4	£0.4	£0.4	£0.4
HASSOCKS	-	£0.6	£0.6	£0.6	£0.6
OTHER	-	£0.6	£0.6	£0.6	£0.6
TOTAL	-	£46.2	£46.0	£46.0	£46.0

Source: Table 1, Appendix X

TABLE 12: MID SUSSEX DISTRICT - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF ALL FLOORSPACE IN DISTRICT (£ m):	£363.5	£369.4	£381.5	£396.5	£402.2
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN DISTRICT (£ m):	£363.5	£359.5	£358.5	£358.5	£358.5
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£9.9	£23.1	£38.0	£43.8
STEP 4: CONVENIENCE GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	£0.0	£46.2	£46.0	£46.0	£46.0
STEP 5: NET RESIDUAL EXPENDITURE - AFTER ALL COMMITMENTS (£m):	£0.0	-£36.3	-£23.0	-£8.0	-£2.2
STEP 6: FORECAST CAPACITY FOR NEW CONVENIENCE GOODS FLOORSPACE:					
Superstore Format ('Top 5' grocers):					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£12,250	£12,116	£12,079	£12,079	£12,079
ii Net Floorspace Capacity (sq m):	-	-2,998	-1,902	-664	-186
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	0	-4,283	-2,717	-949	-265
Supermarket/Deep Discounter Format (e.g. Aldi, Lidl, Netto, Co-op, etc.):					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£6,500	£6,429	£6,410	£6,410	£6,410
ii Net Floorspace Capacity (sq m):	-	-5,650	-3,585	-1,252	-350
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	-	-8,071	-5,121	-1,789	-500

- STEP 1: The (survey-derived) 'current' (or 'potential') turnovers assume constant market shares over the forecast period (derived from Table 10).
- STEP 2: It has been assumed for the purpose of this assessment that the District's convenience retail market is in 'equilibrium' at the base year (i.e. 'benchmark' turnovers are equivalent to the survey-derived 'current' turnover levels). The growth in the base year (survey-derived) turnover has been constrained over the forecast period assuming average annual 'productivity' growth rates informed by the latest Experian Retail Planner Briefing Note 12: Addendum (October 2014) and other research evidence.
- STEP 3: The forecast residual expenditure capacity (pre commitments) has been derived from Steps 1 and 2. No account is taken of commitments at this stage.
- STEP 4: The turnover of all known commitments has been derived from Table 11. It is assumed for the purpose of this assessment that all commitments will be opened by 2019 and will have reached 'mature' trading conditions.
- STEP 5: The 'net' residual expenditure capacity makes an allowance for the forecast turnover of all commitments (Step 4).
- STEP 6: The 'net' residual expenditure is converted into a net/gross floorspace capacity estimated based on the assumed higher average sales performance of superstore operators (i.e. Tesco, Asda, Sainsbury's, Waitrose, Morrisons and Marks & Spencer) and the lower average sales performance of supermarket and discount operators (e.g. Aldi, Lidl, Netto, Co-Op, Budgens, etc.).

TABLE 13: HAYWARDS HEATH - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF ALL FLOORSPACE IN HAYWARDS HEATH (£ m):	£100.4	£102.1	£105.4	£109.6	£111.1
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN HAYWARDS HEATH (£ m):	£100.4	£99.3	£99.0	£99.0	£99.0
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£2.7	£6.4	£10.5	£12.1
STEP 4: CONVENIENCE GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m):	£0.0	£38.9	£38.8	£38.8	£38.8
STEP 5: NET RESIDUAL EXPENDITURE - AFTER ALL COMMITMENTS (£m):	£0.0	-£36.2	-£32.4	-£28.3	-£26.7
STEP 6: FORECAST CAPACITY FOR NEW CONVENIENCE GOODS FLOORSPACE:					
Superstore Format ('Top 5' grocers):					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£12,250	£12,116	£12,079	£12,079	£12,079
ii Net Floorspace Capacity (sq m):	-	-2,988	-2,686	-2,344	-2,211
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	0	-4,269	-3,837	-3,348	-3,159
Supermarket/Deep Discounter Format (e.g. Aldi, Lidl, Netto, Co-op, etc.):					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£6,500	£6,429	£6,410	£6,410	£6,410
ii Net Floorspace Capacity (sq m):	-	-5,632	-5,061	-4,417	-4,167
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	-	-8,045	-7,230	-6,309	-5,953

Note: Turnover includes town centre and out of centre floorspace

TABLE 14: BURGESS HILL - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'POTENTIAL' TURNOVER OF ALL FLOORSPACE IN BURGESS HILL (£ m):	£119.5	£121.4	£125.4	£130.3	£132.2
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN BURGESS HILL (£ m):	£119.5	£118.2	£117.8	£117.8	£117.8
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£3.2	£7.6	£12.5	£14.4
STEP 4: CONVENIENCE GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	£0.0	£5.7	£5.7	£5.7	£5.7
STEP 5: NET RESIDUAL EXPENDITURE - AFTER ALL COMMITMENTS (£m):	£0.0	-£2.5	£1.9	£6.8	£8.7
STEP 6: FORECAST CAPACITY FOR NEW CONVENIENCE GOODS FLOORSPACE:					
Foodstore					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£12,250	£12,116	£12,079	£12,079	£12,079
ii Net Floorspace Capacity (sq m):	-	204	157	564	721
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	0	291	224	805	1,030
Deep Discounter					
i Estimated Average Sales Density of New Floorspace (£ per sq m):	£6,500	£6,429	£6,410	£6,410	£6,410
ii Net Floorspace Capacity (sq m):	-	-384	295	1,062	1,359
iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
iv Gross Floorspace Capacity (sq m):	-	-548	422	1,517	1,941

Note: Turnover includes town centre and out of centre floorspace

TABLE 15: EAST GRINSTEAD TOWN CENTRE - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

		2014	2019	2024	2029	2031
STEP 1:	TOTAL 'CURRENT' TURNOVER OF ALL FLOORSPACE IN EAST GRINSTEAD (£ m):	£120.0	£122.0	£126.0	£130.9	£132.8
STEP 2:	TOTAL 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN EAST GRINSTEAD (£ m):	£120.0	£118.7	£118.3	£118.3	£118.3
STEP 3:	NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£3.3	£7.6	£12.5	£14.5
STEP 4:	CONVENIENCE GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	£0.0	£0.4	£0.4	£0.4	£0.4
STEP 5:	NET RESIDUAL EXPENDITURE - AFTER ALL COMMITMENTS (£m):	£0.0	£2.9	£7.3	£12.2	£14.1
STEP 6:	FORECAST CAPACITY FOR NEW CONVENIENCE GOODS FLOORSPACE:					
	Foodstore					
	i Estimated Average Sales Density of New Floorspace (£ per sq m):	£12,250	£12,116	£12,079	£12,079	£12,079
	ii Net Floorspace Capacity (sq m):	0	239	601	1,010	1,168
	iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
	iv Gross Floorspace Capacity (sq m):	0	342	859	1,442	1,668
	Deep Discounter					
	i Estimated Average Sales Density of New Floorspace (£ per sq m):	£6,500	£6,429	£6,410	£6,410	£6,410
	ii Net Floorspace Capacity (sq m):	-	451	1,133	1,903	2,201
	iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
	iv Gross Floorspace Capacity (sq m):	-	644	1,618	2,718	3,144

Note: Turnover includes town centre and out of centre floorspace

TABLE 16: HASSOCKS, HURSTPIERPOINT & OTHER MAIN VILLAGE CENTRES - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

		2014	2019	2024	2029	2031
STEP 1:	TOTAL 'CURRENT' TURNOVER OF ALL FLOORSPACE IN EAST GRINSTEAD (£ m):	£23.3	£23.7	£24.4	£25.4	£25.8
STEP 2:	TOTAL 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN EAST GRINSTEAD (£ m):	£23.3	£23.0	£23.0	£23.0	£23.0
STEP 3:	NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.6	£1.5	£2.4	£2.8
STEP 4:	CONVENIENCE GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	£0.0	£1.2	£1.2	£1.2	£1.2
STEP 5:	NET RESIDUAL EXPENDITURE - AFTER ALL COMMITMENTS (£m):	£0.0	-£0.6	£0.3	£1.3	£1.6
STEP 6:	FORECAST CAPACITY FOR NEW CONVENIENCE GOODS FLOORSPACE:					
	Foodstore					
	i Estimated Average Sales Density of New Floorspace (£ per sq m):	£12,250	£12,116	£12,079	£12,079	£12,079
	ii Net Floorspace Capacity (sq m):	0	-46	24	104	134
	iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
	iv Gross Floorspace Capacity (sq m):	0	-65	35	148	192
	Deep Discounter					
	i Estimated Average Sales Density of New Floorspace (£ per sq m):	£6,500	£6,429	£6,410	£6,410	£6,410
	ii Net Floorspace Capacity (sq m):	-	-86	46	195	253
	iii Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
	iv Gross Floorspace Capacity (sq m):	-	-123	66	279	362

Note: Turnover includes town centre and out of centre floorspace

TABLE 17: MID SUSSEX DISTRICT'S MAIN STORES & CONVENIENCE FLOORSPACE
ESTIMATED SALES AREAS & BENCHMARK CONVENIENCE TURNOVERS

Main Foodstores	Net Sales (m ²)	% Convenience Sales	Conv Sales Area (m ²)	Sales Density (per m ²)	Turnover in 2014 (£m)
HAYWARDS HEATH TOWN CENTRE:					
Marks & Spencer (Foodhall), Orchards Shopping Centre	1,462	25%	366	£11,000	£4.0
Tesco Express, Orchards Shopping Centre	163	95%	154	£11,500	£1.8
Other Town Centre (including Iceland)	1,266	100%	1,266	£5,000	£6.3
Total Floorspace	2,891		1,786		£12.1
BURGESS HILL TOWN CENTRE:					
Lidl, The Martlets	673	80%	538	£4,500	£2.4
Waitrose, The Martlets	2,220	85%	1,887	£12,500	£23.6
Other Town Centre (including Iceland)	1,077	100%	1,077	£5,000	£5.4
Total Floorspace	3,970		3,502		£31.4
EAST GRINSTEAD TOWN CENTRE:					
Waitrose, West Street	1,849	95%	1,757	£12,500	£22.0
Other Town Centre (including Iceland)	1,531	100%	1,757	£5,000	£8.8
Total Floorspace	3,380		3,513		£30.7
OTHER CENTRES:					
Budgens, Hassocks	372	95%	353	£7,500	£2.7
OUT OF CENTRE:					
Aldi, London Road, East Grinstead	1,315	80%	1,052	£8,100	£8.5
Sainsbury's, Banister Way, Haywards Heath	3,682	60%	2,209	£12,750	£28.2
Sainsbury's, Brooklands Way, East Grinstead	2,794	60%	1,676	£12,750	£21.4
Tesco, Jane Murray Way, Burgess Hill	3,563	60%	2,138	£11,500	£24.6
Total Floorspace:	11,354		7,075		£82.6
TOTAL	21,967		16,230		£159.6

TABLE 18: MID SUSSEX DISTRICT'S MAIN CENTRES & STORES
DIFFERENCES BETWEEN 'BENCHMARK' & 'CURRENT' TURNOVER LEVELS AT 2014 .

Main Foodstores	'Benchmark' Turnover	'Current' Turnover	Difference	
HAYWARDS HEATH TOWN CENTRE:	£12.13	£14.78	£2.7	22%
BURGESS HILL TOWN CENTRE:	£31.40	£40.71	£9.3	30%
EAST GRINSTEAD TOWN CENTRE:	£30.74	£33.46	£2.7	9%
OUT OF CENTRE:				
Aldi, London Road, East Grinstead	£8.52	£21.42	£12.9	151%
Sainsbury's, Banister Way, Haywards Heath	£28.17	£75.59	£47.4	168%
Sainsbury's, Brooklands Way, East Grinstead	£21.37	£61.53	£40.2	188%
Tesco, Jane Murray Way, Burgess Hill	£24.58	£71.37	£46.8	190%
Total Floorspace:	£82.65	£229.91	£147.3	178%
TOTAL	£156.91	£318.86	£161.95	203%

APPENDIX 4: COMPARISON CAPACITY ASSESSMENT

TABLE 1A: EXPERIAN BUSINESS STRATEGIES - BASE YEAR (2014) POPULATION & PROJECTIONS (to 2031)

ZONE:	2014	2019	2024	2029	2031	% GROWTH: 2014-31
Zone 1: Haywards Heath	35,941	37,429	38,953	40,257	40,721	13.3%
Zone 2: Burgess Hill	32,904	34,093	35,373	36,589	37,097	12.7%
Zone 3: Haywards Heath / Burgess Hill	6,795	7,065	7,278	7,472	7,544	11.0%
Zone 4: Crawley/ Haywards Heath	26,084	27,520	28,888	30,065	30,545	17.1%
Zone 5: Crawley/ East Grinstead	37,588	39,378	41,098	42,641	43,179	14.9%
Zone 6: East Grinstead	47,787	49,446	51,320	52,990	53,600	12.2%
Zone 7: Haywards Heath/ Uckfield	17,539	18,275	19,096	19,783	19,997	14.0%
Zone 8: Burgess Hill / Brighton	9,295	9,598	9,869	10,113	10,206	9.8%
Zone 9: Burgess Hill/ Hurstpierpoint/ Hassocks	16,744	17,324	17,869	18,373	18,556	10.8%
Zone 10: Brighton/ Hove	35,199	36,136	37,156	38,589	39,144	11.2%
TOTAL:	265,876	276,264	286,900	296,872	300,589	13.1%

Source: The base year (2014) population and projections to 2031 have been sourced directly from Experian's latest 'Retail Area Planner' Reports for each study zone using SP's (Experian-based) MMG3 Geographic Information System (GIS). The base year population estimates are based on 2012 ONS (mid-year) population figures. The population projections for each Study Zone draw on Experian's revised 'demographic component model'. This takes into account 2012 mid-year age and gender estimates and projects the population forward year-on-year based on Government population projections for local authority areas in England. The yearly components of population change that are taken into account are the birth rate (0-4 age band); ageing; net migration; and death rate.

TABLE 1B: MID SUSSEX DISTRICT COUNCIL - REVISED BASE YEAR (2014) POPULATION & PROJECTIONS (to 2031)

ZONE:	2014	2019	2024	2029	2031	% GROWTH: 2014-31
Zone 1: Haywards Heath	35,941	36,191	37,202	38,404	38,884	8.2%
Zone 2: Burgess Hill	32,904	35,404	39,121	43,143	44,752	36.0%
Zone 3: Haywards Heath / Burgess Hill	6,795	6,964	7,133	7,302	7,370	8.5%
Zone 4: Crawley/ Haywards Heath	26,084	26,972	27,860	28,748	29,103	11.6%
Zone 5: Crawley/ East Grinstead	37,588	38,588	39,606	40,628	41,037	9.2%
Zone 6: East Grinstead	47,787	48,037	48,867	49,843	50,233	5.1%
Zone 7: Haywards Heath/ Uckfield	17,539	17,789	18,201	18,653	18,833	7.4%
Zone 8: Burgess Hill / Brighton	9,295	9,522	9,750	9,977	10,068	8.3%
Zone 9: Burgess Hill/ Hurstpierpoint/ Hassocks	16,744	16,869	17,447	18,139	18,416	10.0%
Zone 10: Brighton/ Hove	35,199	35,699	37,015	38,536	39,144	11.2%
TOTAL:	265,876	272,035	282,203	293,372	297,840	12.0%

Source: The revised population projections for Mid Sussex District have been sourced from the local planning authority. These are taken from the Housing and Economic Development Needs Assessment 2011. The population projections are based on ONS (Sub-National Population Projections - 2012 Base) released in May 2014 and have been adjusted to take account of economic indicators over the plan period (i.e. April 2014-March 2031) and other datasets. Greater weight has been placed on the Council-derived population figures to align with other evidence-based studies that are using the same ONS published figures. CJ has necessarily applied the year-on-year growth rates at the District level to the key zones that broadly make up the local authority area. In this case it is assumed that Zones 1-6 and Zone 9 are broadly equivalent to the Mid Sussex District area. CJ has then allocated the forecast population growth to the different zones based on the planned and proposed housing allocations across the District and its main urban areas.

TABLE 2: REVISED EXPENDITURE PER CAPITA FORECASTS (excluding SFT)

ZONE:	2014 (incl SFT)	2014	2019	2024	2029	2031	% GROWTH: 2014-31
EXPERIAN - SPECIAL FORMS OF TRADING (%):		11.7%	15.3%	16.0%	15.7%	15.5%	32.5%
HOUSEHOLD SURVEY - REVISED SFT (%):		14.4%	18.5%	19.4%	18.9%	18.8%	30.4%
Zone 1: Haywards Heath	£3,801	£3,253	£3,674	£4,228	£4,981	£5,313	52.3%
Zone 2: Burgess Hill	£3,700	£3,167	£3,576	£4,116	£4,849	£5,172	52.3%
Zone 3: Haywards Heath / Burgess Hill	£4,587	£3,926	£4,433	£5,103	£6,011	£6,412	52.3%
Zone 4: Crawley/ Haywards Heath	£3,012	£2,578	£2,911	£3,351	£3,947	£4,210	52.3%
Zone 5: Crawley/ East Grinstead	£3,990	£3,415	£3,856	£4,438	£5,229	£5,578	52.3%
Zone 6: East Grinstead	£4,183	£3,580	£4,043	£4,653	£5,482	£5,847	52.3%
Zone 7: Haywards Heath/ Uckfield	£4,658	£3,987	£4,502	£5,182	£6,104	£6,511	52.3%
Zone 8: Burgess Hill / Brighton	£4,208	£3,602	£4,067	£4,681	£5,514	£5,882	52.3%
Zone 9: Burgess Hill/ Hurstpierpoint/ Hassocks	£4,197	£3,592	£4,057	£4,669	£5,500	£5,867	52.3%
Zone 10: Brighton/ Hove	£3,556	£3,044	£3,437	£3,956	£4,660	£4,971	52.3%

Source: Average spend per capita estimates for 2014 are derived from Experian 'Retail Area Planner' Reports using the MMG3 GIS and the year-on-year expenditure growth forecasts have been informed by the latest Retail Planner Briefing Note published by Experian Business Strategies (October 2015).

Notes: An allowance has been made for the market share of retail expenditure per capita on non-store sales (SFT - including mail order and internet shopping) at the base year and over the forecast period based on the research and forecasts published by Experian Business Strategies in the most recent Retail Planner Briefing Note.

TABLE 3: TOTAL AVAILABLE COMPARISON GOODS EXPENDITURE, 2014 - 2031 (€m)

ZONE:	2014 (incl SFT)	2014	2019	2024	2029	2031	GROWTH: 2014-31	
							%	€m
Zone 1: Haywards Heath	£136.6	£116.9	£133.0	£157.3	£191.3	£206.6	76.7%	£89.7
Zone 2: Burgess Hill	£121.7	£104.2	£126.6	£161.0	£209.2	£231.5	122.1%	£127.3
Zone 3: Haywards Heath / Burgess Hill	£31.2	£26.7	£30.9	£36.4	£43.9	£47.3	77.1%	£20.6
Zone 4: Crawley/ Haywards Heath	£78.6	£67.2	£78.5	£93.3	£113.5	£122.5	82.2%	£55.3
Zone 5: Crawley/ East Grinstead	£150.0	£128.4	£148.8	£175.8	£212.4	£228.9	78.3%	£100.5
Zone 6: East Grinstead	£199.9	£171.1	£194.2	£227.4	£273.2	£293.7	71.7%	£122.6
Zone 7: Haywards Heath/ Uckfield	£81.7	£69.9	£80.1	£94.3	£113.9	£122.6	75.4%	£52.7
Zone 8: Burgess Hill / Brighton	£39.1	£33.5	£38.7	£45.6	£55.0	£59.2	76.9%	£25.7
Zone 9: Burgess Hill/ Hurstpierpoint/ Hassocks	£70.3	£60.1	£68.4	£81.5	£99.8	£108.0	79.6%	£47.9
Zone 10: Brighton/ Hove	£125.2	£107.1	£122.7	£146.4	£179.6	£194.6	81.6%	£87.4
TOTAL	£1,034.2	£885.2	£1,021.9	£1,219.1	£1,491.7	£1,614.9	82.4%	£729.8

Source: Total available expenditure within each zone has been calculated by multiplying the revised base year population and projections sourced from Mid Sussex District Council (Table 1B) and the expenditure per capita levels (Table 2).

TABLE 4: ALL COMPARISON GOODS - 2014 MARKET SHARE ANALYSIS (%): EXCLUDING EXPENDITURE ON SPECIAL FORMS OF TRADING

		ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	TOTAL STUDY AREA
MID SUSSEX	Haywards Heath Town Centre	45.7%	1.9%	28.9%	5.6%	0.2%	0.2%	25.2%	3.4%	3.3%	0.0%	9.6%
	Burgess Hill Town Centre	10.8%	51.6%	16.8%	0.8%	0.0%	0.0%	7.3%	32.5%	24.6%	2.1%	11.7%
	East Grinstead Town Centre	0.0%	0.0%	0.0%	2.2%	6.7%	44.5%	1.8%	0.0%	0.0%	0.0%	10.1%
	MAIN TOWN CENTRES:	56.5%	53.6%	45.7%	8.6%	6.9%	44.6%	34.3%	35.9%	27.9%	2.1%	31.3%
	Hassocks	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	9.6%	1.6%	0.5%	0.6%
	Hurstpierpoint	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.2%	0.5%	4.3%	0.0%	0.4%
	Crawley Down	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Cuckfield	0.4%	0.0%	3.0%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
	Lindfield	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.6%	0.2%	0.0%	0.0%	0.1%
	Other Mid Sussex Centres, Shops and Stores:	0.0%	0.0%	0.5%	0.2%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.1%
	ALL OTHER MID SUSSEX CENTRES & STORES	0.7%	0.1%	4.2%	0.5%	0.3%	0.0%	0.8%	11.2%	5.9%	0.5%	1.3%
	Mid Sussex Retail Park: Burgess Hill	0.5%	1.3%	1.5%	0.1%	0.0%	0.0%	0.5%	0.6%	1.1%	0.0%	0.4%
	Wickes: London Road, Burgess Hill	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
	Tesco: Jane Murray Way, Burgess Hill	0.2%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.2%
	Other Out-of-Centre Stores: Burgess Hill	0.3%	1.0%	0.1%	0.0%	0.0%	0.0%	1.1%	1.4%	0.0%	0.0%	0.3%
	Bridge Retail Park: London Road, East Grinstead	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.2%
	Wickes: Bridge Park, London Road, East Grinstead	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%
	Homebase: London Road, East Grinstead	0.0%	0.0%	0.0%	0.0%	0.2%	2.0%	0.1%	0.0%	0.0%	0.0%	0.4%
	Carpetright: London Road, East Grinstead	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.2%
	Sainsbury's: Brooklands Way, East Grinstead	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.2%
Sainsbury's: Bannister Way, Haywards Heath	0.7%	0.2%	1.2%	0.4%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.2%	
MID SUSSEX OUT-OF-CENTRE STORES	1.7%	3.1%	3.3%	0.5%	0.3%	5.1%	1.7%	3.7%	1.1%	0.1%	2.1%	
MID SUSSEX DISTRICT: RETENTION LEVEL	58.9%	56.8%	53.3%	9.6%	7.5%	49.7%	36.8%	50.8%	34.9%	2.7%	34.7%	
OTHER CENTRES & STORES	Brighton	14.5%	18.5%	9.1%	2.9%	1.4%	3.9%	8.9%	34.3%	21.1%	69.2%	17.5%
	Crawley	17.3%	15.9%	22.7%	73.8%	76.5%	28.9%	6.3%	5.0%	5.0%	1.1%	28.5%
	Crowborough	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.1%
	Croydon	1.0%	1.1%	0.3%	1.9%	2.3%	2.3%	0.0%	0.0%	0.6%	0.5%	1.3%
	Horsham	0.4%	0.7%	5.7%	2.3%	2.0%	0.0%	0.2%	0.6%	11.3%	0.5%	1.7%
	Hove	0.1%	1.0%	0.4%	0.0%	0.0%	0.0%	0.0%	1.8%	6.7%	14.0%	2.4%
	Lewes	0.2%	0.3%	0.0%	0.0%	0.0%	0.2%	2.8%	0.3%	0.0%	0.4%	0.4%
	Shoreham	3.6%	1.0%	1.4%	0.2%	0.0%	0.1%	0.0%	1.4%	3.7%	3.3%	1.4%
	Tunbridge Wells	0.3%	0.2%	0.2%	0.6%	1.2%	10.0%	11.5%	0.0%	0.0%	0.0%	3.1%
	All Other Shops & Stores	3.8%	4.6%	6.8%	8.5%	9.0%	4.9%	32.9%	5.7%	16.6%	8.3%	9.0%
	ALL OUTSIDE STUDY AREA	41.1%	43.2%	46.7%	90.4%	92.5%	50.3%	63.2%	49.2%	65.1%	97.3%	65.3%
TOTAL MARKET SHARE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Total comparison goods market share analysis derived from the shopping patterns and expenditure flows for different categories of comparison goods spend based on the household survey results (see Appendix 5).

TABLE 5: ALL COMPARISON GOODS - 2014 MARKET SHARE ANALYSIS OF EXPENDITURE FLOWS (£M)

		ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	TOTAL STUDY AREA
	TOTAL AVAILABLE EXPENDITURE IN 2014 (£m):	£116.9	£104.2	£26.7	£67.2	£128.4	£171.1	£69.9	£33.5	£60.1	£107.1	£885.2
MID SUSSEX	Haywards Heath Town Centre	£53.4	£2.0	£7.7	£3.8	£0.2	£0.3	£17.6	£1.1	£2.0	£0.0	£84.6
	Burgess Hill Town Centre	£12.6	£53.8	£4.5	£0.5	£0.0	£0.0	£5.1	£10.9	£14.8	£2.2	£103.2
	East Grinstead Town Centre	£0.0	£0.0	£0.0	£1.5	£8.6	£76.1	£1.3	£0.0	£0.0	£0.0	£89.3
	MAIN TOWN CENTRES:	£66.0	£55.8	£12.2	£5.8	£8.9	£76.3	£24.0	£12.0	£16.8	£2.2	£277.1
	Hassocks	£0.0	£0.1	£0.0	£0.0	£0.0	£0.0	£0.0	£3.2	£1.0	£0.6	£5.1
	Hurstpierpoint	£0.0	£0.0	£0.2	£0.0	£0.0	£0.0	£0.1	£0.2	£2.6	£0.0	£3.1
	Crawley Down	£0.0	£0.0	£0.0	£0.0	£0.3	£0.0	£0.0	£0.0	£0.0	£0.0	£0.2
	Cuckfield	£0.4	£0.0	£0.8	£0.1	£0.2	£0.0	£0.0	£0.0	£0.0	£0.0	£1.5
	Lindfield	£0.4	£0.0	£0.0	£0.1	£0.0	£0.0	£0.4	£0.1	£0.0	£0.0	£0.9
	Other Mid Sussex Centres, Shops and Stores:	£0.0	£0.0	£0.1	£0.1	£0.0	£0.0	£0.0	£0.3	£0.0	£0.0	£0.6
	ALL OTHER MID SUSSEX CENTRES & STORES	£0.8	£0.1	£1.1	£0.3	£0.4	£0.0	£0.6	£3.8	£3.5	£0.6	£11.5
	Mid Sussex Retail Park: Burgess Hill	£0.6	£1.3	£0.4	£0.0	£0.0	£0.0	£0.4	£0.2	£0.6	£0.0	£3.5
	Wickes: London Road, Burgess Hill	£0.1	£0.1	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.1	£0.3
	Tesco: Jane Murray Way, Burgess Hill	£0.2	£0.6	£0.1	£0.0	£0.0	£0.0	£0.0	£0.5	£0.0	£0.0	£1.5
	Other Out-of-Centre Stores: Burgess Hill	£0.3	£1.1	£0.0	£0.0	£0.0	£0.0	£0.8	£0.5	£0.0	£0.0	£2.5
	Bridge Retail Park: London Road, East Grinstead	£0.0	£0.0	£0.0	£0.0	£0.0	£1.4	£0.0	£0.0	£0.0	£0.0	£1.5
	Wickes: Bridge Park, London Road, East Grinstead	£0.0	£0.0	£0.0	£0.0	£0.2	£0.6	£0.0	£0.0	£0.0	£0.0	£0.7
	Homebase: London Road, East Grinstead	£0.0	£0.0	£0.0	£0.0	£0.2	£3.5	£0.1	£0.0	£0.0	£0.0	£3.8
	Carpetright: London Road, East Grinstead	£0.0	£0.0	£0.0	£0.0	£0.0	£1.8	£0.0	£0.0	£0.0	£0.0	£1.8
	Sainsbury's: Brooklands Way, East Grinstead	£0.0	£0.0	£0.0	£0.0	£0.0	£1.5	£0.0	£0.0	£0.0	£0.0	£1.6
Sainsbury's: Bannister Way, Haywards Heath	£0.9	£0.2	£0.3	£0.3	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£1.7	
MID SUSSEX OUT-OF-CENTRE STORES	£2.0	£3.3	£0.9	£0.4	£0.4	£8.7	£1.2	£1.2	£0.6	£0.1	£18.8	
MID SUSSEX DISTRICT: RETENTION LEVEL	£68.8	£59.2	£14.2	£6.5	£9.7	£85.0	£25.7	£17.0	£21.0	£2.9	£307.4	
OTHER CENTRES & STORES	Brighton	£17.0	£19.3	£2.4	£1.9	£1.8	£6.7	£6.2	£11.5	£12.7	£74.1	£154.6
	Crawley	£20.2	£16.6	£6.1	£49.6	£98.1	£49.5	£4.4	£1.7	£3.0	£1.1	£252.5
	Crowborough	£0.0	£0.0	£0.0	£0.1	£0.0	£0.0	£0.4	£0.0	£0.0	£0.0	£0.5
	Croydon	£1.2	£1.1	£0.1	£1.3	£3.0	£3.9	£0.0	£0.0	£0.4	£0.6	£11.7
	Horsham	£0.4	£0.7	£1.5	£1.5	£2.6	£0.0	£0.2	£0.2	£6.8	£0.6	£14.9
	Hove	£0.1	£1.0	£0.1	£0.0	£0.1	£0.0	£0.0	£0.6	£4.0	£15.0	£21.4
	Lewes	£0.2	£0.3	£0.0	£0.0	£0.0	£0.3	£2.0	£0.1	£0.0	£0.4	£3.1
	Shoreham	£4.2	£1.0	£0.4	£0.1	£0.0	£0.2	£0.0	£0.5	£2.2	£3.6	£12.1
	Tunbridge Wells	£0.4	£0.2	£0.1	£0.4	£1.5	£17.1	£8.1	£0.0	£0.0	£0.0	£27.5
	All Other Shops & Stores	£4.4	£4.8	£1.8	£5.7	£11.6	£8.4	£23.0	£1.9	£10.0	£8.9	£79.5
	ALL OUTSIDE STUDY AREA	£48.1	£45.0	£12.5	£60.8	£118.7	£86.1	£44.2	£16.5	£39.2	£104.3	£577.8
TOTAL MARKET SHARE	£116.9	£104.2	£26.7	£67.2	£128.4	£171.1	£69.9	£33.5	£60.1	£107.1	£885.2	

Source: Table 3 and Table 4

TABLE 10: ESTIMATED 'INFLOW' (TRADE DRAW) FROM OUTSIDE STUDY AREA & TOTAL FORECAST TURNOVERS

		Estimated 'Inflow' from Outside Study Area	2014	2019	2024	2029	2031
Main Town Centres:			£291.7	£336.8	£401.7	£491.6	£532.2
	Haywards Heath Town Centre	5%	£89.1	£102.8	£122.7	£150.1	£162.5
	Burgess Hill Town Centre	5%	£108.6	£125.4	£149.6	£183.0	£198.1
	East Grinstead Town Centre	5%	£94.0	£108.6	£129.5	£158.5	£171.6
Other Centres/Shops in Mid Sussex		0%	£11.5	£13.3	£15.9	£19.5	£21.1
	Hassocks	1%	£5.1	£5.9	£7.1	£8.7	£9.4
	Hurstpierpoint	1%	£3.2	£3.7	£4.4	£5.4	£5.8
	Other Village Centres/ Shops	0%	£3.2	£3.7	£4.4	£5.4	£5.9
Out of Centre		0%	£19.4	£22.4	£26.8	£32.8	£35.5
	Haywards Heath: Out-of-Centre	0%	£1.7	£1.9	£2.3	£2.8	£3.0
	Burgess Hill: Out-of-Centre	2%	£7.9	£9.2	£10.9	£13.4	£14.5
	East Grinstead: Out-of-Centre	5%	£9.9	£11.4	£13.6	£16.6	£18.0
MID SUSSEX DISTRICT - TOTAL:			£322.7	£372.6	£444.4	£543.8	£588.7

Notes: 'Inflow' (trade draw) represents the potential expenditure from commuters, tourists and visitors to the District's main centres, shops and stores who live outside the defined study area (i.e. beyond Zones 1-10).

TABLE 11: NEW RETAIL COMMITMENTS - ESTIMATED COMPARISON GOODS SALES AREAS & BENCHMARK TURNOVERS (£m)

	TURNOVER (£m)				
	2014	2019	2024	2029	2031
HAYWARDS HEATH	-	£2.9	£3.2	£3.5	£3.6
BURGESS HILL		£31.1	£34.2	£37.8	£39.3
EAST GRINSTEAD	-	£3.0	£3.3	£3.6	£3.7
OTHER SMALLER CENTRES		£1.3	£1.4	£1.6	£1.7
TOTAL TURNOVER OF COMMITTED RETAIL FLOORSPACE (£m):	-	£38.3	£42.1	£46.5	£48.3

TABLE 12: MID SUSSEX DISTRICT - COMPARISON GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

		2014	2019	2024	2029	2031
STEP 1:	TOTAL FORECAST 'CURRENT' TURNOVER OF ALL FLOORSPACE IN DISTRICT (£m):	£322.7	£372.6	£444.4	£543.8	£588.7
STEP 2:	TOTAL FORECAST 'BENCHMARK' TURNOVER OF ALL FLOORSPACE IN DISTRICT (£m) ⁽ⁱ⁾ :	£322.7	£372.5	£410.0	£452.7	£471.0
STEP 3:	NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.1	£34.4	£91.1	£117.7
STEP 4:	COMPARISON GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	-	£38.3	£42.1	£46.5	£48.3
STEP 5:	NET RESIDUAL EXPENDITURE AFTER COMMITMENTS:	£0.0	-£38.2	-£7.8	£44.6	£69.4
STEP 6:	FORECAST CAPACITY FOR NEW COMPARISON GOODS FLOORSPACE:					
	(i) Estimated Average Sales Density of New Floorspace (£ per sq m):	£5,500	£6,349	£6,989	£7,716	£8,028
	(ii) Net Floorspace Capacity (sq m):	0	-6,025	-1,111	5,781	8,643
	(iii) Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
	(iv) Gross Floorspace Capacity (sq m):	-	-8,607	-1,588	8,259	12,348

STEP 1: The (survey-derived) 'current' turnovers assume constant market shares over the forecast period (derived from Table 10).

STEP 2: An allowance has been made for the growth in 'productivity' ('efficiency') of all existing and new comparison goods floorspace based on the most recent annual growth rates published by Experian Business Strategies in Retail Planner Briefing Note 13: Addendum (October 2015).

STEP 3: The forecast residual expenditure capacity (pre commitments) has been derived from Steps 1 and 2.

STEP 4: The turnover of all known commitments has been derived from Table 11. It is assumed for the purpose of this assessment that all commitments will be opened by 2019 and will have reached 'mature' trading conditions.

STEP 5: The 'net' residual expenditure capacity makes an allowance for the forecast turnover of all known commitments (Step 4).

STEP 6: The 'net' residual expenditure is converted into a net/gross floorspace capacity estimate based on the assumed average sales performance of new (prime) retail floorspace. It should be noted that different comparison goods retailers trade at different average sales levels and this will need to be taken into account when assessing the relative merits and need for different types of retail floorspace.

TABLE 13: HAYWARDS HEATH - COMPARISON GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN HAYWARDS HEATH (£m):	£90.7	£104.7	£125.0	£152.9	£165.5
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN HAYWARDS HEATH (£m) :	£90.7	£104.7	£115.3	£127.3	£132.4
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.0	£9.7	£25.6	£33.1
STEP 4: COMPARISON GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	-	£2.9	£3.2	£3.5	£3.6
STEP 5: NET RESIDUAL EXPENDITURE AFTER COMMITMENTS:	£0.0	-£2.9	£6.5	£22.1	£29.5
STEP 6: FORECAST CAPACITY FOR NEW COMPARISON GOODS FLOORSPACE:					
(i) Estimated Average Sales Density of New Floorspace (£ per sq m):	£5,500	£6,349	£6,989	£7,716	£8,028
(ii) Net Floorspace Capacity (sq m):	0	-459	927	2,869	3,675
(iii) Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
(iv) Gross Floorspace Capacity (sq m):	-	-655	1,325	4,099	5,250

Note: Turnover includes town centre and out of centre floorspace

TABLE 14: BURGESS HILL - COMPARISON GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN BURGESS HILL (£m):	£116.5	£134.5	£160.5	£196.4	£212.6
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN BURGESS HILL (£m) :	£116.5	£134.5	£148.1	£163.5	£170.1
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.0	£12.4	£32.9	£42.5
STEP 4: COMPARISON GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	-	£31.1	£34.2	£37.8	£39.3
STEP 5: NET RESIDUAL EXPENDITURE AFTER COMMITMENTS:	£0.0	-£31.1	-£21.8	-£4.9	£3.2
STEP 6: FORECAST CAPACITY FOR NEW COMPARISON GOODS FLOORSPACE:					
(i) Estimated Average Sales Density of New Floorspace (£ per sq m):	£5,500	£6,349	£6,989	£7,716	£8,028
(ii) Net Floorspace Capacity (sq m):	0	-4,896	-3,124	-637	396
(iii) Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
(iv) Gross Floorspace Capacity (sq m):	-	-6,995	-4,463	-910	565

Note: Turnover includes town centre and out of centre floorspace

TABLE 15: EAST GRINSTEAD - COMPARISON GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN EAST GRINSTEAD (£m):	£103.9	£119.9	£143.1	£175.1	£189.5
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF ALL TOWN CENTRE & OUT-OF-CENTRE FLOORSPACE IN EAST GRINSTEAD (£m) :	£103.9	£119.9	£132.0	£145.7	£151.6
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.0	£11.1	£29.3	£37.9
STEP 4: COMPARISON GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	-	£3.0	£3.3	£3.6	£3.7
STEP 5: NET RESIDUAL EXPENDITURE AFTER COMMITMENTS:	£0.0	-£2.9	£7.8	£25.7	£34.2
STEP 6: FORECAST CAPACITY FOR NEW COMPARISON GOODS FLOORSPACE:					
(i) Estimated Average Sales Density of New Floorspace (£ per sq m):	£5,500	£6,349	£6,989	£7,716	£8,028
(ii) Net Floorspace Capacity (sq m):	0	-463	1,116	3,334	4,254
(iii) Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
(iv) Gross Floorspace Capacity (sq m):	-	-662	1,595	4,762	6,078

Note: Turnover includes town centre and out of centre floorspace

TABLE 16: HASSOCKS, HURSTPIERPOINT & OTHER MAIN VILLAGE CENTRES - CONVENIENCE GOODS CAPACITY ASSESSMENT
Assume Equilibrium at Base Year and Constant Market Shares

	2014	2019	2024	2029	2031
STEP 1: TOTAL 'CURRENT' TURNOVER OF FLOORSPACE IN HASSOCKS, HURSTPIERPOINT AND OTHER MAIN VILLAGE CENTRES (£m):	£11.5	£13.3	£15.9	£19.5	£21.1
STEP 2: TOTAL 'BENCHMARK' TURNOVER OF FLOORSPACE HASSOCKS, HURSTPIERPOINT AND OTHER MAIN VILLAGE CENTRES (£m)	£11.5	£13.3	£14.7	£16.2	£16.9
STEP 3: NET RESIDUAL EXPENDITURE - EXCLUDING ANY COMMITMENTS (£m):	£0.0	£0.0	£1.2	£3.3	£4.2
STEP 4: COMPARISON GOODS TURNOVER OF ALL COMMITTED FLOORSPACE (£m)	-	£0.0	£0.0	£0.0	£0.0
STEP 5: NET RESIDUAL EXPENDITURE AFTER COMMITMENTS:	£0.0	£0.0	£1.2	£3.3	£4.2
STEP 6: FORECAST CAPACITY FOR NEW COMPARISON GOODS FLOORSPACE:					
(i) Estimated Average Sales Density of New Floorspace (£ per sq m):	£5,500	£6,349	£6,989	£7,716	£8,028
(ii) Net Floorspace Capacity (sq m):	0	0	176	422	525
(iii) Assumed Net / Gross Floorspace Ratio:	70%	70%	70%	70%	70%
(iv) Gross Floorspace Capacity (sq m):	-	1	251	603	749

APPENDIX 5: COMMITTED RETAIL FLOORSPACE

TABLE 1: NEW RETAIL COMMITMENTS - ESTIMATED CONVENIENCE GOODS SALES AREAS & BENCHMARK TURNOVERS.

LPA Planning Ref	Development Status	Estimated Sales Area (m ² net)	Average Sales (£ per m ²)	BENCHMARK TURNOVER ESTIMATES (£m)					
				2014	2019	2024	2029	2031	
HAYWARDS HEATH				£39.4	£38.9	£38.8	£38.8	£38.8	
1. Station Redevelopment, Waitrose:	12/02935/FUL	Started	2,323	£12,500	£29.0	£28.7	£28.6	£28.6	£28.6
2. Station Redevelopment, Other Convenience:	12/02935/FUL	Started	83	£5,000	£0.4	£0.4	£0.4	£0.4	£0.4
3. Sainsbury, Bannister Way	14/00527/FUL	Permitted	399	£12,750	£5.1	£5.0	£5.0	£5.0	£5.0
4. Extension to One Stop, Walnut Park	14/01439/FUL	Completed	104	£6,000	£0.6	£0.6	£0.6	£0.6	£0.6
5. Nos. 51 - 53 The Broadway	12/04005/FUL	Permitted	30	£5,000	£0.2	£0.1	£0.1	£0.1	£0.1
6. No. 39 Larch Way	14/01439/FUL	Started	105	£6,000	£0.6	£0.6	£0.6	£0.6	£0.6
7. Former Mayflower Public House, America Lane	13/00970/FUL	Completed	569	£6,000	£3.4	£3.4	£3.4	£3.4	£3.4
BURGESS HILL				£5.8	£5.7	£5.7	£5.7	£5.7	
8. Land East of Kings Way	12/01532/OUT	Permitted	196	£6,500	£1.3	£1.3	£1.3	£1.3	£1.3
9. Co-operative, 86 Junction Road	12/02873/FUL	Occupied	252	£7,500	£1.9	£1.9	£1.9	£1.9	£1.9
10. Co-operative, 200 London Road	13/02762/COU	Occupied	347	£7,500	£2.6	£2.6	£2.6	£2.6	£2.6
EAST GRINSTEAD				£0.4	£0.4	£0.4	£0.4	£0.4	
11. Sussex House London Road	13/04040/FUL	Started	71	£5,000	£0.4	£0.4	£0.4	£0.4	£0.4
HASSOCKS				£0.6	£0.6	£0.6	£0.6	£0.6	
12. Nos. 22-24 Keymer Road	10/03696/FUL	Completed	49	£12,750	£0.6	£0.6	£0.6	£0.6	£0.6
OTHER				£0.6	£0.6	£0.6	£0.6	£0.6	
13. London Road Bolney	BK/2739/13	Permitted	116	£5,000	£0.6	£0.6	£0.6	£0.6	£0.6
TOTAL				£46.7	£46.2	£46.0	£46.0	£46.0	

Note: Average 'Benchmark' Turnovers have been informed by a variety of sources (including Verdict Research and Mintel). The year-on-year growth in floorspace 'productivity' (turnover 'efficiency') is based on the latest Retail Planner Briefing Note published by Experian Business Strategies (October 2015).

- Source:
1. Permission granted for mixed use development by Solum Regeneration (JV between Network Rail and Kier) on land in and around Haywards Heath Railway Station to include a new Waitrose store. The sales area split between convenience and comparison goods has been taken from the planning application and Retail Assessment submitted by Savills (August 2012) in support of the redevelopment. In addition to the net sales area the foodstore will include a cafe (937sqm) and will be served by some 208 parking spaces.
 2. The Haywards Heath Railway Station also has permission for an additional 516 m² gross of new Class A1-A4 floorspace. A net/gross floorspace ratio of 80% has been assumed for the purpose of this assessment; and that up to 20% of the new Class A1-A4 will be set aside for small-scale food and convenience goods retailing.
 3. Planning permission was granted to extend the existing Sainsbury's store at Bannister Way (14/00527/FUL). The extension extends to 149m² gross and will provide increased space for customer check outs. However, we have assumed that this will free up existing floorspace for sales. Therefore, we assume net sales is 65% of gross (399m²) for the extended area. The sales density is based on the company average for Sainsbury's derived from from Mintel and Verdict.
 4. Planning permission was granted to extend the existing convenience store by 149 sqm (planning ref: 14/01439/FUL). The extension includes an extended area of sales and store space. Therefore, we have assumed a net sales area of 104 sqm (70% of gross floorspace). The net sales density based on average sales for similar type convenience retailers.
 5. Nos 51 to 53 The Broadway - planning permission was granted to extend the building to form a new retail unit and residential above (12/04005/FUL). The retail floorspace increases by 57.5 m² gross. The applicant's application form identifies the net sales area at 30m². It is assumed that the extended floor area will service the existing convenience outlet. Therefore, we have assumed an average sales density for local convenience retailers.
 6. Planning permission was granted to extend the existing One-Stop at 39 Larch Way (14/01439/FUL). The extension comprises a gross floor area of 149.7m² with a net sales area of 105m². We understand that the store is currently closed. It is assumed that the unit could be occupied by another similar retailer. The sales density is based on company averages for local supermarket stores.
 7. Former Mayflower Public House - floorspace sourced planning application (planning ref: 13/02762/COU). Assume net sales is 70% of gross floorspace (813.5m²). The store is currently occupied by My Local. The sales density is based on the average sales for similar retailers.
 8. Planning permission was granted for a mixed use residential development at Land East of Kings Way, which forms part of the strategic housing site at Burgess Hill. The scheme includes provision for new retail floorspace (280 sqm gross). It is assumed that the retail floorspace will accommodate a local format foodstore. Therefore, we have assumed a sales density based on the average sales for the UK's top six grocers.
 9. Planning permission was granted for a mixed use development including a new convenience store (12/02873/FUL). The site comprises a gross floor area of 360m² and a net sales area of (assuming 70% of gross). The store is now occupied by Co-operative. Therefore, we have assumed a sales density based on company averages identified by Mintel and Verdict.
 10. Planning permission was granted to redevelop a car showroom and accommodate a convenience store at 200 London Road. The net sales area sourced from Design & Access Statement prepared by Lewis & Co Planning (planning ref: 13/02762/COU). The store is now occupied by Co-operative. Therefore, the sales density is based on the company average identified by Mintel and Verdict.
 11. Planning permission was granted for a vertical extension to an existing residential block and the formation of a retail unit at Sussex House, East Grinstead (13/04040/FUL). The site was previously subject to a prior approval allowing permitted change of use from office to residential. The retail unit extends to 102m² of retail floorspace, with a net sales area of 71m² (assuming 70% of gross). It is assumed that the retail floorspace will accommodate a local convenience retailer. A sales density reflecting a local convenience retailer has been applied.
 12. Permission granted at appeal (APP/03830/A/11/2155099/NWF) for the demolition of the existing building at 22-24 Keymer Road and replacement with a larger building to include an expanded ground floor retail space from 199 sqm to 274 sqm. The retail unit will occupy almost all the footprint of the site at ground floor level and will be taken up by a Sainsbury's Local. Above the store will be 2-storeys of residential accommodation providing 4 flats, with 5 car parking spaces to the rear. The new store will therefore result in 75 sqm gross of net additional retail floorspace.
 13. London Road, Bolney - planning permission for new convenience floorspace (165m² gross) associated with a petrol filling station; equating to a net sales area of 116m² (assuming 70% of gross floorspace).

TABLE 2: NEW RETAIL COMMITMENTS - ESTIMATED COMPARISON GOODS SALES AREAS & BENCHMARK TURNOVERS.

LPA Planning Ref	Development Status	Estimated Sales Area (m ² net)	Average Sales (£ per m ²)	BENCHMARK TURNOVER ESTIMATES (£m)					
				2014	2019	2024	2029	2031	
Haywards Heath				£2.6	£2.9	£3.2	£3.5	£3.6	
1. Station Redevelopment, Waitrose:	12/02935/FUL	Started	279	£6,500	£1.8	£2.1	£2.3	£2.5	£2.6
2. Station Redevelopment, Other Comparison:	12/02935/FUL	Started	83	£4,500	£0.4	£0.4	£0.5	£0.5	£0.5
3. Units 1 To 7 The Orchards	13/03046/FUL	Permitted	75	£5,500	£0.4	£0.4	£0.4	£0.4	£0.4
Burgess Hill				£27.0	£31.1	£34.2	£37.8	£39.3	
4. Redevelopment of The Martlets Shopping Centre	DM/15/3858	Permitted	4,900	£5,500	£27.0	£31.1	£34.2	£37.8	£39.3
East Grinstead				£2.6	£3.0	£3.3	£3.6	£3.7	
5. Former Caffyns Garage King Street	14/03838/FUL	Permitted	1,070	£2,400	£2.6	£3.0	£3.3	£3.6	£3.7
Other				£1.1	£1.3	£1.4	£1.6	£1.7	
6. Maidenhead Aquatics London Road Hickstead	13/01386/FUL	Occupied	240	£2,500	£0.6	£0.7	£0.8	£0.8	£0.9
7. Garden Centre, Copthorne Road, Copthorne	WP/2290/12	Permitted	215	£2,500	£0.5	£0.6	£0.7	£0.8	£0.8
TOTAL TURNOVER OF COMMITTED RETAIL FLOORSPACE (£m):				£33.3	£38.3	£42.1	£46.5	£48.3	

- Source:
1. Permission granted for mixed use development by Solum Regeneration (JV between Network Rail and Kier) on land in and around Haywards Heath Railway Station to include a new Waitrose store. The sales area split between convenience and comparison goods has been taken from the planning application and Retail Assessment submitted by Savills (August 2012) in support of the redevelopment. In addition to the net sales area the foodstore will include a cafe (937sqm) and will be served by some 208 parking spaces.
 2. The Haywards Heath Railway Station also has permission for an additional 516m² gross of new Class A1-A4 floorspace. A net/gross floorspace ratio of 80% has been assumed for the purpose of this assessment; and that up to 20% of the new Class A1-A4 will be set aside for small-scale comparison goods retailing.
 3. Units 1 to 7 The Orchards - planning permission (13/03046/FUL) - planning permission was granted to extend units 1 to 7 to create 75m² gross of additional comparison floorspace
 4. Planning permission was granted in March 2016 for the redevelopment of the Martlets Shopping Centre. The mixed use scheme includes the provision of new retail accommodation with net additional floorspace of 7,000 sqm gross; equating to a net sales area of 4,900 sqm
 5. Planning permission was granted to redevelop the former Caffyns Garage, King Street to accommodate a single storey retail unit and residential units above. The retail unit extends to 1,528m² gross. It is assumed that the net sales area is 70% of gross floorspace (1,070m²). The retail unit will be occupied by Wilko. Therefore, we have applied a sales density that reflects company averages identified by Mintel's Retail Rankings.
 6. Planning permission was granted to extend the existing store showroom to create 240m² of new retail sales floorspace (13/01386/FUL). The unit is currently occupied by Maidenhead Aquatics. The sales density reflects an average for this form of comparison goods retailing.
 7. Garden Centre, Copthorne Road - Planning permission was granted for new retail accommodation (215m² net) to facilitate a garden centre