



Report by DTZ for

Woking Borough Council:
Retail and Commercial Leisure
Study 2004

Volume 1

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1 Introduction

Study Objectives

1.01 DTZ was commissioned by Woking Borough Council in May 2004 to carry out a Retail Study to help inform the review of the Local Development Framework. In the context of Woking's current and future market position; the main objectives of the study are to provide:

- An up to date assessment of the vitality and viability of Woking Town Centre.
- Detailed street and household surveys on Woking's retail and leisure offer to ascertain market share and people's perceptions of the centre.
- Quantitative retail and leisure capacity forecasts for the town centre, district centres and other main food shopping and retail warehouses up to 2016. These forecasts will incorporate three scenarios put forward by The Council.
- A review of the needs of the district centres in the context of their identified roles in the retail hierarchy.
- Planning and market advice of the potential retail development opportunities in the town centre and district centres.
- Advice on the strategy for new retail development in the Borough, taking account of the council's objectives to promote sustainability among its centres.

1.02 This report has been prepared in the context of current and emerging national, regional and local planning policy. It will be used by the Council to inform and support the case for new retail and leisure development through the Regional Spatial Strategy process. It will also be used to inform the Council's property development, acquisition and disposal activities.

1.03 This Volume 1 report sets out DTZ's main findings and recommendations. This report is underpinned by the appendices contained in Volume 2.

Study Approach

1.04 In order to address the key objectives of the study in a robust and comprehensive manner, we have carried out the following key strands of research:

- **Changing Town Centres (Section 2)** – Provides an overview of the key planning and property market trends that have driven the changes in Britain's urban, retail and leisure landscape over the last two decades. It also reviews current national, regional and local planning policies pertaining to town centres and retailing. This review provides the context for changes in Woking Town Centre and its district centres.
- **Town Centre Healthcheck (Section 3)** – Analyses the strengths and weaknesses of Woking Town Centre and its district centres benchmarked against neighbouring centres. It also identifies the potential opportunities for growth, as well as the likely threats to their long term vitality and viability.

- **Street / Household Survey and Stakeholder Analysis (Section 4)** – Examines trends in shopping and leisure patterns across Woking Town Centre’s core and wider catchment area. This includes analysis of people’s perceptions of the town and district centres as places to live, shop, work and visit for a variety of uses and activities.
- **Market Demand for Retail and Leisure Capacity (Section 5)** – Reviews the demand for new retail and commercial leisure space in the town from key businesses. The scale and quality of this demand is considered in the context of national and regional trends driving retailer requirements.
- **Retail and Leisure Capacity Assessment (Section 6)** – Assesses the potential capacity for new convenience and comparison goods retailing as well as leisure provision across the Borough up to 2011 and 2016 using DTZ’s *Re:Map* Model.
- **Town Centre Futures (Section 7)** – Draws together the study findings to set out robust and market-facing strategic options for the future development and growth of Woking town centre and the Borough’s main district centres, as part of the wider strategy and forthcoming Local Development Framework.

1.05 The appendices set out in Volume 2 comprise the more detailed supporting evidence to this Volume 1 study, including the full household survey tabulations, Goad Summary reports and the DTZ *Re: Map* retail capacity tables.

2 Changing Town Centres

2.01 This section describes the dynamic changes in Britain’s urban, retail and leisure landscape over the last two decades.

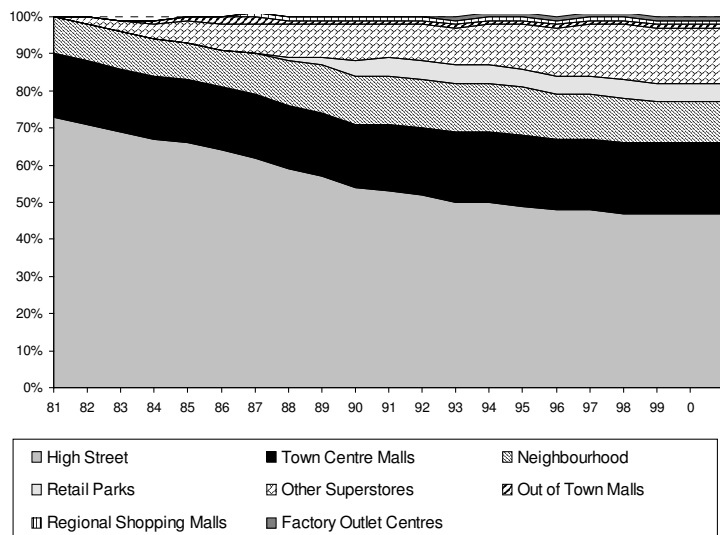
The Rise of Out-of-Centre Shopping & Leisure Facilities

2.02 At the beginning of the 1980s town centres were the focus for most retail and leisure activity and the dominance of the high street went largely unchallenged. There has, however, been a profound shift in the geography of new retail and leisure development, such that town centres are now no longer the first choice for a range of shopping, leisure, entertainment and employment activities.

2.03 This shift in investment and spend away from town centres to out-of-centre locations has been driven by a combination of dynamic economic, social, demographic and property market trends. Investors and occupiers responded to (and fuelled) these changes through the ‘four waves’ of retail decentralisation, beginning with food superstores and retail warehouses in the 1980s, followed by freestanding regional shopping centres and factory outlets during the 1990s.

2.04 DTZ research shows that the High Street’s share of total UK retail floorspace fell from over 70% to less than 50% between 1981 and 2001 (see Figure 2.1). Figures provided by Verdict Research also confirm that out-of-centre shopping facilities account for up to 40% of all UK retail spend.

Figure 2.1: Total UK Retail Space – Market Share (%)



2.05 Over the last decade the commercial leisure industry has also been one of the fastest growing sectors of the UK property market. This growth has been underpinned by the dramatic growth in leisure spend and fuelled by a select number of leisure activities, particularly multiplex cinemas and the health and fitness industry. As with the ‘four waves’ of retailing, most of this new commercial leisure development has been in predominantly out-of-centre locations. New formats and attractions have also emerged that combine a mix of leisure, A3 and retail uses and draw visitors from a much wider catchment area.

2.06 Examples include Star City in Birmingham and The Printworks in Manchester.

The 2003 Top 10 Leisure Parks and Schemes				
Scheme	GIA (sq.ft.)	Rank	Location	Region
Star City	392,993	1	Birmingham	West Midlands
The Printworks	350,000	2	Manchester	North West
The Mailbox	300,000	3	Birmingham	West Midlands
Junction 10 Leisure Park	275,000	4	Walsall	West Midlands
Broadway Plaza	273,931	5	Birmingham	West Midlands
Cross Point	250,000	6	Coventry	West Midlands
Gun Wharf Quays	250,000	7	Portsmouth	South East
Parrswood Leisure Park	241,786	8	Manchester	North West
Fountain Park	230,314	9	Edinburgh	Scotland
Skydome	220,000	10	Coventry	East Anglia
Note: The above excludes hybrid retail/leisure schemes such as Xscape and O2				
Source: 'The Definitive Guide to Retail & Leisure Parks' (2003), FPD Savills & TW Research Associates as reported in FPD Savills Commercial Leisure Bulletin, November 2003				

2.07 The rise of these new retail and leisure destinations over the last two decades has largely been paralleled by the decline of many of Britain's town and city centres. The poor investment, management and marketing of the traditional high street, has further "pushed" consumers, investors, businesses and occupiers to out-of-centre locations.

National Planning Policy Context

2.08 Against this background of town centre decline and out-of-centre expansion, there was a significant shift in Government thinking and policy from the mid-1990s onwards. The Government's Planning Policy Guidance Notes, (PPGs) have strengthened the role of the planning system and have placed increased policy weight behind key aims of sustainable mixed use development, underpinned by high quality urban design. The following PPGs (and the more recent draft Planning Policy statements for consultation) place town centres at the heart of the Government's policy objectives:

- **PPG1:** 'General Policy & Principles' (1997)
- **PPG6:** 'Town Centres & Retail Development' (1996) and
- **PPG13:** 'Transport' (2001).

2.09 The **2000 Urban White Paper** entitled '*Our Towns and Cities: The Future – Delivering an Urban Renaissance*' has also reinforced the Government's plans for urban renewal over the next decade. It provides another explicit statement of the main objective to reverse town centre decline.

2.10 Both PPG6 and PPG13 are underpinned by the ‘need’ and ‘sequential’ approaches, which have significantly curbed the growth of new out-of-centre retail and leisure developments over recent years. These approaches are briefly described below:

- Whilst there is no clear definition of what precisely constitutes retail ‘need’, PPG6 and subsequent Ministerial Statements do provide some guidance. In this context need is generally held to include growth in expenditure and quantitative capacity (ie. quantitative need); the quality and range of existing facilities (ie. qualitative need); customer choice; the need for a town to be competitive with alternative retail destinations; a related absence of harm to interests of acknowledged importance; and broad compliance with recognised planning objectives (eg. sustainability). In April 2003 The Deputy Prime Minister issued a Parliamentary Statement to help clarify the Government’s policy for town centres and retail developments. In terms of need, he accepted that need can be expressed in quantitative and qualitative terms but considered that the “...*evidence presented on need is becoming increasingly and unnecessarily complicated*”. He therefore places greater weight on quantitative need for new retail provision and the sequential test. The statement also notes that whilst the contribution a proposed development might make to the regeneration of a site could be a material consideration to be taken into account in the determination of a planning application, regeneration and employment benefits are not an element of retail need.
- The **Sequential Approach** states that the first preference for new retail and leisure developments should be for town centre sites, “...*followed by edge-of-centre sites, district and local centres and only then out-of-centre sites in locations that are accessible by a choice of means of transport*” (para 1.11). Both PPG6 and PPG13 place the onus on developers to demonstrate that all potential town centre options have been assessed if edge-of-centre or out-of-centre locations are being proposed for new development. In his February 1999 speech Mr. Richard Caborn confirmed that a sequential approach to identify suitable sites should only be carried out if ‘need’ has been established. He added that: “...*if there is no need for further developments, there will be no requirement to identify additional sites*”.

2.11 In December 2003 the Government issued the draft consultation paper of **Planning Policy Statement (PPS) 6: Planning for Town Centres**, with the intention that it will eventually replace PPG6 (along with accompanying guidance to be drafted). Although PPS6 is in draft form, and should not therefore be afforded great weight at this relatively early stage, many of the policies reproduce, or are closely based on, existing policies in PPG6. In brief, PPS6 reaffirms the Government’s ‘town centre first’ message and it also reinforces the need:

- For a plan-led approach at both regional and local levels.
- For local planning authorities to plan for growth and growing town centres.
- To tackle social exclusion by ensuring access for all to a wide range of everyday goods and services.
- To promote more sustainable patterns of development with less reliance on the car.

2.12 Through their development plans and other strategies, regional planning bodies, structure and local planning authorities are required to implement the Government’s aims and

objectives for town centres, by planning positively for growth, and development in, existing centres. PPS6 (paragraph 1.5) states that local authorities should therefore:

- Develop a hierarchy and network of centres.
- Assess the need for further town centre uses and ensure there is the capacity to accommodate them.
- Focus new development in or on the edge of existing centres and identify appropriate sites in their plans.
- Promote town centre management, creating partnerships to develop, improve and maintain the town centre, including the evening economy.

2.13 However, draft PPS6 also states that: *“the sequential approach is not a relevant consideration in relation to extensions, but local planning authorities should still have regard to the accessibility of the proposed development”* (paragraph 3.31). Local authorities will need to be aware of the potential impact of this advice if it is retained in the final version of PPS6, as it potentially removes a ‘hurdle’ for new out-of-centre foodstore, retail warehouse and shopping centre extensions.

2.14 The new policy has created new optimism, new visions and new designs for town centres. However, research shows that there is increasing polarisation in investment and market shares between the top shopping locations and the smaller towns and centres. For example, the top 100 shopping locations in the UK account for approximately half of the total floorspace in the pipeline and they are also the main focus for market demand. The challenge over the medium to long-term is to balance new investment and development such that it benefits Britain’s smaller and secondary centres.

The Growth of E-Commerce

2.15 Over the last five years the growth of the Internet has had a significant impact on the way people live, work and shop. Not surprisingly there are many different views and forecasts as to the potential impact of the Internet and ‘e-commerce’ on the High Street and also, ultimately, on how we shop as a nation. The following provides DTZ’s view, based on a synthesis of our own and other research, as to the potential impact of ‘e-commerce’ on the retail and leisure landscape. The research indicates that:

- The UK has the largest number of active adult Internet users in Europe.
- Some 14 million people shopped online in Britain during 2003, spending £12bn (c4.5% market share of total UK retail spend).
- Although forecasts differ, online sales in the UK are predicted to reach between 10% - 12.5% of total consumer spend by 2012.

2.16 The potential impact on the retail and leisure sectors, and more specifically on the vitality and viability of Britain’s High Street, is difficult to predict. However, the accumulation of research would seem to indicate that, over the short to medium term, the future of the high street is not under significant pressure. The reasoning is that the Internet cannot fulfil the leisure and social needs of retailing.

- 2.17 Nevertheless, in a rapidly changing marketplace, it is important to plan for potential change, as the impact over the long term could be significant. Thus the better managed and marketed the centre is, the less vulnerable it will be to the growth of the Internet. The best way to ensure against any impact is to offer a range of complementary, non-retail attractions. Smaller and medium-sized centres, that offer a high level of convenient shopping facilities, supported by niche goods, leisure and tourist attractions are likely to be more resilient to these technological changes. Inevitably, there will be increasing polarisation of prime and secondary property within centres and between towns. Therefore centres need to diversify their role in order to be resilient to changing future circumstances.
- 2.18 In conclusion, it is hard to accurately assess the extent to which ‘e-commerce’ will impact on the high street, as no clear trends have emerged. Nevertheless, it has already impacted on the business strategies of key retailers and sectors, and in certain cases this has manifested itself on the high street by speeding up the trend towards the closure of banks, travel agencies and post offices. Planning and managing change on the high street due to the impact of the internet and new technological advances represents a major challenge to all town centres in the future. The role of town centre management will become ever important, as it will be necessary to build even closer partnerships between key stakeholders to meet the challenges ahead and to identify opportunities for using the new technology to promote and market town centres in more innovative ways.

Woking Town Centre: Policy Context

- 2.19 Woking and the surrounding Surrey hinterland experienced considerable economic and residential development growth in the 1990’s. In recognition of this, the Government sets out in RPG 9 that a reduction in the rate of economic and housing development will be appropriate, to allow infrastructure and services to catch up. The 1994 Surrey County Structure Plan reinforces the views of RPG 9, that a more sustainable rate of development should be implemented.
- 2.20 The 1999 Woking Borough Local Plan was prepared in the context of these documents and states that; *‘The Council will provide for new development which is required to meet the needs of residents, visitors and those working in The Borough up to the year 2006. In achieving this, the Council will work towards the principle that development should be sustainable (Section 2, page 16).’*
- 2.21 As a result the Development Vision to 2006 states that shopping and leisure facilities: *‘... will be further enhanced so that people within Woking’s catchment area can meet more of their needs locally (Section 2, page 17)’*. The focus of this vision is based primarily on concentrating *‘new retail development to meet local needs in existing centres wherever possible (Section 2, page 22)’*.
- 2.22 Woking town centre is naturally the current focus for retail and leisure needs in The Borough and the plan aims to protect and enhance this position. The plan also notes that village and local centres should continue to play a key role in supplying services on a more local scale. The plan therefore seeks to protect local centres and, in accordance with national guidance, states that new development in these smaller centres should be of a scale which reflects their existing character.
- 2.23 The plan’s stance on new retail development is to concentrate it Woking town centre and the local centres. Development in other locations will: *‘...will only be permitted where no suitable sites exist in the centres, and then only in accordance with a sequential test’ (Section 2, page 22)*. This is the context in which this report has been prepared and it will

help to inform the preparation of all strategic plans being developed to replace the local development plan in 2006.

Summary

- 2.24 The retail and leisure markets have experienced some profound changes over recent years. The mix of social and economic conditions which prevailed in the 1980s has triggered the arrival of a much more mobile and discerning consumer seeking not just value for money, but also increased choice in terms of goods, shopping and leisure environments and experiences.
- 2.25 These conditions continue to impinge on the nature and location of today's retail and leisure provision. Consumer loyalty has become a vital ingredient in the success of town centres, retailers and leisure operators. Increasingly, shopping locations have to be able to fulfil the role of a destination location. This means providing a wide range of shopping and leisure facilities able to attract and retain the interest of the entire family. In return such schemes benefit not only from much wider catchment areas, but also increased footfall, spend and substantially longer shopping trips.
- 2.26 It is evident, however, that whilst town centre development has increased over the last twenty years, the successive waves of out-of-centre investment have squeezed the market share of the traditional high street. There is also growing evidence of polarisation between centres in regions, with the larger more dominant centres benefiting from increased investment. There is also growing evidence of polarisation between prime and secondary/tertiary locations on the High Street. As a result, the larger cities and towns have continued to outperform the smaller and medium-sized centres in terms of average rental growth.
- 2.27 The emergence of 'e-commerce' over recent years also represents a major challenge to the future vitality and viability of the high street. Town centres will increasingly need to adapt and diversify their roles and activities to differentiate themselves from the 'physical' and 'virtual' competition.

3 Healthcheck Assessment

- 3.01 This section examines the relative strengths and weaknesses of Woking town centre and the main district centres. It also highlights the potential threats to their continued vitality and viability and/or opportunities for potential growth.
- 3.02 DTZ's analysis is based, where possible, on the key performance indicators (KPIs) set out in Figure 1 of PPG6 (and the emerging draft PPS6). As part of our analysis, we also benchmark Woking against other major neighbouring centres in the region. Please note that the data and tables supporting the analysis are set out in Volume 2 (Appendices 1 – 2).
- 3.03 Woking is the largest town and principal employment centre within Woking Borough. There are also a number of sub-centres within the Borough: West Byfleet, Byfleet, Goldsworth Park, Horsell, Knaphill, St Johns and Sheerwater. West Byfleet is the largest of these and is the only other significant shopping centre within the Borough. Both West Byfleet and the smaller centres primarily function as convenience, food and service destinations largely serving the day-to-day needs of their local resident populations, as well as passing car-borne trade. The relative roles and attractions of Woking, West Byfleet and the smaller centres is also confirmed by the results of the household survey conducted as part of this study (see Section 4).
- 3.04 The following highlights some of the Borough's key demographic and socio-economic characteristics ⁽¹⁾:
- Based on the 2001 Census its population is c.90,000 people and is forecast to increase by 7% up to 2026 (to over 96,000 people).
 - The age profile broadly matches the national average. However, the Borough has slightly more people aged 25-54 and fewer aged 55 plus. This 'younger' age profile has implications for the town's optimum retail and leisure mix and this is considered in more detail throughout this report.
 - The population is relatively affluent. The Borough has a higher proportion of AB/C1 social classes (70%) than the national average (55%) and a smaller proportion of the less affluent C2/DE's (30%).
 - Car ownership is also higher than the national average across the Borough. Less than 16% of households have no access to a car compared to 28% nationally.
 - In 2000 there was a total estimated available expenditure on comparison and convenience goods of nearly £430 million (in 2001 prices).
- 3.05 The above analysis shows that Woking Borough has a relatively high proportion of affluent and mobile households. On the positive side this means that there is a large pool of available retail spend within the Borough, but on the downside it also means that Woking's catchment population are able to travel further for a wider range and quality of goods and shops. This characteristic is also identified by the survey, which confirms that a significant proportion of respondents are travelling to centres outside the Borough for their larger shopping purchases, particularly Guildford, Camberley and Kingston.

⁽¹⁾ The population figures are based on DTZ's in house geo-demographic and socio-economic Geographic Information Systems (GIS), supported by information provided by the Council (see also Appendix 2).

Scale Of Shopping Provision

3.06 DTZ has benchmarked the relative size of the retail offer of the main study centres against the other main ‘neighbouring’ centres in the region. This analysis is based on town centre audits conducted by Experian. The benchmark centres have been determined using the results of the DTZ household survey. This shows that, after Guildford and Kingston, the other main centres are:

- Staines
- Bracknell
- Camberley
- Farnborough
- Farnham
- Aldershot
- Leatherhead
- Weybridge
- Cobham

3.07 Our preliminary analysis of the total gross floorspace in these centres (see figure 3.1) and their multiple representation (see figures 3.2-3.3) has identified the following trends:

- Woking is ranked third out of the benchmark centres in terms of its total floorspace, behind Kingston-upon-Thames and Guildford.
- Woking town centre has a strong representation of multiple businesses. It has almost 200 multiple businesses (as defined by Experian), which account for approximately 78% of total space. Only Kingston and Staines have higher multiple representation.
- Woking has a significant proportion of larger outlets. Over 8% of its outlets are, on average, over 930 sq m. and this is the same proportion as Kingston.
- West Byfleet is the smallest centre in terms of its total space and multiple representation. This confirms its role and attraction as a more local shopping and service destination.

Figure 3.1: Gross Floorspace in Woking and Competing Centres

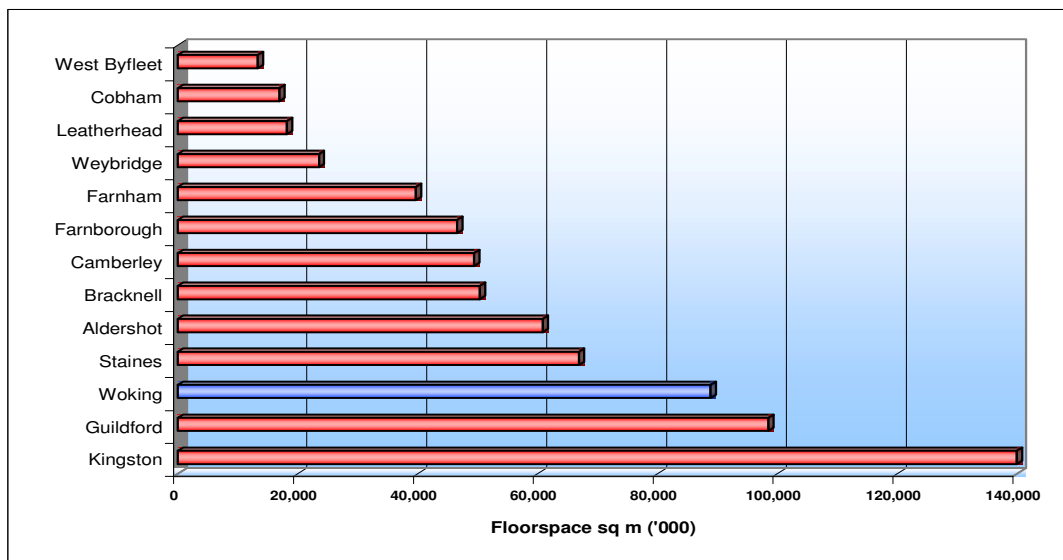


Figure 3.2: Total Numbers of Multiples in Woking and Competing Centres

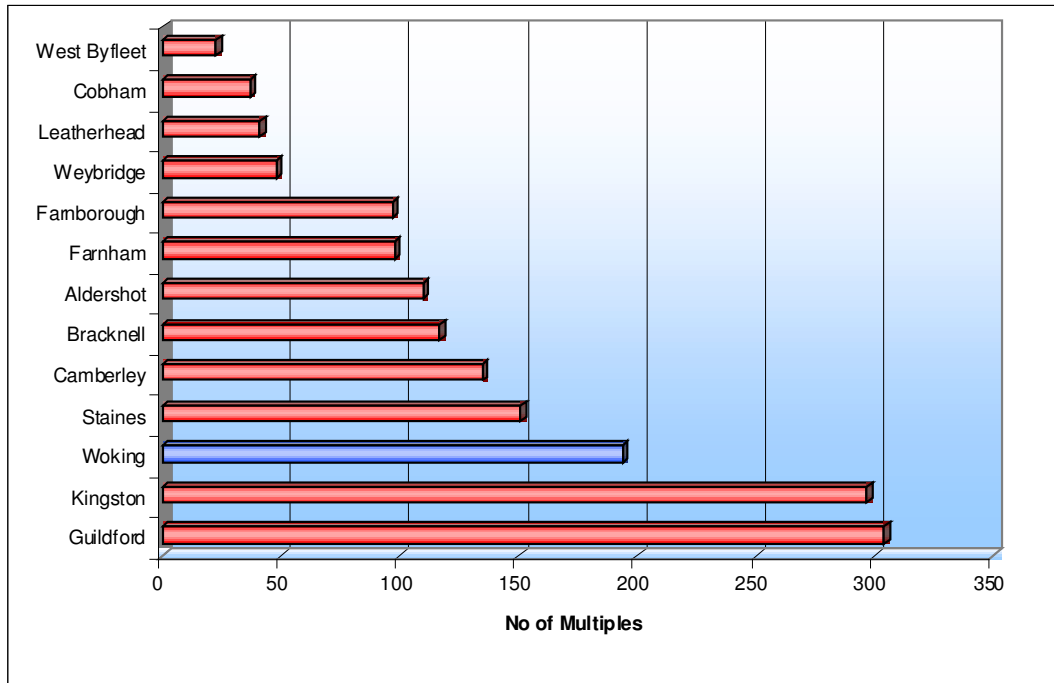
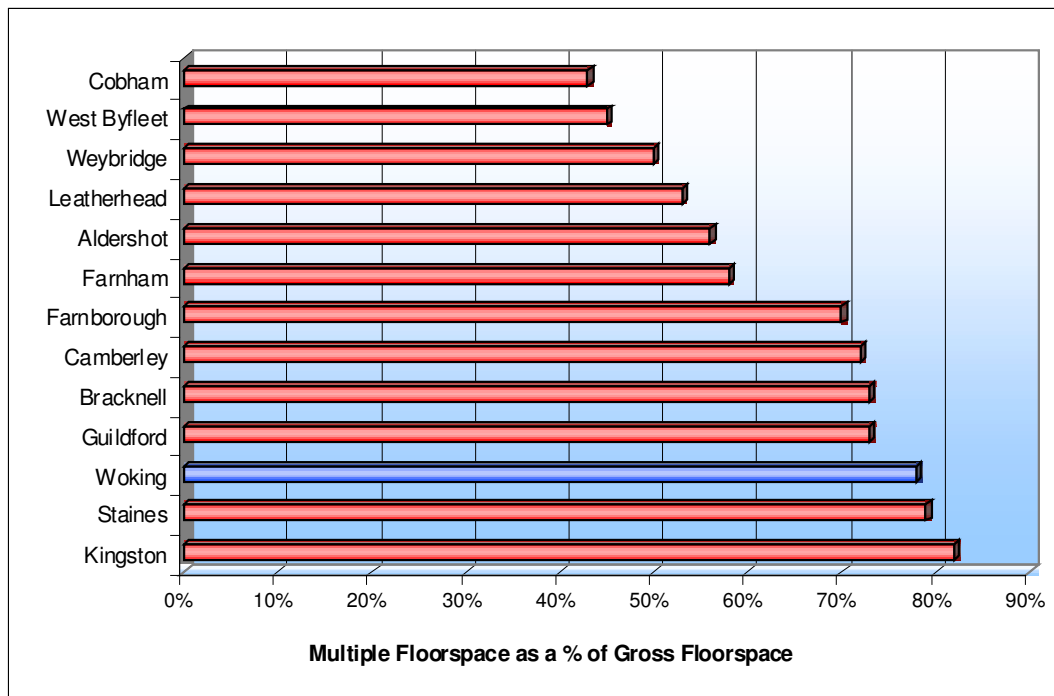


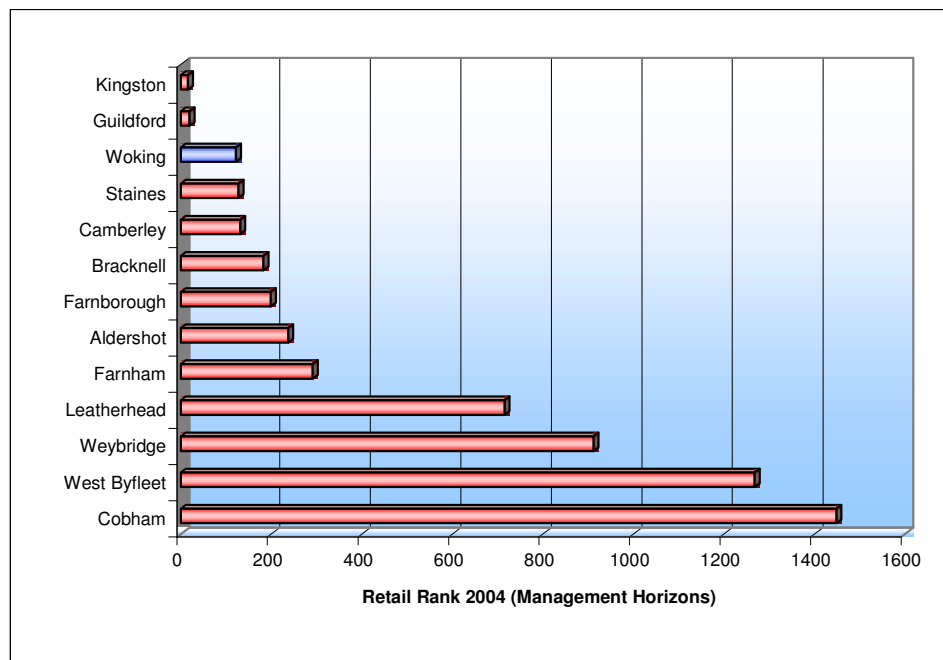
Figure 3.3: Multiple Floorspace as a Percentage of Gross Floorspace



Changing Status

- 3.08 The ranking of shopping centres is a common indicator used to measure the relative strength and changing performance of shopping locations. However, it is an imprecise science, as the rankings are driven by the criteria used to measure centre attraction and performance. For the purpose of this analysis we draw on the Management Horizons Shopping Centre Index. This national ranking of some 1,670 shopping locations provides a broad indication of a centre's relative attractiveness and performance.
- 3.09 The key changes in centre rankings since 1999 are set out in Table A3.4 (Appendix 1) and the current rankings are also shown in Figure 3.4 below. The headline trends are as follows:

Figure 3.4: Management Horizons 2004 Retail Rankings



- The Risers** – Of the benchmark centres, only Staines and Kingston Upon Thames have improved their ranking between 1999 and 2004. Staines has experienced the most significant growth, having risen 33 places due to the development of the Two Rivers Shopping Centre in 1998. Kingston is the highest ranking centre within the study and has consistently been in the top 20 centres in the UK over the last six years. Guildford has also risen in status since 2001, after briefly falling to 21st place. The historic and planned growth of both Kingston and Guildford does represent a potential threat to the smaller surrounding centres in the region, such as Woking. Without careful management and development DTZ believe these ‘satellite’ centres are vulnerable to decline, particularly as the larger centres increase their critical mass and market share.
- The Fallers** – The other benchmark centres have all experienced a decline in their ranking since 1998/99. Woking, Bracknell, Camberley, Farnborough and Aldershot have only experienced moderate decline. In contrast, Leatherhead, Weybridge and West Byfleet have all experienced a marked decline in rankings, with Leatherhead

and Weybridge both falling over 250 places and West Byfleet dropping by a significant 400 places. This fall is partly explained by the level of new investment and development in other centres across the UK, which have risen above them in the rankings. It is also explained by the lack of major new investment and development in the study and benchmark centres.

- 3.10 In summary, the rankings show that Kingston and Guildford are the strongest shopping locations. Woking appears to be relatively strong, but is currently experiencing a slight decline in status. Consequently action is need to manage and develop its offer to help arrest this fall. The proximity of Woking to Kingston and particularly Guildford, means that the centre will need to develop a retail and leisure offer that complements rather than competes with these two larger centres.

Managed Shopping Centres

- 3.11 The scale and quality of managed/covered shopping centres provides another good indication of the relative strength of a centre's retail offer. Table 3.1 sets out the main shopping centres in the benchmark centres.

- 3.12 In brief, the table shows that whilst Woking has a very good provision of managed centres, it is over-shadowed by the scale and quality of Kingston and Guildford.

- 3.13 In addition to the existing shopping centres, there are also a number of outstanding proposals and planning permissions for new retail and leisure space in a number of Woking's neighbouring centres. These include the following:

- **Camberley** – Main Square shopping centre has planning permission for an additional 13,700 sq m of retail and leisure floorspace.
- **Guildford** – the Friary Centre has outline planning permission for an additional 25,000 sq.m, which will include retail, residential and community facilities as well as the refurbishment of the bus station. There are two other proposals emerging for Guildford town centre. First, a planning application has been submitted to extend St. Dominic Square, to include a new department store, 45 retail units and new residential development. Second, we understand that Network Rail has appointed Countryside Properties as development partner to bring forward a major mixed-use development, including retail floorspace. However no planning application had been submitted at the time of writing.
- **Bracknell Town Centre:** Although currently at pre-application stage, the Bracknell town centre redevelopment will have a significant impact on shopping patterns in Woking's catchment area when it opens. A masterplan for the development was published in 2002 and although the scheme is primarily retail-based, it will include new residential, leisure and office uses. Other facilities such as a new town square, open spaces and a market have also been included. The proposed redevelopment will add an additional 56,600 sq m of floorspace to the town centre. The redevelopment will attract significant market demand and could influence new investment in surrounding centres, such as Woking, over the longer term. It is therefore essential for Woking to maintain and enhance its status and attractiveness as a destination to counteract the Bracknell development.

Table 3.1				
Managed Shopping Centres				
	Owned	Opened	Floorspace (gross, sqm)	Key Retailers
Woking				
The Peacocks	British Land	1992	46,500	Marks and Spencer, Allders, Next, TK Maxx
Wolsey Place	IM Properties	1975	21,400	Boots, Sainsburys, New Look
TOTAL			67,900	
Kingston				
The Bentall Centre	Norwich Union	1992	55,700	Bentalls, WH Smith, Waterstones
Eden Walk Shopping Centre	CIN	1966	26,700	M&S, BHS, Boots, Habitat, Sainsburys
TOTAL			82,400	
Guildford				
St Dominic Square Shopping Centre	Westfield Shopping Towns	1999	32,500	Allsports, New Look, Game
The Friary Shopping Centre	Hermes / Westfield	1980	14,900	Allders HMV
Tunsgate Square Shopping Centre	Merseyside Pension Fund	1971	6,000	Heals, The Peir
White Lion Walk	AXA REIM	1986	4,600	Next, Adams, Vodafone
TOTAL			58,000	
Farnborough				
Kingsmead and Queensmead	St Mowden Properties	1970	31,600	Debenhams, Sainsburys
Princes Mead Shopping Centre	Dukeminster Ltd	1990	10,000	Bodyshop, Boots, Mackays
TOTAL			41,600	
Camberley				
Main Square	Scottish Amicable Life	1960	32,000	Allders, Argos, Army and Navy
TOTAL			32,000	
Staines				
Elmsleigh Centre	Clerical Medical / Insight Investments	1979,	28,700	M&S, Matalan
Aldershot				
Wellington Centre	London and Cambridge Properties	1978	16,000	Argos, Boots, Mothercare,
The Galleries	Southern outlet Centres	1991	9,300	Pilot, JJB, Tog 24
The Arcade	Mackay Securities	1992	2,500	Itchy Feet, EBI Sports Nutrition
TOTAL			27,800	
Bracknell				
Princess Sqaure	Schroder	1984	16,500	Bentalls , Boots Sainsburys
Leatherhead				
The Swan Centre	Allied London	1981	9,900	Boots, Next, Sainsburys
Farnham				
Lion and Lamb Yard	LMS/ Portman Investment and Dev'mnt	1985	5,500	Safeway

Mix of Retail and Service Businesses

3.14 Detailed analysis of the mix of uses in a centre can help to identify any potential weaknesses and/or gaps in a centre's retail and service provision. Figures 3.5 – 3.7 illustrate the percentages of convenience, comparison and service outlets in Woking and the benchmark centres. These figures are based on the audits of floorspace and outlets, as set out in Tables A3.3 and A3.4 in Appendix 1. The headline findings are as follows:

(i) Convenience Goods

3.15 Woking and many of the larger benchmark centres have a limited convenience provision when compared to the GB average (see Figure 3.5). On average under 10% of floorspace within these centres is devoted to convenience retailing. This reflects the growth in out-of-centre foodstores since the 1980s, although the shift in national planning policy is resulting in the 'return' of foodstore operators to the high street (see Section 5 for a more detailed description).

3.16 West Byfleet, Cobham, Leatherhead and Farnham primarily serve as convenience and service destinations for the local population and Figure 3.5 shows that they all have above average proportions of convenience space.

3.17 More detailed analysis indicates that Woking Town currently has limited or no representation of butchers, greengrocers, fishmongers or frozen food stores. There is a general under-provision of the above outlets in all the benchmark centres, which reflects the modern trends for consumers to buy all their 'bulk' food items in one main shopping trip.

(ii) Comparison Goods

3.18 Figure 3.6 show that Kingston and Guildford are the two largest non-food shopping destinations. Comparison outlets account for 60% (105,700 sq m) of total outlets in Kingston and 63% (69,500 sq m) in Guildford. The average for the other benchmark centres is under 48%, although 50% of Woking's outlets (58,250 sq m) is devoted to comparison retailing.

3.19 Whilst Woking has a good representation of non-food retail outlets / floorspace, both Guildford and Kingston are larger and more attractive centres. DTZ consider that Woking must therefore differentiate itself from these centres in order to attract more shoppers.

3.20 More detailed analysis shows that Woking has an under-provision of shops in the following categories – antiques, catalogue showrooms, DIY/ hardware/household goods, electrical goods, florists and furniture stores. Apart from antiques and florists, these types of retail businesses are more commonly found in out-of town locations.

3.21 Woking also has an under-representation of men's and boys wear outlets. However, this characteristic is typical across many centres nationally. It is partly explained by the fact that the average spend on men's clothes is lower than that for ladies wear, and men are more likely to shop less frequently for such items.

3.22 The majority of the other benchmark centres have between 37% - 46% comparison outlets, which reflects their roles as local convenience and service destinations. Aside from the lack of menswear stores, typical gaps in comparison floorspace provision are within the variety and department store sector. This is because these smaller centres lack the critical mass of facilities and catchment populations to support larger stores and multiples.

Figure 3.5: Percentage of Convenience Outlets

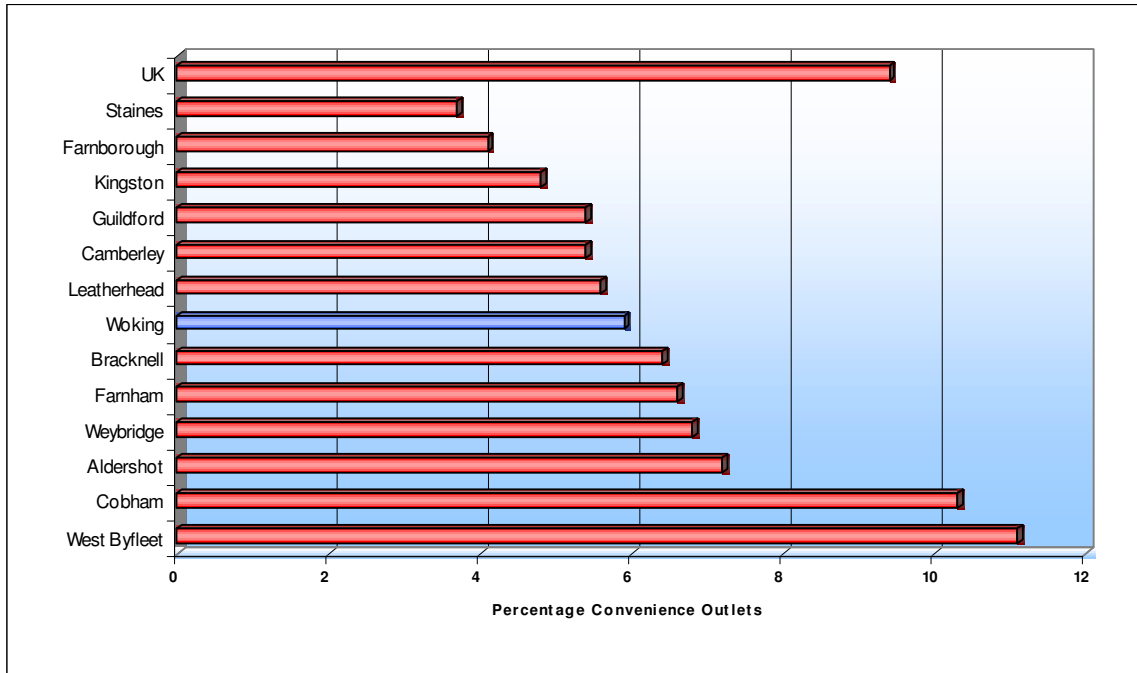
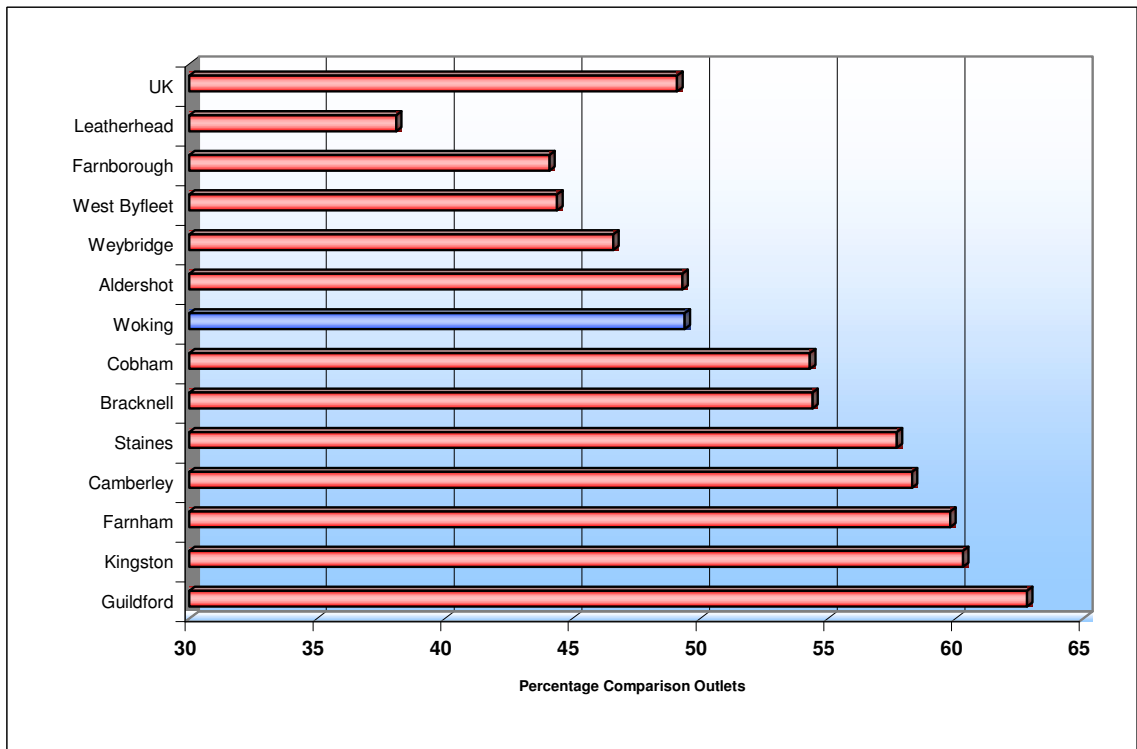


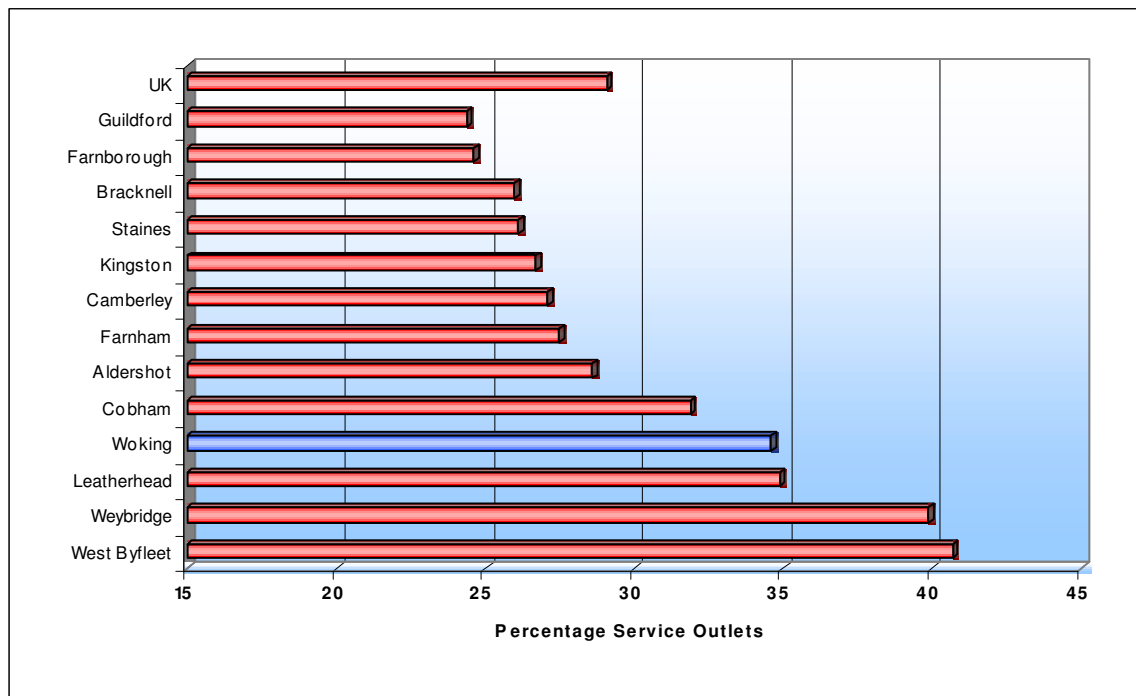
Figure 3.6: Percentage of Comparison Outlets



(iii) Service Businesses

- 3.23 Woking compares favourably with the benchmark centres in terms of proportions of service businesses (34.6%). Apart from Woking, the largest benchmark centres all have service provision below the national average (28%).
- 3.24 The smaller centres of Cobham, Leatherhead, Weybridge and West Byfleet have above average service provision, which reflects their more local roles. These smaller centres generally have high proportions of banks / building societies and estate agents. However, they do have less leisure-based service uses. Woking however has a high proportion of service floorspace due to the space attributed to leisure services, including food and drink, but primarily the cinema, the theatre and the Big Apple leisure scheme.
- 3.25 More detailed analysis shows that Woking town centre has a relative under-provision of outlets in the following categories - health and beauty, bars and wine bars, nightclubs and travel agents.

Figure 3.7: Percentage of Service Outlets



(iv) A3 Uses

- 3.26 The Goad data indicates that Woking town centre has a reasonably good provision of A3 uses (i.e. restaurants, cafes etc.) However, DTZ's audit has identified a lack of quality multiple retailers. Analysis of the requirements for the town does indicate a number of operators require space (see section 5). DTZ consider that the addition of such space would help to strengthen the evening economy and underpin the retail offer by encouraging affluent groups to spend more time in Woking after working hours.

3.27 Woking town centre has a slight over-provision of A3 businesses (16%) compared to the national average (14%). Multiple outlets account for approximately half of A3 uses within the town centre. The fast food and public house sectors have high proportions of multiples, but there is currently a limited number of branded restaurants and wine bars. DTZ understand that Ask Pizza, Nando's and Sante Fe are all multiples looking to locate in towns with a similar size and profile to Woking.

Department and Variety Stores

3.28 Although Woking in terms of floorspace, has twice the national average representation of department and variety stores, Allders is the sole department store operating within the town. The variety stores include Marks & Spencer, Bhs and Woolworth's.

3.29 Analysis of the other benchmark centres confirms that both Kingston (John Lewis and Bentalls) and Guildford (Debenhams and Allders) are anchored by two department store operators. Of the other centres, Allders is represented in Camberley and Debenhams anchor the retail offer in Staines. The variety store representation is as follows:

- **Kingston** - Marks & Spencer, Woolworth's, BhS.
- **Guildford** - Debenhams, Woolworth's, Marks & Spencer.
- **Farnham** - Woolworth's.
- **Farnborough** - Woolworth's and Debenhams.
- **Camberley** - BhS and Woolworth's, Allders.
- **Aldershot** - Marks & Spencer and Woolworth's.
- **Bracknell** - Woolworth's.
- **Staines** - Marks & Spencer, Woolworth's, Debenhams, BhS.

3.30 There are no major variety stores in Leatherhead, Cobham or Weybridge. This reflects their more local convenience and service-based roles, serving the needs of their local resident populations.

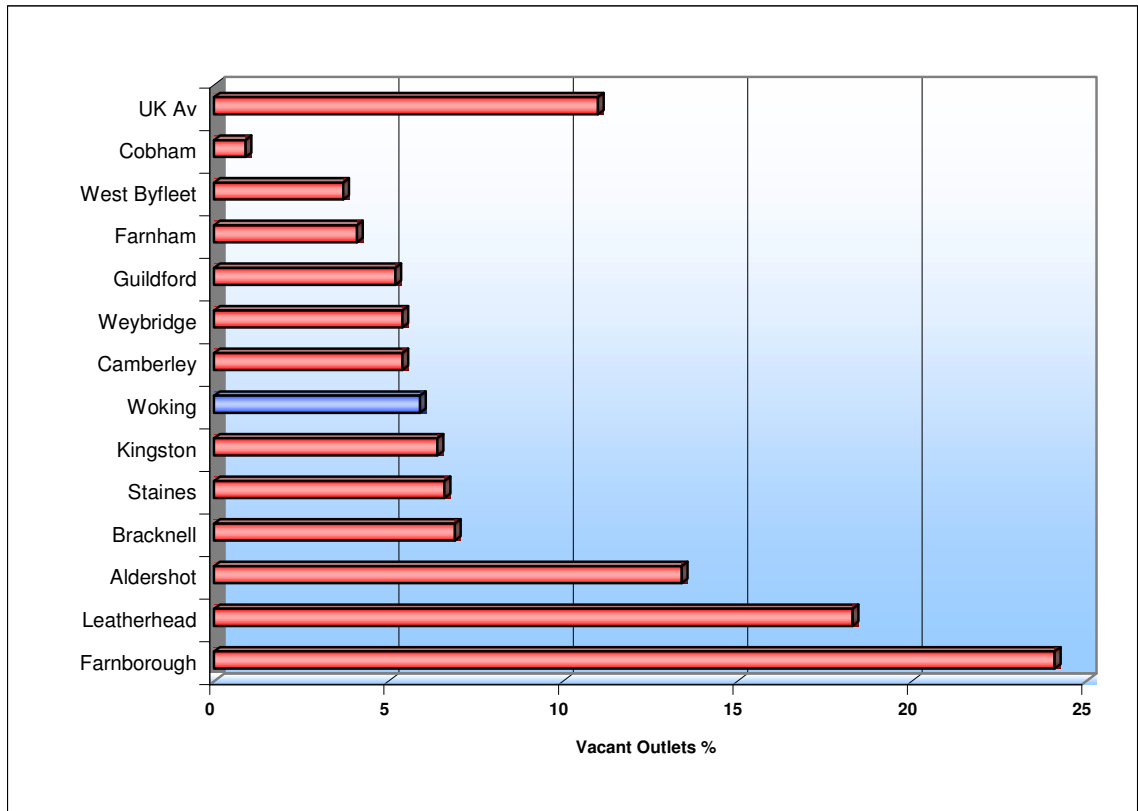
Vacancy Levels

3.31 Vacancy rates provide a good indication of the relative health of centres. Expressed as a proportion of total outlets, vacancy levels within the benchmark centres are typically below the national average of 11% (see Figure 3.8). For example, Woking has a vacancy level of less than 6%.

3.32 The figure shows that Cobham (1%), West Byfleet and Farnham (both 4%) have the lowest vacancy rates. In contrast Aldershot (13%), Leatherhead (18%) and Farnborough (24%) have the highest rates. Farnborough's high vacancy rate is explained by the redevelopment of the Queensmead Centre.

3.33 DTZ's audits also indicate that the main concentration of vacancies in the benchmark centres are within the secondary/tertiary shopping areas and are predominantly smaller units that are more difficult to let. There are very few vacancies within the primary shopping areas of these towns.

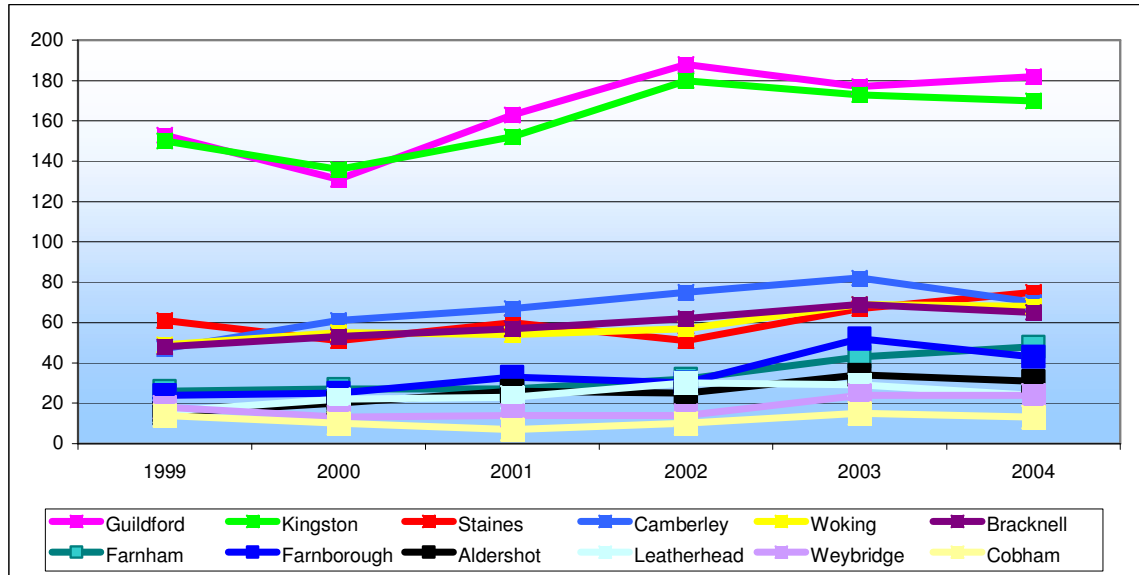
Figure 3.8: Vacancy Levels



Retailer Requirements

- 3.34 The level of demand from retail and service businesses for representation in a centre provides another key indicator of attraction and commercial viability. The *'Retail Focus Reports'* monitor the changes in demand for retail representation across 1,100 UK centres and are widely used to benchmark the changing health and status of retail locations.
- 3.35 Figure 3.9 shows the changes in the number of retailer requirements between 1999 and 2004. The more detailed statistics are set out in Appendix 1 (Table A3.5).
- 3.36 The results show that Woking has risen in both number of requirements and rank. It currently has reported requirements from 68 businesses, placing it 79th in the national rankings. Demand is highest for Kingston and Guildford.
- 3.37 It should be noted, however, that the national requirement audit only provides a snapshot of demand at any point in time. It is not comprehensive, as it does not take account of the potential increase in business interest that may arise from the intensive marketing of new and emerging development opportunities in centres.

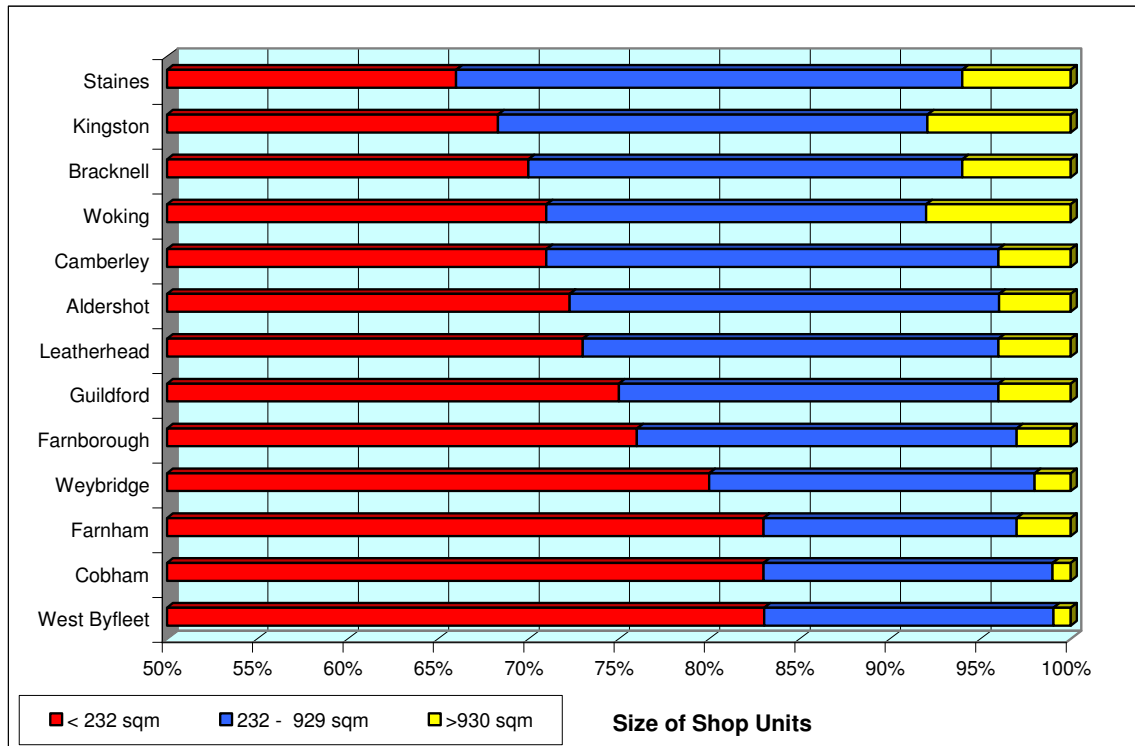
Figure 3.9: Retailer Demand



Size of Shop Units

- 3.38 Figure 3.10 (also see Table A3.6, Appendix 1) shows the distribution of outlets by size within the benchmark centres. Woking and Kingston have over twice the national average of outlets over 930 sq.m, which is explained by the presence of relatively modern shopping centres anchoring the retail offer of both centres.
- 3.39 Three of the benchmark centres (Cobham, West Byfleet, and Farnham) have an above average percentage of units under 232 sq. m (83%). These centres primarily serve their local catchment areas and do not have the critical mass of retailing to support larger businesses.
- 3.40 Woking's larger non-retail buildings such as the theatres, cinema and office buildings all slightly distort the data. Thus DTZ consider that Woking town centre would benefit from additional larger units as required increasingly by modern retailers. This will also be crucial to help Woking compete with the planned redevelopment of Bracknell. The new development proposed for Bracknell will typically have larger units that will satisfy the demand for more economical units from modern multiple retailers.

Figure 3.10: Size of Units



Out-Of-Centre Retailing

3.41 Figure 3.11 shows that there is a significant amount of retail warehouse provision in the Woking area. Within Woking Borough there are three retail parks and two solus units:

- **Lion Retail Park** (7,200 sq m) and is anchored by Focus / Wickes, Curry’s, Pets at Home, Harveys, Halfords and Carpetright.
- **Horsell Moor** (3,500 sq m) is a DIY / furniture shopping destination, anchored by Jewson and a health and fitness centre.
- The two solus units in Woking are Homebase and Focus / Wickes.
- **Wey Retail Park** in Byfleet comprises some 3,300 sq.m of floorspace and is anchored by MFI, Powerhouse and Halfords.

3.42 Figure 3.12 shows that there are also two out-of-town food stores (Sainsbury’s Knaphill and Waitrose, Denton Way). The main free-standing out-of-centre retail parks in neighbouring areas include the following:

- **Guildford:** Ladymead Retail Park (10,700 sq m) comprises Comet, Homebase, Furniture Village, SCS and Halfords. Several solus units within Guildford are also occupied by B&Q, Comet, Currys, PC World and Magnet.

- Farnborough:** Farnborough Gate and Solartron are the two main retail parks and comprise mainly furniture, carpet and electrical good retailers. Farnborough Gate consists of eight units (total floorspace 12,000sq m). Solartron is a slightly smaller park with 9,000 sq m of floorspace, although there are 9 units. DFS, Furniture Land, Land of Leather and Carpentryright are the main anchors. There are a number of solus units within the town, the most notable of which is the 12,100 sq m B&Q Warehouse unit. The B&Q is the largest DIY store within the surrounding area and is likely to attract customers from Woking.
- Staines:** The Two Rivers Shopping Park in Staines is a significant retail and leisure destination. With 44 units and over 33,500 sq m of floorspace the park has a cinema, health club, restaurants, supermarket, retail warehousing and smaller units containing high street retailers. The retail warehousing is furniture and electrical based, there is no DIY provision within the park. The park is however a threat to all surrounding centres as consumers are able to combine high street, retail warehouse and leisure visits in one trip.

Figure 3.11: Retail Warehousing Provision in Woking and the Surrounding Area

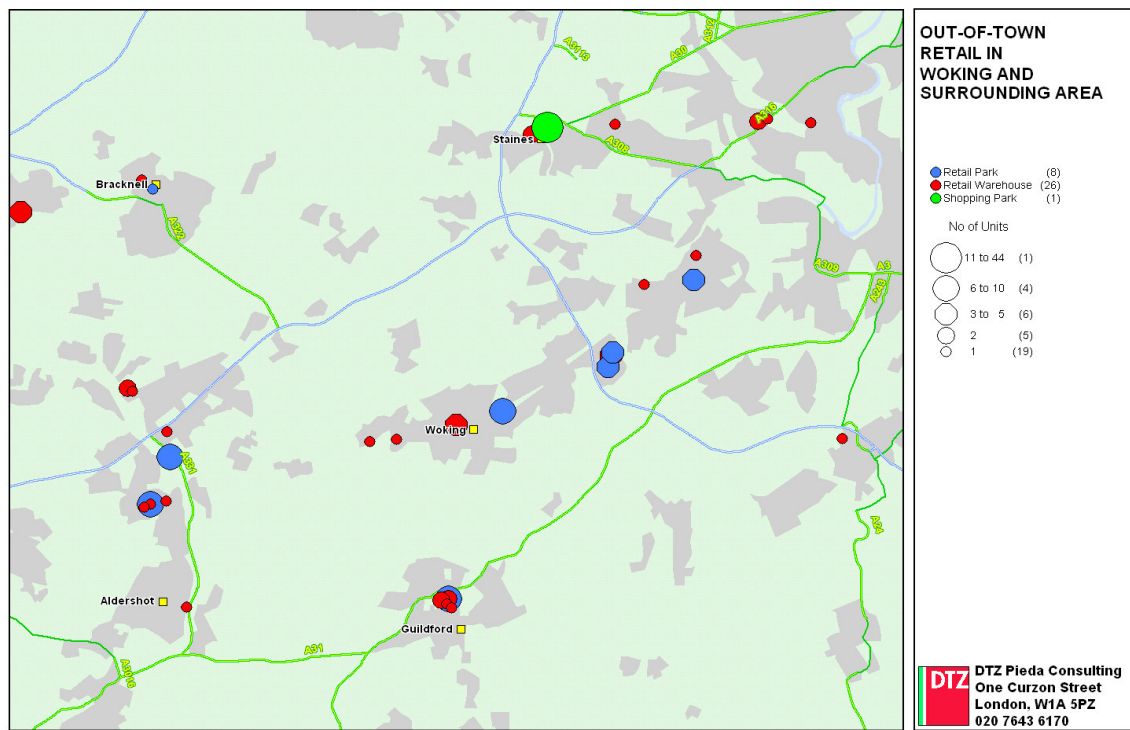
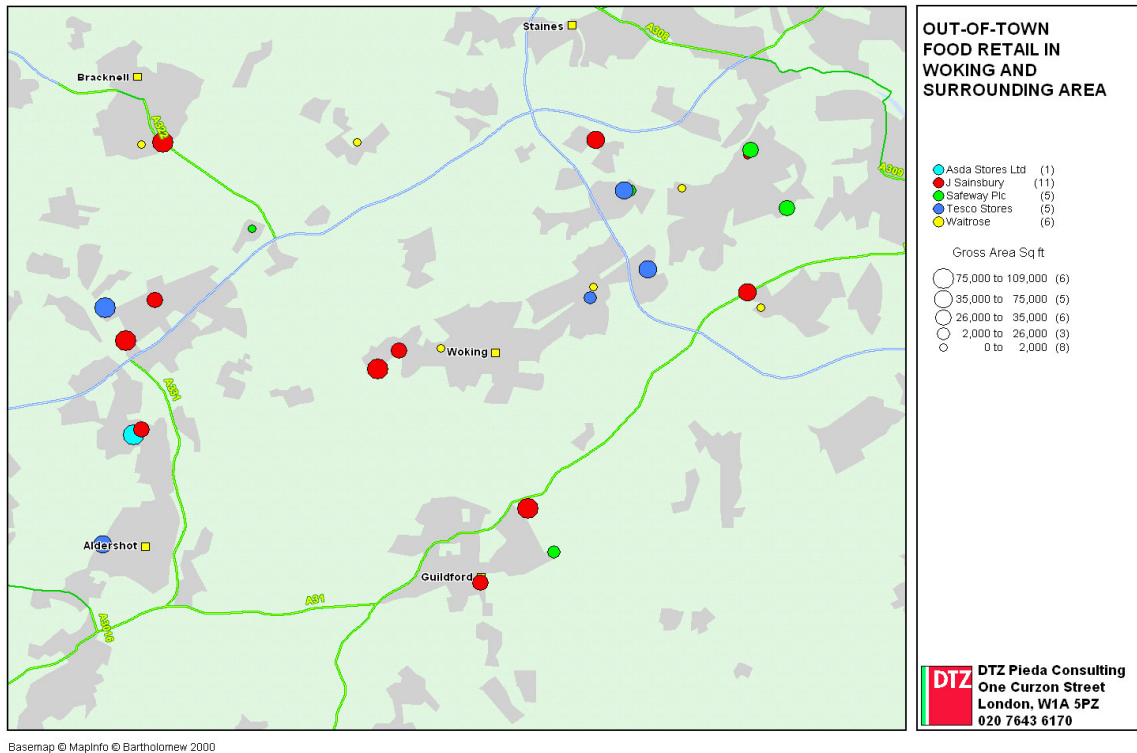


Figure 3.12: Out-of-town Food Stores in Woking and the Surrounding Area



Summary

3.43 DTZ's healthcheck and benchmarking analysis has highlighted a number of key strengths and weaknesses of Woking town centre and the smaller centres in the Borough. Our analysis has also reviewed the potential threats to their future vitality and viability and the opportunities to meet these challenges. The headline findings are as follows:

- Woking town centre is the main retail and leisure destination within the Borough.
- Woking is currently placed 122nd in the national rankings, but has fallen from 112th since 2000/01.
- West Byfleet is the only other significant centre in the Borough, although it has a limited representation of multiple retailers and floorspace.
- In terms of the scale of its retail offer, Woking is ranked third of all the benchmark centres behind Kingston upon Thames and Guildford.
- Woking has a relatively strong representation of multiple businesses. Only Kingston-upon-Thames and Staines have higher proportions of multiple space.
- There is growing demand from retailers and service businesses not currently represented within the centre.

- Vacancy levels in Woking (6%) and the Borough's other centres are low.
- Woking has a significant proportion of larger outlets.
- Allders is the only department store in the town centre, whereas both Guildford and Kingston have two major department stores to anchor their retail offer.
- Woking currently has an above average provision of leisure and service facilities. However DTZ's audit has highlighted a lack of quality, particularly in the café/restaurant sector. DTZ therefore consider that improvement and additions are needed to the town centre's A3 offer to help generate more trips to the centre, particularly in the evening, and raise its status and attraction.

3.44 The competing centres around Woking (both town-centre and out-of town) are all continuing to develop and expand their offer. This new development and investment will increase their market shares and also draw customers away from Woking Borough over the longer term. In order to counteract this potential threat, DTZ conclude that Woking will need to continue to develop its offer in order to maintain and improve its relative status and attraction.

4 Household Survey: Headline Findings

4.01 This section reviews the findings of the street and household surveys, as well as the stakeholder workshop conducted by DTZ. The findings provide a robust and comprehensive picture of shopping and leisure provision and patterns across Woking and the surrounding area. The surveys also provide a more detailed picture of the current strengths/opportunities and weaknesses/threats facing Woking town (and other shopping locations within Woking Borough). The full survey results are detailed in Appendix 3.

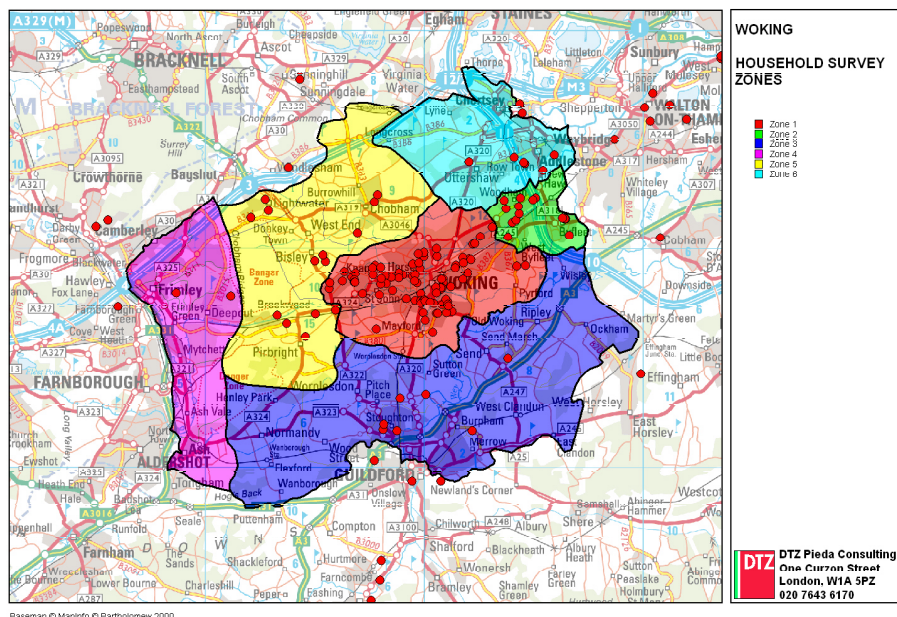
Background and Methodology

4.02 DTZ commissioned an independent market research company - *Q2A Research and Marketing* - to carry out 1,000 household telephone interviews in and around Woking and 200 street surveys within Woking Town centre.

4.03 The household surveys took place across six zones between 18th June and 30th June 2004 (see Figure 4.1). The zones cover Woking Borough and extend to the M3 motorway to the north, The M25 / Addlestone to the east, Guildford to the South and the eastern fringes of Farnborough to the West. These 'outer areas' were included to help determine the extent to which the main study centres draw trade from outside Woking's urban area and the borough, as well as the relative impact of neighbouring centres on Woking's market share. The size of the survey zones was determined by the population distribution across the whole survey area, in combination with other critical factors, such as transport and access.

4.04 The street surveys took place between Saturday 3rd July and Monday 6th July 2004. Interviewers were based at four locations (Peacocks Shopping Centre, Town Square, Wolsey Place Shopping Centre and Commercial Way) across the town centre to ensure that a good cross section of people were interviewed.

Figure 4.1: Household Interview Survey Zones



4.05 Figure 4.1 also illustrates the home locations of the street survey respondents based on their postcode addresses. Our analysis indicates that 52% of respondents live within Zone One, which is defined as Woking town centre's core catchment area. A further 20% of respondents lived within Zones 2-6, the outer zones. A significant number of respondents (28%) therefore live outside the household survey area. DTZ believe that a large proportion of those people living outside the survey zones work in Woking and combine shopping trips with work.

4.06 The 1,000 interviews were split between zones according to their population and location. The results of the surveys have subsequently been weighted by Q2A to reflect the size and characteristics of the underlying population in each survey zone, as follows:

Distribution of Interviews by Zone		
Area	Population 2000	Interview
Central (Zone 1)	75,601	300
East (Zone 2)	20,940	150
South (Zone 3)	55,678	200
West (Zone 4)	57,535	100
North (Zone 5)	23,922	150
North East (Zone 6)	40,041	100

Street Survey

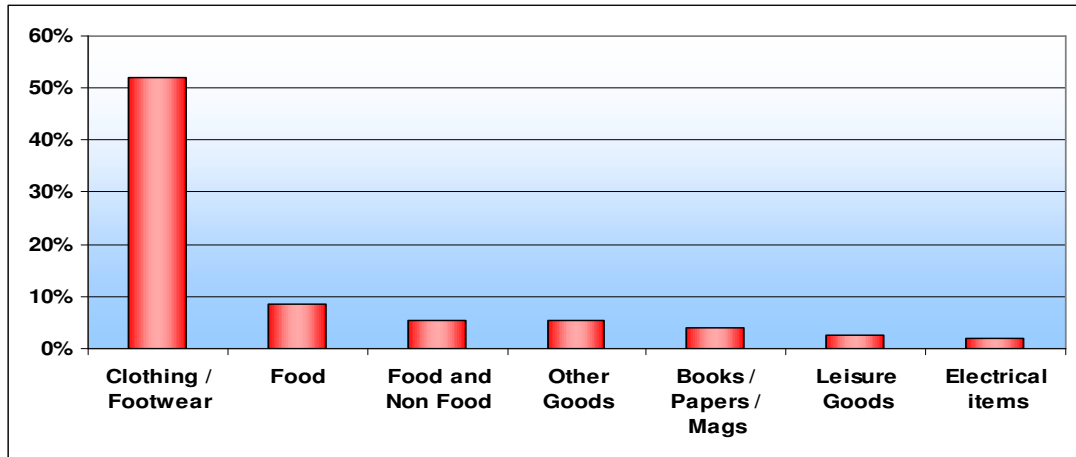
4.07 The main headline findings of the street survey are set out below and the detailed tabulations are contained in Appendix 4.

(i) Reasons for Visiting Woking

4.08 Respondents were asked what was the main type of shopping they intended to do in Woking on the day of the interview. The key responses are illustrated by Figure 4.2 and 4.3. The headline results are briefly described below:

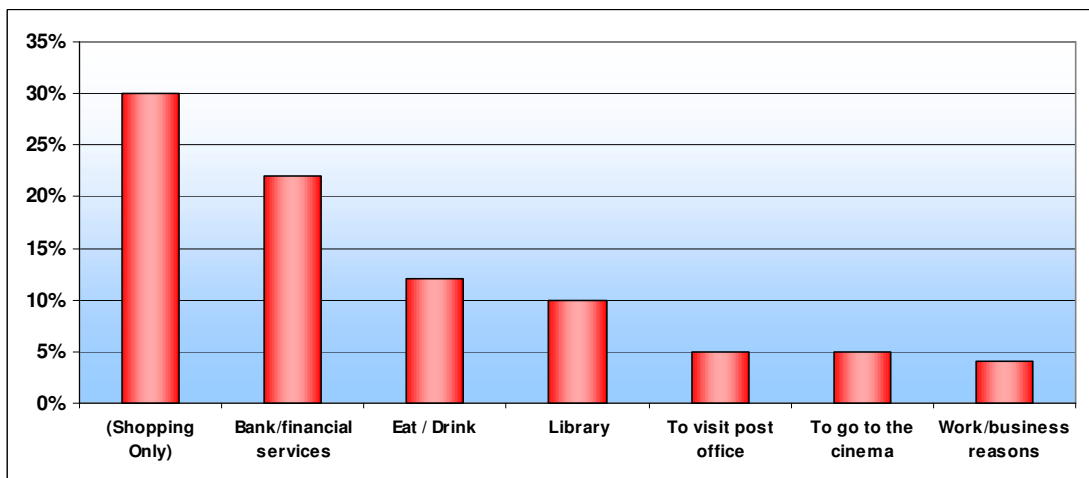
- 52% of all respondents stated clothing and footwear shopping was the main reason for their visit.
- Within the Peacocks Centre over 72% were shopping for clothing and footwear items. This reflects the importance of fashion / clothing retailers within the centre.
- Only 9% of respondents visited Woking to shop for grocery and food items. This highlights the trend for the majority of food shopping to be carried out at out-of-town stores.

Figure 4.2: Why People Come to Woking - Retail



- Over 15% of respondents said that they were not in the town centre to shop. The proportion of people not shopping was highest in the Town Square. This highlights the range of services and amenities within the town centre available to the public (such as financial services, leisure services and public open spaces) as well as the significant number of people that are working in the town centre.
- Nearly a quarter of all respondents stated that they intended to visit the bank / building society during their visit.
- 13% were visiting the town centre to go for something to eat / drink. Other popular non-retail uses within the town centre are the library (8%) and the cinema (5%).

Figure 4.3: Why People Come to Woking – Other Uses



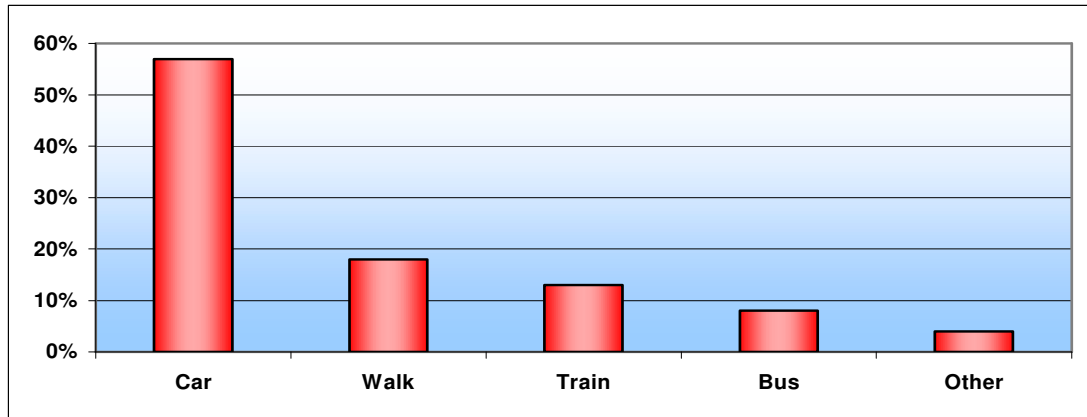
(ii) Mode of Travel and Frequency of Visits

4.09

The survey results include that the majority of respondents (86%) travelled to Woking from home, with the remainder travelling from work (or college). These averages are typical of most centres.

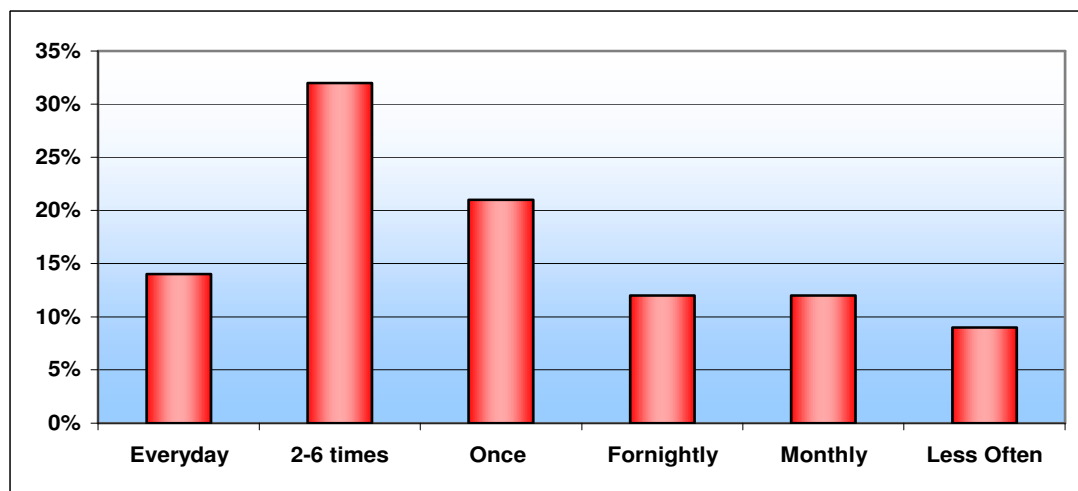
4.10 Some 57% of respondents travelled to Woking by car, whether as a driver or passenger (Figure 4.4). This highlights the accessibility of the town centre. 18% of respondents walked to Woking on the day of the interview, whereas 13% arrived by train and 8% come by bus.

Figure 4.4: How do People Travel to Woking



4.11 Figure 4.5 shows that nearly 77% of respondents visit Woking once a week or more often, indicating that Woking has a high proportion of regular loyal shoppers. A further 24% of respondents visited once a month or more. Only 9% of respondents shopped less often than once a month.

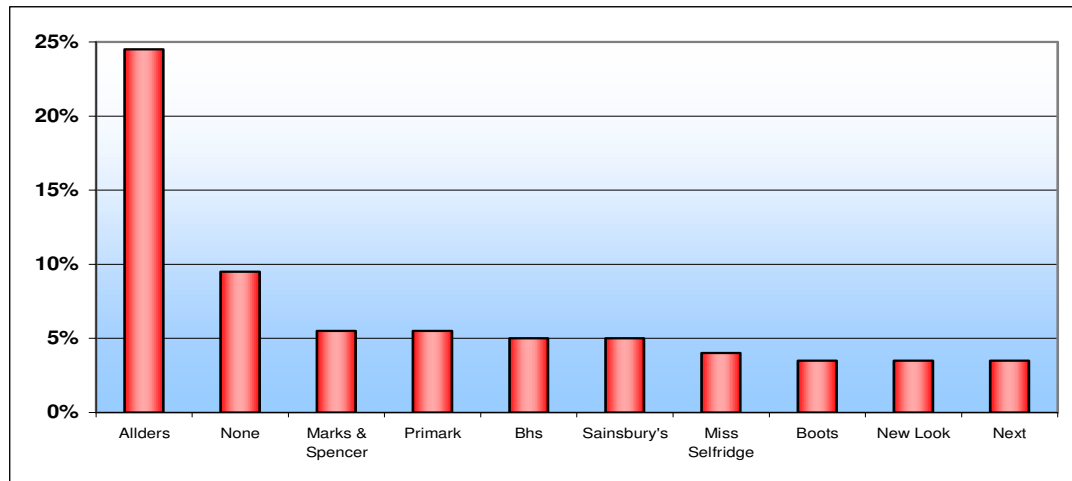
Figure 4.5: How often do People Visit Woking



(iii) Woking as a Shopping Destination

4.12 Alders is the most popular store within the town centre. Figure 4.6 shows that approximately one-quarter of all respondents stated they had visited (or intended to visit) the store on the day of the interview. Over half of those interviewed in The Peacocks Centre, which Alders anchors, stated that they had shopped (or intended to shop) in the store.

Figure 4.6: Most Popular Stores

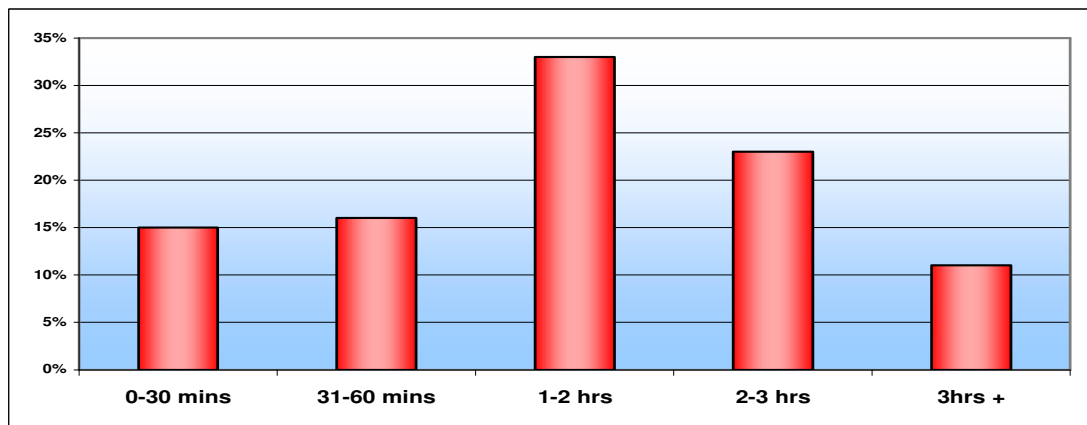


4.13 Marks and Spencer (6%), Primark (6%), BHS (5%) and Sainbury's (5%) were also popular stores. However, DTZ would normally expect Marks and Spencer to be more popular within a town centre. Typical street surveys conducted by DTZ indicate that between 10% and 20% of survey respondents normally name Marks and Spencer as the most popular store (the main store they intend to visit). This relatively low rating amongst Woking's shoppers could reflect the fact that Marks and Spencer trades from a relatively small outlet within the Peacocks Centre, with limited ranges of food, clothing and homeware goods.

(iv) Length of Visit

4.14 Dwell times within Woking town centre are moderate. Figure 4.7 shows that 31% of people intended to spend up to one hour shopping in the town. A further 33% stated they would spend between 1 – 2 hours, whilst 34% intended to spend over two hours in the centre.

Figure 4.7: Dwell Times



4.15 Dwell times for Woking could be increased with the addition of more shops and services and introduction of pay-on-exit car parking. The surveys and workshops have shown that Woking would also benefit from additional, bars and restaurants. Currently the town lacks in quality places to eat and drink. Such venues would encourage more people to visit the town centre, and also encourage those who are already in the town centre to stay longer.

4.16 The car parking issues within Woking are currently being addressed. The main car park for Woking town centre is above the Peacocks and Wolsey Place shopping centres. The car park is currently pay and display. Such charging systems limit the amount of time people can spend in the town centre, according to how much time people initially estimate they will spend shopping.

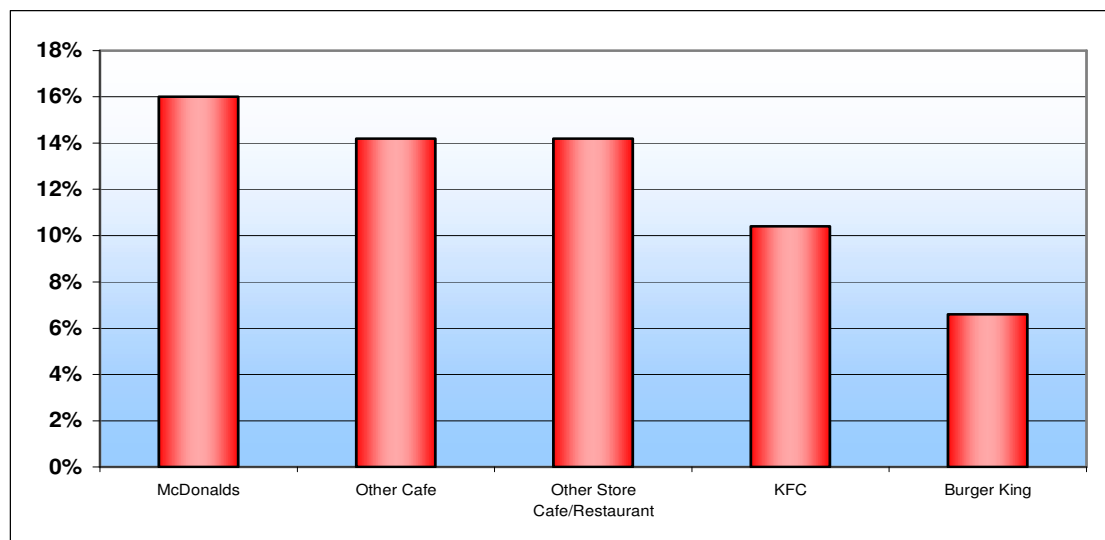
(v) Eating and Drinking

4.17 The survey results indicate that just over half of all respondents (53%) said they had stopped (or intended to stop) for something to eat / drink during their visit to Woking. Respondents interviewed in Town Square were the most likely to stop to eat / drink (64%), whereas those interviewed in the Peacocks Centre were the least likely to stop (40%).

4.18 Of those people who said they would be having something to eat or drink, the most popular destination was McDonalds (Figure 4.8), located in both the Peacocks Centre and Commercial Way. Other fast food outlets account for a further 20% of respondents. The survey results appear to confirm that Woking town centre has an under-representation of quality cafés, restaurants and bars that help to generate longer dwell times both during the day and evenings. For example, Pizza Express was identified by 3% of respondents and is the only quality restaurant named, but it lies outside the core shopping area.

4.19 DTZ consider that a greater provision of quality restaurants, cafés and bars within the heart of the town's shopping area would help to increase dwell times. The stakeholder workshop also highlighted the fact that the town centre in the evening is often perceived as a no-go area for older people and families. It is dominated by younger people and is a drinking / nightclub destination. Attracting a wider range of consumers and age profiles to the town will also encourage associated visits (e.g. shopping, other services, etc).

Figure 4.8: Places to Eat / Drink

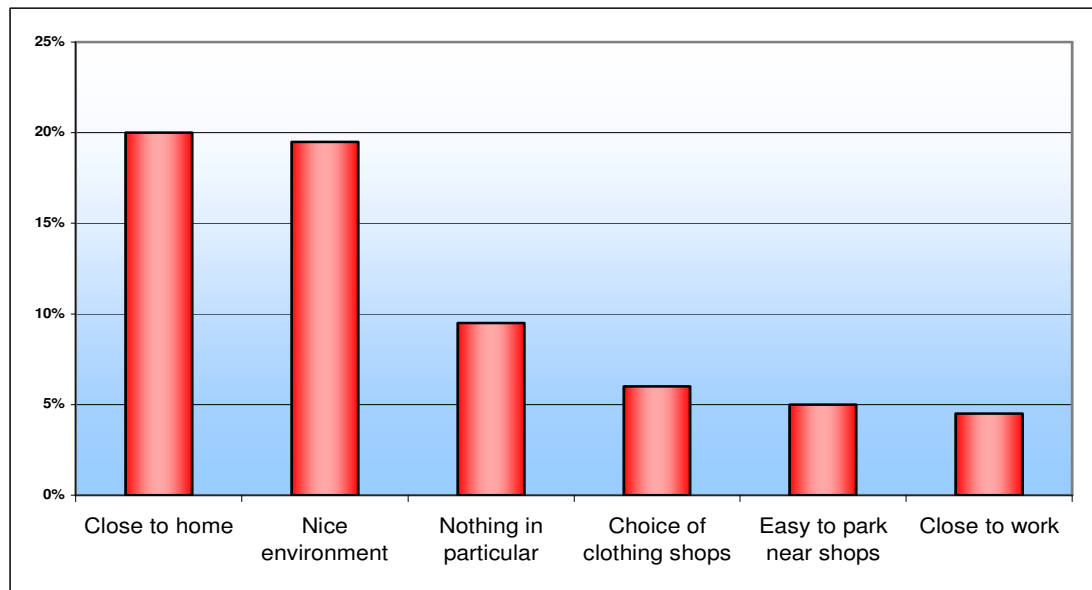


(vi) Why Shop in Woking?

4.20 Convenience is the primary reason for shopping in Woking. Over 25% of respondents visit Woking because it is close to their home or work (Figure 4.9).

4.21 A further 20% of respondents stated that Woking Town Centre has a 'nice' environment. This highlights the relative compactness of the town and the provision of relatively modern covered shopping centres.

Figure 4.9: Why shop in Woking?

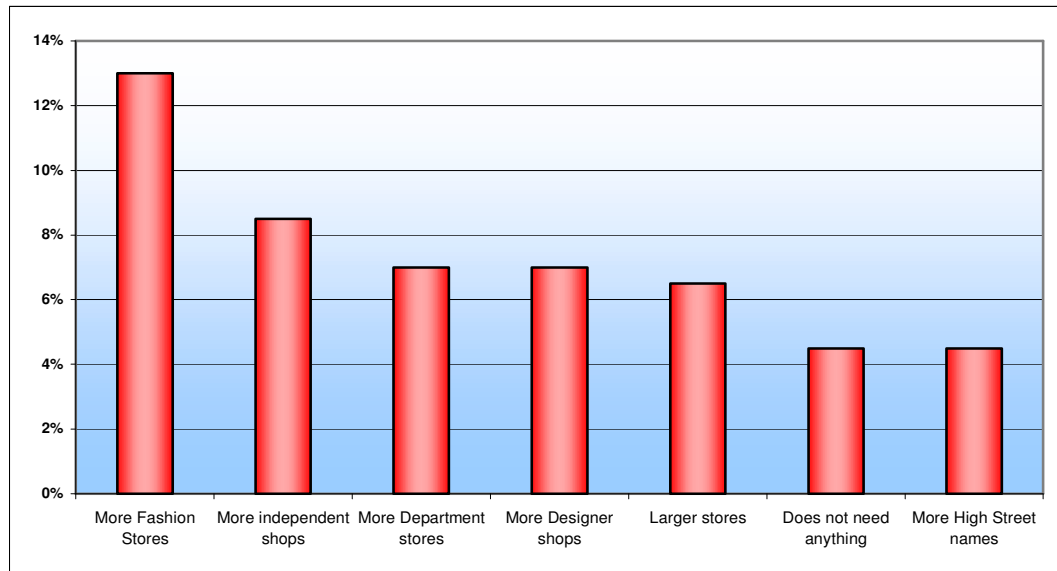


(vii) Suggested Improvements

4.22 When questioned as to what could be done to improve Woking Town Centre the majority of people were unable to think of any new additions or improvements. Of the remainder Figure 4.10 shows that the most popular improvement was the addition of more clothes and fashion shops. Woking's clothing and fashion offer is primarily aimed at the value end of the market. The survey, stakeholder workshop and healthchecks all identified a need for additional quality fashion retailing.

4.23 Other improvements suggested by significant numbers of respondents are for more independent shops (9%), a second department store, more designer stores and larger stores (all 7%). The addition of many of these store types would significantly raise the status and attraction of the town, and thus increase Woking's market share in the surrounding area. The most significant increase would be through the addition of a department store. This would also attract other retailers to the centre and the potential capacity and demand for a new department store is considered in more detail in the rest of this study.

Figure 4.10: Improvements to Woking

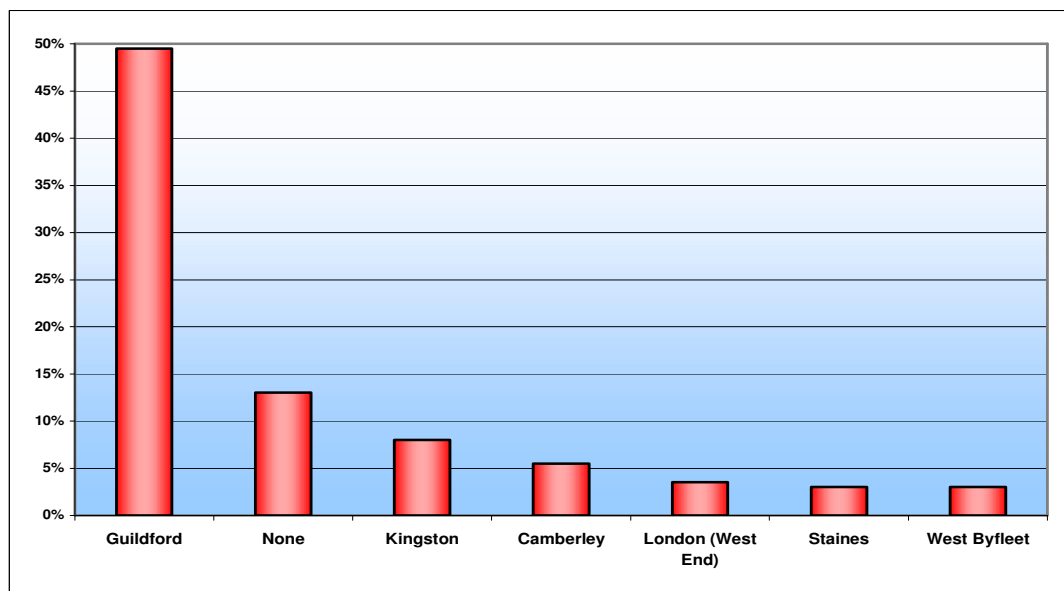


(viii) Other Centres

4.24

Respondents were asked which other centres aside from Woking they regularly visit for non-food goods Figure 4.11 shows that. Guildford was the most popular destination, named by nearly 50% of all respondents. Kingston, Camberley and London's West End were also other popular destinations. A small proportion of those interviewed (13%) were loyal to Woking and stated that they did not shop in any other centres regularly.

Figure 4.11: Other Centres



Household Surveys

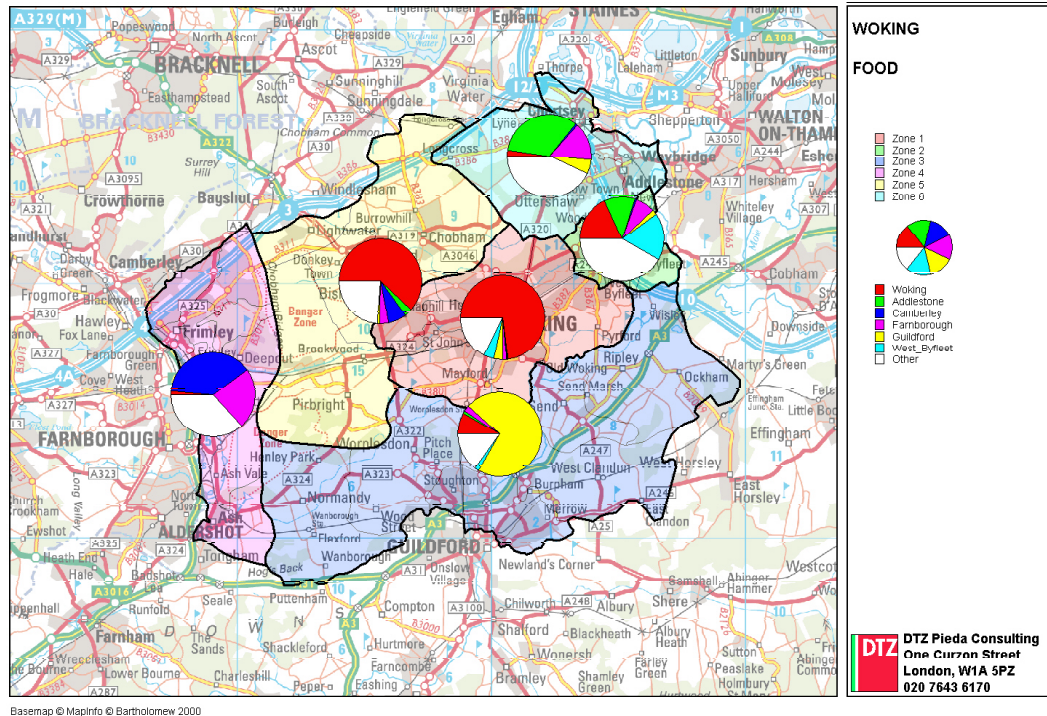
4.25 The main headline findings of the household telephone interview surveys are set out below. Detailed tabulations are contained in Appendix 4.

(i) Food Shopping

4.26 Figure 4.12 shows that Woking was the most popular destination for 'main food' shopping across all survey zones. The key results are as follows:

- Over 31% of all respondents stated that they shopped in Woking, (this includes all stores in Woking's peripheral areas, not just the town centre and immediate area).
- The most popular stores within Woking are Sainsbury's at Brookwood (9%) and Sainsbury's in the town centre (7%).
- The majority of the market share is derived from the Core Zone (Zone 1), where 78% of people carry out their main food shopping in Woking's stores.
- There is also a high trade draw from Zone 5 (covering Chobham, Pirbright, Lightwater and West End). Over 62% of respondents within this zone shop in Woking's stores.
- Woking's market share in the East Zone (Zone 2) falls to 18% and is 10% or less in all other zones. This reflects the provision of more local foodstores in and around these zones.
- West Byfleet has less provision than Woking, and thus has smaller overall market shares. Stores in West Byfleet had less than 4% of the overall market shares across all zones.
- The stores in West Byfleet did however account for significant market shares in the immediate area. The stores account of 18% of the market share in zone two, and also account for 4% of the market share in zone 1 and 2% in zone 3.
- The results of the survey show that stores in Woking Borough draw from a core area that comprises of zones 1, 2 and 5. Stores within the borough account for 73% of the overall market share within these core zones. The secondary zones 3, 4 and 6 account for an average 7% market share.

Figure 4.12: Where do People Go for Their Main Food Shopping



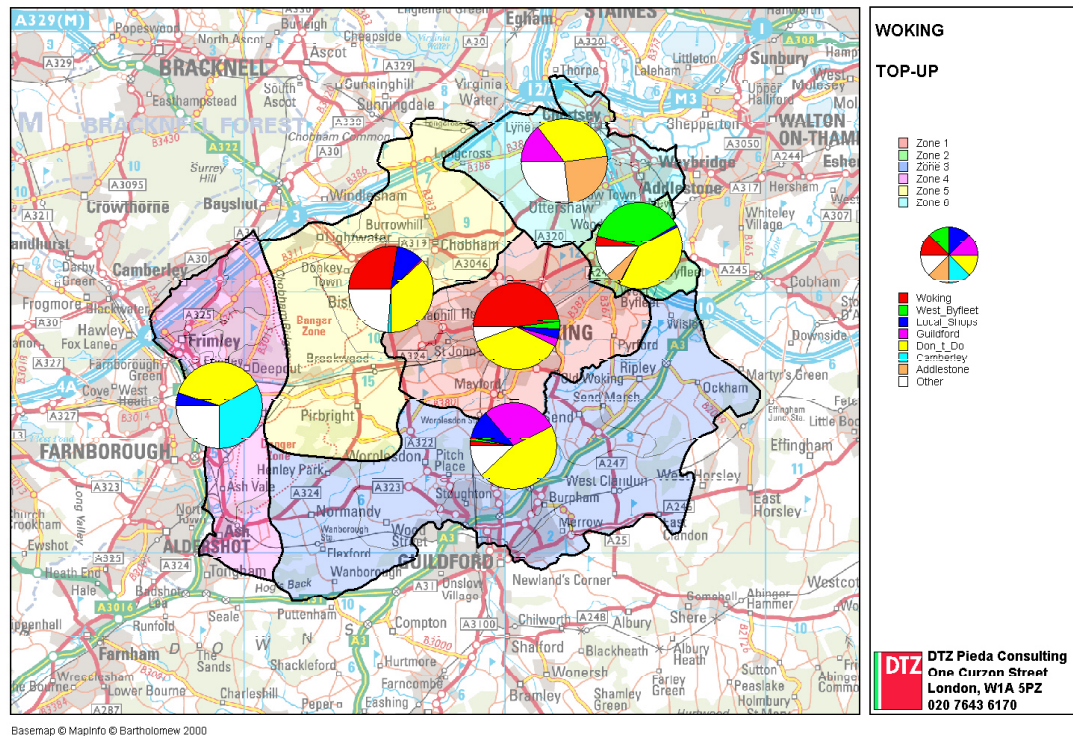
4.27 Figure 4.13 shows that only 17% of all respondents carry out their top-up shopping in Woking, whilst only 4% shop in West Byfleet. The main findings are as follows:

- A high proportion of respondents (38%) stated that they did not do top-up shopping.
- 23% said that they used 'local stores' for their top-up needs. This is likely to reflect the fact that many people tend to shop in one particular store for their main food shop, but may shop in many different shops for top-up shopping depending on their location / needs.
- It is not possible to identify the exact locations of these 'local stores', it can however be presumed that any respondents going to local stores will be going to a store within the survey zone in which they live.

4.28 When asked how often they visited stores for main food shopping, the vast majority (58% overall) stated that they visit once a week. Respondents within Zone 3 (69%) and Zone 5 (63%) were even more likely to visit only once a week.

4.29 The car is the main mode of travel for food shopping, identified by 85% of respondents. Although high, this figure is broadly in line with surveys carried out in comparable towns.

Figure 4.13: Where buy Top-up Shopping

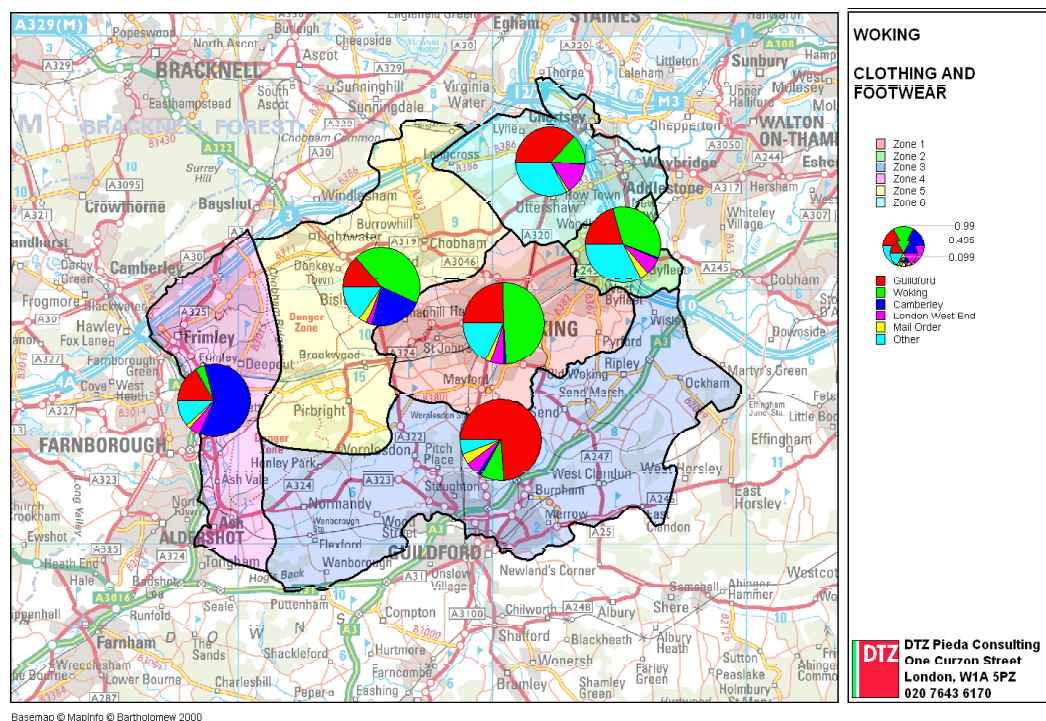


(ii) Fashion Shopping

- 4.30 Figure 4.14 shows that Guildford is the most popular destination for clothing and footwear shopping. This reflects its status as a higher order centre. Guildford attracts over 31% of respondents across the entire survey area and its market share is highest from Zone 3, where it attracts over 72% of respondents. Guildford also has high market shares in Zone 6 (28%) and the Core Zone (Zone 1) 23%.
- 4.31 Woking is the second most popular centre within the catchment, attracting 23% of all respondents. Although Woking's highest market share is within Zone 1 (46%), therefore over half of the respondents regularly travel to centres other than Woking.
- 4.32 West Byfleet is a smaller centre and is primarily a convenience and services destination. It therefore has a smaller market share for fashion items. West Byfleet attracts less than 2% of overall market share.
- 4.33 West Byfleet does attract a small but significant market share from the immediate area. Over 14% of respondents within Zone two stated that they shop in West Byfleet for their fashion items.
- 4.34 The collective core zones (1, 2 and 5) have over 47% of their overall market share attributed to Woking / West Byfleet. These two centres only account for an average market share of 8% in the remaining zones.

- 4.35 DTZ would normally expect a town of Woking's size to attract at least 50% of respondents within its core zone (Zone 1). The surveys suggest that although Woking has a significant amount of clothing and footwear floorspace, it is not adequately serving the catchment. The household survey along with the street survey and stakeholder workshops suggest that Woking needs additional clothing and footwear outlets. This additional fashion offer should, DTZ believe, be targeted at the quality end of the market as Woking's current offer is weighted towards a more value/discounted-orientated fashion shop.
- 4.36 Other centres identified as significant clothing and footwear destinations by the survey are Camberley (including The Meadows) 13%, London West End 5%, Farnborough 4% and Staines 3%. Kingston Upon Thames attracted less than 2% of overall respondents despite its status as a major centre within the region. This is likely to be due to the centre being less accessible in terms of traffic congestion etc.

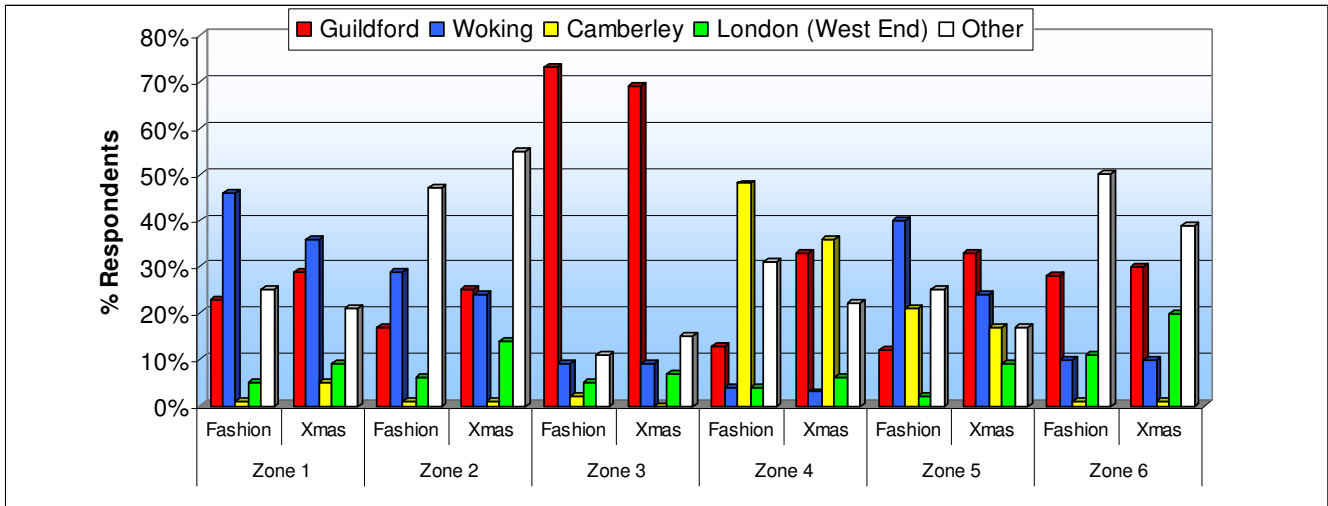
Figure 4.14: Where Buy Clothing and Footwear Items



(iii) Christmas and Special Occasion Shopping

- 4.37 Woking's lack of quality clothing and footwear provision is also highlighted by where respondents undertake their Christmas and special occasion shopping. Trends show that people travel longer distances for larger special purchases.
- 4.38 The survey confirms the relative strength of Guildford as a shopping destination. Its market share across the whole study area increases from 31% for regular clothing and footwear shopping to 39% for special occasion shopping. London's West End also doubles its market share from 5% to 10%. Market shares also rise for Staines and Kingston. Figure 4.15 shows the changes in market shares within each zone for the four key centres (Guildford, Woking, Camberley and London West End).

Figure 4.15: Special Occasion and Christmas Shopping



4.39 Woking’s overall market share falls from 23% to 18%. Within Zone 1 the market share drops by almost a quarter from 46% to 36%.

4.40 West Byfleet is not a destination for Christmas and special occasion items due to its size and offer. Less than 1% of all respondents stated that they shopped in West Byfleet for special occasion items.

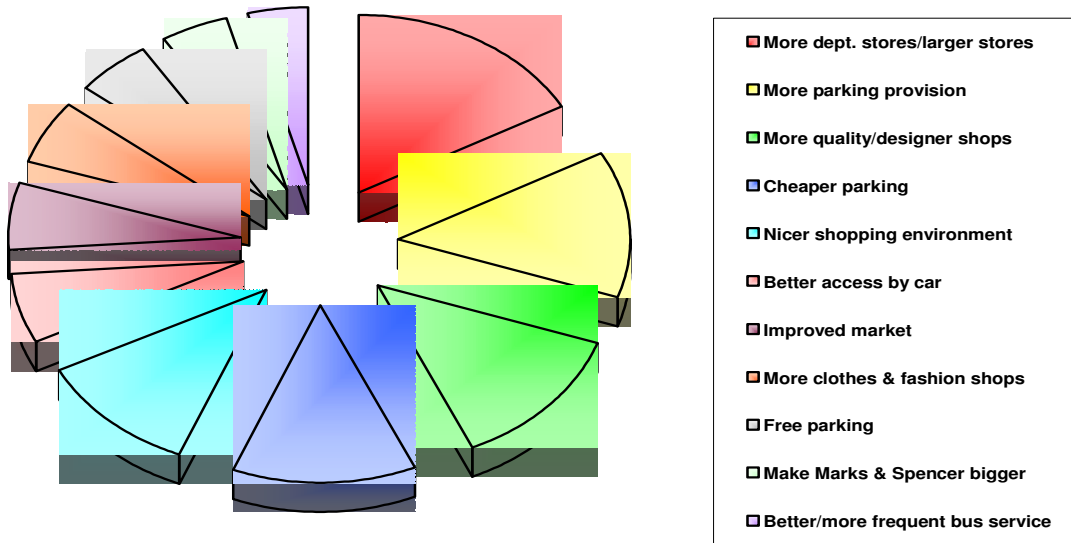
4.41 Woking and West Byfleet’s overall market share within the collective core zones (1, 2 and 5) falls from 48% for regular fashion shopping to 28% for Christmas and special occasion shopping. The overall market share within the secondary zones (3,4 and 6) falls from 8% to 7%

(iv) Suggested Improvements

4.42 Improvements to Woking’s retail offer, such as increasing the quality clothing and footwear offers and an additional department store, would help to counteract the town centre’s relatively low market shares. Figure 4.16 shows improvements to the town centre that would make respondents visit more often

4.43 Respondents were asked why they visit a particular centre for special occasion shopping. The main reasons were the choice of department stores, provision of larger stores and choice of quality / clothing and fashion stores. These reasons all reflect the responses and suggestions as to what Woking Town centre lacks.

Figure 4.16: Suggested Improvements to Woking Town Centre



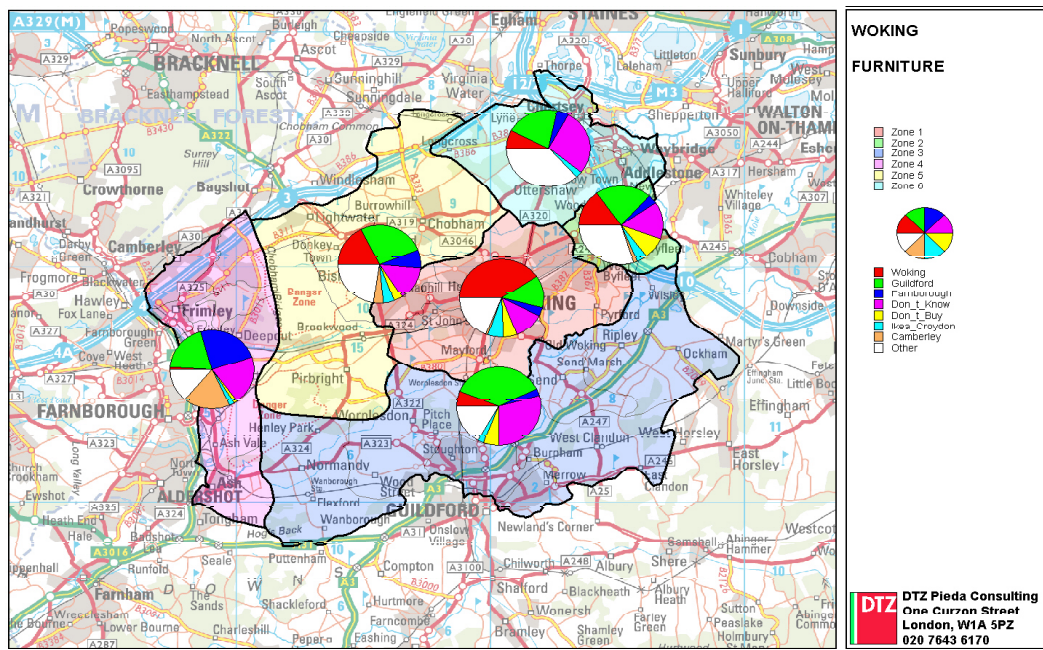
(v) Bulky Goods Retailing

4.44

Respondents were also asked where they shopped for bulky goods such as furniture, DIY and electrical items.

- Guildford is the most popular destination for furniture items, attracting 23% of all respondents (figure 4.17). This is due to the greater provision of out-of town stores and also the greater provision of town centre stores such as department stores that sell furniture items.
- Woking's stores attract 15% of all respondents, although within Zone 1 it attracts over 40% of respondents. Alders (town centre) accounts for almost a third of all respondents (5%), with the remainder (10%) shopping at the retail parks and solus units within the town.
- Almost one-quarter of all respondents did not buy or did not remember where they last bought furniture items. This was the same for electrical and DIY items.

Figure 4.17: Furniture and Carpets



- Guildford remains the most popular destination for electrical good items (Figures 4.18 / 4.19). The town as a whole attracts 27% of all respondents for large goods and 28% for small goods.
- Woking is the second most popular destination for electrical goods shopping. For large and small items it attracts 17% and 18% of respondents respectively. Within Zone 1 the market shares are higher as is expected. Woking accounts for 46% of the market share for large items and 50% for small items.
- Out-of-town stores account for the highest proportion of Woking's market share of large items. Of the 46% of respondents the town attracted, 43% shop in out-of-town stores and 3% go to town centre stores.
- The town centre attracts a higher proportion of Woking's market share for small items. Of the 50% of respondents shopping in Woking, 35% shop out-of-town, whilst 15% shop in the town centre. The most popular store within the town centre for both large and small items is Allders.
- Farnborough is also a popular destination for electrical goods, attracting 18% of all respondents for both large and small items.
- There is also an increasing trend for people to buy electrical items on the internet or by mail order due to the range that can be found and also cheaper prices. Internet and mail order account for 4% of the market share for both large and small goods.

Figure 4.18: Large Electrical Goods

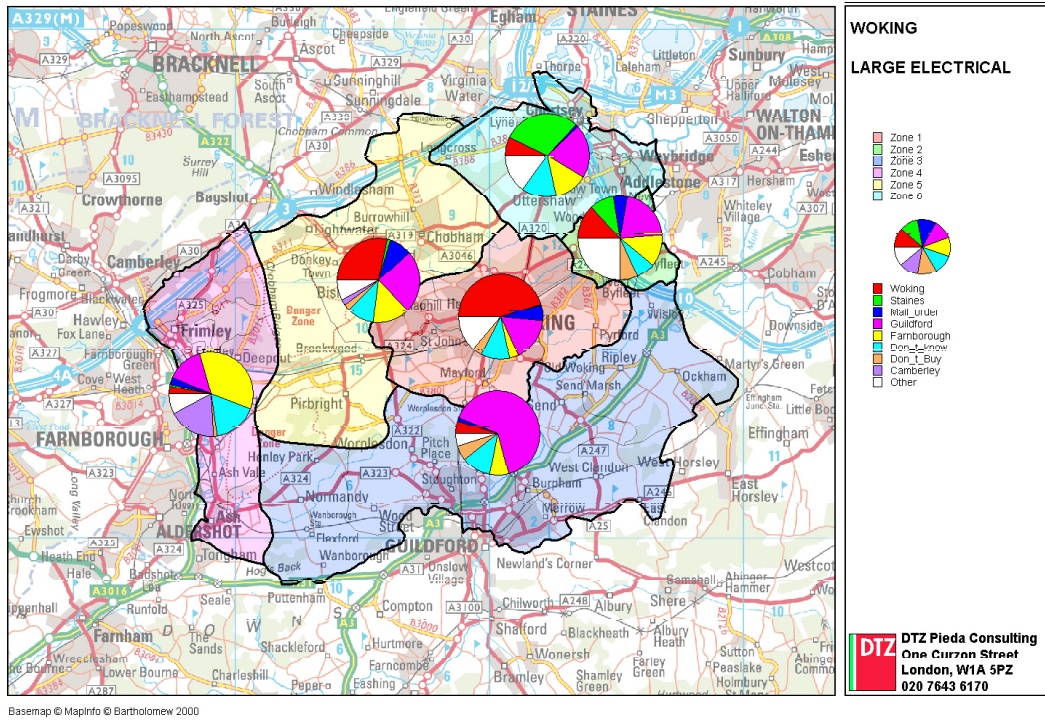


Figure 4.19: Small Electrical Goods

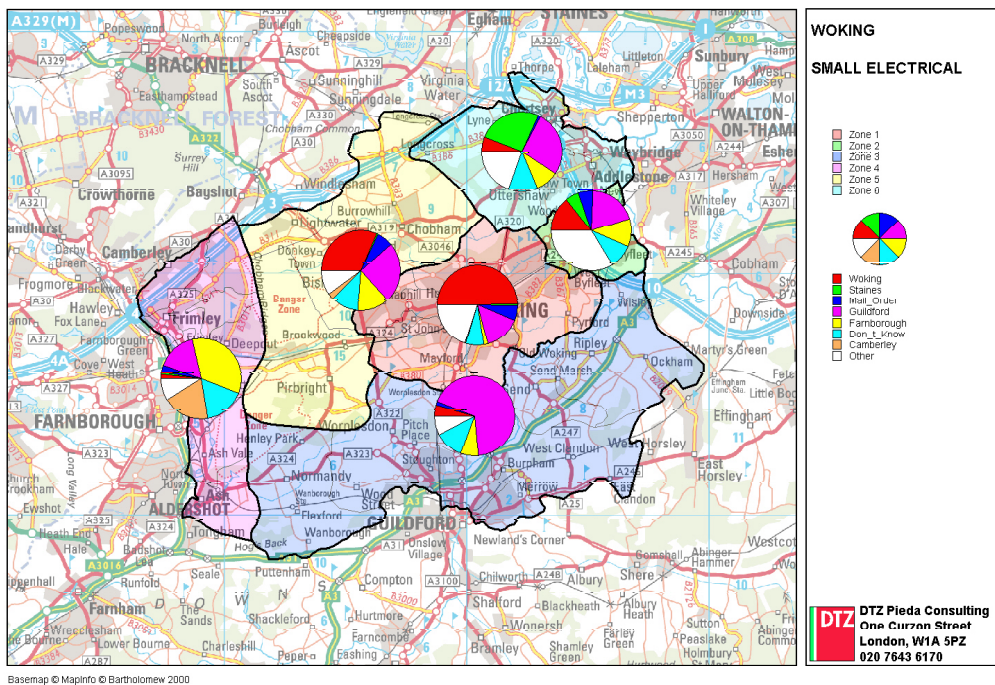
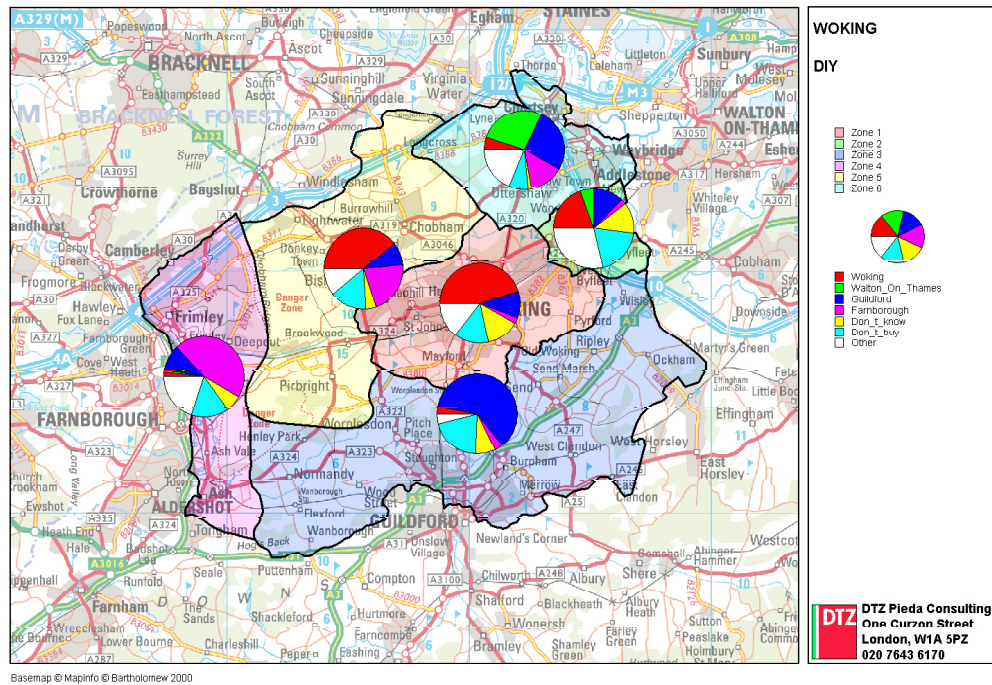


Figure 4.20: DIY Goods



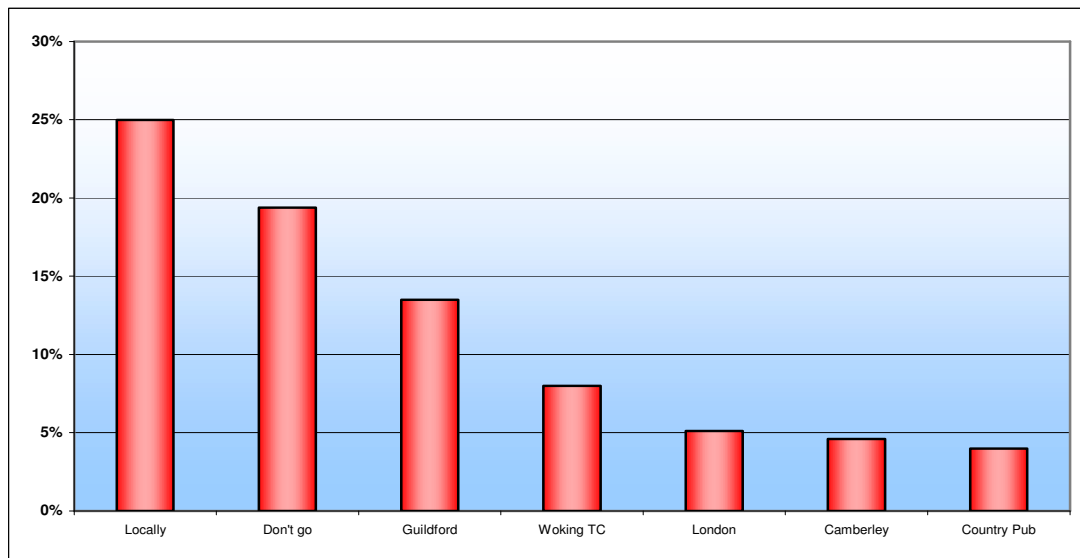
- Guildford (22% of respondents) is the most popular destination for DIY items with Woking (19%) ranked second (Figure 4.19).
- Farnborough attracts a significant number of respondents (14%), whilst Walton-on-Thames also emerges as a popular destination due to the large B&Q Warehouse store (6%).

(vi) Woking as a Leisure Destination

- 4.45 Woking town centre has a significant proportion of its floorspace devoted to leisure uses. The cinema, two theatres and various pubs, bars and other uses all add to the attraction of Woking.
- 4.46 The street survey and stakeholder workshop have all identified that there are some aspects of leisure provision that Woking town centre lacks. In particular the restaurant provision is geared towards fast-food and value foods, whilst pubs and bars are aimed at the towns younger population. There is little quality provision to attract older consumers or families.
- 4.47 When asked where they or their families went to have something to eat or drink, the vast majority stated that they went 'locally' (Figure 4.21). As with top up shopping, it is impossible to identify the exact locations of these local destinations. It is likely that the town centres may account for a small proportion of these responses, however most are likely to be restaurants, pubs and bars in small local centres / villages or situated on their own.

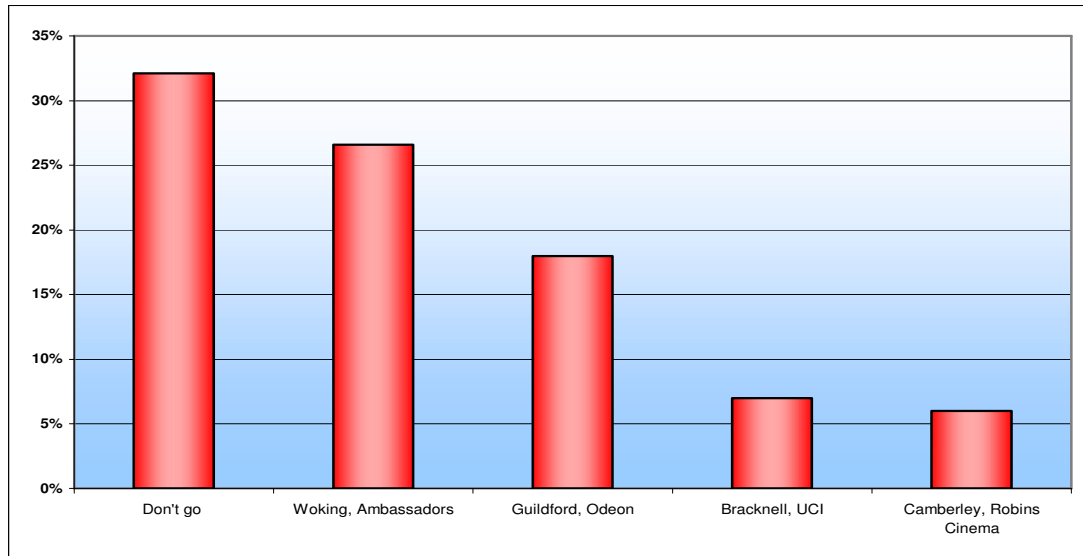
- 4.48 Guildford attracted 14% of respondents, whilst Woking town centre only attracted 8% of all respondents (Woking 'other' attracted a further 4%).
- 4.49 The low market share achieved by Woking town centre highlights the need for improvements in restaurant provision. Such improvements are also likely to attract people in to the town centre for other associated uses, such as the cinema, theatres and retail uses.

Figure 4.21: Where People go to Eat / Drink



- 4.50 The survey confirms that the Ambassadors cinema is the most popular cinema within the survey area, attracting almost 27% of all respondents (Figure 4.22). Of these, over 23% of all respondents visit the cinema at least once every two months. These results confirm that the cinema is a major attractor to Woking Town centre (these results include those who named the cinema the Peacocks cinema / New Victoria etc).
- 4.51 The Ambassadors cinema has the highest market share in Zone 1, Woking and the immediate area. 50% of respondents named the Ambassadors cinema as the last cinema they visited.
- 4.52 The cinema draws significant trade from the outer zones. The cinema accounts for 33% of the market share in Zones 2 and 5, and between 11% and 15% in each of the remaining zones.
- 4.53 The theatre within the same complex is also a popular destination. Although visits are less frequent than for the cinema, over 47% of all respondents visit at least once a year.
- 4.54 The Big Apple entertainment complex proved to be less popular. Overall nearly 80% of respondents never visit the centre. Even within Zone 1 over 70% of people stated that they never visit. The survey was not able to identify the reasons why people do not visit the complex.
- 4.55 However reasons for this are likely to be a combination of the choice of facilities within the complex and the lack of branding and advertising.

Figure 4.22: Cinema Visits



Stakeholder Presentation

- 4.56 On Friday July 29th DTZ carried out a local business stakeholder meeting, facilitated by the Borough Council, to ascertain their views on Woking as a retail and leisure destination from a business stance.
- 4.57 The meeting was attended by a wide range of town centre stakeholders including Barclays, Holiday Inn, Boots, The Peacocks Centre, The Ambassadors, The Town Centre Manager, Woking Chamber of Commerce and Borough Councillors.
- 4.58 A key part of this meeting was to formulate a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) of Woking to create a greater understanding of how local businesses would like to see Woking develop its offer. The main views are presented in the SWOT table below:

<p>Strengths</p> <ul style="list-style-type: none"> • Easy access by road and good parking provision. • The theatre. • Allders. • Strong multiple representation. • Compact central business / retail district. • Good service offer. • Strong local business community (McClaren, Cap Gemini) 	<p>Opportunities</p> <ul style="list-style-type: none"> • Attract a new department store. • More quality restaurants. • More upmarket / niche quality shops to counter the 'discount' stores. • Draw in affluent hinterland. Retain trade created by new 'professional' types moving to flats in the town. • Too many blank flanks to buildings that face public spaces. Convert these ground floors space to shops / cafes.
<p>Weaknesses</p> <ul style="list-style-type: none"> • M&S has a confused offer. Not really acting as an effective anchor. • Lack of quality restaurants in Woking centre. • Leisure offer orientated towards teenage / young adult drinking culture. 	<p>Threats</p> <ul style="list-style-type: none"> • The local dominance of Guildford. Friary Centre extension proposal. • Continued success of Kingston upon Thames. • Regeneration of Bracknell town centre which will attract major anchor units.

4.59 As one can see the responses broadly concur with the outputs of the street and household survey. The key views of local businesses are:

- Another anchor unit in the form of a department store, is required to consolidate and strengthen the current town centre offer.
- Quality shops are required to counter the 'downmarket' feel that is created by a number of high profile discount stores such as Mark One.
- The leisure offer needs more quality restaurants to move away from the teenage / young adult drinking culture, which is creating problems for the town at night and deterring more affluent residents from spending leisure time in the town.

4.60 Local businesses felt that Woking played too much of a secondary role to the likes Guildford and Kingston. One stakeholder described the town centre as '*the poor man's Guildford*'. Many felt that Woking's retail and leisure offer should work more to attract the affluent high spending hinterland the town is situated in.

Retail Offer GAP Analysis

4.61 DTZ have carried out analysis of where there are gaps in the Woking offer in comparison to its two leading competitors, Guildford and Kingston. This analysis has been carried out in terms of key individual fascias, who are deemed to represent quality. This enables an assessment of where Woking falls short in comparison to its key competitors in terms of a quality retail and leisure mix which is clearly a key area of criticism for the town centre.

4.62 We have collated three lists, the first two are 1) Key clothing and footwear attractors, and 2) Key A3 attractors. Each list features operators whom we believe any mid to upmarket town in the South East should aspire to have in their centre. These operators have a market profile that will attract the affluent high spending groups, present in the Woking catchment, that currently the town is failing to attract.

Table 4.1: Aspirational Fashion Retailers

Retail Attractor	Woking	Kingston	Guildford
Hobbs	N	Y	Y
Laura Ashley	N	Y	Y
Jigsaw	N	Y	Y
Russell & Bromley	N	Y	Y
Jones the Bootmaker	N	Y	Y
Austin Reed	N	Y	Y
The Pier	N	Y	Y
French Connection	N	Y	Y
La Senza	Y	Y	Y
Monsoon	Y	Y	Y
Gap	N	Y	Y
Next	Y	Y	Y

Table 4.2: Aspirational A3 Operators

Leisure Attractor	Woking	Kingston	Guildford
Starbucks	N	Y	Y
Pizza Express	Y	Y	Y
Café Rouge	N	N	Y
Zizzi	N	Y	Y
Bella Pasta	N	N	N
Ask Pizza	N	N	N
All Bar One	N	N	N
Caffe Nero	N	Y	Y

4.63 It is clear to see that in terms of fashion retailing Kingston and Guildford already have all the aspirational national brands listed present, yet Woking has only three out of the twelve fascias listed. As a result it is hardly surprising to see that the more affluent groups are bypassing Woking in favour of these two centres.

4.64 In terms of A3 multiple operators there is less clarity, as the mid to high end market is more fragmented and multiple operators tend to have limited regional and national representation. Despite this however it is still evident that beyond Pizza Express, Woking has no mid market A3 offer of note.

4.65 Our third list is for department stores representation in each town:

Table 4.3: Department Store Representation

Department Store	Woking	Kingston	Guildford
House of Fraser	N	N	Y
John Lewis	N	Y	N
Debenhams	N	N	Y
M&S	Y	Y	Y
Alders	Y	N	N
Bentalls	N	Y	N
BhS	Y	Y	N
Woolworth's	Y	Y	Y

4.66 The anchor to any town sets the tone for the rest of the retail offer in terms of which socio economic groups are being targeted. Each town has its main anchor Guildford (House of Fraser), Kingston (John Lewis) and Woking (Alders) and these somewhat reflect the market position of each town. Guildford and Kingston both have secondary anchors (Debenhams and Bentalls) which again reinforce their up and mid market positions respectively. Woking however does not and securing a second more upmarket anchor would help change the perception of the town as a low to mid market centre.

Summary

4.67 The street and household surveys, supported by the findings of the stakeholder consultation, have highlighted the following key issues:

- Woking town centre is the principle centre within the borough. The surveys also confirm its status as a popular centre, although Guildford, as a higher order centre is the most popular centre as identified by the household survey.
- Woking town centre primarily functions as a comparison destination. Over 17% of all survey respondents regularly visit the town centre for clothing and footwear trips, whilst 52% of street survey respondents were visiting for fashion items.
- Both surveys identify the need for additional fashion outlets within the town centre. The current provision is at the value end of the market, consumers identified the need for higher quality goods, which would provide a better all round range of goods within the town centre.
- Woking's catchment is constrained by the presence of larger surrounding centres - particularly Guildford to the south. Woking already loses a significant market share to Guildford. Unless Woking builds and develops its offer the market share attrition will increase. Development in Guildford will only attract more consumers to the town.
- The large-scale redevelopment of Bracknell (as detailed in section 3) will also have a significant impact on Woking in two ways. Woking will lose market share to Bracknell upon completion of the development. It is also likely that if development in Woking does not start to happen before the Bracknell scheme is completed, the town will be competing with the new development to attract retailers.

- Other suggested improvements to the town centre are the addition of a new department store, and improved parking facilities. A new department store would significantly raise the status of the town and would also encourage more quality retailers to locate within the town.
- There is currently adequate provision of out-of-town retailing within the Woking area. Guildford is the most popular destination for bulky items, however this is largely due to the out-of-town provision as well as town centre provision.
- Woking has a good provision of leisure facilities within the town. The fact that most of the major facilities are within the town centre is a major benefit, as they encourage linked trips. The cinema is the most popular leisure destination within the town.
- Quality is again a key issue with the leisure facilities. Despite the good provision of facilities, some aspects lack quality. Those lacking quality are the restaurant provision, bar / pub provision, and The Big Apple Leisure complex.
- The household survey showed that the majority of respondents never visit The Big Apple, thus improvements need to be made to the complex itself, along with improvements to the branding and advertising of the complex.
- Restaurants are a key element of the town centre that need to be improved. There are no quality restaurants (or pubs/ bars) to attract the older, and more affluent, or family consumers in the area. Such additions and improvements would help to create a more appealing evening economy to the town, and again would help to encourage linked visits.
- Overall the survey has shown that Woking town centre is a popular centre and functions relatively well as both a retail and leisure destination. However, the centre must continue to make improvements to maintain (and increase) its market share and limit the numbers of people shopping at centres outside the borough.

5 Prospects For Retail and Leisure: Market Demand

5.01 This section sets out our assessment of the market demand for new retail space in the Borough's main centres, based on DTZ's datasets and our own market intelligence. To provide the context for our market demand and capacity assessments we also briefly describe some of the key trends that are driving changes in the retail industry and specifically how this is being manifested in terms of the scale, quality and location of new retail investment.

Consumer Demand

5.02 There is growing evidence that consumer confidence and spending is slowing. The latest official figures show a slowdown in retail sales growth and footfall. This is leading to more difficult trading conditions for retailers and is partly attributed to growing concerns over household debt which has grown significantly over recent years as a result of low interest rates, low unemployment and relatively high house price inflation. This debt burden and the increase in savings which is expected as a result, is likely to mean that private consumption will be less buoyant over the short term. This will be further exacerbated by the recent hikes in interest rates and the cooling housing market. This forecast is expected to deter the large volume of mortgage equity withdrawal that has helped to underpin the consumer market.

Market Demand: National Trends

5.03 As Section 2 highlighted, the retail sector is one of the most dynamic sectors of the UK economy and is subject to constant change. The rising affluence of households, combined with changes in lifestyle and demographics, are changing the shape of consumer demand. At the same time operators and investors increasingly have to roll out more flexible and exciting retail formats and concepts to capture market share. The main property market trends driving demand in the convenience and comparison goods sectors across the UK are briefly reviewed below.

(i) Convenience Goods Retailing

5.04 The opportunities for major quantitative increases in Britain's convenience goods floorspace in the future appear limited. This is due to the more restrictive planning policy climate and the fact that spending on food represents a shrinking proportion of total household expenditure. The forecast growth in grocery spending is also minimal (0.1 % p.a.) meaning that there is less consumer demand for food at the national and local level.

5.05 Nevertheless, the major grocery retailers are still aggressively seeking to increase market share through a variety of business strategies to help drive up profit margins and sustain long-term growth in the highly competitive grocery sector. Some of the key initiatives adopted include the following:

- price differentiation and discounting
- new store openings and extensions
- takeovers and mergers
- a return to the high street
- growth of convenience ('c-store') formats
- product diversification and specifically the expansion of non-food retail space
- increased commitment to Internet shopping.

- 5.06 Whilst the major grocery retailers are continuing with new store openings and extensions, albeit on a smaller scale than before, the main thrust of business strategies over recent years has been to try and differentiate themselves from their competitors and to open up new markets, particularly in the higher margin fashion, electrical and homeware sectors.
- 5.07 The need for greater flexibility, a key requirement of the sequential test, has also resulted in smaller store formats, such as the Tesco 'Express' convenience stores, which are linked to petrol filling stations, as well as a return to the high street through the Tesco 'Metro' and Sainsbury's 'Local' formats. However, the success of these convenience stores has been mixed with the Sainsbury's and M&S formats struggling, resulting in them paring back their programmes, conversely Tesco Expresses have performed well. Kwiksave / Somerfield, who already boast the largest food store portfolio in Britain, are increasingly focussing on expansion plans in the convenience sector of the market.
- 5.08 The UK grocery sector is currently entering a period of consolidation, as illustrated by the recent take-over of Safeway by WM Morrison. There are a number of major foreign grocery operators who are not currently represented in the UK – Europe's third largest food market – and this may lead to further consolidation in the future. The most likely candidates for acquisition are Sainsbury's and Kwiksave / Somerfield which are both currently underperforming.
- 5.09 These trends would seem to indicate that the major demand over the next 5–10 years will be for extensions to existing stores to carry a wider range of non-food goods. At the other end of the scale, the future is less certain with some operators making a success of the convenience market while others struggle. However, there is likely to be increased demand from smaller convenience ('c-store') operators and discounters, as they seek to extend their representation in smaller and medium-sized towns. This could benefit smaller centres in Woking Borough, as it could lead to high profile retailers such as Tesco as well as Kwiksave / Somerfield targeting centres that they would not have previously considered.

The retailer requirements list compiled by DTZ, informed by the 'Focus' datasets, indicates that the following have requirements for representation in Woking Borough: Aldi (930 sq. m.), The Big Food Group / Iceland (up to 740 sq. m), and Farm Foods (650 sq. m.).

(ii) High Street Retailing

- 5.10 Retailer demand for space in prime town centre locations remains relatively strong, despite the impact of the recent economic slowdown. DTZ has identified the following key national trends which are shaping retailer requirements at the strategic and local level over the medium term:
- Market analysts predict strong growth for the **department store** sector, as the mixed goods nature of the business and the multi-segmented market will help to insulate it against any slowdown in retail spending. Most of the major city centres have been targeted for expansion. The most significant movers in the department store sector currently are John Lewis (which currently has 26 stores and plans to open ten new stores by 2012) and Debenhams which currently has 104 stores nationwide and is planned to open (on average) six new stores per year.

- Modern retailers are also demanding larger unit sizes, as this allows them to be more flexible with their space and display a wider range of goods in a more customer friendly environment.
- The Estates Gazette¹ noted that in 2004 Gamestation, Maplin Electronics, Jessop's, Poundland and Card Factory are the most active retailers in terms of seeking new units.
- The increased polarisation in the retail market between value retailers at one end of the spectrum and the more expensive brands at the other is also set to continue. Research shows that the **discount-fashion retailers** (such as Matalan and TK Maxx) are the fastest growing sector of the fashion market. Matalan, which had previously concentrated on out-of-centre locations, is now targeting town centre sites and the smaller value-fashion specialists (such as New Look, Primark and Peacocks) are also looking at low-cost city and town centre sites, market towns and secondary shopping centres in large urban areas, where overheads are relatively low. So far in 2004 Matalan have signed up to opening 10 new stores and four relocations totalling over 55,000 sq m.

DTZ's review of retailer requirements indicates that there is currently demand from Bon Marche (370 sq. m.), Brantano Shoes (700 sq. m.), Card Factory (130 sq. m.), Carphone Warehouse (190 sq. m.), Fat Face (140 sq. m.), Laura Ashley (460 sq. m.), Maplin Electronics (230 sq. m), Peacocks Stores (up to 1,400 sq. m.) and Zara (490 sq. m.) among others.

- In higher order centres, served by a relatively affluent catchment, more specialised shops selling furniture/home furnishings and day-to-day hardware merchandise are expected. Currently there is little existing representation from this sector in Woking.
- The importance of town centres as a leisure/recreation destination has been recognised for some time, but has recently, with particular reference to the evening economy, taken on increased prominence with it's inclusion in draft PPS 6.
- Recent BCSC research shows that in the last four years just under a third of new shopping centres contain big box leisure facilities.
- A number of multiple restaurant formats are expanding their portfolio throughout the UK. Two fascia's which are currently actively expanding are Basilico and Fornovivo both Italian food operations.
- The latest growth area is based on the current trend to 'go out' to buy lunch. Formats that are expanding rapidly in the South East to satisfy this trend are The Natural Café and Realburger World. Coffee Republic has also entered this market by rebranding its shops to Republic Deli outlets.

¹ Estates Gazette Retail Market Summary. Issue 2, October 2003 – March 2004.

DTZ's review of leisure requirements indicates that there is currently demand among others from: Ask Pizzeria (280 sq m), Basilico (110 sq m), Best Cellars Pubs (280 sq m), Costa (185 sq m), Lloyds No1 Bars (280 sq m), Riley's American Pool and Snooker (1,110 sq m) and Subway (140 sq m).

(iii) Out-of-Centre Retailing

5.11 Retail warehouse expenditure growth is forecast to rise to over the short term. Looking further forward, over the medium term, retail warehouse expenditure is expected to continue to outperform total consumer spending. Market demand in the more traditional 'bulky goods' retail warehouse sector remains strong, driven by significant activity amongst the DIY, furniture, carpets and electrical goods retailers. Despite the tighter planning restrictions, developers are still pushing ahead with applications and development to try and meet the high levels of demand.

- **DIY and hardware** – This has been the best performing sector over recent years and analysts predict that growth will remain strong, as it is argued that falling confidence in the housing market will result in fewer transactions and more people investing in their homes. This is also the most consolidated 'out-of-centre' sector and is dominated by just three key players – B&Q, Focus / Wickes and Homebase. All three are rolling out larger 'category-killer' stores, as well as smaller stores, targeted at edge-of-centre and even town centre locations. They are also introducing 'mezzanine' floors in some stores as a means of extending the floorspace, often without the need for planning permission.

There is currently demand from B&Q for up to 9,300 sq. m. in an out of centre location in Woking.

- **Electrical Goods Sector** – The constant stream of new products, innovations and technology has fuelled the growth of this sector over recent years. Until recently, all the major electrical retailers were looking to expand their representation, although their main requirement is for larger more modern stores to display their wide range of products to combat product price deflation. The recent announcement by Dixons that it is to close over 100 of its smaller High Street stores, whilst pushing forward with the development of its large Dixons XL store format, further underlines this trend. The smaller players in the market, particularly in the computer and mobile phone sectors, have been hit by price deflation in recent years, which could lead to increased consolidation. However, DTZ consider that demand should be stimulated by new product developments, such as digital television and the growing demand for widescreen sets. It is expected that PC demand will also increase with the wide usage of broadband and digital photography. The mobile phone market is also expected to pick up with the increased take-up of 'third generation' phones and video messaging.
- **Furniture and Carpets Sector** – Analysts also predict strong growth for this sector over the next five years. However the market leaders – MFI, Ikea, DFS and Courts – will face increased competition from other retailers, particularly department and variety stores, leading to increased consolidation across the sector. Both MFI and Ikea are looking to expand their out-of-town store portfolio, although Ikea is also considering edge-of-centre sites because of the tighter planning restrictions. Allied Carpets is also planning a return to the high street and has targeted 20 locations

across the UK. This sector is one of the most cyclical of all and, with consumer spending growth slowing, it may experience more difficult trading conditions in the short term.

5.12 A new wave of high street retailers are also looking to expand out-of-town in order to reach new customers and increase market share. These include the Early Learning Centre, Argos, Borders, HMV, Boots, the Arcadia Group and Clinton Cards. Many of these high street retailers have requirements for smaller units, which is leading to the sub-division of standard retail warehouse units where there are no planning conditions in place. For example:

- **Boots** plans to double its representation in edge-of-centre locations up to 2005/2006, and
- **Next** is pressing ahead with its plans to open larger out-of-centre stores as illustrated by the recent planning application to extend its representation in the Serpentine Green Shopping Centre, Peterborough – which was recently refused.

Summary

5.13 DTZ research shows that retailer demand remains relatively stable across all retail sectors, despite the slowdown in consumer spending and economic activity. In town centre locations the strongest growth in demand is coming from the value sector.

5.14 A new generation of retail parks and stores are also emerging that are very different from earlier developments. Operators are increasingly looking to add value to their retail offer, rather than simply 'pile-it-high and sell-it-cheap'. For example, retailers are experimenting with leisure and A3 uses, often by introducing mezzanines into existing stores, and landlords are also looking to invest and asset manage their portfolios of retail parks through improved design, branding and tenant mix strategies.

5.15 The commercial leisure sector (comprising principally bars, restaurants, cafés, cinemas and health/fitness clubs) has emerged as a significant driver of town centre vitality and viability, particularly underpinning evening economies. DTZ's review of market demand has demonstrated strong interest from A3 operators in Woking.

6 Prospects For Retail and Leisure: Capacity Assessment

- 6.01 This section summarises the key findings of DTZ's broad quantitative retail capacity assessment. To meet the objectives of this study we have modelled the potential capacity for new leisure, convenience and comparison goods retailing within the Borough up to 2016.
- 6.02 It is important to state at the outset that current planning policy guidance stresses that town centre, edge-of-centre and local centres should be the first choice for all new retail and leisure development. In accordance with the sequential test set out in PPG6 (and draft PPS6 for consultation), DTZ has necessarily assumed that the first choice for new 'bulky' comparison goods shopping should be in, or on the edge of, existing town centres (provided that suitable and viable sequential sites are available).
- 6.03 In the context of PPG6 (and draft PPS6 for consultation) it is also incumbent upon developers and occupiers to be more flexible and innovative in the scale, design and layout of new retail and leisure proposals. The key issue to be considered on this point is whether the 'class of goods' (e.g. 'bulky' goods) can be disaggregated and sold from one or more town centre sites, rather than being constrained by the retail format (i.e. retail warehousing).
- 6.04 This section summarises the key assumptions and inputs driving the DTZ *ReMap* retail capacity model, along with a more detailed description of the key floorspace capacity outputs.

DTZ *Re:Map* Retail Capacity Model

- 6.05 DTZ has developed the *Re:Map* model specifically to forecast the potential capacity for (and impact of) new retail and leisure floorspace. DTZ *Re:Map* is based on a conventional manual step-by-step approach which is both transparent and robust, in accordance with advice set out in PPG6 (and PPS6 draft for consultation). Its main advantage over other approaches is that the sensitivity of the key assumptions can be tested at all stages in the analysis.
- 6.06 The key inputs to the model are estimates of a centre's and/or store's **market share** (i.e. the proportion of spending in the defined study or catchment area which is currently attracted to the existing retail floorspace) and **trade draw** (i.e. the proportion of a centre's and/or store's turnover derived from outside the study area).
- 6.07 In this case our market share assumptions are informed by the results of the household survey conducted by DTZ as part of this retail and leisure study. We consider that this survey provides a valid indication of the broad pattern of convenience and comparison goods shopping across the study area and beyond.
- 6.08 It is important to emphasise that there is no one simple or single solution to quantifying capacity. Therefore, in order to test the sensitivity of the outputs of the DTZ *Re:Map* model to critical changes in the key inputs (such as population and expenditure growth, as well as changes in market shares, trade draw levels and turnover 'efficiency' rates), we normally model different capacity scenarios for both non-food and food shopping.
- 6.09 For the purpose of this assessment we have tested the following capacity scenarios for convenience and comparison goods:
- **Scenario 1: 'Baseline - Steady Growth' (unadjusted market shares)** – This scenario tests the capacity for new comparison and convenience floorspace based on

the ‘raw’ market share figures derived from the household survey. The ‘baseline’ case assumes that the derived market shares will remain constant over the forecast period 2001 to 2016.

- **Scenario 2: ‘Decline’ (adjusted market shares)** – This scenario tests the capacity for new comparison floorspace only based on a declining market share. For this scenario we adjust downwards Woking town centre’s market share by **10%**. This downward adjustment is based on leakage and competition arising from a ‘do nothing’ scenario where Woking is negatively impacted by development and investment in competing centres.
- **Scenario 3: ‘Clawback’ (adjusted market shares):** This scenario tests the capacity for new comparison floorspace based on an increasing market share. For the purpose of this scenario we assume an uplift in Woking town centre’s market share by **10%**. This uplift is based on the town centre ‘clawing back’ shoppers and spend from competing centres due to new investment and development.

Table 6.1 Capacity Assessment - Comparison & Convenience Goods:		
Scenarios	Growth in ‘efficiency’ (% per annum)	Growth in average spend (% per annum)
CONVENIENCE GOODS:		
Scenario 1 (unadjusted market shares)	0.0%	0.3%
COMPARISON GOODS:		
Scenario 1 (unadjusted market shares)	1.5 % & 2.5%	4.4 %
Scenario 2 (adjusted market shares)	1.5% & 2.5%	4.4%
Scenario 3 (adjusted market shares)	1.5% & 2.5%	4.4%

6.10 For the purpose of our analysis we have assumed that the centres and stores in Woking Borough are trading at **‘equilibrium’** at the base year (2001). In other words, the existing retail businesses are assumed to be achieving average turnover to floorspace levels in line with their national company averages (as detailed in the annual Mintel ‘Retailing Rankings’ reports), and other ‘benchmark’ indicators of centre and store turnover performance. As a result we assume that there is no residual (‘pent-up’) convenience or comparison goods expenditure available to support new floorspace at the base year (i.e. 2001). This is a conventional assumption in retail capacity assessments, as it is extremely difficult to calculate the potential capacity for new retail floorspace at the base year without detailed information on actual centre and store turnover levels. Nevertheless, DTZ recognise that some centres and stores may be over trading at the base year.

6.11 The following commentary briefly describes the key stages in the DTZ *Re:Map* capacity assessment and sets out the baseline assumptions underpinning our analysis.

STAGE 1: Population and Spend Forecasts

- 6.12 The starting point for the capacity assessment is to define the study area and to understand current shopping patterns. For the purpose of the capacity assessment we have defined the study area based on the zones used for the household interview survey as illustrated in **Appendix 7**.
- 6.13 The base year population and average spend estimates set out in **Table 6.2** below have been derived in-house by DTZ using the MapInfo Geographic Information System (GIS), which runs the TargetPro demographic (formerly know as URPI Illumine) and ACORN lifestyle datasets. This is a standard source and is widely used by planning consultants and accepted at Public Inquiries.

Table 6.2					
Estimated Population and Available Spend at Base Year (2001)					
	Population	Average Spend per Capita		Total Available Spend (£million)	
		Non-Food	Food	Non-Food	Food
Zone 1	75,601	£2,990	£1,745	£226.0m	£131.9m
Zone 2	20,940	£2,949	£1,742	£61.8m	£36.5m
Zone 3	55,678	£3,016	£1,761	£167.9m	£98.0m
Zone 4	57,555	£3,132	1,807	£180.3m	£104.0m
Zone 5	23,992	£3,265	£1,861	£78.3m	£44.6m
Zone 6	28,160	£2,985	£1,773	£84.1m	£49.9m
TOTAL:	261,926	~	~	£798.4m	£465.0m
Source: DTZ <i>ReMap</i> , (Appendix 8 & 9 , Stage 1)					

- 6.14 DTZ advocate a **goods-based approach** to determine retail capacity and retail impact, rather than the business-based approach. This is supported by recent Public Inquiry decisions, Ministerial Statements and PPS6. It is preferred for a number of reasons. For example, the goods-based information reflects the changes in sales of specific ranges of goods and therefore provides greater clarity as to what is happening in a market compared to a business-based approach.
- 6.15 DTZ has forecast the potential increase in the population and spend estimates between 2001 – 2016 using the following growth projections:
- **Spend Projections** - For comparison goods we have used DTZ’s recommended long term growth rate for spending of +4.4% per annum. The DTZ view has been based on historical trends derived from MapInfo Brief 04/02 “*Goods based retail expenditure estimates and price indices*” (April 2004) and Experian’s “*Retail Planner Briefing Note 1.2*” (November 2003).

- **Population Projections** – DTZ has used data supplied by the Council for population growth rates. We understand that these have been derived from the Surrey County Council and are based on their “*Draft Interim 2001 based Population and Household Forecasts*”. The growth rates are the derived annualised rates for the period 2001 to 2016. We therefore assume that each zone will increase at the rates set out in **Table 6.3** below. This results in a total population growth from 261,926 to 271,551 between 2001 and 2016 (i.e. an increase of +3.7%).

Table 6.3		
Study Area: Population Projections		
Study Area	Annual Growth Rate	Local Authority(ies) under which zone falls under
Zone 1	+0.20%pa	Woking BC
Zone 2	+0.20%pa	Woking BC
Zone 3	+0.25%pa	Guildford BC
Zone 4	+0.38%pa	Guildford BC & Surrey Heath BC
Zone 5	+0.38%pa	Guildford BC & Surrey Heath BC
Zone 6	-0.05%pa	Runnymede BC

- **Total Available Spend** – Combining the average spend (of all zones) and population forecasts, we calculate the potential total available spend on comparison goods (based on ‘**Baseline**’ **Scenario 1**) will increase by 97.9% from £798.4million to £1,579.7 million between 2001 and 2016. In contrast, spend on convenience goods is forecast to increase by 8.5% from £465.0 million to £504.4 million over the same period.

6.16 The outputs of Stage 1 clearly demonstrate that the growth in the Borough’s comparison goods market exceeds spending on convenience goods. This has important implications for the capacity for new retail development in these two retail sectors over the forecast period.

STAGE 2: Floorspace Stock and Commitments

6.17 This stage in the analysis sets out DTZ estimates of existing non-food and food retail floorspace within the Borough. DTZ has drawn on the Experian Goad national dataset to derive this data and supplemented by the Council’s own data where available. The floorspace data used is detailed in **Appendix 10**.

6.18 It should be noted that the apart from the centres of Woking and West Byfleet there is no district or local centre for which detailed floorspace data exists. As a result for the comparison goods sector we have only evaluated these two centres. For convenience goods we have sought to define floorspace for the local and district centres by reference to named convenience stores within the centres as detailed in **Appendix 10**.

6.19 For the capacity analysis **Table 6.4** lists the following in-town comparison commitments for Woking and West Byfleet. We have also separately listed all out-of-centre comparison goods commitments in **Table 6.5**.

Table 6.4: Comparison Goods Commitments : Town Centre (sq.m)				
Centre	Application No:	Location	Additional Floorspace (Gross - sq.m.)	Additional Floorspace (Net - sq.m.) ⁽¹⁾
Woking	2000/0268	Land adjacent to Mercia Walk / Commercial Way	100	60
West Byfleet	2004/0307	49 – 50 Station approach	175	105
Comparison In-town Total			275	165
Note: Based on a gross to net ratio of 60%				

Table 6.5: Comparison Goods Commitment: Out-of-Centre (sq.m)				
Centre	Application No:	Location	Additional Floorspace (Gross - sq.m.)	Additional Floorspace (Net - sq.m.) ⁽¹⁾
Brookwood	2002/1127	Sainsbury's Homebase, Redding Way	2,483	1,986.4
Sheerwater	2000/0605	Unit A, Forsyth Road	100	80
Out-of-Centre Total			2,583	2066.4
Note: Based on a gross to net ratio of 80%				

6.20 **Table 6.5** lists the in-town convenience commitments for Woking and the other District and Local Centres. There were no out-of-centre convenience commitments.

Table 6.6: Convenience Goods Commitments: In-town (sq.m)				
Centre	Application No:	Location	Additional Floorspace (Gross - sq.m.)	Additional Floorspace (Net - sq.m.) ⁽¹⁾
Woking	2003/1370	Peacocks Centre, Victoria Way	1,232	739.2
	1999/1403	Land adjacent to 5 The Broadway	103	61.8
	2002/1417	Former Railway yard Depot, Victoria Road	140	84.0
	2002/1171	8 Guildford Road	99	59.4
Woking Total			1,574	944.4
Goldsworth Park	2004/0054	Waitrose Supermarket	214	128.4
Kingfield	2000/0569	Sherpa House, Kingfield Rd.	67	40.2
	1999/1403	1 The Shops, Kingfield Rd.	180	108.0
Convenience In-town Total			2,035	1,221
Note: Based on a gross to net ratio of 60%				

STAGE 3: Market Share Estimates

6.21 Stage 3 sets out our estimates of the share of available comparison and convenience goods spend which is currently being attracted to existing centres and stores in the Borough. This stage of DTZ *Re:Map* drives our assessment of the total turnover (Stage 5) and average sales densities (Stage 6) of existing comparison and convenience goods floorspace in the Borough, as well as the potential capacity for new floorspace over the forecast period (Stage 7). The detailed tables for comparison and convenience goods ‘baseline’ capacity assessments are set out in **Appendices 8** and **9** respectively.

6.22 The robustness of this market share approach is necessarily dependent on judgments as to the relative scale, quality and location of existing retail facilities within the Borough and beyond. To help inform these market share judgments we have drawn on the results of the commissioned household interview survey, which specifically asked, where people shop for convenience goods (for both “main” food items) and comparison goods (for “clothing & footwear”, “furniture/carpets”, “large and small electrical goods” and “bulky DIY goods”).

6.23 Nevertheless, the household survey can only provide a broad indication of shopping and spend patterns within the study area. The derived market shares provide a guide as to how much total potential spend is being attracted to the Borough’s key centres and stores, but the questions in the household survey do not allow us to accurately prescribe spending flows.

6.24 As a result, we prefer to test the relative robustness and sensitivity of the market share assumptions using the DTZ *Re:Map* model. In this case the outputs of the model, namely

turnover potential (Stage 5) and average sales densities (Stage 6), provide a critical test of the market share assumptions. If adjustments are necessary, then by a process of iteration we are able to arrive at more robust and realistic market share levels.

6.25 The unadjusted market shares for Scenario 1 ('baseline') are as follows:

Table 6.7: Comparison Goods Retailing: Unadjusted Market Shares (%)						
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6
Woking TC: <i>Unadjusted:</i>	34.6%	19.6%	6.4%	2.3%	28.4%	7.7%
West Byfleet TC: <i>Unadjusted:</i>	0.9	8.7%	0.0%	0.0%	0.0%	0.0%
Retail Warehouses: <i>Unadjusted:</i>	11.4%	4.3%	1.1%	0.4%	7.2%	1.0%
Source: DTZ ReMap, (Appendix 8, Stage 3)						

6.26 The unadjusted convenience goods market shares are detailed below:

Table 6.8: Convenience Goods Retailing: Unadjusted Market Shares (%)						
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6
Woking TC: <i>Unadjusted:</i>	17.7%	1.0%	3.6%	1.3%	27.9%	0.9%
District & Local Centres: <i>Unadjusted:</i>	25.5%	15.8%	1.5%	0.0%	7.3%	1.2%
Out of centre stores: <i>Unadjusted:</i>	39.4%	13.3%	7.4%	0.7%	28.2%	0.7%
Source: DTZ ReMap, (Appendix 9, Stage 3)						

6.27 **Table(s) 6.7 and 6.8** show that 11% of comparison goods spend and almost 40% of convenience goods spend is flowing out to out of centre retail locations from the core catchment (Zone 1). Furthermore there is a 'leakage' of 29% of comparison goods and 10% convenience goods spend to other competing centres outside the core catchment.

6.28 Based on MapInfo estimates, we also assume that 7.6% of comparison goods spend is on 'special forms of trading' (SFT). This pertains to spending that does not take place in shops (i.e. vending machines, mail order and Internet shopping). We have made a similar adjustment of 3.2% to the convenience goods spend.

STAGE 4: Trade Draw Estimates

6.29 At this stage in our analysis we calculate the proportion of total estimated turnover of each centre and store that is drawn from outside the defined catchment area (i.e. outside the 'core' and 'outer' study areas). This trade draw estimate, in combination with the market share assumptions (Stage 3), are the two main inputs to the DTZ *Re:Map* model and drive the assessments of retail floorspace capacity.

6.30 The trade draw of a centre or store from within its defined catchment areas (i.e. the 'core' and 'outer' areas) is an output of the market share estimates (at Stage 3) and can be used to test whether the assumed market shares are reasonable or not. Dependent on their size, location, accessibility and quality of shopping provision, we normally assume that a certain proportion of the total estimated turnover of a centre or store will also be derived from beyond the study area (in this case from beyond the 'outer' study area).

- **Comparison Goods** – Research and survey evidence clearly demonstrates that town and city centres with a significant 'critical mass' of retail floorspace, as well as a diverse mix and quality of retail, leisure, service, tourist and cultural attractions draw shoppers and visitors from wide catchment areas. The shopper survey has revealed in **para. 4.05** that 28% of the respondents live outside the household survey area. We believe that a large proportion of these live outside the zones and combine shopping trips with work. Hence based on the scale and quality of their retail offer, and the findings of the household survey, we therefore assume that Woking town centre draws approximately **10%** of its total sales from outside the study area. In contrast, we estimate that the smaller centre of West Byfleet will draw **5%** as will retail warehouses.
- **Convenience Goods** – The growth in foodstore provision since the 1980s generally means that people do not travel more than ten minutes drive time to fulfil their main food shopping requirements. Nevertheless, there are some exceptions where people do make choices based on price, ease of access, quality of offer and brands. In our judgement, based on the scale and quality of their retail offer (and the findings of the household survey), we assume that Woking will draw **5%** of its total sales from outside the study area. The District and Local Centres due to their relative local function will draw **1%**, and the large out-of-centre foodstores will achieve an average trade draw of **5%**.

STAGES 5 & 6: 'Potential' Turnover Forecasts and Average Sales Densities

6.31 The main outputs of DTZ *Re:Map* are total 'potential' turnover estimates (Stage 5) and the resultant average turnover to floorspace ratios, or average sales densities (Stage 6). These turnover estimates are derived from main inputs to the model (Stages 1 – 4) and they have been used at all stages of the analysis to test the key market share and trade draw assumptions to ensure that the final turnover estimates are reasonable and robust. Stages 5 and 6 also forecast the potential growth in turnover up to 2016, based on the population and spending growth forecasts.

6.32 The DTZ estimates for comparison and convenience goods turnover and sales density, based on the market shares are set out in the **Table 6.9(a)** and **6.9(b)** below:

Table 6.9(a):				
Comparison Goods Turnover Potential, 'Baseline' Scenario: 2001 – 2016				
<i>(Assuming town centre 'efficiency ratio' of 1.5% per annum)</i>				
@2001 prices	Total 'Potential Turnover (£ million)		Average Sales Density (£ per sq.metre)	
	2001	2016	2001	2016
Woking TC	£148.7m	£293.6m	£3,406	£6,273
West Byfleet	£7.7m	£15.2m	£1,800	£3,538
"Bulky Goods"	£39.2m	£77.5m	£4,671	£9,221
Source: DTZ ReMap, (Appendix 8, Stage 5)				

Table 6.9(b):				
Convenience Goods Turnover Potential, 'Baseline' Scenario: 2001 – 2016				
<i>(Assuming town centre 'efficiency ratio' of 1.5% per annum)</i>				
@2001 prices	Total 'Potential Turnover (£ million)		Average Sales Density (£ per sq.metre)	
	2001	2016	2001	2016
Woking TC	£43.7m	£47.5m	£8,259	£8,984
District & Local Centres	£45.2m	£48.8m	£12,342	£13,325
Out-of-Centre stores	£81.8m	£88.7m	£14,710	£15,937
Source: DTZ ReMap, (Appendix 9, Stage 5)				

STAGE 7: Retail Capacity Assessment

6.33 This final stage in the analysis sets out our assessment of the capacity for new comparison and convenience goods retail floorspace at 2008, 2011 and 2016. It is important to restate that none of our calculations include inflation and are expressed in terms of constant 2001 prices. As explained in the introduction to this section, we have also assumed that all existing floorspace and retail businesses are trading at "equilibrium" at the base year.

- **"Efficiency"** – For existing comparison goods retailers in the Woking catchment we allocate a proportion of the forecast growth in spend to allow for the increased "efficiency" of existing floorspace. This is a standard approach used in retail studies and it is generally assumed that retail businesses in existing centres need to grow at between 1.0% - 1.5% per annum in real terms to remain commercially viable. It is argued that this growth allows businesses to maintain their current trading performance and customer service through new investment. It therefore helps existing town and shopping centres to maintain their vitality and viability in accordance with policy guidelines. We do not, however, apply this growth rate to

out-of-centre shops and stores, as this is not supported by policy guidance. For comparison goods, we have tested in our main ‘Baseline’ scenario an annual ‘efficiency’ growth rate of 1.5% and 2.5% (see **Appendix 8**). We do not model a growth rate for food retailing as the forecast nominal growth in average convenience goods spend does not support this assumption.

- **“Derived” & “Potential” Turnover** – By constraining the growth of existing businesses using the “efficiency ratio”, the model produces a lower “derived” turnover than the ‘potential’ calculated at Stage 5 (which is based on the estimated market share of higher forecast growth in population and spending). The difference between the ‘derived’ and ‘potential’ turnover produces the ‘residual’ expenditure, which represent spend over and above that required by existing floorspace in the study area to remain viable. This residual expenditure therefore represents the potential amount of expenditure that can be converted into floorspace estimates.

6.34 The outputs of our retail capacity assessment for comparison and convenience goods retailing are briefly described below:

(i) Comparison goods retail capacity assessment

6.35 **Table 6.10** sets out our forecasts of the potential residual expenditure for new non-food floorspace in the existing centres and stores in the Borough up to 2016, and the key findings are briefly described below:

Table 6.10 Residual Expenditure ‘Baseline’ Scenario 1 (unadjusted market shares) Potential capacity for new comparison retail floorspace, 2001 – 2016 (Assuming town centre ‘efficiency ratio’ of 1.5% per annum)					
Residual Expenditure £m	2001	2004	2008	2011	2016
Woking TC <i>Efficiency Ratio – 1.5%</i>	£0m	£14.9m	£39.2m	£61.4m	£107.6m
West Byfleet TC <i>Efficiency Ratio – 1.5%</i>	£0m	£0.8m	£2.0m	£3.2m	£5.5m
“Bulky Goods” <i>Efficiency Ratio – 0.0%</i>	£0m	£5.7m	£14.7m	£22.5m	£38.2m
Source: DTZ ReMap, (Appendix 8, Stage 7)					

- **Woking Town Centre** – The forecast residual comparison goods expenditure is £107.6 million by 2016. In floorspace terms for comparison goods and assuming an average sales density of £3,406 per sq.m in 2001 (at 2001 prices) and an efficiency growth rate of 1.5% per annum, this could potentially translate into new comparison retail space of some 25,240 sq.m net (33,700 sq.m gross) of retail space (after taking account the existing commitments – some 60 sq.m net as described in **para 6.19**). This figure is on the basis the all the residual expenditure is converted to comparison retail floorspace.
- **West Byfleet Town Centre** – Based on the forecast residual comparison goods spend of £5.5 million available at 2016, the potential capacity based on a derived sales

density of £1,800 per sq.m in 2001 (at 2001 prices) would result in some 2,395 sq.m net (3,200 sq.m gross) of new comparison goods floorspace (after taking account the existing commitments – some 105 sq.m net described in **para 6.20**).

6.36 We have also tested a higher efficiency growth rate of 2.5% for the ‘baseline’ assessment. This produces the following results:

- At 2011, Woking town centre’s capacity falls to £43.7m and by 2016 to £78.2m.
- At 2011, West Byfleet’s capacity falls to £2.2m and by 2016 to £4.0m.

(ii) “Bulky Goods” capacity assessment

6.37 In accordance with PPG6 and the sequential test, DTZ advise that any potential residual expenditure for new “bulky goods” floorspace over the forecast period should be directed towards town centre and then edge-of-centre locations in the first instance.

6.38 On this basis we estimate that there is some £38.2 m of additional comparison ‘bulky’ goods spend that could be directed towards town centres in the Borough up to 2016. For example, assuming the Woking town centre ‘baseline’ average sales density of £3,406 per sq.m in 2001 (at 2001 prices and using efficiency ratio of 1.5%), this would translate to approximately 12,000 sq.m gross of floorspace. This assumes that sequentially suitable and viable sites are available in town centre and/or edge-of-centre sites as part of the Local Development Framework review.

6.39 However, in the context of PPG6, DTZ advise the Council that if new retail warehousing is located in or close to the town centre then the impact on the vitality and viability of the town centre as a whole will need to be examined. The Council can also use certain policy measures to minimise the potential impact on high street retailing, including the use of planning conditions on any retail warehouse proposals to restrict future developments to the sale of bulky goods only and also to prevent the development of mezzanine floors.

(iii) Comparison Goods Scenario Testing - Woking town centre

6.40 We have also tested alternative comparison goods scenarios for Woking Town centre based on adjusting market shares as described in **para 6.09**. We have not increased the market shares for other district and local centres due to the more localised nature of their trade. The scenarios tested have yielded the following:

- **Scenario 2 ‘Decline’** – This scenario assumes there is no new retail development or investment in Woking town centre up to 2016. This scenario tests the impact of a 10% decrease in centre’s market share from 2004 onwards. If no investment were to take place in Woking town centre up to 2016 there would be a significant impact on future capacity. Significantly, this would represent a fall in residual spend available to support new floorspace at 2016 from £107.6m (‘baseline’) to £75.7m (‘decline’ - based on an efficiency growth rate of 1.5% per annum). The difference of £31.9m effectively represents spend leaking to other centres. If the efficiency growth rate is increased to 2.5%, the forecast residual diminishes further to £47.2m – a reduction of some 56% when compared to the ‘baseline’ assessment.

- **Scenario 3 ‘Clawback’** – This scenario tests the impact of 10% uplift in Woking town centre’s market share from 2004 onwards. Some of this increase or ‘clawback’ may be derived from additional investment such as developing opportunity sites. Significantly, this would represent an increase in residual spend available to support new floorspace at 2016 from £107.6m (‘baseline’) to £132.4m (‘clawback’ - based on an efficiency growth rate of 1.5% per annum). The difference of £25m effectively represents the increased attraction of Woking town centre in relation to competing centres. If the efficiency growth rate is increased to 2.5%, the forecast residual is reduced to £103.9m – a reduction of 3.4% when compared to the ‘baseline’.

(iv) Convenience goods retail capacity assessment

6.41 **Table (6.11)** sets out our forecasts of the potential residual expenditure for new non-food floorspace in the existing centres and stores in the Borough up to 2016, and the key findings are briefly described below;

Table 6.11 Residual Expenditure ‘Baseline’ Scenario 1 (unadjusted market shares) Potential capacity for new convenience retail floorspace, 2001 – 2016 <i>(Assume ‘efficiency ratio’ of 0% per annum)</i>					
Residual Expenditure £m	2001	2004	2008	2011	2016
Woking TC	£0	£0.7m	£1.8m	£2.5m	£3.8m
District & Local Centres	£0	£0.7m	£1.6m	£2.4m	£3.6m
Out-of-centres stores	£0	£1.3m	£3.1m	£4.5m	£6.8m
Source: DTZ ReMap, (Appendix 9, Stage 7)					

- **Woking Town Centre** – The forecast residual convenience goods expenditure is £3.8 million by 2016. In floorspace terms for convenience goods, and taking into account the existing commitments – some 944 sq.m net, there is no capacity to support additional floorspace.
- **District & Local Centres** – The forecast residual convenience goods spend is in the order of £3.6 million at 2016. Taking into account the size of these centres and the quantum of existing commitments, there is no capacity to support additional floorspace.
- **Out-of-centre stores** – In accordance with PPG6 and the sequential test, DTZ advise that any potential residual expenditure for out-of-centre store floorspace over the forecast period should be directed towards town centre and then edge-of-centre locations in the first instance. On this basis we estimate that there is some £6.8m of additional convenience goods spend that could be directed towards town centres in the Borough up to 2016. For example, assuming the ‘baseline’ average sales density of £8,259 per sq.m in 2001 (at 2001 prices) for Woking town centre, this would translate to approximately 1,400 sq.m gross of floorspace.

- DTZ advise the Council that any new foodstore developments should be located in or on the edge of town centres within the Borough. This will help increase the range and choice of food shopping to the local population, in the most sustainable and inclusive manner. Any new development will need to satisfy the sequential test and have no adverse impact on the vitality and viability of existing centres. If out-of-centre retailing is the only option to satisfy forecast demand and capacity, then the Council will need to consider the use of planning conditions to minimise the potential impact on high street retailing including restricting the amount of non-food retailing proposed as part of new foodstores and/or extensions to existing stores.

(v) *Leisure capacity assessment*

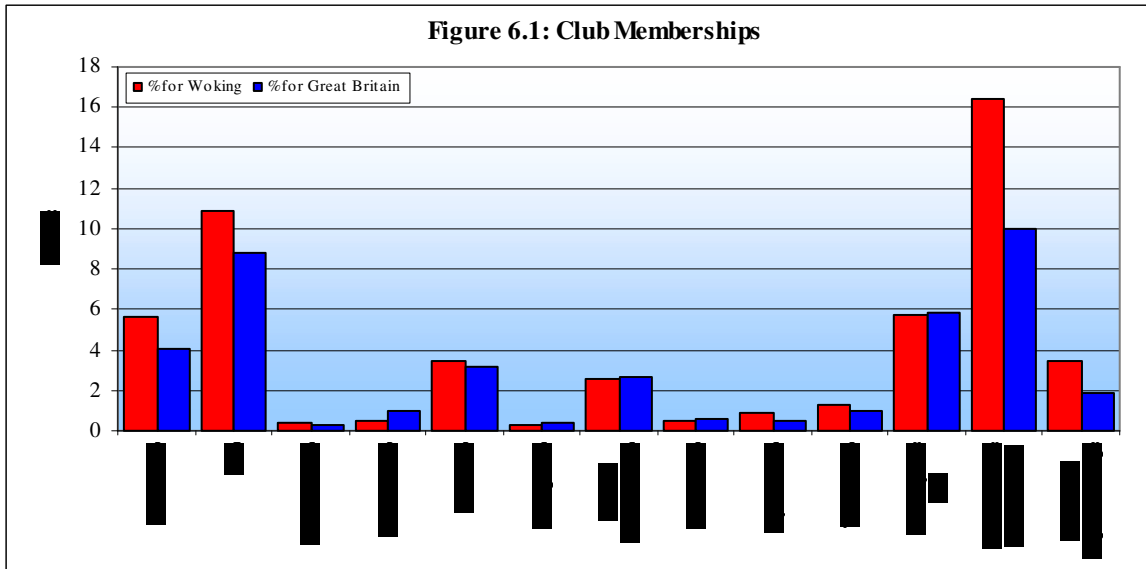
6.42 Experian’s projected forecast and trends in UK retail and leisure spending show:

- leisure spending is set to increase in the medium term (2003 - 2007) by 1.3% p.a., compared with a 2.5% p.a. increase in overall consumer spending over the same period.
- a 2% p.a. projected per capita increase in leisure spending (Experian’s ultra long-term projection trend) represents a relatively substantial rate of growth with commensurate implications for the planning and provision of leisure activities.

Table 6.12					
Forecasts & Projections of UK Spending per Head Volumes (% Annual Change)					
(@ 2002 Prices)	Experian forecast		Experian projections		
	2003 - 2007	2003 - 2012	Ultra long-term trend	Long-term trend	Medium-term trend
Leisure services	1.3	1.1	2.0	1.4	1.7

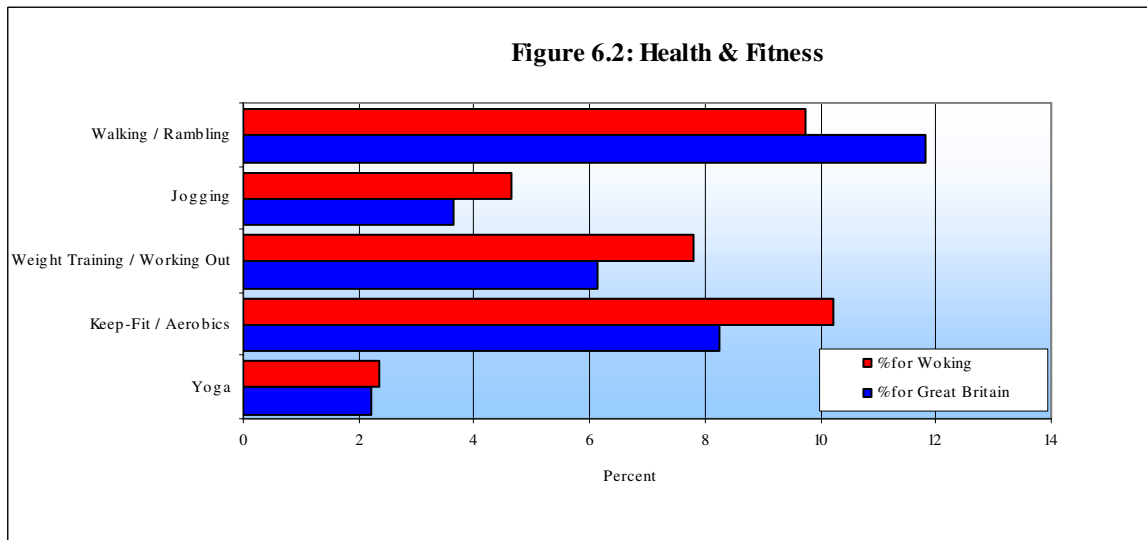
Source: *Experian Business Strategies: "Retail Planner Briefing Note 1.2" (November 2003)*

6.43 The potential growth in leisure spend in Woking is illustrated by CACI’s sports and leisure participation rate. This shows above average participation in club memberships particularly in health clubs, gyms as shown in **Figure 6.1** below:



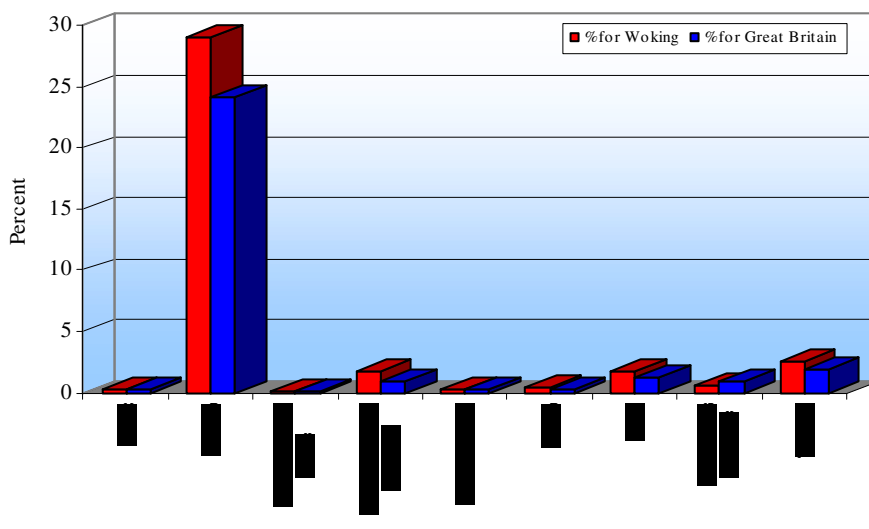
Source: CACI - Woking Participation Profile (Sport & Leisure)

6.44 The above average participation in health clubs and gyms is also mirrored in health & fitness related activities. In particular jogging, weight training / working out, keep fit / aerobics and yoga are most popular as illustrated below. This is a further indication that there is significant demand in fitness related activity.



Source: CACI - Woking Participation Profile (Sport & Leisure)

6.45 Not only fitness but also other leisure pursuits are equally important especially in relation to the more 'cultural' pursuits. An indication of this is provided by monthly performances. This shows above average participation in visits to cinemas, classical music concerts, plays and theatres in general. There is strong demand in the Woking catchment for these types of leisure activities, a factor influenced by the more affluent population of its catchment.



Source: CACI - Woking Participation Profile (Sport & Leisure)

6.46 For Woking to continue to sustain its vitality and viability, there is a strong case to plan for quality cultural as well as health and fitness related leisure activities. Nationally, the percentage of leisure services floorspace as a proportion of total floorspace is 17%. The equivalent figure for Woking is 13%. Woking needs to consolidate this position and improve on its quality leisure offer and therefore this figure should be closer, if not higher, than the national average, i.e. 17% - 20%.

6.47 Whilst we have not forecast a floorspace capacity for comparison shopping (having focussed on surplus spending capacity instead), we know that comparison floorspace represents 37% of total floorspace, compared to 13% for leisure services, i.e. leisure represents approximately an additional 1/3rd more in terms of floorspace. We would recommend that the Council should plan for a possible demand of between 40%- 50% of additional floorspace to accommodate leisure businesses over and above that planned to meet comparison demand.

Summary

6.48 In conclusion, DTZ forecast that there is significant capacity for new comparison goods retailing in the Borough up to 2016, particularly in Woking town centre.

6.49 Although there is capacity for new retail warehousing space, DTZ recommend that this residual expenditure should be accommodated in town centre/edge-of-centre locations in the first instance. Only if there are no suitable and viable sequential sites available to accommodate this type of retailing should consideration be given to out-of-centre locations. Any proposals in out-of-centre locations will also need to be subject to the usual tests, as set out in national, regional and local planning policy guidance, to ensure that they will not have an adverse impact on the vitality and viability of existing town, district and local centres.

6.50 DTZ calculate that there is limited capacity for convenience goods retailing over the forecast period. This is mainly due to the scale of existing commitments and the nominal forecast growth in spend.

6.51 There is a need to expand on the quality leisure offer in Woking and to plan for this type of floorspace. This will contribute to the diversity of activity within Woking.

7 **Town Centre Futures: Findings and Recommendations**

7.01 This final section draws together the main strands of the research and sets out our conclusions as to the future role and potential of Woking Borough and the main district centres. It is based on a thorough understanding of their strengths and weaknesses in retail terms, as well as the future opportunities and potential constraints for growth. Our analysis specifically draws on the following main areas of research:

- centre healthchecks
- street and household telephone interview surveys
- retail and leisure capacity assessment
- market demand analysis

7.02 The findings and recommendations are intended to inform the Council on the options and strategy for the future growth and development of the town and its main district centres. This study will therefore provide an important input to the Council's review of its Local Development Framework.

7.03 The following commentary briefly sets out DTZ's key findings and recommendations, based on the key opportunities and challenges facing the study centres. However, given that Woking town centre is the main shopping destination, our recommendations inevitably focus on this centre in more detail.

Context for Change

7.04 Woking and the surrounding Surrey hinterland experienced considerable growth in the 1990's in terms of economic and housing development. This growth has been recognised by the Government, as a result it advises in RPG 9 that a reduction in the rate of economic and housing development is now appropriate to allow infrastructure and services to catch up.

7.05 The 1994 Surrey County Structure Plan reinforces the views of RPG 9, that a more sustainable rate of development should be implemented.

7.06 The 1999 Woking Borough Local Plan acknowledges that it must work within the context of these documents and sets out the key aim of The Plan as follows; *'The Council will provide for new development which is required to meet the needs of residents, visitors and those working in The Borough up to the year 2006. In achieving this, the Council will work towards the principle that development should be sustainable (Section 2, P16).'*

7.07 As a result the Development Vision to 2006 on shopping and leisure is; *'Shopping and leisure facilities will be further enhanced so that people within Woking's catchment area can meet more of their needs locally (Section 2, P17).'*

7.08 The focus of this vision is based primarily on concentrating *'new retail development to meet local needs in existing centres wherever possible (Section 2, P22)'*. Woking town centre is naturally the current focus for retail and leisure needs in The Borough and the plan aims to protect this position. The plan also notes that village and local centres continue to play a key role in supplying services on a more local scale. The plan therefore seeks to protect local centres, however these centres should be of a scale reflecting their existing character.

7.09 As a result, the plan summarises the stand on retail development as follows: *'The Plan seeks to concentrate new retail development in these centres (Woking Town and Local*

Centres). Development in other locations will only be permitted where no suitable sites exist in the centres, and then only in accordance with a sequential test (Section 2, P22)'.

- 7.10 This brief review of the background policy confirms that the town centre and its district centres should be the main focus for new retail investment and development, provided that this new development is appropriate to their local roles and catchments. This is in accordance with national policy, both existing (PPG6) and emerging (PPS6). Against this policy background, DTZ's healthcheck, capacity and market analysis has identified that the only major retail investment and development opportunities up to 2011 and beyond are within Woking Town Centre. Our advice on the future roles and development of these centres is set out in more detail below.

Woking Town Centre

- 7.11 Woking town centre offers a wide range of comparison goods and service outlets, anchored by The Peacocks Centre with Alders, Bhs and other major national multiple retailers. The town centre has performed well in recent years with the opening of the Peacocks Centre in 1992. There was a rise in vacancies following the opening of the centre, but more recently vacancy levels have declined.
- 7.12 Woking's leisure offer is underpinned by the Ambassador's development, which opened in 1992. The development consists of a multi screen cinema and The New Victoria Theatre. Also in town there is The Big Apple which offers laser quest, ten pin bowling and a night club.
- 7.13 Woking is a strong and relatively modern centre and as a result performs well in relation to other surrounding centres. However the town plays a secondary role to Kingston and Guildford, which are the most dominant centres, in the sub regional hierarchy.
- 7.14 The town naturally sits at the top of the Borough's shopping and leisure provision hierarchy. The council state this fact clearly in the Local Plan as well as their intentions to protect this position. As a result the Local Plan only makes allowance for major retail development in Woking town centre (Policies SHP1 & 2). Any major development proposal that cannot be accommodated in the town centre must follow a sequential list of sites determined by the local hierarchy. If a site is found it must be clearly demonstrated that that it will not harm the vitality and viability of any defined shopping area.
- 7.15 DTZ's retail and market demand analysis has confirmed the capacity and need for additional retail floorspace in the town centre. New investment and development is clearly required to help the town centre maintain and enhance its role as the major centre in the region over the long term. This fits in with the Borough Council's wishes to *'attract and make provision for strategic retail developments which would be likely to enhance the centre's attractiveness over an area wider than it's immediate catchment.... through the attraction of further retail, restaurants and related entertainment and leisure uses.'* (P103 1999 Local Development Plan).
- 7.16 Our analysis has demonstrated that the town centre is facing a number of challenges and threats that could undermine its future vitality and viability without immediate action. Although it is a modern centre with a strong representation of multiples and relatively large unit sizes, the town has a constrained catchment due to the presence of the larger centres of Guildford and Kingston. These constraints are only likely to become more apparent with the development proposal for Bracknell and the redevelopment of the Friary Centre in Guildford. As a result Woking must look to differentiate itself somewhat from these centres

to complement the sub regional mix rather than compete head to head with these larger centres.

- 7.17 Having accepted the qualitative need for new retail investment in the town centre, DTZ's draft **'baseline' retail capacity assessment** forecasts the potential for **£61m p.a.** of surplus retail expenditure up to 2011, rising to **£108m p.a.** This is, we believe, a more cautious forecast as it assumes the town centre's market share will remain constant up to 2016. In addition to this DTZ forecast that **c£11m p.a.** is available to support new commercial leisure developments up to 2016.
- 7.18 In order to test the sensitivity of our capacity forecasts DTZ also modelled a **'Clawback' scenario**. In this case we tested the reasonable assumption that Woking town centre should be allowed to 'claw back' the market share it has lost to competing out-of-centre, district centre and regional shopping centres over recent years. Assuming a 10% uplift in market shares in 2004, the *Re:Map* model forecasts an increase in surplus capacity **c.£132 m p.a.** by 2016.
- 7.19 DTZ believe that the 'growth' scenario is sustainable over the longer term. Nevertheless, even the more cautious 'baseline' scenario demonstrates that there is significant capacity to support a notable investment to the town centre's retail floorspace over the forecast period, particularly if the residual spend forecast for out-of-centre comparison goods retailing of **c.£38.2m** at 2016 is also accommodated within the town centre (in accordance with the sequential test).
- 7.20 It is also clear from the capacity assessments that to **"do nothing" or allow for 'No Growth'** is not a viable option for the Borough Council. DTZ forecasts show, for example, that a 10% reduction in the town centre's market shares due to the impact of new investment and development in competing centres such as Bracknell and elsewhere will reduce the residual available spend by **c.£31.9m p.a.** at 2016, from **c.£108m p.a.** (based on the 'baseline' scenario) to **c.£76m p.a.** (based on the 'decline' scenario).
- 7.21 DTZ conclude, therefore, that there is a qualitative and quantitative need for additional new retail and commercial leisure floorspace in the town centre. However despite the opportunity for growth, it is unlikely that the town will surpass Kingston and Guildford in terms of becoming a major retail and leisure destination and the proposals for Bracknell could result in the town slipping in terms of the local hierarchy. As a result Woking must look to find a niche and differentiate itself from these centres if it is to remain successful in an increasingly competitive local market.
- 7.22 The responses from the street, household and stakeholder meeting brought forward valuable views on how to guide this potential capacity for development. Many responses indicate that Woking's offer needs to be underpinned by another department store as well as some more specialised or upmarket clothing shops to counteract the 'downmarket' profile some of the national discount retailers bring to the town. This fact is reinforced by the quality 'gap' analysis on the retail and leisure offer presented in Section 4. This would make Woking a more effective competitor to centres such as Guildford and Kingston.
- 7.23 DTZ's retail agency team believe that Debenhams are the most likely operator to develop a new anchor unit for the town. M&S could also be encouraged to extend their current offer to create more of a destination offer, this option would use less of the capacity identified leaving surplus to create other improvements to the current offer. However, both operators have sizeable stores in surrounding centres.

- 7.24 These improvements to Woking retail offer need to be underpinned by a better quality leisure offer to help attract and retain the higher spending population present in the town's hinterland. Attracting a number of quality restaurants to support the theatre and counter the current 'chain bar' offer would go along way to address this problem. This would encourage the more affluent, higher spending groups to spend more time and money in Woking.
- 7.25 The sports and leisure analysis for Woking Borough from CACI shows that besides the popularity for health and fitness in the area, indicating demand for a gym, there is notably higher participation rates in the Borough for quality cultural events such as theatre visits and classical music concerts. These facts reinforce the need to create a more upmarket leisure offer.

Other District Centres

- 7.26 The main district centres of West Byfleet, Byfleet, Goldsworth Park, Horsell, Knaphill, St Johns and Sheerwater are integral to the Borough to serve the residents with a wider range of goods and services than is found in many residential areas.
- 7.27 West Byfleet is the only other centre of significance in the Borough beyond Woking and as a result is the only district centre we have been able to carry out an effective healthcheck on. West Byfleet primarily serves as a convenience and service destination for its surrounding hinterland. DTZ have identified in the base case that some **£10m p.a.** of comparison goods capacity exists for West Byfleet in the run up to 2016.
- 7.28 Despite the lack of data we can identify that several local centres are suffering from the strong out of centre food retail offer in locations such as Knaphill. This has led to some local convenience stores closing which has undermined some centres abilities to effectively fulfil their function resulting in declining numbers of visits and market share.
- 7.29 A key aim of the council is to protect these centres to maintain healthy sub centres and reduce the need to travel. The council aim to protect the smaller district centres by encouraging local supermarkets as well as the retention of post offices and pharmacies. However, the Local Plan clearly states, in regard to developing district and local centres, in policy SHP3 (P108) that additional retail floorspace should be '*appropriate to the scale and character of the centre*'.
- 7.30 DTZ conclude that the primary role of these district centres as the main focus for a mix of retail, service and community uses will need to be maintained and enhanced. DTZ forecast limited capacity for new comparison and convenience goods retailing in these centres up to 2011 and 2016. Moreover, in the context of existing (PPG6) and emerging (PPS6) national planning policy guidance, any development within district and local centres should be of a scale and nature appropriate to the centres and the catchments they serve.
- 7.31 Nevertheless, DTZ strongly recommend that the Borough Council promote new foodstore and convenience goods to these district centres as a priority, rather than allow out-of-centre proposals.

Summary

- 7.32 PPG6 stresses the importance of having a town centre strategy and translating it into the development plan (paragraphs 2.9 – 2.10). In this respect Woking Borough Council are preparing a Local Development Framework Plan.

- 7.33 This study will also inform the Woking town strategy and it has confirmed that the town should be the priority for investment and development over the plan period (and beyond), to establish it as the premier destination for shopping and a wide range of other attractions and uses.
- 7.34 In this context no major new retail development should be allowed outside of the town centre that will undermine its overall vitality and viability.