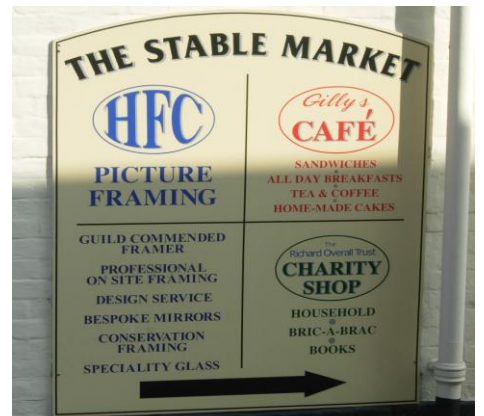


# Town Centres Retail Study Update



February 2013



**WAVERLEY BOROUGH COUNCIL  
TOWN CENTRES RETAIL STUDY UPDATE**

FEBRUARY 2013

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## **1. Introduction**

- 1.1 Chase & Partners were originally instructed by Waverley Borough Council to undertake an assessment of future retail requirements for the Borough's main settlements – namely Farnham, Godalming, Haslemere and Cranleigh village – in 2007. The Study formed part of the evidential base for the Council's emerging Local Development Framework (LDF) at that time. It informed the Council's Preferred Options for its emerging Core Strategy and provided background information to assist the determination of planning applications.
- 1.2 In October 2012, Chase & Partners were instructed by Waverley Borough Council to undertake an update of the Town Centres Retail Study. The purpose of this latest study is to provide up-to-date evidence for the Local Development Plan (LDP) - including the Submission Draft of the Core Strategy, as well as the policies of the proposed Development Management and Site Allocations Development Plan Document. The updated Study also provided background evidence to inform the Council's position at the Public Inquiry into a Compulsory Purchase Order, made by Waverley Borough Council, to facilitate the proposed Brightwells development at East Street in Farnham which was held on 15<sup>th</sup> January 2013.
- 1.3 In order to update the original Waverley Borough Council Town Centres Retail Study, Chase & Partners have:
- (i) Undertaken an updated quantitative and qualitative assessment of future requirements for both convenience and comparison goods floorspace in the Borough together with an assessment of how any identified need can best be met;
  - (ii) Reviewed the current town centre boundaries, designated primary shopping areas and shopping frontages and stated whether any amendments should be made;
  - (iii) Undertaken an updated and comprehensive "health check" for each of the main centres (including detailed survey of existing floorspace);
  - (iv) Assessed the retail hierarchy in Waverley and how the centres relate to the wider hierarchy;

- (v) Identified the role of each main centre and how this could potentially change in the future, with particular reference to Farnham and the development proposals there.

1.4 In order to fulfil the requirements of the Brief and produce a comprehensive update that avoids any need to refer to the original Study, the Update has been divided into six further sections:

- **Section 2** provides an outline of the existing national, strategic and local planning policy within which the Study Update has been prepared;
- **Section 3** provides an overview of retail trends which are relevant to Waverley and its centres, focusing on those which have been prevalent in the last four years:
- **Section 4** then restates the shopping patterns within the Study Area, based on a household survey undertaken originally on behalf of Chase & Partners by Research & Marketing in January/February 2008.
- **Section 5** then presents the updated results of 'health checks' undertaken by Chase & Partners in November 2012, of the Borough's four main centres as well as other retail facilities currently trading in the area;
- The results of our updated quantitative need assessment are then set out in **Section 6**; this outlines the potential floorspace requirements for the four centres for the period to 2033; and
- **Section 7** then updates the Council's potential policy options for future policy in the Borough as a whole and in each of the four centres, taking into consideration all existing and proposed retail developments taking place throughout the Borough.



## 2. Planning Policy Framework

- 2.1 This section provides an overview of the national, regional and local planning policy framework which provides the context for this study.

### ***(i) National Planning Policy Guidance***

- 2.2 Relevant National Planning Policy Guidance is contained within the National Planning Policy Framework (NPPF). This was issued in March 2012 and came into force immediately. It led to the revocation of the previous advice on retailing and other economic development contained in PPS4: Planning for Sustainable Economic Growth issued in 2009.
- 2.3 The NPPF constitutes guidance to local planning authorities and decision-takers in both drawing up development plans and in determining applications. It is material consideration in planning decisions.
- 2.4 The NPPF contains a strong presumption in favour of 'sustainable development' and supports economic growth. For plan making this means that Local Planning Authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively these assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits or specific policies in the NPPF indicate development should be restricted.
- 2.5 The NPPF advises that "pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life." It specifically includes making it easier for jobs to be created in cities, towns and villages and improving the conditions in which people live, work, travel and take leisure. Moreover, paragraph 19 of the NPPF states:

*"The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system."*

2.6 Guidance on the overall policy approach towards retail development is set out in paragraphs 23-27, under the aegis of 'Ensuring the Vitality of Town Centres.' It maintains the 'town centre first' approach that has characterised national planning for many years. In relation to plan making, paragraph 23 states:

*Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. In drawing up Local Plans, local planning authorities should:*

- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;*
- define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;*
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;*
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;*
- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are*

*met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;*

- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;*
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;*
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and*
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.*

2.7 Planning Authorities should ensure that the Local Plans based on adequate, up-to-date and relevant evidence about economic, social and environmental characteristics of the area. These assessments should take full account of relevant market and economic signals.

2.8 Planning Authorities should then use this evidence to assess the following:

- The needs for land or floorspace for economic development, taking into account both quantitative and qualitative requirements for all foreseeable types of economic activity over the plan period, including retail and commercial development;
- The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified need;
- The role and function of town centres and the relationship between them, including any trends in the performance of centres;



- The capacity of centres to accommodate new town centre development; and
- Locations of deprivation, which may benefit from planned remedial action.

## ***(ii) Strategic Planning Policy***

### **The South East Plan**

- 2.6 The South East Plan was published in 2009 and currently comprises part of the 'development plan'<sup>1</sup>. Whilst the Coalition Government has already indicated its intention to abolish regional plans in both the NPPF and the provisions in the Localism Act, it currently remains part of the development plan. Given its limited 'life expectancy', its provisions are not reproduced here.

## ***(iii) Local Planning Policy***

### **The Waverley Local Plan**

- 2.7 The current development plan for Waverley Borough comprises the Waverley Local Plan which was adopted in 2002. However, as much of the drafting of this plan took place in the late 1990s, many of its provisions are now dated and, in some case superseded by more recent national planning policy guidance – including that contained in the NPPF.
- 2.8 Nonetheless, the majority of the policies (including those dealing with retail and town centre development) have now been 'saved' under the Planning and Compulsory Purchase Act 2004 and continue to form part of the development plan but these will be replaced by the emerging Local Plan.

### **Emerging Waverley Local Development Plan (formerly the Local Development Framework)**

- 2.9 The Council's first Core Strategy was submitted to the Government Office in but was then withdrawn following concerns that it may not have satisfied all the relevant tests of 'soundness.'
- 2.10 The Council's latest draft Core Strategy has developed since then. In accordance with long-standing government advice it has gathered evidence on key issues in

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<sup>1</sup> As defined by Section 38(6) of the Planning & Compulsory Purchase Act 2004

the area – including the original Waverley Town Centres Study 2008 and other related surveys<sup>2</sup> - undertaken an assessment of the various options to deal with these issues, prior to identifying the preferred options in the Plan.

- 2.11 The Strategy has been developed with regard to the findings of these surveys and sets out the Council's Vision for the Borough's Centres; this is set out below

***A Vision for Waverley's Town Centres***

*Each should be a vibrant, economically healthy and attractive centre, which provides a range of facilities and services for living, working and recreation appropriate to its scale, to meet the needs of its residents, surrounding communities and visitors.*

*The Council's strategy for delivering this vision includes:*

- Continuing to maintain and enhance the towns as vital and viable centres.*
- Supporting a diverse range of uses which appeal to a wide range of age and social groups throughout the centre.*
- Supporting proposals for the provision of retail floorspace for comparison and/or convenience goods which is in keeping with the scale, character and appearance of the centre.*
- Ensuring that the amount of retail floorspace is maintained at a level which sustains status of the centre's core shopping area.*
- Strengthen retail and leisure offer to contribute to the centres' quality of life offer and also to provide an important source of local jobs.*
- Retention of a mix of units in terms of size and use to ensure that the unique quality and vibrance of the character of the centre is retained and enhanced.*
- Giving support to local initiatives contained in the various Health checks designed to promote the centres and to improve the footfall in the*

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<sup>2</sup>

See 'Steps Towards a Vision for Farnham' March 2007, Godalming Healthcheck Report 2009, Cranleigh Healthcheck 2002/3 and the Draft Review 2008 (Incomplete) and 'Your Haslemere' 2008

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*shopping areas, such as enhanced signage and the improvement of tourist and visitor information.*

**Town specific aspects:*****Farnham***

- *Continue to support Farnham's role as a centre providing an extensive range of convenience and comparison shopping.*
- *Recognise the important role that Farnham has, not only to serve local needs but also the link between its retail offer and those of neighbouring centres in the Blackwater Valley and beyond.*
- *Support measures to improve air quality and the environment for pedestrians.*

***Godalming***

- *Continue to support Godalming's role as a convenience and service centre which meets local needs.*
- *Provide for future floorspace needs through appropriate redevelopment/extension of existing stores*

***Haslemere***

- *Continue to support Haslemere's role as a convenience and service centre which meets local needs.*
- *Continue to ensure that a balance is maintained between Weyhill and the High Street, to ensure that one part does not impact on the vitality and viability of the other.*

***Cranleigh***

- *Continue to support Cranleigh's role as a convenience and service centre which meets local needs.*
- *Provide for future floorspace needs through appropriate redevelopment/extension of existing stores.*

- 2.12 In accordance with prevailing national planning policy guidance the Council's Strategy is to focus new development on the Borough's four main centres. It seeks to concentrate on managing change in order to maintain an appropriate range and mix of uses, while promoting design which enhances the character of existing centres. Similarly the Council will seek to ensure that the nature and amount of new development in each centre is appropriate to its scale, character and role in the hierarchy.
- 2.13 Policy CS11 sets out the Council's overall strategy towards all new development in the Borough's four main centres; it states:

***Policy CS11: Town Centres***

*Waverley will continue to foster a healthy retail and service economy providing a good range of goods and services for the people who live, work and study in the Borough. This will both support the Borough's economic development and enable people to shop locally.*

*New development will be located in accordance with a sequential assessment. Town centre locations are preferred, then edge of centre sites may be then be considered, and only then if suitable sites are not available, will the development of out of centre sites be given consideration. In assessing edge of centre or out of centre sites, preference will be given to those that are most accessible and well connected to the town centre, preferably within walking distance. Potential sites should be assessed for their availability, suitability and viability and for their ability to meet the full extent of assessed quantitative and qualitative needs.*

*The Central Shopping Areas will be the main focus, particularly at ground level, for A1 retail uses. These will be protected unless it can be determined that a change of use would not have significant harmful effects on the frontage and the vitality and viability of the town centre or result in an over-concentration of non-retail uses. Permission will not be given for a change of use from a shop where it would result in a length of non-retail frontage equal to, or in excess of, twice the length of the average shop frontages in the vicinity of the proposal*

*Measures to improve the town centres and Cranleigh village centre, including appropriate development, will be encouraged provided that this*

*helps them to adapt and reinforce their role in meeting needs, act as the focus for a range of activities, including retailing, leisure, cultural, business and residential uses, and do not cause unacceptable levels of disturbance to the local community or damage the townscape character.*

*Applications for retail, leisure, or office development for over 2,500 sq.m of floorspace outside the designated town centre will require an impact assessment.*

- 2.14 This (and other policies Core Strategy) will, in due course, be complemented by the Council's proposed Development Management DPD, Site Allocations DPD and any Neighbourhood Plans that may be produced.
- 2.15 When adopted, the LDP will supersede the adopted Waverley Local Plan and will provide the framework for future planning in the Borough.

### 3. Shopping Trends

- 3.1 Before considering the existing shopping patterns in Waverley, the health and vitality of Farnham, Godalming, Haslemere and Cranleigh and the quantitative need for additional floorspace, it is relevant to provide an updated overview of the wider shopping trends that have shaped existing provision and are likely to influence future in Waverley in the future.

#### Demographics

- 3.2 Demographic changes over the last 20 years have had a fundamental impact on consumer spending patterns. Amongst a series of changes there are perhaps two that have, in particular, influenced spending behaviour most significantly:

- **Increased household formation:** Whilst UK population has increased at about 0.3% per annum the number of households has increased by nearly three times that rate, as household size has decreased with smaller families, more divorces, people living longer etc.
- **An ageing population.** Over the next 20 years the over 60's age group in the UK as a whole is expected to grow by 5.3m or 41% and the Under 60's age group by only 4%. Older shoppers have a younger mindset than in the past, are more fashion aware and generally are financially better off than their predecessors. Whilst many have benefited from house price and personal income growth, the adequacy of existing pension arrangements are a growing concern for many. Older consumers tend to have more time to shop, and, often spend more on DIY and gardening items and will expect good customer service. At the other end of the spectrum younger shoppers will experience higher housing costs, will generally be more computer literate and spend more on-line, and will spend more on entertainment/leisure so they may have less to spend in the retail property sector.

#### Economic Outlook

- 3.3 The economic outlook is now very different from that when the original Retail Study was undertaken. Although it was apparent that the height of the market had been reached, the potential severity and longevity of the economic downturn was unknown at that time. Although this has not necessarily impacted on the



performance and vitality of the Borough's town centres as one might expect, it does affect the potential quantitative need for future retail floorspace during the period of the LDP identified in Section 6.

- 3.4 The most recent Experian Retail Planner Briefing Note 10.1 (September 2012) portrays a particularly bleak outlook for the UK economy in the near-term. The economy has struggled to recover from successive recessions, with the level of GDP now still some 4% short of its peak in the 1<sup>st</sup> quarter of 2008. The prospect of an export led recovery has evaporated as continuing economic problems in the eurozone have stifled exports to the key EU market. This, set against the background of persistent weakness in the global financial markets and ongoing banking sector concerns means that macro-economic factors affecting the economy are ominous and a third recession is not unforeseeable.

### **Income and Expenditure**

- 3.5 Prior to 2008, personal incomes and expenditure had shown strong and sustained growth over the previous 20 years, with retail expenditure growing faster than incomes. Overall retail expenditure increased by about 4% per annum in real terms over that period. Most of that growth was on comparison goods where an increase in expenditure of over 6% per annum was seen. Growth in expenditure on convenience goods was generally more modest at less than 1% per annum.
- 3.6 The sort trends in household expenditure growth seen prior to the downturn are not expected to return in the foreseeable future as a result of high levels of consumer debt, changing attitudes towards such debt, low savings ratio and a generally weak housing market. Furthermore, upward inflationary pressure and low levels of income growth in more recent years have also lead to a decline in the level of real household disposable income. Over the next 10 years the latest economic forecasts suggest that comparison goods expenditure growth will struggle to exceed 3% per annum. Convenience goods expenditure growth is expected to much lower at an average of 0.6% per annum over the next 10 years.<sup>3</sup>
- 3.7 With longer working hours for many, shop opening hours in the larger centres have been extended and Sunday is now one of the strongest trading days in the week. This has implications for where retail expenditure is concentrated and the

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<sup>3</sup> Experian Retail Planner Briefing Note 10.1 (September 2012)

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nature of some shopping trips which are considered to be a quasi leisure experience.

### **Increased Mobility**

- 3.8 Income growth has also led to increased car ownership and personal mobility. Over the last 25 years the number of households having access to one or more cars has increased from about 55% to about 75% nationally and the number with two or more cars has nearly trebled from 11% to 30%. The figures for car ownership generally (and multiple car ownership in particular) in Waverley are, indeed, markedly higher than the national average.
- 3.9 This increased mobility has meant that the overwhelming majority of households now have greater choice of shopping destinations. As a result the majority of shoppers are willing, and able, to travel to either centres or specific individual retail outlets that offer the choice they are looking for or best serve their shopping needs.
- 3.10 Government policies to control use of the private car and reduce the need to travel have, in themselves, had little material impact on changing shopping patterns. On the other hand, the combination of improved retail provision locally (including, for example, the diversification of products sold in existing large supermarkets and retail warehouses in the Borough) and, particularly, growing use of on-line retailing appears to be affecting peoples' shopping behaviour and/or willingness to travel for shopping, or the frequency with which certain shopping trips are undertaken.
- 3.11 Increased mobility has tended to favour the larger, sub-regional, shopping centres rather than smaller, more local, centres. These larger centres have tended to increase in both size and importance relative to small centres – particularly for key comparison goods and "big ticket" items. The investment that took place in these centres during more buoyant economic times has reinforced their attraction to more mobile shoppers. Smaller centres have therefore generally lost market share – particularly for comparison goods. In the main, these sort of centres have seen much less new development than the overall rate of expenditure growth would imply, although, as we shall see, developers continue to seek opportunities for new development in those smaller centres that remain both viable and attractive retail destinations.

- 3.12 Increased mobility has, of course, also stimulated out-of-centre development, which has grown much more rapidly than town centre development. Over the last 30 years the majority of new retail floorspace has been in edge or out-of-centre locations. The combination of the economic downturn and increasingly restrictive planning policy in favour of town centres has stemmed the growth in out-of-centre development in recent years. Nonetheless, retail analysts, Verdict, still expect sales at out-of-centre locations to increase at a faster rate than those in-centre locations.

### **Store Requirements**

- 3.13 The historic trend of growth by multiple retailers and increased competition between companies has meant that the retail structure is increasingly dominated by large companies requiring larger shop units. Shopping centres and out-of-centre development that has been able to accommodate this demand for larger sized units (typically 500 – 2,000 sq m or larger) have grown in importance, reinforcing the trend of higher order centres and out-of-centre retailing growing in relative importance, i.e. polarisation in the retail hierarchy.
- 3.14 The growth in the size of stores has reduced the number of shop units and, some would argue, consumer choice. This is particularly evident in the food sector, with a marked decline in the number of smaller and more specialist food retailers (green grocers, butchers, fishmongers etc), and a large increase of superstores. Since the last Study, market saturation of large foodstores and concerns over lack of competition due to the market dominance of a few key multiples, has seen changes. In particular almost all the large foodstore operators are now expanding their convenience store concepts as shopping habits have changed and 'top up' shopping becomes more prevalent.
- 3.15 Another recent retail trend is the movement towards a handful of large flagship stores in strategic locations, supplemented by a network of supporting smaller stores in lower order 'satellite' centres, with a limited range but in-store facilities to order the entire range online. Retailers like John Lewis, Argos, Next, Debenhams and House of Fraser who have a well-established online presence and benefit from national coverage, can use online facility to provide the full consumer 'offer' without necessarily needing a large store in every town - meaning they can reduce their physical floorspace to increase efficiencies.

**Increased Productivity and Sales Density Increases**

- 3.16 The acutely competitive nature of UK retailing has meant that there has been increased productivity. The substantial growth in retail floorspace prior to the down turn was not matched with a concurrent growth in retail employment. The overwhelming majority of new employment in retailing has been in part-time employees. Full time equivalent (FTE) employment has hardly increased at all, from about 2 million to 2.2 million, a 0.5% per annum increase. Macro-economic pressure and continued pressure for productivity improvements is likely to mean that employment in retailing is unlikely to grow significantly in the future. For example, in the next 15 years Experian Business Strategies expect an overall decline in FTE employment with only a marginal increase in part time employment.
- 3.17 The trend in improving productivity had also lead to an intensification of sales densities, particularly amongst the leading and most successful multiple retailers. It has been difficult to quantify the exact increase in sales density over the last 20 years due to changes in the use of floorspace (i.e. diversification of both convenience and comparison operators away from the strict definition of their respective sectors), the growth in out-of-town retailing, longer opening hours and Sunday trading and the very strong growth in retail expenditure relative to growth in floorspace. However, Experian suggest that pre-downturn spending increased comparison goods sales density by over 3%.
- 3.18 However, the economic downturn and the accompanying marked decline in sales volumes, means many retailers have struggled to maintain, let alone increase sales densities. The Experian Retail Planner Briefing Note 10.1 predicts that over the course of the next few years, volume increases in convenience sales will be 'mild', accompanied by modest increases in floorspace. Hence, the scope for increases in convenience goods sales density will be very limited. The continuing trend towards more modern, higher density stores and the demolition of older inefficient space means that comparison goods sales density is forecast at close to 1.9% over the next 16 years.
- 3.19 Although prevailing retail policy and associated guidance no longer requires for quantitative need/capacity assessments to have regard to the effect of increases in sales density, it is still considered to be best practice so has again been included within this Study Update.

- 3.20 In light of the limitations on convenience goods expenditure, and in an effort to serve growing customer demand, there is an increasing emphasis on the sale of comparison goods at large foodstores. Whilst sales densities for comparison goods may be lower than for convenience goods, future growth rates for comparison goods remain higher than for convenience goods and margins are generally greater. As a result all the leading foodstore operators are continuing to seeking to extend their comparison goods offer (particularly in their larger stores) to the point where some of the largest, or extended, stores are now variety or mini department stores. This particular trend – when combined with their online operation and/or ‘click and collect’ operation – poses a potential threat to smaller centres, as larger foodstores will increasingly sell a wider product range of day-to-day convenience and comparison goods and services.

### **On-line Retailing**

- 3.21 The combination of longer working hours, the demand for extended consumer choice, growing price awareness, and the availability of the internet has led to a huge growth in non-store shopping in the last 10 years – albeit from a small base. Total non-store trading (including mail order and on-line retailing) is currently estimated to be about 2% of convenience goods spending and about 9.9% of comparison goods spending. The latest forecasts suggest continuing strong growth over the next 5-10 years before a plateau is reached at about double current proportions of expenditure.
- 3.22 As outlined above recent trends have shown a gradual blurring of online and traditional in-store shopping channels due to the introduction of ‘click and collect’ services, safe drop boxes as well as in-store facilities to order online products.

### **Shopping and Leisure**

- 3.23 Retailing in the larger sub-regional centres and the more attractive, or specialised, smaller centres is undoubtedly changing. There is a blurring of the distinction between trips made exclusively for shopping and those now being made for leisure. Growth in expenditure on leisure is outstripping that on retail goods.
- 3.24 Quality restaurants, coffee shops, cafes and bars, as well as other facilities such as health and fitness centres, and multiplexes in larger centres, can be important in attracting shoppers, encouraging longer stays and higher spending in many

centres. The integration of existing shopping with established or new leisure facilities can benefit both sectors. Pedestrianised streets, a safe and attractive retail environment, along with good accessibility and car parking are important in enhancing the attractiveness of the town centre to shoppers and tourists alike and, in doing so, enhancing its overall health, vitality and attractiveness for further investment.



## **4. Overview of Existing Shopping Patterns in Waverley**

- 4.1 In order to provide empirical evidence on existing local shopping patterns and preferences, the original Retail Study was underpinned by a household shopping survey undertaken in December 2007.
- 4.2 There have been very few notable changes to the makeup of retail facilities both within the Borough of Waverley and the wider Study Area since the original survey was undertaken. This can be mainly attributed to the prevailing economic conditions over the course of the last four years which have discouraged retailers and developers from making major investments in new retail facilities. In light of this, it is considered that the household survey of 2007 is sufficiently accurate for the purposes of this Study Update and as such this Section simply restates the findings of the 2007 survey.
- 4.3 It is clear from the survey that households in Waverley have a choice of destination for their shopping trips. As well as the shops in the four main centres, there are also several major town centres and retail parks in relatively close proximity which offer significant additional shopping facilities. In particular, the primary regional centre of Guildford offers a significant quantum and range of retailing, including retail warehousing and the recent extension to the Friary Centre. The secondary regional centres of Aldershot and Farnborough also lie just beyond Waverley Borough's boundary, as do the significant out-of-town retail locations of Farnborough Gate Retail Park and the Meadows at Blackwater Valley. Residents of Waverley Borough therefore have a multitude of shopping destinations from which to choose and these centres exert considerable influence over Waverley residents' shopping behaviour - particularly for comparison goods.
- 4.4 Shoppers' choice of destination is informed by a number of elements including the perceived strength of anchor traders in centres; the volume, variety and quality of other shops present; the quality and convenience of the centre itself (including accessibility of the centre by car and the quantum, convenience and cost of car parking, as well as accessibility by public transport); the perceived safety and security of the centre and the availability of public facilities; and the overall quality of the shopping experience.
- 4.5 The survey methodology and questionnaire used in the 2007 survey was agreed with officers prior to commencement of the fieldwork. In the interests of

completeness we have included a copy of the questionnaire in **Appendix A**. The household survey was designed to identify those destinations used for the following types of shopping trips:

- main food;
- top-up food;
- clothes, footwear and fashion;
- furniture and floor coverings;
- household textiles and soft furnishings;
- domestic appliances e.g. fridges, washing machines;
- radio, TVs, hi-fi, photographic equipment;
- china, glass and hardware;
- DIY goods;
- books, jewellery, watches, recreational and luxury goods.

4.6 Similarly the study area used for the 2007 survey is shown on **Plan 1**. The survey was based on stratified sample of households living within the following eleven postcode areas:

- Zone 1 – GU9 (Farnham)
- Zone 2 – GU7 (Godalming)
- Zone 3 – GU27 (Haslemere and Weyhill)
- Zone 4 – GU6 (Cranleigh)
- Zone 5 – RG27, GU51, GU14, GU11, GU12, GU16, GU52 (Farnborough, Fleet, Aldershot)
- Zone 6 – GU8, GU10, GU26 (area between Farnham and Godalming)
- Zone 7 – GU1, GU2, GU3, GU4, KT24 (Guildford)

- Zone 8 – GU5, RH4, RH5, RH12 (Dorking, Horsham)
- Zone 9 – GU28, RH13, RH14 (area between Horsham and Midhurst)
- Zone 10 – GU29, GU30, GU31, GU33, GU35 (Midhurst, Petersfield, Bordon)
- Zone 11 – GU34, RG29 (Alton)

4.7 Structured interviews were carried out by telephone with the person responsible for the main household shop in a total of 1,103 households. As well as ascertaining the main centres/stores used for a variety of shopping visits, the survey also sought information on how shoppers travelled (i.e. modes of transport) and general attitudes to shopping in Farnham, Godalming, Haslemere and Weyhill and Cranleigh. The complete results of the 2007 survey are reproduced in **Appendix B**, bound separately.

### **Convenience Goods Shopping Behaviour**

- 4.7 In accordance with most surveys of this nature, the study confirmed that the catchments for food shopping in Waverley tend to be less extensive than for non-food shopping. In most zones, the majority of main food shopping trips are undertaken at local superstores/supermarkets and convenience stores.
- 4.8 Each of the four main towns in Waverley is well served by major foodstores. Waitrose and Sainsbury's are present in Farnham and Godalming, Tesco and Co-op serve Haslemere and Weyhill and Cranleigh village is served by Sainsbury's, Marks & Spencer Simply Food and Co-op. Between them, these stores tend to dominate their local area, and in some cases attract expenditure from a wider area. For example, the Sainsbury's store at South Street, Farnham attracts 27% of convenience goods expenditure in zone 1 and draws further trade from zones 5, 6 and 7. This is significant as it means that some residents of these zones are ignoring the foodstores and towns in their own area in favour of shopping in Farnham. It is likely that this is due to qualitative matters, both with regard to the operators (Tesco in Aldershot, Morrisons and Asda in Farnborough) and in terms of the centres themselves.
- 4.9 The most popular store in the Borough according to the survey was the Sainsbury's at Woolsack Way in Godalming, accounting for 52% of convenience goods expenditure from zone 2 and drawing 19% from zone 6. The Tesco store

at Weyhill is almost as successful, attracting 58% from zone 3 and some further expenditure from zones 6 and 9. In Cranleigh no one store dominates and expenditure is split mostly between the Sainsbury's and Co-op stores.

- 4.10 As significant as the percentage of shoppers heading to the four major centres in Waverley was, it was also matched by the low number of shoppers heading to other major centres from Farnham, Godalming, Haslemere/Weyhill and Cranleigh. For example, destinations such as Tesco at the Meadows, Sainsbury's at Blackwater Valley and the major stores at Guildford, Farnborough and Aldershot attracted very little trade from zones 1, 2, 3 and 4. For example, the 80,000 sq ft Sainsbury's store at Burpham, Guildford attracts only 1% of shoppers surveyed from zone 4 and none at all from zones 1, 2 and 3. Tesco at Ashenden Road, Guildford attracts only 6% of shoppers from zone 2, despite being in close proximity. Clearly, the range and quality of the convenience offer in the Waverley towns is sufficient to retain shoppers and prevent significant leakage.
- 4.11 The pattern for top-up shopping is more complex – as is normally the case. Shoppers use a wider variety of stores in a range of destinations/locations – including smaller supermarkets, convenience stores and local shops in the four main centres, as well as stores in smaller centres such as Bordon, Midhurst and Alton and in convenience stores linked to petrol stations.

### **Comparison Goods**

- 4.12 Patterns of shopping for comparison goods amongst Waverley residents are far more complex. Of the main centres, Farnham clearly offers the greatest quantum and range of comparison shopping and this is reflected in the percentage of expenditure retained in zone 1 and attracted from elsewhere, notably zones 5 and 6. Godalming, Haslemere/Weyhill and Cranleigh all have a limited comparison goods offer, but in the main, their comparison needs are met by other centres.
- 4.13 In almost all categories of goods, Farnham retains a healthy percentage of zone 1 expenditure. 30% of expenditure on clothing and footwear is retained in the town, which represents good performance in a key sector, given the proximity of higher order centres with more significant comparison goods offers. Farnham retains 40% of expenditure on furniture and floor coverings, 37% of expenditure on household textiles and soft furnishings, 47% of expenditure on domestic electrical appliances, 46% of expenditure on audio visual and photographic goods,

40% of spend on china, glass and hardware, 19% of DIY expenditure and 68% of expenditure on books, jewellery and luxury goods.

- 4.14 Although Farnham does not dominate comparison shopping in Waverley it is clearly the most important of the four study centres, and performs as a higher-order shopping centre. In each category of goods, a significant percentage of trade is captured from zone 6, which makes up much of the rural area in Waverley. Residents of this zone have a choice of destinations and the road network encourages movement toward Guildford, but despite this, Farnham is a popular destination.
- 4.15 In almost all comparison goods categories, Godalming exists in the shadow of nearby Guildford. Less than 10% of zone 2 expenditure on clothing and footwear is retained by Godalming, as opposed to 69% which leaks out to Guildford. For furniture and floor coverings the equivalent figures are 24% and 51%; for household textiles 7% and 64%; for domestic electrical appliances 29% and 54%; for audio visual goods 12% and 67%, china glass and hardware 37% and 45%; for books, jewellery and luxury goods 35% and 54%. Only in DIY goods does Godalming outperform Guildford – 38% to 21%.
- 4.16 The picture for Haslemere/Weyhill is broadly similar. Only 6% of zone 3 expenditure on clothing and footwear is retained, with 66% captured by Guildford. For other goods categories, Haslemere/Weyhill performs better, retaining, for example, 23% of zone 3 expenditure on furniture and floor coverings, 30% of expenditure of domestic electrical appliances, 33% of expenditure on audio visual goods and 33% of expenditure on books, jewellery and luxury goods. For all categories, however, Guildford captures a higher percentage of expenditure than that retained in zone 3.
- 4.17 Cranleigh faces competition not only from Guildford but also from nearby Horsham. For clothing, the village retains 8% and loses 64% to Guildford and 13% to Horsham. For furniture and floor coverings, 24% is retained, but 52% goes to Guildford and 15% to Horsham. This broad pattern is repeated for all categories of goods.

### **Overview of Household Survey Data**

- 4.18 The 2007 household survey data was fundamentally important in seeking to establish the existing pattern of shopping behaviour for both food and non-food

goods amongst Waverley residents at that time. It continues to assist us in identifying the extent of the catchment of each of the four main centres and the relationship of these centres and even specific stores (particularly supermarkets) in the Borough with neighbouring town centres and retail locations. The results are used, once again, to inform the quantitative need assessment in Section 6.

- 4.19 It also provides useful background information on respondents' perception of the main centres at that time and can be used, together with other material, to develop a clear view on the strengths (and weaknesses) of Waverley's town centres and assist in devising detailed strategies to enhance the vitality and viability of these centres in the future.



## **5. Assessment of the Health and Vitality of Waverley Borough's Main Settlements**

5.1 The health of the four main centres in Waverley Borough (Farnham, Godalming, Haslemere and Cranleigh village) was originally assessed by Chase & Partners in December 2007 as part of the Town Centres Retail Study. The centres were assessed again in November 2012, as part of this Update. In accordance with standard practice, the main four centres have been assessed here against the following indicators, using up-to-date and available information. Where possible, the data has been compared and contrasted with that from the original Study, to show any patterns or trends that have emerged in recent years. The indicators are as follows:

- diversity of uses,
- amount of retail, leisure and office floorspace in edge and out of centre locations,
- potential for growth,
- retailer representation and demand,
- rental levels,
- vacancies,
- commercial yields,
- pedestrian flows,
- accessibility,
- customer and residents' views and behaviour,
- perception of safety and occurrence of crime,
- environmental quality.

## (1) Farnham

### Diversity of uses

- 5.2 Based on the Goad Centre Report and our own street surveys there are currently 252 units trading in Farnham town centre on a total of 443,300 sq ft of retail floorspace (Table 1). There are 14 convenience units in the centre equating to 6% of the total stock; this is markedly lower than the national average although an increase from our previous survey. These stores include the large Waitrose and Sainsbury's units and as a result convenience goods floorspace constitutes 17% of the total which is in line with the national average.

**Table 1: Diversity of Uses in Farnham Town Centre, November 2012**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	14	6%	9%	74,800	17%	17%
Comparison	116	46%	41%	210,600	47%	46%
Service	100	40%	36%	115,000	26%	24%
Vacant	22	9%	14%	42,900	10%	12%
Total	252	-	-	443,300	-	-

Source: Goad Centre Report June 2012 (**Appendix C**) and Chase & Partners Street Surveys

**Table 2: Diversity of Uses in Farnham Town Centre, December 2007**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	13	5%	9%	71,800	17%	17%
Comparison	140	58%	46%	225,000	54%	52%
Service	70	29%	33%	97,000	23%	22%
Vacant	13	5%	11%	15,100	4%	9%
Total	240	-	-	413,900	-	-

Source: Goad Centre Reports and Chase & Partners Street Surveys

- 5.3 There are 116 comparison units, representing 46% of the units in the centre – although this is higher than the national average, it is a marked decrease from the level witnessed during our last survey of the centre. The number of units accommodating services is much higher than the national average, though only

slightly higher in terms of floorspace. Overall, the figures show that Farnham is a significant centre in terms of all three categories.

- 5.4 The level of charity shops within a centre is an obvious indicator of how well it is trading. Charity shops play an important role in many centres filling floorspace that would otherwise remain vacant and providing an element of comparison goods retailing that would otherwise not be present. However, they do not pay rates, often benefit from favourable short-term rental agreements and are in the main, staffed by volunteers. As such, they have an inherent competitive advantage on other competing variety stores and an over proliferation of charity stores could be viewed as detrimental to a centre. Regardless of this, they typically have low levels of turnovers and limited profit margins so are unable to pay high rents within popular retail centres. Furthermore, due to the nature of the products that they sell, often second-hand, charity shops tend to trade well within centres with a specific local demographic, with a high proportion of middle and low income earners. In this respect, the level of charity stores present within a town centre is an indicator of both demand for space there and the demographic of visitors to the centre.
- 5.5 In the case of Farnham, at the time of our survey there were 9 charity shops within the centre equating to 3.57% of the total. This is marginally below the national average, which currently stands at 3.86%<sup>4</sup>. In terms of distribution, these are dispersed throughout Farnham town centre suggesting there are no failing parades or areas of weakness that are struggling to attract prospective retail tenants.
- 5.6 In terms of leisure uses within Farnham, the retail breakdown above shows that there is an above average supply of services within the centre including 23 restaurants, cafe pubs and takeaways. However, this accounts for 9.13% of the units within the centre which is well below the national average of 16.01%. Notable leisure facilities within the centre include The Conservative Social Club as well as the United Reformed Church and Farnham Methodist Church on South Street. The Conservative Social Club holds several social events including snooker tournaments and a bridge club.
- 5.7 Outside of Farnham town centre, leisure facilities are more prevalent with Maltings which serves as a theatre, museum and events venue and Memorial Hall

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<sup>4</sup>

Goad Centre Report, June 2012

which runs children's activities, a bridge club, bowls, martial arts, as well as private events. Other facilities are James Hockey Gallery, Craft Study Centre, New Ashgate Gallery, Farnham Pottery and The Museum of Farnham. The proposed multi-screen cinema within the East Street development (outlined below) would undoubtedly add to the leisure offer within Farnham, particularly within the town centre which is limited at present.

### **Retail Floorspace in Edge and Out of Centre Locations in Farnham**

- 5.8 The large Sainsbury's store at Water Lane, Farnham is the main out-of-town foodstore. It is supplemented by Farnham Retail Park on Guildford Road, with Homebase, Pets at Home and Halfords all represented. The Lidl foodstore at Dogflud Way also occupies an edge-of-centre location. Beyond this, there is also a major "bulky goods" retail provision at nearby Farnborough (Farnborough Gate) and Guildford.

### **Potential for Growth**

- 5.9 Farnham's major development site is the land between East Street, South Street and Dogflud Way, which has been identified for some time within various local planning documents. It is proposed that the site will be brought forward for a major mixed-use redevelopment including 167 new homes, 72 affordable homes, a six screen Odeon cinema, new town square with landscaped gardens, replacement court tennis club as well as new shops, restaurants and cafes totaling some 9,814 sq m of floorspace. It is understood that the proposed development would be anchored by and M&S store including a significant element of Simply Food offer.
- 5.10 The existing Brighwells scheme was granted planning permission in 2008 and an application for a new planning permission to replace the extant permission was granted in 2012. Waverley Borough Council issued a Compulsory Purchase Order in May 2012 on the parts of the site that remain outside their control. Having made the Compulsory Purchase Order, the Council has asked for it to be confirmed by the Secretary of State for Communities and Local Government. Before doing so the Secretary of State is holding a public inquiry into any objections from people who believe that the Order should not be confirmed; the public inquiry is due to be held on 15<sup>th</sup> January 2012.

- 5.11 In light of the proposed development, Chase & Partners made a recommendation within the original Waverley Town Centres Retail Study, that the town centre boundary of Farnham be redrawn to include the proposed development site at East Street.

### **Retailer Representation and Demand**

- 5.12 There are currently 11 major retailers<sup>5</sup> - including Waitrose, Sainsbury's, Argos, Waterstones, Boots, Dorothy Perkins, WHSmith, Clarks, Clintons, Vodafone and Carphone Warehouse - and a total of 81 multiple retailers<sup>6</sup> across a variety of goods categories trading in Farnham town centre. A full list of multiple operators present is shown at **Appendix D** and **Plan 2** shows the location of national multiple retailers in the town centre. Farnham's multiple count, broken down by category, is set out in Table 3 along with that for the other three main centres in Waverley.
- 5.13 Retailer demand for a presence in any particular centre is also a significant indicator of the centre's health. Set out below in Table 4 is an extract from the reputable Town Focus database identifying trends in the number of retailer requirements (the number of new shops sought by national multiple retailers) for Farnham. The Town Focus database also ranks each town's position within the UK retail hierarchy, based upon some 1,500 shopping centres (please note that this data is not available for Cranleigh village). It can be seen from Table 4 below that Farnham has risen in the rankings from a low 64<sup>th</sup> in October 2005 to a high of 24<sup>th</sup> in January 2010. A marked improvement in recent years therefore.

**Table 3: Representation of Multiple Retailers**

<b>Centre</b>	<b>Convenience</b>	<b>Comparison</b>	<b>Service</b>	<b>Total</b>
Farnham	3	47	32	<b>81</b>
Godalming	3	18	23	<b>44</b>
Haslemere	1	11	13	<b>25</b>
Cranleigh	3	10	14	<b>27</b>

Source: Goad Centre Reports and Chase & Partners Street Surveys

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<sup>5</sup> These are defined by Goad as those retailers whose strong branding and comprehensive product mix can be sufficient in itself to attract consumers to a centre. Goad has identified approximately 27 national multiples that are considered as key attractors.

<sup>6</sup> Defined by Goad as being part of a network of nine or more outlets

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**Table 4: Retailer Demand**

	Farnham		Godalming		Haslemere	
Date	Reqs	Rank	Reqs	Rank	Reqs	Rank
Jan-10	24	131	20	178	9	473
Apr-09	28	115	21	179	11	322
Jan-09	32	125	22	205	14	335
Oct-07	56	126	21	412	13	540
Apr-07	62	103	24	358	11	591
Oct-06	57	121	24	366	8	674
Apr-06	60	118	20	388	8	669
Oct-05	64	110	23	347	13	495
Apr-05	62	106	16	421	14	456
Oct-04	56	123	17	393	10	560
Apr-04	48	144	12	469	6	688
Oct-03	45	158	11	481	5	739
Apr-03	43	144	9	514	7	603
Oct-02	37	177	7	569	4	748
Apr-02	32	202	10	438	6	586
Oct-01	30	196	16	320	5	597

5.14 **Appendix E** provides an insight into the nature and range of retailers, presently with requirements for the centres in Waverley, taken from the Focus and Prefect Information Property databases. The number of published requirements for space within Farnham over the course of the last 12 months is 89, a healthy number for a town of Farnham's size and standing in the retail hierarchy. It should be noted that this list cannot be considered comprehensive as other retailers may be tempted into the centre if the right unit were to become available in the right location.

5.15 On the negative side, the list does not include high proportion of quality retailers that might be expected to improve the vitality and profile of Farnham. Notable retailers with published requirements include Aldi, Halfords, Barratts, River Island, Home Bargains, 3 Stores, Carphone Warehouse and Pets At Home.

5.16 Regardless of this, looking at the retailers already present and those seeking representation in Farnham, it is clear that major retailers consider the town to be a viable retailing location.

### Shopping Rents

5.17 Prime zone A shopping rents are a good indicator of retail health as a high level of demand for space in the town will drive rents higher. Prime zone A rents in Farnham were £85 per sq ft, when last estimated in 2011. To set this into



context, Table 5 below compares the rental levels of Farnham and Godalming (data for Haslemere and Cranleigh is not available) with those of their principal neighbours and competitors:

**Table 5: Prime Zone A Rental Levels 1998-2011**

<b>Town</b>	<b>'98</b>	<b>'99</b>	<b>'00</b>	<b>'01</b>	<b>'02</b>	<b>'03</b>	<b>'04</b>	<b>'05</b>	<b>'06</b>	<b>'07</b>	<b>'08</b>	<b>'09</b>	<b>'10</b>	<b>'11</b>
Aldershot	40	45	40	40	45	45	55	55	60	60	55	45	45	40
Basingstoke	125	135	135	135	135	155	155	160	165	165	170	150	140	135
Camberley	95	95	95	90	100	100	100	120	120	120	120	100	100	95
Farnborough	45	45	45	45	45	55	55	60	60	70	70	65	65	65
<b>Farnham</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>70</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>85</b>	<b>75</b>	<b>80</b>	<b>85</b>
<b>Godalming</b>	<b>35</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>40</b>	<b>40</b>	<b>45</b>	<b>45</b>	<b>50</b>	<b>50</b>	-	-	-	-
Guildford	200	200	200	200	205	225	230	240	240	240	250	240	280	300
Horsham	90	90	95	95	90	90	95	100	105	105	105	80	75	75
Petersfield	-	-	-	50	50	55	55	55	65	70	-	-	-	-

Source: Colliers International Retail Rents Map 2011

5.18 It can be noted that Farnham's prime zone A rents have increased in the last three years, rising from a low of £75 per sq ft to £85 per sq ft. The large majority of centres suffered a fall in zone A rental levels following the banking crisis and subsequent recession in late 2008 and early 2009 and in this regard, Farnham is no different. However, whereas zone A rents in the majority of centres have struggled to return to the pre-recession levels, those in Farnham have which we consider to be a strong indication of demand for space there. Conversely, the rise in rental levels could be attributed to a shortage of retail units of sufficient size in prime locations.

5.19 Regardless of this, believe that Farnham's position within the retail hierarchy has elevated above that of Horsham, which previously experienced similar rental levels. Larger centres such as Guildford and Basingstoke are clearly of a higher order but Farnham also out-performs the larger and nearby centre of Farnborough.

### **Proportion of Vacant Street Level Property**

5.20 Chase & Partners' street surveys reveal that there are currently 22 vacant units in Farnham town centre, representing an improvement on the position at the time of the Goad Centre Report survey in June 2012 (25 units). Several of these vacancies are located in the vicinity of the East Street redevelopment area, which is currently the area of poorest environmental quality in the town. It also suffers

from relatively poor footfall and therefore limited passing trade. However, the redevelopment of land at East Street would regenerate this area leading to increased shopper presence and footfall. The prospects for reducing the vacancy rate in this area therefore remain very good.

- 5.21 The vacancy rate for Farnham, based on our recent survey, stands at less than 9%, which is an improvement on the position at the time of the Experian Goad survey (10%) and is some 5% below the national average (14%). This is a strong indicator of relative retail health of the centre and the fact that almost all of the vacant units are located in secondary areas suggests that the core retailing area is extremely healthy. **Plan 2** shows the location of vacant retail units in Farnham.

### **Shopping Centre Yields**

- 5.22 A further comparison of retail performance is provided by an assessment of investment yields. In brief terms, yield is a measure of property value. It is a ratio of rental income to capital value and is expressed in terms of the open market rent of a property as a percentage of the capital value. In this way, the higher the yield, the lower the rental income is valued and vice versa. A higher yield is an indication of concern by investors that rental income might grow less rapidly and be less secure than a property with a lower yield.
- 5.23 The table below comprises an extract from the Valuation Office Property Market Report showing yields on prime retail properties in Farnham, between April 2001 and January 2008. Although this evidence is somewhat dated now, it is one of few sources of industry recognised, readily available information on yields for prime retail properties. It reveals that yields remained stable at an estimated 7% between April 2001 and January 2007 before falling slightly to 6.75% in 2007. In terms of other centres, this compares to Farnborough at 7%, Aldershot at 7%, Camberley at 6%, Godalming at 6.75% and Guildford at 4.25%. In comparative terms, Farnham thus outperformed the competing centres of Farnborough and Aldershot while remaining on a par with Godalming and behind the higher order centres of Basingstoke and Guildford.

**Table 6: Shopping Centre Yields**

Shopping Centre	Yields %													
	4/01	10/01	4/02	10/02	4/03	1/04	7/04	1/05	7/05	1/06	7/06	1/07	7/07	1/08
Aldershot	8	8	8	8	8	8	8	7	7	7	7	7	7	7
Basingstoke	7	7	6.5	6.5	6.5	6.5	6.5	5.5	5.5	5.5	5	5	5	5
Camberley	6.5	6.5	6.5	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6	6
Farnborough	8	8	8	8	8	8	8	7.5	7.5	7.5	7	7	7	7
<b>Farnham</b>	7	7	7	7	7	7	7	7	7	7	7	7	6.75	6.75
<b>Godalming</b>	7	7	7	7	7	7	7	7	7	7	7	7	6.75	6.75
Guildford	5	4.75	4.75	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.25	4.25
Horsham	5.25	5.25	5.25	5.25	5.25	5.25	5.5	5.5	5.5	5.5	5.5	5.25	5.25	5.25
Petersfield	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8	8	8	7.5	7.5	7.5	7.5

Source: Valuation Office Property Market Report (January 2008)

### Pedestrian Flows

- 5.24 Farnham has a classic “dumbbell” retail layout, with major anchors at either end (Waitrose and Sainsbury’s) with the resultant footfall supporting comparison retailing in between. The plan identifying the location of national multiple retailers demonstrates this and our own observations confirm that the strongest areas of shopper presence are around the foodstores and along West Street and The Borough.
- 5.25 This pattern would be reinforced, should the proposed East Street Development come forward, which will undoubtedly extend the number multiples further east.

### Accessibility

- 5.26 Farnham enjoys good accessibility by road given its proximity to the A31. The town centre is relatively well provided for in terms of car parks with over 1,700 spaces being available at car parks throughout the centre. This includes a good proportion of disabled spaces. The centre is also well served by bus routes from all parts of its environs.

### **Customer and Resident's Views and Behaviour**

- 5.27 In order to assess how the four centres are perceived by those who live and work in them, Chase & Partners conducted a survey of businesses in all four centres in January 2008. Although now a number of years old, these surveys still cast some light on the local perception of the centres and as such are discussed below.
- 5.28 Questionnaires were drafted in conjunction with officers of Waverley Borough Council and sent to all businesses with prepaid envelopes for their reply. Response rates were good at 25-28%. A copy of the questionnaire and the aggregated results can be found at **Appendix F**.
- 5.29 Included within the questionnaire was a survey of opinion regarding various aspects of the town centre. The results show that Farnham is generally favourably viewed by local businesses, though few give it top marks. The shopping offer in terms of the number of multiples, independents and specialists is considered to be average to good; the quality of the shops is considered fairly good and prices are seen as average. Views on access were mixed with most considering access by public transport to be average to fairly good, but many considering access by car to be fairly poor. Car parking was generally considered average to fairly poor. In terms of appearance and character, Farnham was considered to be average to very good, with no respondents considering it poorer than this.

### **Perception of Safety and Occurrence of Crime**

- 5.30 Table 7 below compares the levels of crime within Waverley with those of Surrey, the South East Region and England & Wales, for the financial year ending June 2012. The information is taken from the Office of National Statistics; it is police recorded crime data as opposed to the results of the British Crime Survey. The police recorded crime data does not always show the true extent of household and personal crime because it does not include crimes that are not reported to the police. However, police statistics provide a good measure of trends in well-reported crimes, are an important indicator of police workload, and can be used for local crime pattern analysis.

**Table 7: Incidence of Crime – Year Ending June 2012**

<b>Crimes Per 1,000 Population</b>	<b>England</b>	<b>South East Region</b>	<b>Surrey</b>	<b>Waverley</b>
Total	69	61	52	-
Violence against the person	13	12	10	5
<i>Violence against the person - with injury</i>	6	5	3	1
<i>Violence against the person - without injury</i>	7	7	7	4
Sexual offences	1	1	0	0
Robbery	1	1	0	0
Burglary	9	7	7	7
<i>Burglary in a dwelling</i>	4	3	3	2
<i>Burglary in a building other than a dwelling</i>	5	4	4	5
Offences against vehicles	7	6	6	4
Other theft offences	19	18	13	10
Fraud and forgery	3	3	2	2
Criminal damage	11	10	9	7
Drug offences	4	3	3	1
Other offences	1	1	1	0
<i>Burglary in a dwelling</i>	10	7	7	-

Source: Office for National Statistics

- 5.31 Table 7 shows that in general, Waverley Borough has lower crime rates than Surrey County, the South East Region as a whole and England & Wales, across the majority of the given crime categories. The exception in this instance is the 'Burglary in a building other than a dwelling' category where there are more crimes committed per 1,000 people in Waverley than both Surrey and the East of England. As an overview, these results show that Waverley Borough does not suffer greatly from crime. By inference, it can be assumed that neither do the four main centres of Farnham, Godalming, Haslemere and Cranleigh.
- 5.32 The results of the survey of businesses also shows that there is no negative perception of crime or fears for safety within Waverley.

### **Environmental Quality**

- 5.33 Farnham has areas of extremely good environmental quality, particularly the Lion & Lamb Shopping Centre which is seen as a model example of a “niche retailing” area. There are no obvious pockets of dereliction or visual signs of graffiti or litter. The area around East Street is not particularly attractive, though it is not so environmentally poor as to deter retailers entirely. In any case, the area is expected to be greatly enhanced by the proposed mixed-use development.
- 5.34 Assessing environmental quality is always a subjective matter but insofar as these factors contribute to a centre’s vitality and viability, we consider their contribution in Farnham to be positive.

## (2) Godalming

### Diversity of uses

- 5.35 Based on the Goad centre report and our own street surveys there are currently 189 units trading in Godalming. Table 8 shows the split between uses and the amount of floorspace dedicated to each. There are 12 convenience units in the centre equating to 6% of the total which is lower than the national average, though due to the presence of large foodstores, convenience floorspace actually accounts for 23% of the total, well above the national average. There are 76 comparison units, a fall from the number surveyed by Chase & Partners in December 2007, which equates to 40% of the total. This is marginally less than the national average, which is also reflected in the floorspace. Provision of services is well above average in terms of number of units although marginally below the average in terms of floorspace.

**Table 8: Diversity of Uses in Godalming Town Centre, November 2012**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	12	6%	9%	89,000	23%	17%
Comparison	76	40%	41%	174,700	45%	46%
Service	88	47%	36%	86,800	23%	24%
Vacant	13	7%	14%	33,300	9%	12%
Total	189	-	-	385,400	-	-

Source: Goad Centre Reports April 2012 (**Appendix C**) and Chase & Partners Street Surveys

**Table 9: Diversity of Uses in Godalming Town Centre, December 2007**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	9	5%	9%	88,800	24%	17%
Comparison	94	53%	46%	183,200	51%	52%
Service	65	37%	33%	93,500	22%	22%
Vacant	7	4%	11%	5,600	9%	9%
Total	177	-	-	372,300	-	-

Source: Goad Centre Reports and Chase & Partners Street Surveys

- 5.36 Overall, the numbers suggest no major deficiencies in provision. However, some of this floorspace is located in edge-of-centre locations. It is worth noting the increase in service units in the centre over the course of the last five years, a theme picked up within Chapter 3 which is common in many towns.
- 5.37 There are currently 9 charity shops within Godalming equating to 5.08% of the total, this is above the national average which currently stands at 3.86%. Although, there are is an above average level of charity shops, this is not unusual for a town centre of Godalming's size. Furthermore, those charity shops that are present are, in the main, large multi-national retailers and well know fascias.
- 5.38 In terms of leisure uses within Godalming town centre, the most notable facility is the cinema based within the Borough Hall. Near the Pepperpot in the High Street, there is also Godalming Museum, an impressive 15<sup>th</sup> century building in its own right which house exhibitions on the history of Godalming and the surrounding villages, as well as an arts and crafts gallery. Also located within the town centre is the Wey Gallery, a private gallery displaying works from contemporary British artists that are available to buy. Godalming town centre therefore has a limited leisure offer, as recognised by the Waverley Citizen's Panel.

#### **Retail Floorspace in Edge and Out of Centre Locations in Godalming**

- 5.39 Godalming's edge-of-centre and out-of-centre floorspace is predominantly located to the east of the town around the Woolsack Way area. A small retail warehouse park is located immediately adjacent to the town centre boundary and is currently occupied by Homebase and Pets at Home. Together these provide some 4,366 sq m (47,000 sq ft) of floorspace. Slightly further out is a Sainsbury's foodstore of c.5,388 sq m (58,000 sq ft). These figures can therefore be subtracted from the Goad Centre Report figures to give the true amount of floorspace within the town centre, and that on the edge or out-of-centre:

Town Centre:	Convenience goods: 2,861 sq m (30,800 sq ft)
	Comparison goods: 12,650 sq m (136,200 sq ft)
Edge/Out-of-centre:	Convenience goods: 5,388 sq m (58,000 sq ft)
	Comparison goods: 4,366 sq m (47,000 sq ft)



- 5.40 Godalming therefore has a high proportion of convenience goods floorspace outside the town centre boundary, thanks to the Sainsbury's store. However, both this and the retail warehouses are well related to the town centre. Pedestrian links between the retail stores and the High Street are good and in this way the town centre is supported by the presence of this retail offer beyond the town centre boundary.

### **Potential for Growth**

- 5.41 Godalming's potential for growth is limited to reuse of existing sites and the land between Catteshall Lane and Woolsack Way has been identified within the Local Plan as a "Key Site" for redevelopment. We understand that a proposal for this site in the form of housing development was submitted to Waverley Borough Council and refused, prior to publication of the Waverley Town Centre Study in 2008.
- 5.42 Beyond this site, there are few obvious opportunities for development or extension to the existing town centre. The area to the west is designated Green Belt, the area to the north is designated as an Area of Outstanding Natural Beauty and to the south lie residential areas. Town centre sites are therefore at a premium and Waverley Borough Council may have to consider more peripheral sites as part of the Local Plan process.

### **Retailer Representation and Demand**

- 5.43 According to the Goad Centre Report for Godalming, there are currently eight major retailers<sup>7</sup> in the centre although this includes two Sainsbury's stores and a Clinton Cards which are believed to be errors - Boots, Superdrug, WHSmith, Waterstones and Waitrose and the edge-of-centre Sainsbury's. There are a total of 44 multiple retailers<sup>8</sup> across a variety of goods categories trading in the town (**Appendix D**). **Plan 3** shows the location of national multiple retailers in Godalming town centre and its position relative to those of the other three centres in Waverley is shown in Table 3 on page 29.
- 5.44 Similarly Table 4 on page 30 also shows the position for Godalming in terms of retailer requirements. It shows that the centre has risen steadily up the retail

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<sup>7</sup> These are defined by Goad as those retailers whose strong branding and comprehensive product mix can be sufficient in itself to attract consumers to a centre. Goad has identified approximately 27 national multiples that are considered as key attractors.

<sup>8</sup> Defined by Goad as being part of a network of nine or more outlets.

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rankings from a low of 569<sup>th</sup> in October 2002 to 178<sup>th</sup> in January 2010. **Appendix E** provides an insight into the nature and range of retailers who have had published requirements for space within the centre over the course of the last 12 months. It reveals that there are currently 22 published requirements for the town, comprising a good mix of convenience, comparison and service sector retailers. Notable requirements include Costco, Sainsbury's, Original Factory Shop, Barratts and Wine Rack.

### **Shopping Rents**

- 5.45 Table 5 shows Godalming's prime zone A rental levels between 1998 and 2007. As with Farnham, rents rose steadily along with the general rise in rents across the wider area from £35 per sq ft up to £50 per sq ft. Even in 2007, given the quality of the centre's retailers and the relative affluence of the area generally, we consider a prime zone A rent of £50 per sq ft to be poor. Unfortunately Colliers International discontinued zone A rent levels for Godalming in 2007, so the current position is unclear.

### **Proportion of Vacant Street Level Property**

- 5.46 Our survey of Godalming town centre in November 2012 revealed only 13 vacant units. Although this is double the level witnessed in December 2007 when there were six vacant units, the present level of vacancies still represents only 7% of the total stock, which is half the national average and an extremely good indicator of retail health.
- 5.47 **Plan 3** shows the location of the vacancies throughout the town centre. The plan shows that there is a reasonably even distribution of vacant units throughout the centre, which indicates that there are no areas of weakness or failing parades.

### **Shopping Centre Yields**

- 5.48 Table 5 shows the yields on prime retail properties in Godalming, along with those of neighbouring and competing centres. The data shows that Godalming's performance has exactly matched that of Farnham and the same conclusions therefore apply. Compared to higher order centres such as Guildford and Basingstoke, Godalming is considered more of a risk, but the town compares well to larger centres such as Aldershot and Farnborough.

### **Pedestrian Flows**

- 5.49 Godalming, like Farnham, has a fairly linear layout to its main shopping area. From our observations the areas of highest footfall are on the High Street between Moss Lane and Queen Street, with a further area of significance around the Waitrose foodstore, although this store does not face the main retail axis and is rather “hidden”. We do note, however, that the use of the former supermarket at 48-56 High Street by a Wetherspoons public house with a health and fitness club above represents good use of a large town centre unit and the public realm in this area connects well to the adjacent car park.

### **Accessibility**

- 5.50 Godalming is well connected to all parts of its environs though the road network and public transport. There are ample car parking spaces within the town, with c.860 spaces with the town centre boundary and a further 450 spaces at the Sainsbury’s and Homebase/Pets at Home units.

### **Customer and Residents Views and Behaviour**

- 5.51 The results of the survey of businesses in Godalming from the Town Centres Retail Study in 2008 show a generally positive opinion of the town (**Appendix F**). The number of independent shops is considered to be fairly good by most, and the number of multiples average. The range and quality of shops is considered average to fairly good. Prices are also seen to be average to fairly good and people are generally happy with the level of accessibility by car, public transport or on foot. Godalming scores very highly in provision of restaurants and cafes, appearance and character and cleanliness. Overall this reinforces the picture of an attractive, successful, popular town centre.

### **Perception of Safety and Occurrence of Crime**

- 5.52 As stated above with regard to Farnham, Office for National Statistics show that the occurrence of crime in Waverley is considerably lower than the national average (Table 7). The survey of businesses confirmed that there is no negative perception of crime.

### **Environmental Quality**

- 5.53 Godalming's environmental quality is, in places, outstanding. The High Street area around the Pepperpot and Church Street is of the highest quality and in this way, shoppers will be encouraged to visit Godalming for more than the retail and service offer alone. Other areas, such as Bridge Street, are less picturesque but by no means unpleasant. There are no areas of dereliction or areas that have deteriorated since our previous survey in December 2007. In so far as these matters contribute to a town's vitality and viability, we consider their contribution to be positive.

### (3) Haslemere/Weyhill

#### Diversity of uses

- 5.54 Based on the Goad centre report and our own street surveys there are currently 117 units trading in Haslemere town centre (Table 10). There are 4 convenience units in the centre equating to just 3% of the total, which is a third of the national average, and this is reflected in the level of floorspace which stands at only 12% of the total – 5% below average. There are 62 comparison units representing 53% of the total – compared to a national average of 41% and the quantum of floorspace is also above average. Service provision is above average in terms of number of units but the same as the national average in terms of floorspace. It should be noted that these figures relate only to Haslemere and not to Weyhill. As there are major foodstores in Weyhill, this centre's convenience floorspace provision can be expected to be significantly above average.

**Table 10: Diversity of Uses in Haslemere Town Centre – November 2012**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	4	3%	9%	20,500	12%	17%
Comparison	62	53%	41%	105,200	60%	46%
Service	48	41%	36%	42,300	24%	24%
Vacant	3	3%	14%	6,000	3%	12%
<b>Total</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>175,500</b>	<b>-</b>	<b>-</b>

Source: Goad Centre Reports November 2011 (**Appendix C**) and Chase & Partners Street Surveys

**Table 11: Diversity of Uses in Haslemere Town Centre – December 2007**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	7	6%	9%	19,200	11%	17%
Comparison	64	59%	46%	98,100	57%	52%
Service	30	28%	33%	47,600	28%	22%
Vacant	7	6%	11%	5,600	3%	9%
<b>Total</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>172,000</b>	<b>-</b>	<b>-</b>

Source: Goad Centre Reports and Chase & Partners Street Surveys

- 5.55 There are only two charity shops within Haslemere representing less than 2% of the retail outlets. This well below the national average of 3.86% and should be considered an indicator of good demand for space within the centre from traditional retailers.
- 5.56 In terms of leisure within Haslemere town centre, the most obvious facility is Haslemere Educational Museum on the High Street which runs a range of exhibitions throughout the year as well as a number of permanent collections based on geology, natural history and human history. On the western edge of the town centre is Haslemere Hall, a multifunctional facility which acts as a theatre, music venue, cinema and events space. Haslemere is also a recognised centre for craft.

### **Retail Floorspace in Edge and Out of Centre Locations in Haslemere**

- 5.57 With the exception of Weyhill, Haslemere has no significant edge- or out-of-town floorspace to compete with the town centre.

### **Potential for Growth**

- 5.58 Haslemere's capacity for growth is physically constrained by nearby residential areas, as is Weyhill's. There is a significant site located between West Street and Lower Street which has been previously identified in the Local Plan. This site extends from the car park at the rear of the Swan Hotel to the telephone exchange adjacent to the recreation ground. However, the introduction of the Waitrose supermarket, WHSmith and a housing development to the south have somewhat curtailed the development potential of the site. These would no longer form part of any site, leaving only the car park, which is sloped and would be difficult to develop.

### **Retailer Representation and Demand**

- 5.59 There are currently only two major comparison retailers in Haslemere – Boots and Waitrose. There are 25 multiple retailers trading in Haslemere town centre (**Appendix D**) and their locations are shown on **Plan 4**. Most of these are in the service sector – such as Barclays, Lloyds TSB, NatWest, Costa Coffee and Pizza Express – but significant portion are also comparison retailers such as Fat Face, Crew, The Aga Shop, Lloyds Pharmacy and the recently opened WHSmith. This is a marked difference from the last time we surveyed the centre when there were

only six comparison multiples, two of which were charity shops which do not contribute greatly to a centre's vitality.

5.60 Table 4 shows Haslemere's relative retail ranking in terms of published retailer requirements, compared with Godalming and Farnham, between October 2001 and January 2010. It shows that the centre has oscillated greatly, up and down the rankings over the years, with a low of 748<sup>th</sup> in October 2002 and a high of 322<sup>nd</sup> in April 2009. The list of current published requirements at **Appendix E** shows that there are currently 18 requirements for space within the centre, including Superdrug, Caffè Nero, Sainsbury's, Barratts and Original Factory Shop. This is considered to be a good level of demand, including some notable retailers demonstrating that these retailers have confidence Haslemere town centre. It is also a marked improvement from the time of our last survey when relatively few comparison retailers were seeking space within the town.

5.61 Weyhill has very few multiples in comparison to Haslemere. The Co-op foodstore is located within the town centre boundary and the Tesco store is slightly beyond it, though good linkages exist between this store and the main town centre axis. Aside from the foodstores there is a Co-op Funeral Care and the Santander bank, although the Barclays bank has closed. The rest of the centre is made up of independents.

### **Proportion of Vacant Street Level Property**

5.62 During our street survey in November 2012, just three vacant units were observed in Haslemere which is extremely low, representing just 3% of the total number of units – less than one quarter of half the national average. This is a strong indicator of retail health. The location of all these vacant properties is shown at **Plan 4**.

5.63 Vacancy is also rare in Weyhill, where only two vacant units were observed. The locations of these are also shown at **Plan 4**.

### **Accessibility**

5.64 Haslemere is highly accessible by car and has ample car parking. There are over 400 car parking spaces in the town, mostly at the rear of Waitrose. Weyhill benefits from medium sized car parks adjacent to the Co-op and Tesco

foodstores. Both Haslemere and Weyhill benefit from a mainline railway station positioned between the two parts of the centre.

### **Customer and Residents Views and Behaviour**

- 5.65 The survey of businesses for Haslemere/Weyhill shows that the range of shops is considered to be generally good, with the number of independents particularly so. The quality of the shops is considered to be fairly good or better and prices are seen as average compared to other centres. In reality, the evidence above indicates that the retail mix within Haslemere has improved greatly since the survey was undertaken.
- 5.66 In other respects, access by car is seen as fairly good, as is access by public transport and pedestrian accessibility. The centres are certainly seen as attractive, with half of respondents considering the town's appearance to be very good, and most considered it to be clean.

### **Perception of Safety and Occurrence of Crime**

- 5.67 As with the other towns, it is worth noting the crime statistics at Table 7 showing the occurrence of crime in Waverley is considerably lower than for Surrey, the South East and nationally. Haslemere shows no signs of being an exception to this. Furthermore, the survey of businesses showed no general perception of a crime problem, or safety issues.

### **Environmental Quality**

- 5.68 Following our recent visit to the centre, we consider the quality of the physical environment to be extremely high. There are no pockets of dereliction and many of the buildings are of high quality, hence their protection within a conservation area. In December 2007, high volumes of traffic were witnessed, although this was not the case on our most recent survey date. Furthermore, recent investment in the Waitrose and WHSmith at West Street has done much to improve this area of the centre.
- 5.69 Weyhill is an area of considerable quality, thanks to well-maintained areas of greenery around St Christopher's Green and Lion Green. The Tesco store has not harmed the centre in terms of environmental quality, as there has clearly been investment in the pedestrian linkages and the traffic accesses the store without passing through the town centre.



#### (4) Cranleigh

##### Diversity of uses

5.70 Based on the Goad centre report and our own street surveys there are currently 91 units trading in Cranleigh village centre, as shown at Table 8 below. There are 10 convenience units in the centre equating to 11% of the total which is above the national average. The proportion of convenience floorspace is even higher, thanks mostly to the presence of Sainsbury's, Marks & Spencer Simply Food and Co-op. Conversely, Cranleigh's comparison goods provision is below the national average in terms of units, and likewise the village has a below average proportion of comparison floorspace. Service provision is much higher than the national average in terms of the number of units but has below average service floorspace.

**Table 12: Diversity of Uses in Cranleigh Village Centre – November 2012**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	10	11%	9%	57,900	29%	17%
Comparison	32	35%	41%	78,900	40%	46%
Service	46	51%	36%	46,700	23%	24%
Vacant	3	3%	14%	9,500	5%	12%
<b>Total</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>199,400</b>	<b>-</b>	<b>-</b>

Source: Goad Centre Reports November 2011 (**Appendix C**) and Chase & Partners Street Surveys

**Table 13: Diversity of Uses in Cranleigh Village Centre – December 2007**

Category	Number of Units	%	National Average (%)	Floorspace (sq ft)	%	National Average (%)
Convenience	12	13%	9%	63,300	34%	17%
Comparison	40	44%	46%	71,700	38%	52%
Service	35	38%	33%	43,900	12%	22%
Vacant	3	3%	11%	3,400	2%	9%
<b>Total</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>188,700</b>	<b>-</b>	<b>-</b>

Source: Goad Centre Reports and Chase & Partners Street Surveys

- 5.71 It should be noted that since our survey in December 2007, there has been a noticeable shift in Cranleigh village, from comparison goods retailing towards services.
- 5.72 In terms of charity shops, there are 5 currently present in Cranleigh equating to 5.49% of the total store – much higher than the national average of 3.86%. As with Godalming, this is to be expected for a village of Cranleigh's size and we do not consider there to be an over proliferation.
- 5.73 In terms of leisure, Cranleigh village centre is considered to be well represented with Cranleigh Leisure Centre and Library both located there. Just to the east of the centre is Cranleigh Arts Centre, a multifunctional events space that acts as theatre, cinema, music venue, exhibition space, amongst other things. In terms of sporting facilities, Cranleigh Bowls Club is located just to the north of the centre off Parsonage Road and there is a cricket ground to the west of the centre opposite The Cranleigh Hotel.

#### **Retail Floorspace in Edge and Out of Centre Locations in Cranleigh**

- 5.74 Cranleigh does not have significant edge- or out-of-centre retailing and therefore does not suffer from non-town centre competition in this way.

#### **Potential for Growth**

- 5.75 Cranleigh village has already benefited from retail development at Stocklund Square and the Co-op Supermarket at Village Way. Given that the centre is bordered by residential areas, Areas of Strategic Visual Importance and well-established uses such as the St Nicolas Primary School, any physical potential for growth would come through the redevelopment and intensification of these existing retail areas, which lie outside the conservation area.

#### **Retailer Representation and Demand**

- 5.76 Cranleigh's multiple retailer offer is limited in terms of comparison goods and the centre is strongest in the service and convenience sectors (**Appendix D**). Foodstore provision is exceptional for a centre of Cranleigh's size with Sainsbury's, Marks & Spencer Simply Food and Co-op all represented. This gives Cranleigh foodstore provision across the price and quality range. The centre is also supported by numerous A2 operators such as Barclays, HSBC, Lloyds TSB,

Nationwide and NatWest. **Plan 5** shows the location of Cranleigh's multiple retailers.

- 5.77 Demand from major retailers for floorspace is also an important indicator of vitality and viability. **Appendix E** shows the current published requirements for Cranleigh. This list is sizable for a village of Cranleigh's size and limited role suggesting that the centre is viewed as a viable retailing destination. Notable requirements include Caffè Nero, Original Factory Shop, Barratts and Lloyds Pharmacy. Unfortunately, there is no historical data on requirements for Cranleigh so the existing levels cannot be assessed against those in the past.

### **Proportion of Vacant Street Level Property**

- 5.78 There were only 3 vacancies in Cranleigh at the time of the Chase & Partners' survey (**Plan 5**), representing only 3% of the total stock and only 2% of the overall amount of floorspace. This low vacancy rate is a strong indicator of retail health, as was the case in December 2007.

### **Accessibility**

- 5.79 Cranleigh village is highly accessible by car and has an abundance of car parking with some 540 spaces, mostly adjacent to Stocklund Square and the leisure centre. For a centre of Cranleigh's size, this is excellent provision.

### **Customer and Residents Views and Behaviour**

- 5.80 The survey of businesses in Cranleigh shows a favourable attitude toward the village (**Appendix F**). The number of multiples is considered to be fairly good by most, and the range of shops average to fairly good. The quality of the retail offer is seen as fairly good by almost all, as are prices compared to other centres. Access by car and by public transport is considered to be good, as is car parking and pedestrian accessibility. There is a favourable view of the village's appearance and character and its cleanliness.
- 5.81 It should again be noted that the survey was conducted in 2008 so the validity of the results today is questionable. However, the survey does give a steer as to the mood of local businesses towards the town.

**Perception of Safety and Occurrence of Crime**

- 5.82 As with the other towns, it is worth noting the crime statistics at Table 7 above showing that the occurrence of crime in Waverley is considerably lower than for Surrey, the South East and nationally. Cranleigh is unlikely to be any different to the rest of the Borough. The survey of businesses revealed mixed results for perception of crime, though most consider it to be no worse than average.

### **Overall Conclusions on Health and Vitality of Waverley Borough Centres**

- 5.83 Following our surveys and examination of other data, we consider all of the four centres to be healthy, vital and viable, though variations do exist in terms of their level of health. There are also significant variations in their ability to grow and expand in the future. The centres are similar in that they all predominantly serve their catchment's convenience and service needs with limited comparison goods offers.
- 5.84 Clearly, Waverley is an affluent area and demand for further space exists to varying degrees for all four centres. The scope for growth is limited above all by the physical constraints on the centres and the need to comply with the requirements of the various conservation areas which almost blanket the four centres.

### **Farnham**

- 5.85 Farnham has excellent convenience goods provision thanks to the Sainsbury's and Waitrose foodstores. Moreover, these foodstores are well related to the town centre and therefore support its vitality by creating general shopper presence from which other retailers can benefit. The town also benefits from a classic "dumbbell" layout with the foodstore anchors at either end supporting the comparison offer in between. This comparison goods offer is the most extensive in Waverley although it is still rather limited for a centre of this size. However, this could be addressed, to a certain extent, by the proposed scheme at East Street.
- 5.86 As stated above, the Lion & Lamb Shopping Centre is a scheme which is particularly well regarded within the industry and contributes significantly to the environmental quality of the centre. It appears to be trading reasonably well and contains a good mix of multiple and independent operators, although there are presently three vacancies. It should be noted that one unit in Lion and Lamb Yard marked as vacant is currently under offer to India Jane and is currently occupied by a temporary letting although it is marked as vacant.
- 5.87 Nearby areas around West Street and The Borough benefit from high footfall and most of Farnham's major comparison retailers such as Argos, Boots, Clarks, Carphone Warehouse and the Elphicks department store are clustered in this area. Beyond this, toward East Street, the environmental quality and the quality

of retailer decreases, but this would improve upon completion of the East Street scheme.

- 5.88 On almost every indicator of retail health, Farnham scores well. Vacancy rates are comparatively low, there is good multiple retailer representation and demand. Prime zone A rents have returned to pre-recession 2007/08 levels much faster and now higher than some neighbouring and competing centres. Whether Farnham's vitality and viability improves in the future is very much connected to the success of the East Street scheme. The East Street end of the centre is clearly the weaker end and is in need of strengthening, despite the existing Sainsbury's store. Further retail development at this location has the potential to lift the vitality of the eastern end of the centre to the level of the western end and to retain a greater share of expenditure within the town.
- 5.89 Overall, we consider Farnham to be vital and viable, and will only improve with the development at East Street.

### **Godalming**

- 5.90 Godalming continues to be a successful town centre which benefits from a very high quality environment and quality retailers. The town centre Waitrose store could relate better to the High Street but it nevertheless supports the vitality of the town. The core retailing area is characterised by retailers such as Waterstones, Boots, Superdrug, Clinton Cards, WHSmith and a full complement of banks and building societies. The level of retail vacancy within Godalming is extremely low at just 7%, half the national average. This is a key indicator of health and vitality.
- 5.91 Godalming's convenience goods and service offer is excellent and in this respect it comprehensively fulfils its role of meeting local needs. The town's comparison goods offer is more limited and in this respect other nearby centres and retail parks absorb Godalming's comparison goods expenditure. While we feel that an expanded comparison goods offer would certainly benefit Godalming's vitality and viability, the town is certainly vital and viable without this.
- 5.92 In any case, Godalming lacks significant sites which could accommodate further retail development. This is partly due to planning restrictions, such as the green belt, the conservation area and the adjacent Area of Outstanding Natural Beauty, and partly due to the compact nature of the centre. There are sites within and

adjacent to the town centre boundary which could be brought forward for retail use, such as the car park to the rear of Crown Court and the employment land beyond Woolsack Way, but the viability of these is questionable.

- 5.93 Godalming is clearly a successful, vital and viable centre. The task in terms of planning policy is to maintain and enhance this further moving forward.

### **Haslemere/Weyhill**

- 5.94 Haslemere/Weyhill, provides well for its catchment's convenience and service needs and although the household survey results confirm comparison expenditure is attracted to nearby higher-order towns, there is a notable collection of comparison retailers located within the centre. We therefore consider the retail offer in Haslemere is sufficiently strong to make the town both vital and viable. The town benefits from the presence of notable multiple retailers such as Waitrose, NatWest, HSBC, Lloyds TSB, Barclays, Costa Coffee, Lloyds Pharmacy, Crew Clothing and Fat Face. In addition, several other multiple retailers have current requirements for space within the centre and the vacancy rate there remains extremely low – both key indicators of the health and vitality of the centre.
- 5.95 Weyhill clearly has the stronger part of the convenience goods provision as it is in this part of the town that Tesco and Co-op are located, but Haslemere is stronger for services. A “double centre” such as this is unusual, we would again suggest that it requires careful monitoring of the relative strengths of each part of the town in order to ensure that one part does not impact upon the vitality and viability of the other – both have equal status in policy terms.
- 5.96 With the introduction of Waitrose and WHSmith at West Street, there is no longer significant potential for growth in Haslemere as the site between West Street and Lower Street is restricted. As such, it may be more realistic to promote the redevelopment of existing retail facilities rather than seek a bespoke new development within the centre.
- 5.97 Overall, we consider Haslemere/Weyhill to be a vital and viable town centre. The mix of existing retail uses, low vacancy rate, level of retailer demand and high quality of the environs all point to a vital and viable centre.

## **Cranleigh**

- 5.98 Cranleigh village has exceptional convenience and service provision for a centre of its size. The Sainsbury's, Marks & Spencer Simply Food and Co-op stores are major drivers of footfall in the village and are vital to its vitality and viability. The village's environmental quality is extremely good and the shopping area is notable for being attractive and pedestrian-friendly. There are few comparison goods operators but as with Godalming and Haslemere, it is important to note that the centre's role is to provide for its catchment's convenience and service needs.
- 5.99 The centre exists on a single axis along High Street and in our view has already stretched as far as it can reasonably go. There is one potential development site at Village Way, though given the lack of demand from major comparison operators, any scheme would need to be anchored by a foodstore in order to be viable. Given that there are already three food operators in the town it is questionable whether a fourth would locate in Cranleigh and even if there were interest – or one of the existing stores were to relocate – there could potentially be considerable cost involved in providing replacement leisure, health care (Cranleigh Health Centre has been rebuilt and reopened in November 2012) and library facilities which already exist on this site. These make the viability of any scheme on this site extremely questionable, but in terms of physical capacity this remains the only potential site for growth of the retailing area.
- 5.100 Overall, we consider Cranleigh to be vital and viable.



## 6. Quantitative Need Assessment

- 6.1 In accordance with well-established practice and prevailing government advice contained in the NPPF, Chase & Partners have undertaken a 'goods based' assessment of future floorspace need in Waverley. The detailed tabulations are set out in **Appendix G & H** – the first dealing with convenience goods and the latter dealing with comparison goods. The methodology and its main outputs are summarised below.

### Population Growth

- 6.2 Up-to-date population and expenditure information for the study area covering the whole of Waverley Borough was obtained from Experian – a copy of this data can be found at **Appendix I**. The population data in this report is based on the 2001 Census and the expenditure data is expressed in 2011 prices.
- 6.3 The population of the study area as a whole is due to increase as follows:-

**Table 14: Study area population growth 2001-2033**

Year	Population
2001	627,934
2011	667,473
2013	676,094
2018	697,558
2023	718,750
2028	738,421
2033	759,749

### Convenience Goods Expenditure

- 6.4 By utilising these population projections, together with Experian's forecasts for future changes in per capita expenditure, we have then derived estimates for available expenditure for both convenience and comparison goods over five-year periods to 2033, from the design year of 2013. Tables 2-7 of **Appendix G** set out the relevant population and expenditure data for convenience goods in Waverley for 2011, 2013, 2018, 2023, 2028 ( the end of the Core Strategy plan period) and 2033.

6.5 Total convenience goods expenditure per capita in Waverley in 2012 was £2,012 and is set to remain at that level until 2013. By employing future growth rates in per capita convenience expenditure we then estimate total available expenditure on convenience goods for the period to 2033. In accordance with Experian advice<sup>9</sup>, an allowance is then made for the percentage of expenditure that does not take place in shops (a.k.a. "special forms of trading" i.e. mail order, vending machines and online sales). As such, future growth rates in per capita convenience expenditure are revised down to take account of growth in special forms of trading<sup>10</sup> – see Table 10.

6.6 It should be noted that the longer the term utilised for projecting forward growth in expenditure per capita, the less reliable are the conclusions, as recognised by Experian. For this reason, greater reliance can be given to the forecasts in expenditure growth in the short/medium term (i.e. the period 2013 to 2023). Estimates beyond this period should be treated with a certain degree of caution and ideally revisited over the next five years as part of any Local Plan review.

**Table 15: Convenience Expenditure**

<b>Year</b>	<b>Population</b>	<b>Expenditure per capita (excl SFT) (£)</b>	<b>Total Convenience Expenditure</b>	<b>Change</b>
2011	667,473	£2,012.47	1,343m	-
2013	676,094	£2,004.43	1,355m	0.89%
2018	697,558	£2,030.58	1,416m	4.52%
2023	718,750	£2,104.74	1,513m	6.80%
2028	738,421	£2,183.78	1,613m	6.59%
2033	759,749	£2,261.29	1,718m	6.54%

6.7 Convenience expenditure in the study area as whole is expected to grow by £61m in the period 2013 - 2018 and by a further £97m in period between 2018 and 2023. Not all of this can be considered 'available' to support new floorspace, indeed it is theoretically available to support both existing and new floorspace

<sup>9</sup> Experian Retail Planner Briefing Note 10.1

<sup>10</sup> Experian Retail Planner Briefing Note 10.1 - namely -0.1% in 2012, -0.3% in 2013, -0.2% in 2014, 0.1% in 2015, 0.4% in 2016, 0.5% between 2017-18, 0.6% in 2019, 0.7% between 2020-21, 0.8% between 2022-25 and 0.7% between 2026-29. Chase & Partners have extrapolated the 0.7% growth rate from between 2026-2029, moving forward up until 2033.

throughout the area, including Borough and local centres.

- 6.8 By combining this expenditure data with the intelligence gathered on existing shopping behaviour from the household survey, we are able to model existing trading patterns for convenience shopping within Waverley and project how this might change in future.
- 6.9 In undertaking this exercise, and in keeping with well-established practice, we have assumed that main food shopping accounts for 70% of the total convenience goods expenditure available within each of the survey zones. This expenditure has then been apportioned in accordance with the survey results to give turnover estimates for identified stores – see Tables 8a and 8b in **Appendix G**. This exercise is then repeated for top-up shopping expenditure, which we assume will account for 30% of total convenience goods expenditure – see Table 9a and 9b in **Appendix G**. We then combine the main food and top up shopping expenditure totals to give an overall estimate of turnover (for convenience goods only), for all the identified stores within the study area and on its periphery<sup>11</sup> - See Table 10 in **Appendix G**.
- 6.10 Having estimated total turnovers for individual stores derived from the study area, it is then possible to derive a market share currently being achieved by each of the main stores and the town centres within each postcode and in the Waverley Study area as a whole – see Table 11 in **Appendix G**.
- 6.11 Overall, it can be seen that retention of convenience goods expenditure in the Borough is extremely good. Farnham retains 41% of zone 1 expenditure and captures 20% of that from zone 6. It also attracts a small percentage of shoppers from zone 5 (5%). This is significant as the population of zone 5 is high, due to the presence of Aldershot, Fleet and Farnborough, and consequently there is a very large pool of expenditure. 5% of this represents approximately £18m to the Farnham foodstores.
- 6.12 Godalming retains a lower percentage of spend from its zone, but it should be noted that the figures shown for Godalming at Table 11 in **Appendix G** relate to the town centre only and do not include Sainsbury's at Woolsack Way, which is in

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<sup>11</sup> It should be noted that the 'Total' figure in Tables 8-10 represent only the convenience turnover derived from within the Study Area. It should not be taken as an estimate of the total convenience turnover of the particular store as no allowance is made for additional trade that may be derived from areas beyond the study area.

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an edge-of-centre location. The town centre proper retains some 30% of zone 2 convenience goods expenditure, but the Sainsbury's store is well related to the town centre and can be expected to support it. This figure is therefore somewhat misleading and the town is performing better than it might suggest. Godalming also attracts shoppers from zones 6, 7 and 8.

- 6.13 Haslemere/Weyhill retains some 70% of convenience expenditure in zone 3, mostly through the Tesco store at Lion Green. This is exceptional for a town of Haslemere/Weyhill's size and can be attributed to the town's relative isolation as well as the quality of provision.
- 6.14 Cranleigh retains an even more impressive 75% of zone 4 expenditure, no doubt attracted by the presence of three large foodstores in the village. These stores also attract a significant amount of trade from zone 8, despite residents in this zone having other options in Guildford, Dorking, Godalming and Horsham.
- 6.15 The household survey indicates that the principal food stores in Waverley, including those in out of centre locations, currently account for about 21% of all convenience expenditure within the study area. If one were to assume that this market share were to remain constant, then the additional expenditure that is likely to be available across the study area as a whole in the period between 2013 and 2018 amounts to £13.0m – see Table 12 in **Appendix G**.
- 6.16 In terms of the additional floorspace this might support, it should be noted that turnover: floorspace ratios for supermarket and superstore retailers vary tremendously - from less than £4000: sq metre for some independent foodstore operators and local Co-Operative groups to over £13,000 for Tesco, the market leader. Based on a 'middle-range' figure of £9,500: sq metre this level of growth would support around 1,370 sq metres of net convenience floorspace across the Borough as a whole - without making any allowance for any capacity for existing stores/floorspace to improve efficiencies.
- 6.17 If one were to combine this available expenditure with the same market share for the further expenditure growth anticipated in the period between 2018 and 2023, there could be an additional £23.0m of convenience expenditure available across the Borough as a whole. Based, again, on the turnover: sq metre ratio of a 'middle ranking' operator, this would provide a theoretical basis for the provision of an additional 2,150 sq metres of convenience floorspace in the period between 2018-23 – see Table 12 in **Appendix G**. Continuing the same exercise forward,

in the period between 2023 and 2028, there could be an additional £21.2m of convenience expenditure across the Borough as a whole providing for an additional 2,230 sq metres of convenience floorspace. Furthermore, in the period 2028 to 2033, there could be an additional £22.4m of convenience expenditure across the Borough as a whole providing for an additional 2,360 sq metres of convenience floorspace. Taking this forward to the end of the plan period in 2033, the total expenditure available to support new floorspace is estimated to be £79.6m, which would give rise to a potential floorspace requirement of 8,376 sq m (net). However, as stated above, the estimates of expenditure per capita upon which these calculations are based should be treated with a degree of caution beyond the short to medium term.

- 6.18 It should be recognised that this 'need' relates to the study area as a whole. Given the localised nature of convenience retailing, a more meaningful indicator of potential future need can be found in the disaggregated figures for each of the Borough's main town and village centres shown in Table 12. This shows that whilst there may be potential need for further convenience floorspace in all the centres during the course of the study period, this is not of a scale to justify a new store. It may, however, provide some basis for the possible improvement or extension of one or more existing foodstore in the towns during the plan period.
- 6.19 In addition to this, looking at the estimated turnover of the major foodstores in Waverley, it appears that many may already be overtrading. The Sainsbury's store at Woolsack Way in Godalming, for example, has an estimated turnover of £58.1m on a sales area of 2,867 sq m. This suggests that the store is achieving over £20,000 per square metre, almost double the company average. Taking this into consideration, the estimates of future floorspace requirements shown at Table 12 in **Appendix G** may be somewhat conservative. Further floorspace may be needed in order to bring turnover: floorspace ratios back to average levels.
- 6.20 The combination of growth in expenditure and the overtrading of existing stores suggests that there could be reasonable need for further convenience goods floorspace in Waverley Borough. Prevailing planning policy dictates that this should be provided in the town/village centres.

### **Comparison Goods Expenditure**

- 6.21 We have used the same methodology to estimate per capita expenditure available on comparison goods – again taking into account special forms of trade. By

employing projected future growth rates in per capita expenditure on comparison goods<sup>12</sup> we are able to estimate total available expenditure for the period to 2033 – see Table 16. It should be reiterated there are inherent risks in projecting forward growth in per capita expenditure. Again, whilst one can place reliance on the forecasts in expenditure growth in the short to medium term (i.e. the period 2013 to 2023), estimates beyond this period should be treated with a certain degree of caution and ideally revisited over the next five years as part of any Local Plan review.

**Table 16: Comparison Expenditure**

<b>Year</b>	<b>Population</b>	<b>Expenditure per capita (£)</b>	<b>Total Comparison Expenditure</b>	<b>Growth</b>
2011	667,473	3,273	2,145m	-
2013	676,094	3,382	2,242m	57.1
2018	697,558	3,890	2,556m	314.4
2023	718,750	4,488	2,974m	417.9
2028	738,421	5,177	3,528m	554.3
2033	759,749	5,973	4,188m	659.7

6.22 Growth in expenditure on comparison goods across the study area in the period between 2011 to 2018 is reasonable, although much less than that predicted within the original Town Centres Study 2008. Furthermore, not all of this expenditure would be available to support both existing and any proposed new floorspace in the Borough. In order to gain an insight into the level of expenditure growth that would reasonably be available to support existing and any future floorspace, we need to, in the first instance, provide an estimate of turnover currently being achieved by the centres and other facilities in Waverley and assess the market share that each centre currently achieves.

6.23 Chase & Partners therefore again modelled the results of the household survey in order to identify flows of expenditure into Waverley's various centres for eight product categories, from each of the 11 study area zones. The details of this

<sup>12</sup> Experian Retail Planner Briefing Note 10.1 – Comparison expenditure per capita anticipated to grow 0.04% in 2012, 0.9% in 2013, 1.6% in 2014, 2.2% between 2015-16, 2.0% in 2017, 2.1% in 2018, 2.2% in 2019, 2.3% in 2020, 2.4% in 2021, 2.6% in 2022, 2.8% in 2023, 2.9% in 2024, 3.0% in

exercise are contained in Tables 8-15 in **Appendix H**.

- 6.24 Table 16 in **Appendix H** aggregates this data to show that, in 2011, of the total comparison expenditure available in the Study Area of £2,185m, around £225 million was retained by stores in the Borough, £209m of which was being spent in the Borough's four main centres. As such, the 'retention rate' of all comparison goods expenditure within the four main town centres, throughout the Study Area, amounts to just less than 10%.
- 6.25 Whilst it can be seen from Table 17 in **Appendix H** that the market shares being achieved by some centres in their immediate catchment is considerably higher than this average (for example Farnham attracts close to 45% of comparison expenditure in zone 1 and 18% in zone 6) the overall level of comparison expenditure retention across the Borough as a whole is relatively low. This reflects the considerable influence exerted by centres such as Guildford and Farnborough which currently attract 28.6% and 11.0% respectively of all comparison goods spending in the Study Area. As with convenience goods, however, it is more helpful to examine the turnover and floorspace requirements of the individual centres.

### **Farnham**

- 6.26 Of the four Waverley Borough centres, Farnham has the largest comparison goods offer. It retains some 45.0% of comparison goods expenditure from zone 1 and attracts a further 17.6% of zone 6 expenditure, along with smaller shares of zones 10 and 11 (5.8% and 5.9% respectively). The town therefore has a larger catchment than any of the other centres, and it retains more of that catchment's expenditure.
- 6.27 Table 24 of **Appendix H** shows that Farnham's total town centre turnover (comparison goods) in 2011 is estimated to be £117.39m. This is expected to rise to £120.21m in 2013, £136.99m in 2018, £159.64m in 2023, £189.40m in 2028 and £224.92m in 2033. Applying this 2011 figure to the known quantum of floorspace allows us to calculate the town's turnover per square metre ratio (£8,572/sq m). For the purposes of this model we have taken annual increases in

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2025 and 2.9% between 2026-29. Chase & Partners have extrapolated the 2.9% 2029 growth rate forward up until 2033.

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floorspace efficiency from Experian Retail Planner Briefing Note 10.1<sup>13</sup>. On this basis and assuming constant market share, Farnham will require a further 717 sq m of net comparison goods floorspace by 2018, 2,808 sq m by 2023, 6,102 sq m by 2028 and 10,058 sq m by 2033. This, however, may be an underestimate. Farnham's current turnover to floorspace ratio is much higher than the national average and some stores must therefore be overtrading.

- 6.28 It is important to explain that, as with convenience retailers, sales densities for comparison goods retailers vary greatly and even fluctuate throughout the year. Retailers aim to maximise their sales and as such sales density, which in turn makes the most efficient use of available floorspace. Regardless of this, there are limitations to the amount of good that can be physically sold from a unit given the turnover of goods, servicing, etc, whilst maintaining the 'in store' experience with well stocked shelves and sufficient space to allow sufficient circulation space for shoppers. As such, there is an optimum sales density at which all retailers will seek to trade, any trade above this level is considered to be 'overtrading'. Whilst overtrading does not prevent shoppers from visiting a store, it can deter some who may change their shopping habits by visiting a different retailer or worse still, visiting a different town centre or retail facility altogether. It is therefore in the best interests of both retailers, and indeed town centres, to avoid 'overtrading' for an extended period of time, where possible.
- 6.29 As outlined within Chapter 5 above, during our visit to Farnham as part of the vitality and viability health check for the centre, several traits were witnessed that are associated with centres that have high sales densities. Many of the centres stores were extremely busy and queues were not uncommon. Furthermore, the sheer volume of footfall throughout the centre but particularly within the primary shopping area was substantial for a town of Farnham's size.
- 6.30 Experian calculate the average annual comparison good sales density within the United Kingdom to be £419.2 £/sq ft (£4,512.2 £/sq m) in 2012, based upon a total floorspace of 478m sq ft of floorspace and a total expenditure of £204bn. Any trade above this level could be considered to be overtrading. The above estimated need for further floorspace in Farnham does not take into account the overtrading and a higher figure would be needed in order to meet growth in expenditure and bring floorspace efficiencies back towards average levels.

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<sup>13</sup> Experian Retail Planner Briefing Note 10.1 – namely 1.5% in 2012, 1.2% in 2013, 2.1% between

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- 6.31 As stated previously, in 2012 the UK average comparison floorspace efficiency was £4,512/sq m<sup>14</sup>. An average of £6,500/sq m for the town would still represent good performance for Farnham and in order to achieve this, further floorspace in the order of 4,360 sq m would be required, over and above that required to meet predicted expenditure growth.
- 6.32 This requirement for further floorspace may be met by the proposed scheme at East Street, current plans for which include 9,814 sq m of floorspace, though this includes some A2, A3 and A4 units. The current level of overtrading in Farnham suggests, however, that a substantial retail development was actually needed some time ago. However, the proposed scheme would meet the existing demand for more floorspace and that up to 2026-27, so will provide a long term solution to the current deficiency.
- 6.33 Furthermore, it is important to note that these figures are not ceilings or targets. They are estimates based upon various assumptions which aim to provide a guideline as to the amount of further floorspace required in a certain period to maintain Farnham's market share. In this regard, it should also be noted that in retail terms, standing still is akin to decline. As other centres improve their retail offer, so should Farnham in order to avoid losing trade.

### **Farnham: Conclusions**

- 6.34 In our view, Farnham is currently performing extremely well. The town retains 45% of overall comparison goods expenditure from its zone and captures further trade from other zones. In some categories of goods (notably clothing, footwear and audio-visual), this includes a percentage of trade from Zone 5, which reinforces the picture with regard to convenience goods that Farnham attracts shoppers from the Farnborough/Aldershot area, despite the quantum of retailing available in these larger towns. This can be attributed to the quality of the shopping environment.
- 6.35 Farnham retains some 30% of local expenditure on clothing and footwear – a key driver of successful town centres – and given the proximity of Guildford with its strong offer in this sector, this represents good performance. The modelling exercise suggests that the town is currently overtrading and an expansion in its

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14 2014-19 and 1.8% between 2020-29. Chase & Partners have extrapolated the 1.8% growth rate from between 2020-2029, moving forward up until 2033.  
Experian Retail Planner Briefing Note 10.1

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retail offer is overdue. The East Street scheme will address this overtrading and satisfy the forecast growth in expenditure, providing a medium to long term solution to the existing deficiency. The East Street scheme must therefore be seen as a timely solution to an existing deficiency that will satisfy Farnham's needs for not only the short term but the majority of the plan period.

### **Godalming, Haslemere/Weyhill and Cranleigh**

- 6.36 In contrast to Farnham, the other three centres retain much less of their local pool of expenditure. Godalming retains 21% of all comparison goods expenditure in zone 2, Haslemere/Weyhill retains 22% of that in zone 3 and Cranleigh retains 18% of zone 4 expenditure. Furthermore, none of these centres captures much expenditure from other zones. Nevertheless, retention in some sectors is higher than in others.
- 6.37 None of the centres have a significant clothing and footwear offer and in this respect they exist very much in the shadow of Guildford. These centres do however capture spend on DIY goods, books, jewellery, watches and luxury goods as Tables 8-15 in **Appendix H** demonstrates. Table 24 in **Appendix H** shows our estimates of the three centres' floorspace requirements to 2013, 2018, 2023, 2028 and 2033, using the same methodology as that used for Farnham above. Each centre shows a need for further floorspace: 3,616 sq m for Godalming, 2,195 sq m for Haslemere/Weyhill and 2,238 sq m for Cranleigh (all 2011 to 2033).
- 6.38 There is therefore an identified need for further floorspace in each of the three centres in the longer term, however, we are not aware of any schemes coming forward which might address this.

### **Summary of Future Floorspace Requirements**

- 6.39 Potential floorspace requirements for both convenience and comparison goods floorspace for each centre in Waverley are summarised in Table 17a and 17b below.
- 6.37 In order to translate the net floorspace figures into a gross external floorspace requirement one has to employ some form of net:gross ratio. A figure of 60% for convenience floorspace and 70% for comparison floorspace has been assumed in this instance. It should be stressed, however, that using generic net:gross

'conversion rates' in this way needs to be treated with a good degree of caution as there can be considerable variation in the detailed design of specific development proposals.

- 6.38 As stated above, however, the guidelines relating to Farnham may need to be amended to account for the degree of overtrading. We estimate this presently stands at circa 4,360 sq m net, 6,230 sq m gross. Table 17c below, takes account for overtrading in Farnham, showing the cumulative comparative floorspace requirement within the centre between 2011 and 2033.

**Table 17a: Summary of Potential Floorspace Requirements for Waverley Town Centres 2011-2033: Convenience Goods**

	Floorspace Requirement 2011-2013 (sq m)		Floorspace Requirement 2013-2018 (sq m)		Floorspace Requirement 2018-2023 (sq m)		Floorspace Requirement 2023-2028 (sq m)		Floorspace Requirement 2028-2033 (sq m)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Farnham</b>	112	67	575	345	905	543	937	562	990	594
<b>Godalming</b>	70	42	358	215	563	338	585	351	618	371
<b>Haslemere /Weyhill</b>	70	42	358	215	563	338	583	350	617	370
<b>Cranleigh</b>	52	31	263	158	415	249	430	258	453	272

Source: Table 12 in **Appendix G**

**Table 17b: Summary of Potential Floorspace Requirements for Waverley Town Centres 2011-2033: Comparison Goods**

	Floorspace Requirement 2011-2013 (sq m)		Floorspace Requirement 2013-2018 (sq m)		Floorspace Requirement 2018-2023 (sq m)		Floorspace Requirement 2023-2028 (sq m)		Floorspace Requirement 2028-2033 (sq m)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Farnham</b>	N/A	-83	1,143	800	2,987	2091	4,706	3,294	5,650	3,955
<b>Godalming</b>	N/A	-6	480	336	1,050	735	1,647	1,153	1,997	1,398
<b>Haslemere /Weyhill</b>	N/A	-17	273	191	636	445	1,033	723	1,219	853
<b>Cranleigh</b>	N/A	-25	219	153	651	456	1,099	769	1,264	885

Source: Table 24 in **Appendix H**

**Table 17c: Summary of Potential Floorspace Requirements for Farnham Including Overtrading 2011-2033: Comparison Goods**

	Floorspace Requirement 2011-2013 (sq m)		Floorspace Requirement 2011-2018 (sq m)		Floorspace Requirement 2011-2023 (sq m)	
	Gross	Net	Gross	Net	Gross	Net
<b>Farnham</b>	6,110	4,227	7,181	5,270	10,516	7,361
	Floorspace Requirement 2011-2028 (sq m)		Floorspace Requirement 2011-2033 (sq m)			
	Gross	Net	Gross	Net		
<b>Farnham</b>	15,221	10,655	20,871	14,610		

Source: Table 24 in **Appendix H**

### General conclusions

- 6.39 In general terms, all four centres lie in the shadow of Guildford to varying degrees. Farnham is a successful comparison goods shopping destination in its own right, with a scheme coming forward which is essential to maintain and possibly enhance this. The town attracts a degree of convenience goods and comparison goods expenditure from the Farnborough/Aldershot area and this may be due in no small part to the relative quality of the shopping environments.
- 6.40 Godalming, Haslemere/Weyhill and Cranleigh are all convenience goods-driven centres and the household survey results show that their retention of local convenience goods expenditure is extremely high. In this regard, they are successful centres. Their retention of expenditure in most comparison goods categories is low, especially for clothing and footwear, but given the proximity of Guildford, we do not consider it realistic to expect clawback in this area.

## 7. Potential Policy Options

- 7.1 In accordance with the requirements of the NPPF to define a network and hierarchy of centres that is resilient to anticipated future economic changes we would reiterate our recommendation within the original Waverley retail and Town Centres Study that the hierarchy of retail locations should comprise the following:
1. Principal retailing centre: Farnham;
  2. Secondary retailing centres: Godalming, Haslemere/Weyhill, Cranleigh;
  3. Villages and local parades.
- 7.2 This updated Study has demonstrated that the economic downturn has affected the potential need for additional floorspace in the Borough during the period of the local development plan since our original Study was undertaken in 2008.
- 7.3 However, it remains clear that, in the case of Farnham, there remains an immediate need to make further provision to both address the overtrading apparent in existing comparison floorspace in the town and also provide for potential future additional floorspace need during the plan period. We have identified a potential need for a further 1,517 sq m (16,329 sq ft) of convenience goods floorspace (net) and 10,655 sq m (114,689 sq ft) of comparison goods floorspace (net) within Farnham during the plan period (i.e. to 2028). It is envisaged that the Brightwells East Street Scheme has the potential deliver 9,814 sq m (105,640 sq ft) of floorspace and potentially fulfil the town's immediate retail development needs.
- 7.4 The level of potential convenience goods need in all the Borough's town centres is negligible and could be provided through the adaptation and/or extension of existing town centre floorspace. It is certainly not of the order in any centre to justify the identification of either specific sites and/or allocation of potential sites capable of providing significant new convenience floorspace in the towns.
- 7.5 Similarly, the potential future comparison floorspace needs of Godalming, Haslemere/Weyhill and Cranleigh are also modest. There is no immediate requirement for the Council to consider identifying and/or allocating new sites to accommodate new floorspace. However, it still remains important that for the Council to encourage and promote retail development in these centres where

opportunities arise, as surrounding centres are continuing to improve their own retail 'offer' and, it is important that Waverley's centres do the same if they are to maintain their existing health and vitality.

### **Suitability of Existing Policies and Recommended Changes**

- 7.6 In our view, draft **Policy CS11** in the draft Core Strategy adopts the appropriate approach to new retail development in the Borough's main centres – reflecting both the provisions of prevailing national planning policy guidance and (with the exception of Farnham) the relatively modest level for potential floorspace need identified in the Borough in the plan period.
- 7.7 Going forward Chase & Partners would recommend that, in light of the advice contained in the NPPF, the emerging Development Management and Site Allocations DPD include policies that clearly define the Primary Shopping Area (PSA) and both primary and secondary frontages in the Borough's four main centres. To this end we have included at **Plan 6** our initial recommendation on both the PSA and these frontages in each of the centres. It should be noted that the plans for Haslemere and Weyhill are shown separately with separate town centre boundaries. However, this is purely for illustrative purposes and it should be noted that no recommendations are proposed to the existing town centre boundary, found within the Local Plan, that envelopes both centres.
- 7.8 In keeping with our previous advice we also recommend that the East Street scheme should be included within the PSA of Farnham to reflect the potential role it can play in the future of the town centre.
- 7.9 Similarly, we would also recommend that as part of the Development Management and Site Allocations DPD consideration is given to appropriate policies to protect retail issues in the key primary shopping frontages – but with a degree of flexibility to allow uses that can make a positive contribution to the continued health and vitality of these centres where appropriate.

### **Monitoring**

- 7.10 Any study of this type can only be a "snap shot" of the retail situation in the Borough's main shopping centres. In order to maintain the integrity of the LDF evidential base, we would recommend that updates of the health checks are undertaken on a regular basis.

- 7.11 Were the Council minded to undertake a further review of the quantitative need for further floorspace then a new household survey would be required – particularly if the CPO for the East Street scheme is approved and the scheme were to proceed.

## **Appendix A**

### **Household Survey Questionnaire**



# **Appendix B**

## **Household Survey Results**

## **Appendix C**

### **Goad Centre Reports**

## **Appendix D**

### **Multiple Retailer Representation**

# **Appendix E**

## **Retailer Demand**

**Appendix F**

**Business Survey Questionnaire and  
Analysis**

**Appendix G**

**Quantitative Need Assessment –**

**Convenience Goods**

**Appendix H**

**Quantitative Need Assessment –**

**Comparison Goods**

**Appendix I**

**Experian Population and**

**Expenditure Data**



## **Appendix J**

### **Experian Retail Planner**

#### **Briefing Note 10.1**

**Plan 1**

**Study Area**

## **Plan 2**

**Location of Multiple**

**Retailers and Vacant Street Level**

**Property: Farnham**

## **Plan 3**

**Location of Multiple**

**Retailers and Vacant Street Level**

**Property: Godalming**

## **Plan 4**

**Location of Multiple**

**Retailers and Vacant Street Level**

**Property: Haslemere**

## **Plan 5**

**Location of Multiple**

**Retailers and Vacant Street Level**

**Property: Cranleigh**

## **Plan 6**

### **Extent of Town Centres and Primary and Secondary Frontages**