Crawley Retail Capacity and Impact Study 2010

for Crawley Borough Council

125 Old Broad Street
London EC2N 2BQ

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Executive Summary

Headline Findings:

1. **Sufficient expenditure capacity is forecast for a major retail, 'step-change' development in Crawley Town Centre.**

2. **Such a scheme would be unlikely to have an unacceptable impact on Crawley Town Centre or on neighbouring town centres.**

3. **Forecast expenditure capacity for new foodstores limited.**

1. The purpose of this report is to provide a new evidence base for the retail development policies to be included in the forthcoming Core Strategy for Crawley. The report:

   - reviews the retail health of Crawley Town Centre;
   - forecasts future retail capacity for new convenience and comparison goods retail floorspace in Crawley;
   - provides an up-to-date view on the potential for major new prime retail development in the town centre on a scale sufficient to achieve a step-change in the retail offer and attractiveness of the town centre;
   - considers the likely retail impacts of such a development, both on the existing Crawley town centre and on surrounding town centres;

2. This report is accompanied by our second report on the viability and deliverability of a major prime retail development in Crawley Town Centre.

The retail health of Crawley Town Centre

3. We conclude that Crawley town centre is currently vital and viable as a retail centre, in the terms envisaged by PPS4. It has a good range of shops and services for a town centre of its size. Household interview survey data shows that it attracts expenditure from a wide area, particularly on comparison goods. Whilst there are a number of vacant shops, these are mainly smaller than the average size of shops in the town centre and are located mainly in more secondary shopping areas. Vacancy in the primary retail area is low, and shops and stores in this area which become available have tended to attract tenants quickly. The town centre has a good quality and accessible shopping environment, which means that it attracts many visitors from

a wider catchment area, although we consider there is room for improvement. Additionally we consider the other main weakness of the town centre to be the current lack of modern day retail opportunities in the prime shopping area to meet demand. However, this is balanced by the opportunity to deliver new comprehensive retail development to accommodate future retail demand, reinforced by the Council's Core Strategy and Town Centre North SPD.

Capacity for new comparison goods retail floorspace

4. We conclude that with achievable increases in the market share of catchment area expenditure attracted, there should be sufficient capacity for a major comparison goods retail development in Crawley Town Centre by circa 2021, albeit not quite fully on the scale previously envisaged for Town Centre North. In our separate Viability & Deliverability report, we consider the implications for the financial viability of such a scheme of up to about 50,400 sq m net; and whether it would be possible for it still to be anchored by a John Lewis department store (albeit a smaller store than previously envisaged – but still a full-range store).

5. Analysis of the results of the household interview survey of shopping patterns indicates potential for new town centre development to move the town centre more upmarket, through provision of a new department store and other more luxury and lifestyle shops. It suggests that a new town centre development should focus on leisure, lifestyle and luxury goods, including non-bulky homewares, rather than predominantly on fashion goods. This would make the retail offer of the town centre more comprehensive and varied, and enable a full range of shoppers from the town and its catchment area to be attracted to Crawley. If achievable in practice, it should result in a step-change in the retail offer of the town centre, in accordance with the Council's vision.

6. If a major retail development at Town Centre North goes ahead, it would reduce the market shares of expenditure attracted by the non-central stores. This would mean that there would be an over-supply of non-central comparison goods floorspace in retail warehouses and superstores of about 2,100 sq m net in 2016. The over-supply would be eliminated by 2021, resulting in forecast capacity at that date of 2,500 sq m net, rising to about 7,550 sq m net by 2026. This is on the assumption that it is developed in retail warehouse format. If developed in town centre format shops and stores, in superstores, or in some other higher sales density format, this forecast capacity would be reduced pro rata with the increase in sales density.

Retail impacts from Town Centre North

Impacts on other town centres

7. We conclude that a major comparison goods retail development in Crawley Town Centre, on the scale indicated by our retail capacity forecasts, would be unlikely to result in significant retail impacts on other town centres. Even allowing for the forecast impacts (which would be greatest on Horsham and Redhill town centres), other town centres would still be trading in 2021 at substantially above the level of 2010, provided that forecast trends occur. Their vitality and viability should not therefore be undermined; and indeed some centres should still be able to support additional retail development.

Impacts on Crawley Town Centre

8. We conclude that there will not be any severe adverse effects on the existing town centre from a new retail development in the Town Centre North area on the scale indicated by the retail capacity forecasts. Inevitably there will be some transitional effects, as some retailers relocate into the scheme and their shops are refurbished and reoccupied by other retailers and services. The locations where this trend is most likely to occur are The Martlets, County Mall, Queens Square, and Queensway. However, these are all in the prime shopping area, and are unlikely to suffer substantial or protracted loss of retailers or sales. We also consider that County Mall more generally could be at some risk of loss of retail sales in the short term; though given that the centre is ina single ownership we believe the owners should be well placed to 'fight back' by reconfiguring and improving shop units, refurbishment of the centre, promotion, and the application of other asset management techniques.

9. Balancing these risks, we expect many of the streets closer to the proposed scheme towards the north of the prime shopping area would benefit in terms of increased pedestrian flows and sales in retail shops and service businesses. We conclude that the proposed scheme, for which a quantitative need has been forecast, will improve the attractiveness of the town centre as a whole, particularly at its northern end, with few if any medium or long term adverse effects on other parts of the town centre. We anticipate that the overall impact of a major retail development at Town Centre North would be largely beneficial for the town centre as a whole.

Capacity for new convenience goods retail floorspace

10. Considering Crawley as a whole, we conclude that if the already permitted new foodstores are implemented, there will be no capacity in terms of expenditure support for any new convenience goods floorspace in Crawley by 2016. Capacity would grow

thereafter, reaching about 1,250sq m net by 2026. However, a more commercially realistic scenario would be one in which the permitted supermarkets at Betts Way and Haslett Avenue East/Telford Place are not implemented. On this basis, (and assuming no further extensions to the convenience goods floorspace in existing foodstores in Crawley) there could be capacity for one new superstore of about 3,150 sq m net convenience goods floorspace by 2016; or a substantial new supermarket of up to about 2,250 sq m net convenience goods floorspace by about 2013/4, if forecast trends occur.

11. If such a new foodstore was opened at an earlier date, or was larger than this, it would mean that both it and the existing foodstores would trade at below their respective 'benchmark' company averages for a few years. There would therefore be some adverse impacts on existing stores, and on town, district and local centres, which would need to be assessed at the time planning applications were submitted.

12. If the permitted new foodstore at Betts Way is implemented, but the Telford Place permission is not implemented, in Crawley as a whole there would be capacity for only about 600 sq m net additional convenience goods floorspace by 2016. This would rise to about 1,450 sq m net by 2021, and further to about 1,927 sq m net by 2026. This would not be sufficient to support any more superstores. However, if such a development occurred, most of the main foodstores in Crawley, including the newest, would be likely to under-trade for some years. Thus there would be some adverse impacts on existing foodstores, including those in centres and those located out-of-centre.

13. Any new foodstores in Crawley would need to be located in or on the edge of the town centre or a designated district centre, in accordance with the sequential approach, in the interests of sustainability and social inclusion, and so as to comply with PPS4.

1. Introduction

1.1 In May 2010, DTZ was instructed by Crawley Borough Council to prepare a Retail Capacity and Impact Study and to advise on a strategy for the future of the Town Centre. The purpose of these instructions was to provide a new evidence base for the retail development policies to be included in the forthcoming Core Strategy. It was also to guide the Council on actions needed to implement its vision for a 'step change' in the retail offer of Crawley Town Centre. Our report was intended to supersede the previous 'Crawley Retail Capacity Study' of 2005 by CBRE with a new study based on the most up-to-date information available. It was also to provide a more up-to-date view of the potential for major prime retail development in the town centre than that provided by the 'Town Centre North Retail Assessment' by GVA Grimley undertaken for Grosvenor Developments in 2006.

1.2 This report deals with the capacity for new retail development in Crawley for the period up to 2026. It also forecasts the likely retail impacts on surrounding town centres, of a major prime retail development in Crawley Town Centre on the scale indicated, as being supportable by forecast retail capacity. It also deals with potential internal impacts on the town centre as it currently exists, from a major new retail development in the town centre. The report does not include analysis of the appropriate location for such a development in the town centre. In accordance with our instructions, we are currently preparing a separate report on the viability and delivery of such a major development. The latter report deals with location within the town centre, as well as financial viability and a strategy for delivery.

1.3 In preparing the new retail capacity forecasts in this report, we have used the most up-to-date information currently available. These include forecast population growth, expenditure data which takes account of the effects of the 'credit crunch' and recent economic recession, rapid growth of internet shopping, shop floorspace and occupancy of shops and stores, and retailers' sales densities. We have also designed and commissioned a new household interview survey of shopping patterns in Crawley and its catchment area. We describe our use of these survey results in more detail in Section 3 below.

1.4 A further important aspect of the work was assessing the current vitality and viability of Crawley Town Centre. This 'healthcheck' used the indicators set out in Appendix D of PPS4, as far as data was available. This provides a useful 'benchmark' for the town centre, against which its future performance can be monitored.

1.5 After this Introduction, in Section 2 of this report we set out the results of our 'healthcheck' of Crawley Town Centre. In Section 3, we describe the basis of our retail capacity forecasts, and the data inputs and assumptions on which they are based. In Section 4, we set out and describe the new retail capacity forecasts for both Crawley Town Centre and Non-central retailing in Crawley; and in Section 5 our analysis of the likely retail impact on surrounding town centres from a major new retail development in Crawley Town Centre. Section 6

provides an outline of retailer demand for new shops and stores in Crawley. In Section 7, we discuss qualitative needs for new retail development in the town. Section 8 sets out our analysis of the likely internal impacts on Crawley Town Centre as it currently exists from a potential major new comparison goods retail development in the town centre. Finally, in Section 9, we summarise our principal conclusions and the implications for retail planning and development in Crawley. The appendices provide supporting information, including full details of our RECAP Model quantitative need and impact forecasts.

1.6 Our parallel report on viability and delivery of a major retail development scheme in Crawley Town Centre will build on the findings of this report and advise the Council on how such a development could be taken forward for the benefit of the town as a whole.

2. The Vitality and Viability of Crawley Town Centre

2.1 This section reviews the vitality and viability of Crawley Town Centre. In measuring the vitality and viability of town centres, PPS4 identifies a number of key indicators that should be considered, these being:

- diversity of main town centre uses;
- the amount of retail, leisure and office floorspace in edge-of-centre and out-of-centre locations;
- the potential capacity for growth and change of centres in the network;
- retailer representation and intentions to change representation;
- shopping rents;
- proportion of vacant street level property;
- commercial yields on non-domestic property;
- land values and the length of time key sites have remained undeveloped;
- pedestrian flows;
- accessibility;
- customers' and residents' views and behaviour;
- perception of safety and occurrence of crime;
- state of the town centre environmental quality.

2.2 These factors have been used as the basis for our assessments, as far as data has been available.

Overview – Crawley Town Centre

2.3 Crawley Town Centre is the main shopping centre in the Borough, and one of the main centres within the region along with Brighton, Croydon and Bluewater. In addition to the larger centres, Redhill, Horsham, Horley, Haywards Heath and Burgess Hill are also located within the sub-region and Crawley's wider catchment area, with each being a smaller centre than Crawley with distinct characteristics, supporting the day-to-day needs of their local populations.These factors have been used as the basis for our assessments, as far as data has been available.

2.4 As a retail environment, Crawley Town Centre has an established sub-regional role with a large and reasonably affluent catchment area. The primary shopping area is located within the town centre's central area and acts as the main focus for retail within the Borough. The retail needs of the local community are also served by a number of out-of-centre retail developments including free-standing Tesco and Sainsbury's superstores to the north and east, along with County Oak Retail Park and very local shopping at the neighbourhood parades. The community's retail needs are also served by competing larger centres such as Croydon, Bluewater, Brighton and London, as there is significant 'leakage' of expenditure to such larger shopping centres.

2.5 Crawley Town Centre's retail layout covers much of the centre with the prime shopping area being largely horseshoe in shape comprising the pedestrianised Queensway, Queens Square and The Martlets, and being anchored by the County Mall to the south, with Marks & Spencer, Argos and Sainsbury's forming the northern anchor.

2.6 The primary shopping area is supported by other secondary shopping streets, namely The Broadway and Broadwalk but also including High Street, Haslett Avenue West and The Boulevard. Located predominantly to the west of the primary shopping area these streets include a greater mix of uses including cafes and restaurants, with shops predominantly run by independent traders and other smaller retailers.

2.7 The centre has a good presence of multiple retailers spread throughout the prime shopping area. There has been little new development in the centre for some time, County Mall completed in 1992 being the largest recent development and providing space for a number of larger stores, including a BHS and Debenhams Department Store.

2.8 Experian GOAD estimates the town centre floorspace occupied in June 2008 by A1 to A5 uses and vacant A1 space in the town centre at 113,066 sq m (including upper trading floors), reflecting a modest quantity of retail provision in comparison to its catchment and local shopping population.

Diversity of Uses and Retailer Representation

2.9 Crawley Town Centre has a wide range of uses and retailers within its primary and secondary shopping frontages which reflect its status as one of the larger town and retail centres within the sub-region. Table 2.1 summarises the mix of retail and service uses as recorded by Experian GOAD in their survey of Crawley Town Centre in June 2008. This includes all the retail floorspace within the defined town centre boundary.

Table 2.1 - Diversity of uses in Crawley Town Centre

Category	No. of units	Floorspace (sq m)	Percentage of Total (floorspace)	Percentage of Total (units)
Convenience (A1)	24	12,794	11%	7%
Comparison (A1)	172	75,352	66%	48%
Retail Services (A1)	37	3,480	3%	10%
Financial Services (A2)	51	8,930	8%	14%
Food and Drink (A3/A4/A5)	49	7,640	7%	14%
Vacant (A1)	27	4,870	5%	7%
Totals A1 to A5 & Vacant	**360**	**113,066**	**100%**	**100%**
Leisure/community facilities	9	3,600	26%	31%
Offices (B1)	20	10,230	74%	69%
Total Other Uses	**29**	**13,830**	**100%**	**100%**

Source: Experian GOAD survey June 2008.

Notes: Percentages may not always sum to 100% owing to rounding.

Floorspace is gross ground floor 'footprint' floorspace, plus upper trading floors where indicated by Experian GOAD.

Convenience goods floorspace includes the Marks & Spencer foodhall on Queensway.

2.10 Our general observations are as follows:

- Crawley has a strong representation of comparison[1] goods floorspace, which includes a range of smaller national retailers as well as larger shops and stores.

- Crawley Town Centre has a strong representation of convenience[1] goods floorspace (11% of the total A1 to A5 and vacant A1 floorspace) comprising representation from a wide variety of major convenience retailers. This shows the major role that the town centre plays in serving the convenience shopping needs of the community.

- The quality and range of the retail offer reflects the sub-regional status of the centre, and there is a good representation of national multiple comparison goods retailers within the Primary Shopping Area, with a selection of smaller independents located in the secondary areas. The number of independents is slightly lower than one would expect for a town of its size; which may be due to the fact that much of Crawley was built as a New Town and therefore does not have a long standing history of independent traders serving local needs.

- There is a reasonable food and drink offer in the town centre, which includes restaurants, cafes, bars and hot food take-aways. This reflects the typical attractiveness of the town centre as an enjoyable place for a day visit, rather than merely to shop. The restaurants and bars in the High Street make it a focus for the evening economy.

[1] As defined in PPS4 – Appendix 1

- Apart from restaurants and night clubs, the centre does not have a wealth of leisure and other activities on offer, with facilities such as a cinema and bowling alley being located in edge of centre locations such as the nearby Crawley Leisure Park.

Convenience Shopping

2.11 Within the total convenience goods floorspace of the centre, a variety of retailers that serve local needs are represented. The convenience goods offer within the town centre includes representation from Sainsburys Local and a Marks and Spencer foodhall, both of which are located on Queensway. In addition, ASDA is also represented in the form of an edge of the centre foodstore on Peglar Way to the south-west of the primary shopping area. There are also a number of other smaller convenience goods shops scattered throughout the centre, including bakers, health foods shops, specialty food stores/markets, and a number of confectionary/tobacco/newsagent shops. There is however a lack of butchers and fishmongers in the town centre, which may be as a result of the larger food retailers monopolising these markets.

2.12 Although out-of-centre, Crawley is also serviced by two food/non-food superstores, operated by Tesco and Sainsburys. These foodstores are located to the north-west and north-east of the town centre respectively. Supplementing these are a number of other smaller neighbourhood convenience stores located throughout the Borough, including a Morrisons at Broadfield, Lidl at Three Bridges and various Co-Op stores throughout the Borough, which typically serve as anchor stores for the neighbourhood parades.

2.13 There are potential additional foodstores in the pipeline, with an edge of centre site at Telford Place having an extant consent for a modest local store as part of a mixed use development, a minor extension to Sainsbury's West Green has been approved, and ASDA has a current application for a mezzanine extension.

2.14 In addition to these planning applications, pre-application discussions have taken place for additional foodstore developments both within and outside the town centre.

Comparison Shopping

2.15 The Experian GOAD survey identified 172 comparison goods retail units in Crawley Town Centre, totalling 75,352 sq m which make up approximately 66% of all A1 to A5 and Vacant A1 floorspace in the centre, but 48% of all such shops and stores. This shows that the largest stores in the town centre are used for the sale of comparison goods. There is a wide comparison goods offer as you would expect from such an established centre, including clothing, gift shops, jewellery, books, homes goods, telephones and health and beauty.

2.16 Crawley Town Centre has a good representation of national multiple retailers occupying large stores, including Marks & Spencer, Debenhams, Boots, H&M, New Look, Argos, BHS, Primark and HMV. In addition to this, there are also a large number of multiple retailers occupying medium and smaller sized shops including Topshop, Next, Waterstones, Currys Digital and Jessops. Whilst having numerous national retailers, the town centre has only a limited number of high end retailers and no high quality smaller independent comparison goods shops.

Services

2.17 The Town Centre has a good level of services provision, with a range of non-retail functions including banks, estate agents, travel agents, and personal services such as health and beauty salons located throughout the centre. However, the provision of services is somewhat less than we would normally expect in a town centre of this size. This may be because most of the banks are already represented in the town centre and are not looking to occupy multiple branches, or possibly increased competition between retailers for prime store locations has meant that this has squeezed out some service businesses unable to pay higher rents.

2.18 Whilst only 11% of the total A1 to A5 and Vacant A1 retail floorspace in the town centre is occupied by A1 and A2 service uses, there is still a considerable number of individual units (88 units, or 24% of the total number of A1 to A5 and Vacant A1 units) with these functions. This shows that such services mainly occupy the smaller shop units in the town centre.

Food and Drink

2.19 Within the town centre, there is a limited range of national cafes and coffee shops, with Costa and Druckers Cafe being the only mainstream coffee shops present. However, there is a wide variety of local independent cafes available throughout the town centre. This is slightly different with regards to the restaurant offer, with a number of national multiples represented in the town centre including Pizza Express, Ask and Prezzo, as well as a variety of local restaurants. There is also a foodcourt in County Mall. Most of the restaurant and cafe offer is located in the western half of the town centre, focussed around the High Street and Broadwalk. Such uses are important in encouraging a variety of activities and contribute substantially to the overall attractiveness of the town centre to local residents and visitors.

2.20 7% of the total A1 to A5 and Vacant A1 floorspace within the centre has an A3/A4/A5 food and drink use, comprising 49 units or 14% of the total number of such units. Overall these uses therefore occupy smaller sized units. We consider that this is a lower provision of such uses than would be expected in a centre of this size and this may be due to such uses being offered in nearby out-of-centre locations such as the nearby Crawley Leisure Park and the neighbourhood parades.

Entertainment, Leisure and Community Facilities

2.21 Crawley Leisure Park is located on London Road approximately 500m from the town centre and provides much of Crawley's entertainment and leisure offer including a 15 screen cinema, a bowling alley and a broad range of fast food stores, restaurants and cafes catering for families and young people.

2.22 The town centre itself does not include a large entertainment, leisure and community offer, with the closest theatre being the Hawth Theatre, situated to the south-east of the town centre, and civic facilities provided by the local council within the Town Hall.

2.23 Crawley town centre does not provide any major health and fitness centres within its boundaries. However Virgin Active and The Fit Den are located just to the north of the town centre within easy walking distance on the Crawley Leisure Park. The K2 Leisure Centre, a major sports centre with membership gym, is located to the south of the town centre. This is not easily accessible on foot from the town centre.

Vacant Street Level Property

2.24 The 2009 retail vacancy rates in Crawley town centre stood at 11.1% which is marginally below the national average. Other comparable towns in the region exhibited similar vacancy rates, with Brighton and Croydon at 7.8% and 13.8% respectively. Although most of the vacancies were recorded in the town centre's secondary streets, prime vacancies were still comparably higher in Crawley than its regional competitors, recording 7.7% compared to 1.9% for Brighton, 0.0% for Croydon and 8.9% for Tunbridge Wells. This unusually high prime vacancy rate in Crawley town centre was due to a number of retailers going into administration and vacating their prime shop units just prior to PROMIS Survey being undertaken in May 2009. Our subsequent inspection of the town centre in September 2010 indicated that many of these vacant prime units have since become occupied by new comparison retailers.

2.25 At the time of our site visit there were 18 vacant units, most of which were located outside the Primary Shopping Area. This figure is less than that of the Experian GOAD data, which recorded that 27 units were vacant in June 2008. This indicates that a number of units have been let during this period, thus reducing overall vacancy.

2.26 Since the most recent GOAD survey undertaken in June 2008, it is apparent that some of the previous vacant units have been re-occupied by new retailers. Retail units in the Primary Shopping Area have been easier to let than those located in the secondary areas, evidenced by the quick take-ups of vacant space in County Mall, The Martlets and Queens Square, by stores such as Apple iStore, Disney, Hype Clothing, Jewel Nation and Poundland.

Prime Shop Rental Values

2.27 Retail rents in Crawley town centre reflect a location which is attractive to retailers and generates healthy levels of market interest. There is good evidence of movement within the retail market and reasonable levels of demand, however supply is slightly lacking with few opportunities within the prime shopping area. There is very little evidence of long term vacancy or difficulty in finding tenants for shops in the prime shopping area. However, there is some evidence to suggest that it is more challenging to fill vacancies in secondary areas.

2.28 The FOCUS database lists seven transactions taking place between March 2010 and present dayas follows:

- 6-14 High Street – 3445 sq ft taken by Shin Mai Chinese Restaurant;
- 1 Broadwalk – 616 sq ft at a rent of £29.22 per sq ft taken by Coffee @ One;
- 2 The Boulevard – 3,600 sq ft freehold investment sold – let to Pizza Express on a 12 year lease;
- 1 Grand Parade – 1075 sq ft at a rent of £27.91 per sq ft taken by Roosters Piri Piri;
- 7 High Street – 1877 sq ft at a rent of £10.66 per sq ft taken by Seven Spices Restaurant on a 20 year lease;
- 58a High Street – 1445 sq ft at a rent of £34.31 per sq ft taken by Caravala Restaurant; and
- 60 High Street – 4570 sq ft refurbished space at a rent of £17.51 per sq ft taken by Prezzo.

2.29 Many of the properties shown above had been advertised for 6-9 months before changing hands, some being on the market for up to 24 months. This is likely to be a reflection of the impact of the recession on town centres generally in the UK. However, the secondary location of these units located on The High Street, Boulevard or Broadwalk areas may have been a contributory reason.

2.30 These transactions achieved rental values of £11 and £30 per square foot which represent relatively modest figures and clearly illustrate the difference between secondary rental values and that of the more prime retail areas such as County Mall, The Martlets and Queens Square which achieve values in the order of £110 per square foot. In addition to the location of these units, the fact that these transactions were all for A3 occupiers is also a contributing factor to the lower rental value.

Prime Shop Property Investment Yields

2.31 The PROMIS database from spring 2010 indicates that there has been a general downward shift on investment yields across the UK since Autumn 2009. The report estimated prime investment yields in Crawley to be in the order of 6.75%, consistent with smaller sized towns within sub regional catchment area. In relative terms, Crawley is underperforming when compared with nearby major competitors such as Bluewater, Brighton and Croydon, which are achieving slightly sharper investment yields of approximately 5.5%. It is therefore considered that there is room for improvement and shop rental growth potential on the basis of a returning retail and investor market, and more so through the delivery of a new retail in the town centre.

Accessibility

2.32 Crawley is situated 35 miles south of central London, approximately 20 miles north of Brighton and 7 miles north east of Horsham. It benefits from excellent road transport links, located just 2 miles from junctions 10 and 11 of the M23 motorway, which provide direct access to the M25 and the national motorway network.

2.33 The town centre is an accessible location served by bus and rail routes. Crawley has two main railway stations – Crawley and Three Bridges. Crawley Station is located directly adjacent to the town centre on Station Way and is a 3 minute walk from the prime shopping area, while Three Bridges is situated on the London-Brighton mainline where journey times to London Victoria or London Bridge take approximately 50 minutes and operate at a frequency of 5 trains per hour. Bus routes operate across the town centre with the bus station conveniently located at the side of County Mall shopping centre, and on the opposite side of the road from Crawley train station.

2.34 There are currently 10 car parks located in the town centre with a total of 3810 spaces. County Mall has the largest car park with 1800 spaces, with two other car parks on Pegler Way and Queensway with a capacity of 500 cars each. The Town Hall car park has 550 spaces available at weekends. All the car parks are located very close to the central shopping area, provide ample facilities for shoppers and are within close walking distance of the key retail areas. At the time (lunchtime Friday 24th September) of our site visit there was sufficient car parking available and limited signs of parking stress within the centre. The pay and display car parks within and around the town centre are open 24 hours a day for seven days a week, and provide spaces to support the evening economy as well as daytime shopping.

State of the Shopping Environment

2.35 Much of the primary retail frontage is situated on pedestrianised streets which positively enhances the quality of the town centre shopping environment, and makes for a pleasant shopping experience. Supporting this there is a good provision of street furniture and planting throughout the town centre, particularly the shopping areas, and the streets are well maintained.

2.36 The open space of the Memorial Gardens provides a pleasant ambience in the eastern quadrant of the town centre. The levels of seating throughout the centre are also above average and encourage longer dwell times for shoppers.

2.37 Most of the prime retail units are reasonably modern such as the Pavilion on Queens Square, County Mall and the units lining the Martlets. These developments have attracted a good quality of retail offer which contributes to the centre's overall vitality. The streets projecting out of Queens Square however are not as impressive aesthetically, such as shop units along parts of Queensway, and the stretch of retail frontage connecting Queens Square to The Broadway. If funding is available, an upgrade to these frontages would improve and enhance the retail experience for the consumer and improve the health of Crawley Town Centre's retail base.

2.38 The streets to the west of the Primary Shopping Area, namely the Broadway, Broad Walk and High Street, are characterised by a more mixed use street environment, with many of the units being independent and/or of a lesser quality. Food and beverages uses predominate in The High Street which represents the older part of the town centre thereby exhibiting a pleasant historical streetscape environment.

2.39 In September 2010, we carried out a survey and assessment of the shopping environment in Crawley Town Centre. This used a checklist approach to review 12 qualitative aspects of the environment as follows:

1. Condition of the pedestrian surface, street lights, bollards, traffic signs;
2. Seats, planters, hanging baskets, litter bins, public art;

3. Public facilities, telephones, bus shelters, public toilets;
4. Graffiti and vandalism;
5. Market street traders;
6. Barriers to street movement;
7. Cycle Parking;
8. Maintenance and repair of buildings and shopfronts;
9. Personal security and street presence;
10. Wheelchair access;
11. Facilities for the blind and partially sighted; and
12. Car parking.

2.40 Each of the 12 aspects was reviewed in broad qualitative terms (i.e. without taking quantitative measurements) and a score on the scale of 1-5 assigned to it by the surveyor with 1 being very poor; 2 poor; 3 fair; 4 good and 5 very good. In Appendix 1, we include a summary table indicating the scores assigned for the town centre.

2.41 Crawley Town Centre scored well across the board receiving an overall average for all the tests of 4.0. The best performing qualitative aspect was the condition of the pedestrian surfaces and car parking (i.e. tests 1 and 7), the lowest being the maintenance and repair of buildings and shopfronts, particularly buildings north of Queensway. Good levels of tree baskets and hanging baskets collectively contributed to a pleasant shopping experience at street level. Public facilities were reasonably well maintained however not highly evident at street level. Minor graffiti and disrepair was noted only on marginal vacant sites but not in the prime retail core.

2.42 Vehicle movement in the town centre is heavily restricted. The High Street is closed on market days, except for access, and the Broadway is open only to buses and taxis. Cycle parks are appropriately located in non-intrusive locations while the pedestrianised areas are also wheel-chair friendly. The passageways are sufficiently wide and pedestrian friendly to accommodate shopmobility vehicles and disabled persons. The other possible improvement noted would be a more direct, attractive and safer crossing between the railway station and the County Mall.

2.43 In summary, the town centre environment is geared towards a functioning retail centre for the town itself and its catchment area. The environment is well maintained and of a reasonable quality which is adequate at serving the needs of its catchment area. Whilst this is the case, the centre has become aged and dated in recent times, with many existing buildings still reflecting Crawley's historic routes as a New Town. Improvements to the public realm and the frontage of some of the older buildings would help raise the overall attractiveness of the centre and make it a more appealing place for people to visit.

Land Values and Vacancy of Key Sites

2.44 At the time of the last FOCUS update, there were 17 retail units identified as available for let or freehold sale. Six of the units are located in the primary retail core of Queensway and Queens Square with the rest of them located on secondary streets such as the Boulevard, The High Street and the Broadway.

2.45 Primary units have generally been on the market for less than a year. In comparison, secondary units have spent significantly longer periods unoccupied between tenants. This indicates that shops in the town centre are taken up quickly unless they are very poorly located or have some other fundamental weakness.

2.46 15 out of the 17 available uses currently represent A1 (shop) uses. The Zone-A rents quoted for these are in the region of £110 per ft2 at mid-2010 according to Promis. This represents no change in the end 2009 rent levels in the town centre.

Pedestrian Flows

2.47 Although there have been no recent surveys, we have drawn upon our site visit and a 2005 PMRS Pedestrian Flowcount which provides a good insight into the relative pedestrian flows in different parts of the town centre.

2.48 According to the PMRS data and the site visit, there was evidence of strong pedestrian flows throughout the primary retail area of The Martlets, Queens Square, Queensway and the County Mall. The highest levels were recorded at the O2 shop where The Martlets meets Queens Square. The high level of pedestrian activity here was closely followed by levels recorded on the Ground Floor of County Mall and the part of Queensway extending up towards Marks and Spencer. This is perhaps because these are the areas where quality retail chains are in highest concentration. Queensway is also the primary route for pedestrians between the core shopping area and the NCP car park. The presence of Sainsburys, M+S and TK Maxx also draws further pedestrians into this area.

2.49 Unsurprisingly, pedestrian flows tail off sharply towards the peripheral areas of the Boulevard, High Street, Broadway and Grand Parade where there is a reduced quality of retail offer and a lack of an anchor store. However, the High Street's restaurant focus means that this area is the busiest in the town in the evening and encourages visitors to the town centre outside core retail trading hours.

Perception of Safety and Occurrence of Crime

2.50 There are no specific statistics available for this indicator and we are unable to comment in detail on this issue. From our inspection of the town centre during the daytime, the town centre appears very well lit and felt safe at the time of our site visit, particularly around the Queens Square and Martlets areas, which have good CCTV coverage and an open feel to them.

2.51 The town centre particularly around Queens Square and the Martlets has a mix of shops, department stores, restaurants, pubs, clubs and bars. Inevitably, assaults, criminal damage and shoplifting do occur, but we understand that these have been steadily reducing for a number of years due to effective police and partnership action.

2.52 There is an active ShopWatch, PubWatch and TravelWatch; two dedicated police community support officers; a Council community warden service; a business watch radio system; and an Intranet database accessible by watch members, with photographs of offenders and those banned or barred from shops and licensed premises because of their anti-social behaviour.

2.53 The town centre is covered by CCTV cameras, it has a Town Centre Manager employed by the Council, and a business focussed Town Centre Partnership. Business Watch is fully engaged with promoting the Safer Socialising Award, and with the Council is working towards achieving Purple Flag status.

Potential Capacity for Growth

2.54 The Town Centre North Development Principles SPD was revised and adopted in January 2009. This identified a need for the town centre to accommodate a large scale retail development scheme.

2.55 The Core Strategy identifies a need for the town centre to compete effectively within the region. In order to achieve this, the Town Centre needs to grow to accommodate a greater range of shops and cultural leisure facilities. It also refers to promoting the evening economy, enhancing amenities and retaining shoppers beyond shop opening hours.

2.56 The TCN scheme aims to incorporate retail and leisure attractions into a mixed use scheme that will cement Crawley's profile as a Primary Regional Centre. It has been acknowledged that the west end of The Boulevard, adjacent to the High Street needs an anchor building to support the rest of the proposed scheme.

Conclusions

2.57 In the light of the foregoing, we conclude that Crawley town centre is currently vital and viable as a retail centre, in the terms envisaged by PPS4.

- It has a good range of shops and services for a town centre of its size.
- Household interview survey data shows that it attracts expenditure from a wide area, particularly on comparison goods.
- Whilst there are a number of vacant shops, these are mainly below the average size of shops in the town centre, and located mainly in the more secondary shopping areas.
- Shop vacancy in the primary retail area is low, and shops and stores in this area which become available have tended to quickly attract tenants. In any event an element of vacancy in the primary shopping area is considered a positive as this provides opportunities for new retailers to locate to the centre and supports an element of positive churn.
- The town centre has a good quality and accessible shopping environment, which mean that it attracts many visitors from a wider catchment area, although we consider there is room for improvement.

2.58 The other main weakness of the town centre is the current lack of modern retail opportunities in the prime shopping area to meet demand. However, this is balanced by the opportunity to deliver new comprehensive retail development to accommodate future retail demand, reinforced by the Council's Core Strategy and Town Centre North SPD.

3. Basis of the Retail Capacity Forecasts

3.1 For the retail capacity forecasting in this report, we have used our RECAP retail capacity forecasting Model, as we now use for all such retail studies. The RECAP Model is an empirical 'step by step' model, based on the results of the new 2010 household interview survey (Appendix 3) of shopping patterns as its method of allocating retail expenditure from catchment zones to shopping destinations. It is therefore not a theoretical gravity model, but is based on consumer responses about actual shopping patterns. It is also a growth allocation model which allocates growth in expenditure to shopping destinations based on shopping patterns indicated by the household interview survey, and informed professional judgements about how these will be likely to change in the future as a result of committed or potential new retail developments.

3.2 The RECAP Model forecasts the expenditure-based capacity for additional retail floorspace in the following way:

- Calculate the total amount of convenience and comparison goods expenditure which is available within the 12 zones comprising the catchment area[2];
- Allocate the available expenditure to Crawley Town Centre, and to the non-central main foodstores and the retail parks in Crawley[3], based on the results of the 2010 household interview survey of shopping patterns; so as to obtain estimates of current sales and forecast future sales in each;
- Compare the estimated sales in each shopping destination with existing floorspace (and in the case of the main foodstores and the retail parks, with sales based on estimated company average performance); so as to assess the current trading performance of each shopping destination, and the capacity to support further growth in convenience and comparison goods floorspace;
- Assess likely future changes to the indicated pattern of market shares to take account of the committed and proposed retail developments in the town; and recalculate the sales and capacity forecasts.

3.3 The RECAP Model (like any other forecasting model of this type) is an exploratory tool, rather than a prescriptive mechanism. Thus, the resulting forecasts of

[2] In this report, convenience goods and comparison goods are as defined in Appendix A of the PPS4 'Practice guidance'.

[3] We have used the term 'non-central' rather than 'out-of-centre' in connection with our retail capacity forecasting, in order to distinguish the locations chosen for forecasting convenience from the definitions used in applying the sequential approach. However, when considering how forecast needs for any new development should be accommodated, the sequential approach should be applied, as required by PPS4 and as indicated later in this report.

quantitative need are not intended as growth targets which must be achieved, or as rigid limits to future growth. Rather, they are a realistic guide to planning policies and decisions on planning applications.

3.4 When using the retail capacity forecasts as a guide to future planning policy, it is also important to remember that the further ahead the forecasting date, the less certain the forecast. Thus the forecasts for 2016 are more robust than those for 2021 and 2026. In particular for these later dates (particularly 2026), we suggest that forecasts such as these should be treated with caution. They indicate only the broad order of magnitude of retail capacity at those dates, if all of the forecast trends occur. There are also particular uncertainties at the present time as a result of the sharp world-wide economic recession and the climate of austerity in Britain in order to reduce the national deficit, for which there is very little precedent in recent years. It is therefore a matter of some conjecture as to how long it will take the economy to recover and at what rate. Furthermore, the long term growth in the use of internet shopping is as yet unknown (although it has to a substantial degree been taken into account in this report), and reinforces the need to revise the forecasts of retail floorspace capacity and impact well before 2021, as we advise later in this report.

Principal Data Inputs

Catchment Area

3.5 For this report, we have defined a 12-zone catchment area, based on postcode geography, which is somewhat wider than the area covered by the 2005 and 2006 household interview surveys by CBRE and GVA Grimley respectively. Crawley is a substantial town centre, and the largest in the M23/A23 corridor between Croydon and Brighton. As such, we consider it likely that it attracts retail expenditure from a somewhat wider area than was covered by the previous surveys. A map of the catchment area showing the 12 zones is included in Appendix 4. This catchment area includes all areas from which Crawley is realistically likely to attract significant retail expenditure.

Catchment Population

3.6 The starting point for the population forecasts was a report, dated August 2010, from Pitney Bowes on the current and projected future population of each catchment area zone. They cover the period up to 2019; and we have therefore extrapolated them to 2021 and 2026 by trend projection. These trend projections by Pitney Bowes already include significant growth of population in Crawley and the surrounding areas. However, in the case of Zone 1, which covers the whole of the Crawley urban area and is similar (although not identical) to the Borough, we have added an additional above-trend population of 3,300 in 2016, rising to an additional 5,000 in 2021 and

2026. These additions were based on the draft SHLAA of May 2010 for the Borough, using approximately the average of Scenarios B and C which equates to an additional 3,855 dwellings by 2026.

3.7 The result is that for the catchment area as a whole, the population is expected to increase from 671,953 in 2010 to 742,501 by 2026, which is an increase of 70,508, or 10.5% over this 16 year period. Population growth by zone is set out in RECAP Model Table 1 in Appendix 5.

Forecasting Dates

3.8 We have prepared base year estimates of retail sales in each shopping destination as at 2010. For the future, we have prepared forecasts for 2016, 2021, and 2026, as instructed, so as to encapsulate the period covered by the emerging Core Strategy.

Price Basis

3.9 All monetary values in this report are in constant 2008 prices, unless otherwise stated, so as to exclude the effects of price inflation.

Per Capita Expenditure

3.10 For this Study, we obtained from Pitney Bowes average per capita expenditure on convenience and comparison goods in the catchment area in 2008. Before deducting expenditure on special forms of trading, these were £2,216 and £3,637 respectively. We have used these figures as the basis for our forecasts. The base figures in 2008 are set out in RECAP Model Table 2 in Appendix 5. Table 2 also indicates the breakdown of the comparison goods figure into the eight different categories of comparison goods expenditure covered by questions in the household interview survey 2010.

3.11 The base figures for the year 2008 in Table 2 have been increased to allow for actual national average growth from 2008 to 2009, and expected growth over the period 2009 to 2026. These increases are based on the estimates and forecasts by Oxford Economics set out in Tables 3.2 and 3.4 of 'Retail Expenditure Guide 2010/11' by Pitney Bowes, September 2010, and are thus compatible with the 2008 figures. Oxford Economics' forecasts are for the period 2009 to 2020, including each intermediate year. They take account of the recent recession, and forecast slow but accelerating growth in the next few years. We have therefore extrapolated them for our forecasting dates of 2021 and 2026, by trend projection.

3.12 This growth profile indicated the growth rates set out in Table 3.1 and used in RECAP Model Table 2. We consider that these growth profiles are currently realistic – unless

the UK economy suffers a 'double-dip recession', which has not been allowed for by Oxford Economics. However, periodic review of the forecasts will enable the assumed growth rates to be adjusted as necessary in the light of actual growth in overall per capita expenditure, and the forecasts revised accordingly.

Table 3.1: Average annual growth in per capita expenditure

Period	Average Annual Growth Rate	
	Convenience Goods	Comparison Goods
2009 to 2010	0.1%	1.3%
2009 to 2016	0.4% pa	3.7% pa
2009 to 2021	0.4% pa	3.8% pa
2009 to 2026	0.4% pa	3.8% pa

Source: Pitney Bowes/Oxford Economics Retail Expenditure Guide 2010/11, with trend projection by DTZ.

Special Forms of Trading including internet shopping

3.13 We have made deductions from the per capita expenditure figures supplied by Pitney Bowes to allow for expenditure via special forms of trading (SFT). This includes mail order, vending machines, party plan retailing, on-line shopping via the internet or interactive TV, and expenditure at temporary market stalls; and is therefore expenditure not made in retail shops. RECAP Model Table 2 shows the growing deductions which we have made, based on information for the UK published by Verdict Research Limited on growth in internet shopping and forecast trends. Table 3.2 shows Verdict's estimates for the proportion of all retail sales in the UK in 2009 accounted for by internet shopping, and its trend-based forecasts for 2014. This shows the proportion of sales taking place via the internet growing substantially over the 5 years to 2014. For some categories of comparison goods, the internet proportion is already substantial and is expected to become much more so. Based on these, we have judged the deductions for SFT shown in RECAP Model Table 2. Our deductions:

- Assume a flattening of the growth trend after 2016 as internet shopping matures;
- Allow for the fact that some internet purchases of food are sourced and delivered from food stores rather than separate warehouses (and should therefore be included in the Model);
- Allow for the fact that internet shopping sales are included in the retail sales densities of some retailers which operate multi-channel retailing;
- Allow for internet shopping to supplant mail order retailing to some degree; but include other SFT apart from the internet, in particular sales from temporary markets such as Farmers' Markets and other periodic street markets.

Table 3.2: UK Internet Shopping Estimates and Forecasts

Goods Type	Online sales as proportion of all UK retail sales (%)	
	2009	2014
Comparison goods: Music & video	45.5	76.7
Electrical goods	23.8	38.3
Books	18.9	33.7
Homewares	8.7	12.2
DIY & gardening goods	5.2	5.6
Clothing & footwear	6.7	12.2
Furniture & floor coverings	4.1	5.2
Health & beauty	3.2	5.6
Other comparison goods	6.6	12.2
All Comparison Goods	**9.5**	**15.4**
Food & Grocery	**4.5**	**4.8**

Source: 'e-Retail 2010', Verdict Research Limited, April 2010

3.14 The combined effect of the forecast growth in population and in per capita expenditure is that we expect total catchment area expenditure on convenience goods (set out in RECAP Model Table 3 in Appendix 5) to increase by about £208.4m (15%) over the period 2010 to 2026; and that on comparison goods to increase by about £1,966.9m (90%). This compares with growth in total catchment area population of 10.5% over the period. Thus just over two thirds of the growth in catchment area expenditure on convenience goods will be accounted for by forecast growth in population. For comparison goods, only a small proportion (just under 12%) of the growth in catchment area expenditure will be accounted for by growth in population. This means that the comparison goods floorspace capacity forecasts in particular are very insensitive to population growth and much more sensitive to the assumptions about growth in per capita expenditure, particularly in the later part of the forecasting period. The large increase in forecast expenditure on comparison goods, once expenditure growth resumes, indicates that a need for additional comparison goods retail floorspace will grow substantially to 2026 (particularly in the later parts of this forecasting period). However, this should be reviewed at regular intervals over that period. In the short term, expenditure growth will be more limited, as discussed above.

Shopping Patterns in the Catchment Area

3.15 In order to obtain up-to-date and detailed data on shopping patterns for convenience and comparison goods, we commissioned a new household interview survey by telephone of a random sample of households living in Crawley and its wider sub-regional catchment area. This catchment area was divided into 12 zones, based on groups of postcode sectors, having regard to the distribution of residential areas and

the location of town centres. Being based on postcodes, the zones do not match local authority boundaries. However, Zone 1 covers Crawley and Zone 2 Horley. Zone 3 includes East Grinstead and surrounding rural areas; Zone 4, Haywards Heath; Zone 5, Horsham; Zone 6, Dorking; Zone 7, Redhill and Reigate; Zone 8, a large mainly rural area to the north-east of Crawley; Zone 9, the area south of Croydon but inside the M25; Zone 10, Uckfield; Zone 11, Burgess Hill; and Zone 12, a mainly rural area south-west of Horsham. A map of the catchment area is included in Appendix 4.

3.16 The survey used a sample of 1,500 households, allocated to catchment area zones approximately on the basis of zone populations, but with a minimum of 100 interviews in any one zone. Interviewing and data processing for the survey was undertaken by the specialist market research company, Research and Marketing Plus. Age-related quota samples were also set for each zone that reflected the age profile of residents of the catchment area. This is because experience elsewhere has increasingly shown that surveys which do not use age-related quota sampling provide results which are heavily biased toward the older age groups, and thus are not representative of the population as a whole.

3.17 The survey provides data on the shopping patterns of the residents of the area for each of the ten different categories of retail goods, covering food and non-food shopping; and closely matched to the international standard COICOP definitions of retail expenditure. The results have been broken down between each catchment area zone. They identify usage patterns of Crawley Town Centre for convenience and comparison goods shopping. They also indicate shopping patterns for convenience and comparison goods of the non-central foodstores, and retail warehouses in Crawley. The survey also shows leakage (or outflow) of expenditure from Crawley to competing shopping destinations elsewhere.

3.18 Using Crawley Town Centre as an example, in RECAP Model Table 5 in Appendix 5, we have combined the results of the question about main food shopping with those of the question about top-up food and convenience goods shopping, to provide a weighted average market share of total convenience goods expenditure in each zone that is attracted to main foodstores and other convenience goods shops in the town centre. These weighted averages are then rounded to the nearest integer and used (with the correction described below) in Table 7 to indicate the pattern of attraction of convenience goods expenditure to shops and stores in Crawley Town Centre. A similar approach has been used for the non-central foodstores in Crawley.

3.19 For comparison goods, we have combined the results of the questions in the household interview survey 2010 for each sub-category of comparison goods. This provides weighted average market shares of all comparison goods expenditure which are attracted to each shopping destination; using weights according to the amount of expenditure on each of these 8 sub-categories of comparison goods. These are set

out in RECAP Model Table 6 for Crawley Town Centre, and Table 14 for non-central stores in Crawley. The weighted averages are then corrected as necessary as described below, rounded to the nearest integer, and set out in RECAP Model Tables 7 and 15 respectively.

Market Share Corrections

3.20 The household interview survey provides a detailed picture as to where residents of each of the 12 catchment zones do most of their main food and top-up food and convenience goods shopping; and 8 different categories of comparison goods. The survey results do not directly indicate actual expenditure flows, but are the best available data to use as a proxy for modelling retail expenditure flows from residential areas to shopping destinations. However, like all such surveys, this means that the results cannot be applied uncritically in the RECAP Model. Thus for example, in our extensive experience, such surveys (undertaken by ourselves and by other consultants) tend to over-emphasise comparison goods shopping in large centres, and under-represent it in smaller centres. Such surveys also tend to over-represent expenditure in food superstores, and under-represent it in smaller town and district centre foodstores (unless they are the only foodstores in such centres, when the survey can over-represent their sales). It is therefore sometimes necessary to introduce market share correction factors; so as to transfer expenditure in the Model from one or more locations to others, to balance (or calibrate) the Model and make it represent reality more accurately. This is not uncommon, and has been necessary in this case for comparison goods shopping in Crawley.

3.21 These market share corrections do not alter the centres themselves in any way, but are simply a means of calibrating the Model to make it as realistic as possible a representation of actual expenditure flows. Studies which we have undertaken over many years using the same methods have shown that there is a broad relationship between centre size and comparison goods sales density. Thus larger centres normally have higher sales densities than smaller centres (and hence higher shop rental values). This experience has informed our judgements about the market share corrections needed to make the RECAP Model realistically represent sales in each centre.

3.22 For comparison goods shopping in Crawley Town Centre, use of the household interview survey results in the RECAP Model without correction would result in an unrealistically high sales density for the town centre, which would be significantly above the sales density that we would expect for a town centre of this size and type. Respondents to the survey were asked where their household does *'most of its shopping'* for each category of comparison goods. In a large town centre such as Crawley, where comparison goods shopping is frequent, the number of respondents who shop there is likely to be disproportionate in the survey; compared with the much

smaller number of respondents who shop in smaller centres, some of which will therefore not be interviewed in a survey with these sample sizes. We consider that the survey results have over-represented the scale of comparison goods expenditure in Crawley Town Centre. We have therefore adjusted the survey-indicated market shares for every catchment zone by the market share correction factor of 90% indicated in the header to RECAP Model Table 7 (i.e. we have multiplied them by 90% from the no-change default factor of 100%). This correction to the survey-indicated market shares was our professional judgement, in the light of experience with undertaking a large number of such studies over many years, and results in a realistic base year sales density for Crawley Town Centre.

3.23 In the case of comparison goods shopping in Non-central retail warehouses and food superstores, the survey has again over-represented expenditure. Use of the survey results without correction would result in a base year sales estimate which is far above the level based on 'benchmark' company average sales densities. Whilst we consider that this group of stores is actually trading at above that 'benchmark' level (mainly due to high comparison goods sales in the Tesco and Sainsbury superstores), we do not think that as a group they are trading at the very high level indicated by the survey results. We have therefore applied a market shares correction factor of 80% indicated in the header to RECAP Model Table 15 (i.e. we have reduced the market shares to 80% of those which would result from the no-change default factor of 100%). This brings the base year sales density down to a much more realistic level, which is still significantly above the level based on 'benchmark' company averages, so as to make the Model reflect reality more accurately for the Non-central stores.

3.24 Conversely when forecasting the retail impact of a major retail development in Crawley Town Centre upon surrounding towns, we have for some slightly increased their market shares of comparison goods expenditure attracted from the catchment area. Thus the excess expenditure in Crawley shown by the survey has been re-allocated to smaller centres in surrounding towns, in calibrating the RECAP Model

3.25 With these calibration corrections, we consider that the RECAP Model realistically represents the current patterns of shopping in Crawley, and provides a reliable basis for forecasting future shop floorspace capacity and retail impact.

Visitor Expenditure from outside the Catchment Area

3.26 The household interview survey covered the wider area shown on the map in Appendix 4. Because Crawley Town Centre is not an historic centre or otherwise noted as a destination for tourism, we consider it unlikely that there is a net inflow to it of significant comparison goods expenditure from outside this wide area. In Scenario 1 (described below) therefore, we have made no allowance for net inflow of visitor

expenditure on comparison goods. In Scenario 2 (also described below), we have assumed that expenditure on comparison goods in Crawley Town Centre by visitors who live outside the 12-zone catchment area will amount to 1% of expenditure by catchment area residents, from 2016 onwards.

3.27 Whilst this may seem a small allowance for visitor expenditure, research elsewhere has shown that expenditure in retail shops by visitors is always very small in comparison with that by catchment area residents, particularly where the catchment area is widely drawn, as in this case. We therefore consider that this represents a realistic allowance for visitor expenditure. We have made no allowance for net inflow of visitor expenditure on comparison goods in the non-central stores in Crawley, as we do not think that such expenditure is or will be significant.

3.28 Convenience goods shops and stores generally have smaller catchment areas than town centres; and so we have made no allowance for net inflow of convenience goods expenditure to Crawley Town Centre or Non-central main foodstores in Crawley.

Existing Shop Floorspace

3.29 We have obtained details of existing shop floorspace in Crawley Town Centre from Experian Goad. From 2016 onwards, we have allowed for the demolition of 6,239 sq m net existing comparison goods floorspace to make way for a major new retail development in the town centre. However, if this floorspace is not demolished, the retail capacity forecasts would be reduced by approximately this amount. We have used these figures in our RECAP Model. For the main foodstores, we have used floorspace data from the Institute of Grocery Distribution (IGD), supplemented by our own on-site inspection of the existing superstores in Crawley. Floorspace for the retail warehouses was obtained from the Valuation Office Agency Rating List 2010, and includes mezzanine floors; and was matched to occupiers by means of on-site survey. For some retail warehouses, we have deducted part of the floorspace to allow for trade and other non-retail sales. This applies to Staples, PC World, Halfords and B&Q. The resulting floorspace figures are set out in RECAP Model Tables 12 and 21 for Crawley Town Centre and Non-central stores respectively.

Sales Densities

3.30 For the existing main foodstores in Crawley Town Centre and Non-central locations, we have applied 'benchmark' company average space allocations and convenience goods sales densities based on information published by Verdict Research Limited. Where necessary for individual stores, we have made our own estimates of convenience goods space allocations, based on inspection of the stores. The 'benchmark' company average sales densities for main foodstores and other

convenience goods shops in Crawley Town Centre are set out in RECAP Model Table 10; and for the Non-central main foodstores in Table 18. For retail warehouses and comparison goods floorspace in main foodstores in Crawley, we have applied the most up-to-date company average sales densities published by Mintel in 'UK Retail Rankings 2010'. These are shown in RECAP Model Table 19 in Appendix 5.

3.31 For comparison goods, we have allowed for sales densities to rise at 1.5% pa from 2010. This allocates a substantial proportion of growth in expenditure to existing shops, before new retail floorspace is supported. This helps to support existing retailers, and reduce the impact on them of new retail development.

Committed Developments

3.32 We have included in the RECAP Model all new retail developments which were already committed (but not yet implemented) as at September 2010. These are a large supermarket at Betts Way, a small supermarket at Haslett Avenue East/Telford Place, an extension to the Sainsburys superstore at Crawley Avenue, and a Tesco Metro supermarket on the former Leisure Centre site at Haslett Avenue. We have also included two currently vacant retail warehouses in Crawley as committed developments, so as to take account of their potential to absorb future growth in expenditure. We are not aware of any other committed retail developments in the town.

Development Scenarios Assessed

3.33 We have assessed two scenarios for new retail development in Crawley. Scenario 1 makes no specific allowances for any particular new retail developments in Crawley. Scenario 2 tests the implications of a potential major new comparison goods retail development in Crawley Town Centre, in accordance with the Council's vision for a 'step-change' in the scale, range and quality of the town centre's retail offer. The scenarios are as follows:

Scenario 1: The 'baseline' scenario for convenience and comparison goods, which assumes that there will be no change in the patterns of market shares of catchment area convenience and comparison goods expenditure attracted to Crawley throughout the forecasting period to 2026. The implicit assumption is that the additional attractions from new retail developments in Crawley, (whatever size they are), will be exactly balanced by the additional attraction of new retail developments in other towns in and around the catchment area.

Scenario 2: In this scenario for comparison goods only, we assume that there will be a major new comparison goods retail development in Crawley Town Centre opening by 2016; which will increase the town centre's market share of catchment area

comparison goods expenditure from that date onwards. In reality, it would be likely to take longer to achieve such a development, and an opening date much nearer to 2021 is more likely. However, by assuming increased market shares from 2016, retail capacity at subsequent dates can be interpolated as necessary.

3.34 Scenario 1 is conservative, because it assumes that new retail development in Crawley Town Centre will be unable to change shopping habits and increase the market shares of catchment area expenditure attracted by the town centre. However, new 'step change' retail development of the large scale represented by the Council's vision for the town centre would be likely to make the town centre more attractive to shoppers from the catchment area (unless similar developments were implemented in competing towns at the same time – which we consider to be unlikely). We therefore believe that if a major new town centre scheme is to be developed in Crawley, Scenario 2 is more realistic.

3.35 For convenience goods, we have considered only one scenario, based on there being no changes to the market shares indicated by the household interview survey. This is because the Scenario 1 retail capacity forecasts based on constant market shares show only a very limited capacity for further new foodstores in Crawley in addition to those already committed. It is therefore very unlikely that new foodstores could be supported on a sufficient scale to cause significant increases in the market shares of catchment area expenditure attracted to Crawley.

Format of the RECAP Model Tables

3.36 The RECAP Model Tables are set out in Appendix 5. Tables 1 to 4 set out the population and expenditure forecasts for the catchment area. Table 3 indicates the total available convenience and comparison goods expenditure which is forecast to be available in each zone at each date. Table 4 indicates for each zone the total available expenditure in the base year of 2010 on each of the 8 sub-categories of comparison goods.

3.37 Tables 5 to 12 are the Scenario 1 tables for Crawley Town Centre, as follows

- Table 5 shows the market shares for convenience goods shopping which are attracted by the town centre from each catchment zone.
- Table 6 shows the pattern of market shares of expenditure on each category of comparison goods attracted from the catchment area, as indicated by the household interview surveys before correction.
- Table 7 shows the corrected market share patterns for convenience goods and all comparison goods expenditure in the town centre.

- Tables 8 and 9 show the amounts of expenditure on each comparison goods sub-category attracted, and the amounts of all comparison goods, respectively.Table 8 is the product of Table 4 and Table 6; whilst Table 9 is the product of Table 3 and Table 7.

- Table 10 indicates the sales in the main foodstores and other convenience goods shops in the town centre, at 'benchmark' company average levels.

- Table 11 sets out the committed town centre developments and their expected sales levels (in the case of Crawley Town Centre there are none, and so this table is blank).

- Table 12 brings together the expenditure attracted and existing floorspace, to arrive at the retail capacity forecasts for the town centre in Scenario 1. It also shows the overall market shares of total catchment area expenditure on comparison goods which are shown as attracted by the town centre.

3.38 Tables 13 to 21 are the Scenario 1 tables for the Non-central shopping in Crawley. These tables follow a similar arrangement as the tables for Crawley Town Centre. However they include an additional table, Table 19, which lists the occupied retail warehouses and superstores, and shows their sales at estimated company average levels, to provide a 'benchmark' for assessing future floorspace needs.

3.39 The RECAP Model tables for Scenario 2 are simpler. The Scenario 2 tables are Tables 22 to 24 for Crawley Town Centre, and Tables 25 to 27 for the Non-central stores in Crawley. Thus for example in Scenario 2:

- Table 22 shows the revised convenience and comparison goods market shares from 2016 onwards as a result of a potential major new comparison goods retail development in Crawley Town Centre.

- Table 23 is the product of Table 3 and Table 22.

- Table 24 shows the revised retail capacity forecasts for the town centre and increased overall market shares of expenditure attracted from the catchment area, under the Scenario 2 assumptions.

3.40 A similar arrangement of tables applies to the Non-central stores (Tables 25 to 27).

3.41 The RECAP Model retail capacity forecasts are completed by summary Tables 28 to 30, as follows:

- Table 28 shows the (corrected) market shares attracted in 2010 by Crawley for each of the 8 comparison goods categories. This provides the basis for the retail sector analysis described in Section 4.

- Tables 29 and 30 show the patterns of combined market shares (as corrected) for convenience goods and all comparison goods, attracted by the town centre and non-central stores together in Crawley under Scenarios 1 and 2 respectively.

- Table 30 for Scenario 2 shows how these combined market shares are expected to increase from 2016, as a result of a potential major new retail development in Crawley Town Centre.

3.42 The remaining RECAP Model tables are in Appendix 6, and cover the competing town centres within and outside the catchment area. They also indicate the changes in market shares of expenditure attracted from the catchment area under Scenario 2, and the consequent retail impacts from major retail development in Crawley Town Centre. That part of the RECAP Model is described in Section 5 below.

4. The Capacity for New Retail Development in Crawley

4.1 In this section, we set out in Tables 4.1 and 4.2 and describe our retail capacity forecasts for Crawley Town Centre, and for Non-central foodstores and retail warehouses in Crawley.

The RECAP Model Forecasts

Convenience Goods

Table 4.1:
Summary of CONVENIENCE GOODS Capacity Forecasts (sq. m. net sales area)

Scenario/Location	2016	2021	2026	RECAP Model Table (Appendix 5)
Scenario 1: Crawley Town Centre	1,850	2,150	2,300	12
Non-central stores in Crawley	-1,900	-1,350	-1,050	21

Source: Crawley RECAP Model 2010 (Appendix 5) rounded to the nearest 50sq m net.
Notes:
The forecasts in Table 4.1 are cumulative, i.e. the forecasts for each date include the forecasts for the previous dates and are not additional to those earlier forecasts.
The forecasts are for new floorspace additional to the committed retail developments included in RECAP Model Tables 11 and 20.

4.2 Before we comment on the convenience goods retail capacity forecasts in Table 4.1, some general points should be noted. First, the forecasts are all based on the assumption that where retailers are shown by the RECAP Model to be trading above the 'benchmark' level based on estimated company average levels, their sales densities will fall to that company average based level. This is a conventional assumption in retail studies of this type. However, some stores may well continue to trade at above their company average sales density; whilst others may trade successfully at below that 'benchmark' level. The retail capacity forecasts should therefore be seen as realistic maxima, rather than targets which must be achieved through new development.

4.3 Second, the convenience goods forecasts are on the assumption that in Crawley potential new floorspace will be provided in the form of new food superstores or large supermarkets, trading at a 'generic' average sales density for such stores of £12,000 per sq m net. The 'big four' food retailers all trade above this level on average, whilst other food retailers trade below it. Some other types of supermarket, in particular

discount supermarkets, trade at far below £12,000 per sq m net. Thus the format in which new floorspace is provided will affect the amount of such floorspace which can be supported in terms of retail capacity. If it was to be provided only in the form of discount supermarkets, for example, the forecast growth in expenditure would be sufficient to support substantially more floorspace than indicated in Table 4.1. It is of course not possible to predict over a 16 year period the format in which potential food store developments might come forward in Crawley. It will therefore be necessary to review the implications for retail capacity in each location when specific proposals for new stores come forward, taking account of the format of the proposed stores and their likely occupiers and sales densities.

4.4 Third, we have made no allowance for increases in sales densities of convenience goods floorspace over the forecasting period. This is because convenience goods sales densities have not been rising across the board over the last few years. For some retailers they have risen but for others they have fallen. However, at the next review of the forecasts, the most up-to-date sales densities should be used, so as to take account of any changes in real terms.

4.5 Fourth, although we have prepared forecasts for non-central convenience goods floorspace in Crawley, these has been calculated separately from that in the town centre merely for forecasting reliability and convenience. It does not mean that any such capacity should necessarily be accommodated in the form of out-of-centre development. Rather, the sequential approach of PPS4 should be applied; and throughout the Borough new developments to accommodate any of the forecast need, including that forecast as non-central, should be located in or on the edge of the town centre or at neighbourhood centres, in preference to out-of-centre locations, if at all possible.

Crawley Town Centre

4.6 Based on the results of the household interview surveys, we estimate that the foodstores and other convenience goods shops in Crawley Town Centre as a group are currently trading significantly above the 'benchmark' level based on company average sales densities. We estimate that at the 'benchmark' level, these stores and shops should achieve convenience goods sales of £60.3m in 2010 (RECAP Model Table 10). However, we estimate that they are actually achieving £77.8m in 2010 (RECAP Model Table 12). This means that with no changes in market shares, there will be significant forecast capacity for new convenience goods floorspace in the town centre. Table 4.1 shows that there will be capacity for about 1,850 sq m net in 2016, rising to about 2,300 sq m net by 2026, trading at £12,000 per sq m net, if forecast trends occur.

Non-central main foodstores in Crawley

4.7 We estimate that the existing non-central main foodstores in Crawley as a group are also trading somewhat above the 'benchmark' level based on company average sales densities. The 'benchmark' level is £131.0m (RECAP Model Table 18). We estimate that these stores together are currently achieving convenience goods sales of about £143.2m (RECAP Model Table 21). This indicates capacity for additional foodstore floorspace. However, the Council has already granted planning permission for a large new supermarket at Betts Way, a supermarket at Haslett Avenue East/Telford Place, an extension to the Sainsburys superstore at Crawley Avenue, and a small supermarket on the former Leisure Centre site at Haslett Avenue. If implemented, these four developments should be capable of generating convenience goods sales of about £44.0m (RECAP Model Table 20).

4.8 Under Scenario 1 therefore, allowing for sales densities in the existing Non-central stores to fall to the 'benchmark' level, taking account of growth in expenditure, and assuming implementation of the committed developments, Table 4.1 shows that there will be a theoretical over-supply of Non-central convenience goods floorspace of about 1,900 sq m net in 2016. As a result of growth in expenditure, this over-supply should fall to about 1,350 sq m net by 2021, and further to about 1,050 sq m net by 2026. If the new foodstores are able to increase Crawley's market share of convenience goods expenditure attracted, the forecast over-supply of floorspace would be eliminated more quickly.

4.9 We consider it unlikely that the permitted large supermarket at Betts Way would attract retailer support. It is too large to function as a local/neighbourhood store, but is too small to be able to compete effectively with the Tesco Extra superstores in Crawley and Hookwood, and the Sainsburys and Asda superstores in Crawley. It is also not well located in relation to residential areas in Crawley, being on the extreme northern edge of the urban area, and surrounded by industrial uses (apart from County Oak Retail Park, to which it is adjacent). If this scheme was not implemented, this would release about £30.5m of convenience goods expenditure assumed in the RECAP Model to be attracted to this permitted store, to support a better located new foodstore elsewhere in the town. In such a case, the over-supply of floorspace forecast in Table 4.1 would be replaced by capacity forecast as Non-central of about 650 sq m net in 2016, rising to about 1,200 sq m net in 2021 and further to about 1, 500 sq m net by 2026 (trading at £12,000 per sq m net).

4.10 Similarly, we consider it somewhat unlikely that the smaller supermarket which has been permitted at Haslett Avenue East/Telford Place (as part of a mixed use development) would be likely to find retailer support. The permitted store (873 sq m net) would be too large to function as a local convenience store for the small population which will live within walking distance when redevelopment of this area is complete. Conversely, it is too small to be able to function as a stand-alone

foodstore, competing with the town centre foodstores and out-of-centre superstores. However, the site is well-located very close to the town centre, and could potentially attract a food retailer to a larger supermarket than has currently been permitted. If the permitted supermarket is not implemented, it would release about £7.9m of convenience goods expenditure assumed in the RECAP Model to be attracted, thus further increasing capacity for more appropriate new foodstores in the town. In addition to the increase in capacity if the Betts Way permission is not implemented, this would further increase capacity forecast as Non-central to about 1, 300 sq m net in 2016, rising to about 1,850 sq m net by 2021 and 2, 150 sq m net by 2026 (trading at £12,000 per sq m net). If the permitted Betts Way supermarket does go ahead, but the permitted Telford Place supermarket is not implemented, there would be a forecast over-supply of Non-central convenience goods floorspace of about 1,250 sq m net in 2016, falling to about 700 sq m net by 2021, and to about 400 sq m net by 2026; assuming forecast trends occur and there is no increase in the market share of catchment area expenditure attracted.

4.11 Overall and considering the town as a whole, we conclude that if the already permitted new foodstores are implemented, there will be no capacity in terms of expenditure support for any new foodstores in Crawley by 2016. Capacity would grow thereafter, reaching about 1,250sq m net by 2026. However, a more commercially realistic scenario would be one in which the permitted supermarkets at Betts Way and Haslett Avenue East/Telford Place are not implemented. On this basis, (and assuming no further extensions to the convenience goods floorspace in existing foodstores in Crawley) there could be capacity for one new superstore of about 3,150 sq m net convenience goods floorspace by 2016; or a substantial new supermarket of up to about 2,250 sq m net convenience goods floorspace by about 2013/4, if forecast trends occur (with either assumed to trade at £12,000 per sq m net).

4.12 If such a new foodstore was opened at an earlier date, or was larger than this, it would mean that both it and the existing foodstores would trade at below their respective 'benchmark' company averages for a few years. There would therefore be some adverse impacts on existing stores, and on town, district and local centres, which would need to be assessed at the time planning applications were submitted. It is not the case that new out-of-centre stores only impact on similar stores. In the UK as a whole, the increase in food superstores over the last 10 years (most of which are out-of-centre) has been accompanied by decline in the numbers of and market shares taken by every other category of convenience goods retailer – many of which are in town and district centres. The comparison goods floorspace in new out-of-centre superstores or superstore extensions can also add to the impact on town and district centres.

4.13 If just the Telford Place permission is not implemented, in Crawley as a whole there would be capacity for only about 600 sq m net by 2016. This would rise to about 1,450 sq m net by 2021, and further to about 1,927 sq m net by 2026. This would not be sufficient to support any more superstores or large supermarkets. However, if such developments occurred, most of the stores in Crawley, including the newest, would be likely to under-trade for some years. Thus there would be some adverse impacts on existing stores, including those in centres and those located out-of-centre. This could potentially put at risk a possible new supermarket as part of the Town Centre North proposals.

4.14 Any new foodstores would need to be located in accordance with the sequential approach, so as to support sustainability and social inclusion.

Comparison Goods

4.15 In Table 4.2, we summarise our comparison goods capacity forecasts for Crawley. Scenario 1 assumes no increases in market shares of comparison goods expenditure attracted from the catchment area. Scenario 2 assumes increases in market shares for Crawley Town Centre, and (much smaller) market share reductions for Non-central stores in Crawley, as a result of a potential major new town centre development.

4.16 The forecasts in Table 4.2 are on the basis that in Crawley Town Centre, new floorspace would trade at an average sales density for a major retail development anchored by a John Lewis department store. For additional floorspace forecast as Non-central in Crawley, we have assumed that new Non-central floorspace would trade at typical retail warehouse sales densities. If this capacity was instead developed as higher density town centre format shops and stores in accordance with the sequential approach, or some of it formed part of a new food superstore, it would trade at higher sales densities than are typically found in retail warehouses. These higher sales densities would reduce the forecast capacity, if some of the capacity forecast as Non-central was actually to be located in the town centre or a superstore.

Table 4.2:
Summary of COMPARISON GOODS Capacity Forecasts (sq. m. net sales area)

Scenario/Location	2016	2021	2026	RECAP Model Table (Appendix 5)
Scenario 1: Crawley Town Centre	16,200	26,450	37,750	12
Non-central stores in Crawley	2,900	8,100	13,800	21
Scenario 2: Crawley Town Centre	36,700	49,700	64,000	24
Non-central stores in Crawley	-2,100	2,500	7,550	27

Source: Crawley RECAP Model 2010 (Appendix 5) rounded to the nearest 50sq m net.

Notes:

The forecasts in Table 4.2 are cumulative, i.e. the forecasts for each date include the forecasts for the previous dates and are not additional to those earlier forecasts.

The forecasts are for new floorspace additional to the committed retail developments included in RECAP Model Tables 11 and 20.

Crawley Town Centre

Scenario 1:

4.17 Table 4.2 shows that under Scenario 1, there would be capacity for additional comparison goods floorspace in the town centre at 2016, of about 16,200 sq m net. After 2016, forecast capacity rises further to about 26,450 sq m net by 2021, and further still to about 37,750 sq m net by 2026, provided that forecast trends occur. This would be sufficient to support substantial town centre development in the second half of the forecasting period, even without any increases in market shares of comparison goods expenditure attracted. However, even by 2026 it would not be sufficient to support the scale of development previously proposed at Town Centre North.

4.18 The allocated Town Centre North scheme (as identified under Core Strategy Policy TC1) was proposed to be 74,480 sq m gross Class A1 retail floorspace, estimated as 52,036 sq m net assuming a net to gross ratio of 65%. This would be a low net to gross ratio for such a modern retail development; and on the more realistic assumption of not less 75%, would have comprised a total Class A1 retail sales area of not less than about 55,860 sq m net. A small proportion of this floorspace would have been used for convenience goods shopping and retail services (such as coffee shops and sandwich bars). Even so, the comparison goods floorspace would have been very substantially larger than the forecast capacity even by 2026, under the Scenario 1 assumption of no increase in market shares of catchment area expenditure attracted.

Scenario 2:

4.19 In Scenario 2, we have allowed for substantial (but realistic) increases in the market shares of comparison goods expenditure which Crawley Town Centre would be likely to attract from the catchment area, as a result of major new retail development in the town centre anchored by a John Lewis department store, assumed to be open by 2016. Table 1 shows that on this basis, there would be capacity for additional floorspace of about 36,700 sq m net in 2016, rising to about 49,700 sq m net by 2021, and further to about 64,000 sq m net by 2026.

4.20 These capacity forecasts would require the town centre's market share from the whole catchment area to rise from the 18.5% indicated by the household interview survey, to about 23%. Whilst these might seem low overall market shares, it must be remembered that the catchment area is widely drawn; includes many competing centres within it (e.g. Horsham, Haywards Heath, Burgess Hill, East Grinstead, Redhill, Reigate, Dorking); and is surrounded by other major centres which draw expenditure from it (e.g. Bluewater, Brighton, Croydon, Guildford, Tunbridge Wells, Central London). Crawley Town Centre's market share is actually already high, particularly from the inner catchment zones, and so the potential for increase is somewhat limited.

4.21 The Scenario 2 retail capacity forecasts are on the basis that a major retail development in Crawley Town Centre is able to achieve a 'step change' in the town centre's retail offer, which permanently elevates its status as a shopping centre in the sub-region and enables it to compete more effectively with other larger regional centres. They also assume that there are no similar 'step change' retail developments in the competing major centres, which would cancel out that assumed in Crawley. The Scenario 2 forecasts also allow for some impact on comparison goods sales in the non-central retail warehouses and food superstores in Crawley, as indicated in Table 4.2 and outlined below.

4.22 On this basis, the Scenario 2 forecasts show that there should be sufficient capacity for such a major comparison goods retail development, albeit not quite fully on the scale previously envisaged for Town Centre North, by about 2021. In our separate Viability & Deliverability report, we consider the implications for the financial viability of such a scheme; and whether it would be possible for it still to be anchored by a John Lewis department store if the scheme was to be smaller than previously envisaged. In Section 5 below, we discuss the likely retail impacts on other town centres, of such a development in Crawley Town Centre.

Non-central Stores in Crawley

Scenario 1:

4.23 With no changes in the market shares indicated by the corrected results of the household interview survey, Table 4.2 shows that there would be modest capacity for additional comparison goods floorspace in non-central locations in 2016, of about 2,900 sq m net. Thereafter, capacity of about 8,100 sq m net should arise by 2021, increasing to about 13,800 sq m net by 2026, if forecast trends occur. This is on the assumption that such new floorspace is provided in retail warehouse format, trading at typical retail warehouse sales densities. However, if in accordance with the sequential approach of PPS4 it was provided in or on the edge of the town centre, in town centre format shops and stores or in superstores, both of which typically trade at much higher sales densities than retail warehouses, the capacity would be substantially reduced from that indicated in Table 4.2.

Scenario 2:

4.24 In Scenario 2, we have allowed for the likely impact on comparison goods sales in the non-central stores from the potential major new comparison goods retail development in the town centre. We estimate that the impact would reduce the market share of the non-central stores as a group from 5.5% of total catchment area comparison goods expenditure, to about 4.8%. Table 4.2 shows that on this basis, there would be an over-supply of non-central comparison goods floorspace in retail warehouses and superstores of about 2,100 sq m net in 2016. This would have been eliminated by 2021, resulting in forecast capacity at that date of 2,500 sq m net, rising to about 7,550 sq m net by 2026. Again, this is on the assumption that it is developed in retail warehouse format. If developed in town centre format shops and stores, in superstores, or in some other higher sales density format, the forecast capacity would be commensurately reduced.

Retail Sector Analysis for Crawley

4.25 RECAP Model Table 28 shows the market shares of expenditure on each sub-category of comparison goods which we estimate are attracted in 2010 by Crawley Town Centre and the Non-central stores in Crawley. It also shows the combined market shares attracted by Crawley as a whole. Table 28 shows that the town centre attracts the highest market shares of expenditure on clothing and footwear (29.9%); books, jewellery and watches, china, glassware and kitchen utensils, recreational and luxury goods, etc. (the 'all other comparison goods' category) (22.8%); and household textiles and soft furnishings (18.9%). It attracts much lower market shares on the 'bulky goods' categories of expenditure. This is not surprising, as the retail warehouses, typically located out-of- centre, substantially sell goods in the 'bulky goods' categories.

4.26 This profile of market shares for the town centre is fairly typical of town centres of this size; except that in many such town centres, the market share for the 'all other comparison goods' category is similar to that for clothing and footwear. The former category includes many items commonly sold by department stores, and the more luxury and discretionary purchases such as personal, recreational and 'lifestyle' goods. Similarly in many other town centres, household textiles are widely sold by department stores and other town centre shops. The profile of market shares currently attracted by Crawley Town Centre therefore indicates potential for new town centre development to move the town centre more upmarket, through provision of a new department store and other more luxury and lifestyle shops. It suggests that a new town centre development should focus on leisure, lifestyle and luxury goods, including homewares, rather than predominantly on fashion goods; in order to make the retail offer of the town centre more rounded and complete, and able to attract a full range of shoppers from the town and its catchment area.

4.27 Table 28 also shows that the profile of market shares attracted by the Non-central superstores and retail warehouses in Crawley is approximately a 'mirror image' of that for the town centre. Thus it shows low market shares for the goods categories in which the town centre attracts high market shares, and high market shares for the more 'bulky' goods categories such as furniture and floor coverings, household appliances, audio-visual equipment, and DIY goods, in which the town centre's market shares are low. It is not unusual for chemists' medical and beauty products to show a market share which is low relative to other goods categories, because much expenditure on such goods is undertaken locally; in this case in Crawley's neighbourhood parades, and the smaller towns and villages in the wider catchment area covered by the household interview survey.

4.28 In the town as a whole, market shares are somewhat low for the 'all other comparison goods' category, as noted above. They are also somewhat low for hardware, DIY and garden goods. One reason for the relatively low market shares for the latter category is that the RECAP Model does not include garden centres in Crawley. If these were to be included, the market shares in that category would be somewhat higher. However, even allowing for this the market share in that category suggests potential for another DIY goods store. The market shares also suggest some potential for additional stores selling furniture and floor-coverings. This market sector has suffered particularly during the recession, but we would expect that once the national economy improves, the vacant retail warehouses in Crawley could be re-occupied by retailers selling such goods.

Use and Review of the Forecasts

4.29 We must emphasise that all expenditure based forecasts of future shop floorspace capacity are based on imperfect data and contain a number of assumptions. Our forecasts set out in this report are based on the most up-to-date and reliable information currently available to us. However, they are intended as an indication of the likely order of magnitude of future shop floorspace capacity (if forecast trends are realised) rather than as growth targets or rigid limits to future growth. The forecasts should be periodically revised as necessary, as advised above, in the light of actual population and expenditure growth, and as development proceeds and its effects become measurable.

5. Retail Impact of Major Town Centre Development

5.1 An important part of our terms of reference was assessing the likely retail impact of a major new town centre comparison goods retail development upon smaller town centres surrounding Crawley, and on more distant but larger town centres. We have therefore tested the likely retail impact of a scheme of the scale indicated by our Scenario 2 retail capacity forecasts, opening by 2016. Thus in testing retail impact, we have assumed that all the forecast capacity for new comparison goods retail floorspace indicated by the Scenario 2 forecasts, will be completed and opened by the dates indicated. This was 36,700 sq m net in 2016, rising to 49,700 sq m net by 2021 and further to 64,000 sq m net by 2026. In practice, it is more likely that a development of about 50,000 sq m net would not open before about 2018. If so, there would be no impact in 2016, about the same impact as forecast in 2021, and slightly lower impacts in 2026.

5.2 We have forecast retail impacts on comparison goods sales in the following centres:

Small town centres within Crawley's catchment area:

- Burgess Hill
- Dorking
- East Grinstead
- Haywards Heath
- Horley
- Horsham
- Redhill
- Reigate

Large centres outside Crawley's catchment area:

- Bluewater
- Brighton
- Croydon
- Guildford
- Tunbridge Wells

5.3 Because the smaller centres are within Crawley's catchment area, their catchment areas overlap with that of Crawley. The results of the household interview survey 2010 therefore indicate the patterns of use of them by shoppers from their own catchment areas. Using the RECAP Model therefore, we have been able to model their sales based on the market shares of comparison goods expenditure which they attract; and then to forecast how those market shares and hence sales would be likely to change if there was a major new comparison goods retail development in Crawley Town Centre. This provides a robust assessment of impact for these smaller centres; which take account of population growth in their catchment areas, as well as growth in per capita expenditure and other forecasting parameters.

5.4 In modelling these smaller centres, we have used the same basic data on catchment area population, and per capita expenditure as we used for our forecasts for Crawley.

This is set out in RECAP Model Tables 1 to 3 in Appendix 5. Market shares of comparison goods expenditure were obtained from the results of the household interview survey 2010 for each of the 8 sub-categories of comparison goods. These were then combined to provide weighted average market shares for all comparison goods, using weights according to per capita expenditure on each goods category, in the same way as for Crawley. The resulting comparison goods sales estimates were compared with town centre comparison goods floorspace (obtained from Experian Goad) in order to check base year sales densities. Where these were unrealistically low, some of the market shares were marginally increased, to re-allocate expenditure from Crawley to the smaller centres when calibrating the RECAP Model as described in Section 3 above. In the case of Dorking, which is close to the edge of Crawley's catchment area, we have allowed for some inflow of expenditure by visitors who live outside Crawley's catchment area, so as to provide a realistic base year sales density for the town centre.

5.5 For each of the smaller centres therefore, we have estimated base year comparison goods sales and forecast future sales in the same way as for Crawley Town Centre. The Scenario 1 forecasts are on the assumption of no change in the market shares of comparison goods expenditure attracted. In Scenario 2, we reduce the market shares of expenditure which each centre attracts from its catchment area, commensurate with the increases in market shares which we have applied to Crawley Town Centre. This diverts expenditure from each smaller centre to Crawley and results in lower comparison goods sales from 2016 onwards. The likely comparison goods retail impacts are then calculated from the changes in sales.

5.6 Using Burgess Hill as an example, RECAP Model Table 31 in Appendix 6 sets out the detailed comparison goods market shares provided by the household interview survey 2010. Table 32 indicates the combined market shares for all comparison goods, under Scenarios 1 and 2, and the changes in market shares assumed in Scenario 2 as a result of a major retail development in Crawley Town Centre. Table 33 shows the resulting expenditure flows to Burgess Hill under each scenario. Table 34 calculates the changes in comparison goods sales between the two scenarios, and the resulting retail impact on the comparison goods sales in Burgess Hill.

5.7 The overall retail impact on all retail sales in each of the smaller town centres will be somewhat less than indicated by the forecast impacts on comparison goods sales. This is because each town centre also includes some convenience goods sales, which we expect would be largely unaffected by a major comparison goods retail development in Crawley Town Centre. Of course, each also includes a range of non-retail services which will continue to contribute to town centre vitality and viability.

5.8 Being outside Crawley's catchment area, the large competing centres could not be modelled in the same way, or with the same degree of accuracy. The Crawley household interview survey 2010 did not cover the full extent of their catchment

areas, and so provides only limited and partial market shares information for them. We have therefore estimated their base year (2010) comparison goods sales from their comparison goods floorspace and our assessment of realistic 'benchmark' sales densities for town centres of each size and type. For the forecasting years of 2016, 2021 and 2026, we have assumed that their sales would grow at the forecast rate of growth of per capita expenditure on comparison goods. The implicit assumption is that there is no local population growth in their catchment areas. The resulting forecasts of increased comparison goods sales in future years are therefore conservative; meaning that the impacts which we have forecast are probable maxima. In practice, local population growth in each town and its catchment area would be likely to reduce our forecast impacts slightly.

5.9 We have also assumed that there would be no additional retail floorspace developed in each centre. If substantial new retail developments occurred in any of the centres (those within or those outside Crawley's catchment area), they would be likely to reduce the market share increases which we have ascribed to Crawley in Scenario 2. This would reduce the retail capacity for additional comparison goods floorspace in Crawley Town Centre from that indicated by our Scenario 2 forecasts.

5.10 Table 5.1 summarises our estimates of the sales in each centre under each Scenario, as at 2021. This would probably be the most realistic design year for testing the retail impacts of a major retail development in Crawley Town Centre, which accords with the definition in Appendix A of the PPS4 'Practice guidance'.

5.11 Table 5.1 shows that there will be substantial growth in sales in all centres assessed during the period 2010 to 2021, provided that forecast trends occur. The growth indicated for the smaller centres within the catchment area is greater proportionally, than for the larger centres outside the catchment area, because the former estimates allow for growth of catchment area population, whereas the latter do not, as discussed above. In practice, there will be somewhat greater growth in sales in the larger centres than indicated in Table 5.1, and therefore marginally lower impacts.

5.12 Table 5.1 also shows that the impacts will be widely diffused among a large number of town centres, and will vary significantly between centres. Horsham and Redhill are anticipated to suffer the greatest impacts, of (coincidentally) about 6.1% of their comparison goods sales in each case. This is because they are the closest centres to Crawley, which offer many of the same types of shops; and Crawley Town Centre is easily accessible to residents of their catchment areas. However, even after allowing for these impacts, in 2021 these centres should still be able to achieve comparison goods sales of 46% and 45% respectively above their estimated sales in 2010. This should in principle be sufficient to support some new town centre retail development, depending on financial viability. We do not therefore expect any significant adverse impacts on the vitality and viability of Horsham and Redhill town centres.

5.13 Amongst the larger centres beyond Crawley's catchment area, Brighton would be likely to suffer the greatest trade diversion impact, at about 3.9% of its comparison goods sales. This would however leave Brighton trading at a level at least 37% above its 2010 sales, leaving sufficient growth to support a substantial town centre development by 2021, if such was to come forward – albeit not one which could be anchored by a new John Lewis department store. The other large centres outside Crawley's catchment area would be likely to suffer impacts that would be insignificant in the context of their size, location and retail function; with their post-impact comparison goods sales in 2021 still substantially above 2010 levels in real terms.

Table 5.1: Forecast impacts from potential major retail development in Crawley Town Centre (comparison goods) in 2021

Centre	Sales in 2010 (£m)	2021 Sales in Scenario 1 (pre-impact) (£m)	2021 Sales in Scenario 2 (post-impact) (£m)	Sales growth 2010 to 2021 (post impact) (£m)	Sales growth 2010 to 2021 (post impact	Forecast Impact 2021	RECAP Model Table
Centres inside the catchment area:							
Burgess Hill	89.7	135.4	132.7	43.0	48%	**2.0%**	34
Dorking	76.3	113.8	111.8	35.5	47%	**1.7%**	38
East Grinstead	68.7	103.5	101.4	32.7	48%	**2.0%**	42
Haywards Heath	78.4	119.7	117.2	38.8	49%	**2.1%**	46
Horley	36.8	55.1	53.8	17.0	46%	**2.5%**	50
Horsham	231.1	358.7	336.7	105.6	46%	**6.1%**	54
Redhill	90.5	139.4	130.9	40.4	45%	**6.1%**	58
Reigate	61.0	94.1	90.5	29.5	48%	**3.8%**	62
Centres outside the catchment area:							
Bluewater	699.9	996.9	973.2	273.3	39%	**2.4%**	66
Brighton	556.8	793.1	762.3	205.5	37%	**3.9%**	70
Croydon	877.2	1,249.4	1,228.9	351.7	40%	**1.6%**	74
Guildford	555.9	791.7	787.2	231.3	42%	**0.6%**	78
Tunbridge Wells	405.1	576.9	574.8	169.7	42%	**0.4%**	82

Source: Crawley RECAP Model 2010 Retail Impact Forecasts (Appendix 6).

Notes: These are impacts on the comparison goods trade only, and indicate the likely order of magnitude of impact on the level of sales which would otherwise have been achieved in 2021.

Sales growth estimates may be subject to rounding approximations.

5.14 We conclude that a major comparison goods retail development in Crawley Town Centre, on the scale indicated by our Scenario 2 retail capacity forecasts, would be unlikely to result in significant retail impacts on other town centres. Even allowing for the forecast impacts, other regional town centres would still be trading at substantially above the level of 2010, provided that forecast trends occur. Their vitality and viability

should not therefore be significantly undermined; indeed some centres should still be able to support additional retail development.

5.15 The retail impacts indicated above have been modelled in the absence of a firm development scheme for Crawley Town Centre of known retail content and design, and a firm opening date. They are therefore necessarily preliminary at this stage, and should be checked and verified at the time of a planning application for the development, when such details are known. Nevertheless, they provide a realistic indication of the order of magnitude of the likely retail impacts associated with a new development in Crawley Town Centre of the scale indicated by our Scenario 2 retail capacity forecasts, if forecast trends occur.

6. Retailer Demand in Crawley

6.1 This report looks ahead to 2026, mirroring the plan period covered by Crawley's emerging Core Strategy Review. Whilst retailer demand will substantially determine the scale and nature of new retail development which can be implemented, it is impossible to assess this demand over such a long-term period with any degree of certainty Retailer demand is highly susceptible to national economic conditions, and to conditions in local areas. It is therefore only possible to assess current demand, as a guide to the practicality of achieving new development in the next few years alone. To provide an indication of the scale and type of new retail development that would be commercially realistic in Crawley we have undertaken an outline assessment of demand from retailers to open new stores and shops in the town.

DEMAND IN CRAWLEY

Foodstores

6.2 Crawley already has two large out-of-centre, food/non-food superstores, operated by Sainsburys and Tesco; an edge-of-centre ASDA superstore; town centre foodstores operated by Marks & Spencer and Sainsbury's; an out-of-town supermarket operated by Lidl; and local neighbourhood convenience stores operated by Morrisons, Co-Op and Sommerfield. There is also a wide range of small convenience goods shops, including food specialists. Together these provide a broad range of food shopping opportunities throughout the borough.

6.3 Of the main food retailers, Crawley lacks superstores operated by Waitrose and Morrisons, and discount supermarkets operated by Aldi and Netto. The lack of representation from these retailers may translate to potential interests in sites within the Borough, including locations on the edge of Crawley town centre which have been indicated in plan policy as being possible opportunities for future convenience retailing.

6.4 Sainsbury's already has a superstore at West Green along with a Sainsbury's local in the town centre. The company has recently received planning permission to extend the West Green superstore and we therefore consider it unlikely at this stage that Sainsbury's would be interested in developing a new superstore in Crawley. In addition to this ASDA has a current application with the Council for a mezzanine extension to their existing store on Haslett Avenue West.

6.5 Stores operated by the Co-op and by the discount retailers Aldi and Netto, are much smaller than those operated by the 'big four' food retailers. Because their sales densities are substantially lower, they absorb much less expenditure, and their requirements are subsequently much less important to a retail planning strategy for

the town centre than those of the superstore operators. However, we consider it likely that there would be retailer interest for up to one new edge-of-centre or out-of-centre discount supermarket in Crawley (in addition to Lidl at Three Bridges), if a suitable opportunity became available in the next few years. This is supported by Aldi's inclusion on the Focus database of retailers' requirements, as seeking more stores in West Sussex generally. We would also expect interest from the Co-op in any new opportunities to develop small neighbourhood supermarkets in local shopping areas in the town.

6.6 A possible opportunity for a new discount retailer is the permitted Betts Way retail development; however we consider it unlikely that this permitted development would attract retailer support as it is too large to function as a local/neighbourhood store, but is too small to be able to compete effectively with the Tesco Extra superstores in Crawley and Hookwood, and Sainsburys and Asda superstores in Crawley

6.7 In addition, the Focus database of retailers' requirements indicates interest from Sainsburys and Tesco for small 'Tesco Express' and 'Sainsburys Local' convenience stores in West Sussex generally, although not specifically in Crawley. Given Sainsbury's existing presence in the area we would not expect them to be interested in the town centre, unless they vacate their current store and relocate to a new unit within the town centre. In contrast Tesco are not currently represented in the town centre and may be interested in any opportunities that arise for new stores of this type.

Other A1 to A5 Uses

6.8 Retailers' and service businesses' requirements for shops in Crawley (excluding foodstores) have been assessed using the Focus database. The Focus retailers' requirements database provides a useful indicator of demand for shop floorspace in a town. Table 5.1 summarises requirements for floorspace in Crawley, and in West Sussex including Crawley over the past 18 months. The latter has been included because retailers seeking space in towns in this wider area are likely to consider Crawley as a potential location due to its attractiveness to shoppers and county-wide importance as a shopping centre.

6.9 Table 6.1 illustrates that retailer demand is reasonably healthy in Crawley. All of the requirements were updated in 2009 or 2010, meaning that demand for shops still exists, despite the current poor economic climate. According to the FOCUS database multiple retailers and service businesses require between about 6,300 sq m and 14,500 sq m of space in Crawley in total. The largest requirement comes from Aldi, a discount foodstore retailer that has registered a requirement of between 34,800 sq ft and 87,000 sq ft gross of space; it must however be noted that this operator has registered interest in many retail centres around the UK.

6.10 In addition to recorded retailer requirements, through our discussions with the Council and various third party groups, we are aware of a number of other retailer requirements, primarily associated with foodstore operators. These include recent planning applications to extend the existing ASDA store on Peglar Way and permission for the extension at the out of centre Sainsbury's at West Green, in addition to high-level preliminary discussions with parties interested in progressing town centre foodstore proposals.

6.11 Some of the other companies with requirements to locate in Crawley comprise national multiple comparison retailers, hot food take-aways and coffee shops, or Class A3 restaurants.

Table 6.1: Retailers' and Services' Requirements – Crawley and West Sussex

Location	From sq ft gross	Retailer	Updated
Convenience Requirements			
West Sussex	2,000 – 3,000	One Stop	03 Mar 10
West Sussex	3,000 – 4,500	Sainsburys	22 Sept 09
West Sussex	3,500 – 4,500	Tesco Express	09 Mar 09
West Sussex	34,800 - 87,000	Aldi	18 Jun 09
Sub-Total Convenience	**43,300 – 99,000**		
Comparison Requirements			
Crawley	1,000 – 3,000	Mattressman	15 Sept 10
Crawley	2,500 – 5,000	National Tyres and Autocare	20 Aug 10
Crawley	1,000 – 3,500	Christmas Kingdom	14 Sept 10
Crawley	700 – 1,200	HPJ Retailing	06 Apr 09
Crawley	240 – 600	The Fragrance Shop	01 Oct 09
Crawley	500 – 1,000	Vodafone	20 Oct 09
Crawley	1,500 – 2,500	Letterbox	19 Aug 10
Crawley	2,500 – 5,000	American Golf	25 Oct 10
Crawley	1,500 – 3,000	Edinburgh Woolen Mill	14 Jul 09
Crawley	650 – 1,200	Virgin Media	23 Jun 09
West Sussex	3,500 – 7,000	Kids Unlimited	28 Sept 09
Sub-Totals Comparison	**15,590 – 33,000**		
Service Requirements			
Crawley	750 – 1,000	Taco Bell	12 Jul 10
Crawley	1,200 – 1,800	Costa	12 Aug 10
Crawley	300 – 1,200	The Old Cornish Pasty Company	30 Jul 10
Crawley	1,500 – 2,000	Yorkshire Building Society	10 Jun 09

Crawley	1,250 – 5,000	Insurance	20 Nov 09
Crawley	400 – 1,200	BSM	04 Feb 10
West Sussex	250 – 2,500	OJ's	06 Apr 09
West Sussex	3,000 - 7,000	Glo Restaurant	09 Apr 09
Sub-Totals Services	**8,650- 21,700**		
TOTALS	**67,540 – 153,700**		

Source: Focus, 2010

6.12 The majority of identified retailers and service businesses are seeking space in Crawley Town Centre. It should however be noted that some are only prepared to locate in out-of-centre retail warehouses, while others are more flexible, being willing to consider either location.

6.13 We consider this to indicate a healthy demand in the current economic conditions Indeed, many retailers will not register an interest on the Focus database, particularly in circumstances where they know that no substantial opportunities exist for new stores coming forward in the short term, as is the case in Crawley Town Centre in light of current uncertainty regarding Town Centre North. Given the apparent level of demand for shop floorspace at present, we would expect that once economic conditions improve, interest from comparison goods retailers and service businesses in opening shops and stores in Crawley will increase. The evidence of retailer demand therefore generally supports our short to medium term retail capacity forecasts set out in Section 4, and confirms that there will likely be an increasing need for more shops and stores in the town in the short to medium term.

6.14 Assuming the advancement of a major retail-led town centre scheme we would expect interest and demand for floorspace in Crawley to substantially increase across all retail, leisure and service related uses, particularly if such a scheme was designed as a 'step-change' scheme and was anchored by a new department store.

7. Qualitative Needs for New Retail Development

Crawley Town Centre

7.1 Crawley is one of the larger town centres within its sub-regional catchment and reflected by designation as a "Primary Regional Centre", along with Bluewater, Redhill/Reigate, Brighton, and Tonbridge/Tunbridge in the recently revoked South East Plan. The sub-regional strategy for the Gatwick area notes that major new development is expected in the north of the town centre to provide a full range of retail and other services to support the growth of Crawley.

7.2 Venuescore is a published database ranking UK towns based on the commercial representation of multiple retailers including department stores and alike. In the 2009 town centre rankings according to Venuescore, Crawley Town Centre ranked 70th nationally (out of 2,106 centres, with rank number 1 being the highest); compared with a national ranking of 9 for Brighton and 24 for Croydon. Looking at change over time Crawley has slipped down the Venuescore rankings from a position of 55 in 2007. Crawley is classified by Venuescore as a 'regional centre' in the national context. Its overall market position is assessed by Venuescore to be 'middle'; and its fashion goods market position to be 'mainstream'.

7.3 Thus it can be seen that in both planning and commercial terms Crawley is regarded as a regional centre, but in practice it has slipped down the retail ranking and lags significantly behind Brighton and Croydon.

7.4 However, it is equally true that in locational terms Crawley is excellently situated within the sub–region between the south coast and south London, lying close to the UK's second largest airport at Gatwick (which is a major employer and generator of local business), and with good road and rail accessibility, particularly in a north south axis.

7.5 Retail provision is concentrated in two main locations:

- The pedestrianised precinct developed by the New Town Development Corporation and now in multiple ownership (comprising Queen's Square, Queensway, The Martlets) and the Broadway,and Broad Walk;
- County Mall, a large shopping centre and associated multi-storey car park opened in 1992 and located to the south and owned by Standard Life.

7.6 The retail offer is relatively extensive, although mainstream and department store provision is limited to a large Debenhams in County Mall and TJ Hughes, which took over the former Co-op department store on the Broadway in 1999.

7.7 Other large stores in Crawley town centre include Primark on Queen's Square, TK Maxx and Marks & Spencer on Queensway, and Bhs in County Mall. Woolworths vacated its unit on Queen's Square following the company entering administration in late 2008 and is now occupied by Poundland. This overall lack of modern department and variety stores and other higher quality retailing reflects a qualitative need and is reflected in the Venuescore rating.

7.8 The quality of provision immediately outside County Mall markedly improved in 1998/9 with a major redevelopment of the east side of The Martlets, the pedestrian thoroughfare linking County Mall to Queen's Square and Queensway. Retailers such as H&M, HMV, Topshop/Topman, Sports Direct and O2 have been attracted to this area. Tenants on the western side of The Martlets include Game, Sole Trader, Specsavers and Waterstones. The former C&A unit was sub-divided in 2004 to create six new units ranging in size from 500-12,000 sq ft; tenants taking space in the development include Pumpkin Patch, Republic, Lush, Schuh and JJB Sports.

7.9 Crest Nicholson completed its 36,000 sq ft development - The Pavilion - in 2005; the scheme is situated in a prominent location at the western end of Queen's Square. Tenants at the development include Slater Menswear, Ann Summers, Moben/Dolphin, Peacocks and Costa Coffee.

7.10 Elsewhere in the town centre, the quality of the retail offer is generally poorer, with downmarket and discount multiples predominating.

7.11 In the immediate vicinity there are two retail parks in the Crawley area, both built in the late 1980s, and a third based in Horsham.

7.12 County Oak Retail Park is the larger of the two parks in Crawley. Located on a visible site facing the A23 to the north of the town, the park totals some 158,000 sq ft, the majority of which is used for retail floorspace. Whilst the park has A1 planning consent conditioned to non food retail, its occupiers are predominantly traditional retail warehouse operators, apart from Next, who took part of the sub-divided former Courts unit in 2005. Electrical and furniture/furnishing retailers currently occupy six of the units on the park, with the remaining tenants being Halfords, Staples, Hobbycraft and the recently opened Argos.

7.13 A couple of minutes drive from County Oak Retail Park, on the A23, is London Road Retail Park, which has restricted bulky goods consent. Units are let to B&Q and Carpetright; MFI vacated the park in 2008 following the retailer falling into administration.

7.14 Thus it can be seen that Crawley has attracted some new town centre retail development over the last 10 years with the opening of the Pavilion and redevelopment of the Martlets, which can be contrasted with comparatively low levels of non-central comparison that have opened over the same period.

7.15 Whilst the Pavilion and Martlets have improved the retail offer and public environment, these schemes represent a relatively modest quantum of infill development that has primarily sought to consolidate existing markets, rather than achieve the step change development that has taken place in locations such as Leicester, Liverpool, Exeter, Bristol, Belfast, or nearer to hand Maidstone and Ashford.

7.16 Equally, the largest competitors in the catchment area – Croydon and Brighton, have also not seen major step change developments. Croydon has to date failed to secure the John Lewis anchored Park Place scheme (despite possessing planning consent and CPO), whilst Brighton, with a shortage of developable sites, may need to reprovide the international conference centre (Brighton Centre) before it can extend Churchill Square south towards the seafront.

PPS4 requirements

7.17 We conclude that Crawley town centre is currently vital and viable as a retail centre, in the terms envisaged by PPS4, possessing a good range of shops and services for a town centre of its size. This position is endorsed by the household interview survey data, which illustrates that Crawley attracts expenditure from a wide area, particularly in terms of comparison goods spend.

7.18 The retail capacity forecasts identify a growing and substantial capacity for new comparison goods retail floorspace in Crawley town centre. This is supported by current evidence of retailer demand. However, the quality of some of the offer is poor and parts of the centre are dominated by discounters and pound shops.

7.19 The adopted Core Strategy designates TCN as the location for major new development. However, in preparing new development plans, PPS4 (Policy EC2) requires that having identified need, local authorities should "safeguard" land from other uses and identify a range of sites to facilitate economic development, noting that existing allocations for economic development must be reassessed against PPS4 policies rather than simply being carried forward from one version of the development plan to the next. PPS4 also notes that if there is no reasonable prospect of a site being used for the allocated economic use, the allocation should not be retained.

7.20 Policy EC5 requires that local authorities identify a range of sites to accommodate identified need, and that:

- the approach is based on identified need;
- the scale of sites and traffic generation are in keeping with the role and function of the centre;
- the sequential test to site selection is applied;
- the impact of sites (particularly for development over 2,500 sqm) on existing centres is assessed; and
- other material considerations such as physical regeneration benefits, employment opportunities or social inclusion, in the choice of appropriate sites is considered.

7.21 Policy EC5.5 requires local authorities to allocate sufficient sites in redevelopment plans to meet at least the first five years of identified need.

7.9 In Crawley's case, given that substantial capacity has been identified, and that impact issues both on other centres and internally, are not considered to be significantly adverse, there remains in our view a responsibility on the local authority to plan to allocate the identified capacity.

7.10 In practice, it will probably be impossible to accommodate more than a small proportion of forecast quantitative capacity for new retail floorspace within the existing town centre stock, by way of more "infilling" schemes.

7.11 Sequentially the adopted Core Strategy designates a main shopping area, a town centre boundary and a boundary for Town Centre North.

7.12 Looking at the main shopping area (i.e. the most sequentially preferable area), there may be some potential for further retail development within the designated area,

particularly the western side of the Broadway, which comprises secondary and tertiary pitches. However, the area lacks the size or configuration to accommodate the bulk of the identified capacity, and is poorly related to existing prime areas. Moreover, this area backs onto the High Street Conservation Area creating significant constraints, e.g. in terms of settings of listed buildings and servicing arrangements.

7.13 It is possible that County Mall might be extended, but again there is simply not sufficient space to accommodate anything like the quantum of floorspace identified in the capacity forecasts.

7.14 Development upon important green spaces, such as Memorial Gardens, is very unlikely to be acceptable and is in any event outside the main shopping area.

7.15 As such Town Centre North, which lies partly in the main shopping area, is clearly the most sequentially preferable site for major new development. Whilst a small part lies within the High Street Conservation Area, by and large the existing TCN allocation contains an unremarkable set of buildings, and an urban fabric that lends itself to redevelopment. Redevelopment of the TCN site would also bring material regeneration benefits, physically redeveloping an underutilised area, creating employment, and providing social regeneration benefits by way of new community and public realm facilities.

7.16 On this basis, there is in our view no PPS4 planning justification to consider any edge or out of centre sites. Set against the site allocation tests of PPS4 we conclude that:

- There is a quantitative and qualitative need to deliver major new high quality retail-led mixed-use development in the town centre;
- The scale of development could be such as to consume much of the comparison capacity indicated by the capacity forecasts, but this must be conditioned by development viability testing, and indeed testing the deliverability of proposals going forward;
- The impact of a major new scheme would not have a significantly adverse impact on other centres, or the rest of Crawley town centre;
- Sequentially there are no more preferable sites that are available or suitable that could accommodate the scale of opportunity to be delivered; and
- There are significant regeneration benefits to be secured through development of a scheme on TCN.

7.17 In the immediate short term, the future for Crawley Town Centre is unlikely to be development led. We consider that need exists for public realm and management improvement to maintain the vitality and viability of the centre pending delivery of a major new scheme which will take longer to achieve.

7.18 In the short/medium term (potentially before 2016) there could be opportunities to attract some new retail development – most probably foodstore led - to edge of centre sites such as Telford Place and Sussex House. Subject to all necessary tests and plan policies, these could help facilitate improvements to the retail offer through creating wider consumer choice and helping to facilitate public realm and environmental improvements. We therefore recommend that the Council evaluates fully short/medium term potential retail development opportunities, in conjunction with work on the Core Strategy Review. Any opportunities to include small scale and incremental new retail floorspace in the town centre itself should also be pursued by the Council.

8. Internal Impact of Potential Town Centre Retail Development

8.1 A new retail development of the scale anticipated at Town Centre North can normally be expected to have some effects on the town centre in which it is located. Many of these will be beneficial, for example increases in the numbers of shoppers attracted and the level of retail sales, increased pedestrian flows in parts of the town centre, and the replacement of obsolescent buildings with high quality buildings, modern retailing environments, and public realm improvements. However, there are often transitional effects as some existing retailers relocate into the new development, and their old premises are refurbished and re-let. There can also be longer term effects if some streets change their character, for example through retailers relocating into the new development and their places being taken by service businesses.

8.2 In this section we examine the potential for such changes to occur in Crawley town centre assuming delivery of a major retail-led expansion in the north of the town centre. In doing so, by means of a street by street analysis, we focus on identifying:

- Streets at risk from retailers moving into a Town Centre North development;
- The likely effects of any such moves;
- Streets which are at risk from loss of sales to shops forming part of the new scheme, even in a scenario where few retailers relocate;
- The likely effects of such losses; and
- Streets which are likely to benefit from the additional retail attractions in a Town Centre North scheme.

TCN Scheme in Context

8.3 Experian Goad data identifies over 113,000 sq m floorspace within Crawley Town Centre, of which over 91,000 sq m is identified as Use Class A1 (80% of the total floorspace).

8.4 A revised TCN scheme is planned to meet the forecast need for new shop floorspace identified in this Retail Capacity and Impact Study. Much of the identified growth will be attracted to Crawley, resulting in a need for substantial non-food retail floorspace in the town centre.

8.5 Within Section 4 of this Retail Study, we conclude that the existing town centre could realistically support fairly substantial new comparison goods retail floorspace, in addition to existing commitments. By 2016, we estimate that capacity will exist for an additional 16,950 sq m of floorspace, rising to 27,200 sq m by 2021 assuming there is

no increase in the market share of catchment area expenditure attracted by the town centre. With realistic market share increases, we forecast capacity for up to about 37,450 sq m net sales area by 2016 (which we consider would be about 49,900 sq m gross). This gross figure represents an increase of approximately 41% on existing A1 Use Class floorspace. Under this same increased market share scenario we forecast capacity for about 50,400 sq m net sales area by 2021 (which we consider would be about 67,200 sq m gross).

Potential Risks from a TCN scheme

8.6 We consider that the potential risks are twofold, as follows:-

1. Some existing streets and existing shopping centres may lose retailers which move into the new development in order to obtain larger, more modern or better located premises. Thus there could be a short term increase in shop vacancy in some streets until the shops vacated are re-let to new retailers.

2. Even in those streets where no retailers leave to move into the new development, there could be loss of sales due to declining pedestrian flows brought about by a structural shift in the pattern of usage of the town centre by shoppers.

8.7 In our analysis, therefore, we have identified the streets and parts of centres that would be most likely be affected by these phenomena, commenting on the severity and consequences of any such effects.

8.8 It should be noted that forecast retail impacts have been estimated in the absence of a firm development scheme for Crawley Town Centre of known retail content and design, with a firm opening date. They are therefore necessarily preliminary at this stage and should be checked and verified when a more definitive town centre scheme concept is developed. Nevertheless, they provide a realistic indication of the likely internal retail impacts of a new Town Centre North development in Crawley Town Centre.

Potential Benefits from a TCN scheme

8.9 A TCN scheme will provide a major new retail attraction for the town centre, and could have the effect of concentrating pedestrian flows more towards the north side of the centre. As a result, pedestrian flows could increase in the adjacent and surrounding streets, as shoppers walk between the new and existing attractions. We have therefore attempted to identify those streets where we expect this to happen, and the anticipated benefits to those streets and to the town centre as a whole.

Method of Analysis

8.10 We have based our assessment on a street by street analysis of existing retail provision in Crawley town centre. The results are set out in Table 1 in Appendix 7. Column 2 in Table 1 sets out the total number of premises for all use classes in each street, Column 3 indicates the number of occupied Use Class A1 shops, and Column 4 expresses the number of A1 occupied shops as a proportion of all premises in each street. This indicates the importance of retailing to each street, thus for example, 92% of premises in The Martlets are occupied by A1 retailing, making this an important shopping street. Loss of retailers from such a street would reduce its attractiveness to town centre users more than in the case of Broadwalk, for example, where only 23% of premises are occupied by retail uses, and other uses comprise over two thirds of the attractions in that street.

8.11 Column 5 sets out the average size of A1 shops in each street. It shows that some streets have higher proportions of larger shops, and are therefore potentially at greater risk of losing retailers moving into the large shop units in a TCN scheme.

8.12 We have assumed that a revised TCN scheme comprises a department store anchor, supporting other retail stores and shops. The latter are expected to comprise a mix of large space users (over 200 sq m) and modern unit shops.

8.13 Small shop units of less than 200 sq m gross in a TCN scheme are likely to account for only a very small proportion of retail floorspace within the new scheme. If existing retailers suited to smaller sized units were to move from existing retail streets into such new shops, the effect would be less significant (except in the very unlikely event that they were all to move from the same street) than relocations by retailers occupying larger shops and stores. Of potentially greater importance would be moves by retailers into the larger shop units and stores in the proposed scheme as their relocation would be likely to have a greater impact on the streetscape and retail function of the existing shopping area.

8.14 The exact mix of likely retailers at this time is unknown, and column 7 therefore indicates the proportion of all A1 shops in each street which are over 200 sq m gross. This has been set as the threshold, as we consider it unlikely that many retailers currently occupying less than 200 sq m gross would wish to move into the large shop units and stores in the scheme. Column 7 therefore identifies streets that comprise significant and substantial proportions of shops of such a size as to accommodate at present retailers which might consider moving into the large shops and stores in the scheme.

8.15 As a major property developer, it is anticipated that the TCN developer will likely seek retail tenants that can provide good covenants backed by plc status. In practice, the

great majority, if not all of these, will be national multiple retailers, and it is unlikely that any of the large shop units or the stores will be let to local independent retailers. Column 8 in Table 8.1 therefore sets out the number of A1 shops of over 200 sq m gross in each street that are occupied by national multiple retailers. Column 9 expresses these as a proportion of all A1 shops in each street enabling us to identify those streets which are most at risk of losing retailers to the new scheme, and those where the risk is low or negligible.

8.16 Having identified streets at risk of losing retailers, it is necessary to consider the likely impacts of any such loses. In Column 10 therefore, we set out the pedestrian flow rating of each street (where data is available), as based on the most up-to-date pedestrian flowcounts in Crawley town centre. We have used these figures as a guide to our judgements about the potential effects in terms of re-letting to replacement retailers, and effects on shopping patterns in each street.

8.17 In Column 11 of Table 1, we set out our qualitative judgements, based on the data in Columns 2 to 10 about the likelihood of the loss of retailers to the new scheme. In Column 12 we set out our judgements about the likelihood of loss of retail sales to the new scheme, irrespective of loss of retailers.

Streets at risk of losing retailers to TCN

8.18 Column 11 of Table 8.1 shows that the only parts of the town centre which could potentially be at high risk of losing significant numbers of retailers relocating to TCN (identified by broken lines in Appendix 7) are:

- The Martlets
- County Mall – Ground Floor
- Queens Square.

8.19 In The Martlets, 67% (16 shops) of its occupied A1 retail shops are over 200 sq m, with 13 of these being occupied by multiple retailers including:

- Waterstones
- H & M
- H M V
- Topshop
- Schuh
- The Orange Shop
- D & A Opticians
- Game
- T Mobile
- O2
- Pumpkin Patch
- Card Factory
- Carphone Warehouse

8.20 There are a number of other national multiple retailers within these areas that could conceivably relocate to a new scheme. The Martlets has the highest pedestrian flow recorded in the town centre (one of two counts on this Street), though, it is notable that flows are slightly lower towards the south of the Street near the entrance to County Mall. Given that key retail anchors (e.g. H&M, Topshop and HMV) have reasonably sized existing stores and may remain, and that pedestrian flows are strong, we expect that any shops vacated would very quickly be refurbished and relet, with little if any detriment to the vitality and viability of this street.

8.21 Of the 56 premises within County Mall (ground floor), 22 units are larger than 200 sq m, with 15 of these being national multiple retailers (32%). This includes the likes of Debenhams, Boots, BHS, W H Smith, La Senza, River island and JD Sports. The Mall is located within the prime shopping area of the town centre (see Appendix 7) and is directly linked to The Martlets. County Mall has medium to high footfall levels and is a well located shopping centre adjacent to the bus and rail stations. The Mall is however becoming slightly dated since opening in 1992 and as such is at risk of some stores moving into new retail accommodation. Whilst this is the case, we would expect that key anchors such as Debenhams, BHS and Boots would remain in the Mall and it is considered unlikely that all of the national multiple stores would relocate into the new scheme. With this in mind we consider that the loss of any retailers could be fairly easily replaced.

8.22 Within the area of Queens Square, 61% of the occupied A1 retail shops are larger than 200 sq m, with 5 out of these 11 units being occupied by multiple retailers including Primark, Next, Curry's Digital, Burtons Mens Wear / Dorothy Perkins and Ann Summers. Some of these retailers might relocate to the new scheme given the age of some of the units in which they are currently located. However, as a central focal point within the town centre we believe that these units would be able to respond effectively to such losses, which may involve the exploration of opportunities to reconfigure or amalgamate existing units to increase the attractiveness of the centre as a whole. In light of Queens Square's location between The Martlets / County Mall to the south, and the TCN site to the north, it is likely that this area will benefit significantly from the completion of a new TCN development in the town centre. We therefore consider it unlikely that there would be any long term adverse effect on this area, which is strategically located in the current, and potential future, prime retail core of the town centre.

8.23 Three streets are potentially at medium risk of losing retailers to the new scheme. These are County Mall (1st floor), Queensway (east of The Pavement), and Queensway (west of The Pavement).

8.24 On the first floor of the County mall, 4 shops are potential candidates for relocation including The Officers Club, Clinton Cards and Waterstones. However, this is only

18% of all the A1 premises on this level of the County Mall. Also this part of the town centre, is currently a medium pedestrian flow street, with flows of 39% of the highest recorded in the town centre. More importantly, it is located to the south of the town centre close to the bus and train stations, and is directly accessed via a centrally located multi storey car park. With this in mind it is likely to retain healthy pedestrian flow levels even when a TCN scheme is delivered. We therefore expect that any voids created by relocations would be filled, with no significant detriment to this part of the County Mall.

8.25 In Queensway (east of The Pavement), we consider that 4 retailers are potential candidates for relocation as this part of the street is occupied predominantly by large national multiples including Marks & Spencer, Sainsburys, Argos and TK Maxx, representing 67% of all the premises within this part of the street. Queensway (east) also has moderate pedestrian flows, at 67% of the highest recorded, and forms part of the prime shopping area. The eastern part of the street may also possess good pedestrian connections to the new scheme via The Pavement. Given the size of the units and their age, if vacated it may take some time to re-let any voids created by the relocation of existing occupiers. However by virtue of the trading format of some of these units (e.g. TK Maxx and Argos) it is anticipated that occupiers may not actively pursue space in a new TCN scheme.

8.26 In Queensway (west of The Pavement) there are 2 retailers that could potentially relocate to a new TCN scheme, these being New Look and Superdrug. Queensway (west) is centrally located in the prime shopping area and experiences relatively high pedestrian flows at 77% of the highest recorded. In light of the street's central location and its proximity between The Martlets and the potential TCN site, we consider that this street would actually benefit from any future TCN scheme. With this in mind we believe that voids created by relocations would be rapidly filled, and do not therefore expect any long term detriment to or change in the character of Queensway (west), as a result of a TCN scheme.

8.27 All other streets in the town centre are considered to be at low or negligible risk of losing retailers to the proposed scheme. This is because they possess very low proportions of shops of over 200 sq m gross and occupied by national multiple retailers, or none at all. Thus for example, The Broadway (north & south) already has a higher percentage of independent and small retail businesses, and possesses only three shops which are over 200 sq m and occupied by multiple retailers (T J Hughes, Peacocks, Evans Cycles) – accounting for only 9% of all premises in the street. In the event that these retailers were to relocate to the proposed scheme, this would be likely to result in a low level effect on The Broadway as a whole given its stronger focus on independent retailing and other non-retail services. In this instance re-letting may prove to be challenging and the Council may need to consider ways in which to improve the attractiveness of this area for new business, possibly through

environmental improvements and/or promotion of different uses and functions in the area.

Streets potentially at risk of loss of retail sales

8.28 Even where no retailers leave a street to move into a new TCN scheme, there may be a risk of loss of sales due to declining pedestrian flows or greater retail competition. In Column 12, we set out our assessment of the likelihood of this occurring. We have categorised the prospects for this into low, medium or high probability. We have also indicated the streets in which we expect sales to increase as discussed below. The assessment represents our judgements based on the importance of retailing to each street, the size of the shops in each street and the retail sectors represented, e.g. clothing and footwear, household goods, electrical goods, etc.

8.29 We expect that a revised TCN scheme will likely have a substantial bias towards mid-market clothing, footwear, fashion goods, homewares, and leisure and luxury goods. We do not anticipate it to include substantial sales of, for example, furniture, floor coverings, domestic electrical appliances, DIY goods, sports equipment, or other bulky goods.

8.30 Column 12 shows that we do not expect any streets or other parts of the town centre to be at high risk of losing sales as a result of the proposed scheme. However we consider that some areas will be at a medium risk of losing sales, including The Martlets and County Mall. With an increased emphasis of footfall to the north of the town centre anticipated as a result of the proposed scheme, it is expected that retailers within these areas will be in direct competition with new TCN stores, and in this regard will be at potential risk of losing some sales to the new scheme.

8.31 Indeed, County Mall is currently the only enclosed shopping centre in the town centre, and some loss of sales to the proposed scheme is probably inevitable in the short term. However, being centrally located and immediately adjacent to the highest pedestrian flow street (The Martlets), any such loss of sales is likely to be moderate and rapidly made good by rising expenditure. County Mall is also in single ownership, which should enable the owners to 'fight back' by reconfiguring and improving shop units, selective refurbishment as necessary, promotion, and the application of other asset management techniques. Again, we do not expect a substantial or protracted loss of sales, or the vitality and viability of County Mall to be seriously undermined.

8.32 Column 12 shows that we expect all other streets to be at low or negligible risk of losing sales as a result of the proposed scheme (or to be likely to benefit from it, as described below).

Streets which will be Likely to Benefit

8.33 TCN will be a substantial and attractive new retail destination, and will be likely therefore to generate substantially increased pedestrian flows in the northern part of the town centre, and within the streets from which it will be accessed, particularly those that provide 'through routes' from the existing primary shopping area. This is likely to increase sales in the retail and service businesses in these areas. Depending on the final location of a future TCN scheme we expect streets such as The Broadway (north of Broadwalk), The Pavement, High Street (north of Broadwalk), and Queensway (west of The Pavement) to enjoy increased pedestrian flows and to benefit from the scheme. We also expect The Martlets to receive an increase in footfall activity; however this increase is likely to be less significant, as The Martlets already experiences the highest pedestrian traffic in the town centre.

8.34 Many of these streets currently possess relatively low to modest pedestrian flows (circa 7% – 25%) illustrating that they are significantly less than prime, or very secondary. Clearly, it is impossible to predict the changes in pedestrian flows which will occur. However, we expect the increases to be significant on streets which border the scheme, (particularly those described above) and would therefore anticipate an increase in retail sales in the shops in these streets, perhaps accompanied by incoming retailers or food and drink uses. As such, we expect the north end of the existing town centre to be significantly improved in terms of retail attractiveness and prosperity.

Conclusions

8.35 Overall, we conclude that there will not be any severe adverse effects on the existing town centre from a new retail development in the Town Centre North area on the scale indicated by the retail capacity forecasts. Inevitably there will be some transitional effects, as some retailers relocate into the scheme and their shops are refurbished and reoccupied by other retailers and services. The locations where this trend is most likely to occur are The Martlets, County Mall, Queens Square, and Queensway. However, these are all in the prime shopping area, and are unlikely to suffer substantial or protracted loss of retailers or sales. We also consider that County Mall more generally could be at some risk of loss of retail sales in the short term; though given that the centre falls under a single ownership we believe the owners should be well placed to 'fight back' by reconfiguring and improving shop units, refurbishment of the centre, promotion, and the application of other asset management techniques.

8.36 Balancing these risks, we expect many of the streets closer to the proposed scheme towards the north of the prime shopping area to benefit in terms of increased pedestrian flows and sales in retail shops and service businesses.

8.37 We conclude that the proposed scheme, for which a quantitative need has been forecast, will improve the attractiveness of the town centre as a whole, particularly at its northern end, with few if any medium or long term adverse effects on other parts of the town centre.

8.38 We expect improvement in the attractiveness of the northern end of the town centre, coupled with short term transitional changes in some streets, leading to subtle but not adverse longer term changes in their character, and significant benefits or little change elsewhere in the town centre. It is anticipated that the overall impact of TCN would be largely beneficial for the town centre as a whole.

8.39 It is important to note that the above conclusions are provisional, and analysis contained within this report will need to be reviewed once the location, design and retail content of a revised TCN scheme become more clearly known.

9. Summary of Principal Conclusions

9.1 This Retail Study Update is intended to provide an up-to-date indication of the likely order of magnitude of future expenditure capacity to support new retail floorspace in Crawley town centre and the wider Borough. It takes account of forecast population growth, growth in per capita expenditure, and retail developments which have already been permitted.

CRAWLEY

9.2 Crawley Town Centre is currently vital and viable as a retail centre, in the terms envisaged by PPS4. It has a good range of shops and services for a town centre of its size. Household interview survey data shows that it attracts expenditure from a wide area, particularly on comparison goods. Whilst there are a number of vacant shops, these are mainly below the average size of shops in the town centre, and located mainly in the more secondary shopping streets and areas. Shop vacancy in the primary shopping area is low, and shops and stores in this area that become available quickly attract tenants. The town centre has a good quality shopping environment which includes a pedestrian prioritised prime shopping area and nearby High Street which represents the town centre's historic and dining quarter. As a result the town centre attracts visitors from beyond its natural catchment area. The main weakness of the town centre is that the public realm, mostly outside the primary shopping area, is dated and in need of enhancement to lift the quality of the centre's overall environment. A further key weakness is the lack of available opportunities for new retail development of larger shops and stores to accommodate the strong retailer demand identified and support an improvement in the quality of the town centre's retail offer.

9.3 In preparing retail capacity forecasts, we have examined two possible scenarios for future retail development in Crawley. Scenario 1 assumes that there will be no changes in the pattern of market shares of expenditure attracted from the catchment area by each town. Scenario 2 is considered to be a more realistic scenario and assumes that there will be a major new comparison goods retail development in Crawley Town Centre opening by 2016; which will increase the town centre's market share of catchment area comparison goods expenditure from that date onwards. In reality, it would be likely to take longer to achieve such a development, and an opening date between 2018 and 2021 is more likely. However, by assuming increased market shares from 2016, retail capacity at subsequent dates can be interpolated as necessary.

9.4 Our forecasts show a growing, and eventually substantial, expenditure capacity for new comparison goods shop floorspace in Crawley Town Centre. This would be

sufficient to support a major retail led mixed use town centre scheme over the period 2016 to 2026. Such a scheme would be of a scale and quality capable of delivering a 'step change' in the town centre's retail offer, which would permanently elevate Crawley's status as a shopping centre in the sub-region.

9.5 As outlined within the Core Strategy and Town Centre North SPD, land to the north of the existing primary shopping area is identified as being the preferred location for future major town centre development. Given the impact of the recession however, any new town centre scheme will no longer be of the scale previously envisaged for Town Centre North. Accordingly the composition and location of any future scheme will still need to be determined and planning policy updated accordingly. We will examine this in further detail in our separate report on Town Centre North.

9.6 Assuming a new major retail-led scheme is delivered in Crawley Town Centre between 2016 and 2021 (i.e. Scenario 2), our forecasts identify likely impacts on comparison goods sales in the non-central stores within the Borough. We estimate that a new step change town centre development would reduce the market share of the non-central stores as a group from 5.5% of total catchment area comparison goods expenditure, to about 4.8%. This translates into an over-supply of non-central comparison goods floorspace in retail warehouses and superstores in 2016, which would be eliminated by 2021, returning to a positive capacity at that date and rising further to 2026. Under the sequential approach, any such capacity should actually be located in or on the edge of the town centre, in town centre format shops and stores rather than in low density retail warehouses, if suitable sites can be found in these higher priority locations.

9.7 This report has also considered future capacity for convenience retailing in the town centre and wider Borough. Based on our analysis we estimate that foodstores in the town centre are currently trading significantly above the 'benchmark' level based on company average sales densities. With this in mind and assuming no changes in market shares, we forecast that there will be additional capacity for new convenience goods floorspace in the town centre of up to 2,300 sq m up to 2026. In contrast, taking account of growth in expenditure and assuming implementation of the committed developments, we calculate that there will be a theoretical over-supply of Non-central convenience goods floorspace in the Borough during the period up to 2026. However if the new foodstores are able to increase Crawley's market share of convenience goods expenditure attracted, the forecast over-supply of floorspace would be eliminated more quickly.

REVIEW OF THE RETAIL CAPACITY FORECASTS, AND PLANNING POLICIES FOR FUTURE RETAIL DEVELOPMENT

9.8 The retail capacity forecasts set out in this report cover a long period to 2026. However, national economic conditions can sometimes be volatile, and retailing is a very dynamic industry. This means that our shorter term forecasts are likely to prove more reliable than our longer term forecasts. We therefore consider it essential that our forecasts are next reviewed before 2016, based on a new household interview survey of shopping patterns at that time, to measure the effects of any new retail development in the Borough and in competing towns which had taken place in the meantime. In particular, retail capacity and impact would need to be updated and assessed in connection with the submission of planning applications for any new retail development, for example a major new town centre retail development in Crawley, in the light of economic and retail conditions at that time, before planning permission is granted.

Appendix 1 – Survey of the Shopping Environment

Appendix 2 – Likes & Dislikes about Crawley Town Centre

Appendix 3 – Results of the household Interview Survey 2010

Appendix 4 – Catchment Area Map

Appendix 5 – Crawley RECAP Model 2010

Appendix 6 – RECAP Model Impact Forecasts

Appendix 7 – Analysis of Town Centre Shopping Areas