DORCHESTER HOME TOWN OR CLONE TOWN?

Dorchester Civic Society

CUSHMAN & WAKEFIELD®

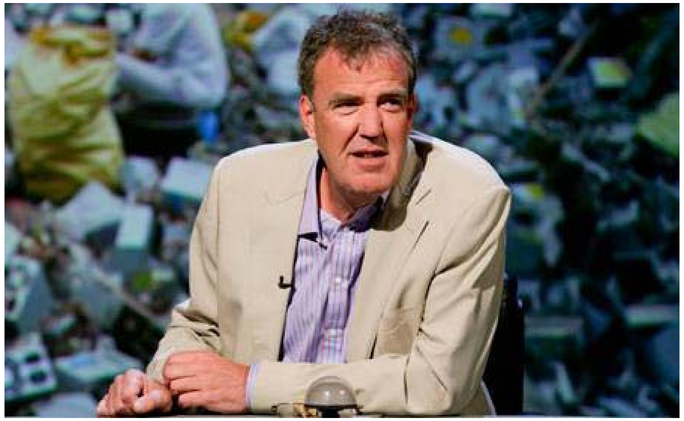
INTRODUCTION

DORCHESTER HOME TOWN OR CLONE TOWN?

ALISTAIR PARKER

TUESDAY 19 NOVEMBER 2013

“there is a general feeling across the land that cars should slowly be removed from town centres and replaced with shrubs and children. If the car is banned and out of town superstores are encouraged, town centres will die. Already privately run bakers and haberdashers have been replaced by estate agents and building society offices”



“High streets - some of them are medieval and the way that we live our lives now is very different, so what you have to do is make sure the benefits do outweigh the costs, and I think that they do”

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ALL CHANGE

DORCHESTER HOME TOWN OR CLONE TOWN?

THE TIMES

1 September 1961

“MORE THAN HALF OUR SUPERMARKETS WERE OWNED BY THE LARGEST 14 OPERATORS. THEY DID ABOUT 3.5% OF TOTAL FOOD SHOP SALES”

“BRITAIN'S SUPERMARKETS WERE UNLIKELY TO BECOME LARGER THAN 10,000 SQ FT IN SELLING AREA”

“ALTHOUGH BY MOVING OUT OF TOWNS AMERICAN SUPERMARKETS PROVIDED PARKING SPACE UP TO FIVE TIMES THEIR SELLING AREA, HE SAW SEVERAL REASONS WHY SHOPPING BY CAR MIGHT NEVER GO TO THE SAME LENGTHS HERE”

BRIGHT FUTURE FOR SUPERMARKETS

HOUSEWIVES' FRIEND

With 600 supermarkets in Britain compared with 80 only four years ago, are British housewives nearing the era of the automatic shop? Not in the opinion of Mr. W. G. McClelland, managing director of Laws Stores Ltd., Gateshead, who examined the economics of the supermarket before the economists.

As an economic proposition he said he believed the automatic shop was still decades away.

London has led the rest of Britain in the supermarket stakes—for here and in the south-east, he said, there were twice as many as elsewhere, while the United States had 18 times as many as Britain.

More than half our supermarkets last year were owned by the 14 largest operators. They did about 3½ per cent of total food shop sales, but at the present rate of increase would be doing over five times as much by 1966 and, if they followed the United States development, would do half Britain's food trade by 1976 and two-thirds by 1981—or 20 times their present share.

PARKING SPACE

Britain's greater population density, he thought, might affect the pattern but not the pace of supermarket development. Supermarkets could run on less than two-thirds the staff cost of counter-service grocery shops and showed significant savings even compared with small self-service shops. Britain's supermarkets were unlikely to become larger than 10,000 sq. ft. in selling area, for the larger the store the less were its chances for capacity working, the greater its management difficulties, and the higher the loss through shoplifting.

Although by moving out of towns American supermarkets provided parking space up to five times their selling area, he saw several reasons why shopping by car might never go to the same lengths here. Planning authorities might be able to save existing shopping centres by providing adequately for cars.

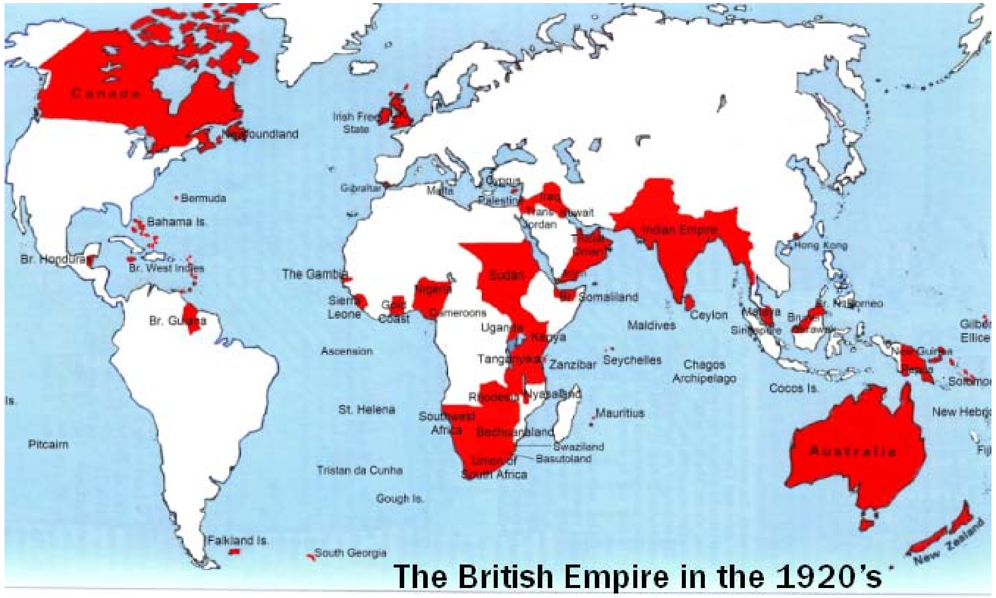
Supermarkets could contribute to high living standards by releasing 220,000 persons for other productive employment. They could do for the food shopper what one of the largest chain stores had done for the clothes shopper by using their power on the side of the consumer against the manufacturer.

Encouragement of supermarkets, he concluded, was desirable—by research in cooperation with the Supermarket Association and Town Planning Institute, legislative changes to outlaw resale price maintenance, and education of manufacturers into what self-service required of the product.

WHERE WE CAME FROM

DORCHESTER HOME TOWN OR CLONE TOWN?

- HIGH STREET MULTIPLES
- REGIONAL MULTIPLES
- LEASE LENGTHS
- GLOBAL BRANDS



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DECADE OF CHANGE

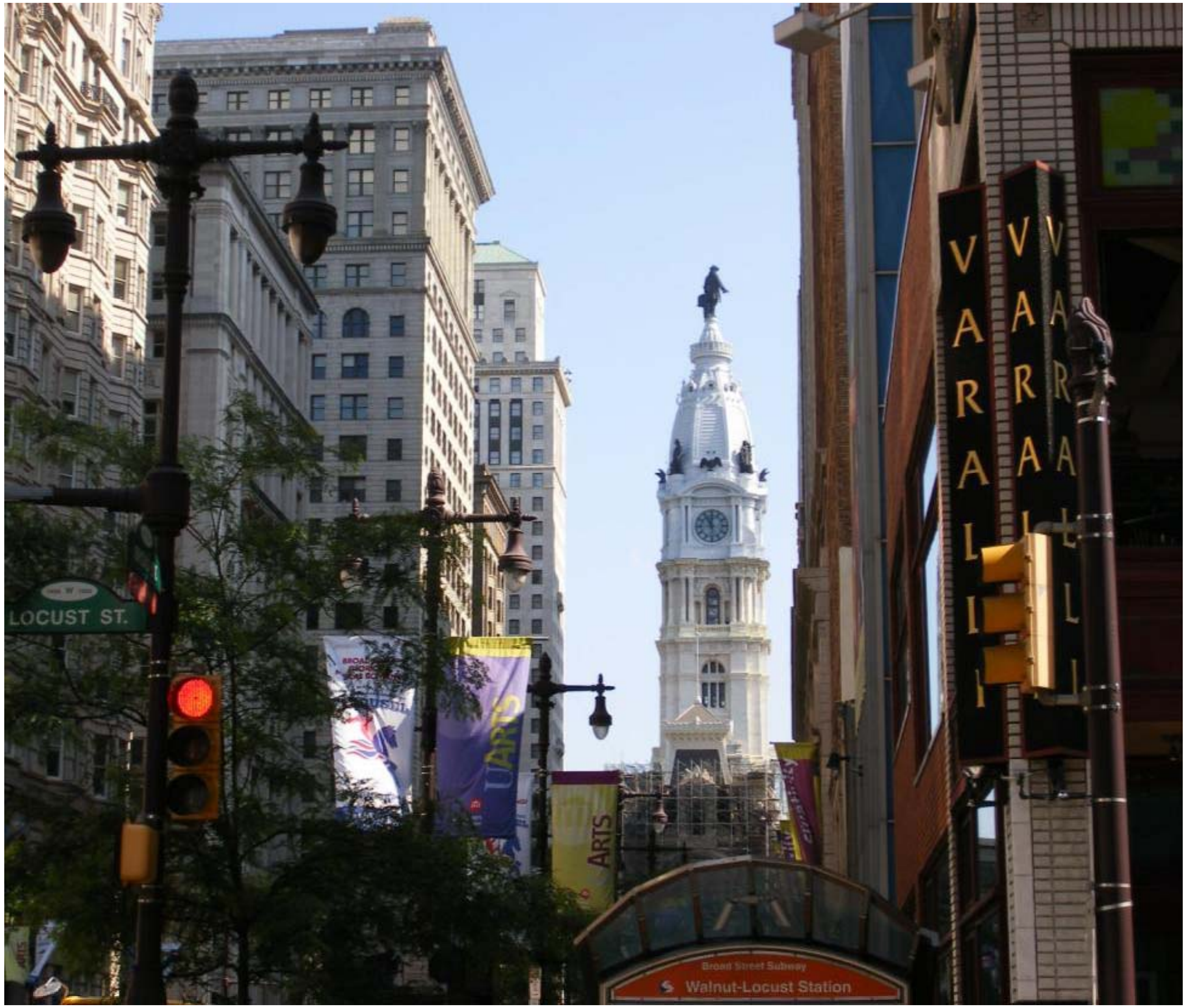
DORCHESTER HOME TOWN OR CLONE TOWN?

2000 - 2010	CHANGE BY 2010
TOWN CENTRE SALES	+ 13%
LOSS OF HIGH STREET SHOPS	- 15,000
LOSS OF LOCAL SHOPS	- 18,000
NEW OFF CENTRE RETAIL UNITS	+ 1,800
LOST HIGH STREET FLOOR SPACE	- 27 M ft^2
GROWTH OF OFF CENTRE RETAIL	+ 50 M ft^2
VACANCY LEVEL	+ 1.3%
REDUCTION IN BOOK SHOPS	- 50%
PUBLIC SPENDING INCREASE	+ 53%
EDUCATION BUDGET INCREASE	+ 89%
POPULATION	+ 3.3 m
STAMP DUTY TAX RECEIPT	£0.865 BN TO £6.68 BN
PEAK TO TROUGH AV. VALUE FALL	- 32%

AMERICAN REURBANISATION

DORCHESTER HOME TOWN OR CLONE TOWN?

- 1947-1953 SUBURBAN GROWTH +43%
- 2010-2011 METROPOLITAN CITY GROWTH AT 60% FASTER THAN SUBURBS
- LONDON 1921-1951 INNER CITY LESS 23%, OUTER LONDON UP 53%.



UK DEVELOPMENT

DORCHESTER HOME TOWN OR CLONE TOWN?

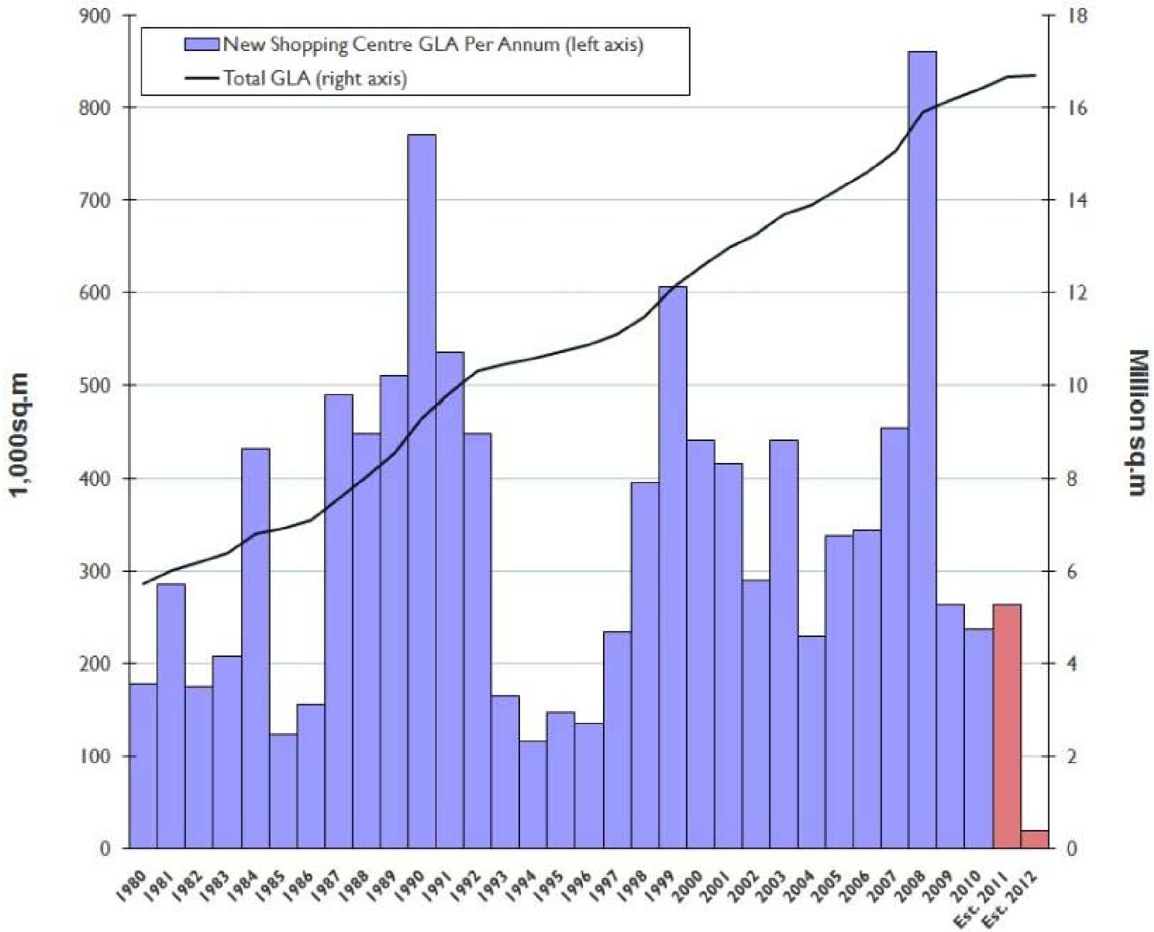
AV. ANNUAL SUPPLY 1974 – 2005

- retail: 16.15 million ft²
- offices: 18.5 million ft²
- warehousing: 29.7 million ft²

Rating Lists.VOA. 1974-2005

SHOPPING CENTRES 1980 – 2011

- Av annual at 6.642 million ft²
- 2012 = lowest level for 50 yrs



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The Four Horseman of the Retail Apocalypse

- DECENTRALISATION
- POLARISATION
- CONCENTRATION
- AGGLOMERATION

DECENTRALISATION

DORCHESTER HOME TOWN OR CLONE TOWN?

TOWN CENTRES

- SCHILLER'S 3 WAVES: FOOD STORES, RETAIL PARKS AND REGIONAL SHOPPING CENTRES
- 1986-99: METRO, MERRYHILL, LAKESIDE, MEADOWHALL, BRAEHEAD, TRAFFORD, WHITE ROSE, BLUEWATER & CRIBBS
- FALL FROM 75% TO 27%- OF ALL RETAIL FLOOR SPACE (1980-2005)

POLARISATION

DORCHESTER HOME TOWN OR CLONE TOWN?

COMPARISION TRADE

- 200 CENTRES = 50% TRADE (1971)
- 200 CENTRES = 75% TRADE (1998)
- 73 CENTRES = 60% TRADE (2008)

1,280 'TOWN CENTRE ACTIVITY AREAS'

600 'MAIN RETAIL CORES'

11% CENTRES WITH ZONE 'A' £125+

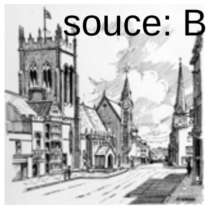
CONCENTRATION

DORCHESTER HOME TOWN OR CLONE TOWN?

- 215,000 RETAIL CO'S & 548,000 SHOPS
- 300 TAKE 70% OF ALL SALES
- MULTIPLES TAKE 22% OF ALL SHOPS BUT RETAIL MULTIPLES TAKE 11%

UK RETAIL SECTOR 1992	TOTAL TURNOVER	
	Largest five	Largest ten
Food	43.5%	58.1%
Drink, sweets & tobacco	23.1%	36.7%
Clothing & footwear	36.2%	49.1%
Household goods	19.9%	29.9%
Other	24.0%	34.6%

souce: BIS study 2003



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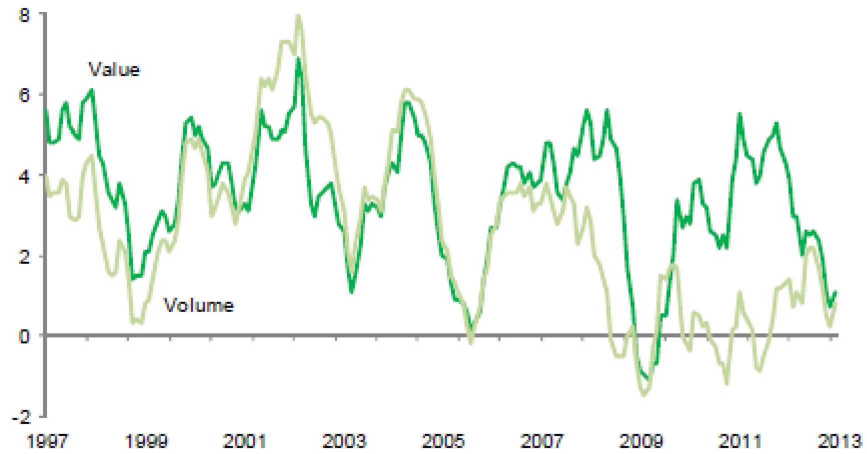
RETAIL PERFORMANCE

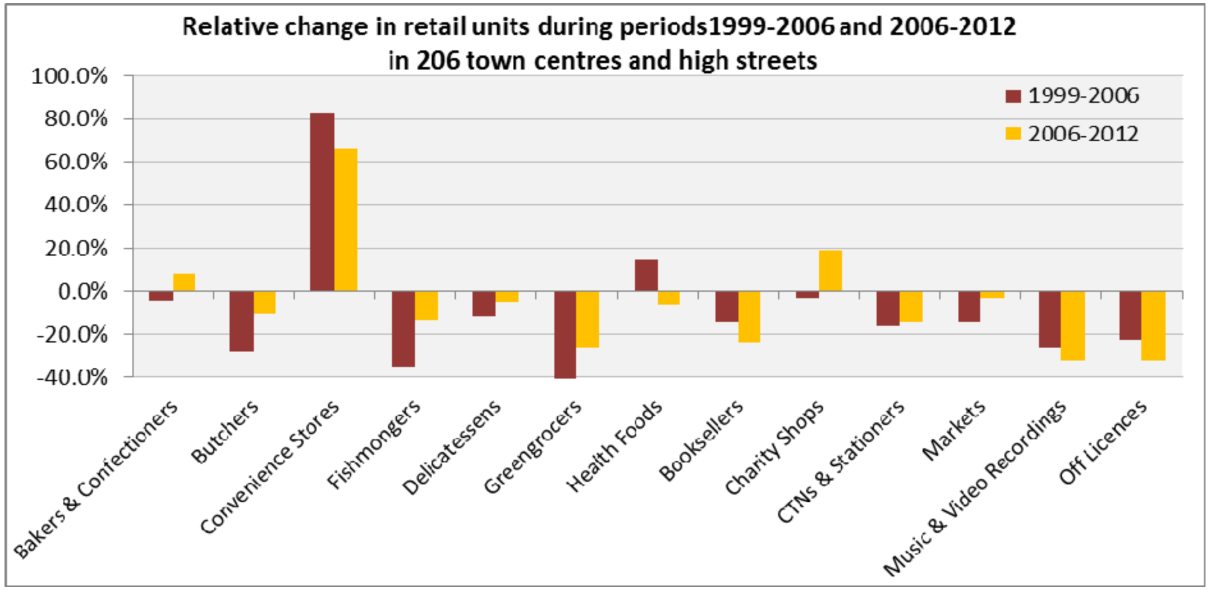
DORCHESTER HOME TOWN OR CLONE TOWN?

- RETAIL SALES VOLUME AND VALUE
- RETAIL TROUGH IN Q4 2008 (-8.8%)
- ECONOMY IN Q1 2009 (-6.1%)
- RETAIL RECOVERY Q4 2009
- ECONOMY RECOVERYQ3 2010

Value and volume of retail sales, UK
Three month periods, % change on previous year, seasonally adjusted



- GROWTH & RECESSION
- SERVICE RETAILERS
- SPECIALIST RETAILERS



DEATH OF THE HIGH STREET

DORCHESTER HOME TOWN OR CLONE TOWN?

"BY 2018 SHOP NUMBERS WILL FALL FROM 281,930 (2012) BY 22%"

CENTRE FOR RETAIL RESEARCH

	SHOP NUMBERS	SHOP AREA M^2
DOE DATA SERIES		
1974	582,300	68,300,000
2005	516,864	97,273,000
DCLG EXPERIMENTAL		
2000	541,090	103,319,000
2012	527,860	111,199,000

VALUATION OFFICE: DATA FOR ENGLAND

VACANCIES

DORCHESTER HOME TOWN OR CLONE TOWN?

SWINDON

- TOWN CENTRE AT 18%
- LOCAL CENTRES AT 7.3%

Table 3: The vacancy rates for the CAAP Town Centre boundary only (excluding Old Town).

Year	Total Units	Occupied	Vacant	% Vacancies
2006	472	419	53	11.2
2007	486	419	67	13.8
2008	482	434	48	10
2009	482	410	72	14.9
2010	523	433	90	17.2
2011	529	434	95	18

(Table 3)

Table 4: The overall vacancy rates for designated centres outside the CAAP area.

Year	Total Units	Occupied	Vacant	% Vacancies
2006	527	475	52	9.9
2007	540	504	36	6.7
2008	507	477	30	5.9
2009	510	463	47	9.2
2010	508	470	38	7.5
2011	509	472	37	7.3

(Table 4)

LONDON CHANGE 1

DORCHESTER HOME TOWN OR CLONE TOWN?

LONDON 1971-2000

- 200 'TOWN CENTRES'
- POPULATION GROWTH 0.6% PA (0.3% UK)
- RETAIL EMPLOYMENT IN HIGH STREETS DOWN 22% AND UP 75% FOR OFF CENTRE RETAIL
- 700,000 M² RETAIL PIPELINE STILL GIVES NEED FOR EXTRA 12 BRENT CROSS DEVELOPMENTS

LONDON CHANGE 2

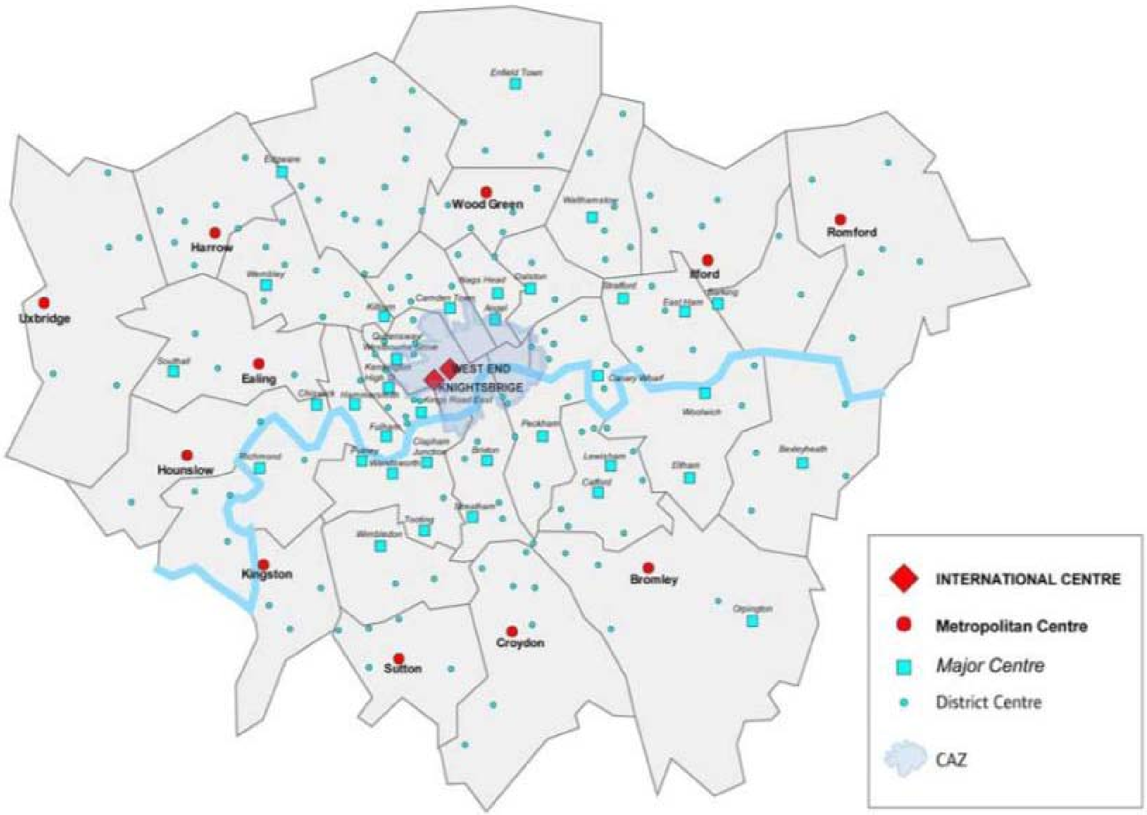
DORCHESTER HOME TOWN OR CLONE TOWN?

LONDON 1971-2000

1 MISSING 'TOWN CENTRES'
- MANOR PARK
- SIDCUP STATION RD
- WHITTON

2 NEW 'TOWN CENTRES'
- HACKBRIDGE
- COLLIERS WOOD

3 LOST FLOOR SPACE
- WILLESDEN GREEN : -63%
- KNIGHTSBRIDGE : -47%
- KEN HIGH ST : -23%



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TOWN CENTRE FIRST POLICY

DORCHESTER HOME TOWN OR CLONE TOWN?

- JOHN GUMMER'S PPG6 1996

"*There is a consensus that PPG6 works in theory, but not in practice ... Local authorities have been widely criticised for their lack of proactive planning in terms of identifying and procuring suitable sites for retail and leisure development*".

(Policy Evaluation of the Effectiveness of PPG6. ODPM 2004)

- MODERN PLANS
- SEQUENTIAL TEST
- INTERVENTION

Department of the Environment

Revised PPG6
June 1996

PLANNING POLICY GUIDANCE:

TOWN CENTRES AND RETAIL DEVELOPMENTS

Planning Policy Guidance notes set out the Government's policies on different aspects of planning. Local planning authorities must take their content into account in preparing their development plans. The guidance may also be material to decisions in individual planning applications and appeals.
This PPG updates and replaces the guidance given in PPG 6, "Town Centres and Retail Developments", published in July 1993.

The key features of this guidance are:

i. on planning for town centres and retailing:
- **emphasis on a plan-led approach to promoting development in town centres, both through policies and the identification of locations and sites for development;**
- **emphasis on the sequential approach to selecting sites for development, for retail, employment, leisure and other key town centre uses; and**
- **support for local centres.**

ii. on town centres:
- **promotion of mixed-use development and retention of key town centre uses;**
- **emphasis on the importance of a coherent town centre parking strategy in maintaining urban vitality, through a combination of location, management and pricing of parking for different user groups;**
- **promotion of town centre management to develop clear standards of service and improve quality for town centre users; and**
- **promotion of good urban design, including attractive and secure car parks.**

iii. on assessment of retail proposals:
- **clarifying the three key tests for assessing retail developments: impact on vitality and viability of town centres; accessibility by a choice of means of transport; and impact on overall travel and car use;**
- **how to assess out-of-centre developments; and, finally,**
- **how certain new types of retail development should be assessed.**

Contents

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DEVELOPMENT ARENA

DORCHESTER HOME TOWN OR CLONE TOWN?

CONSTRAINTS

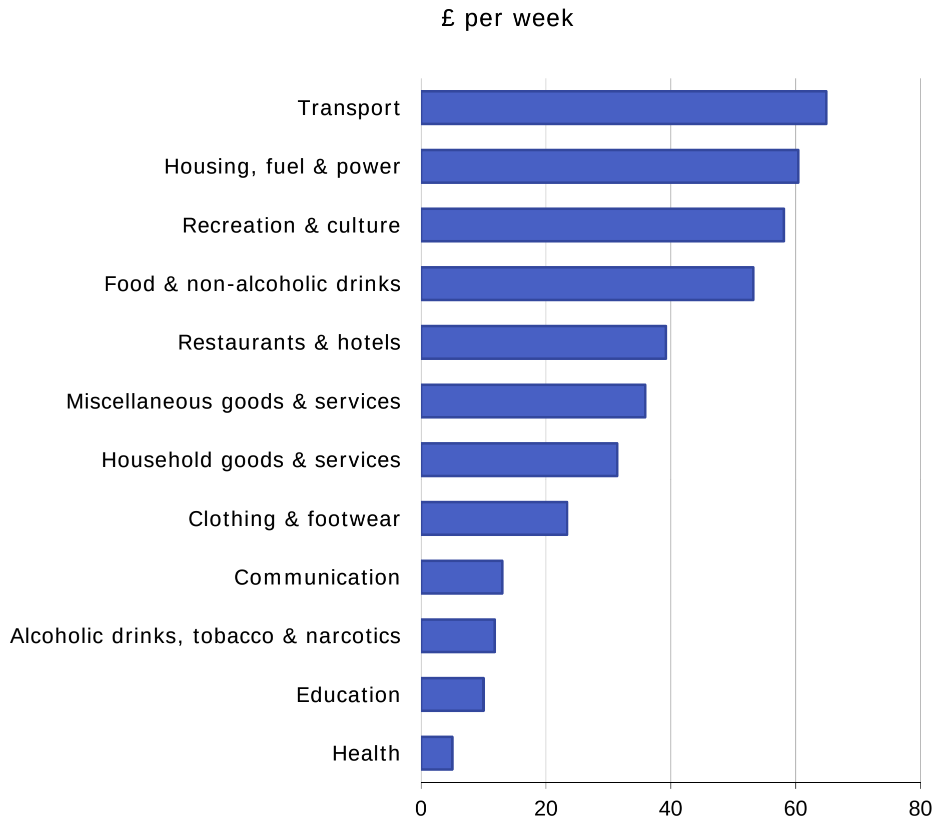
- PLANNING POLICY
- SITE ASSEMBLY
- COSTS

OPPORTUNITIES

- DEVELOPER
- GOVERNMENT
- INVESTOR

CONSUMER

DORCHESTER HOME TOWN OR CLONE TOWN?



Average weekly household expenditure on main commodities and services, 2010, UK

INTERNET ARMAGEDDON

DORCHESTER HOME TOWN OR CLONE TOWN?

- HISTORY
- SCALE
- OMNICHANNEL
- HIGH STREET RESPONSE

INTERNET SALES

DORCHESTER HOME TOWN OR CLONE TOWN?

- 9.7% OF SALES
- 7.7% OF NON FOOD SALES
- 55% OF MUSIC SALES
- 35% OF BOOK SALES
- HOME DELIVERY USERS CLOTHING 13.1 M (2007) & 13.5 M (2012)

ONS STATS 2013

"ONLINE CAN'T COMPETE AGAINST OUR BRICKS-AND-MORTAR OFFER"
GEORGE WESTON, ABF/PRIMARK BOSS

GHOST TOWN, CLONE TOWN OR HOME TOWN

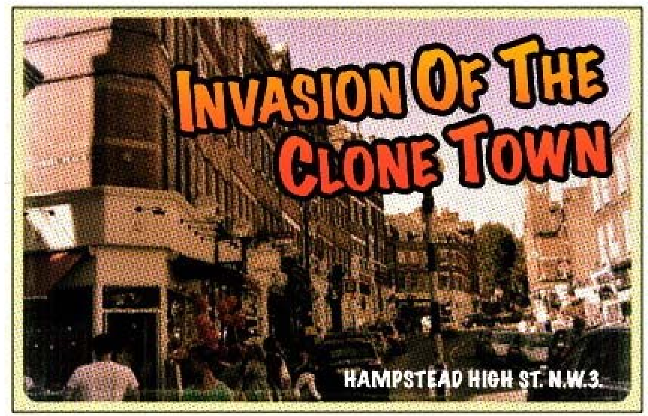
DORCHESTER HOME TOWN OR CLONE TOWN?

‘CLONE TOWN BRITAIN: THE LOSS OF IDENTITY ON THE NATION’S HIGH STREETS’

NEW ECONOMICS FOUNDATION 2004

“The death of diversity undermines democracy, attacks our sense of place and belonging and therefore well-being. It hands power to the corporate elite ultimately pulling apart the rich weave of natural systems upon which our livelihoods and the economy depend”

“High rents have put space at a premium, and in a bid to provide much needed High Street brands the town has begun to overlook the independent market, who now cannot afford to trade there. It may be the case that the shoppers actually only want to see large, recognisable High Street brands, but secondary research suggests that the consumer is looking for a 'different' shopping experience”.



DEVELOPMENT CONSULTANCY

WEST DORSET LOCAL ECONOMY

DORCHESTER HOME TOWN OR CLONE TOWN?

PRIME RETAIL	ZA £ psf
1990	£60
1995	£60
2000	£60
2005	£75
2010	£70

- 1994 Dorchester market share suggested at 45%
- 2008 Dorchester market share suggested at 22%

COMMERCIAL FLOOR SPACE GROWTH 2000-2012

	RETAIL	OFFICES	INDUSTRIAL
Christchurch	4.13%	-20.75%	-8.64%
East Dorset	-13.11%	18.37%	-0.24%
North Dorset	17.86%	33.33%	13.62%
Purbeck	-6.12%	122.22%	12.58%
Weymouth & Portland	14.29%	0.00%	0.70%
West Dorset	**4.6%**	**31.0%**	**16.90%**

AVERAGE HOUSE PRICE GROWTH **197%**

COMMERCIAL VALUE GROWTH 2000-2012

RATEABLE VALUE M²	RETAIL	OFFICES	INDUSTRIAL
Christchurch	79%	79%	60%
East Dorset	82%	38%	66%
North Dorset	53%	27%	25%
Purbeck	43%	33%	40%
Weymouth & Portland	63%	9%	25%
West Dorset	**50%**	**22%**	**30%**

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TOWN CENTRE HEALTH CHECK 2001

DORCHESTER HOME TOWN OR CLONE TOWN?

Figure 3.1: Reason for and Frequency of Trips to the Town Centre

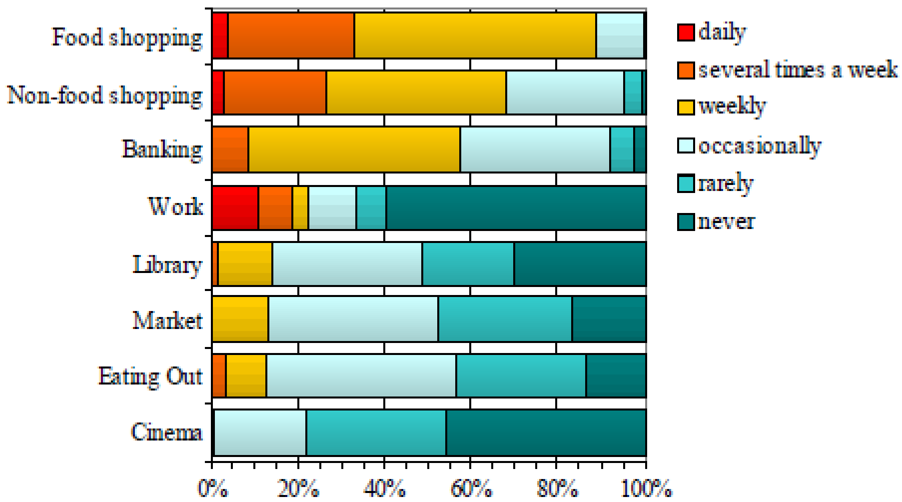


Figure 4.1: Main Mode of Transport Used by Resident Location

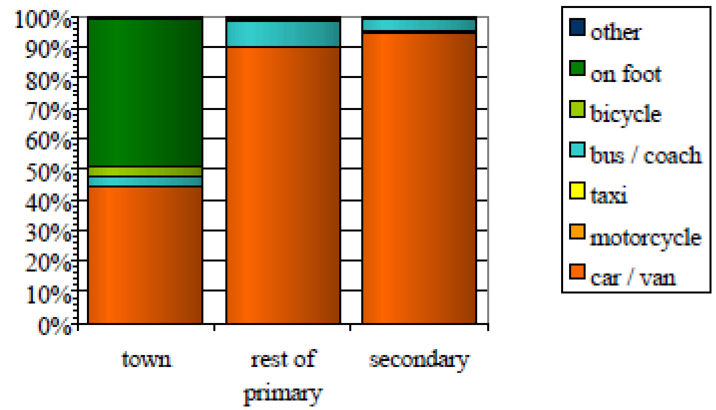


Figure 3.2: National and Local Stores

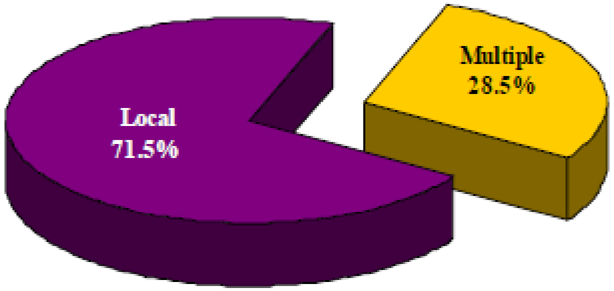
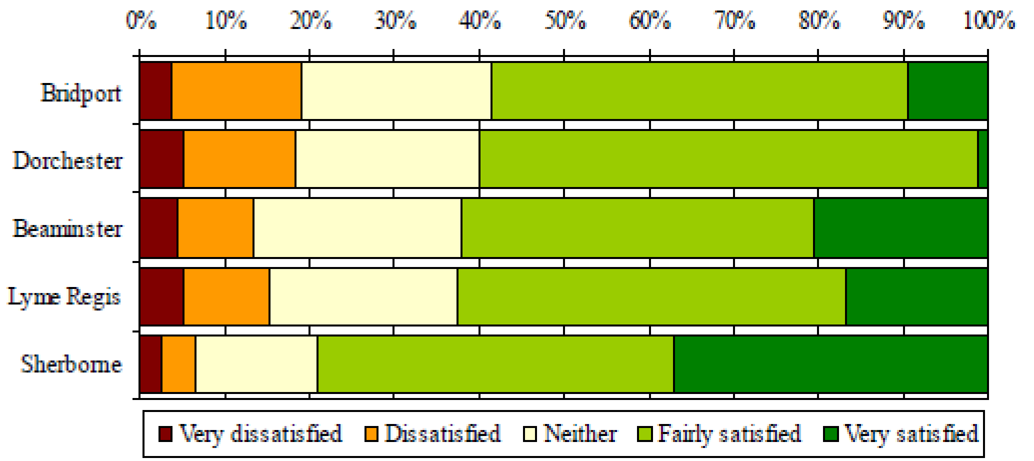


Figure 6.2: West Dorset Community Survey 2000 results: Satisfaction

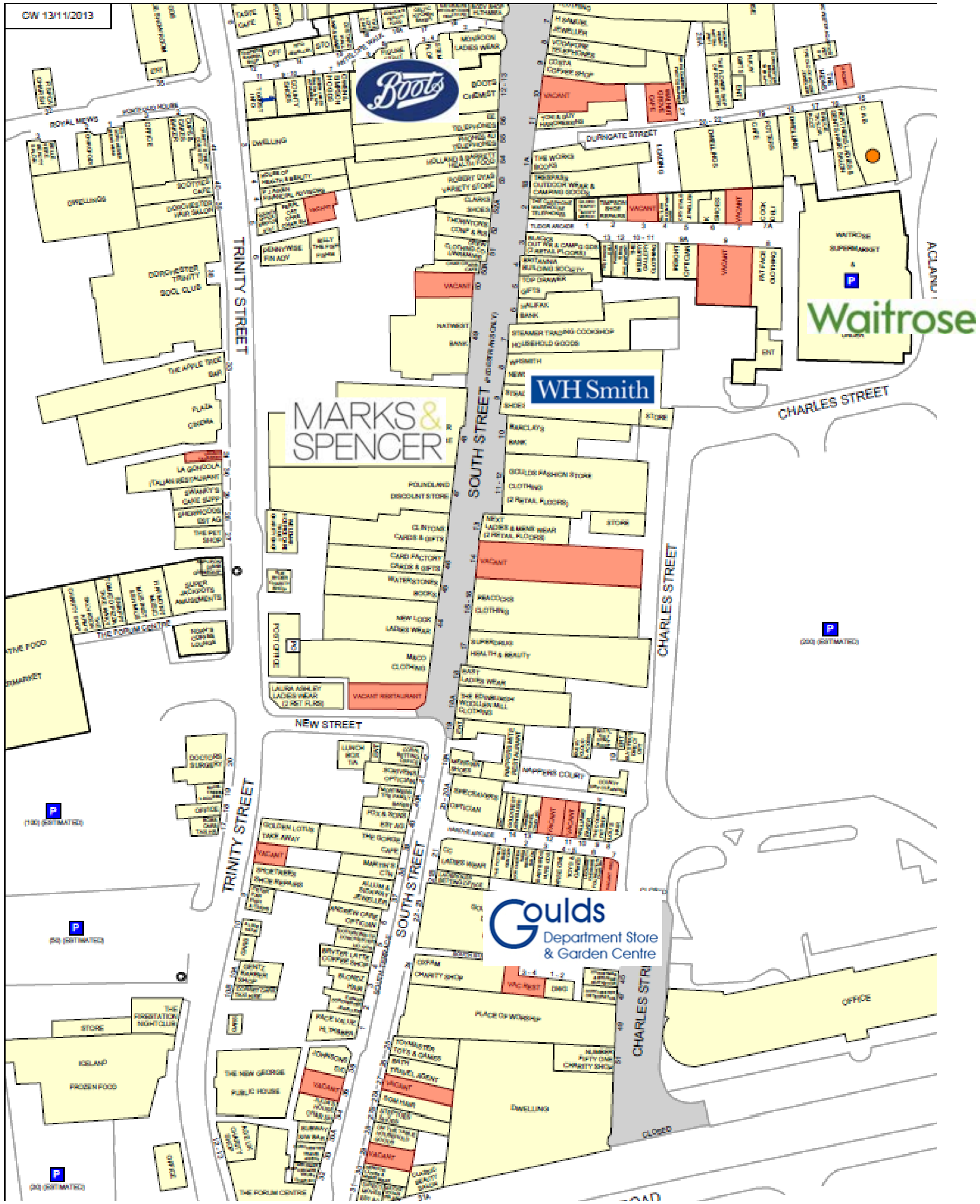


TOWN CENTRE

DORCHESTER HOME TOWN OR CLONE TOWN?

RETAIL ANCHORS

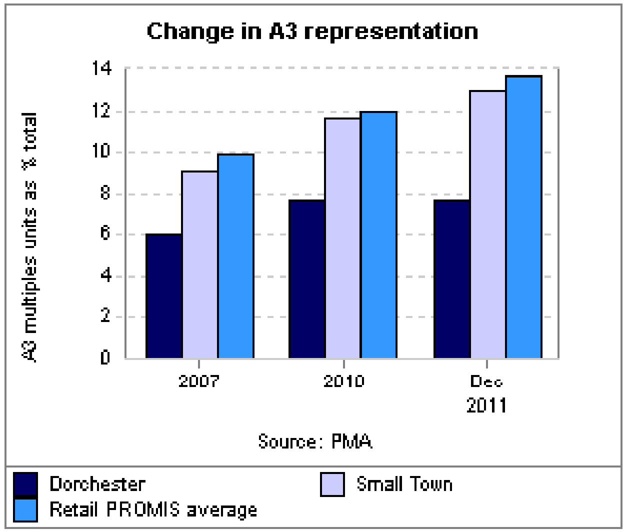
- MARKS & SPENCER 10,500 ft²
- WAITROSE 10,000 ft²
- GOULDS
- WH SMITH / BOOTS



DORCHESTER SHOPS

DORCHESTER HOME TOWN OR CLONE TOWN?

- GOING UP MARKET
- RESTAURANT CHANGE BEHIND
- CONVENIENCE OUTLETS ONLY 2.8% OF SHOPS (9% NATIONAL)
- MHE INDEX RANK AT 267 (2011) DOWN FROM 243 (2004)



BREWERY SQUARE

DORCHESTER HOME TOWN OR CLONE TOWN?

- WADSWORTH ACQUISITION 2001
- PLANNING PERMISSION 2006
- 50,000 ft^2 RETAIL / 15 SHOPS
- SHOPS RESTRICTED TO MAX 5,400 ft^2
- ODEON 3 SCREEN CINEMA
- PIZZA EXPRESS, WAGAMAMA, ZIZZI, CARLUCCIO
- PHASE EIGHT, JOULES, GERRY WEBER, HOBBS, JONES BOOTMAKER

HOME TOWN

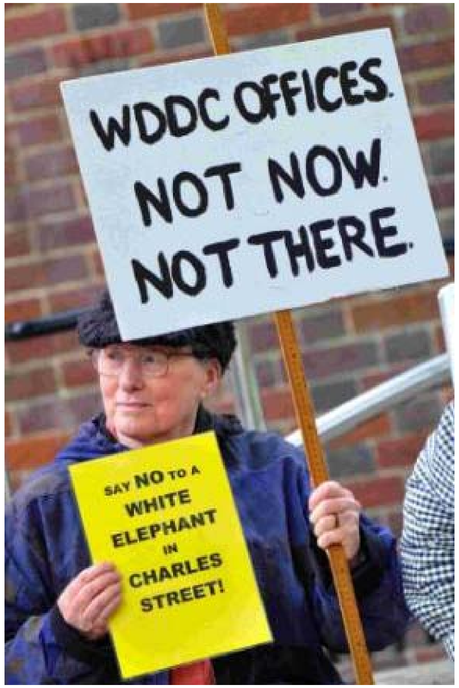
DORCHESTER HOME TOWN OR CLONE TOWN?

- PUBLIC INFRASTRUCTURE
- CULTURE, HEALTH & LEARNING
- MEMORABLE ENVIRONMENT
- DIGITAL ENVIRONMENTS
- SECONDARY TRADER NUTURE
- FRESH FOOD & DINING

CHARLES STREET

DORCHESTER HOME TOWN OR CLONE TOWN?

1988	MEPC SELECTED TO DEVELOP 138,000 ft² CENTRE
1989	PLANNING PERMISSION GRANTED
1991	COMPULSORY PURCHASE ORDER CONFIRMED
1992	MEPC ABANDON SCHEME
1999	HELICAL RETAIL SELECTED FOR160,000 ft² CENTRE
2001	HELICAL RETAIL ABANDON SCHEME
2006	SIMONS SELECTED TO DEVELOP 144,500 ft² CENTRE
2010	PLANNING PERMISSION GRANTED
2012	WDDC NEW OFFICES OPEN
2013	NEW LIBRARY OPENS



ISSUES

- MARKS & SPENCER
- WAITROSE
- VIABILITY
- QUALITY
- DIFFERENTIATION

VIABLE TOWN CENTRES

DORCHESTER HOME TOWN OR CLONE TOWN?

DEVELOPMENT FORMATS

- ACCESS & CONVENIENCE
- VIABLE STRUCTURES
- PUBLIC INFRASTRUCTURE
- ANCHOR ATTRACTORS
- URBAN QUALITY
- FESTIVAL RETAIL
- MIXED USE

HOUNSLOW

- 10,000 M² RETAIL/LEISURE
- 34,000 M² RESIDENTIAL
- £30 M SITE VALUE
- £7.5 M WITH 40% SOCIAL

NEW DEVELOPMENT 2

DORCHESTER HOME TOWN OR CLONE TOWN?

GUILDFORD

- 40,000 M² RETAIL/LEISURE
- JOHN LEWIS ANCHOR
- LAND SECURITIES APPOINTED

SHEFFIELD

- 60,000 M² RETAIL/LEISURE
- JOHN LEWIS ANCHOR
- TAX INCREMENT FINANCE

OTHERS

- CHESTER NORTHGATE
- LEEDS VICTORIA GATE
- ABERDEEN BUCHANAN

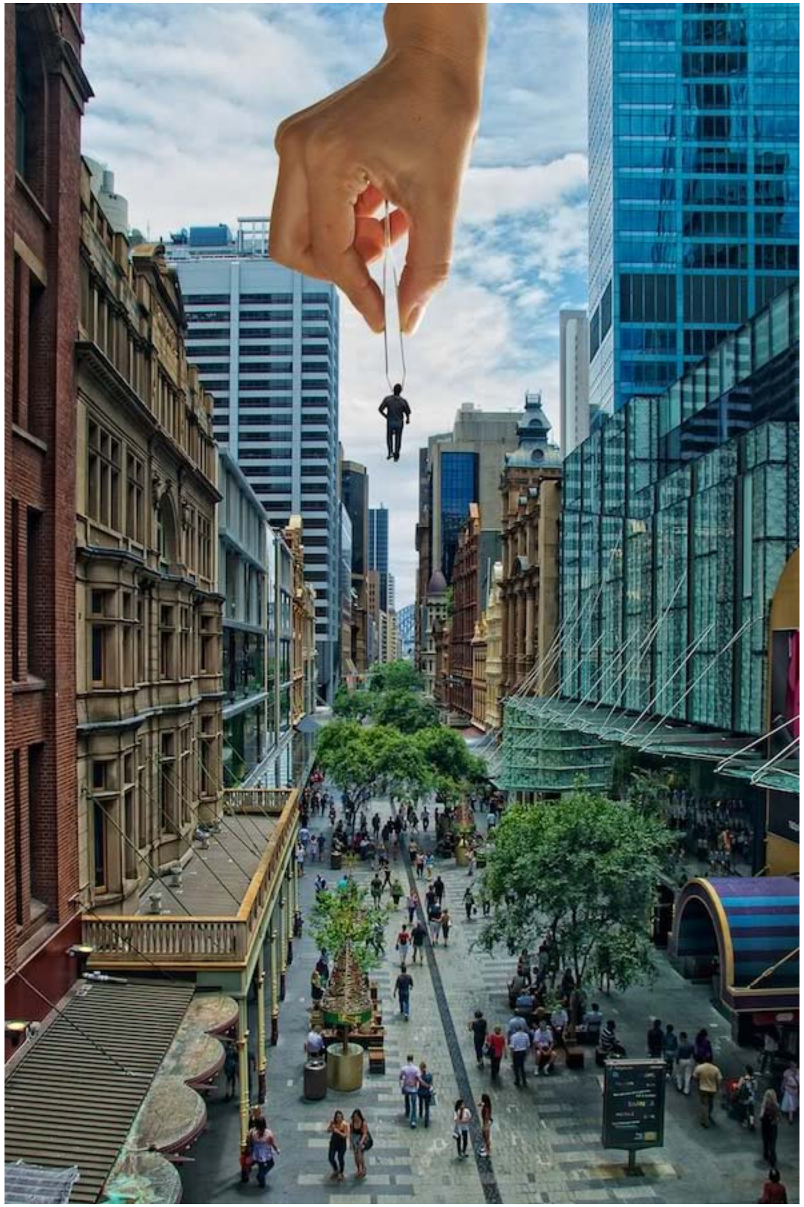
PUERILE PLACES FOR PLASTIC PEOPLE

DORCHESTER HOME TOWN OR CLONE TOWN?

THE STAGE SETS THE PLAY?

- ECONOMIC MARKET PLACES – Adam Smith's dead hand?
- ASSET MANAGEMENT – expert managers wielding technical judgement?
- COMMUNITY RULE – local democracy to determine what's best?

- RULES & REGULATIONS – open competition
- TENANT HANDBOOK – cosy corporatism
- POLITICAL POLICY – chaotic stasis



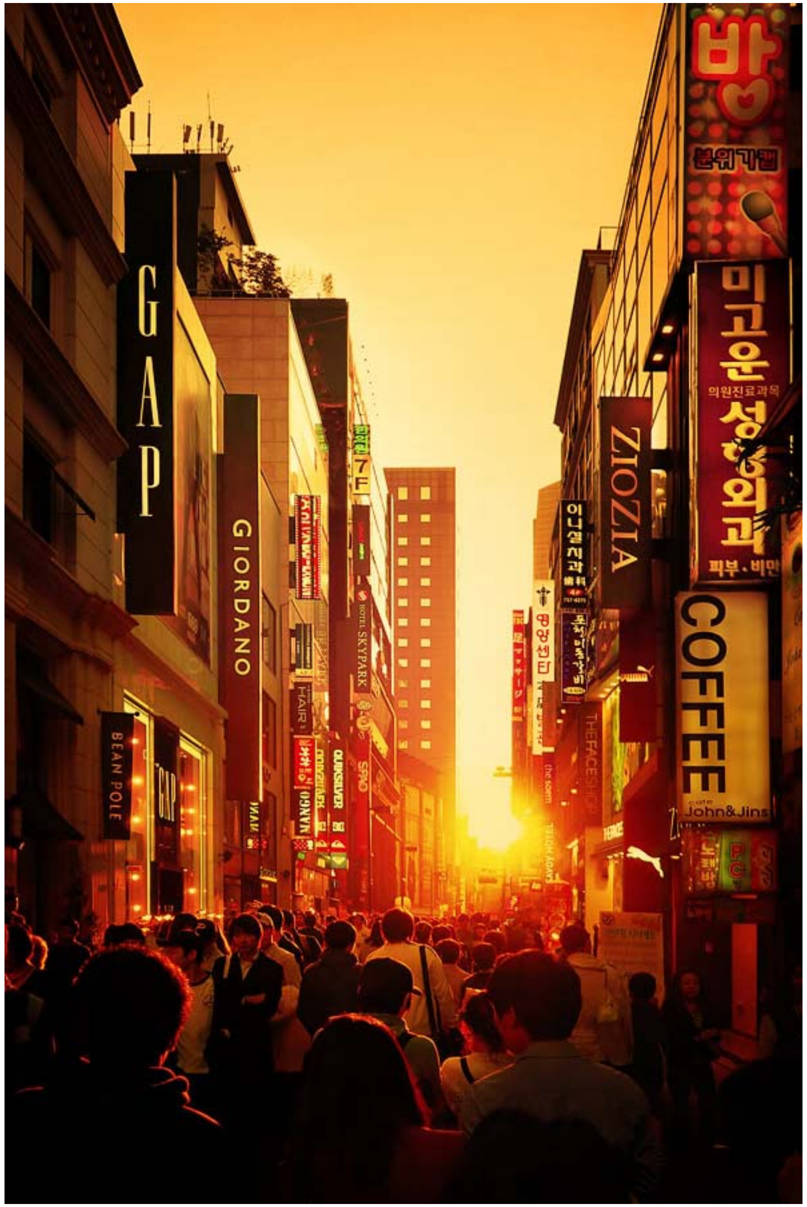
PITT STREET
SYDNEY

A GOLDEN FUTURE?

DORCHESTER HOME TOWN OR CLONE TOWN?

CONSUMER DRIVERS

- UBIQUITOUS BRAND, UNIQUE OFFER OR BESPOKE SERVICE
- STANDARDISED AND FAMILIAR ENVIRONMENTS OR CHARACTERFUL PLACES
- STRESSFUL AND CHALLENGING USE OR RELAXED AND CONVENIENT ENJOYMENT
- DISPARATE AND UNIFORMATIVE SERVICES OR CONNECTED AND LINKED PLATFORMS



MYEONG-DONG
SOUTH KOREA

CHALLENGED HOME TOWN?

DORCHESTER HOME TOWN OR CLONE TOWN?

- ✓ CHARACTERFUL PLACE
- ✓ STRONG LOCAL ECONOMY
- ✓ BREWERY SQUARE LEISURE & NEW RETAIL BRANDS
- ✓ 71% INDEPENDENT SHOPS

- × POOR LOCAL FOOD OFFER
- × TOWN CENTRE STASIS
- × FRAGILE ANCHORS
- × POOR INDEPENDENTS
- × NO GAME PLAN

QUESTIONS & DISCUSSION ?

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