GVA
St Catherine's Court
Berkeley Place
Bristol
BS8 1BQ

Torbay Retail Study Update 2011

Executive Summary

Torbay Council

September 2011

Executive Summary

Introduction

1.1 This report has been prepared by GVA in response to an instruction by Torbay Council dated January 2011 to prepare a new updated retail study for Torbay. In recent years two previous retail studies have been undertaken for the Torbay administrative area, in 2006 and 2008, both of which were prepared by GVA. This latest study is required in response to a number of factors, including the need to obtain up to date information relating to local retailing issues and the need to respond to guidance contained in Planning Policy Statement 4: Planning for Sustainable Economic Growth which was published in December 2009. The overall aims of this project are:

- To identify available and projected retail expenditure for convenience and comparison goods over the period 2011 to 2031 within Torbay and its retail catchment area.
- To identify market share retention rates available to and within the Bay and the constituent three towns, incorporating indicative potential tourism expenditure.
- To make recommendations for floorspace thresholds for the scale of edge-of-centre and out-of-centre schemes, which should be subject to an impact assessment.
- To make recommendations for potential locally important impacts which could be included within the Council's impact assessment.
- To provide guidance to the Council on how Torbay can redefine its role in the regional shopping hierarchy, through strategic actions such as major town centre regeneration sites, strategic bulky goods locations, leisure parks, and outlet villages within Torbay.
- To provide input in to the Council's emerging growth strategy by providing guidance on Torbay's Retail hierarchy including likely opportunity for future capacity to be met within the Town Centres, District and Local Centres.

Meeting identified needs and redefining Torbay's role in the regional shopping hierarchy

1.2 Across Devon, Torbay lies in the top three largest urban conurbations. It lies second to Plymouth and, as a whole (Torquay, Paignton and Brixham combined) is larger than Exeter. However, given that Torbay is effectively split into three distinct settlements (Torquay, Paignton and Brixham) it has three separate town centres with the largest of these (Torquay town centre) only 60% of the size of Exeter city centre. Whilst Torbay's three town centres combined occupy a similar amount of floorspace to Exeter city centre, this separation of floorspace across a number of centres has an effect on the commercial performance of Torbay's town centres. According to Venuescore, Torquay is ranked 148th nationally, Paignton is ranked 505th and Brixham ranked 1,246th. A further salient issue is the catchment area population of Torquay, the largest town centre, when compared with Exeter: 664,000 people are within 30 minutes drive of Exeter, whilst 640,000 are within 30 minutes of Torquay. The geography of Torbay, being on the coast, is an obvious influencing factor, as is the poor quality of road network between Newton Abbot and Torquay.

1.3 As a consequence of the above factors, Torbay lies behind centres such as Exeter and Plymouth in terms of its overall attractiveness, which is supported by the rental levels which can be achieved on town centre retail property and the scale and type of retailers which can be attracted to the area. Indeed, a clear distinction can be made in terms of the role and attractiveness of the three town centre areas in Torbay:

- Torquay is the largest centre and the key shopping destination for comparison goods. It has, despite some acknowledged opportunities to improve the quality of provision, a good selection of national multiple high street style comparison goods retailers in the town centre and is also well provided for in terms of out of centre retail warehousing provision. Beyond the town centre, the Willows District Centre, located in the western part of the town, is also a popular shopping destination for both Torbay residents and residents of surrounding Districts. However, despite its dominance in Torbay, the health of Torquay town centre has suffered in recent years with our land use assessment indicating a noticeable fall in the number of comparison retailers and a large rise in the number of vacancies. Vacancies in the town centre are now well above the national average.

- Paignton is the second largest centre in Torbay, in terms of the physical size of its town centre and also the level of expenditure which is attracted from local residents and visitors. The town centre has a mix of national and independent retailers although it has around half the number of multiples as Torquay and has a much smaller retail warehouse sector (due to the poorer quality connections with surrounding areas). Like Torquay, Paignton has suffered from a fall in the number of comparison goods retailers in the centre over the past five years and land use data from the Council shows a doubling of vacant units between 2005 and 2010. Whilst Paignton is relatively self-sufficient in terms of convenience goods shopping trips, there is a significant amount of leakage to Torquay town centre and the Willows District Centre.
- Brixham has the smallest of the three town centres, in terms of physical size and financial turnover. The centre is occupied by predominantly local independent traders and small convenience stores. As a consequence, there is a significant leakage of convenience and comparison goods shopping trips, with Paignton being the main beneficiary for convenience trips and Paignton and Torquay benefiting from Brixham residents' comparison shopping trips. Unlike Paignton and Torquay, Brixham's town centre land use mix has remained relatively stable in recent years.

1.4 Our assessment of the need for additional retail floorspace across Torbay has found that there is a quantitative and qualitative need for new provision in both the convenience and comparison goods retail sectors. Within the convenience goods sector the most pressing need is for a new floorspace in Brixham which can assist with retaining main and top-up food shopping trips within the town. In Paignton and Torquay, qualitative aspects of provision are much better although in both towns there is a need to try and rebalance provision back towards the town centres.

1.5 The level of quantitative need for additional convenience goods floorspace has been reduced by the grant of planning permission for an extension to the Sainsburys supermarket in Paignton and a large food hall in the Marks & Spencer at the Willows District Centre. Capacity for additional floorspace will be further reduced by the recent purchase of the Focus DIY unit in Torquay by ASDA and this unit being reoccupied by a supermarket. If all of these proposals, plus the assumption that a new supermarket will be provided in Brixham town centre, are taken into account capacity for additional convenience goods floorspace will be around 2,000sq m net by 2016, rising to 3,500sq m net by 2021, 5,000sq m net by 2026 and 6,500sq m net by 2031. If this global capacity is broken down into its constituent parts, and assuming that existing shopping patterns remain constant, then Torquay would benefit from the majority of this capacity, with additional significant capacity for new floorspace in Paignton only occurring after 2021.

1.6 We have considered a number of options where the identified quantitative and qualitative needs for convenience retail provision can met, including the provision of all new floorspace within the three town centres, the provision of all new floorspace within the gap areas (rather than town centres) and a combination of these options which spreads development across the town, district and local centres and gap areas. After consideration, the last of these options appears to us to represent the most appropriate balanced scenario whereby the traditional town centres first approach is blended with the need to meet locational specific needs through the gap areas across Torquay, Paignton and Brixham. We consider that provision for new convenience retail floorspace should be directed to the following areas:

- Torquay town centre. Potential for provision of new convenience goods floorspace within the potential development sites at Market Street and Union Street. It is our view that both areas can accommodate convenience goods retail floorspace although stores on these sites are likely to be modest in scale.
- Paignton town centre. There are two potential development opportunities for new supermarket development in Paignton town centre: Victoria Square and Victoria Park. Should the Council wish to proceed with the redevelopment of Victoria Square, further investigations are required over the potential for the Victoria Square site to accommodate convenience goods floorspace including options over the scale of potential accommodation. We consider that efforts should be made to accommodate a main/bulk food shopping facility, which is likely to have a minimum sales area of circa 30,000sq ft net. Clearly, redevelopment will need to be accompanied by the identification of options for the relocation of the Lidl store and also an improved frontage for this site onto Torbay Road. The alternative option is to develop a new supermarket on Victoria Park, an option which would need to deal with the loss of existing public open space and the need for a re-provision elsewhere. The Victoria Park option is likely to be the more commercially attractive option for new supermarket development and potentially an easier scenario to deliver, although

open space re-provision and improved linkages with the town centre are pre-requisites.

- Brixham town centre. Confirmation of the ongoing proposals for a new Tesco store on the former multi-storey car park site in the town centre.
- Gap areas. If the Council is minded to pursue an approach whereby new convenience goods floorspace is provided to remove/reduce the identified gap areas (alongside new town centre provision) it should give a clear signal over its intention to give priority to new provision in some or all of the following areas:
  1. Babbacombe / Meadfoot / Wellswood area – opportunities to remove/reduce the Babbacombe / Meadfoot / Wellswood Local Centre gap via the utilisation of the former No Frills retail warehouse site. See below for further details.
  2. Chelston area – via the increase of retail floorspace in Walnut Road Local Centre in the first instance
  3. Preston / Foxholes area – via the increase in retail floorspace in Foxholes Local Centre in the first instance
  4. Three Beaches Local Centre – increased retail floorspace in Three Beaches Local Centre in order to improve accessibility in the Clennon Valley and St Michaels areas.
  5. Collaton St Mary – planned new centre to serve new residential development in urban extension (if pursued through the LDF and Core Strategy).
  6. Edginswell – planned new centre to serve (and lie within) new residential development in urban extension (if pursued through the LDF and Core Strategy).
  7. Yalberton / White Rock – exploration of opportunities for new Local Centre to serve new residential development to the west of Brixham Road, taking account of proposals at White Rock and the commitment to extend the Sainsburys store. See below for further information.

1.7 It is our view that the above locations offer the clear potential to accommodate all of the identified need and there is, in our opinion, no further residual need for any additional significant convenience goods retail floorspace beyond these locations.

1.8 In relation to comparison goods retailing in Torbay, there is also a quantitative and qualitative need for additional floorspace. However, in contrast to convenience goods retailing, the need for additional provision is focused upon Torquay rather than Paignton and Brixham. Our commercial assessment has found that only Torquay has the potential to generate market demand from retailers not currently present in Torbay and retailers with existing small and poorly configured space. Having regard to quantitative aspects of need, only Torquay is likely to benefit from surplus retail expenditure over the short to medium term to support new floorspace. In Brixham and Paignton, there is no surplus expenditure capacity, with instead the focus being on supporting existing retailers and redevelopment of existing floorspace rather than providing new stock.

1.9 Looking at Torbay as a whole, and assuming Torbay is able to maintain a constant market share, there is capacity for around 7,200sq m net of additional floorspace by 2016, rising to 19,300sq m net by 2021. Considered individually, Torquay has a higher quantitative capacity than the global capacity figure (8,700sq m net) but this is reduced in order to support existing provision in Paignton and Brixham.

1.10 Consideration has been given as to how to meet the identified need and, based upon a combination of the need to protect town centre health in Paignton and Brixham plus commercial market interest, it is recommended that the majority of the identified need for additional comparison goods floorspace should be provided for in Torquay with the global capacity levels outlined above treated as maximum levels.

1.11 In terms of the opportunities to meet this identified (comparison goods retail floorspace) need, a number of potential development sites and strategic actions have been considered. Our recommendations are as follows:

- The overall identified need for additional comparison goods floorspace can be split into non-bulky and bulky goods floorspace. In line with long-established national policy, a town centres first approach for all types of comparison goods retail floorspace should be employed and we would expect that the majority of the identified need should be accommodated within Torquay town centre. However, in some instances, a requirement from a particular bulky goods retailer cannot be accommodated within Torquay town centre, thus making an out of centre retail warehouse location potentially acceptable. As such, the Council should seek to identify a specific area in Torquay where bulky goods floorspace should be accommodated and we recommend the Riviera Way, Newton Road, junction of Torquay Road/Hamelin Way area as the most appropriate broad location.

- Of the sites within Torquay town centre considered as part of this study, the largest opportunity area lies in the northern part of Union Street. It presents an opportunity for a large scale redevelopment project of a scale which, if delivered, could significantly improve the role of Torquay in the retail hierarchy. This area is however influenced by a number of deliverability considerations, including site assembly, the mix of land uses which are needed to deliver a viable redevelopment scheme and the need to re-accommodate car parking. Such issues are not uncommon to town centre development sites and we see no reason why at this stage the Union Street area should not be given further more detailed consideration by the Council in terms of its ability to deliver a major town centre regeneration scheme.
- Beyond the Union Street area, there are other smaller scale retail and leisure development opportunities which can also deliver additional or redeveloped retail and leisure floorspace. Within the harbour / sea front area, the Pavilion / Marina multi storey car park area is a particularly important opportunity which is best suited to leisure uses (supported by smaller amounts of retail floorspace) and has the ability to significantly improve the attractiveness of the harbour. As part of further feasibility and market testing of this site, further consideration will need to be given to whether this site can be brought forward alongside any proposals which may come forward for Union Street or whether they could falter as they compete for tenants.
- In terms of ability for Torbay to attract additional commercial leisure uses, it is our view that further uses, such as food & drink uses and potentially a new cinema, can be attracted. Like the non-bulky comparison goods sector, commercial leisure uses are very important to the health of Torquay town centre and we would recommend that the Council concentrates its efforts on bringing forward a development site in the town centre, since an out of centre location for such uses has the potential to be very damaging for the future vitality of the centre.
- We have also considered the merits of the Council taking strategic actions to promote an outlet village (i.e. factory outlet centre) within Torbay. Again, any such demand which may arise would be centred upon Torquay. From a commercial perspective there is unlikely to be demand for a traditional high quality 'high street' retail development plus an 'outlet village' type development. This is also supported by the quantitative assessment of retail need over the short to medium term. Moreover,

should demand materialise for an 'outlet village' it is likely to have a noticeable negative impact upon Torquay town centre, particularly where it is located outside of the town centre area (which seems a likely scenario given the number and physical scale of sites available). Even where such a scheme were to be placed in the town centre, we would question its overall benefit beyond the potential to attract new visitors to the area, simply because the business model of an outlet village would compete directly with existing mainstream 'full price' retailers.

1.12 In order to improve the health of Torquay, Paignton and Brixham town centres, and to improve the role of Torquay in the regional shopping hierarchy, we recommend that the Council will need to be proactive over its promotion of town centre development sites. In relation to Torquay, further feasibility work should be undertaken to understand how to accommodate the majority of the identified need for additional comparison goods floorspace, both bulky and non-bulky goods, plus an element of convenience retail floorspace in Torquay town centre. This work will also consider development viability issues and those issues surrounding site assembly. As a consequence we are not unduly prescriptive over the type and scale of retail and leisure uses which can be accommodated on, for example, the Pavilion / Marina MSCP and Union Street sites. However, a proactive stance from the Council in terms of further feasibility work and planning strategy is required in order to meet two key aims. First, action by the Council is required in order to progress what will be complex town centre development projects, including initial feasibility and masterplanning work and a commitment to assist with site assembly and use CPO powers where necessary. Second, proactive action by the Council will also be important to withstand inappropriate proposals for comparison goods floorspace elsewhere in the Torbay area.

1.13 For Paignton, further work is required in relation to the potential of the Victoria Square and Victoria Park area, including their ability to physically accommodate new retail development and also the associated issues surrounding relocating existing land uses present on these sites. The Council should take a proactive role in this feasibility work and prepare a preferred development strategy in order that the ability for either of these site to accommodate retail is clear and deliverable. For Brixham, significant efforts have already been made by the Council and the private sector to deliver the main retail development site (the former mutli-storey car park site) and we simply give our support to these efforts continuing in order that a new foodstore-led development can be provided within the town centre.