



South Hampshire Town Centres: Sub-Regional Study 2005

Final Report

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DTZ

One Curzon Street

LONDON

W1A 5PZ

0207 643 6167

www.dtz.com

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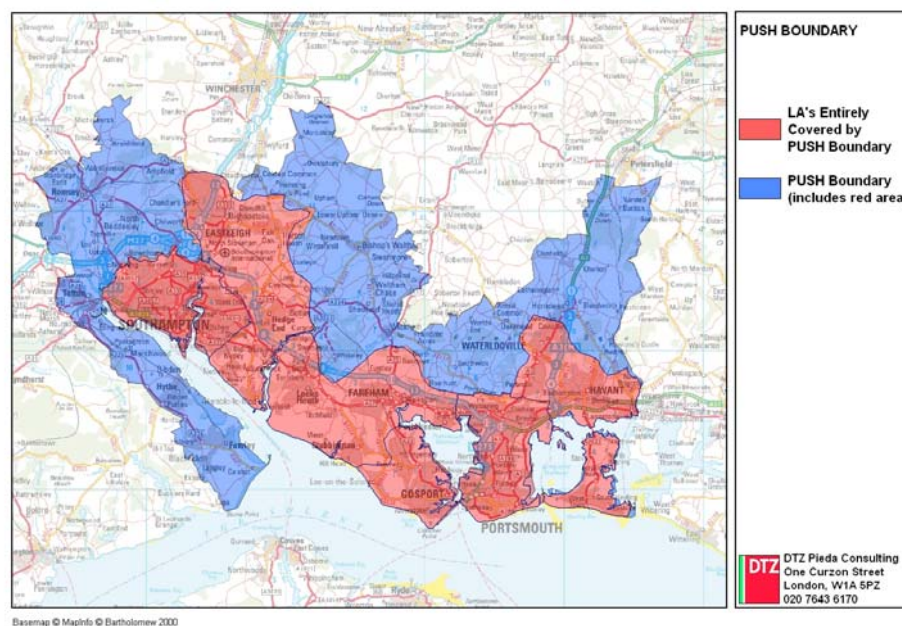
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1 Introduction

- 1.01 DTZ was commissioned by Southampton City Council in July 2005 to develop a strategy for town centre uses in South Hampshire on behalf of the Partnership for Urban South Hampshire (hereafter referred to as PUSH).
- 1.02 The study seeks to provide additional evidence for the sub-regional strategy component of South East of England Regional Assembly (SEERA) Draft South East Plan, as well inform and support the preparation of a number of Local Development Frameworks (LDFs) in South Hampshire which will cover the period up to 2026.
- 1.03 South Hampshire covers the whole districts of Southampton, Eastleigh, Fareham, Gosport, Portsmouth and Havant and parts of New Forest, Test Valley, Winchester and East Hampshire district (**Figure 1.1**). The sub-region is home to almost one million people and is the largest area in the South East. PUSH (which includes these authorities, plus Hampshire County Council) is committed to an economic regeneration-led strategy for South Hampshire. This is based on steadily rising economic growth over the plan period supported by additional housing and other developments as necessary to meet the requirements of the sub-region.

Figure 1.1: PUSH and Local Authority Boundaries



- 1.04 This important study is prepared in the context of PPS6: *Planning for Town Centres* and covers the full range of main town centre uses namely retail, leisure and offices, as well as arts, cultural and tourism facilities.
- 1.05 DTZ's work has focused on two key strands of research:

1) South Hampshire Town Centres – Developing the Vision & Strategy

This addresses the sub-regional planning requirements for town centres uses within South Hampshire, as defined by PPS6 and the draft South East Plan. In particular:

- setting out a vision and strategy for higher level centres and their roles as the focus for major retail, leisure, office and other main town centre development.
- identifying a hierarchy and network of centres.
- assessing the need for further main town centre uses and ensure there is (physical) capacity to accommodate them.
- developing a strategic framework for the development of the network of centres – taking into account the need to avoid an over-concentration of growth in the higher level centres.
- making strategic choices about South Hampshire’s main centres.
- identifying those centres where growth should be encouraged.
- identifying any need for new or expanded centres in areas of planned major growth.

2) South Hampshire Town Centres – Need and Capacity Assessment

This analysis adds further detail to the production of the sub-regional LDFs. The focus is on the major regional and sub-regional centres with a particular focus on:

- assessing the quantitative and qualitative need for new floorspace for retail, leisure and other main town centre uses.
- identifying deficiencies in provision and assessing capacity to accommodate new development .

1.06 The output of this report has been supported by a stage by stage analysis examining and verifying a range of data pertaining to the sub-region. This culminated in the submission of a ‘scoping report paper’ in August 2005. This set out the nature, content and source material for the work to be carried out for each task in agreement with the PUSH authorities.

1.07 In order to address the key objectives of the study in a robust and comprehensive manner, our analysis is divided into the following inter-related sections:

- **The Policy and Regeneration Framework (Section 2)** – This section provides an understanding of the retail and regeneration policy context based on a review of the national, regional and local planning policies.
- **Centre Profiles (Sections 3 – 5)** – These sections examine the relative strengths and weaknesses of the study centres of Southampton, Portsmouth, Eastleigh, Fareham, Gosport, Southsea and Havant. This assessment draws on a variety of key performance indicators (KPIs) as set out in PPS6. This also involves identifying the network and relationships between centres in the sub-region. In addition, analysis is also provided of the socio-economic and demographic profile of the sub-region.

- **Arts, Culture & Tourism Futures: (Section 6)** – Provides a needs assessment of the requirement for a range of town centre uses in the arts, culture and tourism sector. It also provides a broad indication of the need for growth in major town and city centre cultural facilities within the sub-region.
- **Commercial Leisure Futures: (Section 7)** – Assesses the key trends driving market demand in the commercial leisure sector and forecasts the potential capacity for leisure provision within the sub-region.
- **Office Futures: (Section 8)** – Assesses the key trends driving market demand in the commercial office sector in the sub-region. It also provides analysis of future employment scenarios relating to town and city centre office uses based upon forecast employment and office floorspace.
- **Retail Futures: (Section 9)** – This section describes trends in retailing and explains how these are impacting on the vitality and viability of town and city centres. This is based on our experience of the retail market, operator requirements and key legislative changes.
- **Retail Capacity Baseline Assumptions and Growth Forecasts (Section 10)** – This section assesses the potential capacity for new comparison goods retailing up to 2026 using DTZ's *Re:Map* Model which will test different growth options.
- **Town Centre Futures: Strategies and Visions (Section 11)** – This section highlights the areas that PUSH will need to focus on when managing the growth of their retail centres over the period to 2026. It also provides the salient conclusions that inform PUSH to develop appropriate town centre policies.

2 The Policy and Regeneration Context

2.01 This section provides a summary of the planning policy and regeneration context relevant to the future growth and development of the main centres within South Hampshire.

National Planning Policy Context

2.02 Since the 1980s there has been a dramatic change in Britain's urban and retail landscape driven by a range of socio-economic, demographic and property market trends. Retail, leisure, entertainment and employment activities have shifted away from central locations to out-of-centre destinations, impacting on the relative role, attraction and viability of many of Britain's cities and towns.

2.03 As a result Britain's high streets have radically changed in their appearance and function over the last thirty years. Traditional streetscapes of small shops, mixed with office, residential and other uses, have been replaced by large shopping malls. As a result, many of Britain's larger towns and cities are now dominated by a number of major national multiple retailers and brands, to a much greater degree than other centres in Western Europe.

2.04 This decentralisation of key uses and activities from their traditional high street locations resulted in a significant shift in Government thinking and policy from the mid-1990s onwards. The production of PPG6 and PPG13 strengthened the role of the planning system and placed increased emphasis on sustainable mixed-use development, underpinned by high quality urban design. This revised policy has significantly curbed the growth of new out-of-centre retail and leisure developments.

2.05 The Government's thinking was further clarified and strengthened by a number of subsequent Ministerial Statements, along with the publication of the Urban White Paper (2000) - *'Our Towns and Cities: The Future'*. This provided another explicit statement of the Government's main objective to reverse town centre decline and create vibrant mixed-use urban areas, characterised by thriving daytime and evening economies.

2.06 The original PPGs are currently in the process of being updated, in line with the Government's wider objective to revise and speed up the planning system. The replacement for PPG6 - **Planning Policy Statement (PPS) 6: 'Planning for Town Centres'** - was published in March 2005 and many of its policies reproduce, or are closely based on, existing policies in PPG6. At its launch the Planning Minister emphasised the "town centres first" message, stating that: "...the creation of thriving town centres that provide local people with retail, leisure and other facilities they need is of critical importance to our vision of sustainable communities...". A number of 'daughter' guidance papers are scheduled to follow, including guidance on undertaking assessments of need and impact for retail and leisure uses, as well as preparing strategies for smaller centres.

2.07 Amongst its many aims, PPS6 encourages Local Planning Authorities (LPAs) and Regional Planning Bodies (RPBs) to be more pro-active in planning positively for the growth and development of their towns and to work in partnership with the community and key stakeholders, including developers, retailers and leisure operators (*para. 2.15*). It specifically states that local authorities should (*para. 1.6*):

- develop a hierarchy and network of centres;
- assess the need for further main town centre uses and ensure there is the capacity to accommodate them;

- focus development in, and plan for the expansion of, existing centres as appropriate, and at the local level, identify appropriate sites in development plan documents;
- promote town centre management, creating partnerships to develop, improve, and maintain the town centre, and manage the evening and night-time economy; and
- regularly monitor and review the impact and effectiveness of their policies for promoting vital and viable town centres.

2.08 Central to the advice in PPS6 is the sequential approach and the assessment of need and impact and these are briefly described below:

(i) The Sequential Approach

2.09 PPS6 reaffirms and expands the definition of the sequential approach. It states that local authorities should consider potential locations for new development in the following order (*para. 2.44*):

- **existing centres** first; then
- **edge-of-centre locations**¹ - with preference given to sites that are (or will be) well connected to the centre; and finally
- **out-of-centre sites**² - with preference given to sites that are (or will be) well served by a choice of means of transport, which are close to the centre and therefore have a high likelihood of forming strong links with the centre.

2.10 The Government's aim is to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits into that centre and complements its role and function (*para. 2.41*). In doing this, local planning authorities should be sensitive to the needs of the community and stakeholders, including developers and operators, and identify sites that are, or are likely to become available for development during the development plan document period.

2.11 The identified sites should allow for the accommodation of the identified need and be capable of accommodating a range of business models. In planning terms, the business model approach includes the scale and format of new development, car parking provision and the scope for disaggregation (*para. 2.45*). A significant revision from the draft version of PPS6 is the requirement for the sequential approach to be applied to all proposed extensions over 200 sq.m gross.

(ii) Need and Impact Assessment

2.12 PPS6 states that local planning authorities should place greater weight on the quantitative assessment of need for additional retail floorspace development. However, it is not necessary to demonstrate the need or impact of retail proposals located in the primary shopping area, or for other main town centre uses located within the town centre (*para.3.8*). PPS6 confirms that local authorities should also take account of other qualitative considerations, specifically deprived areas that lack access to a range of services and facilities (*paras. 2.33 and 3.11*). However, additional benefits in respect of

¹ For retail purposes 'edge-of-centre' is defined as a location that is well connected to and within easy walking distance (ie. up to 300 metres) of the primary shopping area. For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. Local circumstances should be taken into account such as local topography, perceptions of easy walking distance, barriers to movement and the attractiveness/safety of the route.

² 'Out-of-centre' is defined as a location that is not in or on the edge of a centre, but neither is it necessarily outside the urban area. This definition differs from 'out-of-town', which is essentially outside the urban area.

regeneration and employment do not constitute indicators of need for additional floorspace, although they may be material considerations in the site selection process, depending on local circumstances (*para. 2.37*).

- 2.13 PPS6 has created new optimism, new visions and new designs for town centres. However, research shows that there is increasing polarisation in investment and market shares between the top shopping locations and smaller centres. Many of Britain's smaller and medium-sized urban and rural centres have suffered from reduced investment over a number of years. This is because developers and operators have targeted "less risky" major town and city centres, as well as out-of-centre locations.

Regional Planning Policy and Regeneration Context

- 2.14 We now briefly review Regional Planning Guidance 9 (RPG9) as well as the Draft South East Plan, the Regional Economic Strategy for South East England and the Hampshire County Structure Plan 1996 – 2011 (Review).

(i) Regional Planning Guidance for the South East RPG9 (March 2001)

- 2.15 RPG9 identifies Southampton, Portsmouth and South Hampshire as a priority area of economic regeneration (PAER). RPG9 also identifies a number of key issues and aims, including:

- the potential for significant economic growth;
- maximising urban renaissance;
- the encouragement of business clusters;
- an annual provision of 6,030 homes in Hampshire;
- identification of the ports of Southampton and Portsmouth as being of a regional significance;
- proposed improvements to public transport between Southampton and Portsmouth; and
- an integrated transport study of the M27 corridor in South Hampshire.

(ii) The Draft South East Plan Part 1: Core Regional Policies (July 2005)

- 2.16 SEERA is currently preparing the South East Plan (the Regional Spatial Strategy for the South East), which will replace RPG9. The core strategy (part 1) has been handed to the government for approval and it is expected that the sub-regional strategies (part 2) will follow in Spring 2006. The plan aims to provide a statutory regional framework for development to 2026, setting out the potential scale, priorities and broad locations for change.

- 2.17 Overall, the draft Regional Spatial Strategy (RSS) supports strategic housing and economic development in South Hampshire and emphasises the importance of urban renaissance. The strategy for the sub-region of South Hampshire is to:

"...foster and encourage increased levels of development...in order to try to realise the potential of the sub-region to improve its sustainable economic performance through increased levels of development...addressing the needs of significant areas of social deprivation, particularly in areas of Southampton and Portsmouth".

- 2.18 The plan states that the prime focus for development should be in and around urban areas, in order to foster accessibility to employment, housing, retail and other services, and avoid unnecessary travel.
- 2.19 Town centres are identified as being vital to the economy of the South East. Their links to other centres and other regions is also recognised (for example Southampton is only 30 minutes from Bournemouth and Poole). The plan promotes a **network of town centres** in order to create a sustainable distribution of facilities across the region. Southampton and Portsmouth are classified as primary regional centres, whilst Eastleigh and Fareham, are secondary regional centres. The plan states that the network of town centres will be a focus for:
- major retail developments;
 - uses which attract large numbers of people including major cultural, tourism, social and community venues;
 - employment, particularly large scale leisure and office (Class B1a) developments; and
 - a range of housing, where possible provided as part of wider mixed use developments.
- 2.20 The **strategy for the town centres** in South Hampshire (Southampton, Portsmouth, Fareham and Eastleigh) states the need to focus resources on investment in a variety of uses to address issues of deprivation. Southampton and Portsmouth are priorities for investment. The smaller centres of Eastleigh and Fareham need to develop more complementary roles, reflecting their individual characteristics and development opportunities.
- 2.21 One of the aims is to develop and sustain a diverse economy and to meet local employment needs. The plan seeks to ensure high and stable levels of employment across the region. With regard to **employment** development, the plan states that there should be a range of sites and premises, although it is noted that demand has been stronger for office rather than industrial uses across the region. It notes that local planning authorities should carry out regular employment land reviews and identify sectors, clusters and opportunities for development. Overall, employment development is encouraged in urban areas where there is good accessibility to housing, transport, retail and other services. The plan also notes the importance of facilitating access to training and development.
- 2.22 The plan also recognises the importance of **tourism** and provides policies to enhance experiences for all visitors. The priority is to improve the quality of existing attractions to meet changing consumer demands and high environmental standards in terms of design and access. The plan states that new regionally significant tourism attractions should only be developed where they expand the overall tourism market and can be easily accessed by public transport. Coastal resorts where such an attraction will significantly contribute to the urban renaissance are the second preferred location for this type of development. The Coastal Strip and the Isle of Wight are priority areas for tourism.
- (iii) The Draft South East Plan Part 2: Sub Regional Policies (January 2005)*
- 2.23 The objective of the sub-regional strategy is to improve the economic performance of South Hampshire. Southampton and Portsmouth are important centres and should have dual focus for investment and development such as employment, retail, entertainment,

higher educations and cultural centres. The other towns are considered to play a complementary role serving their local areas.

2.24 The strategy encourages high density development in town and city centres, around public transport hubs and at sustainable waterfront locations. It is also estimated that 400-500 hectares (gross) of land for employment development will be required, approximately 60% of this is for B1 office space. It is important to note that these are draft figures and the land requirement for employment development could change prior to the draft sub-regional strategy being submitted to the government in Spring 2006.

(iv) The Regional Economic Strategy for South East England 2002 - 2012

2.25 The aim of the Regional Economic Strategy is for the South East to be recognised as one of the world's top 15 performing regional economies by 2012. The strategy emphasizes the importance of sustainable economic growth that reflects the opportunities and challenges of the South East. There are five main objectives, as summarized in **Table 2.1**.

Table 2.1: Objectives of the Regional Strategy	
Objective	Principles and Actions
Competitive Businesses	<ul style="list-style-type: none"> • A dynamic, diverse and knowledge-based economy that excels in innovation and turning ideas into wealth creating enterprise. • Increasing start-up, survival and growth rates of a broad range of small businesses. • Ensuring the supply of suitable flexible and affordable workspace. • Adopting best practice through networks, and ensuring high quality business support. • Encouraging best practice in regulation, particularly in land use planning. • Attracting foreign direct investment. • The major employers and economic drivers in Hampshire are identified as tourism and leisure, engineering, aerospace, bio-technology, care services, creative industries, defence, financial services, ICT, marine technologies, pharmaceuticals, publishing, rural industries, telecommunications and hospitality.
Successful People	<ul style="list-style-type: none"> • Enhancing the regional role of universities. • Encourage work-life balance.
Vibrant Communities	<ul style="list-style-type: none"> • An inclusive society characterised by strong, diverse and healthy communities enjoying ready access to high quality jobs, education, homes, health and other services, and free from high levels of crime and discrimination. • Addressing deprivation. • Achieving an urban renaissance by making towns and cities work. • Promoting sustainable forms of urban development. • Raising standards of urban quality and design. • Promoting the region's small rural towns as a key focus for Sustainable Development. • Harnessing creative, culture and sports activities to support neighbourhood renewal.
Effective Infrastructure	<ul style="list-style-type: none"> • Transport, communications, housing and health infrastructures that support and enable continued economic growth and improved quality of life for all. • Promoting the needs of the region, and the provision of affordable housing. • Supporting large scale developments in major growth areas and Millennium Communities. • Promoting innovation and sharing best practice. • Promoting the development of 'remote office' facilities. • Reclaiming and reusing brownfield.
Sustainable Use of Natural Resources	<ul style="list-style-type: none"> • Environmentally efficient businesses and high quality development. • Maintaining the value of the environment as an economic asset. • Promoting and supporting sustainable tourism based on the quality of the natural, built and historic environment.

(v) Hampshire County Structure Plan 1996 – 2011 (Review)

- 2.26 The Structure Plan recognises that the continuous renewal and prosperity of the urban areas of Hampshire is vital. Portsmouth and Southampton are major centres providing social, economic and cultural resources for a wide area. The plan seeks to enhance the vitality and viability of all of the PUSH town centres by supporting their primary retail function, diversifying land uses and improving the environment.
- 2.27 The plan also states that in built-up areas, development that improves or extends the range of tourist, recreational, sporting, social or cultural facilities will be permitted subject to the requirements of the transport and environment policies of the plan.
- 2.28 Specifically, the plan states that planning permission will not be granted for retail development outside town centres except where:
- i. there is an identified need for additional shopping provision which cannot appropriately be met on sites within town centres, on the edge of centres, or allocated in local plans; and
 - ii. the proposal would not individually or cumulatively with other recently completed or outstanding retail development undermine the vitality and viability of any existing or proposed town centre; and
 - iii. the site is accessible by public transport, is not likely to significantly increase the number and length of car journeys and makes adequate provision for access by cyclists and pedestrians; and
 - iv. the development is not proposed on sites allocated for housing, employment and open space unless the local planning authority is satisfied that the need for such allocated uses no longer exists. Where appropriate, conditions may be attached to restrict the main range of goods to be sold and to control the number and size of shopping units.
- 2.29 In addition, the plan identifies several major development areas planned in South Hampshire, including new communities:
- west of Waterlooville providing 2,000 dwellings up to 2011.
 - south-east of Eastleigh with 3,000 dwellings up to 2011.

Local Planning Policy and Regeneration Context

- 2.30 The key planning and regeneration policy documents that have been reviewed at the local level are listed below:
- i. **City of Southampton** Local Plan Revised Deposit Version (February 2003)
 - ii. **Eastleigh Borough** Local Plan Review Second Deposit 2001 – 2011
 - iii. **Portsmouth City** Local Plan First Review 2001 – 2011: as Amended by Proposed Modifications (August 2005)
 - iv. **Fareham Borough** Local Plan Review (June 2000)

- v. **Gosport Borough** Local Plan Review Revised Deposit Draft (June 2004)
- vi. **Havant Borough** Local Plan (Adopted September 2005)

2.31 In addition to the local plans, we understand from our scoping work that the documents outlined in **Table 2.2** have also been prepared to provide a framework for new town centre development and infrastructure in the PUSH area. Please note that we have not reviewed these supplementary documents as part of our policy and regeneration review.

Table 2.2: Supplementary Planning and Regeneration Documents		
Publication	Date	Status
Southampton		
Southampton City Centre Vision	2005	TBC
The Development Design Guide - Southampton City Centre	2000	TBC
The Old Town Development Strategy 2004	2004	TBC
The North / South Spine Strategy	2004	TBC
Streetscape Manual	2004	TBC
Eastleigh		
Eastleigh Town Centre Strategy - Supplementary Planning Guidance (SPG)	February 2003	SPG
Portsmouth		
City Centre Masterplan	Adopted 2002	TBC
Tricorn and City Centre North Planning Brief	Unknown	TBC
Fareham		
Town Centre Design Guide SPG	2004	SPG
Vision for West Street	October 2004	TBC
Havant		
Waterlooville Town Centre Urban Design Framework	October 2004	TBC

(i) City of Southampton Local Plan Revised Deposit Version (February 2003)

2.32 Southampton city centre is recognised as key to the future of Southampton. Although the centre has experienced a lot of development in the last decade, there are still opportunities for city centre development.

2.33 The design of new developments in the city centre is a high priority in order to improve the perception, image and visual quality of the city centre. Seven character areas have been identified to assist this:

- **Northern** - focussed around Central Station;
- **Central** - based on the retail core and The Bargate;
- **Old Town** - based on the historic core within the town walls;
- **Waterfront** - from Mayflower Park to Town Depot and American Wharf;
- **Eastern** - predominantly residential neighbourhoods close to the retail core;
- **Central Parks** - the Civic Centre, Southampton Institute and the Parks; and
- **Western** - an industrial and retail area created from land reclaimed during the construction; of the Western Docks.

2.34 **Table 2.3** below highlights the main thrust of local plan policy for the main town centre uses.

Table 2.3: Key policies for City Centre Uses	
Use	Policy
Cultural, leisure and tourism	<ul style="list-style-type: none"> Will be permitted in respect of proposals on sites outside the existing centres, where a need is demonstrated, a sequential approach to site selection is taken, public transport accessibility is good and where there is no harm to the viability and vitality of existing centres. Preferred locations are Royal Pier, West Quay Phase 3 and the Civic Centre and Guildhall Area. These uses will also form part of mixed-use developments but will be small scale.
Evening and night time activities	<ul style="list-style-type: none"> Concentrating in designated zones, to be linked together by specific pedestrian routes. Early to mid evening activity will be more appropriately located in the Oxford Street, Town Quay, Northern Above Bar and Bedford Place areas where there could be a greater emphasis on a more diverse range of activities designed to appeal to a wider audience. Late night activity areas are appropriately located around the Bargate and Lower High Street area, and Leisure World, with the two areas linked via West Quay Phase 3.
Retail	<ul style="list-style-type: none"> West Quay Phase 3, Guildhall and 144-164 High Street are the only town centre sites identified with potential to meet some of the need for non-bulky comparison floorspace after 2006.
Offices	<ul style="list-style-type: none"> The location of major office development will continue to be within the city centre boundary, where accessibility to public transport is high. The emergence of three concentrations of major offices in the city centre are evident (north of the Parks, Commercial Road and Ocean Village) and these 'quarters' will be consolidated as locations for new office development.

2.35 The plan also provides details of key projects planned for the city centre (see **Table 2.4**).

Table 2.4: Major Development Projects planned in Southampton City Centre	
Site	Proposed Use
Southampton Central Station	Comprehensive redevelopment for a transport interchange and for major B1(a) office and/or C1 hotel development.
Charlotte Place	Identified for a mixed use development comprising office (B1(a)), hotel, residential, community, and educational uses, a medical/Healthy Living Centre, and sports facilities.
Royal Pier and Town Quay	Major mixed use development.
Civic Centre and Guildhall Square	The Civic Centre and Guildhall Square will be developed as a mixed use cultural quarter to complement existing retail activity in the city centre.
West Quay Phase 3	Mixed use development.
144 - 164 High Street	Allocated for a mixed use development including retail (A1), food & drink (A3), offices (B1) and (A2) and residential. Development at ground floor level should provide active frontages and residential confined to the upper floors. The medieval vaults should be opened up for use.
Habitat Block	Mixed use development including retail (A1), food & drink (A3), health care facilities and residential.
Lower High Street	Mixed use development which incorporates a heritage based visitor attraction.
Mayflower Plaza	Mixed use development incorporating residential, offices (B1), leisure (D2) and food & drink (Class A3).
Canute's Pavilion	Mixed use redevelopment including retail (A1), food & drink (A3) and residential (C3).
Pirelli Site, West Quay Road	Mix of uses. These include: leisure; office or hotel development.
Land fronting Alexandra Docks and Maritime Walk, Ocean Village Area	Identified as a mixed use development to include office, leisure, hotel, marina-related events and a limited amount of residential units.

(ii) Eastleigh Borough Local Plan Review (2001 – 2011) Second Deposit

- 2.36 Although the adopted Eastleigh Borough Local Plan (1997) remains statutory, it is becoming increasingly out-of-date and more weight is being applied to its replacement, which is reviewed below. The Inspector’s Report into the Second Deposit was published in Spring 2005.
- 2.37 The aim of the plan is to make Eastleigh’s town centres more attractive places to live. Eastleigh is the main town centre, but the plan’s aspiration is for Hedge End to become a town centre. The Council are keen to increase the attractiveness of Eastleigh town centre to residents of Chandler’s Ford and the Pirelli Quarter. The plan divides Eastleigh town centre into five zones as set out in **Table 2.5**.

Table 2.5: Eastleigh Town Centre Zones	
Zone	Aspirations
Zone 1: Core Shopping	<ul style="list-style-type: none"> Aim is to capitalise on the Swan Centre by maintaining and expanding a strong base of A1 Use Class national multiple retailing and a strong retail ‘anchor’ at the southern end of the town. The intention is that the core retail zone will be expanded as additional development is implemented.
Zone 2: Primary Shopping Zone	<ul style="list-style-type: none"> Aim is to maintain a predominately A1 Use Class area with a rich mix of national multiple and specialist/independent retailing.
Zone 3: Secondary Shopping Zone	<ul style="list-style-type: none"> Aim is to create a rich mixture of town centre uses, including A2 and A3 retail uses.
Zone 4: Leisure & Culture	<ul style="list-style-type: none"> Aim is to capitalise on the amenity of the recreation ground and on ‘The Point’ and the millennium dance garden, to create a leisure and cultural area.
Zone 5: Southampton Road	<ul style="list-style-type: none"> Aim is to maintain and intensify a mixed use area, including offices and a transport interchange, and to retain a strong retail or leisure ‘anchor’ at the northern end of the town centre.

- 2.38 The Council are keen to retain the compact shopping area and to maintain and enhance the existing grid-iron pattern. The aim is that by promoting a series of different developments over time, a variety of designs will be secured, each of which will enhance the grid-iron street scene.
- 2.39 The plan states that Eastleigh town centre is the preferred location for office and leisure developments, followed by edge-of-centre sites within an easy walk (about 500 metres) of Eastleigh railway station and/or bus station.
- 2.40 A renaissance quarter is also planned for Eastleigh town centre that will consist of c.300 dwellings, as well as a mix of retail, office and community uses. Apart from improving links between the town centre and other areas, the additional development opportunities identified include:
- **Leigh Road** - for leisure and cultural facilities;
 - **East/West Corridor** - running from Barton Park to where the M3 crosses Leigh Road;
 - **Barton Park** – offices and a visitor attracting facility (suitable facilities will include a bowling alley, health and fitness centre, hotel, conference/exhibition centre or museum); and
 - Smaller scale opportunities in **West End** and **Hedge End**.

2.41 The plan notes the need for further office development. The north-east part of the Leigh Road frontage of the Pirelli site has been identified for 8,500 sq.m of offices.

(iii) Portsmouth City Local Plan First Review 2001 – 2011 (August 2005)

2.42 Portsmouth is a key urban centre in South East Hampshire and is an important sub-regional transport interchange. Central to the vision for Portsmouth is to create a vibrant city that contains attractive and accessible sub-regional shopping and leisure areas, such as Gunwharf and Southsea.

2.43 The North Urban Priority Area is the main area of regeneration in Portsmouth city centre. It focuses on the redevelopment of the former Tricorn site for a predominantly retail-led mixed-use development. A number of other sites are also allocated for town centre uses as detailed in **Table 2.6**.

Table 2.6: Portsmouth Allocated Town Centre Sites	
Site	Requirements
Zurich Insurance car park	<ul style="list-style-type: none"> Has full planning permission for office use (an extension to the existing Zurich building), but this is unlikely to be implemented. Design should respect views to and from Victoria Park. Any proposals should also include an improved access to the park.
East of 54 Arundel Street	<ul style="list-style-type: none"> Prominent and important location at the eastern entrance to the Arundel Street precinct. The design of building(s) is therefore a more important issue than the use. Must be seen as a 'gateway' feature, or incorporate elements to that effect.
North of Station Street	<ul style="list-style-type: none"> Must incorporate (or not prejudice) the proposed LRT terminal and re-provide those car parking spaces lost to development. The terminal will complement the proposed bus and taxi interchange on land to the south of Station Street.
Greetham Street / Dugald Drummond Street	<ul style="list-style-type: none"> Includes the existing Citizens Advice Bureau and public car park. This location would be particularly suitable for 'live/work' units.
Land at Exchange Road	<ul style="list-style-type: none"> Is allocated for an extension to the New Theatre Royal. Appropriate enabling development, such as a restaurant or university uses, would also be supported, in order to progress the theatre extension.

2.44 The plan sets out other aims and aspirations including:

- Portsmouth city centre will be the main location for other town centre uses.
- capacity for additional retail development should be targeted to the city centre.
- modest additions to comparison floorspace will be needed in Southsea.
- greater activity to be introduced into Guildhall Square.
- provide new interchange facilities south of Station Street.
- support mixed-use development in the Historic Dockyard Heritage Area to enhance the vitality of the area and support its attractiveness as a tourist destination.
- continue to promote Clarence Pier/Furacres for leisure uses.
- Southsea skate park is allocated for an improved leisure facility, possibly a multi-purpose 'Extreme' Sports Centre.
- support Gunwharf Quays and Albert Road as specialist commercial areas.
- concentrate university facilities and arts/cultural activities in and around the city centre.

- enhance recreation and leisure facilities at the Mountbatten Centre.
 - continue to improve tourist and leisure attractions at Gunwharf, The Hard and the Historic Dockyard.
 - a new stadium for Portsmouth Football Club at Fratton Goods Yard.
 - develop an Area Action Plan for Southsea town centre to guide future development and improvements.
- 2.45 The plan states that proposals for employment-generating uses will be permitted where they (i) contribute to enhancing the city's economy; (ii) support the expansion of existing business; and (iii) maintain and further develop the tourism industry.
- (iv) Fareham Borough Local Plan Review (June 2000)*
- 2.46 The plan seeks to reinforce the role of Fareham town centre. One of the main objectives is to provide improved facilities to complement Fareham's entertainment and arts venues, tourist attractions and other cultural activities. Objectives for the town centre include:
- promoting it as an important sub-regional shopping centre by encouraging retail and leisure development.
 - protecting and enhancing its vitality and viability by retaining a robust retail core and making provision for appropriate new development.
 - encouraging a variety of complementary uses, particularly new housing, on the edge of the town's retail core.
- 2.47 There is considered to be potential for the redevelopment of buildings within the **Primary Shopping Area** (which comprises Fareham Shopping Centre, properties to the west on the north side of West Street, and the south side of West Street between Westbury Manor and Quay Street). The frontages on West Street to the east and west of the Primary Shopping Area (PSA) together with a small part of the High Street are designated as the Secondary Shopping Area. The plan also notes that importance of retaining a market within Fareham town centre.
- 2.48 **Market Quay** is identified as the key redevelopment site in the town centre to improve the attractiveness of the town centre. It is currently allocated for retail, leisure, food and drink, a multi-storey car park and any other uses that maintain and enhance the town's vitality and viability. Possible leisure uses for the Market Quay development include a multi-screen cinema and a health club, together with complementary uses such as restaurants, cafés and public houses.
- 2.49 The Council are specifically seeking to promote **tourism** in the Borough. Consideration is being given to the extension of the tourist information centre and the development of a museum. The plan recognises that **arts and cultural** facilities are important to the residents of the Borough.
- 2.50 The plans also seeks to maintain a choice of land of different sizes and in different locations for a range of **employment** uses. It encourages investment in the town centre and other employment areas to strengthen the local economy. Further office development in the town centre will be acceptable as long as it does not harm the character and function of the centre.

(v) Gosport Borough Local Plan Review Revised Deposit Draft (June 2004)

- 2.51 The plan’s overall vision is to “...retain the separate identity of Gosport and make the Borough a desirable place to live, work and visit, with the needs of the community being met in a sustainable way”. It seeks to find solutions to Gosport’s underlying problems created by its coastal location and historic patterns of development (such as transportation problems, loss of employment and out-commuting). In order to achieve this, one of the key aims of the plan is to ensure that activities are closely integrated with public transport.
- 2.52 The plan asserts that Gosport town centre will be the main centre in the Borough. Policies seek to provide mixed-use developments that enhance retail, leisure and commercial facilities to make the centre more attractive and vibrant. It also notes that there is a successful twice-weekly street market, which could be expanded to increase the number of visitors to Gosport. It is also noted that community facilities, such as museums and entertainment venues, are essential.
- 2.53 The plan seeks to maintain and strengthen non-retail functions in the Gosport town centre and the following sites are allocated for mixed-use development:
- Coldharbour.
 - Gosport Bus Station.
 - Royal Clarence Yard.
 - St. George Barracks South
- 2.54 Several of the above sites are also identified for retail uses, as set out in **Table 2.7** below.

Table 2.7: Gosport Redevelopment Sites	
Site	Proposals
Gosport Bus Station	<ul style="list-style-type: none"> • Could include the re-provision of shopping facilities at a small scale. • Its close location to the town centre would enhance its vitality and viability.
Royal Clarence Yard	<ul style="list-style-type: none"> • Planning permission has been granted at Royal Clarence Yard for a mixed-use development, which will include a retail element as well as a cinema and other leisure uses. • The retail element is likely to comprise speciality shops and is unlikely to have an adverse impact on the town centre.
Coldharbour (north of Gosport Town Centre)	<ul style="list-style-type: none"> • Subject to change - with the proposed relocation of industrial users from existing premises. • Any future redevelopment proposals for this area will need to be in the form of a mixed-use scheme. Retail development is likely to be a key element.

- 2.55 The plan states that development proposals for **leisure and tourist** facilities should be located within urban areas. It also notes that there is a limited supply of tourist accommodation in Gosport and that new hotels should be located in urban areas.
- 2.56 The plan states that demand for **office** floorspace outstrips supply. Gosport town centre is the main commercial and administrative centre, but it has not experienced the same level of office growth as other centres. It is noted that the ongoing review of Royal Navy operations and associated support facilities in the area has led to a reduction of direct and related employment opportunities in the Borough. The plan seeks to reduce dependence on defence-related industries and use these sites to provide new employment development.

(vi) Havant Borough Local Plan (Adopted September 2005)

- 2.57 Like Gosport, Havant also has fundamental economic problems such as its peripheral location, high unemployment and high levels of out-commuting. Employment generation and retention are considered important to promote economic prosperity and aid urban regeneration. Key strategies outlined in the plan include (i) the continuing renewal of urban areas; (ii) the growth of employment through the development of commerce, tourism and leisure; and (iii) the creation of attractive town centres environments.
- 2.58 The main town centres are Havant and Waterlooville. The plan states that all future development proposals will be located in these centres to help maintain and enhance their diversity, and contribute to their overall vitality and viability. Although the plan considers that a range of uses should be directed to existing town centres, it notes that **retailing** underpins the strength of town centres and thus, developments should not therefore undermine the retail function by causing an overall loss in the quality of shopping opportunities. The key development opportunities identified by the plan for the two main centres are as follows:
- **Havant town centre** - two edge-of-centre sites, namely Potash Terrace and Solent Road.
 - **Waterlooville town centre** - the plan puts forward major proposals for edge-of-centre commercial leisure development, which will help to improve the vitality and viability of the centre as a whole and assist with linking the town centre with the West of Waterlooville Major Development Area (MDA). In addition, it is important to note that Waterlooville town centre will need to accommodate the shopping requirements of the 2,000 homes proposed as part of the MDA.
- 2.59 The plan encourages mixed-use proposals in town centres, which will combine a mix of complementary uses. Some of the main mixed use development sites are reviewed in **Table 2.8**.

Table 2.8: Havant Borough – Mixed Use Development Opportunities	
Site	Proposals
HAVANT	
Potash Terrace	<ul style="list-style-type: none"> • Edge of retail core of the town centre. • Comprises a number of separate parcels of land and buildings. • Suitable for a range of complementary town centre uses including: <ul style="list-style-type: none"> ○ retail development in the form of large units, food or non-food. ○ high density housing of high quality design including flats and sheltered accommodation for the elderly. ○ business development within Class B1(a). ○ leisure uses including hotel accommodation. ○ multi-purpose hall. ○ community health care facilities.
Wessex Construction and Plant Hire site, New Lane, Havant	<ul style="list-style-type: none"> • Edge of Havant town centre -inappropriate for retail development. • Suitable for high density residential and/or business (B1) development.
Land to the north of the railway line, Eastern Road	<ul style="list-style-type: none"> • Edge-of-centre site. • B1(a) development. • Office development would act as a buffer between the housing development to the north and the railway line.
West of Park Road South	<ul style="list-style-type: none"> • Considered suitable for a range of town centre uses, including housing, as it is located close to the commercial core of the centre.
North of Solent Road	<ul style="list-style-type: none"> • The land is considered suitable for retail warehouse development
Car Park adjoining the Perseverance Public House, North Street	<ul style="list-style-type: none"> • Appropriate use for this site would be ground floor shopping with offices at first floor level.
WATERLOOVILLE	
St Georges Walk, Portland Road	<ul style="list-style-type: none"> • Mixed-use development within the area bounded by Portland Road, St George's Walk, the A3 (Maurepas Way) and the Asda Superstore. • Town centre uses will be permitted. • Area already contains a mixture of commercial and residential uses. The Council will encourage the development of the area for a mix of town centre uses. • Development will be permitted on a piecemeal basis providing this does not frustrate the future satisfactory development of other sites.
Former Allotments, Marepas Way	<ul style="list-style-type: none"> • Edge of centre site - development of the former allotment site for recreation and leisure facilities set in landscaped surrounds with associated car parking.

2.60 Finally the plan states that **office uses** should be located in town centres. It also indicates that improvements are needed to the range and quality of **tourist facilities** and that Hayling Island is to remain the focus for tourism investment and development. A site at Central Beach Lands is considered suitable for a major recreation attraction. The plan encourages improvements to the range and quality of tourist accommodation within urban areas and in the countryside subject to criteria.

Summary

- 2.61 Overall, South Hampshire needs to encourage development to increase its performance as a sub-region and to achieve sustainable economic growth. The sub-region is forecast to experience significant population growth and regional policy states that this must be supported by urban renaissance and improved infrastructure.
- 2.62 Southampton and Portsmouth are the two main centres in the South Hampshire sub-region and local plan policies provide opportunities for these centres to improve and enhance their attractiveness. However, it is important that the other centres within the sub-region do not decline as a result of the dominance of Southampton and Portsmouth.
- 2.63 Thus centres such as Fareham, Gosport, Waterlooville, Eastleigh, Havant and Southsea need to develop complementary roles. These centres should comprise a diverse mix of uses that enhance their viability and vitality, and enable them to compete effectively with Southampton and Portsmouth.
- 2.64 In accordance with PPS6, all of the local plan policies seek to direct the full range of town centre uses to town centre sites in the first instance. Local plan policies provide opportunities for growth in these centres and in particular for mixed-use developments by identifying a range of suitable opportunity sites for development. The local plans also recognise the unique problems faced by some of the centres, such as Gosport and Havant.

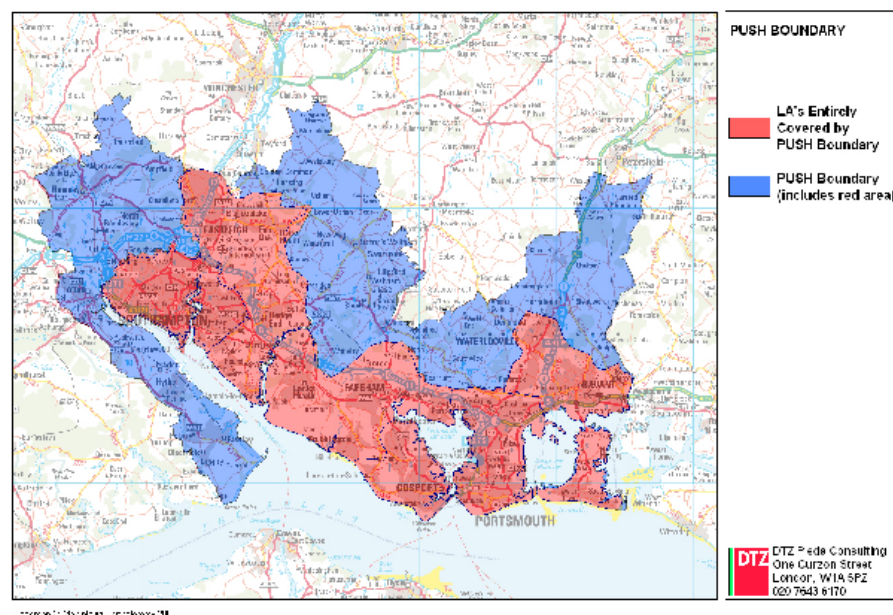
3 Centre Profiles: Southampton and Portsmouth

- 3.01 The health of Eastleigh, Fareham, Gosport, Havant, Portsmouth, Southampton and Southsea centres has been assessed using the key performance indicators (hereafter referred to as KPI) of vitality and viability outlined in PPS6 'Planning for Town Centres' (March 2005). These are detailed in **Appendix 1**.
- 3.02 Not all of the above indicators can be usefully applied in this study. For example, pedestrian flow counts would need to be undertaken over a number of years on a controlled basis in order to ascertain the scale of any change. Similarly, shopper surveys would also have to be undertaken on a regular basis in order to gauge any changing views. However, insofar as information addressing the PPS6 indicators is available, we set out our observations below.
- 3.03 This section, together with **Sections 4 and 5**, also reviews the relative retail strengths and weaknesses of each of the seven centres. In addition, it highlights any potential threats to their continued vitality and viability, as well as any potential 'gaps' in provision and opportunities for future growth.

PUSH Area's Socio-Economic and Demographic Profile

- 3.04 PUSH's key demographic and socio-economic characteristics, based on the 2001 Census¹ are as follows:
- the resident population in the PUSH area (**Figure 3.1**) is circa 983,000, with over 416,000 households.

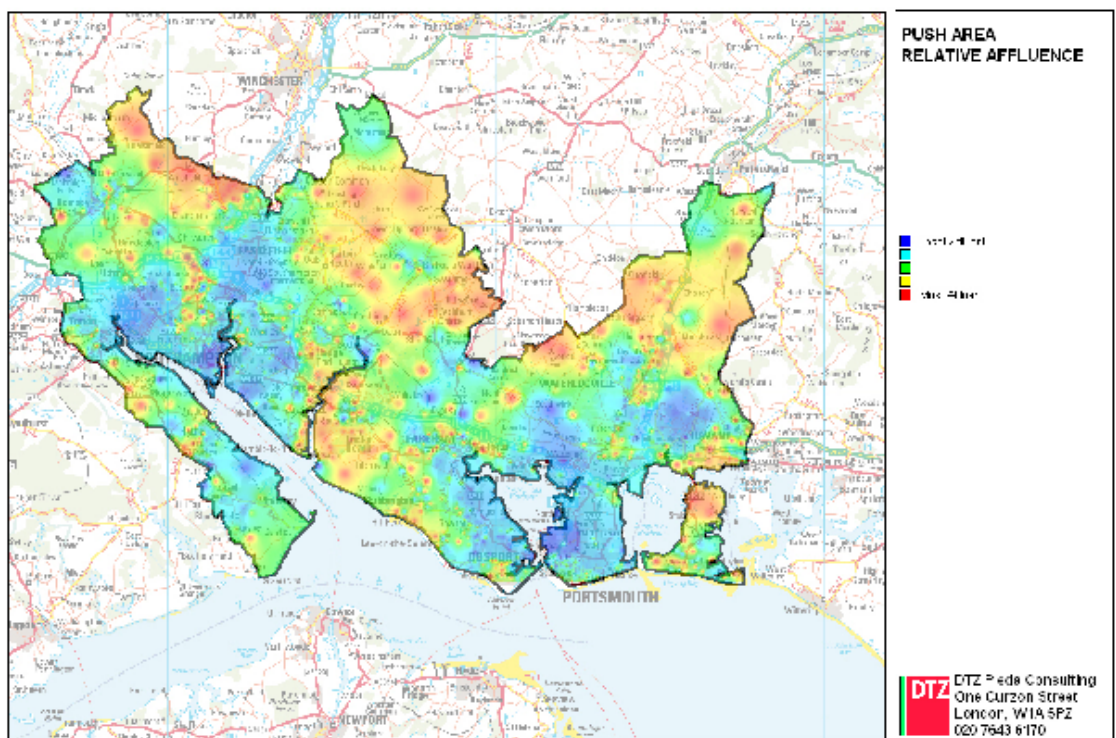
Figure 3.1: PUSH Boundary



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

- in terms of the age profile, the PUSH area closely matches the national average. The only exception being the 15-24 age bracket, whereby 14% of the population fall within this profile compared to 12% nationally. This can be explained by the high levels of students in the large university cities of Southampton and Portsmouth, as well as the multitude of military personnel in Portsmouth, Gosport and Fareham.
- the affluence profile is slightly above the national average. Some 57% are classified in the more affluent AB/C1 categories compared to 54% nationally. **Figure 3.2** demonstrates that the more affluent areas are concentrated in and around Hedge End and Locks Heath, and to the rural north of the PUSH area. The figure is based upon the CACI Acorn Demographic Classification System which uses information derived from Census data, together with other variables. The spectrum of colour ranges from red (indicating the most affluent) to blue (being the least affluent). Due to the greater mix of housing types within urban areas, it should be noted that these areas often appear less affluent than the less densely populated surrounding areas.

Figure 3.2: Affluence



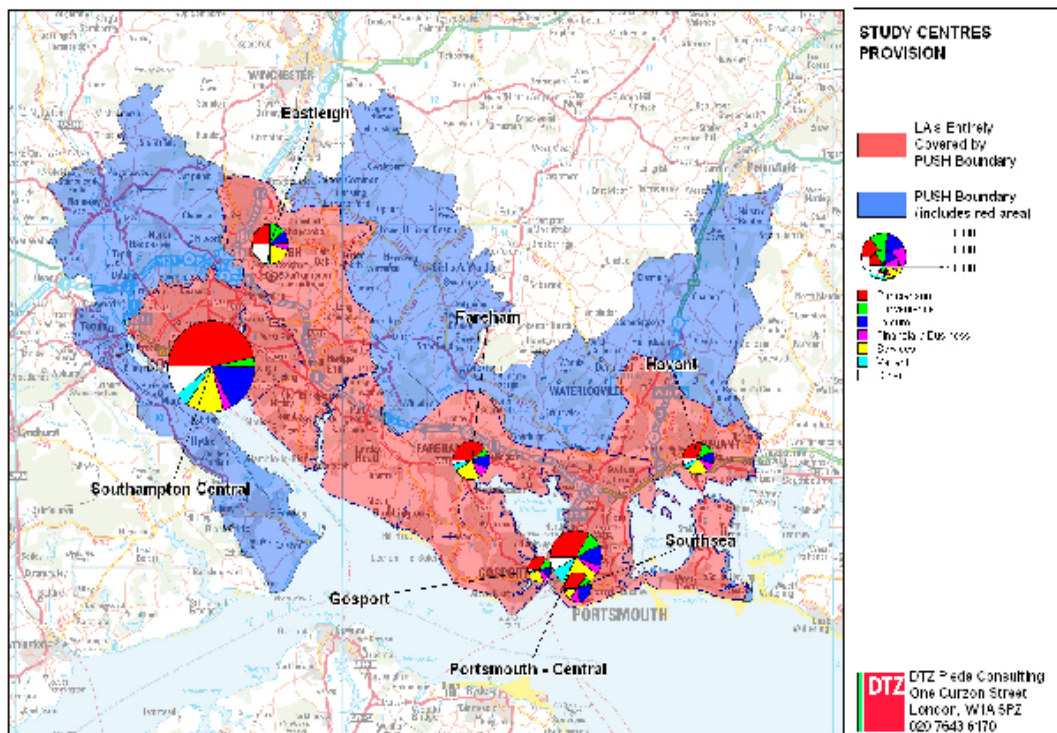
- Car ownership is higher than the UK average. Over 77% of households own at least one car, compared to 72% nationally.

3.05 In summary, compared to the national average, the PUSH area has a significant proportion of affluent and mobile households that form the catchment for the seven study centres.

PUSH Area Shopping Provision

3.06 It is important to appreciate that the residents of the PUSH area have a choice of destination for their shopping trips. Their final decision in destination is based upon a combination of factors including the retail and services offer, i.e. quality, range, value, accessibility and environmental quality.

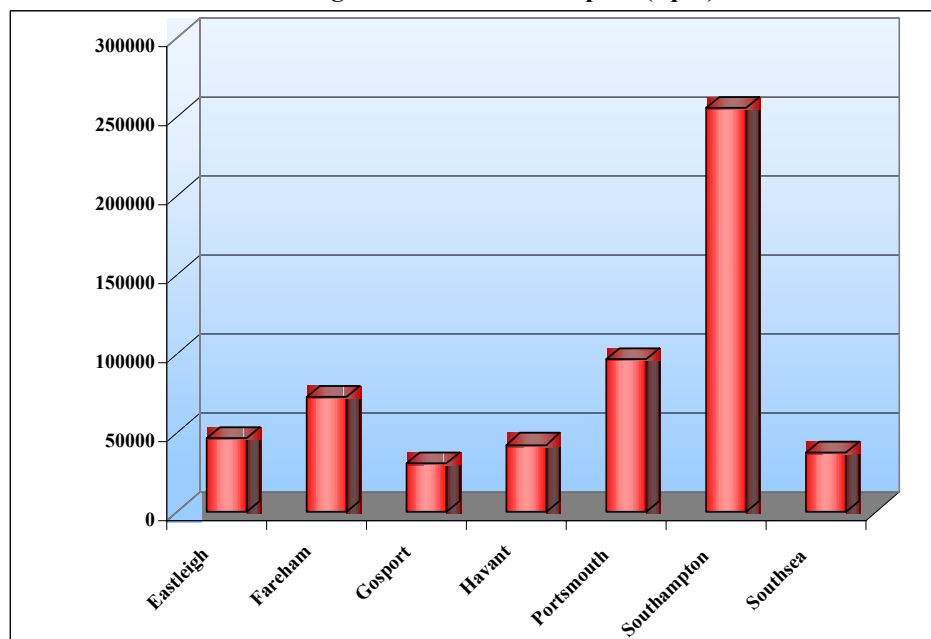
Figure 3.3: Study Centre's Provision



3.07

With the above in mind, it is important to consider the different centres in their regional context. **Figures 3.3** and **3.4** illustrate the quantum and range of floorspace in the competing retailing centres. They clearly demonstrate that **Southampton** is the dominant retailing centre at the moment with its greater range of comparison goods stores, including department stores, variety stores and an extensive range of national multiple retailers. Subsequently, this centre draws a significant number of shoppers from the PUSH area.

Figure 3.4: Gross Floorspace (sq.m)



Source: Experian Goad Category Report, All Outlets, Floorspace.

- 3.08 Moving down the hierarchy is **Portsmouth**, which currently has one department store (Debenhams) and, as with Southampton city centre, the full complement of variety stores (Marks and Spencer, British Home Stores, Woolworths and Littlewoods). At the time of writing, the Development Control Committee had resolved to grant outline planning permission, subject to a Section 106 Agreement, for the redevelopment of the former Tricorn Centre site. The mixed-use proposal, under the umbrella of 'Northern Quarter', will comprise circa 100,000 sq.m (gross external) and circa 52,000 sq.m (net) of retail floorspace (A1, A2, A3, A4, A5). The scheme will be anchored by the John Lewis Partnership and will significantly improve the city's overall role, attraction, profile and national ranking once it opens in 2009/2010.
- 3.09 Thereafter the likes of **Eastleigh** and **Fareham** are large sized town centres and collectively they address district needs and requirements. The recent introduction of The Market Quay scheme into the heart of Fareham has enhanced the retail and leisure offer of the centre and subsequently improved its performance and status. At this level in the hierarchy, a selection of quality variety stores and national multiple retailers are present, but there is no significant department store representation.
- 3.10 Further down the shopping hierarchy are centres such as **Gosport**, **Havant** and **Southsea** that primarily serve a more local shopping function. Within these centres national multiple retailer representation is limited and there is an increased emphasis on convenience shops and services.
- 3.11 Not surprisingly, the bottom of the hierarchy constitutes district and local centres, such as **Locks Heath** and **Portchester**. These centres provide local shopping facilities generally anchored by convenience shopping and service businesses, together with the community activities (i.e. community centres, libraries, health services and other public amenities). Whilst, we are not commissioned to undertake a healthcheck of district and local centres as part of this study, an assessment of their vitality and viability will need to be monitored in the future.
- 3.12 At the various levels in the shopping hierarchy, each centre has a different role and function, performance level and potential prospects. However, each centre's performance and prospects cannot be divorced from those of competing centres, both higher up and lower down the hierarchy. A significant improvement to one centre holds the threat/promise of drawing trade from others.
- 3.13 The established hierarchy does not prevent the smaller centres from continuing to be viable. Their current role is to provide for the day-to-day needs of the local population and, moreover, a range of shopping for less mobile shoppers. However, within the context of the network of centres in the PUSH area, there is a need for the consortium of Councils to enhance their respective roles and actively identify potential opportunities for growth in line with PPS6.

Changing Status

- 3.14 The ranking of shopping centres is a common indicator used to measure the relative strength and changing performance of shopping locations. However, it is an imprecise science, because the rankings are driven by the criteria used to measure centre attraction and performance.
- 3.15 Whilst we are aware that there are a variety of national shopping centre ranking measures, for the purpose of this analysis we draw on the Management Horizons '*Shopping Centre Index (2004)*'. This national ranking of some 1,670 shopping locations provides a broad indication of the changes in a centre's relative attractiveness and performance. It is based

upon a weighted scoring system which takes into account the representation of non-food national multiple retailers in each centre, with anchor stores and major attractors being given greater weight.

- 3.16 The key centre rankings for 2001 to 2004 are set out in **Table 3.1**. The headline findings are described thereafter.

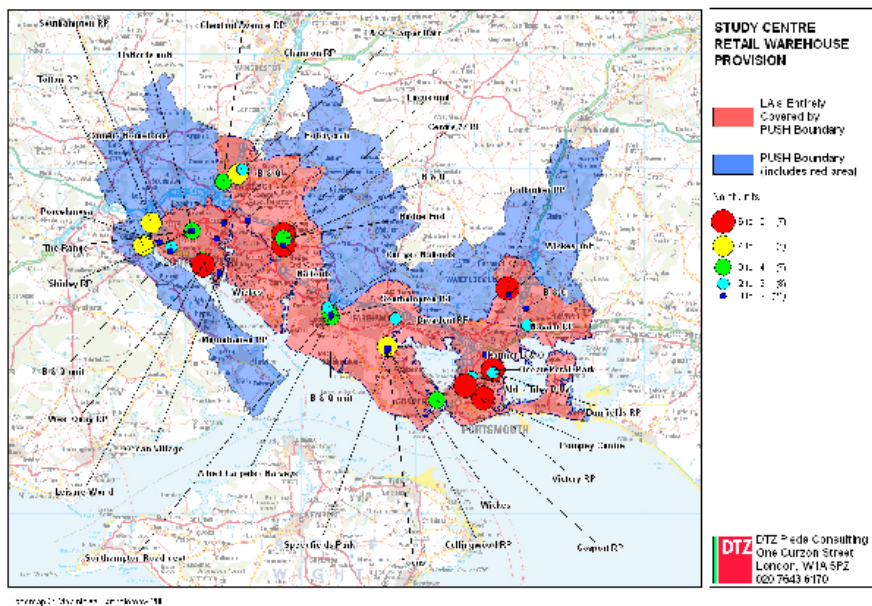
Table 3.1: Management Horizons (2001 – 04) Retail Rankings			
Centre	2001	2004	Change
Eastleigh	231	236	-5
Fareham	182	201	-19
Gosport	347	296	+51
Havant	461	462	-1
Portsmouth	74	73	+1
Southampton	28	15	+13
Southsea	321	404	-83

- 3.17 Not surprisingly the pattern to emerge in the retail rankings follows that of the hierarchy previously discussed. The dominance of the larger centres is reiterated in the retail rankings, which show that Southampton is amongst the top 15 centres in the UK, whilst Portsmouth is in the top 100. It should be noted that Southampton has significantly improved its retailing status due to continued investment and enhancement (i.e. West Quay Shopping Centre).
- 3.18 Eastleigh and Fareham, defined as large sized centres, appear in the top 250. However, both centres have fallen in rank since 2001. Gosport, Havant and Southsea are all positioned within the top 500. It can be noted that Gosport’s position within the rankings has improved substantially by 51 places, whilst Havant and Southsea’s position have declined by one place and 83 places respectively. This does not necessarily mean that the centres themselves are declining, merely that other centres have improved and consolidated their shopping offer. This, in turn, has pushed the lower order centres further down the rankings. This reinforces the fact that ‘standing still’ and complacency is akin to decline. Simply, centres must continually improve and enhance their shopping offer and amenities in order to maintain or increase their status.

Out-of-Centre Retailing Provision

- 3.19 **Figure 3.5** shows the extent of out-of-centre retailing in the PUSH area. These major shopping destinations are primarily situated in close proximity to the main regional road arteries and subsequently serve both the PUSH residents and those from a wider catchment area.

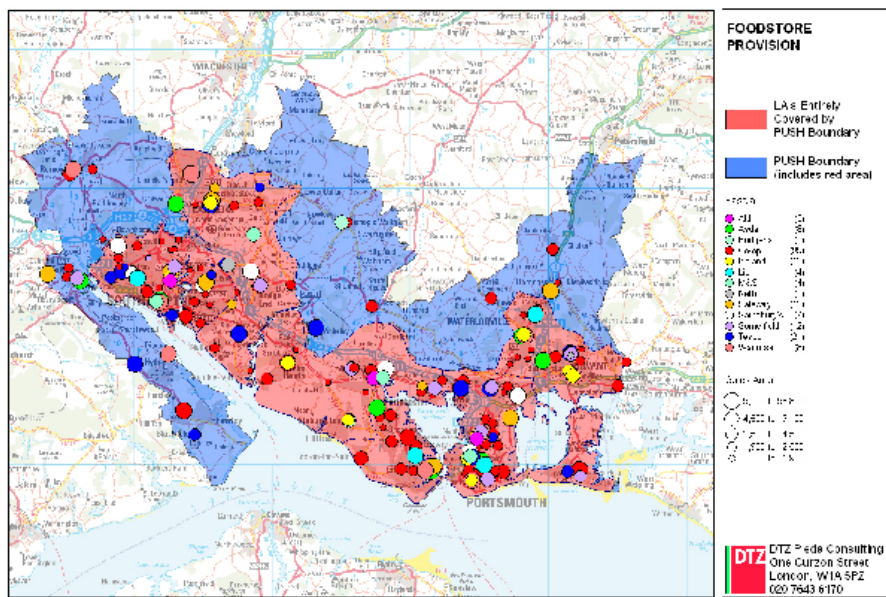
Figure 3.5: Out-of-Centre Provision



3.20 It should be noted that each of these retail destinations compete directly with the PUSH centres for trade. We highlight the principal schemes as follows:-

- **Hedge End** – situated within the Southampton sub-region, this purpose built centre mirrors successful formats in Cheshunt (Herts), Holmbush Centre (Sussex) and Camberley (Surrey). The concept is based upon two large anchor stores (Sainsburys and Marks and Spencer) and provides for both comparison and convenience shopping in one linked trip. In terms of accessibility, the centre is conveniently located at Junction 7 of the M27 motorway, Hedge End, about five miles south-east of Eastleigh. The complex provides free dedicated car parking.
- **Gunwharf Quays** - A major mixed-use regeneration scheme and retail destination clustered round the original harbour in the Portsmouth conurbation. Its total size is approximately 100,000 sq.m and comprises a variety of factory outlet centre shops, residential uses, a marina, hotels, restaurants and bars, comedy club, 14 screen Vue cinema together with associated amenities. The retail function comprises 17,200 sq.m of floorspace and the key occupiers include Marks and Spencer, Calvin Klein, Paul Smith, Monsoon, Bally, Fat Face, Speedo and Fred Perry.
- **Whiteley Village** – Opened in 1999, the factory outlet centre comprises circa 15,000 sq.m of retail floorspace. The key fashion operators include Jaeger, Pringle, Joseph, Moss Bros, Petroleum, Cotton Traders, Pilot, Sisley, Elle, Joseph, Jigsaw, Puma, High & Mighty and Marlboro Classics. Other operators with representation include Lillywhites, Samsonite and Starbucks.

Figure 3.6: Convenience stores



3.21 **Figure 3.6** clearly demonstrates that a large quantum of convenience floorspace is strategically represented in the PUSH area.

SOUTHAMPTON

3.22 The maritime city of Southampton, a principal shopping destination and administrative centre, plays a key role in the regional economy. Its expansive city centre functions as a major retail, commercial, cultural, educational and leisure destination, and serves as a transport hub for national, regional and local public transport services. Southampton International Airport, situated to the north-east of the city, caters for approximately 30,000 flights annually and is well linked to the city centre by train and bus.

3.23 The focus of commercial activity in Southampton city centre, especially comparison goods retailing, is centred on the pedestrianised section of Above Bar Street and the adjoining West Quay Shopping Centre.

Figure 3.7: Above Bar Street



Figure 3.8: Entrance to West Quay



3.24 Above Bar Street (**Figure 3.7**) is the centre's prime shopping area backbone with a north-south axis and hosts a good range of quality retailers accommodated in large footprint stores. West Quay Shopping Centre (**Figure 3.8**), which runs perpendicular to the central spine, was opened in September 2000 and is one of the largest in-town shopping centres in the United Kingdom. It comprises 74,500 sq.m of retail floorspace and is anchored by two retailing giants, John Lewis and Marks and Spencer (both trading on three levels), and hosts approximately 90 shops, together with a range of restaurants and cafes. It's no secret that the introduction of this impressive scheme into the retailing heart of the city centre has secured Southampton's top fifteen ranking.

3.25 Marlands Shopping centre is directly linked to Above Bar Street (**Figure 3.9**) and comprises forty shops and circa 18,000 sq.m of retail floorspace. The scheme is anchored primarily by Matalan (**Figure 3.10**) which trades on two floors. Other quality tenants with representation in the shopping centre include Adams, The Pier, Disney, Bay Trading Co, Vision Express, Claires, Whittard, Clinton Cards and Savers Health and Beauty.

Figure 3.9: Entrance to Marlands Centre



Figure 3.10: Inside Marlands Centre



3.26 The city centre is segmented into two halves by virtue of the Bargate monument (**Figure 3.11**) which acts as a physical barrier. From the retail perspective, the threat remains that the shopping centre is in danger of breaking into two. On the one hand, the retailing to the north focuses on the aforementioned prime pitches of Above Bar Street and West Quay Shopping Centre. On the other hand, to the south of Bargate are the secondary pitches of the High Street, East Street and Bargate Shopping Centre. However, between the two divided retailing areas there does not appear to be a strong link.

Figure 3.11: Bargate Monument



Figure 3.12: Debenhams, East Street

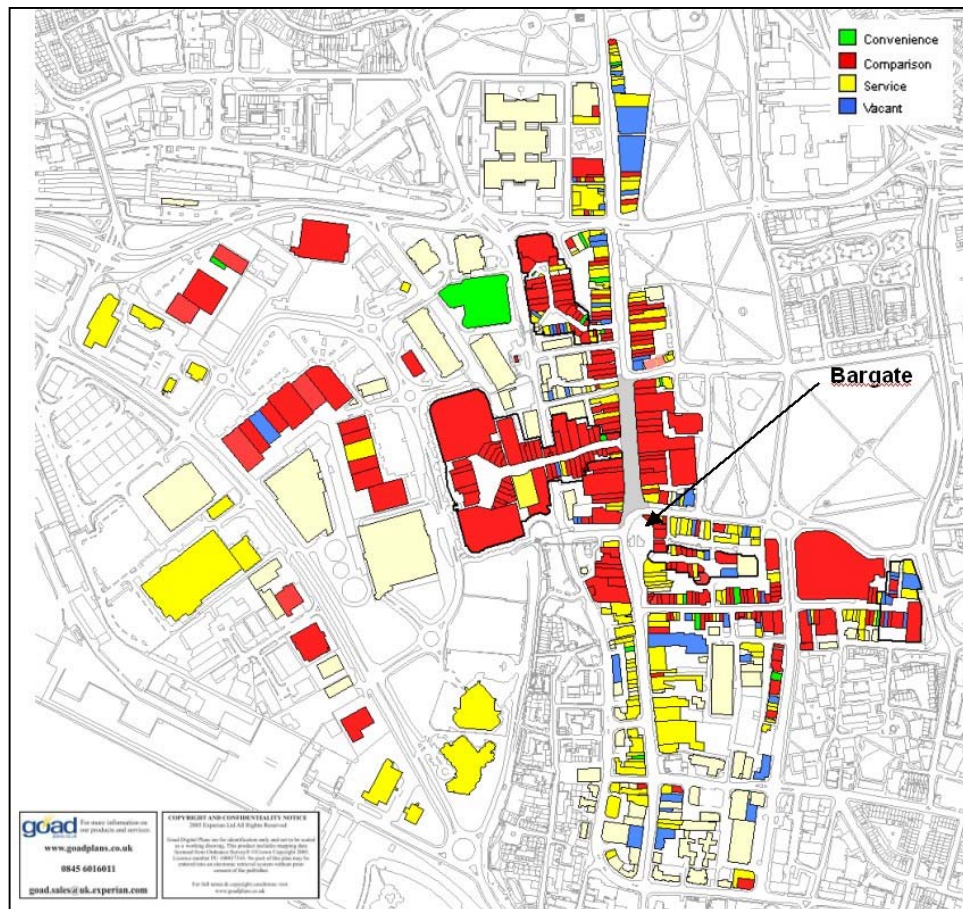


- 3.27 Situated on both sides of the High Street is a sporadic mix of purpose built and converted retail properties hosting a complementary mix of A1, A2, A3, A4 and A5. East Street runs in an easterly direction from the High Street to East Street Shopping Centre and is anchored by a large four-storey Debenhams department store (**Figure 3.12**). The street comprises small shops accommodating a mix of national multiple and speciality retailers, which co-exist together.
- 3.28 Despite its proximity to the prime retailing area, the enclosed Bargate Shopping Centre lacks the viability of the aforementioned shopping centres and accommodates primarily independent retailers and only a limited number of national multiple retailers. This reinforces the theme that there is a north-south divide in the city centre. East Street Shopping Centre, positioned at the tail end of East Street is a poor trading location.
- 3.29 The edge-of-centre retail warehouse units on Mountbatten Park and West Quay retail parks, together with the surrounding solus units comprising Asda supermarket (Portland Terrace), Toys R Us (Western Esplanade), Mammás & Pappás (Harbour Parade) and Leisure World (West Quay Road), are all well located in relation to the city centre.

Diversity of Uses

- 3.30 **Figure 3.13** illustrates the distribution of convenience, comparison and service offer in Southampton city centre.
- 3.31 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 592 according to the most recent Experian Goad Centre Category Report (see **Appendix 2**). This includes 27 convenience stores, 296 comparison stores and 212 units accommodating services (retail service 50, leisure service 119 and financial and business service 43). In terms of ground floor footprint, 3% is devoted to convenience, 47% to comparison and 22% to services (retail service 2%, leisure service 17% and financial and business service 3%).

Figure 3.13: Land Use



Convenience Goods

- 3.32 The total amount of gross convenience floorspace in Southampton city centre is 11,325 sq.m. The supermarket provision comprises Asda (3,648 sq.m net), Waitrose (1,745 sq.m net) and Marks & Spencer (836 sq.m net). Convenience stores account for only 4% of total outlets and 3% of total floorspace within the centre compared to national averages of 7% and 11% respectively.
- 3.33 In terms of potential ‘gaps’ in provision, more detailed analysis indicates that Southampton city centre has no representation of butchers, fishmongers, frozen foods and greengrocers. This reflects the national trend in the decline of smaller independent businesses, principally due to the rise of the food superstore since 1980s.

(ii) Comparison Goods

- 3.34 The comparison offer within a regional shopping centre is extensive, as these centres primarily function as comparison-based destinations. In terms of gross floorspace, 47% of the city centre’s floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 43% of outlets are comparison-based against a national average of 33%.

3.35 Not surprisingly the vast majority of comparison goods stores within the city centre, especially in the retailing heart, are national multiple retailers. In the important fashion sector (ladies wear, menswear, children's and infant wear), it can be noted that Southampton city centre has a total of 106 outlets (this excludes fashion goods contained in department and variety stores).

(iii) Service Businesses

3.36 Large city centres generally have lower proportions of convenience and service businesses. This reflects their roles as comparison shopping destinations.

3.37 In the leisure sector there is a notable provision of hotels (an index of 203 compared to the GB base of 100), nightclubs (191) and sports and leisure facilities (178). **Figure 3.13** clearly demonstrates that the main concentration of services within the city centre is along the High Street.

(iv) Eating and Drinking Offer

3.38 There are a large number of restaurants and cafes (Use Class A3) within Southampton city centre, most of which are national multiple operators. These A3 Uses are generally dispersed across the city centre (**Figure 3.14**). However, there is a small concentration of these outlets contained in the food gallery situated on the first floor of West Quay Shopping Centre.

Figure 3.14: A3/4/5 Distribution

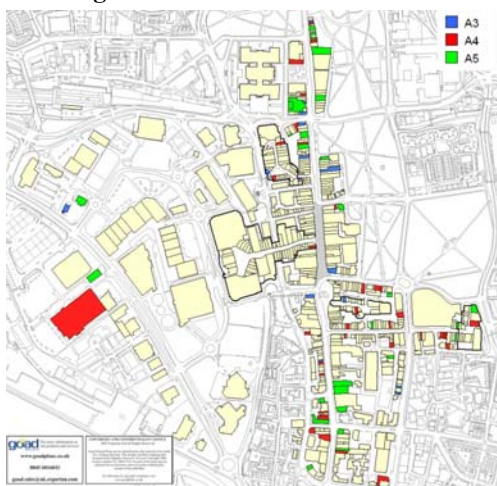


Figure 3.15: Leisure World



3.39 The main concentration of leisure uses in the centre can be found in Leisure World (**Figure 3.15**) situated on West Quay Road in the west of the city centre. The complex contains a diverse mix of leisure activities including a cinema (Odeon), restaurants (Ask and Frankie & Benny's), amusements (Hotshots), bars (Jumpin' Jacks and Bambuubar), nightclubs (Diva and Ikon) and a casino (Grosvenor).

Office Uses

3.40 As previously mentioned, Southampton is a major administrative centre both in terms of private and public sector activity. Southampton City Council is one of the largest employers in the city and the civic centre is located in close proximity to the city centre.

3.41 If needs arise for new office space within the PUSH area it is important to note that new office development should ideally be directed towards city and town centres. This area is accessible to the surrounding residential areas and is also well served by the existing public transport system.

3.42 The positioning of offices in and around the city centre will also help to generate trips to the centre at lunchtimes and in the evenings to make use of the shops and services.

Department and Variety Stores

3.43 Southampton city centre has two department stores namely John Lewis and Debenhams, together with the full complement of variety stores (Marks and Spencer, Woolworths, Littlewoods and British Home Stores). These serve an important anchor function to the city centre, because these operators continue to attract shoppers en masse frequently and regularly.

Other Uses

3.44 In addition to its dominant retail, leisure and administrative function, the city centre is also has a notable and diverse range of other activities including:

- national multiple and independently operated hotels (Holiday Inn, Novotel, Ibis, Grand Harbour, Dolphin, and Star)
- health clubs (Spirit) and leisure centres (The Quays)
- car showrooms
- a snooker club (Castle)
- places of worship
- a variety of dwellings types scattered throughout and surrounding the centre
- parkland and landscaped gardens (including Palmerston Park, Houndwell Park and Guildhall Square)
- educational facilities (Southampton Institute)
- a tourist information centre

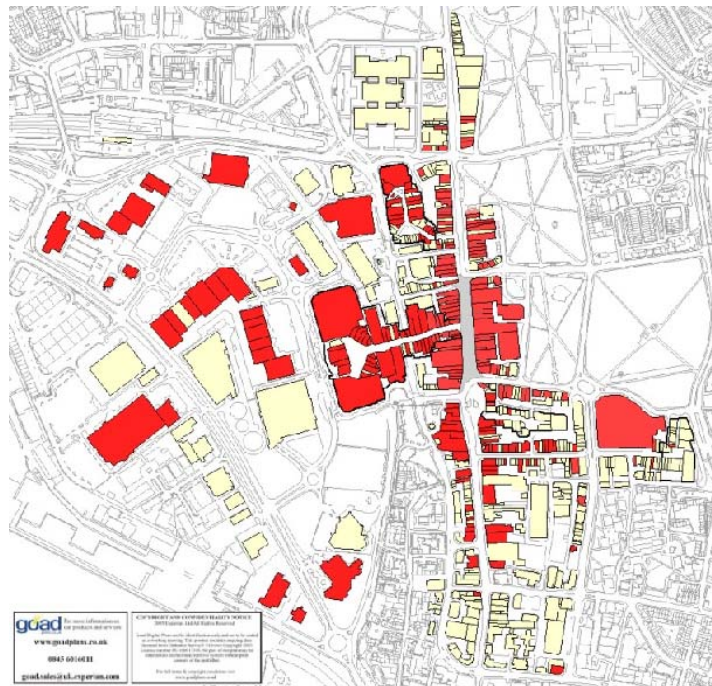
3.45 All of the above encourage visitors into a centre and generate footfall.

Multiple Representation and Demand

3.46 There are a total of 357 national multiple retailers (A1, A2, A3, A4 and A5) in Southampton city centre, of which 215 are comparison retailers. **Figure 3.16** sets out their location and shows that they are strategically positioned throughout the centre, although the main clusters are along Above Bar Street and within the West Quay Shopping Centre.

3.47 It should be noted that a significant number of national multiple operators are represented in secondary locations, which demonstrates the difficulty that quality retailers have securing representation within the prime pitch of Southampton city centre.

Figure 3.16: National Multiple Operators



3.48 The 'Retail Focus Reports' monitor the changes in demand for retail representation across 1,100 UK centres and are widely used to benchmark the changing health and status of retail locations. **Appendix 3** provides an insight into the nature and range of retailer requirements. It shows that retailers perceive the centre to be a viable trading opportunity. Encouragingly, Southampton city centre currently has requirements from 128 retail and leisure operators requiring in excess of 100,000 sq.m of floorspace. Some of the key operators seeking representation, or relocation, in the city centre include:

- **comparison operators:** Decathlon, Desire by Debenhams, Esprit, House of Fraser, Levi Strauss, Matalan, Superdrug, TJ Hughes, TK Maxx, Uniqlo, Field & Trek, Lakeland, Lombok, Officers Club, Panasonic.
- **convenience operators:** Aldi, Bakers Oven, Farmfoods, Oddbins, Iceland.
- **A3/A4/A5 operators:** Elbow Room, EAT, Ha Ha Bar, KFC, Caffè Nero, Costa, Pizza Hut, Pizza Express, Wagamama, La Tasca, Krispy Kreme Donuts, Nandos, Pret A Manger, Santa Fe, Sports Café.
- **leisure operators:** Esporta, Virgin.
- **service operators:** Toni & Guy, Trailfinders, Johnsons Dry Cleaners, Tote Bookmakers.

3.49 **Table 3.2** below shows that in terms of historical data the number of requirements for Southampton city centre has climbed from 113 requirements in 2000 to 130 at the time of production of the Focus Report in 2005. There is therefore a relatively healthy level of 'stated' demand for Southampton.

Table 3.2: Retailer Demand		
No of Requirements	Ranking (1 st highest)	Date
130	27	Apr 2005
127	25	Oct 2004
119	27	Apr 2004
118	29	Oct 2003
124	24	Apr 2003
139	19	Oct 2002
128	24	Apr 2002
118	21	Oct 2001
117	20	Apr 2001
113	18	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

- 3.50 To set Southampton Zone A rental levels into context, the table below compares the prime rental level with those of its surrounding and competing centres.

Table 3.3: Rental Values (Zone A) £ per sq.m.									
Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

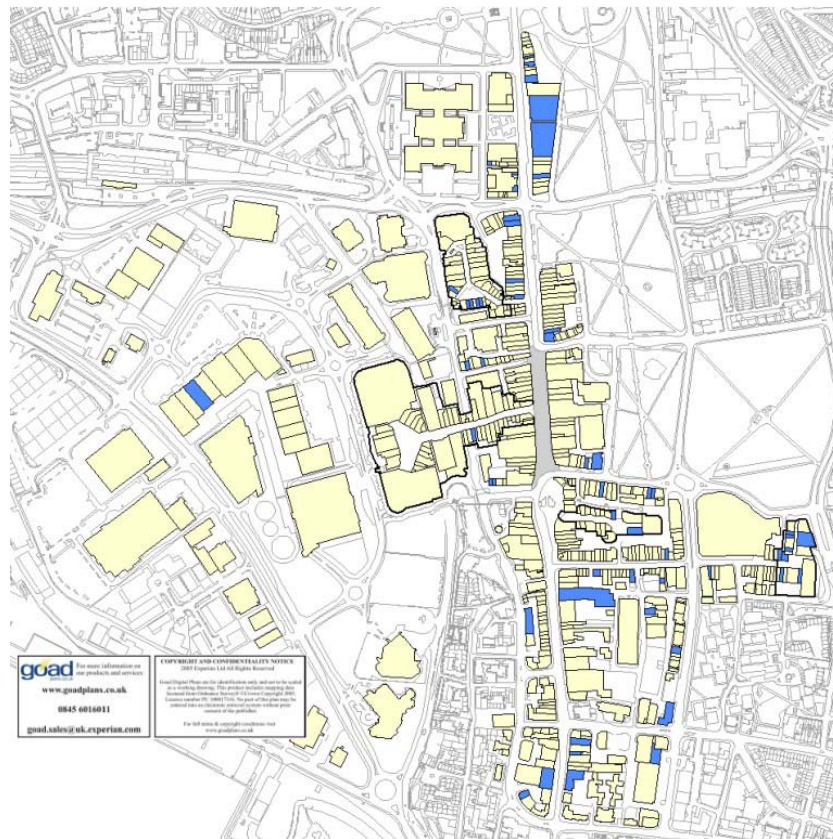
Source: In-Town Retail Rental Map, Colliers, 2005

- 3.51 Prime rental levels in Southampton city centre have dramatically improved since 1998 from £1,991 per sq.m (Zone A) to a peak of £3,229 per sq.m (Zone A) in 2005. Southampton clearly has the highest rental values in the PUSH area and this reinforces its dominance in the retail hierarchy.

Vacancies

- 3.52 Vacant retail accommodation in the city centre is marked in blue in **Figure 3.17**. The plan demonstrates that the vacant units are dispersed in the peripheral areas of the centre. Indeed, in the prime pitches of Above Bar Street and West Quay Shopping Centre there are very few voids. This denotes a very active trading profile in the retailing heart of the city centre.
- 3.53 It can be noted that 57 retail and service outlets were vacant. This represents 8% of all retail and service outlets contained in the city centre, which is equal to the current national average (8%). The total amount of vacant floorspace equates to circa 15,000 sq.m.

Figure 3.17: Vacancies



Commercial Yields

3.54 The table below comprises an extract from the Valuation Office Property Market Report (Summer 2005) and reveals that yields on prime retail properties in Southampton city centre are currently estimated at 5%. In relative terms, Southampton's yields have remained stable at 5% since Spring 2002 to the current year. In comparative terms, Southampton city centre continues to have a stronger yield than the other retailing centres in the PUSH area.

Centre	Yields %											
	Date	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh		7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham		8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport		9	9	9	9	9	9	9	9	9	9	9
Havant		10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth		6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton		6	6	5	4.5	5	5	5	5	5	5	5
Southsea		9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

3.55 Property Market Research Services (PMRS) has recently informed us that the latest survey of pedestrian flows in Southampton city centre was 2005. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are buoyant, especially in the prime pitch along the pedestrianised section of Above Bar Street and within West Quay Shopping Centre. Beyond this, shopper footfall diminishes.

Accessibility

3.56 Southampton city centre is easily accessible by a choice of means of transport; an important issue in terms of PPS6. Southampton railway station is positioned on the periphery of the city centre and is approximately a 15 minute walk to the centre's prime retailing pitch. The centre is also accessible by bus from all parts of its catchment. In our view there is also a good provision of car parking facilities both multi-storey and at grade (**Table 3.5**). We estimate that the total number of car parking spaces serving the city centre proper is 6,511 spaces.

Table 3.5: Car Park Provision		
Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
Western Esplanade		800
Western Esplanade	NCP	605
West Quay		1,000
Bargate		300
Eastgate Street		700
Surface Level Car Parks:		
Holiday Inn		200
The Quays Leisure Centre		200
Leisure World	Euro Car Parks	500
Grosvenor Casino		60
Novotel		300
McDonalds/TGI Fridays		50
Mountbatten Park Retail Park		200
West Quay Retail Park	Euro Car Parks	900
Coach Station		300
Civic Centre		40
Western Esplanade		150
Albion Place		130
Canal Walk		76
TOTAL		6,511

3.57 With regards to traffic flows, the High Street and East Street have high levels of traffic and parked vehicles (**Figure 3.18**). This has led to pedestrian intimidation, safety problems, air pollution and noise pollution. Despite the provision of pelican crossings at grade it is still difficult to cross the road. At the time of writing, this issue is being addressed at the northern end of the High Street with the extension of the Above Bar Street pedestrianisation scheme which will, when completed, wrap around the Bargate monument (**Figure 3.19**). This, in turn, will aid pedestrian flows and linkages from the prime shopping pitch in the north of the centre to the secondary pitches in the south.

Figure 3.18: East Street



Figure 3.19: Bargate Pedestrianisation



- 3.58 Our visual inspections reveal that there is an adequate provision for cyclists, i.e. cycle paths, storage etc.

Environmental Quality

- 3.59 Whilst it is difficult to be objective as to the environmental quality of any centre, much of the prime retailing area (i.e. Above Bar Street and West Quay Shopping Centre) is free from traffic. In general terms, we consider the centre to be environmentally attractive and clean with a good provision of street furniture, landscaped areas and litter bins. There is no noticeable graffiti or areas of deprivation in the city centre. Insofar as these factors do actually contribute to a centre's vitality and viability, we consider their contribution to be positive.

Summary

- 3.60 In our opinion, Southampton continues to have a healthy city centre, which has been further enhanced by the introduction of the West Quay Shopping Centre. Southampton's position in the ranking of shopping centres has significantly improved to become a top fifteen centre.
- 3.61 The city centre has two department stores and the full complement of variety stores. It has an excellent range of national multiple retailers present and the high levels of retailer demand for representation in city centre is very encouraging indeed. Add to this the rise in prime Zone A rental levels and static yields and the picture to emerge is positive. The centre is environmentally attractive and the general perception of crime/safety is favourable.
- 3.62 The centre also benefits from a diverse range of other uses (commercial, leisure, residential, cultural and educational) that all encourage visitors into a centre. The centre is both vital and viable.

PORTSMOUTH

- 3.63 The conurbation of Portsmouth is geographically contained on a small island (Portsea Island) with sea and harbour on three sides. It is linked to the rest of Hampshire by four bridges and a causeway. For centuries the town has been dominated by the Royal Navy, which had a significant impact on its social, economic and political life. Today, the city has somewhat diversified from this image and plays host to an expanding university population and increasing visitor numbers.
- 3.64 Portsmouth city centre, a principal shopping destination, is the main focus for shopping, services and employment. The pattern of retailing has changed little over the past decade with very few significant additions of new purpose built modern retail floorspace.

Figure 3.20: Cascades Shopping Centre



Figure 3.21: Commercial Road



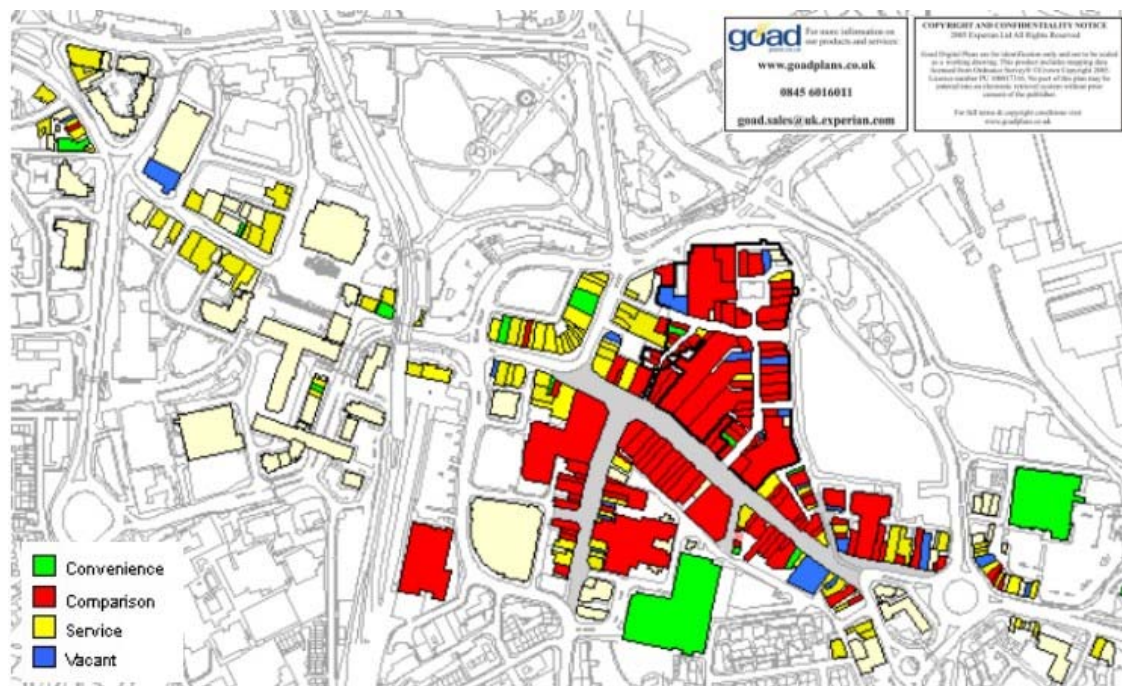
- 3.65 The compact city centre continues to focus, in commercial terms, on the enclosed Cascades Shopping Centre (**Figure 3.20**) and the pedestrianised Commercial Road (**Figure 3.21**). The former is a large late-1980's shopping mall comprising circa 23,000 sq.m of retail floorspace. It accommodates the full complement of variety store operators (Marks and Spencer, British Home Stores, Woolworths and Littlewoods), together with a quality range of national multiple retailers including a large H&M trading on two retail floors. Meanwhile, Commercial Road is the centre's traditional retailing backbone with a north-south axis and is anchored by a Debenhams (former Alders) department store trading on three levels.
- 3.66 The only other significant retailing area in the city centre is Arundel Street, which runs perpendicular to the east of Commercial Road and is anchored by a large Wilkinson store.
- 3.67 There are two notable freestanding supermarkets situated in the city centre boundary namely Tesco, which is closely related to the prime shopping pitch, and Sainsburys situated in an edge-of-centre location in the north.
- 3.68 The area within the vicinity of Guildhall Square is the cultural focus for city centre, incorporating both the Guildhall and civic offices. Guildhall Walk, linking into Lord Montgomery Way, accommodates University of Portsmouth buildings and a host of associated leisure uses.
- 3.69 At the time of writing, the Development Control Committee had resolved to grant outline planning permission, subject to the signing of a Section 106 Agreement, for the 'Northern Quarter' scheme. Portsmouth City Council advise us that the Secretary of State has not called-in the application. The proposal will redevelop the site of the infamous 1960s-built Tricorn Centre that was demolished in 2004. The extent of the main development area equates to circa 7 hectares (17 acres), of which the Tricorn Centre site is approximately 2 hectares (5 acres).

- 3.70 The proposal comprises a mixed-use scheme featuring the following elements:
- a mix of specific uses;
 - the principles of new streets, public spaces and building blocks within which the uses would be distributed; and
 - detailed new works and alterations to existing highways to form a highway infrastructure for the scheme.
- 3.71 The development proposes the following uses:
- retail (Class A1), financial and professional services (Class A2), restaurants and cafes (Class A3), pubs and bars (Class A4) and hot food take-aways (Class A5). The total floorspace (A1, A2, A3, A4 and A5) would be up to a maximum of 96,200 sq.m (gross external) and circa 52,000 sq.m (net). A2 – A5 uses would comprise 5% of the total retail floorspace. The retail element would include two anchor stores, one of which will be occupied by the John Lewis Partnership (indicative floorspace is 23,780 sq.m gross) and the other (indicative 12,480 sq.m gross) is not yet decided. The remaining retail (indicative 59,940 sq.m gross) would comprise 70 – 90 shops, including A2 – A5 uses.
 - leisure (Class D2): up to 6,650 sq.m.
 - residential: up to 200 apartments. These would include 25% affordable provision.
 - hotel comprising 150 beds.
 - car park of 2,300 spaces. This would be primarily for shoppers, but would include provision for the residential units and the hotel.
 - ancillary shopping facilities: shopmobility, public toilets and offices for the management of the development.
- 3.72 The anticipated date of completion of the above scheme is set for the second half of 2009. It will be based on a series of pedestrianised open-to-the-air streets (i.e. not enclosed malls), which will aim to integrate the development with the surrounding area within the vicinity of Commercial Road.
- 3.73 In our opinion, the investment will be a welcome boost to the city centre and we anticipate that it will help push Portsmouth up the national shopping centre rankings from its current position (73) to into the top fifty.

Diversity of Uses

- 3.74 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (ie under construction and vacant) is 296 according to the most recent Experian Goad Centre Category Report (see **Appendix 4**). This includes 18 convenience stores, 126 comparison stores and 130 units accommodating services. In terms of ground floor footprint, 10% is devoted to convenience, 35% to comparison and 25% to services. **Figure 3.22** identifies the location of these different uses.

Figure 3.22: Land Use



(i) Convenience Goods

3.75 The total amount of gross convenience floorspace in Portsmouth city centre is 12,662 sq.m. The supermarket provision comprises J Sainsbury (2,794 sq.m net) and Tesco (3,080 sq.m net). Convenience stores account for 5% of total outlets and 10% of total floorspace within the centre compared to national averages of 7% and 11% respectively.

3.76 In terms of potential ‘gaps’ in provision, more detailed analysis indicates that Portsmouth town centre has no representation of fishmongers, greengrocers and, more surprisingly, off-licences.

(ii) Comparison Goods

3.77 In terms of gross floorspace, 35% of the centre’s floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 35% of outlets are comparison based against a national average of 33%.

(iii) Service Businesses

3.78 Compared to the national picture, the city centre has above average proportions of leisure and financial & business services, but below average levels of retail services. In the leisure sector there is a particular over-provision of bingo/amusement outlets.

(iv) Eating and Drinking Offer

3.79 **Figure 3.23** shows that A3 Uses are generally dispersed throughout the city centre, whereas the main focus of the evening economy is on Guildhall Walk (**Figure 3.24**) in close proximity to the university buildings and private/public sector offices. The key public house operators in this area include Wetherspoons, Firkin, Yates and Walkabout.

Figure 3.23: A3/4/5 Distribution

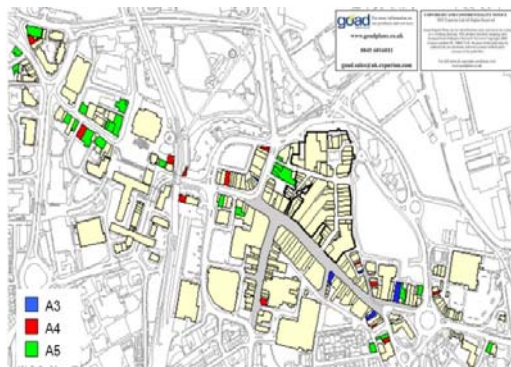


Figure 3.24: Guildhall Walk



- 3.80 Such facilities help to strengthen the evening economy and underpin the retail offer of some centres by encouraging local residents, students and visitors alike to spend more time and money in the centres.

Office Uses

- 3.81 There are two main concentrations of offices in the city centre, namely St Andrew's Court (bound by Lord Montgomery Way, King Richard I Road and St Michaels Road) and within the vicinity of Guildhall Square.

Department and Variety Stores

- 3.82 Portsmouth city centre has one department store (Debenhams) and it boasts the full complement of variety stores (Marks & Spencer, British Home Stores, Woolworths and Littlewoods). Additionally, the proposed Northern Quarter will comprise two department stores, which will be occupied by a John Lewis department store acting as the key anchor.

Other Uses

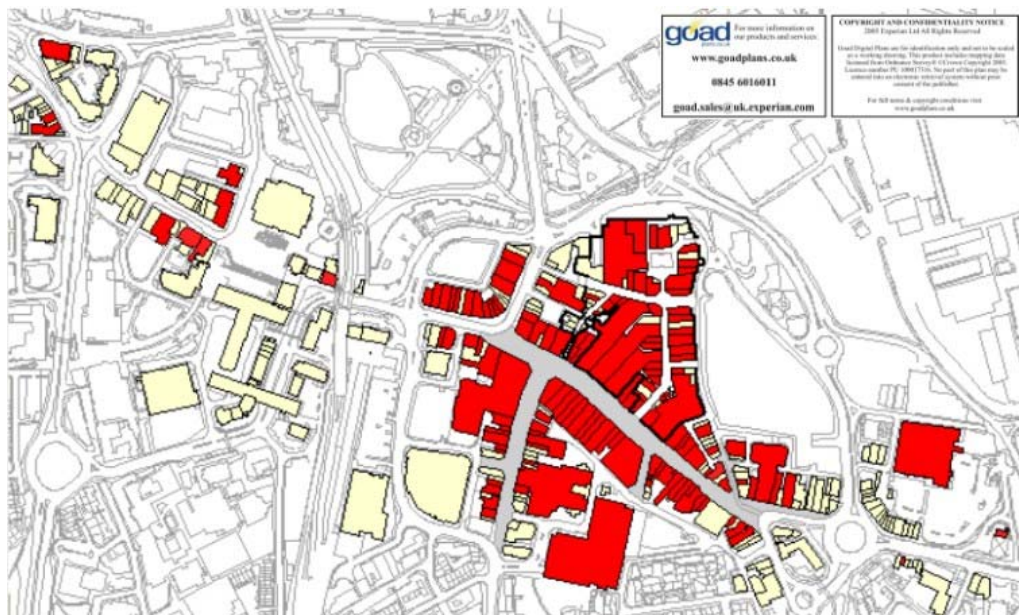
- 3.83 In addition to its dominant retail function, the city centre also has a diverse range of other activities including:

- hotels (Ibis)
- a theatre
- a market (located on Commercial Road)
- a Guildhall
- places of worship
- Citizens Advice Bureau (CAB)
- parkland and landscaped gardens
- educational facilities and associated amenities (Portsmouth University and Highbury College)
- a tourist information centre
- a library

Multiple Representation and Demand

- 3.84 There are 185 national multiple retailers (A1, A2, A3, A4 and A5) in Portsmouth city centre. **Figure 3.25** sets out their location. This shows that they are strategically positioned throughout the centre, although the main cluster is along Commercial Road and within the Cascades Shopping Centre.

Figure 3.25: National Multiple Operators



3.85 **Appendix 5** provides an insight into the nature and range of retailer requirements. Portsmouth city centre currently has requirements from 80 new and existing operators seeking a total of circa 85,000 sq.m of retail floorspace. However, it is important to note that circa 25,000 sq.m is sought by furniture giants IKEA in either an edge-of-centre or out-of-centre location. The key retail and leisure operators include:

- **comparison operators:** Argos, Edinburgh Woollen Mill, Peacocks, Robert Dyas, Superdrug, TJ Hughes, TK Maxx, Zara, Claire's Accessories, Dreams, The Pier
- **convenience operators:** Bakers Oven, Julian Graves
- **A3/A4/A5 operators:** Ask, Caffè Nero, Costa, EAT, The Elbow Room, Wagamama, Zizzi, Pizza Hut, Subway
- **service operators:** Flight Centre

3.86 **Table 3.6** below shows that in terms of historical data the number of requirements for Portsmouth city centre has declined from a peak of 105 requirements in April 2003 to 88 requirements at the time of production of the Focus Report in 2005. In contrast Southampton (Portsmouth's main competitor), has an increasing list of retailers seeking representation.

No of Requirements	Ranking (1 st highest)	Date
88	61	Apr 2005
86	57	Oct 2004
78	64	Apr 2004
89	53	Oct 2003
105	34	Apr 2003
101	43	Oct 2002
85	55	Apr 2002
82	47	Oct 2001
81	47	Apr 2001
87	41	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

- 3.87 To set Portsmouth Zone A rental levels into context, the table below compares the prime rental level with those of its surrounding and competing centres.

Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

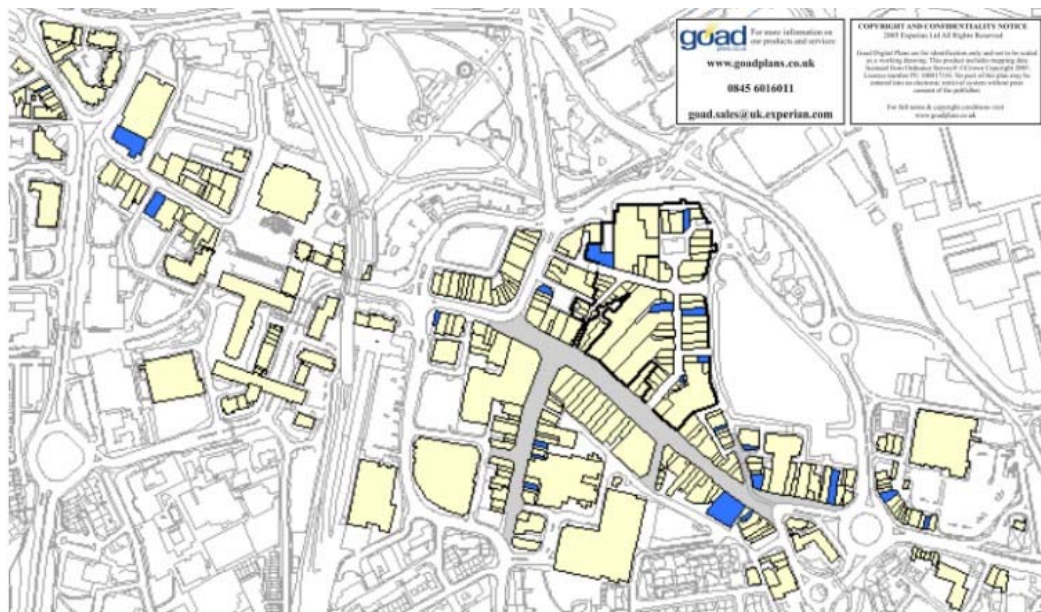
Source: In-Town Retail Rental Map, Colliers, 2005

- 3.88 Prime rental levels in Portsmouth city centre have continued to improve since 2001 from £1,615 per sq.m (Zone A) to a peak of £1,884 per sq.m (Zone A) in 2004/05.

Vacancies

- 3.89 Vacant retail accommodation in the city centre is marked in blue in **Figure 3.26**. It demonstrates that the highest concentration of vacant units is dispersed in secondary and peripheral areas. Subsequently, there are no distinct pockets of dereliction.
- 3.90 It can be noted that 22 retail and service outlets were vacant. This represents 6% of all retail and service outlets contained in the city centre, which is below the current national average of 8%. The total amount of vacant floorspace equates to circa 4,800 sq.m.

Figure 3.26: Vacancies



Commercial Yields

3.91 The Property Market Report (July 2005), prepared by Valuation Office, identifies yields of 6.5% have pertained since April 2002. This represents an improvement from October 2001, when a yield of 7.25% was identified.

Centre	Yields %											
	Date	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh		7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham		8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport		9	9	9	9	9	9	9	9	9	9	9
Havant		10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth		6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton		6	6	5	4.5	5	5	5	5	5	5	5
Southsea		9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

3.92 Property Market Research Services (PMRS) has recently informed us that the latest publication of pedestrian flow data that covers Portsmouth city centre is 2001. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are strongest along the pedestrianised Commercial Road and throughout Cascades Shopping Centre.

Accessibility

- 3.93 Portsmouth city centre is easily accessible by a choice of means of transport. The railway station is positioned within the city centre boundary and is only a few minutes walk to the centre's prime retailing pitch. The centre is also accessible by bus to and from all parts of its catchment. In our view there is also a good provision of car parking facilities within close proximity to the main retailing pitch. We estimate that the total number of car parking spaces serving the city centre is 3,312 spaces.

Table 3.9: Car Park Provision		
Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
Isambard Brunel		470
Tesco	NCP	903
Cascades Shopping Centre	NCP	630
Surface Level Car Parks:		
Isambard Brunel		80
Greetham Street		100
Station Street	NCP	105
Dorothy Dymond		40
Alec Rose Lane		50
Paradise Street	NCP	74
Former Tricorn Centre site	NCP	500
Hope Street		60
Sainsburys	Euro Car Parks	300
TOTAL		3,312

- 3.94 Our visual inspections reveal that there is an adequate provision for cyclists, i.e. cycle paths, storage etc.

Environmental Quality

- 3.95 In general terms, we consider the centre to be environmentally attractive. The vast majority of the centre is free from traffic, notably the established prime retailing pitches and Guildhall Square. Those areas of the centre that do not have the benefit of pedestrianisation (i.e. Guildhall Walk) have wide pavements and do not appear to be disadvantaged by either heavy traffic or parking problems.
- 3.96 There are no obvious pockets of dereliction or visual signs of graffiti or litter. Overall, we consider the centre to be environmentally friendly and attractive.

Summary

- 3.97 In our opinion, Portsmouth has a vital and viable city centre for the moment. Rental levels have improved, yields have remained stable, there is a limited number of vacant properties and there is a healthy list of retailers seeking representation.
- 3.98 Despite the centre's relative health, shoppers in the wider Portsmouth area have a considerable choice of destination in which to shop. We are concerned that the limited amount of investment in new retail facilities in the centre in the past decade or so, will result in the city centre slightly losing its competitive edge to other centres, such as Southampton and out-of-centre retailing destinations. In this way, the investment and an injection of new retailers linked to the Northern Quarter scheme will help Portsmouth city centre to remain robust and competitive, as well as enhance its overall vitality and viability.

4 Centre Profiles: Eastleigh and Fareham

4.01 This section reviews the vitality and viability of the two large town centres in the PUSH area, Eastleigh and Fareham in the context of the key performance indicators outlined in PPS6 (see **Appendix 1**).

EASTLEIGH

4.02 Eastleigh town centre lies at the heart of the original industrial town of Eastleigh; formed at the turn of the 19th – 20th Century to serve the London and South Western railway works. The original town was a product of a Victorian/Edwardian period, reflecting a time of particular innovation and progress in Britain. The result is an urban environment, although not unique, that gives Eastleigh it's own distinctive identity.

4.03 The compact town centre focuses in commercial terms on The Swan Shopping Centre (**Figure 4.1**), which comprises circa 30,000 sq.m of retail floorspace, which opened in 1989. Situated at the southern end of the town centre, the enclosed shopping mall is primarily anchored by a Littlewoods Extra and Tesco Metro. Other significant retailing areas in the town centre are the High Street, Market Street and Leigh Road. We consider each in turn.

Figure 4.1: Swan Centre



Figure 4.2: High Street



4.04 Market Street is the prime shopping street with a north-south axis. It comprises a sporadic mix of purpose-built and converted retail properties situated on both sides of road. There is a small range of national multiple retailers present including Superdrug, Burtons, The Carphone Warehouse, Rosebys, QS, Ponden Mill, Dixons, Bewise, Peacocks, Savers Health and Beauty and The Works.

4.05 The High Street (**Figure 4.2**) runs parallel to the Market Street. Due to the historic nature of the units, many of them are small and have irregular dimensions that are not seductive to national multiple retailers who seek shop units configured to modern retailer requirements. As a result, the High Street accommodates a range of retailers normally found in secondary pitches (e.g. independent traders, charity shops, travel agents, hairdressers, florists etc).

4.06 Leigh Street connects Market Street with the High Street at their northern end and hosts Woolworths and a freestanding Safeway supermarket (**Figure 4.3**) with 200 dedicated car parking spaces. Eastleigh Borough Council advise us that Sainsbury's have acquired the store and it is anticipated that they will commence trading in December 2005. The pedestrianised section of Leigh Street accommodates the open-air market (**Figure 4.4**), which at the time our site visit (September 2005) was busy and vibrant.

Figure 4.3: Sainsburys (formerly Safeway)



Figure 4.4: Market, High Street



4.07 In our opinion, the aforementioned food operators (i.e. Tesco Metro and the arrival of Sainsburys), together with Lidl on Bishopstoke Road, have considerably upgraded the shopping offer of Eastleigh. They have made the town centre more convenient and attractive as a food shopping destination and have reduced the need for and frequency of car-borne food shopping trips to other towns or out-of-centre locations, namely Asda at Chandlers Ford and Sainsbury's at Hedge End. Furthermore, if the resident population shop locally, they may be inclined to resist other shopping destinations for non-food visits and other shops in the centre are therefore supported. In this way, this type and size of supermarkets are in many respects ideal in this size of centre.

Diversity of Uses

4.08 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 216, according to the most recent Goad Centre Category Report (see **Appendix 6**). This includes 12 convenience stores, 91 comparison stores and 93 units accommodating services. In terms of ground floor footprint, 14% is devoted to convenience, 25% to comparison and 20% to services. **Figure 4.5** shows the distribution of these categories.

Figure 4.5: Land Use



(i) Convenience Goods

- 4.09 The total amount of convenience floorspace in Eastleigh town centre is circa 10,500 sq.m gross. The supermarket provision comprises Tesco Metro (1,949 sq.m), Morrisons (2,159 sq.m net) and Lidl (797 sq.m net). Convenience stores account for 5% of total outlets and 14% of total floorspace within the centre compared to national averages of 7% and 11% respectively.
- 4.10 In terms of potential ‘gaps’ in provision, more detailed analysis indicates that Eastleigh town centre has no representation of fishmongers, greengrocers and off-licences. This replicates the trend in many centres across the country and this is principally the result of the growth of food superstores since the 1980s.

(ii) Comparison Goods

- 4.11 The comparison offer is typically more limited than in the dominant centres of Southampton and Portsmouth, as the centre primarily functions as a convenience and service based destination. In terms of gross floorspace, 25% of the centre’s floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 36% of outlets are comparison based against a national average of 33%.

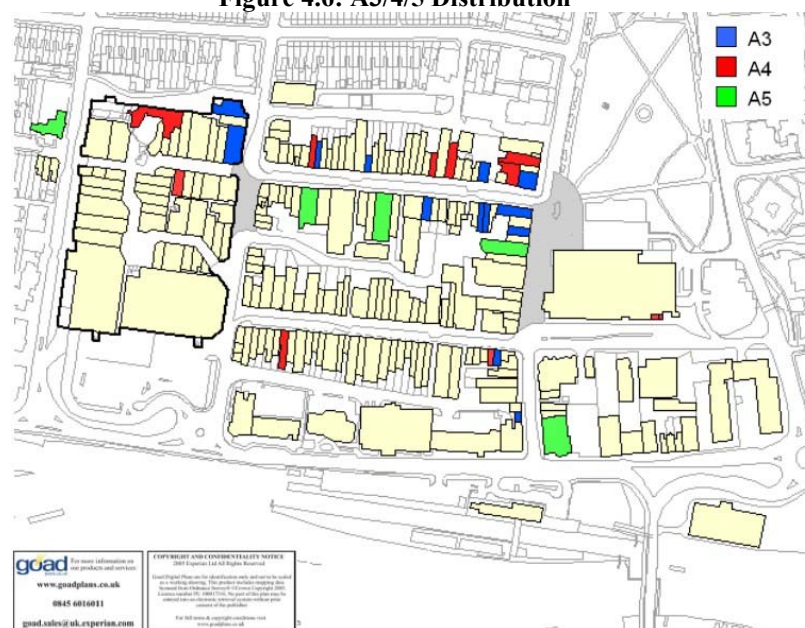
(iii) Service Businesses

- 4.12 Compared to the national picture, the town centre has above average proportions of retail and financial/business services. However, there is slightly lower than national average provision of leisure services (i.e. drinking establishments, bingo operators, cinemas, betting offices, hotels, restaurants, fast-food outlets, sports and leisure facilities).

(iv) Eating and Drinking Offer

- 4.13 There are a total of 15 restaurants and cafes (Use Class A3) within the centre. In terms of distribution the A3 uses are dispersed across the town centre (**Figure 4.6**). Compared to the national average, there is a lower representation of public houses in Eastleigh town centre.

Figure 4.6: A3/4/5 Distribution



Office Uses

- 4.14 Whilst not a major office destination, Eastleigh has a good provision of office floorspace for a centre of its size. Indeed, there are approximately five office blocks (5-6 storeys) in and around the town centre. These help to generate footfall during out of office hours (i.e. weekday lunchtimes and evenings) and aid vitality.

Department and Variety Store

- 4.15 As previously set out in **Section 3** the town does not have the catchment, critical mass or status to support a department store. In this way, the department store needs of the local population are catered for in the dominant centres of Southampton and Portsmouth. The representation of variety stores within the centre is restricted to Littlewoods and Woolworths.

Other Uses

- 4.16 In addition to its retail function, the town centre also has a range of other activities, which encourage visitors into the centre and generate footfall. These include:
- The Point – conversion of the old town hall into a multi-purpose theatre, performing arts and dance venue, as well as a cinema;
 - a library;
 - a museum;
 - an open-air market (situated on the pedestrianised section of Leigh Road); and
 - parkland (positioned in the north-west of the centre).

Retailer Representation and Demand

- 4.17 There are 121 national multiple retailers (A1, A2, A3, A4 and A5) in Eastleigh town centre. **Figure 4.7** sets out the location. This demonstrates that national multiple retailers are primarily concentrated in The Swan Centre and along Market Street.

Figure 4.7: National Multiple Operators



4.18 **Appendix 7** provides an insight into the nature and range of retailer requirements for Eastleigh. Encouragingly, the town currently has requirements from 30 retail and leisure operators, seeking a total of circa 20,000 sq.m of retail floorspace. Some of the key operators seeking representation or relocation in the town centre include:

- **comparison operators:** Edinburgh Woollen Mill, Game, Gamestation, Ponden Mill, Staples, TK Maxx, The Works
- **convenience operators:** Aldi, Bakers Oven, Farmfoods, Greggs
- **A3/A4/A5 operators:** KFC, Pizza Hut, Subway
- **leisure operators:** David Lloyd, Esporta.

4.19 **Table 4.1** below shows that in terms of historical data the number of requirements for Eastleigh town centre has climbed from 15 requirements in 2000 to a peak of 27 requirements at the time of production of the Focus Report in 2005. It should be noted that there is currently a healthy level of ‘in principle’ demand for Eastleigh.

Table 4.1 Retailer Demand		
No of Requirements	Ranking (1st highest)	Date
27	272	Apr 2005
26	274	Oct 2004
21	312	Apr 2004
24	279	Oct 2003
24	256	Apr 2003
20	306	Oct 2002
15	349	Apr 2002
18	291	Oct 2001
18	285	Apr 2001
23	237	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

- 4.20 To set Eastleigh rental levels (Zone A) into context, the table below compares the prime rental level with those of its neighbouring and competing centres.

Table 4.2: Rental Values (Zone A) £ per sq.m.									
Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

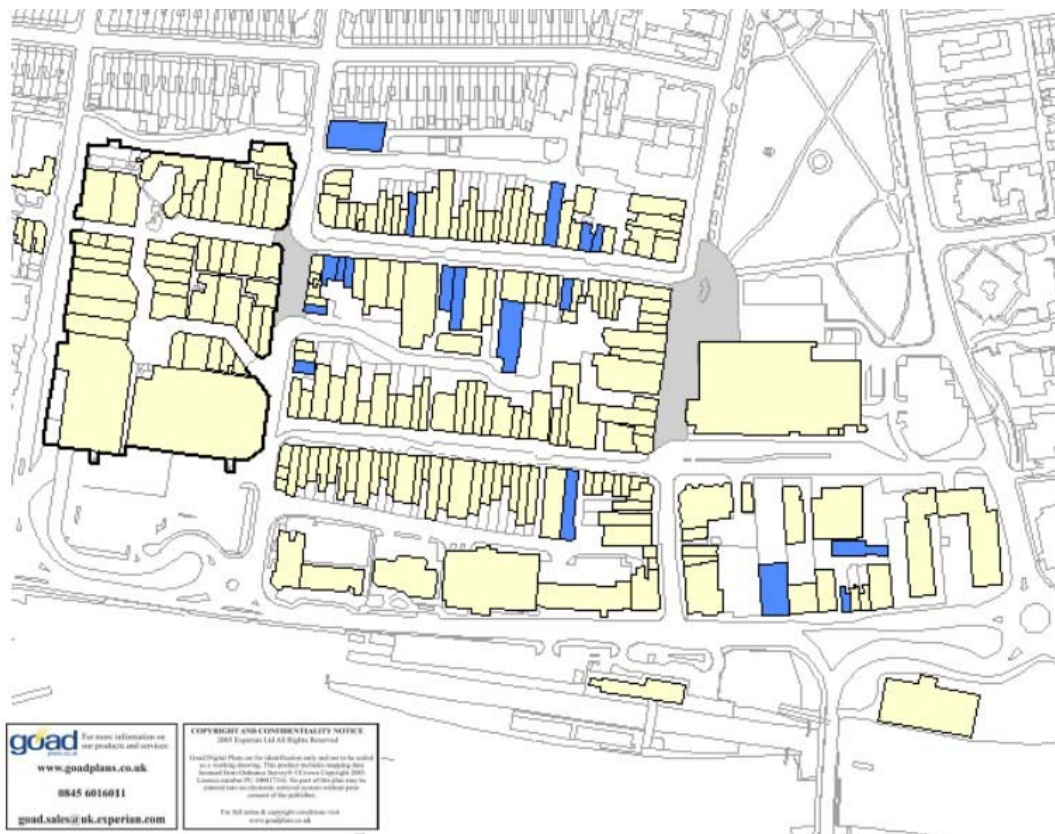
Source: In-Town Retail Rental Map, Colliers, 2005

- 4.21 In relative terms, prime rental levels in Eastleigh town centre have continued to steadily improve since 1997 from £463 per sq.m (Zone A) to a peak of £592 per sq.m (Zone A) in 2004/05. In comparative terms, Eastleigh's rental levels are significantly below that of Fareham, which is achieving Zone A's of £1,346/sq.m. Furthermore, Eastleigh's rental levels are not much higher than the lower order centres within the sub-region namely Gosport (£377/sq.m), Havant (£484/sq.m) and Southsea (£538/sq.m).

Vacancies

- 4.22 Vacant retail accommodation in the town centre is marked in blue in Figure 4.8. It demonstrates that the vacant units are primarily located along the High Street. This reinforces the view that the retail units in this part of the town centre are not attractive to the modern requirements of retailers. It can be noted that out of a total of 216 retail and service outlets 20 outlets were vacant. This represents 8% of all retail and service outlets, which is equal to the current national average of 8%.

Figure 4.8: Vacancies



Commercial Yields

4.23 Eastleigh currently has a relatively strong yield (7.25%) when compared to Portsmouth (6.5%), Fareham (7.5%), Gosport (9%), Havant (>10%) and Southsea (>10%).

Table 4.3: Commercial Yields

Centre	Yields %											
	Date	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh		7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham		8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport		9	9	9	9	9	9	9	9	9	9	9
Havant		10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth		6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton		6	6	5	4.5	5	5	5	5	5	5	5
Southsea		9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

4.24 Property Market Research Services (PMRS) has recently informed us that the latest publication of pedestrian flow data that covers Eastleigh town centre is 2002. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are buoyant, especially in and around The Swan Shopping Centre and in the market.

Accessibility

- 4.25 Eastleigh town centre can be easily accessed by a choice of means of transport. The railway station is positioned on the doorstep of the main retailing pitch and there is a recently refurbished central bus station catering for bus services linking Eastleigh with its surrounding catchment.
- 4.26 With regards to traffic flows the High Street, Market Street and Leigh Street have high levels of traffic and parking problems (**Figure 4.9**). This, in turn, has led to pedestrian intimidation, safety problems, air pollution and noise pollution.

Figure 4.9: Market Street



Figure 4.10: Leigh Street



- 4.27 In our view, there is a good provision of car parking facilities (**Table 4.4**). We estimate that the total number of car parking spaces serving the town centre proper is circa 1,800 spaces. Our visual inspections reveal that there is a good provision for cyclists, i.e. cycle paths, storage etc. However, it should be noted that cars, lorries and delivery vans have a tendency to park in the cycle lanes which make them otiose (**Figure 4.10**).

Table 4.4: Car Park Provision		
Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
The Swan Centre	Unknown	700
Southampton Road	Unknown	500
Safeway	Unknown	200
Surface Level Car Parks:		
The Swan Centre	Unknown	146
Lidl	Unknown	100
Train Station	Unknown	120
Romsey Road	Unknown	50
TOTAL		1,816

Environmental Quality

- 4.28 As previously set out, the most important environmental concern relates to the traffic congestion and parking problems witnessed on the High Street, Market Street and Leigh Street. In this way, the implementation of traffic management measures would make the town centre a more customer-friendly environment. This can be achieved by increasing the separation of traffic and pedestrians by giving higher priority to pedestrians, (e.g. pedestrianisation, wider pavements and introducing a traffic calming measures).

Summary

- 4.29 At this level in the shopping hierarchy the maintenance and enhancement of the food shopping function is of paramount importance and in Eastleigh, the principal foodstores, (Tesco Metro, Sainsbury's and Lidl) provide the all important anchor function, attracting shoppers frequently and regularly, so that other shops benefit from the footfall generated.

FAREHAM

- 4.30 Fareham town centre is the principal shopping and commercial centre within the Borough, serving the population's retailing needs and requirements. The centre focuses on the pedestrianised section of the long and linear West Street (**Figure 4.11**), which is the centre's main retailing backbone with an east-west axis.
- 4.31 The Fareham Shopping Centre (**Figure 4.12**) was built in the mid-1970s and comprises circa 50,000 sq.m of retail floorspace. The scheme trades on two levels and accommodates two key variety stores (Marks & Spencer and British Home Stores), together with a range of quality retailers including Millets, Adams children's wear, Game, Thorntons, Allsports, Holland & Barrett, Birthdays, Early Learning Centre, Dorothy Perkins, River Island, Etam, JD Sports, Boots, New Look, Vision Express, Ottakars, Superdrug, Clinton Cards, Evans, Burton, Monsoon, MVC, Bon Marche and H Samuel.

Figure 4.11: West Street



Figure 4.12: Fareham Shopping Centre



- 4.32 A more recent addition to the centre is Market Quay. This mixed-use retail and leisure complex, which opened in summer 2004, comprises circa 17,000 sq.m of floorspace. Trading on two levels, it is conveniently located adjacent to Fareham Shopping Centre and provides large footprint units currently occupied by Wilkinsons, Peacocks, TK Maxx, JJB Sports, Robert Dyas, together with the leisure operators Metroplex cinema complex, LA Fitness, Chicago Rock Café. In our opinion these operators happily co-exist together.

Diversity of Uses

- 4.33 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 289, according to the most recent Experian Goad Centre Category Report (see **Appendix 8**). This includes 16 convenience stores, 125 comparison stores and 125 units accommodating services. In terms of ground floor footprint, 4% is devoted to convenience, 43% to comparison and 29% to services. **Figure 4.13** illustrates the distribution of these categories.

Figure 4.13: Land Use



(ii) Convenience Goods

4.34 The total amount of convenience floorspace in Fareham town centre is 3,846 sq.m. The supermarket provision comprises Aldi (900 sq.m net), Somerfield (494 sq.m net) and Marks & Spencer (500 sq.m net). Convenience stores account for 5% of total outlets and 4% of total floorspace within the centre compared to national averages of 7% and 11% respectively.

4.35 In terms of potential ‘gaps’ in provision, more detailed analysis indicates that Fareham town centre has no representation of butchers, frozen foods and greengrocers.

(ii) Comparison Goods

4.36 In terms of gross floorspace, a substantial 43% of the centre’s floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 39% of outlets are comparison based against a national average of 33%.

(iii) Service Businesses

4.37 Compared to the national picture, the town centre has higher than average proportions of retail and financial/business services. However, despite the introduction of Market Quay there remains a lower than national average of leisure services.

(iv) Eating and Drinking Offer

4.38 There are a total of 20 national multiple and independently operated restaurants and cafes (Use Class A3) dispersed across the town centre (**Figure 4.14**).

Figure 4.14: A3/4/5 Distribution



Office Uses

4.39 This is not an administrative centre and accordingly there is only a minimal provision of office floorspace within the town centre.

Department and Variety Stores

4.40 There is no department store representation and those variety stores with a presence in the centre are Marks & Spencer, Bhs and Woolworths.

Other Uses

4.41 In addition to the aforementioned retail and service activities, there are also a range of other uses contained in the Fareham town centre including:

- a hotel (Red Lion)
- emergency services
- a health club (LA Fitness)
- a museum (Westbury Manor)
- a tourist information centre
- community centres and halls
- places of worship
- a veterinary surgery
- various dwelling types
- landscaped gardens
- a central library
- dental surgeries
- a cinema complex (Metroplex)

Retailer Representation and Demand

4.42 There are 152 national multiple retailers (A1, A2, A3, A4 and A5) in Fareham town centre. **Figure 4.15** sets out the location. Clearly the majority of national multiple retailers are concentrated in the prime pitch of the town centre, i.e. in and around Fareham Shopping Centre.

Figure 4.15: National Multiple Operators



4.43 **Appendix 9** provides an insight into the nature and range of retailer requirements for Fareham. The town currently has requirements (or relocation) from 42 operators seeking a total of circa 42,000 sq.m of retail floorspace. Some of the key businesses seeking representation, or relocation, in the town centre include:

- **comparison operators:** Desire by Debenhams, Edinburgh Woollen Mill, Matalan, Scholl, TJ Hughes, TK Maxx, Gamestation, Ponden Mill, Stationery Box, Warren James Jewellers, The Works
- **convenience operators:** Farmfoods, Greggs
- **A3/A4/A5 operators:** Pizza Hut, Pizza Express, Subway
- **leisure operators:** David Lloyd, Esporta
- **service operators:** Hair Express International

4.44 **Table 4.5** below shows that in terms of historical data the number of requirements for Fareham town centre has somewhat fluctuated during the past five years. Indeed, the highest number of requirements during this time frame was recorded in October 2004, with 44 retailers seeking representation in the centre. The lowest was in 2001 with a mere 29 requirements. At the time of production of the Focus Report in 2005 the total number of requirements stood at 39.

Table 4.5: Retailer Demand		
No of Requirements	Ranking (1 st highest)	Date
39	193	Apr 2005
44	165	Oct 2004
35	201	Apr 2004
33	211	Oct 2003
32	198	Apr 2003
38	167	Oct 2002
31	206	Apr 2002
29	207	Oct 2001
35	169	Apr 2001
41	146	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

4.45 To set Fareham Zone A rental levels into context, the table below compares the prime rental level with those in the PUSH area.

Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

Source: In-Town Retail Rental Map, Colliers, 2005

4.46 Prime rental levels in Fareham have steadily increased since 1997 from £915 per sq.m (Zone A) to a peak of £1,346 per sq.m (Zone A) in 2005. In our opinion, Fareham shows good values for a town of its size and proximity to competing centres.

Vacancies

4.47 Vacant retail accommodation in the town centre is marked in blue in **Figure 4.16**. It demonstrates that the vacant units are dispersed throughout the centre. Subsequently, there are no distinct pockets of deprivation. It can be noted that out of a total of 289 retail and service outlets, 23 outlets were vacant. This represents 7% of all retail and service outlets, which is slightly below the current national average of 8%.

Figure 4.16: Vacancies



Commercial Yields

- 4.48 The Property Market Report prepared by the Valuation Office (July 2005) sets out that Fareham's yield remained stable at 8% from April 2000 until July 2004. Thereafter it has improved to 7.5%.

Centre Date	Yields %										
	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham	8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport	9	9	9	9	9	9	9	9	9	9	9
Havant	10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth	6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton	6	6	5	4.5	5	5	5	5	5	5	5
Southsea	9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

- 4.49 Property Market Research Services (PMRS) has recently informed us that the latest publication of pedestrian flow data that covers Fareham town centre is 2005. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are strongest on West Street within the vicinity of Fareham Shopping Centre.

Accessibility

- 4.50 In terms of public transport, Fareham town centre is best served by bus. Indeed, there are over thirty bus routes providing access to Fareham town centre from all parts of its catchment in the Borough and beyond. Many bus routes start and terminate at Fareham bus station and are operated by Hampshire 'First' buses. There are also several bus stops located along the unpedestrianised section of West Street, which is only a short walk to the primary shopping area.
- 4.51 The railway station, which is not conveniently located in relation to the town centre, provides access to London Waterloo and Victoria, Southampton, Portsmouth and Havant, as well as local centres such as Portchester and Cosham. There are several large car parks (multi-storey and at grade) serving the town centre (**Table 4.8**). These car parks are well-related to the shopping function and collectively provide 1,671 car parking spaces.

Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
Osborn Road	Unknown	880
Fareham Shopping Centre	Unknown	250
Surface Level Car Parks:		
Market Quay	Unknown	291
Aldi	Euro Car Parks	80
Trinity Street	Unknown	70
Malthouse Lane	Unknown	100
TOTAL		1,671

Environmental Quality

- 4.52 In our opinion, much of Fareham town centre is environmentally attractive. There is no obvious dereliction, litter or graffiti. In addition, there is no long-term vacancy in the centre and no neglect. In terms of public space, the landscaped pedestrianised area adjacent to Fareham Shopping Centre provides seating and shaded areas. At the time of our site visit (September 2005), this area appeared to be well utilised by all age groups.
- 4.53 Despite the small amount of on-street parking along West Street, this went un-noticed due to the wide pavements on either side of the road and minimal traffic flows. In our view, the on-street parking in this part of the centre should give priority to disabled or parent with child parking. All other drivers using the centre should be directed (through signage) to the nearby car parks.

Summary

- 4.54 It is our view that Fareham is a relatively healthy centre. It has three variety stores and a good list of national multiple retailers present. It, however, lacks the presence of one of the four key supermarket stores (i.e. Tesco, Sainsbury, Asda, Morrisons) within the town centre boundary.
- 4.55 Notwithstanding this, at this level in the shopping hierarchy and sandwiched between the dominant centres of Southampton and Portsmouth, we consider that Fareham is performing well. There are a limited number of vacant properties, the centre has good rental values, it is environmentally attractive and the general perception of crime/safety is favourable. There is no evidence to suggest that Fareham town centre is vulnerable to competition from its retailing competitors or neighbours. It is both vital and viable.

5 Centre Profiles: Gosport, Havant and Southsea

5.01 This section continues to review the vitality and viability of the PUSH retailing centres and focuses on the remaining three lower order centres (Gosport, Havant and Southsea). As in the previous sections, it analyses, in turn, the key performance indicators outlined in PPS6.

GOSPORT

5.02 Gosport's peninsular location, with 17 miles of water frontage on Portsmouth Harbour and the Solent, offers a maritime setting and contributes to its legacy of military history. It is the principal town of the Borough of Gosport and is situated in close proximity to the competing centres of Portsmouth, Fareham and Southampton. In fact, Portsmouth lies on the opposite side of the harbour and is easily accessible by a short ferry crossing.

Figure 5.1: High Street



Figure 5.2: Ferry Terminal



5.03 Gosport town centre has a linear high street (**Figure 5.1**) based on a traditional retailing background, comprising an east-west axis. The centre includes a sporadic mix of historic, purpose-built and converted retail properties, which co-exist together. The presence of the harbour frontage, which runs immediately adjacent to the town centre at its eastern end, provides an attractive backdrop to the centre (**Figure 5.2**). Despite its potential strength, some of the waterfront has been neglected and would benefit from restoration works. For example, the unattractive bus station is the principal gateway to the centre for many visitors and could become an important catalyst for wider regeneration.

5.04 The shopping facilities of the town centre are almost exclusively confined to one street. The only exception to this is Morrison's supermarket and Gosport Retail Park situated on either side of Walpole Road, a few unit shops on both North Cross Street and Bemister's Lane and an isolated precinct of 13 shops on South Cross Street.

5.05 The addition of the well-integrated Morrison's Supermarket (formerly Safeway) has considerably upgraded the shopping offer of Gosport. In our opinion, it has made the centre more convenient and attractive as a food shopping destination and has reduced the need for and frequency of car-borne food shopping trips to out-of-centre locations and, more importantly, other competing towns. In this way, this type and size of supermarket is in many respects ideal for Gosport town centre.

5.06 In this way, now that Gosport's shopping function is better anchored, its overall prospects for the future are enhanced.

Diversity of Uses

- 5.07 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 158, according to the most recent Experian Goad Centre Category Report (see **Appendix 10**). This includes 14 convenience stores, 66 comparison stores and 74 units accommodating services. In terms of ground floor footprint, 15% is devoted to convenience, 35% to comparison and 27% to services. **Figure 5.3** shows the distribution of these uses.

Figure 5.3: Land Use



(i) Convenience Goods

- 5.08 The total amount of convenience floorspace in Gosport town centre is 5,704 sq.m. The supermarket provision comprises and relies upon Morrisons (1,645 sq.m). Convenience stores account for 8% of total outlets and 15% of total floorspace within the centre compared to national averages of 7 and 11% respectively.
- 5.09 In terms of potential ‘gaps’ in provision, more detailed analysis indicates that Gosport town centre has no representation of fishmongers and greengrocers.

(ii) Comparison Goods

- 5.10 In terms of gross floorspace, 35% of the centre’s floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 35% of outlets are comparison based against a national average of 33%.

(iii) Service Businesses

- 5.11 Compared to the national picture, the town centre has slightly lower proportions of retail and leisure services. However, there is a higher than average representation of financial and business services.

(iv) Eating and Drinking Offer

- 5.12 There are a total of seven restaurants and cafes (Use Class A3) within the centre. In terms of distribution the A3/A4/A5 uses are dispersed across the town centre (**Figure 4.4**).

Figure 5.4: A3/4/5 Distribution



Office Uses

- 5.13 Although Gosport is not an administrative centre, the local authority is based in the Town Hall, which is conveniently located on the High Street. This helps to generate footfall during out of office hours, say lunch times and evenings, and aids vitality.

Department and Variety Stores

- 5.14 Gosport has neither a department nor variety stores of significant size. The only variety stores with representation in the centre are Woolworths and Littlewoods, both of which are situated at the eastern end of the High Street.

Other Uses

- 5.15 These include a museum, art gallery, dental surgeries, places of worship, various dwelling types, a community hall, a police station and a library.

Retailer Representation and Demand

- 5.16 There are 83 national multiple retailers (A1, A2, A3, A4 and A5) in Gosport town centre. **Figure 5.5** sets out the location. This demonstrates that they are primarily concentrated on both sides of the High Street, notably at its eastern end.

Figure 5.5: National Multiples Operators



5.17 The 'Retail Focus Reports' monitor the changes in demand for retail representation across 1,100 UK centres and are widely used to benchmark the changing health and status of retail locations. In this way, **Appendix 11** provides an insight into the nature and range of retailer requirements for Gosport.

5.18 Gosport town centre currently has requirements (or relocation) from 19 operators seeking a total of 10,869 sq.m of retail floorspace. Some of the key operators seeking representation, or relocation, in the town centre include:

- **comparison operators:** Claire's Accessories, Cook & Wash, Matalan, Pets at Home, Ponden Mill, Savers Health & Beauty, Superdrug.
- **convenience operators:** Aldi, Farmfoods.
- **A3/A4/A5 operators:** Pizza Hut, Subway.

5.19 **Table 5.1** below shows that in terms of historical data the number of requirements for Gosport town centre has fluctuated during the past five years. In overall terms, demand has increased over the five-year period from 12 requirements (Oct 2000) to 17 requirements (April 2005).

Table 5.1: Retailer Demand		
No of Requirements	Ranking (1 st highest)	Date
17	406	Apr 2005
18	375	Oct 2004
14	426	Apr 2004
14	420	Oct 2003
12	435	Apr 2003
15	368	Oct 2002
9	465	Apr 2002
10	412	Oct 2001
10	409	Apr 2001
12	369	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

5.20 To set Gosport's Zone A rental levels into context, the table below compares the prime rental level with those of its surrounding and competing centres.

Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

Source: In-Town Retail Rental Map, Colliers, 2005

5.21 In relative terms, prime rental levels in Gosport town centre remained stable at £323 per sq.m (Zone A) between 1997 and 2002, but encouragingly have climbed to £377 per sq.m (Zone A) in 2005. In comparative terms, Gosport's rental levels are the lowest of all the PUSH centres.

Vacancies

5.22 Vacant retail accommodation in the town centre is marked in blue in **Figure 5.6**. Only four retail and service outlets were vacant according to our audit undertaken in September 2005. This suggests a very active and viable trading profile in the town centre. This represents 2% of all retail and service outlets, which is significantly below the current national average of 8%.

Figure 5.6: Vacancies



Commercial Yields

Table 5.3: Commercial Yields											
Centre Date	Yields %										
	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham	8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport	9	9	9	9	9	9	9	9	9	9	9
Havant	10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth	6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton	6	6	5	4.5	5	5	5	5	5	5	5
Southsea	9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

- 5.23 The above extract taken from the Property Market Report prepared by the Valuation Office (July 2005) sets out that Gosport's yield has remained at 9% from April 2000 until summer 2005.

Pedestrian Flows

- 5.24 Property Market Research Services (PMRS) has recently informed us that the latest publication of pedestrian flow data that covers Gosport town centre is 2004. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are most buoyant at the eastern end of the High Street within the vicinity of Woolworths. This is consistent with the greater representation of national multiple retailers at this end of the town centre and its proximity to the ferry terminal which attracts a high number of pedestrians.
- 5.25 Although the Morrisons supermarket attracts predominantly car borne shoppers, there does appear to be a high degree of linkage (dual shopping trips) between the shoppers utilising the foodstore and other retail and service uses contained on the High Street.

Accessibility

- 5.26 Gosport's peninsula location explains its relative isolation to the national and regional road network. Consequently, travel linkages to neighbouring centres are truncated by a lack of direct access. In this way, the principal point of entry is via the foot passenger transport link provided by the ferry which links Gosport and Portsmouth. Advantageously the close proximity of the ferry terminal and bus station interchange to the High Street aids the centre's accessibility.

Figure 5.7: Bus Station



Figure 5.8: Signage



5.27 Gosport town centre is easily accessible by bus to all parts of its catchment within the Borough, together with services to more distant locations, including Fareham. The town centre is also well served with surface level car parking facilities (**Table 5.4**). We estimate that the total number of car parking spaces serving the town centre proper is 938 spaces. Our visual inspections reveal that there is also a good provision for cyclists, i.e. cycle paths, storage etc. throughout and surrounding the centre.

Table 5.4: Car Park Provision		
Location	Operator	Estimated no. of spaces
Surface Level Car Parks:		
Vicinity of bus station		20
South Street		114
South Street		50
South Street (vicinity of pond)		200
Retail park		70
Morrisons		400
Burnhams Walk		50
North Cross Street		34
TOTAL		938

Environmental Quality

5.28 Gosport’s maritime setting allows visitors to the centre to enjoy magnificent views across the Harbour towards Portsmouth. The historic High Street has a strong character with numerous buildings that make a positive contribution to the streetscape. Indeed, parts of the town centre and the urban fabric of buildings are of the highest quality.

5.29 The compactness of the centre, together with the comprehensive pedestrianisation along the High Street, provides shoppers with a safe and pleasant environment in which to shop and visit. This traffic free environment extends beyond the High Street to incorporate the area within the vicinity of the ferry terminal and bus station interchange. The overall appearance and quality of the pedestrianised areas, landscaped areas and street furniture are all consistently good. There is also good signage throughout (**Figure 5.8**).

Summary

5.30 Whilst there is no specific evidence to point to a picture of fragility or decline in Gosport town centre (i.e. the low level of vacancy), the limited list of retailers seeking representation in the centre does not point to a vibrant and robust centre. In practical terms, Gosport will always lose trade to competing, higher order centres, and the present retail offer of the centre is unlikely therefore to be significantly improved. In our opinion, the Morrisons will continue to play a vital role with attracting shoppers into the centre.

HAVANT

- 5.31 The focus of retailing in Havant, especially comparison goods retailing, is centred on the pedestrianised section of West Street, and the adjoining enclosed Meridian Shopping Centre (**Figure 5.9**). All other shopping areas within the centre, except for the two important supermarkets (Waitrose and an edge-of-centre Tesco) can, in our opinion, be deemed secondary and tertiary.
- 5.32 The Meridian Shopping Centre opened in 1991 and comprises 16,264 sq.m of retail floorspace. It should be noted that the centre does not benefit from a high profile anchor operator and the list of quality retailers is somewhat limited. Those with representation include Bewise, Wilkinson, Argos, WH Smith, Clinton Cards, QS, Robert Dyas and Adams.

Figure 5.9: Meridian Centre



Figure 5.10: Vicinity of Church



- 5.33 Some of the secondary and tertiary parts of the centre, especially within the vicinity of the Church (**Figures 5.10 and 5.11**) have a strong character with numerous buildings that make a positive contribution to the streetscape. Indeed, parts of the town centre are of the highest quality. East Street, South Street and North Street (**Figure 5.12**) comprise old half-timbered properties, traditional shops and contemporary designed buildings, which co-exist together. Their more quiet nature adds to their attractiveness as a shopping environment. In this way, it is possible to mix sightseeing with shopping.

Figure 5.11: Church on West Street



Figure 5.12: North Street



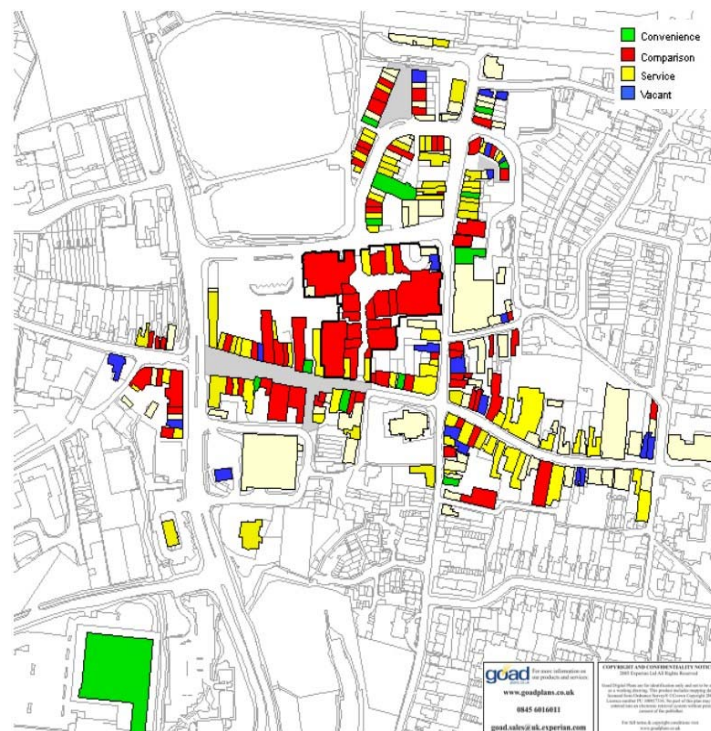
- 5.34 Meanwhile, Market Parade situated in north of the centre appears tired and stale, especially in terms of shop fascias, décor and trading formats. This 1960s development would benefit from regeneration, which could act as a catalyst for enticing new retailers to occupy the numerous voids that exist in this part of the centre.

5.35 It should be noted that planning permission has recently been granted for the development of land at Potash Terrace and north of Solent Road (refer to **paragraph 2.58**). Both planning permissions are subject to Section 106 agreements which prohibit lettings in the first instance to existing town centre retailers. Together these sites will provide 113,433 sq.m (gross) of additional comparison floorspace. Both of these schemes have been designed to improve pedestrian linkage with the primary shopping area, which will encourage linked trips. This, in turn, will benefit existing shops and businesses.

Diversity of Uses

5.36 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 217, according to the most recent Experian Goad Centre Category Report (see **Appendix 12**). This includes 14 convenience stores, 75 comparison stores and 105 units accommodating services. In terms of ground floor footprint, 14% is devoted to convenience, 30% to comparison and 27% to services. **Figure 5.13** shows the distribution of these uses.

Figure 5.13: Land Use



(i) Convenience Goods

5.37 The total amount of convenience floorspace in Havant town centre is 7,776 sq.m net. The supermarket provision comprises Tesco (1,924 sq.m net) and Waitrose (1,256 sq.m net). Convenience stores account for 5% of total outlets and 14% of total floorspace within the centre compared to national averages of 7% and 11% respectively.

5.38 It should be noted that at the time of writing, Tesco has submitted an application for planning permission to replace their existing superstore with their larger and more comprehensive 'Extra' format.

(ii) Comparison Goods

- 5.39 In terms of gross floorspace, 30% of the centre's floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 28% of outlets are comparison based against a national average of 33%.
- 5.40 As previously mentioned, there is a real lack of significant "quality" national multiple retailers in the centre and this is reflective of the fact that the centre does not attract a large number of shoppers from a wide catchment.

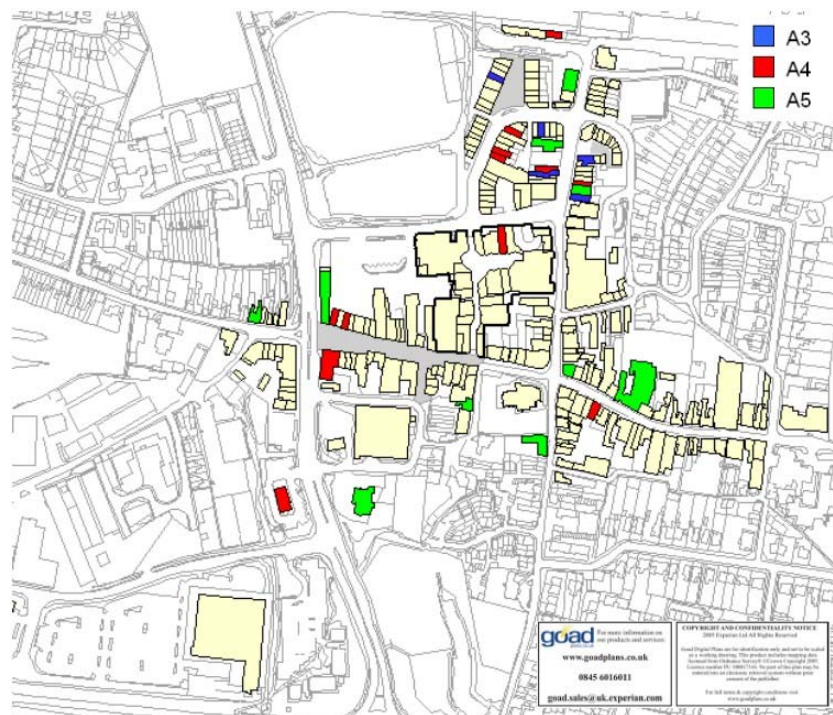
(iii) Service Businesses

- 5.41 Compared to the national picture, the town centre has higher than average proportions of retail and financial/business services. However, there is a lower than average proportions of leisure services.

(iv) Eating and Drinking Offer

- 5.42 There are a total of 11 restaurants and cafes (Use Class A3) within the centre. In terms of distribution the A3/A4/A5 uses are dispersed primarily in the more peripheral parts of the town centre (**Figure 5.14**).

Figure 5.14: A3/4/5 Distribution



Office Uses

- 5.43 Havant is not an administrative centre and accordingly there is only a minimal provision of office floorspace within the town centre.

Department and Variety Stores

- 5.44 Havant is not a department store town and surprisingly there are no variety stores with presence in the centre.

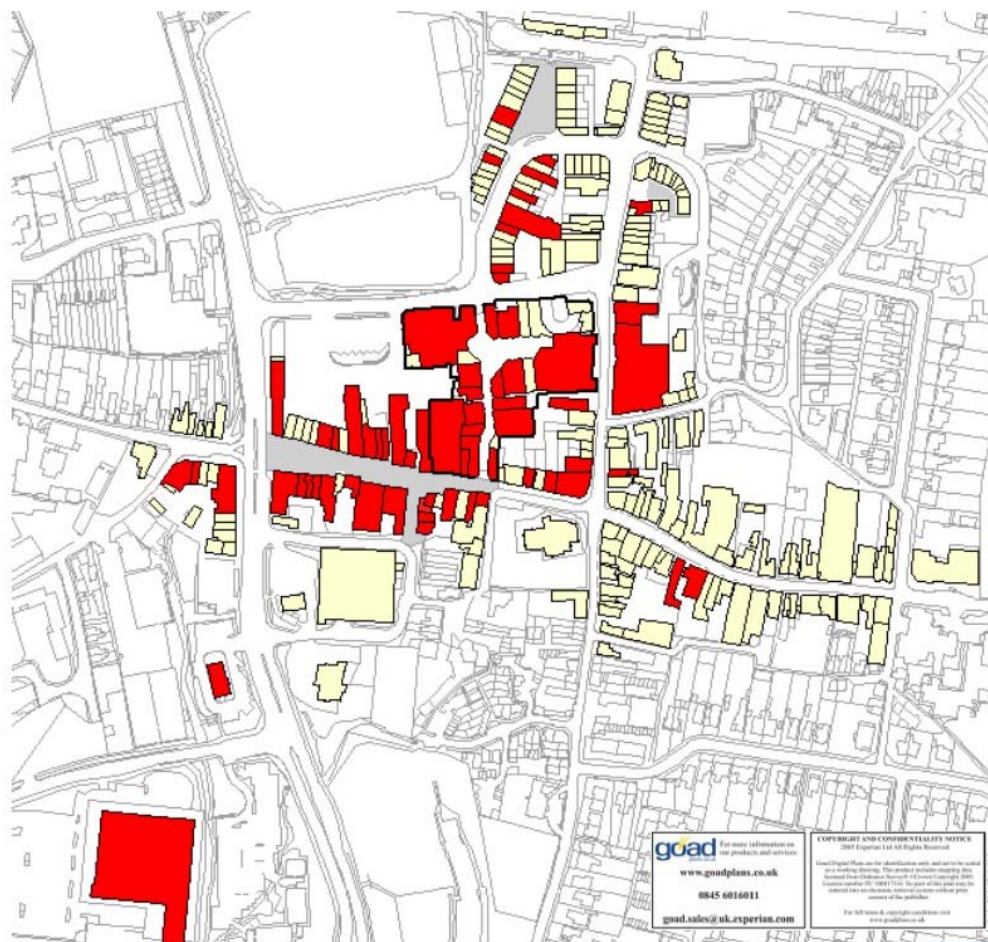
Other Uses

- 5.45 These include dwellings, dental surgeries, a hotel (Bear), places of worship, a tourist information centre and parkland situated in the north-west of the centre.

Retailer Representation and Demand

- 5.46 There are 68 national multiple retailers (A1, A2, A3, A4 and A5) in Havant town centre. **Figure 5.15** sets out the location. This demonstrates that national multiple retailers are primarily concentrated on both sides of the pedestrianised section of West Street and within the Meridian Centre.

Figure 5.15: National Multiple Operators



- 5.47 **Appendix 13** provides an insight into the nature and range of retailer requirements for Havant. In this way, the town currently has requirements (or relocation) from 29 operators seeking a total of circa 22,000 sq.m of retail floorspace. Some of the key operators seeking representation, or relocation, in the town centre include:

- **comparison operators:** Bon Marche, The Carphone Warehouse, Cook & Wash, Desire by Debenhams, Halfords, Pets at Home.
- **convenience operators:** Aldi, Farmfoods, Greggs, Holland & Barrett.
- **A3/A4/A5 operators:** Caffè Nero, KFC, Pizza Hut, Pizza Express, Subway.
- **leisure operators:** David Lloyd, Esporta.
- **service operators:** Saks Hair.

5.48 **Table 5.5** below shows that in terms of historical data the number of requirements for Havant peaked in April 2005 with 24 requirements, climbing from only 13 requirements in October 2001.

No of Requirements	Ranking (1 st highest)	Date
24	305	Apr 2005
22	316	Oct 2004
19	341	Apr 2004
19	331	Oct 2003
22	276	Apr 2003
18	333	Oct 2002
14	369	Apr 2002
13	351	Oct 2001
13	360	Apr 2001
18	275	Oct 2000

Source: Town Focus Report, Retailer Demand, September 2005

Rental Levels

5.49 To set Havant Zone A rental levels into context, the table below compares the prime rental level with those of its surrounding and competing centres.

Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

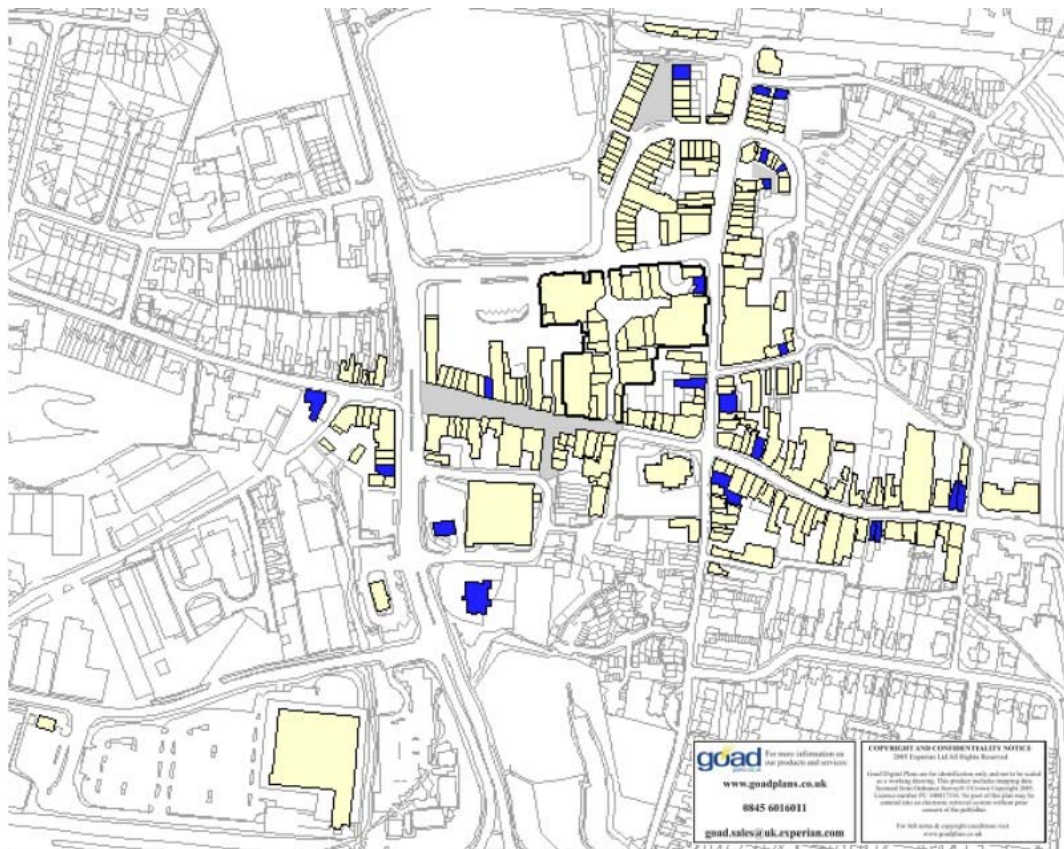
Source: In-Town Retail Rental Map, Colliers, 2005

5.50 Having stagnated on £323 per sq.m (Zone A) from 1997 to 2001, prime rental levels in Havant town centre have steadily improved since 2002 to a peak of £484 per sq.m (Zone A) in 2004/05. In our opinion, Havant rental values are somewhat disappointing for a town of its size. Apart from Gosport, they are the lowest in the PUSH area.

Vacancies

5.51 Vacant retail accommodation in the town centre is marked in blue in **Figure 5.16**. It demonstrates that the vacant units are generally dispersed throughout the centre. In this way, there are no distinct pockets of vacancy. It can be noted that 23 outlets were vacant. This represents 9% of all retail and service outlets, which is slightly above the current national average of 8%.

Figure 5.16: Vacancies



Commercial Yields

5.52 The Property Market Report prepared by the Valuation Office (July 2005) sets out that Havant's yield has deteriorated slightly from 10% in October 2001 (Table 5.7).

Table 5.7: Commercial Yields

Centre Date	Yields %										
	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham	8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport	9	9	9	9	9	9	9	9	9	9	9
Havant	10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth	6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton	6	6	5	4.5	5	5	5	5	5	5	5
Southsea	9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

- 5.53 Property Market Research Services (PMRS) has recently informed us that they have never collated pedestrian flow data that covers Havant town centre. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are most buoyant on West Street within the vicinity of the entrance to Meridian Shopping Centre.

Accessibility

- 5.54 Havant town centre is easily accessible by a choice of means of transport. The railway station is conveniently located within the vicinity of the centre. Indeed, it is only a five minute walk to the centre's prime retailing pitch.
- 5.55 The centre is also well served by numerous bus routes to all parts of its catchment and when the refurbishment of central bus station (conveniently located adjacent to the Meridian Shopping Centre) is complete, accessibility will be further enhanced. As the table below demonstrates there is also a good provision of car parking facilities strategically located within the centre, both multi-storey and at grade. The estimated total amount of car parking spaces serving the town centre equates to 1,640 spaces (**Table 5.8**).

Table 5.8: Car Park Provision		
Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
Bulbeck Road		400
Meridian Centre		400
Surface Level Car Parks:		
Park Road North		80
Park Road South		30
Tesco		400
Waitrose (under store)		150
East Pallant		30
Waterloo Road		50
Railway Station		100
TOTAL		1,640

Environmental Quality

- 5.56 In general terms, Havant town centre's townscape is generally fragmented, but the mix of architectural styles co-exist together. In this way, parts of the centre are quaint and of the highest quality. The only exception being Market Parade (**Figures 5.17 and 5.18**) which on the surface appears tired and stale, and subsequently requires a range of environmental improvements to give it a face-lift.

Figure 5.17: Market Parade



Figure 5.18: Market Parade



Summary

- 5.57 Fundamentally, Havant town centre performs a strong role as a functional and attractive town centre catering for the local population. It will never compete directly with the higher order centres within the PUSH area, which is reflected by the fact that it does not have any representation of department and variety stores. Furthermore, we believe that if only one or two comparison national multiple retailers were to close (e.g. Boots, B'wise or Wilkinsons), Havant's overall attractiveness could be seriously affected.
- 5.58 With the above in mind, it is our view therefore that an important anchor function to the centre as a whole is served by the principal food stores (the centrally located Waitrose and the edge-of-centre Tesco), which perform main-trip and top-up food shopping roles. Indeed, at this level in the retail hierarchy, maintenance and enhancement of the food shopping offer is of paramount importance to the vitality and viability of Havant town centre. Interestingly, Tesco has submitted an application for planning permission to replace their existing superstore with their and more comprehensive 'Extra' format.

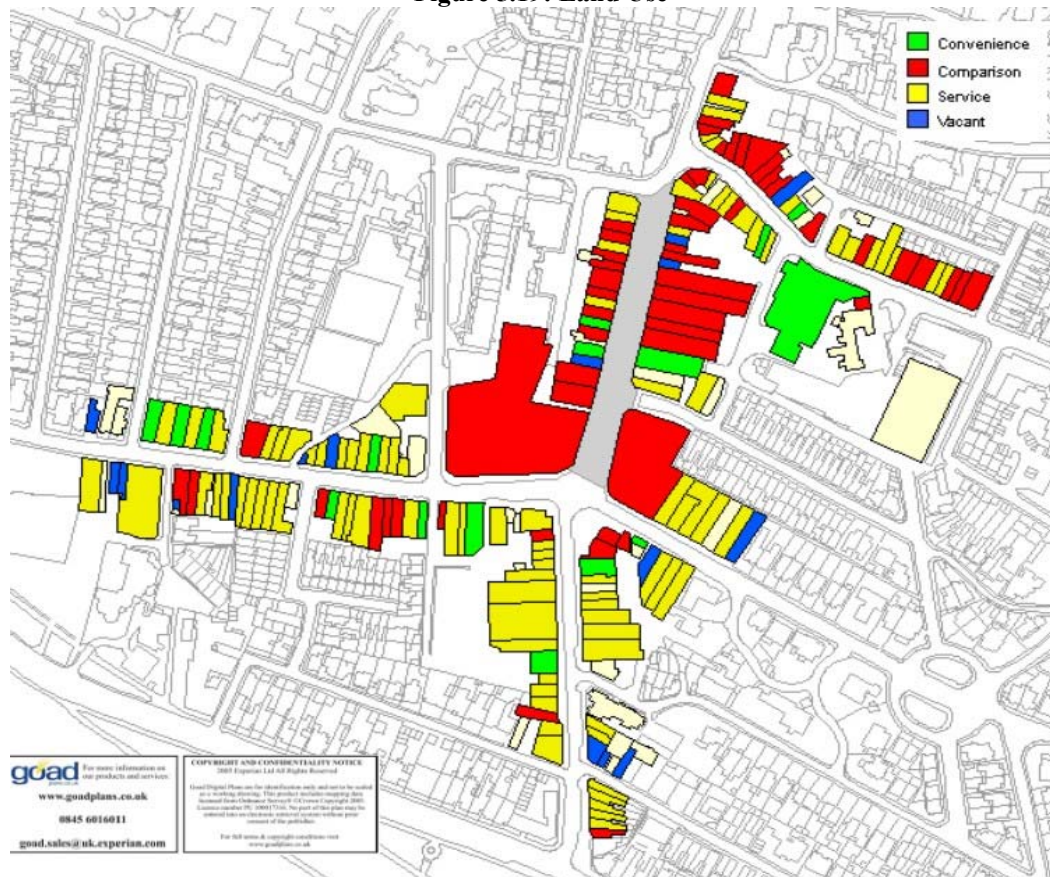
SOUTHSEA

- 5.59 Southsea town centre, within the Portsmouth conurbation, is situated in a predominantly residential area. The focus of retailing in the centre, especially comparison goods retailing, is centred on the pedestrianised section of Palmerston Road, which is anchored by two department stores namely John Lewis (which occupies the Knight and Lee department store) and Debenhams.
- 5.60 When considering the size of Southsea's catchment and its proximity to a dominant centre (Portsmouth city centre), it is somewhat unusual for a retailing centre with Southsea's stature and position in the retail hierarchy to comprise two department stores. Both retailers undeniably are a major contributor to Southsea's retailing success and securing its ranking in the top 500 shopping centres in the UK.
- 5.61 Notwithstanding this, the allure of a prime pitch location in the Northern Quarter scheme, to open in 2009/10, will result in the John Lewis department store relocating to Portsmouth city centre. Inevitably, this will have a detrimental impact on the centre, because currently Southsea relies on the status of John Lewis (and Debenhams) to draw shoppers into the centre on a frequent and regular basis.
- 5.62 To the north of Palmerston Road the centre 'dog-legs' to the east and links the primary shopping area with the centre's largest supermarket (Waitrose), as well as the majority of the car parks serving the town centre. The lower end of Palmerston Road and Osbourne Road can be regarded as secondary shopping streets and comprise a complementary mix of A1, A2, A3, A4 and A5 uses.
- 5.63 In light of the major changes that will take place in Southsea, Portsmouth City Council are currently in the process of preparing an Area Action Plan that will carefully consider the role and development needs of the centre following the implementation of the Northern Quarter scheme. One of the main considerations will be whether Southsea could provide a complementary destination to Gunwharf Quays and Portsmouth city centre in terms of its retail offer.

Diversity of Uses

- 5.64 The total number of retail units (A1, A2, A3, A4 and A5) including miscellaneous properties (i.e. under construction and vacant) is 187, according to the most recent Experian Goad Centre Category Report (see **Appendix 14**). This includes 17 convenience stores, 52 comparison stores and 102 units accommodating services. In terms of ground floor footprint, 11% is devoted to convenience, 37% to comparison and 42% to services. **Figure 5.19** shows the distribution of these categories.

Figure 5.19: Land Use



(i) Convenience Goods

5.65 The total amount of convenience floorspace in Southsea town centre is 4,255 sq.m. The supermarket provision comprises Waitrose (1,396 sq.m). Convenience stores account for 9% of total outlets and 11% of total space within the centre compared to national averages of 7% and 11% respectively.

(ii) Comparison Goods

5.66 In terms of gross floorspace, 37% of the centre's floorspace is devoted to comparison retailing compared to the national average of 32%. In terms of proportion of outlets, 26% of outlets are comparison based against a national average of 33%. When considering the size of Southsea, within close proximity to Portsmouth city centre, there is a good range of quality national multiple retailers represented.

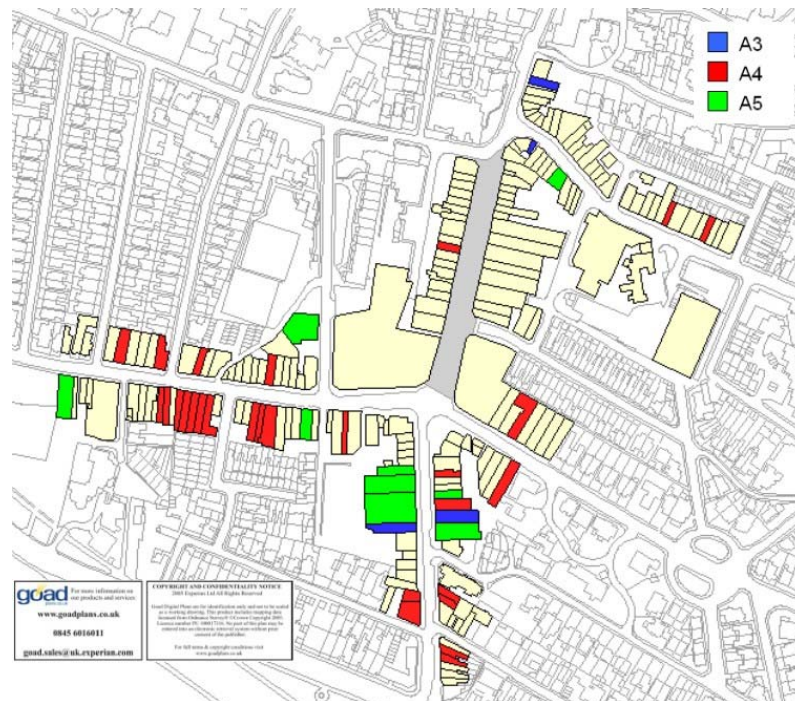
(iii) Service Businesses

5.67 Compared to the national picture, the town centre has higher proportions of retail, leisure and financial/business services.

(iv) Eating and Drinking Offer

5.68 There are a total of 28 restaurants and cafes (Use Class A3) within the centre, which is notably higher than the national average. In terms of distribution there are two distinct concentrations of A3/A4/A5 uses, namely on Osbourne Road and lower Palmerston Road. (Figure 5.20).

Figure 5.20: A3/4/5 Distribution



Office Uses

- 5.69 As with Gosport and Havant, this is not an administrative centre and accordingly there is not an obvious provision of office floorspace within the town centre.

Department and Variety Stores

- 5.70 As previously set out, Southsea has two department stores John Lewis and Debenhams trading on three floors and four floors respectively. The only variety store with presence in the centre is Woolworths situated on Palmerston Road.

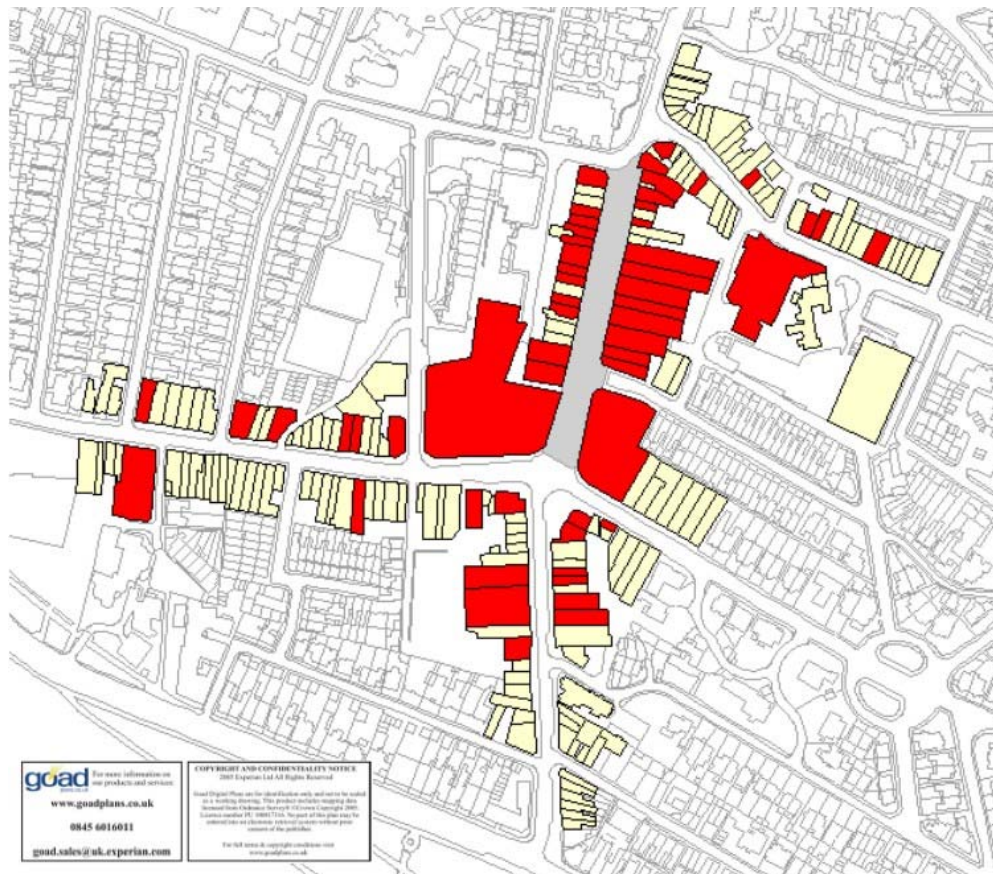
Other Uses

- 5.71 These include a casino (Grosvenor), various dwelling types, places of worship, a museum and an art gallery.

Retailer Representation and Demand

- 5.72 There are 72 national multiple retailers (A1, A2, A3, A4 and A5) in Southsea town centre. **Figure 5.21** sets out the location. This demonstrates that national multiple retailers are primarily concentrated on both sides of pedestrianised section of Palmerston Road.

Figure 5.21: National Multiple Operators



5.73 Southsea town centre currently only has requirements (or relocation) from 9 operators seeking a total of circa 3,900 sq.m of retail floorspace (refer to **Appendix 15**). Some of the key operators seeking representation or relocation in the town centre include:

- **comparison operators:** Argos, Edinburgh Woollen Mill, Millets, Savers Health & Beauty, The Works.
- **convenience operators:** Greggs Bakers.
- **A3/A4/A5 operators:** Baracuda Group, Varsity.

Rental Levels

5.74 To set Southsea Zone A rental levels into context, the table below compares the prime rental level with those of its surrounding and competing centres.

Table 5.9: Rental Values (Zone A) £ per sq.m									
Centre	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastleigh	463	484	484	484	484	538	538	592	592
Fareham	915	1,076	1,130	1,130	1,130	1,184	1,238	1,238	1,346
Gosport	323	323	323	323	323	323	377	377	377
Havant	323	323	323	323	323	431	431	484	484
Portsmouth	1,184	1,507	1,722	1,722	1,615	1,668	1,722	1,884	1,884
Southampton	1,991	1,991	2,045	2,530	2,422	2,422	2,691	2,960	3,229
Southsea	-	-	-	-	-	-	484	538	538

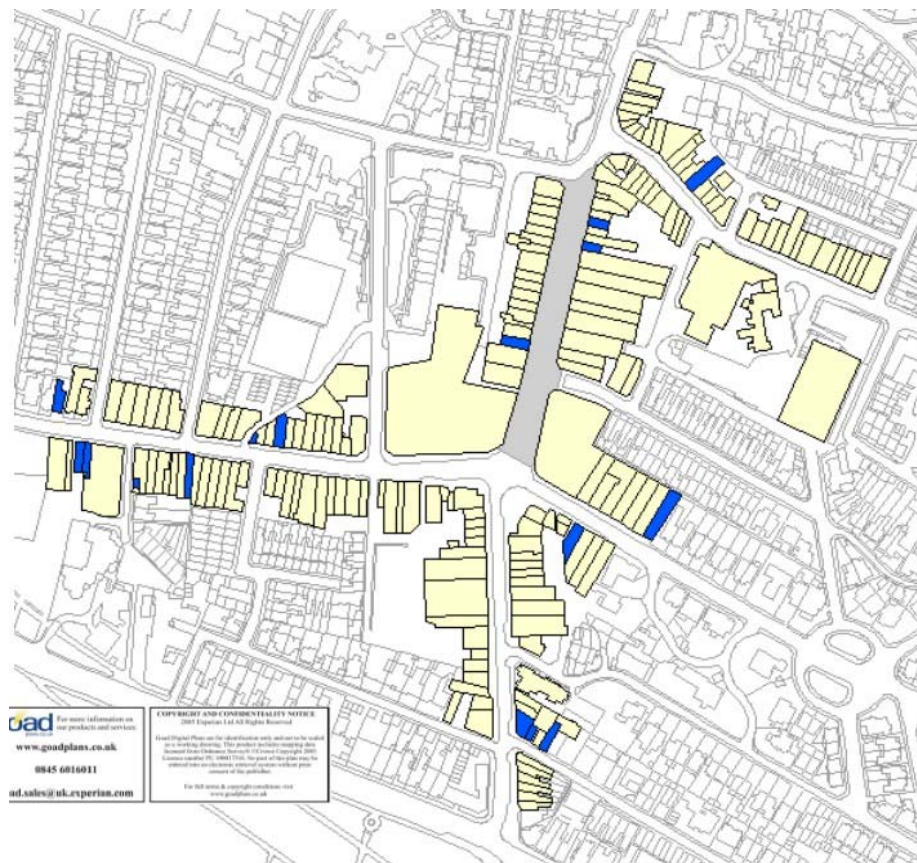
Source: In-Town Retail Rental Map, Colliers, 2005

5.75 Rental evidence for Southsea town centre has only been available since 2003, and in this way it is difficult to make a judgement in an historical context. Rental values for the centre are currently £538 per sq.m (Zone A) and, in comparative terms, are better than Gosport (£377) and Havant (£484), slightly lower than Eastleigh (£592) and not surprisingly considerably lower than the higher order centres of Southampton (£3,229), Portsmouth (£1,884) and Fareham (£1,346). In our opinion, Southsea shows very good values for a centre of its size and close proximity to the dominant centre in its hinterland of Portsmouth.

Vacancies

5.76 Vacant retail accommodation in the town centre is marked in blue in **Figure 5.21**. It demonstrates that the vacant units are primarily dispersed throughout the centre. Subsequently, there are no distinct pockets of dereliction. It can be noted that a total of 16 retail and service outlets are vacant. This represents 8% of all retail and service outlets, which is equal to the current national average of 8%.

Figure 5.21: Vacancies



Commercial Yields

5.77 Together with Havant, Southsea's current yield of >10% is the joint weakest when compared to 7.5% in Fareham, 9% in Gosport, 7.25% in Eastleigh, 6.5% in Portsmouth and 5% in Southampton (**Table 5.10**).

Table 5.10: Commercial Yields											
Centre Date	Yields %										
	04/00	10/00	04/01	10/01	04/02	10/02	04/03	01/04	07/04	01/05	07/05
Eastleigh	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.25	7.25
Fareham	8	8	8	8	8	8	8	8	8	7.5	7.5
Gosport	9	9	9	9	9	9	9	9	9	9	9
Havant	10	10	10	10	>10	>10	>10	>10	>10	>10	>10
Portsmouth	6.5	6.5	6.5	7.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Southampton	6	6	5	4.5	5	5	5	5	5	5	5
Southsea	9	9	9	9	9	>10	>10	>10	>10	>10	>10

Source: Property Market Report, Valuation Office, July 2005

Pedestrian Flows

- 5.78 Property Market Research Services (PMRS) has recently informed us that the latest publication of pedestrian flow data that covers Southsea town centre is 2001. Our recent visual inspection (September 2005) can confirm that the pedestrian flows are most buoyant on the pedestrianised section of Palmerston Road, beyond which shopper footfall diminishes. The exception to this is the Waitrose supermarket on Marmion Road which has increased pedestrian activity at this end of the centre.

Accessibility

- 5.79 Situated in a predominantly residential area, the majority of shoppers access the centre either on foot, by bicycle or car. In our opinion, the centre adequately caters for these modes with a good provision of car parking facilities and cycle storage racks. We estimate that the total number of car parking spaces serving the town centre proper is 410 spaces (Table 5.11).

Table 5.11: Car Park Provision		
Location	Operator	Estimated no. of spaces
Multi-Storey Car Parks:		
Marmion Road		250
Surface Level Car Parks:		
Marmion Road		100
Ashby Place		60
TOTAL		410

Environmental Quality

- 5.80 In general terms, we consider the physical structure of the centre to be environmentally attractive, the most notable feature being the pedestrianised section of Palmerston Road (Figure 5.22). Here, there is a good provision of street furniture, landscaped areas, litter bins and storage (Figure 5.23). There is no obvious graffiti or litter. Insofar as these factors do actually contribute to a centre's vitality and viability, we consider their contribution to be positive.

Figure 5.22: Palmerston Road



Figure 5.23: Signage Provision



Summary

- 5.81 Southsea clearly trades in the shadow of Portsmouth city centre and this is likely to be the case for the foreseeable future, especially in light of the Northern Quarter scheme. At this level in the retail hierarchy, we consider Southsea serves its shopping function well for the moment. However, with the closure of the John Lewis department store and the centre's decline in the national rankings, we believe that Southsea's future performance and prospects will depend upon its ability to meet local needs effectively. Every opportunity should be taken to continually seek to improve its existing environment and townscape quality. These issues will need to be carefully addressed in the Area Action Plan.

6 Arts, Culture and Tourism Needs Assessment

6.01 The purpose of this section is to provide a needs assessment of the requirement for a range of town centre uses in the arts, culture and tourism sector. It provides a broad indication of the need for growth in major town and city centre cultural facilities within the South Hampshire sub-region up to 2026. For the purpose of this report, this includes the following uses:

- arts facilities and galleries
- museums
- central libraries
- performance space, including theatres, concert halls, arts cinemas and live music venues
- other forms of tourist attractions
- community facilities.

6.02 This assessment takes into account the plans for additional housing growth in South Hampshire over the next 20 years. The South East Plan sets a target of building 80,000 additional homes in South Hampshire by 2026. This would result in increases in the population (between 2006 and 2026) within the six districts which are the focus of this study at the following levels:

Table 6.1: Population Projections 2006-2026		
Local Authority Area	Population Change	Population (2006)
Gosport	-106	77,943
Havant	+3,375	115,713
Fareham	+14,198	109,544
Eastleigh	+18,674	119,062
Portsmouth	+13,566	191,595
Southampton	+3,154	222,188

6.03 Our analysis of the key needs for the uses above is set out under the following headings:

- **Arts, Cultural and Tourism Trends** – outlines the key trends which will impact on South Hampshire at a national, regional and local level.
- **Comparison of Cultural and Tourism Facilities** – outlines the key facilities for the South Hampshire sub-region, including recent investments and a brief comparison with investment in the South as a whole. It also compares provision in South Hampshire with Liverpool and East Brighton & East Sussex.
- **Policy Assessment** – outlines the key strategic priorities which will influence future provision of arts, cultural and tourism facilities.
- **Overview of Consultations** – provides a summary of the key points which have resulted from the consultations undertaken as part of this needs assessment.

- **Key Needs and Priorities for South Hampshire** – outlines our main recommendations on the key needs and priorities for the six districts within South Hampshire.

Arts, Cultural and Tourism Trends

6.04 A central part of the needs assessment is a review of the key arts, cultural and tourism trends, which will impact on South Hampshire. This has been undertaken at a national (UK) and regional level (South East), as well as a local level (Hampshire and the six districts).

National

Arts and Culture

6.05 Research by the Arts Council in 2003¹ looking at attendance, participation in and attitudes towards the arts revealed that levels of attendance and participation in arts and cultural activities have remained high against a backdrop of increased competition from other leisure activities. The proportion attending at least one arts or cultural event in a twelve month period rose from 79% in 2001 to 80% in 2003.

6.06 **Table 6.2** below provides details of the percentage of respondents that had attended arts or cultural events within a twelve-month period for 2003 compared to 2001. This shows that:

- going to see a film at a cinema or other venue was the most widespread activity, almost three fifths (59%) of respondents had done this in the 12 months prior to interview.
- the next most widely attended events were musicals (26%), carnival, street arts or circus (26%), plays or dramas (25%), and art or photography or sculpture exhibitions.
- attendance at films and musicals increased between 2001 and 2003, whilst attendance at plays or dramas decreased during this period.

Table 6.2: Attendance at Arts/Cultural Events in the last 12 months		
	Last 12 months	
	2001 (%)	2003 (%)
Film at cinema or other venue	55	59
Play or Drama	27	25
Musical	24	26
Carnival, street arts or circus (not animals)	23	26
Art, photography or sculpture exhibition	19	22
Craft exhibition	17	19
Pantomime	13	14
Culturally specific festival	10	8
Event connected with books or writing	8	8
Event including video or electronic art	7	8
Base	6,042	6,025

¹ Arts in England 2003 (Arts Council England)

Tourism

- 6.07 Tourism is one of the largest industries in the UK, accounting for 3.5% of the UK economy and worth approximately £74.2 billion in 2003². Around 2 million people (7% of the working population) of the working population work in the tourism sector in the UK. According to UKTS, UK residents took 126.6 million trips in 2004 and spent over £24 billion. This represents a 19% decrease in trips on 2003 and an 8% decline in expenditure over the same period. Overseas visits to the UK however are increasing, with a 9% increase between 1999 and 2004 and an increase in spending of 4%³.
- 6.08 More recent research⁴ has confirmed that London and the UK's visitor economies are still expected to experience overall growth in the long-term (despite the impact of the July 2005 bombings). However, there is some concern over forward bookings and revenues in the short-term.
- 6.09 National visitor trends in 2004 reported that the 2,099 visitor attractions in England showed an increase in attendance of 1% between 2003 and 2004⁵. The majority of categories showed growth in 2004. The overall increase was driven by a recovery among urban attractions (+3%), which had experienced a slight decline in 2003.
- 6.10 During 2004, the trend for visits to migrate away from smaller attractions to larger attractions continued. National visitor trends to attractions that welcomed less than 20,000 visits or less per year showed a 2% decline in visits, whereas attractions with over 200,000 visits recorded the highest level of increase (2%) in 2004, driven by a recovery in visits to some of the major national free museums and art galleries.
- 6.11 Museums and art galleries (which represent around a third of all attractions), recorded a 4% increase in visits in 2004, following a year of stability in 2003. Visits to paid attractions remained stable. It is anticipated that free attractions will remain and/or become increasingly popular in the future.

Regional

Arts and Cultural Facilities

- 6.12 According to the Arts Council, the proportion of people who had attended at least one arts or cultural event in the last 12 months (in 2003) was reported to be highest for the South East at 86% compared to only 69% in the North East (the lowest for all regions). For the South East, attendance in at least one arts or cultural event rose from 83% in 2001 to 86% in 2003.
- 6.13 **Table 6.3** below provides a breakdown of the percentage of people attending arts or cultural events in the last 12 months for the South East, compared to England as a whole. This shows that:
- going to see a film at a cinema or other venue was the most widespread activity for the South East, with 67% having attended in the last 12 months. This was higher than for any of the other nine regions and 8% higher than for England as a whole.

² Visit Britain

³ Source: International Passenger Survey, Office for National Statistics

⁴ Oxford Economic Forecasting (OEF) for the Tourism Industry Emergency Response (TIER). 2005.

⁵ Visitor Attractions Trends England 2004 (Visit Britain)

- the next most widely attended events were visiting a well known park or garden (52%), visiting a stately home or castle (49%), visiting a public library (45%), visiting a museum or art gallery (43%) and attending a musical (34%).
- people from the South East were more likely to have attended nearly all arts or cultural events, compared to other regions. Furthermore, they were significantly more likely to have visited a museum or art gallery (43%), compared with other regions (38%). This was also true of visits to musicals (34% in the South East compared to 26%), as well as visits to stately homes/castles and visits to the cinema. It is worth noting that the higher attendance in the South East may be attributable to the higher concentration of arts and cultural facilities available in parts of these areas or to their relative affluence. People from the South East may be within easy travelling distance of London and therefore are able to access the arts events and facilities in the capital.

Table 6.3: Attendance at Arts/Cultural Events in the last 12 months

	South East (%)	England (%)
A film at a cinema or other venue	67	59
Exhibition or collection of art. Photography or sculpture	24	22
Craft Exhibition	22	19
Event, including video or electronic art	8	8
Event connected with books or writing	9	8
Public Library	45	44
Museum/Art Gallery	43	37
Stately Home/Castle	49	42
Well known Park or garden	52	48
Carnival	20	19
Street arts and circus	13	11
Cultural Festival	8	8
Musical	34	26
Pantomime	17	14
Play/Drama	29	25
Opera/Operetta	8	6
Classical music concert	12	10
Jazz Concert	6	6
Other Live music event	31	29
Live Dance Event	11	12
Base	973	6,025

Tourism

- 6.14 Tourism is a significant employment sector in the South East. Tourism provides approximately 300,000 jobs in the South East, which rises to over 400,000 when related industries are included. Tourism also supports various other sectors including cultural heritage, construction and retailing.

6.15 Although tourism in the South East of England has suffered from negative effects, such as the recent terrorist attacks, recent research by Tourism South East has revealed that the first six months of 2005 have been positive for tourism businesses compared with the same period in 2004. Major events (such as the Isle of Wight Festival and the Dickens Festival) have been identified as boosting tourist numbers. There is also evidence that some parts of the region, including Portsmouth, have witnessed an increase in visitor numbers to attractions despite these attacks, particularly with higher visitor numbers from overseas being diverted away from London.

6.16 Key characteristics relating to tourism in the South East of England in 2003⁶ are summarised below:

- 29% of domestic visitors to the South East were from the South East, followed by London (19%), the South West (10%) and the East of England (11%). The majority of domestic trips were for holidays or to visit friends and relatives. The average spend per night was £50.
- the majority of domestic visitors to the South East were made by people within the 25 to 44 year age group.
- the social profile of UK residents' trips to the South East of England illustrates a reasonably affluent mix of people visiting the area. The majority (37%), have an AB social profile, closely followed by 33% representing the C1 profile.
- a breakdown of the total tourism spend in the South East of England of £10,416 million made from these trips is illustrated in **Table 6.4** below.

Table 6.4		
Tourism Spending in The South East of England in 2003		
	Spending in the South East of England (%)	Spending in the South East of England (£bn)
Day Visitors	59	6.120
UK Tourists	29	3.001
Overseas Visitors	12	1.295
TOTAL	100	10.416
Source: Regional Tourism Facts, Tourism South East, 2003		

Hampshire

6.17 Tourism is worth £7,171 million to the Hampshire economy and 36,000 jobs are directly and indirectly supported by tourism in Hampshire, approximately 4% of the workforce. Day visitors spend a further £690 million, mainly in visitor attractions and the retail sector.

⁶ Tourism South East Facts (2003)

- 6.18 Hampshire⁷ attracted the highest number of trips out of all of the counties within the South East in 2003 with a total of 3.7 million trips. It also had the highest spending levels (£543 million). However, Hampshire only had the third highest number of overseas visits (0.52 million) behind Kent and Surrey. They do nevertheless make an important contribution to the tourism economy in the county, representing approximately 12% of tourism trips and contributing 24% of overall tourism expenditure in Hampshire. Overseas visitors to Hampshire were from the USA (14%), France (14%) and Germany (12%).
- 6.19 Short breaks and day visitors from outside and within Hampshire make up the core of the leisure tourism business. A smaller proportion of long holidays take place in the New Forest and the seaside resorts of Southsea and Hayling Island.
- 6.20 The business travel and conference meeting market is extremely important to the hotel sector throughout the sub-region comprising around 17% of tourism expenditure. Room and bed occupancy levels in Hampshire are slightly above the regional and national averages and have remained fairly constant since 1999. Room occupancy is higher during weekdays compared to weekends with less seasonal variation in demand. This confirms the importance of the business visitor market.
- 6.21 The Hampshire Tourism Trends Survey records visits to attractions in Hampshire. Just under 100 Hampshire attractions submitted monthly visitor numbers on a regular basis in 2004 and reported just over 5.4 million visits in 2004. A sub set of 52 'constant' attractions has provided complete monthly figures over the five year of the survey. Among this sample, just over 3.1 million visits were recorded during 2004. This was up 4% compared with 2003 and up 11% compared with 2000.
- 6.22 Figures for 2004 reflect a significant increase in visitor numbers for free attractions in the constant sample (up by 8% compared with 2003), but these were still below visit totals pre-2003. Charging attractions saw a 3% increase in visits in 2004 compared with 2003 and remained well above annual figures recorded in previous years.
- 6.23 The figures for Hampshire as a whole show that museum and art galleries within the 'constant' sample performed particularly well over 2004 (up 10% on 2003), as did country parks (up 6%) and gardens (up 3%).

Local Trends

Arts and Culture

- 6.24 **Appendix 16** provides details of CACI Participation Profiles for all of the PUSH districts and the key points are summarised below.

⁷ All references to Hampshire in the statistical data include the unitary authorities of Southampton and Portsmouth.

6.25 **Eastleigh, Fareham, Gosport and Havant** show similar profiles. For all of these areas, going to the cinema is the most popular performance⁸ and has the highest participation rates. They all have below average participation rates for visits to the theatre and to classical music concerts. In terms of the most popular outings over the last 12 months, Eastleigh, Fareham and Havant showed above average proportions of people visiting beauty spots/gardens, nature reserves, theme parks, stately homes, castles and places of historic interest. Gosport only showed above average proportions of people visiting theme parks. Finally, all areas have a below average number of visits to art galleries and museums.

6.26 **Portsmouth and Southampton** show similar profiles. For both areas, cinema is the most popular performance and has the highest participation rates. Both Portsmouth and Southampton have below average participation rates for the theatre, however they have above average participation rates in other performances including the ballet, contemporary dance and rock & pop concerts. Both locations have below average proportions of people visiting art galleries and museums.

Tourism

6.27 Tourism is key to the Portsmouth economy, attracting 6 million visitors per year, with an annual spend of £300 million and supporting 7,000 jobs⁹. Similar information is unfortunately not available for the other local authority areas, however discussions have confirmed its importance across the whole South Hampshire sub-region.

6.28 Detailed tourism statistics are not available at a local level, however the Hampshire Tourism Trends 2004 document does monitor information on room and bed occupancy trends and attendance at tourism attractions. This information is only available for Portsmouth and Southampton (and to a lesser extent Havant) and the key points from this are summarised below.

- Overall results in room and bed occupancy for Southampton are difficult to assess due to a relatively small sample size. However, average occupancy levels in 2004 show an increase of 5% and 3% for room and bed occupancy respectively compared with 2003. As illustrated in **Table 6.5** below, figures for Southampton are higher than for Hampshire and Portsmouth.
- The average length of stay of visitors in Portsmouth has remained fairly stable between 1999 and 2004 varying by only +/- 2% and averaging 2.1 nights in 2004. This compares to an average of 2.2 nights for Southampton, higher than averages for Hampshire and the UKSOS Southern Region.
- Overall, business visitors in Southampton accounted for approximately 69% of all guests staying in serviced accommodation, increasing by 10% in 2003. In Portsmouth, levels for 2004 were only 34% and declined by 1% on 2003 levels.

⁸ Out of the following activities: ballet, cinema, contemporary dance, classical music concerts, jazz concerts, opera, plays, pop % rock concerts, Theatre

⁹ Portsmouth CC

Table 6.5: Average Annual Room & Bedspace Occupancy 1999-2004						
Average Annual Occupancy (%)	1999	2000	2001	2002	2003	2004
Room Occupancy						
Hampshire	63	64	63	62	63	62
Southampton	73	71	74	71	69	74
Portsmouth	64	63	70	69	66	68
Bed Occupancy						
Hampshire	45	46	46	46+	48	49
Southampton	55	54	56	54	51	54
Portsmouth	45	48	56	52	49	46

6.29 The Hampshire Tourism Trends Survey for 1999 to 2004 recorded visits to a small sample of attractions at Portsmouth, Southampton and Havant. As they are based on a sample of attractions only, they should be treated with some caution. However they do provide an indication of the relative volume and trends in visitors to attractions. This identified that:

- **Portsmouth** - 560,417 visits were made to attractions in Portsmouth in 2004, a 20% increase on 2003 levels. However, this is a decrease on 1999 figures (571,208 visits). It should be noted that both the D-Day museum and the Portsmouth Historic Dockyard reported a boost in visitor numbers, with the former likely to be due to the 60th anniversary of D-Day in 2004.
- **Southampton** - 100,183 visits were made to attractions, up 17% on the previous year and an increase on 1999 levels (134,304). This increase was thought to be due to the restoration and refurbishment of the Gods House Tower Museum of Archaeology and the Medieval Merchants House.
- **Havant** - 82,432 visits were made to attractions in 2004, up only 4% on 2003 figures and a slight increase on 1999 levels (76,427).

Comparison of Cultural and Tourism Facilities

6.30 Outlined below is a broad overview of facilities in South Hampshire and recent developments and investment within the overall offer within these six districts. This is then compared with provision in Brighton and East Sussex, which has a similar population of 740,141. Provision is also compared to Liverpool, which has a smaller population of nearly half a million, but its tourism and cultural profile is strong and as such provides a useful comparison.

6.31 The overall purpose of these comparisons is to illustrate the range and type of facilities elsewhere, as well as the levels of investment and profile of culture and tourism in other locations. It is not considered that they are direct comparisons of the facilities, which South Hampshire does or should have. It is recognised, for example, that Liverpool has received considerable regeneration and European funding which South Hampshire does not have access to. Furthermore, both Liverpool and Brighton & East Sussex have distinctive social and cultural backgrounds, which have impacted on their development as arts and cultural destinations. Nevertheless, these areas have witnessed considerable progress in recent years and some useful lessons can be learned which are explored further below.

Facilities in South East Hampshire

- 6.32 Portsmouth city centre is home to a number of key **tourism attractions** including the Portsmouth Historic Dockyard, which is a major tourist attraction displaying Portsmouth's naval heritage including three warships, the Mary Rose, HMS Victory and HMS Warrior, together with the Royal Naval Museum. Action Stations is also located there and provides an interactive showcase of the modern navy. Portsmouth Historic Dockyard, named large visitor Attraction of the Year in 2005, received 0.5 million visitors in 2004.
- 6.33 The Spinnaker Tower in Portsmouth is a recent £21 million investment in the tourism offer. It constitutes a 110 metre tower which enables views of the harbour and is expected to attract around 446,000 visitors per annum.
- 6.34 There are a number of **museums** located within town and city centres in South Hampshire. Some of the larger museums are located in the cities of Portsmouth and Southampton, including the D-Day Museum and City Museum in Portsmouth, and the Maritime Museum in Southampton. Smaller local museums are located within nearby towns including the Museum of Naval Power (or Explosion!) at Priddys Hard (not in the town centre) and the Eastleigh and Havant museums.
- 6.35 In terms of **performance space**, Southampton city centre is home to the Mayflower Theatre, one of the largest theatres in the South East (with a capacity for 2,000 people). This is both a producing and touring theatre. The Nuffield Theatre, which is based at Southampton University, is also a successful venue. The New Theatre Royal in the centre of Portsmouth is a 525 seater theatre, which has recently undergone a £150,000 refurbishment and there is also the Kings Theatre at Southsea (1,000 capacity).
- 6.36 There are a number of venues within South Hampshire, where major **musical events** are held. The Turner Simms concert hall in Southampton and the Wedgewood Rooms in Portsmouth provide venues for major music events. The Southampton (1,750 capacity) and Portsmouth Guildhalls (2,000 capacity) offer major multi-purpose venues. In terms of smaller venues, the Wedgewood Rooms in Southsea holds regular musical events and in Portsmouth itself, the Third Floor Arts Centre (based at the central library) is a new multi-purpose arts venue, which hosts musical events amongst other performances. In Southampton, there are a number of smaller music venues which cater for a range of tastes such as Talking Heads, The Joiners and The Soul Cellar (which are located just outside of the city centre).
- 6.37 There are smaller **arts centres** in Portsmouth (Third Floor Arts Centre) and in all other districts including Havant, Eastleigh, Fareham and Gosport which offer space for cinema, theatre and the arts. An arts centre is also being developed in Southampton as part of the £6 million investment at Northern Above Bar.
- 6.38 There are also a number of **arts house cinemas** such as No 6 Art House cinema at the Action Stations, Portsmouth Historic Dockyard. In Southampton, there is the Lights Picture House at Ocean Village Marina and the Phoenix Film Theatre at the University of Southampton. Facilities within the smaller districts include Havant Arts Centre and The Point in Eastleigh.

- 6.39 Southampton is home to the City **Art Gallery**, which accommodates over 3,500 works and is recognised as being nationally significant given its ‘designated¹⁰’ status. Southampton also boasts the Millais Gallery (part of Southampton Solent University) and the John Hansard Gallery of Contemporary Visual Arts, which is soon to be moved from the University of Southampton to a new facility at Northern Above Bar (a developing cultural quarter). The Aspex Art Gallery in Portsmouth is moving from Southsea to Gunwharf Quays, which it is hoped will raise its profile as a regional facility. These investments indicate an aspiration to raise the profile of arts facilities in South Hampshire.
- 6.40 The **Discovery Centre** is a new major library investment in Gosport, which combines a library facility with a studio. It will host dance, theatre and music, as well as art and local history exhibits. There are central libraries in other locations, however some of these are in need of modernisation (particularly in Portsmouth and Southampton). There are plans for the introduction of discovery centres within the smaller districts of Eastleigh, Fareham and Havant.
- 6.41 The sub-region also hosts a range of **events and festivals**. In Portsmouth, these include the annual Portsmouth and Southsea Show (which took place on Southsea Common and attracted 37,000 visitors in 2004), the International Kite Festival (Southsea Common) and the International Festival of the Sea. The latter event attracted over 250,000 people in 2005. Portsmouth has also been selected as a stopover for the Volvo Ocean Race 2006. Southampton also holds a number of festivals with a maritime and leisure theme. The Southampton International Boatshow for example is an annual event, which is estimated to attract around 122,000 people over 10 days. There is also Power in the Park (a major music festival on Southampton Common), the Millennium Youth Games and the Volvo Ocean Race. In the future, Southampton is looking to support the 2012 Olympic Games.
- 6.42 Smaller scale events are held within the other districts such as Gosport Carnival, the Havant arts festival and the Gosport Waterfront music festival. Whilst many of the events are not held within town centres, they do attract large volumes of visitors into the area and to the town centres of the sub-region.
- 6.43 In the main, provision of cultural and tourism facilities within South Hampshire have been within town centres as opposed to out-of-centre. This has helped to create a critical mass of provision and reinforces the role of town centres as cultural destinations. The exceptions being the provision at Southampton University, which is home to a number of successful venues such as the Nuffield Theatre, Turner Simms concert hall and the John Hansard gallery (though this is soon to be moved). There are also a number of facilities at Southsea outside of Portsmouth city centre (Kings Theatre, Wedgewood Rooms). In our view, any further investment should not be at the expense of investment within the main town centres.
- 6.44 South Hampshire is in close proximity to other successful tourism destinations such as New Forest and the Isle of Wight. This creates some spin-offs for the sub-region from visitors stopping off in South Hampshire as part of their trip. However, South Hampshire will need to ensure that it has the right offer to maximise these benefits. The importance of activities within informal recreation and the countryside to South Hampshire should also be recognised. These attract a large number of visitors to the area and there are high participation rates.

¹⁰ The Museums Libraries and Archives Council (MLA) runs a ‘designation’ scheme which identified outstanding collections of national and international importance held in England’s non national museum Libraries and Archives

Comparison with Brighton and Hove and East Sussex

6.45 Outlined below are details of the arts, cultural and tourism offer in the local authority areas of Brighton & Hove and East Sussex, which comprises the districts of Eastbourne, Hastings, Lewes, Rother and Wealding. The commentary also looks at this in relation to provision within South Hampshire.

- There are numerous **art facilities and galleries** within Brighton & Hove and East Sussex. These consist of small independents such as Two Kats and Cow Art Gallery (an artist-led studio and Art Gallery on Brighton Seafront) and Crane Kalman (a smaller fine art and photography gallery). There are also a number of larger galleries including those at the Brighton Museum and Art Gallery, the Hove Museum & Art Gallery and the Towner Art Gallery. A major new contemporary building will be opened in the centre of Eastbourne in 2007 resulting in £8.6 million investment and housing the Towner Art Gallery. Though South Hampshire has successful galleries, such as the Southampton City art gallery, it does not have the wide range of provision on offer within Brighton & Hove and East Sussex. However, it is questionable whether an area such as South Hampshire could support this range of provision given that there are low participation rates for art galleries, as well as the historic association that Brighton has with the arts.
- **Museums** within Brighton & Hove and East Sussex are of regional and local significance. The Brighton & Hove Museum in particular is considered to be of regional significance (attracting 221,216 visitors in 2004) and has recently undergone a £10 million redevelopment to include new educational facilities. Redevelopment of the Hove Museum and Art Gallery was also carried out in 2001 resulting in £0.5 million investment. This attracted 53,331 visitors in 2004. Comparative figures on attendance for the City Museum in Portsmouth was 72,032 in 2003. Another point to note is the wide range of museums within the smaller districts of East Sussex compared to South Hampshire.
- Brighton & Hove and East Sussex offer a wide range of **performance space**, including the Theatre Royal (which has links to the West End as part of the Ambassador Group), as well as the recently refurbished Brighton Dome which now programmes international artists. The De La Warr Pavilion is a national centre for the contemporary arts within the Rother District which has undergone an £8 million refurbishment and re-opened in November 2005. It includes state-of-the-art contemporary galleries and an auditorium presenting a wide range of live performances. The Congress Theatre in Eastbourne offers a major space for performances (1,700 seats). There are also a number of smaller performance spaces including Lewes Little Theatre. Southampton has the Mayflower Theatre which is considered to be a successful regional facility and a number of other venues for performances, however some of the smaller districts have not witnessed similar levels of investment within this area.
- In addition to the facilities outlined below, Brighton & Hove and East Sussex offer a selection of **festivals and events** throughout the year from open-air music, car rallies to bike runs. The Brighton Festival runs every year throughout May and events include theatre, opera, dance, classical concerts and street theatre. Party in the Park in July is a large open-air concert. Other smaller festivals include the Brighton Jazz Festival and the Brunswick Community Festival. It should be noted that the festival in May does tend to absorb the majority of investment of this type, which leaves less

funds available for other events throughout the year. South Hampshire should ensure that this does not occur in their area.

- **Other Attractions** within Brighton & Hove and East Sussex include the Eastbourne Pier, which attracted over 1.5 million visitors in 2004 and is one of the major free attractions within the South East, and the Royal Pavilion in Brighton, which attracted 304,379 visitors in 2004. South Hampshire on the other hand does offer a number of successful attractions particularly in Portsmouth.
- Again, provision of these facilities is largely located within town centres.

Comparison with Liverpool

6.46 Provision within South Hampshire is also compared with Liverpool, which has a smaller population of nearly half a million, but its tourism and cultural profile is strong and as such provides a useful comparison. Outlined below are details of the arts, cultural and tourism offer within Liverpool, which was awarded the European Capital of Culture Award 2008 and World Heritage Status. Whilst this provides a useful comparison, it is worth noting that Liverpool has attracted substantial national and EU funding streams, which South Hampshire would not be eligible for. This has, in part, been used to enhance the cultural and tourism offer.

- There are a number of nationally and internationally recognised cultural and tourism facilities in both locations. However, the **profile** of Liverpool as a cultural and tourism destination is stronger, particularly in the light of its designation as European Capital of Culture;
- Liverpool is home to the Albert Dock, one of the UKs most popular **tourist attractions**, receiving 5 million visitors in 2004¹¹. The Portsmouth Historic Dockyard has recently been named Large Visitor Attraction of the Year 2005 and this received less than half a million visitors in the same year¹². However, it is important to note that the Albert Dock is a free attraction and this could account for the high visitor figures.
- There are seven national **museums**¹³ in Liverpool, whilst in South Hampshire there is only the Royal Armouries Museum and Fort Nelson (near Fareham). The Merseyside Maritime Museum received 382,049 visitors in 2004 and the Liverpool Museum a similar amount of 332,764. This compares to just 72,032 visits to the City Museum in Portsmouth in 2003 and 54,210 to the D-Day Museum in the same year (though the latter museum does charge for entry, whereas the others are free).
- The Southampton City art gallery is a regional facility which houses a collection of over 3,500 works and is recognised as nationally significant given its 'designated' status¹⁴. However, **art facilities** in Liverpool include the internationally recognised Tate Liverpool, the Museum of Modern Art (receiving 0.5 million visitors in 2004) and the national museums of The Walker Art Gallery and the Lady Lever Art Gallery. All of these galleries provide free entry.

¹¹ Visitor Attractions Trends, England 2004

¹² Association of Leading Visitor Attractions (ALVA)

¹³ National Museums are considered to be important by the Government and funded Centrally, other museums are funded by Local Authorities, Universities etc

¹⁴ The Museums Libraries and Archives Council (MLA) runs a 'designation' scheme which identified outstanding collections of national and international importance held in Englands non national museum Libraries and Archives

- Liverpool offers a wide range of **performance venues** including the Philharmonic Hall, which is home to the well-known Royal Liverpool Philharmonic Orchestra. The Liverpool Playhouse is a major theatre, which hosts performances from across the UK, and The Everyman, which has a more eclectic mix of productions. There are also a number of smaller theatres in Liverpool.
- It is worth noting that a number of the facilities described above (such as the Tate and the Maritime Museum) are located outside of Liverpool city centre.

6.47 **Table 6.6** below provides a summary of visitor numbers for a selection of attractions referred to above. It has not been possible to provide detailed numbers for all attractions, however where these are available it does illustrate that South Hampshire still has some way to go in ‘catching up’ with other locations. However, it is worth noting that visitor attraction figures are increasing for the South Hampshire sub-region.

Table 6.6: Summary of Visitor Numbers			
Type of Facility	S. Hants	Brighton and Hove	Liverpool
Museums and Galleries	City Museum, Portsmouth – 72,032 (2003)* D-Day Museum, Portsmouth – 54,210 (2003)	Brighton and Hove Museum – 221,216 (in 2004)* Hove Museum and Art Gallery – 53,331 (2004)*	Merseyside Maritime Museum – 382,049 (2004)* Liverpool Museum – 332,764 (2004)* MOMA – 500,000 (2004)*
Attractions	Portsmouth Historic Dockyard – 500,000 (2004) Spinnaker Tower – expected to attract 446,000 visitors	Eastbourne Pier – 304,379 (2004)*	Albert Dock – 5 million (2004)*
* Free Entrance			

6.48 The key messages resulting from the comparison of facilities in South Hampshire with those in Brighton & East Sussex and Liverpool are as follows:

- our assessment provides an indication of the scale of investment in other locations and highlights the need for South Hampshire to invest in its offer to ensure that it can compete with other similar locations. It is recognised that other areas could continue to benefit from major national and European funding, which will enable them to enhance their overall offer. There is a general view that investment in South Hampshire in cultural and tourism facilities has broadly kept pace with similar investment in the rest of the South East, but that this needs to be sustained in the future. Our recommendations later in the section indicate ways to ensure that the sub-region maintains its competitive position.
- our assessment suggests that South Hampshire does not currently offer the same range and mix of cultural and tourism facilities on offer in Brighton and East Sussex (particularly for art galleries). Some of the smaller districts in Brighton and East

Sussex (particularly Eastbourne) have a wider offer than the smaller districts in South Hampshire. It is, however, worth noting the fact that parts of South Hampshire suffer from below average participation rates for a number of these activities (e.g. museums and art galleries).

- South Hampshire does not currently enjoy the same profile as Liverpool as a cultural and tourist destination. Furthermore, it does not have the facilities which achieve the same recognition as those in Liverpool. There are ways in which the sub-region can build on its strengths (particularly military and maritime) and begin to raise its profile including greater marketing, promotion and investment in the arts, cultural and tourism infrastructure.

Policy Assessment

6.49 In order to inform the arts, cultural and tourism needs assessment for South Hampshire, a review of key strategies and other documents has been undertaken at the regional, county and local level. The key points are summarised in **Appendix 17**.

6.50 A summary of the key points from the policy assessment are:

- Southampton and Portsmouth are identified as priorities for investment and development as cultural centres within the South East Plan. Smaller centres, such as Eastleigh and Fareham, should adopt complementary roles to the main cities, according to SEERA. For example, this could be achieved by providing accommodation for people visiting Portsmouth and Southampton and/or the development of facilities with a similar theme, but on a smaller scale.
- it is also recognised at a **regional level** that tourism should be promoted within town centres and provides support for urban renaissance. It is recognised that tourism is already successful in the South East and the challenge for the future is to ensure that it grows in a successful and sustainable way. Tourism South East specifically identifies Portsmouth and Gosport as destinations where the visitor economy could be a significant force for urban regeneration.
- at the **county level** (Hampshire), the significance of tourism and culture to South Hampshire is also recognised. Southampton, Portsmouth and Eastleigh are described as thriving centres, accounting for the majority of Hampshire's business/conference and tourism, and major contributors to evening and cultural attractions. Portsmouth is identified as a key destination for leisure and holiday breaks.
- at the **local level**, cultural strategies provide strong support for the development of the cultural infrastructure. These locations and specific actions are identified to improve the cultural infrastructure. These have been taken into account in our recommendations below (it should be remembered that some of these have progressed since the documents were written). The importance of tourism and culture is reinforced through local planning policies.

Overview of Consultations

6.51 Key businesses and stakeholders involved in the management and development of cultural facilities have been consulted to find out details of existing demand, gaps in the existing provision and criteria for new investment. A list of the main consultees is contained in **Appendix 18**. The results of the consultation have been incorporated into this section and have informed the key recommendations. A summary of the key points are outlined below.

- At the **regional level**, the importance of ensuring that the cultural infrastructure is in place for growth areas was identified and they discussed the necessity of making sure that funding is in place at an early stage. Developing community-led projects was also highlighted. It was identified that some facilities are struggling and therefore it is fundamental that careful consideration is made of new investments and to ensure that these do not compete with existing facilities. Notwithstanding this, there should be recognition of the need for new investments where they could ‘add value’ to the overall offer and ensure that the sub-region can compete with other successful destinations.
- **Portsmouth** highlighted the importance of the city as a tourism and cultural destination. The central library was identified as being in need of refurbishment. Some of the existing museums are considered to be not fit for this purpose and subsequently there is the potential for rationalisation. Key areas for the future include:
 - supporting the Theatre Royal.
 - raising the profile of the Aspex Gallery as a regional facility.
 - organising major cultural and tourism events.
 - the local authority should be more supportive of developing culture and facilities.
- **Southampton** highlighted the development of tourism within the city centre as a high priority and the need to improve the whole package of tourist attractions. Other key points include:
 - a multi-purpose arena is required for major events.
 - a major tourist attraction is required to raise the overall profile of Southampton as a tourist destination.
 - the city art gallery needs larger premises.
 - the waterfront is another priority and needs to be better linked with the city.
- With regards to the four remaining districts, the key points are as follows:
 - the development of Discovery Centres at library locations, other than Gosport, is a key priority.
 - tourism in **Gosport** is being supported by development of the waterfront.
 - in **Eastleigh**, the local authority consider that many of the existing facilities are at capacity (including community centres) and subsequently there is a need for further investment to expand and enhance these to meet future growth needs.
 - **Havant** and **Fareham** Borough Councils consider their areas to be adequately served with arts and cultural facilities.

Key Findings and Recommendations

- 6.52 Based on our analysis of the arts, cultural and tourism sectors we now provide an indication of the need for growth in major town and city centre cultural facilities within South Hampshire.
- 6.53 Our recommendations are based on the assessment of key trends, strategic priorities and discussions with key stakeholders. The headline findings are set out below.
- There are good participation levels in arts and cultural activities for the UK and the South East, which are increasing. There have been some fluctuations in tourism performance due to foot & mouth and the recent terrorist attacks, however, the outlook for the future is optimistic.
 - **The South East has a strong tourism offer and Hampshire, in particular, is a successful county.** Indeed, Hampshire attracted the highest number of tourism trips out of all counties within the South East in 2003. The tourism market in Hampshire is dominated by the short break and day visit markets which suggests that the area could benefit from actions to make people stay longer. This could involve longer festivals and liaising longer with the hospitality sector to develop hotel offers which encourage people to stay within the area. The business travel and conference market is important within the whole of South Hampshire, particularly in Portsmouth and Southampton. Portsmouth is also a key destination for tourism and leisure based visits.
 - There are increasing numbers of visitors to visitor attractions in Hampshire and all numbers increased for Portsmouth, Southampton and Havant over the previous year (though there has been a decline in Portsmouth over a longer time period). It is worth noting that this is based on a small sample of attractions, though indications are that the outlook for visitor attractions is positive.
 - The CACI Report identified that residents in Eastleigh, Fareham, Gosport and Havant have below average participation levels in theatre and classical music concerts. They are also less likely to visit art galleries and museums. In Portsmouth and Southampton, participation levels in theatre are well below average, but participation in other performances (such as ballet, rock and pop concerts) are above average. Visits to art galleries and museums are below average for both cities.
 - A comparison between South Hampshire and other locations (Brighton, East Sussex, and Liverpool) of cultural and tourism facilities has identified the need for:
 - investment in existing and new facilities in South Hampshire in order to compete with other locations;
 - the potential to increase the range and mix of the cultural offer;
 - raise its profile as a cultural and tourism destination, with a particular focus on promoting existing successful brands, such as Portsmouth and Southampton.
 - Recent development in arts, cultural and tourism facilities has mainly been directed to town and city centres in South Hampshire in line with the South East Plan, in particular, which identified the importance of tourism in urban renaissance and promoting tourism within centres.

- The policy assessment has identified the importance of investing in the overall arts and cultural offer and has confirmed the significance of tourism for the economy. Local strategies have identified a number of key actions for developing the cultural and tourism offer at a local level and our recommendations have taken these into account.
- 6.54 The key points in connection with the need for growth in town and city centre cultural facilities within South Hampshire and related actions are outlined below.
1. South Hampshire is a successful sub-region and provides a competitive cultural and tourism offer. Notwithstanding this, additional investment is required to ensure that the sub-region competes at a regional, national and international level. In general terms, this investment should support the existing roles of the town and city centres as arts, cultural and tourism destinations, which builds on their existing strengths and identity, such as maritime and defence.
 2. Key priorities for future investment to ensure their growth are outlined below on a district/by district basis.
 - **Portsmouth** – support its role as a major tourist destination, which attracts visitors from across the UK and overseas. There are a number of key arts and cultural facilities and therefore the focus should be to support them with investment and resources.
 - **Southampton** – support its role as a major business and conference destination, together with raising its profile as a major cultural and tourism destination. Some new facilities which could aid this have been identified below.
 - The smaller centres of **Fareham, Gosport, Eastleigh** and **Havant** should complement the major centres and benefit from their close proximity. There may be a requirement in due course for new investment as a result of the increasing population and in order to ensure that quality facilities are available to serve residents, as well as visitors.
 3. The overall priority will be to invest in existing facilities. Thorough market assessments should be undertaken for the development of new facilities, ensuring that these enhance the overall provision and attract visitors to the area, minimise displacement from existing facilities and support the overall offer within town and city centres. Existing facilities, such as schools and community centres, should be better utilised for arts and cultural uses.
 4. Local authorities will need to respond to the planned growth in population through reviewing existing provision and ensuring that there is sufficient funding in place, at an early stage, for new facilities.
 5. Districts should ensure that there is sufficient support and funding in place to enable South Hampshire to compete with other locations and capitalise on its success.
 6. Districts should ensure that planning for culture and tourism includes consultation with the public to ensure that additional facilities meet the needs of the current and new communities.

Priorities for Investment

6.55 **Table 6.7** below identifies the key arts, cultural and tourism requirements for South Hampshire up to 2026.

Table 6.7: Arts, Cultural and Tourism Requirements		
Type of Facility	Requirements	Timescale¹⁵
Tourist Attraction	Potential for a major tourist attraction in Southampton, Portsmouth or Gosport.	2021-2026
	Invest in existing attractions and raise their profile e.g. the Spinnaker Tower.	2006-2011
Arts Galleries	Develop additional affordable gallery space – particular need in Portsmouth.	2011-2016
	Develop storage space for Southampton City Art Gallery.	2006-2011
	Provide support for Aspex Art Gallery (Portsmouth) to operate as a regional facility.	2006-2011
	Activities to increase participation at existing facilities (such as promotion, marketing and investment) to attract a wider audience, e.g. education facilities.	2006-2011
	In the longer term the area could seek to attract a wider range of provision, e.g. small independent galleries.	2011-2016
Museums	Investment and rationalisation of existing museums, e.g. Portsmouth.	2006-2016
	Expand Fareham Museum.	2011-2016
Central Libraries	Invest in town centre libraries in all locations (excluding Gosport).	2006-2011
	New facilities could be required in Southampton.	2011-2021
Performance Space	Arts Cinema Support existing art house cinemas.	2006-2011
	Theatres Support existing successful theatres within South Hampshire. In the longer term consider capacity issues resulting from the increased population and the need for additional provision.	2006-2011 2011-2016
	Concert Halls Support existing facilities such as the Guildhalls in Portsmouth and Southampton.	2006-2011
	Live Music Venues Potential need for major venue (see below for multi-purpose facility). Potential need for smaller facilities for live music in Southampton and Portsmouth.	2011-2016 2006-2011
	Other Performance Space Extend and improve Ferneham Hall in Fareham as an arts and entertainment venue. The sub-region could benefit from the development of a multi-purpose arena and conference facility, potentially in Southampton or Portsmouth.	2006-2016 2011-2016

¹⁵ Estimated Timescales within the following intervals: 2006-2011, 2011-2016, 2016-2021, 2021-2026

Festivals and Events	Develop a co-ordinated programme of events and festivals across South Hampshire, building on the success of Portsmouth and Southampton.	2006-2011
	Invest in space to host events (such as Guildhall Square, Portsmouth).	2006-2011
Other Actions	<p>Explore the potential for developing a visitor attraction in Eastleigh (east of the railway site, located close to the town centre).</p> <p>Actions to improve low participation rates for theatre, galleries and museums through marketing, promotional activities and improvements (e.g. developing educational facilities or outreach activities).</p> <p>Ensure that investment in facilities outside of the main town and city centres (e.g. Southampton University) are not at the expense of town centre developments.</p> <p>Actions to raise the profile of existing successful facilities within South Hampshire, such as marketing and promotion.</p> <p>Actions to raise the profile of culture and tourism within local authorities. Some of our discussions indicated that investment in new cultural facilities were not being given high priority.</p>	2006-2011

- 6.56 There is a potential requirement for a major **tourist attraction** in South Hampshire, which would raise the profile of the overall offer within the area. Our assessment has indicated that larger attractions, such as the Tate Modern and the London Eye, have been attracting increasing visitor numbers compared to smaller attractions, and that urban attractions are capturing an increasing share of the market. Furthermore, the South East Plan recognises the contribution that regionally significant attractions could make to urban renaissance and coastal resorts. Tourism South East identifies that the visitor economy in Portsmouth and Gosport could be a significant catalyst for urban regeneration and subsequently investment in new facilities, should be considered.
- 6.57 Visits to attractions in South Hampshire have increased in recent years and therefore there is the potential to enhance and capitalise on this offer. In this way, work is already underway to assess the potential for a major tourist attraction in Southampton.
- 6.58 Our needs assessment has identified that there are some good **art galleries** in South Hampshire, including the City Art Gallery and the John Hansard Gallery. The latter is being relocated from the University of Southampton to a city centre location at Northern Above Bar. There has been some investment in existing facilities, however gaps in current provision have been identified. There are currently low participation rates in galleries and therefore, in the first instance, there should be a focus to encourage greater participation at existing facilities (e.g. through marketing and promotion). In the longer term, there may be a potential need to enhance the offer of smaller independent galleries.
- 6.59 In our view, investment in existing **museums** is a key requirement. Although participation rates of people living in South Hampshire are low (compared to UK averages), there is an indication that visitor numbers are increasing. Portsmouth is currently considering the rationalisation of its museums, as a number are considered to be ‘not fit for purpose’. The Brighton & Hove Museum has recently undergone a £10 million investment, improving

educational facilities and outreach. Similar levels of investment could be replicated in South Hampshire to improve provision. There is also potential to invest in some of the museums within the smaller town centres, for example the Fareham Local Plan identifies the potential to expand Fareham Museum.

6.60 Nationally, **central libraries** are taking an increasingly important role with developing skills, working with schools and providing a hub for a wide range of community activities. The quality of libraries in Portsmouth and Southampton city centres are considered to be poor and there is a potential need to expand the existing facility in Southampton. These could incorporate a greater range of facilities for the community, such as small performance space/exhibition space, to attract the wider community. It is envisaged that Discovery Centres will be developed at Eastleigh, Fareham and Havant to include IT facilities, a museum and local history exhibitions.

6.61 There is a good range of performance space in South Hampshire, as follows:

- **theatres**, such as the Mayflower in Southampton and the Nuffield Theatre at Southampton University, successfully attract visitors. Future resources should support existing facilities (such as the recent investment in the Theatre Royal in Portsmouth) and in the longer term consider the need for expansion to meet the needs of the growing population.
- in terms of **concert halls**, there are a number of existing facilities, such as the Turner Simms concert hall at the University of Southampton and the Guildhalls in Portsmouth and Southampton. Continued investment in successful facilities should be encouraged.
- in terms of smaller **music venues**, there are the Wedgewood Rooms in Southsea and the 3rd Floor Arts Centre in Portsmouth. There is a potential gap in the market in Southampton.
- in terms of **arts house cinemas**, there is the No 6 Art House Cinema at the Action Stations, Portsmouth Historic Dockyard. In Southampton, there is the Lights Picture House at Ocean Village Marina and the Phoenix Film theatre at the University of Southampton. In our view, this provision is considered to be sufficient, however continued review is required.
- there is currently no **major events facility** in South Hampshire such as a multi-purpose arena or conference facility. With the proposed growth of South Hampshire, there is an increasing requirement and greater potential for such a facility. In our opinion, this would undoubtedly help to enhance the attractiveness of the area (and particularly Portsmouth and Southampton) as a business, conference visitor destination. Further work will need to be carried out to identify the best location for this facility and take into account the presence of the Bournemouth International Centre.

6.62 It should be noted that further detailed work will be necessary to assess the feasibility of individual recommendations. This will need to examine current provision and capacity on a regional and local basis, as well as competing locations. The potential future demand for such facilities will also need to be investigated.

7 Commercial Leisure Futures

7.01 The contribution that commercial leisure (i.e. bars, restaurants, cinemas, healthclubs, etc.) and public leisure (i.e. theatres, museums, galleries, public swimming baths, etc.) facilities make to the overall vitality and viability of town and city centres, particularly the evening economy, is an important part of the Government's urban renaissance and town centre policy agenda.

7.02 This section describes some of the key trends that are driving market demand in the commercial leisure sector. It examines how demand is being manifested at the national, regional and local level, and how this compares with DTZ's broad assessments of quantitative and qualitative need. It also provides an analysis of these uses in South Hampshire and considers the opportunities for future provision by looking at participation profiles and requirements from leisure operators.

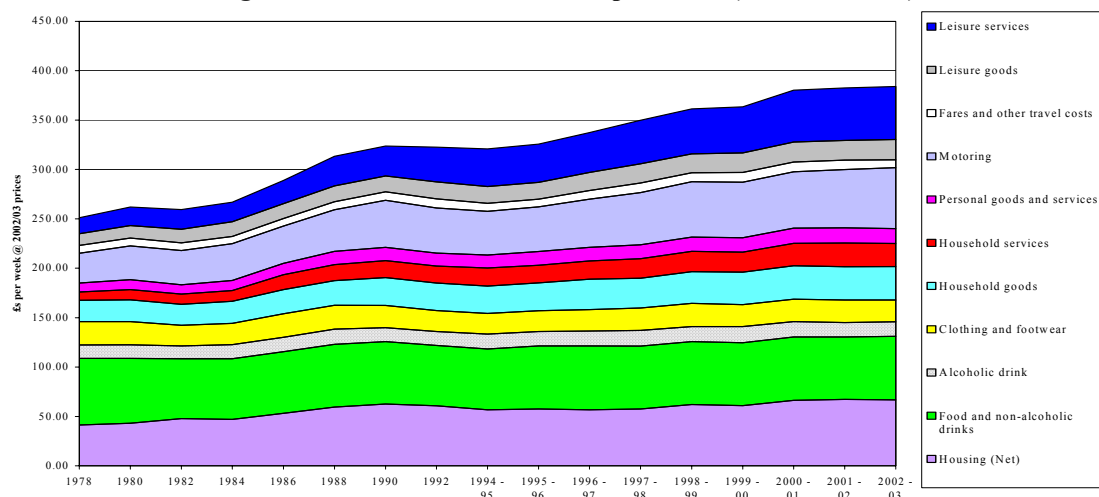
7.03 However, it is important to state that the leisure sector is highly complex and is more sensitive to economic, property, lifestyle and fashion-driven cycles than the retail sector. This makes forecasting future trends, development and investment very unreliable.

The Key Drivers of Growth

7.04 The commercial leisure industry has been one of the fastest growing sectors of the UK property market over the last decade and remains one of the UK's primary economic sectors. Research¹ shows that the leisure sector contributes 10% to Gross Domestic Product (GDP) and employs around 2.5 million people, generating 1 in 5 of new jobs.

7.05 Leisure spending can be divided into two types '*in-house*' spend on electrical items (such as DVDs, CDs, playstations, etc.) and '*out-of-house*' spend (such as going to the cinema, bowling, gambling, eating out in restaurants and visiting pubs). **Figure 7.1** shows that household spending on leisure goods and services has increased by 163% between 1978 and 2002/03 (i.e. c.4% per annum). In comparison, annual spending on all household goods has increased by 1.8%, whilst net spending on housing has increased by 1.9% per annum.

Figure 7.1: National Household Expenditure (1978 – 2002/03)



Source: ONS Family Expenditure Survey 2002/03

¹ Business in Sport & Leisure (BISL) Handbook 2005

- 7.06 The sector’s dynamic growth has been largely driven by changes in consumer lifestyles (such as eating out, going to the cinema and keeping fit), rising affluence and increased spending on leisure. This, in turn, has generated increased demand for new leisure and entertainment facilities. It is anticipated that long-term demographic and social trends will continue to benefit the sector as people become more affluent, spend more on leisure overall and are increasingly aware of the need to choose a healthier lifestyle.
- 7.07 Research indicates that a major driver of future growth and demand for leisure (and retail) will be the ageing (or ‘greying’) of the population. In 2002 there were approximately 19.8 million people in the UK aged 50 years or more, some 24% higher than in 1961. This is forecast to increase by over 40% up to 2031, when it is estimated that there will be c.28 million people aged over 50 years.
- 7.08 This ageing population will have a significant impact on the demand for different leisure products and services. In broad terms analysts predict that these ‘grey’ consumers will be more active than previous generations and will expect a wide range of quality leisure products and services. The elderly of the future will have grown up in a culture that demands high quality goods and services. Many will have high disposable incomes and are unlikely to change their current expectations of customer satisfaction². Hence the scope for the current interests and leisure activities will be complemented by new ways of spending time. Active people are more likely to be involved in participative and interactive pursuits.
- 7.09 Recent projections by Experian³ indicate that average spend per capita on leisure could increase by between 1.9% (‘long-term’ trend) and 2.5% per annum (‘ultra long-term’ projections). This growth in national leisure spend, combined with the forecast growth of the population in the South Hampshire / PUSH sub-region and changing demographic and lifestyle trends, would seem to indicate that there is likely to be a growth in demand for commercial leisure facilities over the longer term.

A Vision for New Commercial Leisure in PUSH

- 7.10 There are currently permissions, proposals and aspirations within each of the PUSH local authorities for quantitative and qualitative improvements to their overall commercial leisure offer. The key schemes and proposals are listed in the table below:

Table 7.1: PUSH Sub-Region: Commercial Leisure Uses Permissions, Proposals and Aspirations	
Centre / Opportunity	Background
SOUTHAMPTON	
West Quay Phase 3	Multi-purpose facility for staging major events and conferences with a minimum capacity of 4,500 people including an ice and hockey rink, popular music venue, exhibitions, trade shows and conferences. Planned to open in 2006/07.
Northern Above Bar	Cultural Quarter.
Regional casino	Tentative aspirations at this stage.
Royal Pier and Town Quay	Potential redevelopment to include cultural and tourism uses and a hotel. In October 2005, it was reported in Property Week that Association of British Ports (ABP) have abandoned the 50 acre (20.2 hectare) Royal Pier site in Southampton, after bids from a shortlist of six, including Berkeley, Taylor Woodrow, Barratt Homes, George Wimpey and Kier were lower than expected.

² Foresight – Ageing Population Panel (1999)

³Source: Experian Business Strategies: “Retail Planner Briefing Note 2.0” (August 2004)-Tables 3.1 & 3.2

Woolston Riverside	Redevelopment of the former Vosper Thornycroft Shipyard. Mix of uses planned including 450 sq.m food and drink, 1,700 sq.m leisure/health and fitness and 1,617 sq.m retail.
Lower Canal Walk	Redevelopment to include retention of existing health club.
Guildhall and Civic Centre	Ancillary cultural, café and bar uses.
Above Bar & Bargate	Street cafés.
Charlotte Place	257-bed hotel.
Meridian Place, Valley Rd	6-screen cinema
PORTSMOUTH & SOUTHSEA	
'Northern Quarter'	Outline planning permission, subject to a Section 106 Agreement, for up to c.4,810 sq.m of A3/A4/A5 uses, up to 6,650 sq.m of D2 leisure uses and a 150-bed hotel.
Mountbatten Centre	Outline planning permission in June 2003 for a City Council scheme comprising a sports centre (50 metre/8-lane swimming pool), sports hall, 150 health & fitness stations, 3 squash courts, a fitness and dance centre and associated restaurant and bar. Construction has not commenced and a revised application is to be submitted at the end of 2005, which will supersede the original application.
Gunwharf Quays	Construction of a 4-storey building linked by a glazed canopy to form shops and a (c.140-bed) hotel.
EASTLEIGH	
Swan Centre	Planning permission granted in June 2005 for a multi-storey leisure complex adjacent to the Swan Centre. Includes a 9-screen cinema, 71-room hotel, bowling alley, health club and various A3 and A4 uses.
HAVANT	
Campdown	Plans announced for an Esporta health and fitness centre with a tennis academy, a new ground and premises for Havant Rugby Football Club and a new training academy for Portsmouth City Football Club.
Former Texaco Petrol Station, Havant TC	Vision for a 50-bed hotel.
Dunsbury Hill Farm	Vision for a 100-bed hotel in an out-of-centre location.
GOSPORT	
Royal Clarence Yard	Outline planning permission granted for a mixed-use scheme including a cinema, leisure, community and A3 uses.
Royal Clarence Yard, Weevil Lane	Conversion of former slaughterhouse to a bar/restaurant (620 sq.m).
Priddy's Hard	Mixed-use development includes the 750 sq.m Explosion museum (complete), 625 sq.m of leisure floorspace, 765 sq.m hotel and 1,116 sq.m for a pub/restaurant.
East of Twyford Drive, Cherque Farm, Lee	Erection of neighbourhood shopping centre with 172 sq.m of D1 floorspace.
5-8A Oaklands Officer Park, Fisher Gate	Change of use of building from offices to fitness centre and crèche.
FAREHAM	
Market Quay	The site includes the redevelopment of the Listed United Reform Church building, which dominates the centre of West Street as a café/restaurant (536 sq.m), which is soon to be completed as part of the wider development.
Lockwood Centre, Locks Heath	Outline planning permission granted for a new 25 metre 4-lane swimming pool, learner pool and fitness facility with 25-30 gym stations.
Fareham Leisure Centre	Banana Fitness are opening up approximately 100 new health & fitness stations at Fareham leisure centre in early 2006.
Stubbington Green	Planning permission granted for a new beauty salon and gymnasium.

Sources: PUSH and local authorities

Demand for Leisure

- 7.11 Developers and investors have responded to the growth in consumer lifestyles, demand and spend by opening new and more sophisticated leisure formats.
- 7.12 A good example of this is the growth of managed leisure centres and parks. These parks generally comprise a mix of leisure uses (such as bowling alleys, health & fitness clubs, nightclubs, restaurants and bars) and are usually anchored by large multiplex cinemas.

Despite the tighter planning policy controls on out-of-centre development, leisure parks are now viewed by the property industry as a less risky long-term investment. This is confirmed by research, which indicates that there are over 200⁴ leisure parks in the UK, ranging in size from 3,250 sq.m up to 28,000 sq.m.

7.13 In South Hampshire the three main leisure parks are:

- **Southampton Leisure World** – includes a mix of restaurants and bar operators, two nightclubs, a casino and a cinema.
- **Portsmouth Gunwharf Quays** – Portsmouth’s recent mixed-use waterside development with a mix of bars, restaurants, cafes and a Grosvenor casino, a Vue cinema, Jongleurs comedy club and a Holiday Express hotel.
- **Portsmouth Port Solent, The Broadwalk** – includes a mixture of bars and restaurants and a UCI cinema.

7.14 In terms of larger leisure and theme parks, operators generally require sites of 15-20 acres. It is very difficult to predict the next trends in “event entertainment”. However the ‘Snowdome’ theme has not been replicated in the South of England. Currently this only exists in Milton Keynes and Tamworth, although an application for planning permission in Stonelodge, Dartford has recently been refused and a new application for planning permission has not been re-submitted at the time of writing this report.

7.15 Other types of activity include theme parks which generally have a catchment of 2-3 hours drive time. On this basis we would anticipate one or two new destinations for the whole of the PUSH area over the next 15-20 years. These requirements will require excellent access to the motorway and main arterial routes and are likely to be attracted to the two main conurbations, Southampton and Portsmouth, subject to the availability of land.

7.16 The following commentary briefly describes the current demand from leisure operators within each of the main sub-sectors of the commercial leisure market. It also provides an update of the current reported demand for commercial leisure facilities in the PUSH centres.

(i) Eating and Drinking Out

7.17 The increase in disposable incomes and policy/licensing changes over the last decade have fuelled the growth of drinking and eating out as a leisure activity, which in turn has led to significant change in the pub and restaurant sector. For example, between 1998 and 2002 the ‘eating out’ market grew by 22%, reaching an estimated value of approximately £24.4bn⁵. Some operators are reporting record profits and are continuing to open new outlets, for example, La Tasca (the Spanish themed tapas chain) experienced a 51% jump in full-year profits and was on track to open 11 new restaurants in 2005.

7.18 Some of the main trends that are driving (and meeting) the increased demand in the food and drink sector include the following:

- increased **consolidation in the pub industry** over the last five years, which has impacted on the smaller independent operators. Research shows that the number of pubs has declined by c.6.5% since 1990 and the greatest impact has been on traditional pubs and inns, which have lost younger customers to the larger, urban

⁴ ‘The Definitive Guide to Retail & Leisure Parks’ (2003), FPD Savills & TW Research Associates.
⁵ Business in Sport and Leisure Handbook (BISL), 2003-04

branded ‘theme’ bars. Nevertheless, some market experts predict a resurgence of “community pubs”, due to changes in fashion and boredom with high street brands.

- the growth of ‘**gastro-pubs**’ (such as the All Bar One, Pitcher and Piano and Slug and Lettuce formats), which have increased market share of the ‘eating-out’ market. This has been driven by the development of more varied menus to cater for different tastes and the growing female market.
- the decline in market value of some long established brands (such as Chez Gerard, Garfunkles, Café Uno and City Centre Restaurants) due to increased competition from both multiple and niche restaurants such as ASK central, Pizza Express and Nandos.
- the recent national expansion of a number of new restaurant operators, including the Italian-owned Basilico and Fornovivo, Clapham House, Bombay Bicycle Club, The Real Greek, Gourmet Burger and Urban Dining.
- first expansion and more recently consolidation in the coffee sector, with a few brands emerging to dominate market share – namely Starbucks, Café Nero and Costa Coffee.
- growth of businesses that specifically target lunchtime trade, particularly in London and the South East. Examples include The Natural Café, Eat and Realburger World. Coffee Republic has also entered this market by rebranding its coffee shops as ‘Republic Deli’ outlets.
- an emphasis on healthier (and organic) food. In particular, fast-food companies have been affected and are now addressing the issue of nutritional value by offering a wider range of products, such as fruit and salads, in their outlets. One beneficiary of these perceived health risks may have been the sandwich sector. Subway, which specialises in sandwiches rather than fried foods, was opening fifteen new outlets in the UK every month in 2004.

7.19 Recent changes in the Use Classes Order (UCO)⁶ mean that local authorities have more control over the growth and location of new cafés, restaurants, take aways and public houses in their town centres. The main change to the UCO has been the replacement of the former Use Class A3 (food and drink) by the new and amended:

- **Use Class A3** - limited to restaurant and café uses (i.e. use for the sale of food for consumption on the premises).
- **Use Class A4** – limited to drinking establishments, such as pubs and wine bars.
- **Use Class A5** – limited to hot food takeaways.

7.20 Whilst bars and takeaways are able to revert to restaurants without requiring planning permission, moves in the other direction will require local authority planning approval. It is the Government’s aim that these changes will help check the unfettered growth of branded bars and poor quality takeaways, whilst also limiting the anti-social impact on residential amenity and visitor’s enjoyment of town centres, particularly as part of the promotion of town centre evening economies. This will provide greater powers for Council’s to monitor and control the potential growth of A4 and A5 users in its town centres, but it could also limit the flexibility with which the industry can change formats to meet new demand and lifestyle trends. Other changes included the classification of

⁶ The Town and Country Planning (Use Classes) (Amendment) (England) Order 2005 and the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2005.

Internet cafés as A1 and nightclubs as *sui generis* (meaning uses on their own). Changes to or from these *sui generis* uses will therefore always require planning permission.

- 7.21 Current licensing reforms also transfer responsibility for licensing from magistrates to local authorities. The Government believe that operators in the same area will choose to set different hours of operation and that this will therefore reduce the concentrations of people leaving licensed premises at the same time, which can often result in ‘flashpoints’ of crime and violence in centres. Together, the planning and licensing reforms will allow local authorities considerable control over the leisure and entertainment industry.
- 7.22 The recent Health White Paper “Choosing Health” makes clear the government’s intention to ban smoking in public places by the end of 2007. Restaurants, pubs and bars which prepare and serve food will be smoke-free, but pubs and bars which do not sell food will be able to choose whether to allow smoking. It remains to be seen how the government’s intentions will be enshrined in legislation and how this will impact on the food and drink sector. In the interim, JD Wetherspoon has converted 11 of its outlets to non-smoking venues. The initial results show that whilst beer sales dropped, food sales increased.
- 7.23 DTZ’s market intelligence indicates relatively strong interest from leisure operators for representation in South Hampshire (see **Table 7.2**). However this interest is mainly targeted at Southampton and Portsmouth, whereas the other centres currently have market interest from six or less operators each. The stronger interest in Southampton and Portsmouth reflects their role and status as important regional centres, and they are attracting a number of major brands. In comparison, the smaller centres are likely to exhibit greater demand from more common operators such as fast food chains.

Table 7.2:		
PUSH Centres: Commercial Leisure Interest from A3/A4/A5 Operators (October 2005)		
SOUTHAMPTON		
• Best Cellars	• Las Iguanas	• Pret A Manger
• Blubeckers	• Love Juice	• Regent Inns
• Café Nero	• Millie's Cookies	• Roosters Chicken
• Costa	• Nandos	• Santa Fe
• Eat	• O'Briens Sandwich Bars	• SFI Group
• Elbow Room	• Pasty Presto	• Sports Cafe
• Ha Ha Bar	• Pizza Hut	• Spur
• KFC	• Pizza Express	• Toby Carvery
• Krispy Kreme Donuts	• Presto	• Tuscany
• La Tasca		
PORTSMOUTH		
• Ask	• The Elbow Room	• SFI
• Best Cellars	• Las Iguanas	• Spur
• Café Nero	• Pizza Hut	• Subway
• Cornish Oggy Oggy Pasty Co.	• Presto	• Teasers
• Costa	• Regent Inns	• Toby Carvery
• Eat	• Roosters	• Wagamama
• Zizzi		
SOUTHSEA		
• Baracuda Group	• Varsity	
EASTLEIGH		
• KFC	• Pizza Hut	• Subway
• Papa Johns Perfect Pizza		
HAVANT		
• Café Nero	• Pizza Hut	• SFI Group
• KFC	• Pizza Express	• Subway
GOSPORT		

• Best Cellars	• Pizza Hut	• SFI Group
• Papa Johns Perfect Pizza	• Subway	
FAREHAM		
• A & W Restaurants	• Long John Silvers	• Pizza Express
• Cornish Oggy Oggy	• Pizza Hut	• Regent Inns

Sources: Property Intelligence Plc 'Focus Reports' / DTZ / others

7.24 In floorspace terms, the requirements list set out in **Table 7.2** results in the following broad ranges for each of the main centres:

- Southampton : 7,260 – 12,300 sq.m
- Portsmouth : 4,230 – 8,530 sq.m
- Eastleigh : 640 – 980 sq.m
- Fareham : 1,450 – 2,970 sq.m
- Havant : 1,000 – 2,200 sq.m
- Gosport : 770 – 1,600 sq.m
- Southsea : 740 – 930 sq.m

7.25 In order to assess the potential floorspace capacity for new A3/A4/A5 uses up to 2026 we necessarily assume that a proportion of the forecast comparison goods capacity (as set out in **Section 10** for the PUSH sub-region and its main centres will be supported by eating and drinking establishments. The centre category reports produced by Experian Goad indicate, for example, that eating and drinking uses account for c.25% of total comparison and leisure services floorspace in the 1,600+ UK centres they cover. Other research by Savills⁷, for example, recently concluded that: ‘... other types of ground floor building uses (apart from retail) are important to the vitality of cities ...’ and that the hospitality industry, in its widest sense, ‘...forms an important and sizeable proportion of premises, averaging 24% of ground floor stock...’. We have therefore assumed that new A3/A4/A5 uses could broadly represent c.20% - 30% of the forecast floorspace capacity for new comparison goods retailing.

7.26 On this basis, and assuming that Scenarios 1(a) and 2(b) broadly represent the “best fit” comparison goods capacity forecasts up to 2026 (as set out in **Section 10**, we set out in **Table 7.3** below our broad forecasts of the potential for new A3/A4/A5 floorspace that we assume could be needed in addition to the forecast comparison goods retailing.

Table 7.3					
PUSH Sub-Region: Scenarios 1(a) and 2(b)					
Capacity Forecasts for Eating & Drinking Floorspace (net square metres)					
Ranges based on new floorspace trading at either £4,000/sq.m or £6,000/sq.m					
	2005	2011	2016	2021	2026
20% threshold:	0	11,440 – 17,160	27,440 – 41,600	46,120 – 69,280	67,920 – 102,100
30% threshold	0	17,160 – 25,740	41,160 – 61,800	69,180 – 103,920	101,880 – 153,150

Source: DTZ ReMap, **Appendices 21-24**, Stage 9

⁷ ‘The Streetscape of major UK cities’, Savills, Winter 2004, pg.3

7.27 This forecast capacity is not meant to be prescriptive. It provides only a broad indication of the 'theoretical' potential for new A3/A4/A5 floorspace to complement new retail space that may be developed in the PUSH region's main centres as part of a mixed-use scheme. Southampton and Portsmouth currently dominate eating and drinking provision in the PUSH sub-region. We consider that this trend will continue over the forecast period, as the largest quantum of new comparison goods retailing is forecast for the two main city centres. This strength of each city's daytime and evening economies is also partly underpinned by their resident student population. Nevertheless, there are also opportunities to expand and enhance the eating and drinking offer in all of the main PUSH centres as part of potential new mixed-use development.

(ii) Health and Fitness

7.28 The health and fitness market has been through a series of peaks and troughs since the sector first gained popularity in the mid-1990s. In 2005, the health and fitness market was estimated to be worth £2.2 billion⁸. This is attributed to the nation's increased awareness about the benefits of exercise and activity as part of a healthy lifestyle.

7.29 Research shows that there were c.2,400 public fitness and c.2,000 private health clubs in the UK⁸ in 2004 and that private healthclub membership doubled from 1.7m in 1997 to 3.4m in 2002⁹. Research indicates that over 10% of the population are now members of a private club or users of a leisure centre, compared to just over 8.9% in 2002 and it is estimated that penetration could reach 13.5% by 2007⁸.

7.30 The health and fitness sector has experienced a period of consolidation over recent years. This is due, in part, to the aggressive opening strategies of certain operators, which left many of them over-exposed at a time when the fitness market fell 'out of favour' with investors in the City. The rapid growth of health and fitness clubs in certain areas has created increased competition for members and market share, which has resulted in the weaker (poor quality) clubs losing out. With increased competition in the premium sector, there has also been a rise in attrition rates. Nevertheless, the main commercial 'players' serving different sectors of the market include:

- **David Lloyd Leisure and Next Generation** - concentrating on health, racquet and tennis clubs. David Lloyd announced that it is cutting the number of new sports clubs it is building in 2005 from six to two and any new venues will be racquet sports centres, rather than traditional gyms with weights and rowing machines;
- **Holmes Place and Greens** - operating at the luxury end;
- **Virgin and Cannons** - dominate the family-oriented health and fitness market;
- **LA Fitness and Fitness First** – operate smaller in-town clubs at the value end of the market.

7.31 The health and fitness sector has polarised over the last two years. The major expansion of health clubs has created an oversupply in certain areas. The competition for sites and reduced demand for membership has therefore added to the polarisation. This has contributed to the conversion to private companies of Esporta, Holmes Place, Fitness First and Cannons health clubs. It is also a reflection that, for some, the membership numbers are not quite as impressive as they once were.

⁸ The Leisure Database Company: Press Release on the "State of the Industry Report – August 2005" (http://www.online-leisure.com/leisrep_010805.html)

⁹ BISL, 2003-04 *Ibid*

7.32 In the PUSH sub-region and centres a number of the major health and fitness operators are already represented. As **Table 7.4** shows, these operators are mainly located in the major urban areas of Southampton and Portsmouth.

Table 7.4: Commercial Health and Fitness Operators in South Hampshire		
Local Authority	Location	Operator
Southampton	12 - 16 East Bargate	Fitness First for Women
	Shirley Road	Fitness First
	Frogmore Lane	David Lloyd Leisure
	Shirley Retail Park	LA Fitness
Portsmouth	The Pompey Centre	Fitness First
	Port Solent	David Lloyd Leisure
	Gunwharf Quays	The Edge
	Northern Parade	Cannons
Fareham	1 Pulheim Parade	LA Fitness
Havant	Dukes Walk, Waterlooville	Fitness First
Eastleigh	Hedge End	Esporta Health and Racquet

7.33 In addition to the commercial offers there are also a number of Council-owned sports facilities, including the following:

- **Southampton City Council:** Bitterne Leisure Centre
Chamberlayne Leisure Centre
Oaklands Community Pool
Southampton Sports Centre
St Mary's Leisure Centre
The Quays Eddie Read Swimming and Diving Complex
Southampton University Sports Centre
- **Eastleigh Borough Council:** Fleming Park Leisure Centre
- **Portsmouth City Council:** Mountbatten Centre
Eastney Swimming Pool
Hillsea Lido
Victoria Swimming Centre
Great Salterns Golf Course
Portsmouth Golf Course
Pyramids Leisure Centre
- **Fareham Borough Council:** Fareham Leisure Centre
- **Gosport Borough Council:** Gosport Health and Fitness Centre
Holbrook Recreation Centre
St Vincent Sixth Form College and Leisure Centre
Don Styler Physical Training Centre
- **Havant Borough Council:** Havant Leisure Centre
Waterlooville Leisure Centre

7.34 Despite the consolidation of the health and fitness market in recent years, there still appears to be the potential for future growth, particularly as the Government is committed to tackling health issues. In 2004, 113 new private health clubs opened, along with 165 sports centres. Research shows that clubs are often increasing membership by improving their facilities, by trialling different formats and by targeting specific segments of the health and fitness market. For example:

- **Esporta** is aiming to open a series of lifestyle clubs across the UK. The concept is a fusion of the family club, the adult health and fitness club and the racquet clubs. Esporta aims to open six of these in 2005 with more to follow in 2006. In Havant plans have been announced for an Esporta health and fitness centre with a tennis academy, a new ground and premises for Havant Rugby Football Club.
- **Fitness First** plans to open up a further 250 outlets following its recent acquisition by private equity firm BC Partners.
- The American chain **Gold's Gym** is looking to expand in to the UK market.
- **LA Fitness** are trailing small 'weight-loss' centres in partnership with supermarkets and hospitals focusing on affordable courses designed to help people loose weight. They have recently opened in Fareham at the Markey Quay scheme.
- **Virgin Active** has introduced a fitness programme aimed at children and launched Diamond Membership, which offers the chance to sign up to a capped monthly rate for life.
- **Cuts Fitness** has plans to enter the UK via Master Franchising, after its success in Ireland with Cuts Fitness for men and women. Cuts Fitness For Women was recently launched as a standalone and/or complementary franchise that represents a unique solution in the women's only fitness market.

7.35 Other trends include better quality local authority gyms offering pay-as-you-go facilities and insurance companies offering private health cover with discounts for those who pursue a healthy lifestyle. Over recent years there has also been a marked shift in the location and format of new health and fitness clubs, due mainly to the changes in planning policy guidance. Health and fitness operators are increasingly looking at town centre sites and mixed-use schemes in town centre locations, in accordance with PPS6 and the sequential approach. This can help to create a wider range of attractions and activity, particularly in the evenings and at weekends. More flexible planning policies will therefore need to be introduced which help to encourage an element of such uses within or on the edge-of-centres.

7.36 Our assessment of market interest and requirements from operators in this sector for representation in South Hampshire has identified the current list of operators:

Table 7.5: Health and Fitness Requirements in South Hampshire	
Centre	Requirement (Company Name)
Southampton	<ul style="list-style-type: none"> • Esporta Health and Fitness • Virgin Active
Eastleigh	<ul style="list-style-type: none"> • Esporta Health and Fitness • David Lloyd Leisure
Havant	<ul style="list-style-type: none"> • Esporta Health and Fitness • David Lloyd
Fareham	<ul style="list-style-type: none"> • Esporta Health and Fitness • David Lloyd

Source: Town Centre Focus Reports 2004

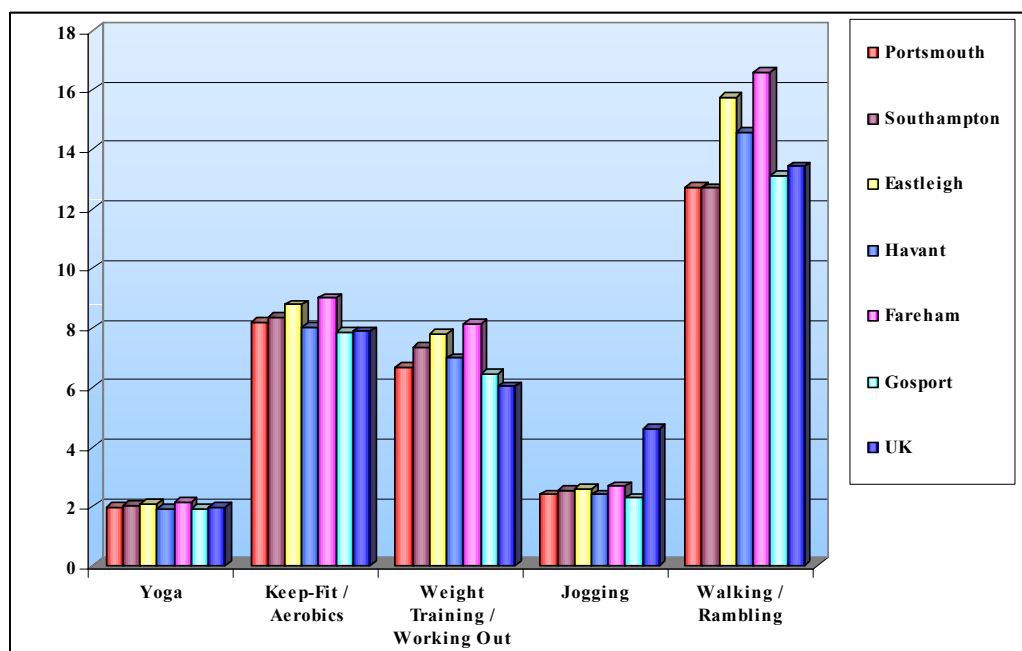
7.37 There are currently no recorded requirements from health and fitness operators looking to locate in Portsmouth, Gosport and Southsea. Our assessment indicates that the most active operators in this sector are at the smaller end of the spectrum, namely:

- Fitness First is acquiring units from 929 sq.m – 1,394 sq.m (45 new sites in the next two years); and
- LA Fitness between 929 sq.m – 1,858 sq.m (to include a swimming pool).

7.38 These operators require new sites (leasehold or freehold) within good transport network and high footfall. Additionally the ideal location also has to be close to a large population catchment - either working or residing - with minimal competition in the local area. Parking also is an operator’s biggest priority, either completely demised within a scheme or free to their customers by way of a validation system. Most activity occurs at the smaller end of the market, and should be encouraged as a use within mixed-use schemes close to town centres and office hubs.

7.39 Overall there appears to be relatively good provision of health and fitness facilities in the sub-region. To get an indication of current usage we have drawn on the CACI Participation Profile reports in order to assess levels of participation for health and fitness and sporting activities across the PUSH area.

Figure: 7.2: Health & Fitness Participation within South Hampshire



Source: CACI Participation Profiles (Sports & Leisure)

7.40 **Figure 7.2** shows that keep-fit and weight training/working out are the most popular health and fitness activities across South Hampshire. Walking/rambling is a popular activity in the more rural districts but is below average in Southampton and Portsmouth. It is also interesting to note that gym and health club membership is generally below the national average of 10% across the sub-region. **Volume 3 (Appendix 19)** sets out the more detailed summary of sport and leisure participation within the South Hampshire region. The headline findings are as follows:

- **Swimming** is the most popular sport in South Hampshire with a participation rate of 11-12%, compared to the national average of 10.8%.

- **Cycling and golf** are the next most popular sports across the sub-region with participation rates of 5-6%, similar to the national average. Participation rates for golf are below the national average in Portsmouth, Southampton and Gosport.
- **Badminton** (3%) and **table tennis** (2%) have higher participation rates than the national averages of 2% and 1% respectively. **Squash** (1.5%) and **tennis** (2/2.5%) are also popular activities compared to the national averages of 1% and 2%. Tennis is more popular in Eastleigh, Fareham and Havant.
- In Eastleigh and Fareham, **bowls** (2.3% and 2.4%) and **horse riding** (1.2% and 1.3%) have above average participation rates compared to the national averages (2% and 0.9% respectively).
- **Hockey** is the only team sport across the sub-region that has above average participation rates (1%) compared to the national average (0.5%). **Basketball** also has higher than average participation rates in Portsmouth, Southampton and Gosport (1% compared to the national average of 0.7%).
- Participation rates for **football** (4%) and **rugby** (0.4%) are surprisingly lower than the national averages of 6% and 1% respectively, which suggests that facilities for these sports are limited.
- **Skiing, mountain biking and extreme sports** (BMX, skateboarding, etc) have above average participation rates.
- **Camping** is the most popular adventure sport across the sub-region, which is consistent with the national profile. The participation rates for camping in Eastleigh and Fareham are significantly higher than the national average, 4% compared to the national average of 3.5%.
- **Snowboarding and climbing/mountaineering** are the least popular sports across the sub-region. In particular, climbing/mountaineering participation rates are half the national average (0.5% compared to 1%).

7.41 Despite the consolidation and polarisation in this sector over recent years, research by Mintel¹⁰ indicates a continued trend of growth for the industry as a whole, in terms of members, sales and overall penetration of the population. Levels of optimism in the industry are higher now than they have been for several years. However, it is clear that the 'boom years' of the mid-to-late 1990s are unlikely to be repeated. Therefore, the challenge for the industry is to become leaner and more efficient, gaining new members and opening new clubs but also maximising returns from its existing members and clubs.

7.42 The dramatic growth of the health and fitness sector since the 1990's, followed by an equally dramatic slowdown and consolidation over recent years, means that forecasting potential growth and demand over long periods of time is particularly uncertain. Despite these caveats, we do provide our broad view as to the potential need for growth in this sector up to 2026 based on population growth, participation rates and 'benchmark' membership levels, as follows:

- currently the population in the PUSH sub-region is c.996,900.
- this could potentially generate demand for c.99,700 public and private membership places, based on the national average membership of 10%¹¹.

¹⁰ Mintel Health and Fitness Clubs - UK (April 2005)

¹¹ BISL, 2003-04 *Ibid*

- based on forecast population growth for the sub-region, the potential demand could increase by 4,000 places to c.103,700 in 2016 and by c.8,000 places to 107,600 in 2026.
- any increase in membership rates, such as the projected rates of growth of 13.5% predicted by BISL, could potentially increase demand further within the study area.

(iii) Cinemas

- 7.43 The 1990s was characterised by significant growth in the size and number of cinemas in the UK. This growth was characterised by the opening of new multiple cinemas, often in out-of-centre locations as anchors to leisure parks, or as an integral part of the tenant mix in shopping centres. This growth was fuelled by a resurgence in cinema audiences (after a period of steady decline during the 1980s), due primarily to the increase in the number of Hollywood 'blockbusters' and the new developments in cinema technology (such as surround sound). Research shows that:
- cinema audiences increased, on average, by 6.5% per annum between 1984 and 2003, from 54 million to 180 million.
 - multiplex cinemas represented some two-thirds of all cinema screens in 2003.
 - the number of multiplex cinema screens increased from 875 to 2,254 between 1996 and 2003.
- 7.44 However, multiplex openings have slowed considerably over recent years, mainly due to the tightening of planning policy on new out-of-centre development. As a result, the main growth in this sector has been fuelled by the so-called 'cityplexes' (i.e. mixed-use multiplex developments in city and town centres that comprise shops and restaurants), usually driven by developers rather than operators. Examples include the Ster Century scheme in Romford, which comprises a 16-screen cinema on top of an existing Sainsbury's store, along with other shops and 175 flats. These types of mixed-use developments, with cinemas as anchors, are regarded as important contributors to the evening economies of centres.
- 7.45 The industry itself is also entering a period of change, characterised by significant consolidation over the last few years. For example, Warner Village Cinemas, Odeon and UGC have all been sold and the sector is now dominated by four companies - Terra Firma Capital Partners; Cine-UK; Vue Cinemas; and National Amusements. All are owned by private equity firms, apart from National Amusements. According to Dodona Research the presence of these new profit-conscious investors is likely to have two consequences:
- it should prevent over-supply (over-screening) in areas; and
 - it would appear that funds are likely to be made available to support further investment in expanding the physical capacity of the sector.
- 7.46 New innovations and technologies are also being continually tested by the cinema industry. For example, the easyCinema brand represents an alternative business model and the first cinema has recently been developed in Milton Keynes and comprises a 10-screen multiplex with 200 seats per screen. Efficiency and cost-savings lie at the heart of the new model. For example, the box office has been removed and seats are booked online or by phone. There is an incentive to book early, as the tickets cost less. Additionally moviegoers who want to eat and drink at easyCinema, have to bring their

own, which is much cheaper than the prices charged by regular cinemas for food and drink. This high volume, low margin approach aims to boost bookings.

7.47

Current cinema provision in the PUSH sub-region is set out in **Table 7.6** and mapped in **Figure 7.3**. There is a relatively good provision of cinemas with a broad east-west split in terms of geographical provision. Not surprisingly the larger urban centres of Southampton and Portsmouth dominate current provision, but Fareham is also emerging as a new destination due to the development of a new multiplex. There is currently a small cinema in Eastleigh, but there are no other cinemas located within the smaller PUSH centres. There would therefore appear to be potential opportunities for new cinema developments in the PUSH region and its main centres as part of mixed-use town centre development proposals.

Table 7.6: Cinemas in South Hampshire				
Operator / Fascia	Location	Cinema Type	Screens	Seats
Portsmouth				
Vue	Gunwharf Quays	Multiplex	14	3,215
UCI	Port Solent	Multiplex	6	1,540
Odeon	London Road	Traditional	4	1,292
Carlton	High Street, Cosham	Traditional	3	666
Southampton				
Odeon	West Quay Road	Multiplex	13	3,102
UGC	Ocean Village	Multiplex	5	1,648
Harbour Lights Picturehouse	Ocean Village	Traditional	2	469
Phoenix	University of Southampton	Traditional	1	400
The Gantry	Blechynden Terrace	Traditional	1	198
Fareham				
Apollo	Market Quay	Multiplex	6	N/A
Eastleigh				
The Point	Leigh Road	Traditional	1	N/A

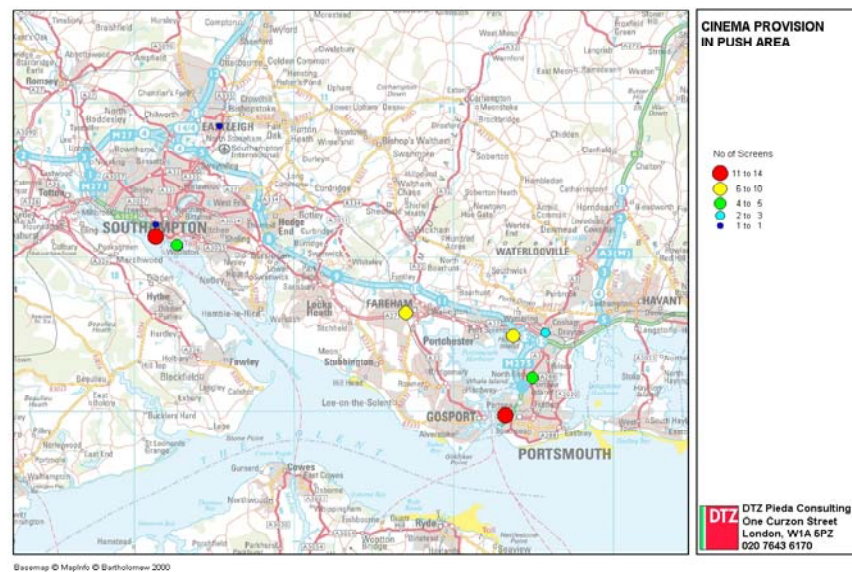
Source: Dodona Research and DTZ (2005)

7.48

The largest cinema in South Hampshire is the Vue at Gunwharf Quays in Portsmouth, with 14 screens and capacity for 3,215 seats. The Odeon at West Quay in Southampton is the second largest with 13 screens and a larger capacity for 3,102 seats. Portsmouth and Southampton also have a variety of smaller cinemas ranging from the UGC at Ocean Village in Southampton with five screens to the Harbour Lights Picture House with two screens. Recent planning permissions or proposals for new cinemas:

- **Eastleigh** – a nine screen cinema as part of the multi-storey leisure complex adjacent to the Swan Centre (granted June 2005)
- **Southampton** – Meridian Place, Valley Road, aspiration for a six screen cinema.

Figure 7.3 Cinema Locations within the PUSH Sub-region



- 7.49 In South Hampshire, the CACI Participation Profiles show that cinema-going is the most popular activity across all of the local authorities, ranging from 26% for Portsmouth to 24% for Gosport and 23% for Havant (the current national average for cinema-going is 25%). Clearly those cinema-goers living in Gosport, Havant and the other smaller centres in the PUSH sub-region are visiting the multiplex cinemas in the larger centres, or in out-of-centre locations.
- 7.50 In order to provide a broad indication of the potential quantitative need for new cinema screens in the sub-region we have carried out an assessment of current cinema admissions and the likely growth up to 2026. Our forecasts draw on two main sources:
- household surveys carried out specifically for Southampton and Eastleigh Councils by DTZ in 2005, which ask a question on cinema usage. We have necessarily used the response to this question as a proxy for the entire PUSH sub-region.
 - Dodona’s national forecasts for visits per person from 2001 to 2009. Growth in visits from 2009 to 2026 are projected at a rate of 2.3% per annum, based on Dodona’s annual growth rate for the period 2005 to 2009.
- 7.51 **Appendix 20** defines the existing cinema penetration rate within the PUSH sub-region as derived from the Southampton and Eastleigh surveys. The proportion of the total population in each zone who last visited a cinema has been used to estimate the proportion of cinema-goers in the PUSH sub-region. For the base year (2005) the findings of the household survey show that some 43% of the sampled population visited a cinema within the sub-region in the last 12 months. In our view this represents a relatively good usage and probably reflects the existing cinema provision.
- 7.52 The analysis also incorporates the population projections up to 2026. The population forecasts are combined with the market share of cinema-goers to determine the potential “cinema catchment population”. These are then converted to total number of cinema admission per annum using the national visitation rates derived from Dodona Research. The derived total number of cinema admissions has then been converted into an optimum number of cinema screens and seats based on Dodona figure of 75,000 visits per annum, or 300 visits per annum per seat.

7.53 The output of this analysis is shown in **Appendix 20** and summarised in **Table 7.7** below. Our broad forecasts indicate that, based on national visitation rates, the PUSH “cinema catchment population” could support 17 screens (or c. 4,100 cinema seats) in 2005. This increases to 29 screens and c.7,200 seats by 2026.

Table 7.7:					
Forecast Demand for Cinema Screens and Seats					
	2005	2011	2016	2021	2026
Cinema Screens	17	19	22	25	29
Cinema Seats	4,129	4,835	5,516	6,294	7,183

Source: Appendix 20, Table 2

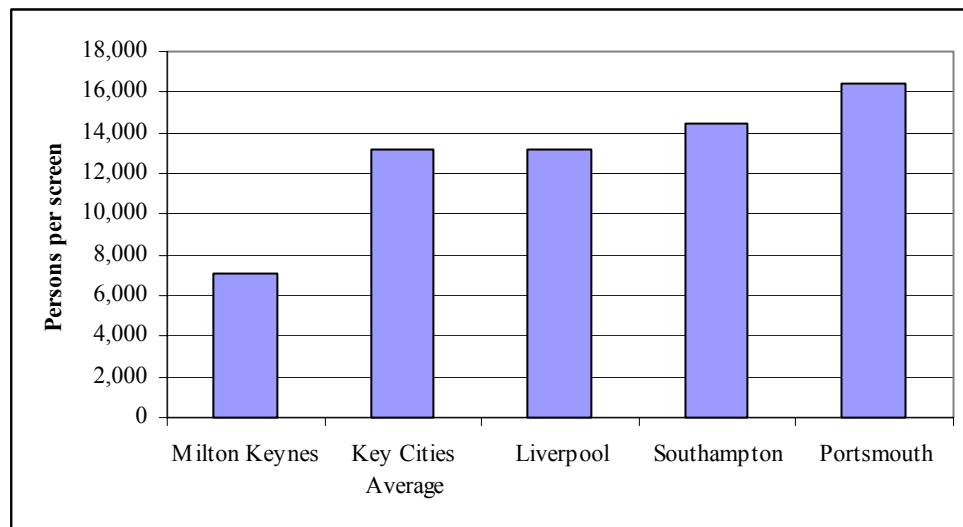
7.54 This theoretical capacity provides a broad indication of the potential number of screens and seats the sub-region could accommodate. In our opinion the new 9-screen cinema proposed for the Swan Centre in Eastleigh will partly satisfy the forecast capacity at 2005. The additional proposal for a 6-screen cinema at Meridian Place in Southampton, if permitted, will meet most of the identified need at 2005.

7.55 Our research indicates that there is broadly 3,252 sq.m gross (35,000 sq.ft.) per new multiplex (ten screen) town centre cinema. On this basis (and after accounting for the 15 planned and aspirational screens in Eastleigh and Southampton), we forecast that by 2026 there is therefore potential for 14 cinema screens, or c.4,552 sq. m gross in floorspace.

7.56 Over the forecast period we consider that there is potential for other centres in the PUSH sub-region, particularly the smaller centres, to market and plan for new cinema developments, preferably as part of a broader sub-regional leisure strategy. However, the potential for smaller centres to accommodate this forecast capacity will inevitably depend on market interest and demand. We therefore advise that new cinemas will probably need to be incorporated into commercially viable mixed use developments if possible. Multiplex cinema operators in town centres generally prefer to locate their new facilities in close proximity to other commercial uses, such as bars and restaurants. With the scale and mix of the catchment population, together with the potential growth in defined Strategic Development Areas (SDAs), there is the potential opportunity to accommodate this type of use in existing town centres or the SDAs in the future.

7.57 At present we are not aware of any current outstanding demand from cinema operators for representation in South Hampshire or its main centres. Nevertheless, this could potentially change in the light of the trends in market demand and forecast growth highlighted above. A comparison of screen provision by population across a sample of key cities in the UK shows that both Portsmouth and Southampton are above the UK average. In our view this could point to the need for new provision in other centres in the sub-region.

Figure 7.4: Population and Screens in Key Cities (2004)



Source: Dodona Research - Cinemagoing 14 Report (March 2005)

(iv) Games and Gambling

7.58

Gambling represents a significant growth component of the commercial leisure industry. In 2002/03, some £63.8 billion was spent on all gambling in the UK¹² and spending is forecast to increase significantly in the future due to the proposed changes to the Gambling Law. The main components of the gambling industry and the potential for growth both nationally and regionally, are briefly described below. We also refer to the CACI Participation Profile on games and gambling for South Hampshire (see **Figure 7.4**):

- **Casinos** – There were 131 casinos in the UK in March 2004, operated by 19 companies. The draft Gaming Bill proposed widespread relaxation of existing restrictions on the size and nature of gambling venues within the UK and the promotion of resort casinos¹³, which are viewed as key drivers of the regeneration of depressed resort areas. However, the number of resort casinos was scaled down to eight and finally one regional location, to ensure that the legislation was passed prior to the General Election in May 2005. The location of the regional casino will be decided upon by an independent panel and local authorities will be invited to submit expressions of interest to the panel, which could make its decision by the end of 2006. The Department for Culture, Media and Sport will then decide where to locate the one regional casino (Blackpool is currently the favourite), eight larger casinos and eight smaller casinos by 2007. Southampton has aspirations for a regional casino and we consider that there is potential for such uses in the sub-region’s main urban areas.
- **Bingo Clubs** – There were c.696 commercial bingo clubs in 2004. Legislative changes in 2002 allowed for an increase in prizes in the larger clubs and the introduction of fruit machines, but this only resulted in a small increase in numbers since 2004. The income from fruit machines currently represents the main area of growth. Bingo operators are also marketing their clubs at a younger, predominantly

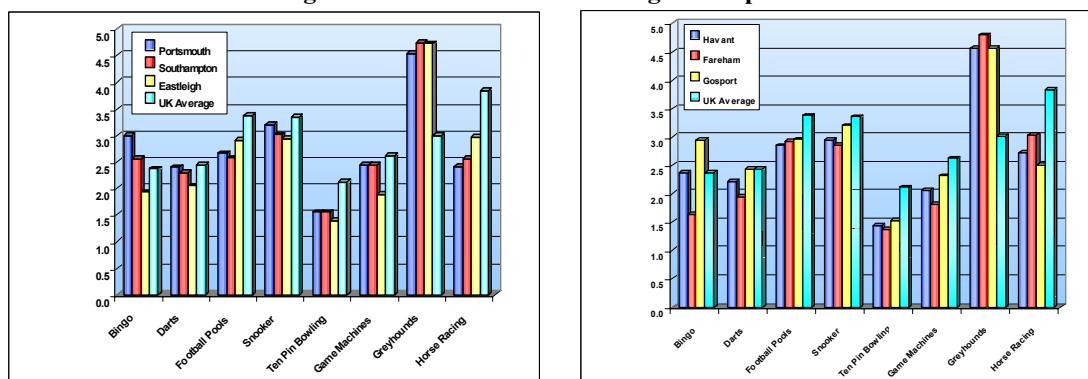
¹² BISL 2005

¹³ A resort casino is a complex that includes hotel facilities, restaurants, bars, live entertainment and conference facilities underpinned by an array of gambling facilities.

female audience, in order to increase admissions and market share. Bingo is a popular activity in Portsmouth, Southampton and Gosport, with participation rates of c.3% compared to the national average of 2%.

- **Horse and Greyhound Racing** – Horse racing is second only to football as the most televised sport and accounts for c.70% of the turnover of betting shops. There are currently 59 racecourses in Britain, compared to 32 licensed greyhound courses. According to BISL figures, betting on horseracing was estimated to be £7.5bn in 2002/03 and £2.2bn on greyhounds. Greyhound racing is the most popular gambling activity across South Hampshire according to CACI, with participation rates of 5% compared with the national average of 3%. Participation rates for horse racing are between 2% and 3%, which is lower than the national average of 4%.
- **Ten – Pin Bowling** - Participation rates for ten-pin bowling are approximately 1.5% across South Hampshire, which is lower than that national average of 2%. Current provision is dominated by Bowlplex and AMF bowling in Portsmouth; Megabowl in Southampton; AMF Bowling in Bitterne; and Go Bowling in Fareham.

Figure 7.4: Games and Gambling Participation



Source: CACI – Sports and Leisure Participation Profile

7.59 Overall we consider that there could be significant potential to increase the quantum and quality of casinos in the sub-region over the forecast period. In our view the opportunity exists for a regional casino in the main urban areas of Southampton and/or Portsmouth, along with smaller facilities. However, it is difficult to forecast and quantify the potential for growth, as the Government’s legislation has not been finalised.

(v) **Hotels and Visitor Accommodation**

7.60 There are approximately 22,000 hotels and guesthouses registered with the tourist boards within the UK with an additional 16,000 bed and breakfasts. The number of unregistered establishments would bring the combined total up to 60,000. The accommodation sector is largely cyclical and subject to economic trends. Following the September 11th 2001 terrorist attack and the subsequent slowdown of the UK economy, the market is slowly picking up on the back of increasing visitor numbers although this has been hampered by the July 7th 2005 bomb attacks in London. In 2004, there was a steady rate of new hotel openings, focused particularly in London and in hotel upgrading.

7.61 Turnover in the UK hotel industry is approximately £27bn¹⁴. According to PricewaterhouseCoopers¹⁵ (PWC), 2006 may prove to be a record year for UK Revenue

¹⁴ British Hospitality Association

¹⁵ PricewaterhouseCoopers regular Hospitality Directions Europe journal.

Per Available Room (RevPAR¹⁶). The release of three years pent up demand for international travel continues to drive tourism volumes upwards and hotel operators are benefiting from the return of the business traveller. This latest forecast is underpinned by favourable global macroeconomic conditions that continue to support the recovery in business and holiday travel.

7.62 **Table 7.8** shows that the annual average room occupancy is increasing in Hampshire and is marginally above the UK regional average.

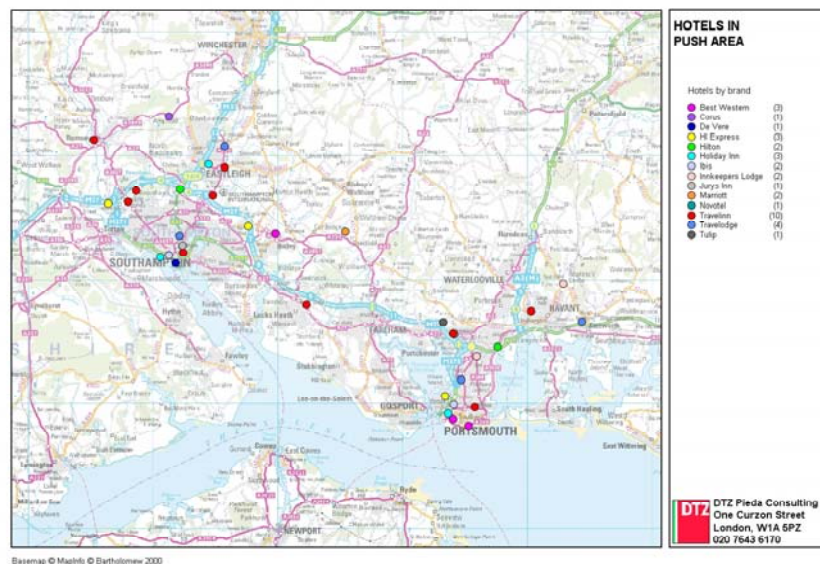
Table 7.8:
Hampshire Hotels
Average Annual Room Occupancy and Achieved Room Rates 2003-2004

	Average Annual Room Occupancy		Average Annual Achieved Room Rate	
	%		£	
	2003	2004	2003	2004
Hampshire 4/5 Star Hotels	69.7	71.4	77.66	81.26
Hampshire 3 Star Hotels	65.8	66.9	56.56	58.77
Hampshire Budget Hotels	78.4	81.0	Unknown	Unknown
UK Provincial 3/4 Star Chain Hotels	69.8	70.8	62.60	63.72

Source: Hampshire Hotel Trends Survey 2003-2004 (April 2005)

7.63 The main branded operators in the PUSH Sub-region are identified in **Figure 7.5**. This shows that there is a primary focus around the major centres of Southampton and Portsmouth, and close to the main transport corridors.

Figure 7.5: ‘Branded’ Hotel Provision in the PUSH Sub-region



¹⁶ Revenue Per Available Room (RevPAR) is a key industry metric in the hotel industry which reflects demand. It is calculated by multiplying a hotel’s average daily rate (ADR) by its occupancy rate.

- 7.64 The following headline trends in the hotel sector across the PUSH Sub-region are derived from the Hampshire Hotel Trends Survey 2003 – 2004¹⁷, which provides a detailed overview of the hotel market in South Hampshire:
- at the top end of the market, 4/5 star hotel occupancy rates were very high in **Southampton**, averaging around 77% in 2004. It is believed that Portsmouth's 4-star hotels are achieving similarly high occupancies.
 - most **Portsmouth and Southsea** 3-star hotels achieved occupancies above the average for Hampshire, although below the national average. Achieved room rate performance varied significantly.
 - **Southsea** hotels achieved room rates below the Hampshire average for 3-star hotels.
 - **Havant** 3-star hotels achieved slightly above national average occupancies, but below national average room rates.
 - **Eastleigh** 3-star hotels achieved below national average occupancies (62-65%).
 - in terms of the **budget hotel** market, Southampton, Portsmouth, Havant, Fareham and Eastleigh all achieved very high occupancies (85-90% or more).
 - budget hotels located at motorway and roadside service areas achieved lower occupancies (60-70%), as did the newly opened budget hotels in Southampton and Portsmouth in their first year of operation.
- 7.65 The problems faced by the major operators are in contrast to the more resilient independent sector, together with budget and boutique operators. Budget hotels have been the key driver of growth in this sector over recent years. In 2003 there were an estimated 979¹⁸ branded budget hotels in the UK, an increase of 4.9% since 2002. The growth in the sector is illustrated by buoyant transaction activity, which includes:
- Permira's £712m acquisition of Travelodge.
 - Six Continents demerger to form Intercontinental Hotels and Mitchells & Butler.
 - Whitbread's acquisition of Premier Lodge and the creation of Premier Travel Inn.
- 7.66 It is estimated that there will be an additional 6,000 rooms added by the end of 2005 in the UK. For example, Days Inn has announced that it aims to have 100 hotels in the UK by the end of 2005 and Whitbread believes it can open 1,500 new rooms per year for the next five years.
- 7.67 In terms of new trends, the sector has also witnessed the launch of apartment hotels. For example, InterContinental Hotels Group has launched the 'Staybridge Suites' brand. This marks the introduction to the UK market of the first major hotel brand to focus on extended-stay guests (i.e. those who stay more than five nights).
- 7.68 The analysis of current hotel conditions in Hampshire, as conducted for the Hotel Trends Survey, highlights the following:

¹⁷ Hampshire Hotel Trends Survey 2003 – 2004 (April 2005) Prepared for Hampshire County Council, Tourism South East and Hampshire District, Borough and Unitary Authorities.

¹⁸ UK Budget Hotel Survey 2004 - Deloitte

- weekend occupancies are generally low for 3/4 star hotels in Fareham and Eastleigh.
- occupancies are very high for 3/4/5 star hotels in Southampton.
- room rates are relatively high for 3/4/5 star hotels in Southampton and 3/4 star hotels in Fareham.
- budget hotels in Portsmouth are regularly turning down significant levels of business during the summer.
- Southampton, Portsmouth and Havant have high levels of business demand.
- Fareham has a more mixed balance of business and leisure demand.
- cruise passengers are a key market in Southampton and ferry passengers are key to the market in Portsmouth.
- the corporate market has steadily increased for 4/5 star hotels in Southampton and Fareham (and possibly Portsmouth 4 star hotels).
- hotels have seen a growth in leisure break business through increased marketing activity, particularly through the internet.
- there is a fairly static weddings market throughout the sub-region.
- 3 star hotels in Eastleigh reported a growth in corporate demand in 2004.
- events-related business increased in 2004.

7.69 The following hotels have opened in Hampshire since 2002:

- Express by Holiday Inn (Rose Bowl – Hampshire County Cricket Ground) Southampton – 131 rooms. Opened 2003.
- Premier Travel Inn, Southampton Airport (opened as a Premier Lodge) – 130 rooms. Opened 2003.
- Tulip Inn, Portsmouth – 108 rooms. Opened 2004.
- Jury's Inn, Southampton – 270 rooms. Opened May 2005.
- Holiday Inn Express, Gunwharf Quays - 140 bedrooms. Opened in 2003.

7.70 Several hotels have also undertaken major upgrades and extensions and future proposals are also planned.

7.71 The following potential opportunities for new hotel development have been identified in the sub-region, subject to continued economic growth and market demand.

Table 7.8: Potential Opportunities for New Hotel Development in South Hampshire		
Centre	Requirement	
	Standard/Type of Hotel	Commentary
Southampton	<ul style="list-style-type: none"> • 4/5 star • Upper-tier budget (e.g. Express by Holiday Inn, Ramada Encore, Tulip Inn). 	<ul style="list-style-type: none"> • Millennium & Copthorne have signed a deal with Marina Development to operate a luxury 200 bedroom hotel at Ocean Village. Completion expected 2007. • Still upper-budget potential despite the number of new budget hotels that have opened in and around the city.
Eastleigh	<ul style="list-style-type: none"> • None reported 	<ul style="list-style-type: none"> • Hotel proposed as part of the leisure development at the Swan Centre.
Portsmouth	<ul style="list-style-type: none"> • Upper-tier budget (e.g. Express by Holiday Inn, Ramada Encore, Tulip Inn) • 3 or 4 star • Boutique (individual, design-led hotels with a good food offer. Leading boutique brands are Hotel du Vin, Malmaison and Alias). 	<ul style="list-style-type: none"> • Still potential despite the opening of the new Tulip Inn. • Possible potential
Southsea	<ul style="list-style-type: none"> • None reported 	<ul style="list-style-type: none"> • None reported
Havant	<ul style="list-style-type: none"> • Upper-tier budget (e.g. Express by Holiday Inn, Ramada Encore, Tulip Inn) • 3 star 	<ul style="list-style-type: none"> • 3 star operators interested in Portsmouth could also be interested in Havant sites.
Gosport	<ul style="list-style-type: none"> • Budget 	<ul style="list-style-type: none"> • Potential identified in a study undertaken by Tourism Solutions and ACK Tourism in 2001.
Fareham	<ul style="list-style-type: none"> • Upper-tier budget (e.g. Express by Holiday Inn, Ramada Encore, Tulip Inn) 	

Source: Hampshire Hotel Trends Survey 2003 – 2004 (April 2005)

7.72 Our analysis has also identified market interest from the following operators in South Hampshire:

- **Southampton** - De Vere Hotels, Golden Tulip Hotels, Innkeeper Hotels, Kew Green Hotels, Malmaison Ltd Hotels, Novotel Hotels and Travel Inn Hotels.
- **Portsmouth** - De Vere Hotels, Golden Tulip Hotels and Travel Inn Hotels have requirements in Portsmouth;

7.73 The Hampshire Hotel Trends Survey 2003 – 2004¹⁹ report suggests ‘...a *proactive and co-ordinated approach to securing new hotel development*’ will be required, particularly due to the lack of affordable sites for hotels which will: “...often get squeezed out of potential sites by higher value uses such as offices and residential...”. It was therefore recommended that there may be a need to consider allocating sites exclusively for hotel uses to address this issue, or as part of mixed use developments. Other ideas include:

- a central point of contact for hotel developers;

¹⁹ Hampshire Hotel Trends Survey 2003 – 2004 (April 2005) *Ibid*

- the preparation of hotel investment materials for locations with identified hotel development potential; and
 - proactive targeting of hotel companies that are actively developing the types of hotel product for which potential is identified.
- 7.74 An important element that links hotels and tourism is cultural related activities. These are often an indicator of an areas' prosperity and its populations' available leisure time. An analysis of these uses is provided in **Section 6**.

Summary

- 7.75 Our research and market intelligence indicate that there is a reasonable overall demand from commercial leisure operators for representation in South Hampshire, particularly in the larger urban areas and centres of Southampton and Portsmouth. In these centres, it is important to expand the quality leisure offer and to plan for this type of floorspace as part of their wider strategy and visions for growth.
- 7.76 At the same time it is vital that opportunities are created and marketed for leisure operators in the smaller centres of Eastleigh, Havant, Gosport and Fareham in order to contribute to the diversity of activities within these centres, and help create more sustainable communities. If opportunities cannot be identified for these centres, or market interest and demand cannot be stimulated, then an alternative option would be to consider the potential of the two identified Strategic Development Areas for new commercial leisure facilities post-2016.
- 7.77 The headline findings of our review of the commercial leisure sector at the national, regional and local level are as follows:
- eating and drinking provision is dominated by Southampton and Portsmouth. This is also partly contributed by the student populations which benefit the sub-region as a whole.
 - there are opportunities to expand and enhance the eating and drinking offer in all of the key PUSH centres, particularly as part of new mixed use developments.
 - the key commercial health and fitness operators are represented. Recent entrants (new and proposed) include LA Fitness in Fareham and Esporta in Havant. It is our broad view that there is potential for growth in this sector, particularly as gym and health club membership (based on CACI Participation Profiles) is below the national average.
 - there is current demand in the PUSH sub-region from two large health and fitness operators operating at the more expensive end of the market.
 - additionally, there are also a good number of public sector health and fitness facilities that service an alternative market. These could experience a growth in demand and admissions in the future. For example, an ageing but active population, with potentially more limited resources, could make more use of such "value" facilities.
 - there is currently a good representation of cinemas in the sub-region, but provision is mainly concentrated in the Southampton and Portsmouth urban areas. However, there are also new markets emerging in Fareham and Eastleigh.
 - our forecasts of the potential growth in cinema admissions indicate the potential for 17 screens in 2005, rising to 22 by 2016 and up to 29 by 2009. We recommend that any future development and investment must be planned as part of a broader sub-regional leisure strategy.

- the most significant aspect of games and gambling in the sub-region is the potential for a regional casino. If allowed, it would have a significant impact on the sub-region and beyond. It would also, in our opinion, result in a range of associated activities and new development including hotels, bars and restaurants.
 - since 2002 we understand that five new hotels have opened in the sub-region, representing c.780 additional rooms. There are also plans to upgrade a range of hotels. The branded/budget operators dominate the hotel sector and there could, therefore, be potential scope for more upper-tier/luxury hotels. This would need to be part of a wider leisure and destination based leisure strategy, possibly as an ancillary development to a potential new regional casino (or casinos?).
 - there are opportunities to provide upper-tier budget and luxury hotels in Southampton and Portsmouth. Currently there is interest from a range of operators for representation in these centres.
- 7.78 At the same time, it is vital that opportunities are created and marketed for leisure operators in the smaller centres of Eastleigh, Havant, Gosport and Fareham in order to contribute to the diversity of activities within these centres, and help create more sustainable communities. If opportunities cannot be identified for these centres, or market interest and demand cannot be stimulated, then an alternative option would be to consider the potential of the two identified Strategic Development Areas for new commercial leisure facilities post-2016.
- 7.79 In summary, the larger urban areas and centres of Portsmouth and Southampton dominate the leisure provision in the PUSH sub-region. This is a reflection of their relative status as the main regional centres and the critical mass of their existing facilities and uses. Nevertheless, it is important that new commercial leisure uses are directed to other centres in the sub-region to help achieve a more sustainable and viable mix of uses in these smaller centres. For example, new cinema provision in Fareham and Eastleigh would help to shift the “gravity” away from the two main city centres.
- 7.80 It is our view that the potential therefore exists to co-ordinate leisure uses as part of a wider leisure strategy for the sub-region that takes into account the current provision and forecast growth for the main PUSH centres, balanced against the potential emerging opportunities represented by the emerging communities in the Strategic Development Areas.

8 Office Futures

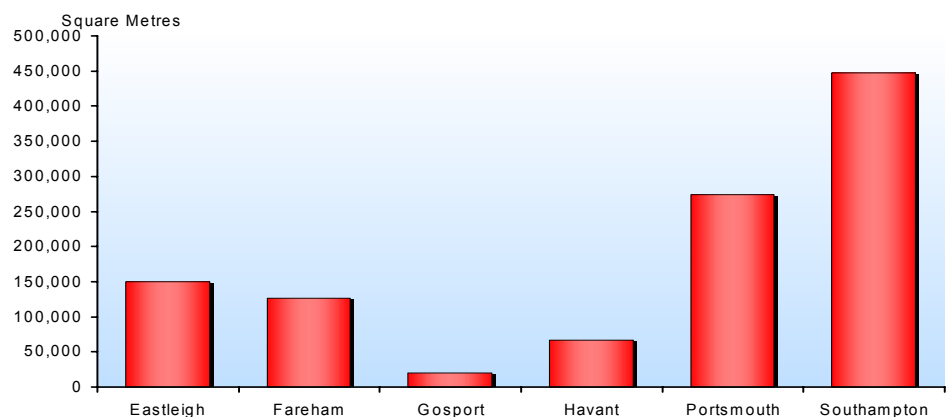
Introduction

- 8.01 Within South Hampshire, Southampton is by far the most important office destination, whilst while Portsmouth, somewhat smaller, is the other major office market in the area. The remaining town centres (Eastleigh, Fareham, Gosport and Havant) are small, and their office markets have developed in recent times mainly as an alternative location for economic activity traditionally centred on Southampton.
- 8.02 The fundamental distinction in the area's office market is between in-centre and out-of-centre office locations, the former encompassing the two major city centres in the sub-region, Portsmouth and Southampton. The other significant towns in the area, Fareham and Eastleigh are substantially smaller and while they contain offices, they are distinctly minor centres. Gosport and Havant are of minor importance. The former being constrained by poor road access and the latter being rather remote from the centre of the sub-region's commercial activity, and whose centre of gravity is closer to Southampton at the west end of the M27. At the same time, Havant could be considered as an extension of the Portsmouth urban area and in this way, could potentially benefit from a revival in Portsmouth's commercial performance, should that happen.
- 8.03 The out-of-centre market is rooted in a number of business parks lying in close proximity to the southern end of the M3 in Eastleigh and alongside the M27, between Southampton and Portsmouth. The most notable being Solent Business Park outside Fareham. These out of centre parks have been successful in attracting major corporate tenants from existing city centres, as well as new companies immigrating to the region. This has caused the office markets in most of the urban areas, with the exception of Southampton, to decline. In Portsmouth's case, development activity has been diverted elsewhere.

Stock

- 8.04 Office stock in the six districts totals nearly 1.5 million square metres. Of this, over 60% is located in Southampton (542,000 sq.m) and Portsmouth (359,000 sq.m) by comparison Gosport, the smallest office centre, constitutes a mere three percent of the stock (44,000 sq.m).

8.01.1 Figure 8.1: Total Stock by District 2004

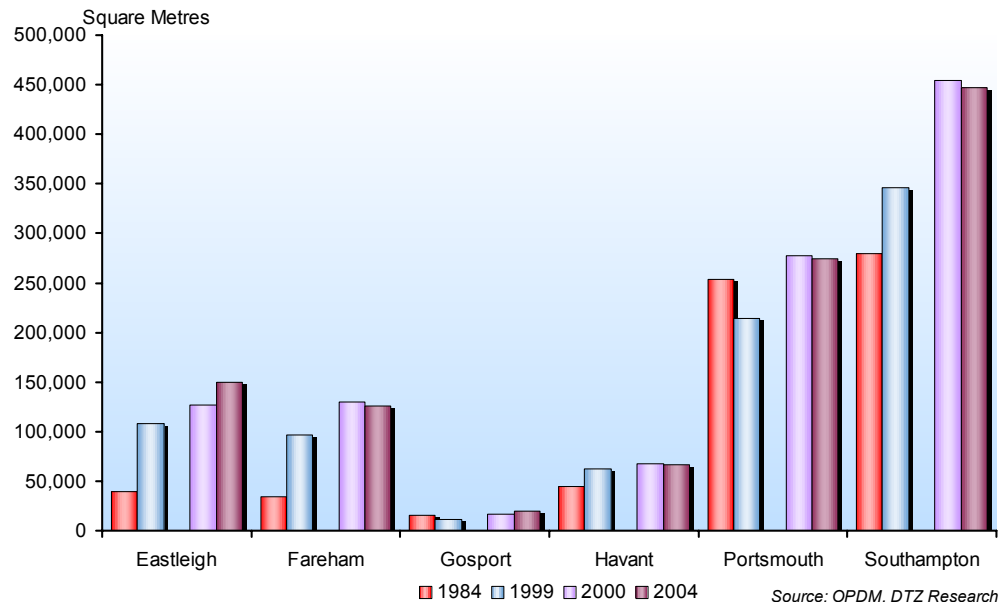


Source: OPDM, DTZ Research

8.05 Growth of office stock has been fastest in the two districts that have benefited most from the development of out-of-centre business parks, Eastleigh and Fareham, which grew 173% and 185% respectively in the period 1984-1999. Southampton's stock grew steadily, but rather more slowly than Eastleigh and Fareham, increasing by 24% in the 1984-99 period. Neighbouring Gosport and Portsmouth both experienced a fall in stock in the 1984-1999 period, by 29% and 16% respectively.

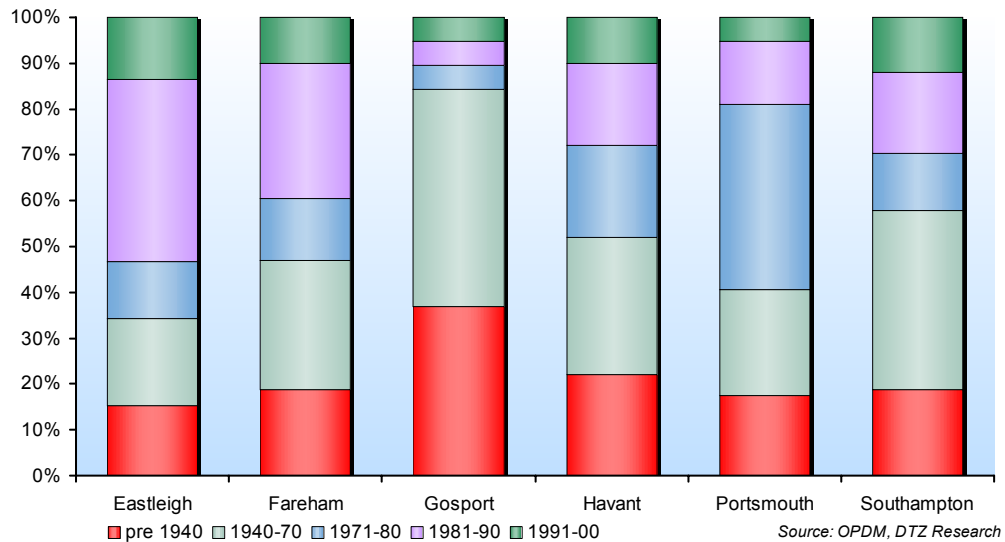
8.06 Discontinuity in Government statistics means that stock movement after 1999 cannot be compared with the earlier period, but change between 2000 and 2004 has generally been different to what went before. Most districts experienced a fall in stock with the exception of Gosport, which entered a period of development with the release of MoD development land, and Eastleigh, whose commercial growth continued. Fareham's fall in stock appears anomalous in the light of what is known about recent development and is thus disregarded. Southampton's shrinkage can be ascribed to conversions of office buildings to residential dwellings. Two in particular, Telephone House and Havelock Chambers, caused the loss of nearly 7,500 sq.m of stock.

Figure 8.2: Stock Growth by District 1984-2004



8.07 These contrasting rates of growth are reflected in the age breakdown of the office stock. Eastleigh and Fareham's offices have a substantially younger profile, with approximately four-fifths built in the last 20 years. In contrast the other centres, notably Gosport and Portsmouth, have a preponderance of older stock.

Figure 8.3: Age of Office Stock South Hampshire



8.08 Only about 30% of Southampton's stock is less than 20 years old, reflecting slower growth than in similar markets. For example, Property Market Analysis (PMA) benchmarks Southampton with other office markets in the South East (outside the M25) and concludes that it has a smaller proportion of modern stock (less than 20 years old). Although the city's proportion of stock built since the end of 1999 is higher than average, and higher in particular than in Portsmouth. The newer stock is located in the following locations:

- around Southampton, between Chandlers Ford on the M3 and Hedge End on the M27, there are a number of mature business parks: Hampshire Corporate Park, Tollgate Business Park and Turnpike 327. There has been little significant development at these parks in recent years.
- to the south of Southampton Airport there is Southampton International Park, which is now fully developed, with office occupiers Regus and Chloride Power.
- solent Business Park, Fareham. Covering over a 100 acres and developed by Arlington and latterly Prudential. It now has 150,000 sq.m of development, both pre-let and speculative, almost all of which is conventional office space. However, this lies predominantly within Winchester District. The level of stock and proportion of modern floorspace in the Fareham area (as opposed to the district) is thus not fully revealed in the floorspace statistics.
- Kite's Croft, outside Fareham, is a 10.9 ha business park that has been almost completely developed since 1999 when it was acquired by Norwich Union.
- Segensworth, Fareham. A number of sites that have been developed for a mixture of office and distribution uses. This scheme is now predominantly built.

8.09 Southampton's prime office area is on the north side of the city centre, and the core is centred on prime locations of Cumberland Place, Brunswick Place and Grosvenor Square. Development has also taken place in and around the railway station, on the edge of the core. This has been extended to the south of the city centre by developments in Ocean Village and Town Quay, on the waterside.

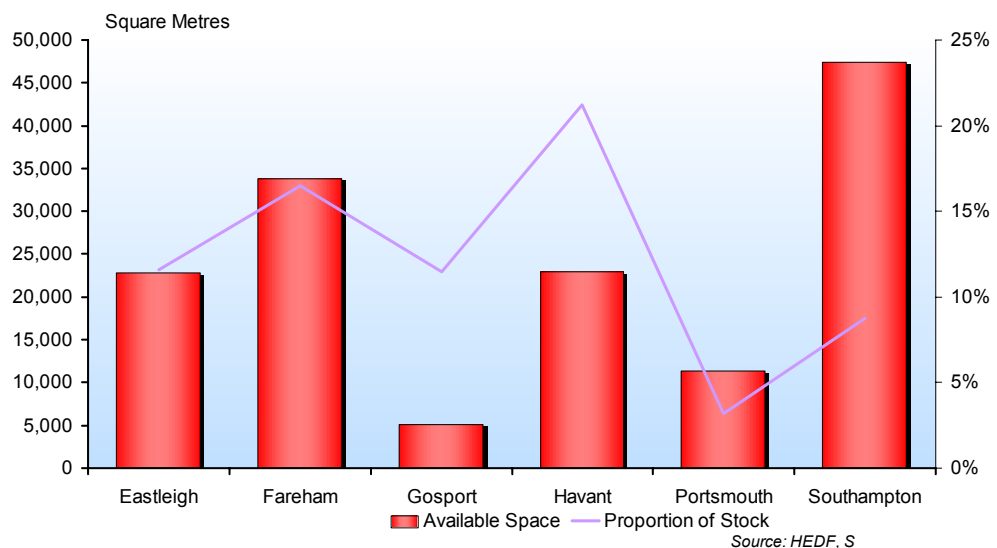
8.10 In Portsmouth, the city centre has seen little development since the 1980s, in the aftermath of two large in-movers, Zurich Financial Services and IBM. The latter developed their UK headquarters at North Harbour, at the neck of the city’s peninsula, where most development in the city has since taken place. IBM has reduced its presence in recent years and sold off surplus land. Zurich has subsequently taken additional space in the Solent Business Park and reduced its employment in Portsmouth.

Availability

8.11 Availability at the end of the third-quarter of 2005 ranged between 5,000 sq.m in Gosport and circa 50,000 sq.m in Southampton. In relation to total stock, space available constituted between 3% (Portsmouth) and 21% (Havant) of stock.

8.12 In the case of Portsmouth the availability is very low. This is partly because there has not been any completion of new speculative office space in the city since 1996, with the exception of the office component of Gunwharf Quays, 2,400 sq.m, completed in 2001. As a consequence, the quality of available space in the city is relatively poor.

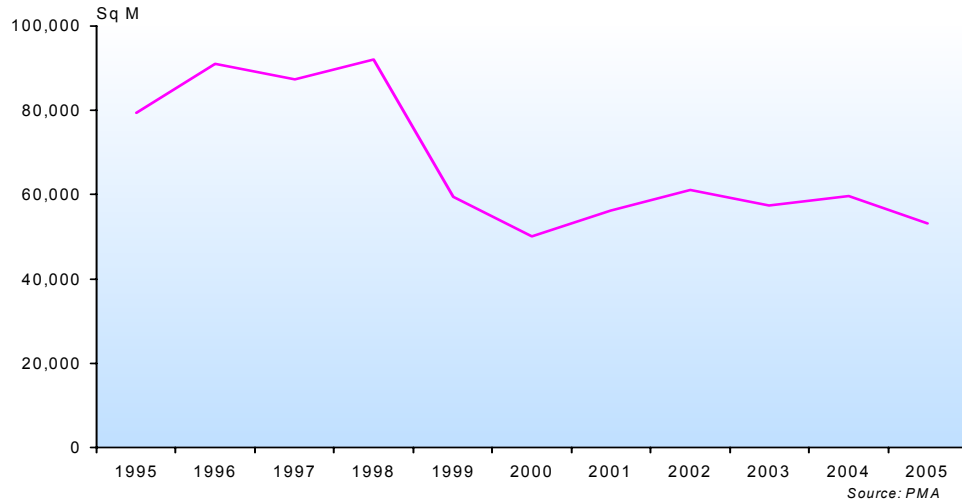
Figure 8.4: Availability by District (September 2005)



8.13 Office space availability in Southampton has been tracked by PMA for a number of years. It rose to nearly 100,000 sq.m the early 1990s and did not seriously reduce until 1999. Since then it has remained at around 50-55,000 sq.m, between 10% and 12% of stock. Availability at the end of 2004 (according to PMA’s definition) was 11.5% of stock, which compared with the average for its Wider RoSE¹ markets average of 12% (i.e. in broad terms Southampton is not over-supplied compared to other locations). In terms of quality of availability there is an absolute lack of newly built property available and only a few examples of modern stock being marketed.

¹ Wider RoSE – office markets outside the M25.

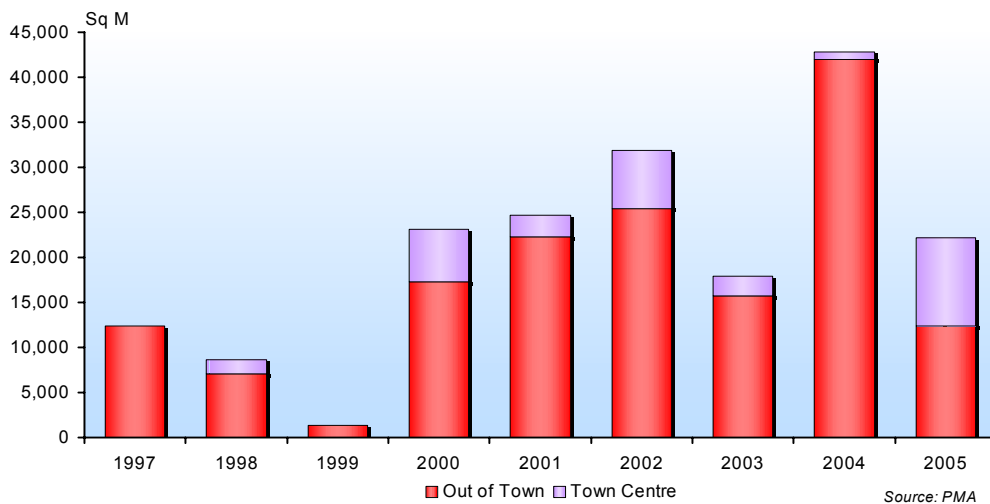
Figure 8.5: Availability of Office Floorspace in Southampton



Development Trends

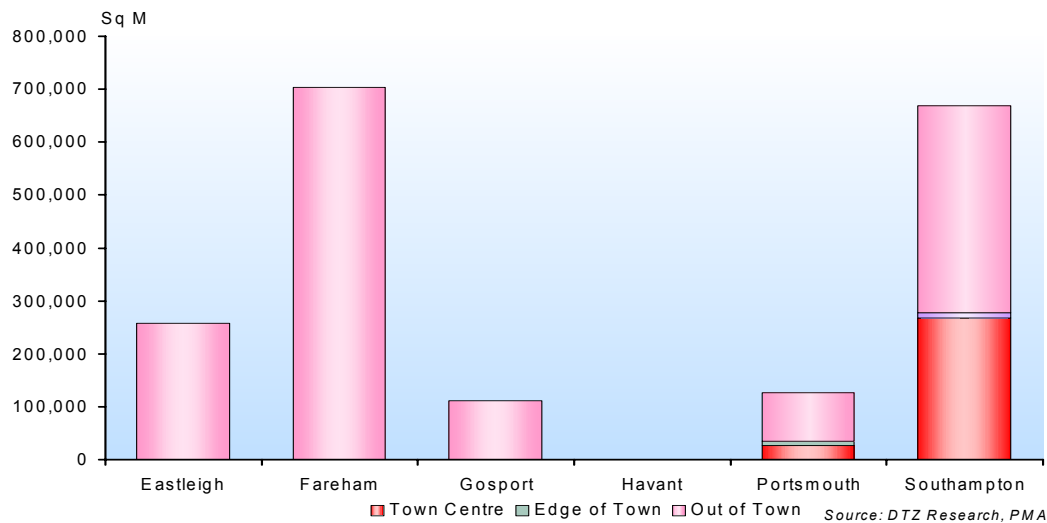
8.14 The extent to which out-of-centre locations have dominated office development in South Hampshire is illustrated by the trend since 1996, when out of a total of 185,000 sq.m constructed only 29,000 sq.m was in town centres, or edge-of-centre. In 2004, with the exception of 1,300 sq.m at Imperial House, King’s Park Road in Southampton, all 42,800 sq.m was built out-of-centre.

Figure 8.6: South Hampshire Development Completions 1997-2005



8.15 Development completions by district shows the relative importance of the various districts in South Hampshire, and the preponderance of Southampton and Fareham. Even in Southampton itself a greater part of the development in the last eight years has been outside of the city centre.

Figure 8.7: South Hampshire Office Development Completions 1997-2005 by Location



8.16 At present, development of office space is at a low level, both in-centre and out-of-centre. Schemes under construction in the six districts totals just 14,600 sq.m in three developments:

- 9,800 sq.m in Charlotte Place, Southampton city centre. This speculative development by McAleer & Rushe is expected to be completed at the end of 2005. It is part of a larger mixed-use scheme.
- 2,800 sq.m at Bishopstoke Road, Eastleigh. A purpose-built development for the Swaythling Housing Society.
- 1,785 sq.m at Botley Road, Hedge End. A speculative development by Brookton.

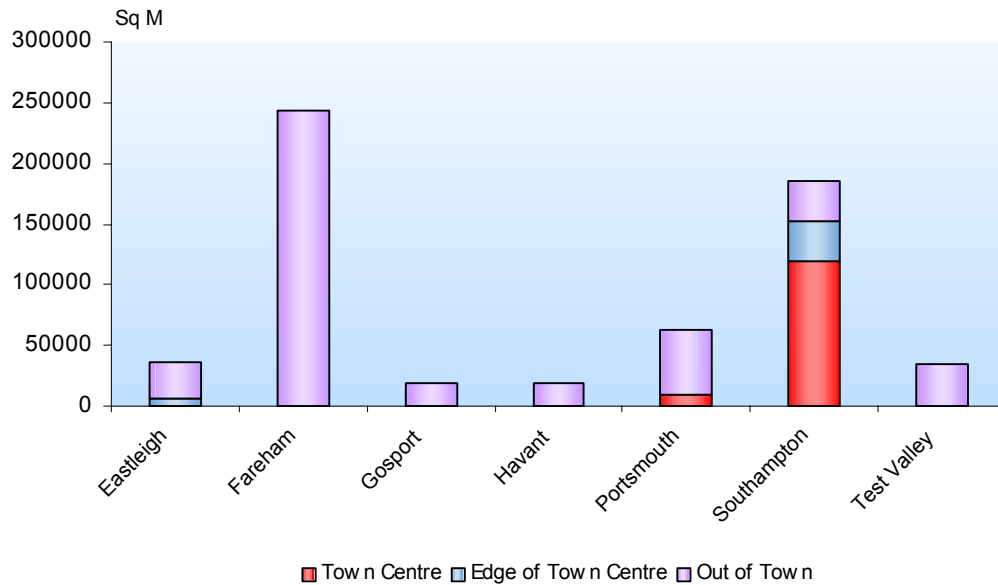
8.17 In Southampton demand for new development within the city centre remains, but there is a lack of high quality space. Charlotte Place is the only new office development underway within the city centre. There is also only one other development actively in prospect, a 2,800 sq.m site in Dorset Street, which we understand will be commencing in the near future. There has also been some interest shown in the Mayflower Plaza site, which is currently the only major office site available in the city.

Development Pipeline

8.18 There is a shortage of development sites within town and city centres in South Hampshire. Overall, of the 600,000 sq.m currently in the development pipeline² nearly 75% is in out-of-centre locations. Fareham's total is boosted by development capacity at Solent Business Park, a substantial part of which is in Winchester District. As with locations in the Test Valley, out-of-centre capacity on business parks along the M27 are the main rivals to the town centres for office occupiers, irrespective of the district they are located in. At this stage, and without strategic intervention, what is clear is the lack of town centre capacity everywhere except in Southampton.

² Planning permissions, applications and allocations.

Figure 8.8: South Hampshire Development Pipeline



8.19 The remainder of this section looks at the districts in turn and examines their supply of town centre sites.

i) Eastleigh

8.20 Similar to the other smaller town centres there are no major office development opportunities or outstanding planning permissions for substantial office buildings. On the edge of the centre the Pirelli site at Leigh Road is being developed predominantly as residential, but owners Dundas Properties/Highland Developments have planning permission for 6,300 sq.m and are reportedly seeking a pre-let. An adjoining site, Caustons, which had a designation for a small share of office development, has been completed as residential throughout.

8.21 The major edge-of-centre opportunities for office development in the town comprise the various sites to the east of the railway. There are major opportunities for redevelopment and new development, including offices, some leisure and bulky goods retailing, as well as modern industrial. It is dependent on the construction of the Chickenhall Lane Link Road, a major piece of infrastructure. Building this will allow development on several sites: the Alstom railway works (closing in 2006), Barton Park, the Pirelli factory and the 30 ha Northern Business Park.

8.22 In addition with the proposed Strategic Development Area proposed to the north of Hedge End, perhaps this should be accompanied with appropriate employment land uses such as offices to encourage sustainability.

ii) Fareham

8.23 There are no outstanding B1 office planning permissions for conventional office floorspace in Fareham town centre, nor any large scale and immediately available opportunities for the same. The local plan refers to an edge-of-centre site, Fareham Railway Station, as suitable for B1 business uses or mixed-use development, in the event of the existing aggregate depot relocationg.

- 8.24 The out-of-centre sites allocated for development in Fareham in the 1970s (Kite's Croft, Segensworth) are mostly completed. Little Park Farm, 5.6 ha is the major allocation still not subject to development or planning permission.
- 8.25 Solent Business Park, a major part of which is in Winchester, still has significant development capacity. Inclusion of development capacity lying in a neighbouring district is relevant due to it being competition to the existing town centres and other out-of-centre developments within Fareham and other study districts. Accordingly, Prudential's Forum stage 2 development has 36,000 sq.m and Area 12, now in the hands of the Blue Investment Fund, has outline planning permission for up to 66,000 sq.m of mixed-use development.
- 8.26 There is also a proposed Strategic Development Area proposed within Fareham to the north of the M27 motorway. Once again, any such development should be accompanied with appropriate employment land uses incorporating offices to encourage sustainability.

iii) Gosport

- 8.27 Gosport is dominated by the Navy. It owns a major part of the district, perhaps as much as a third, and employs up to a third of the workforce. It is releasing this land gradually. The main sites released in recent years have been the Royal Clarence Yard, a former victualling yard of historic importance, with planning permission for 380 homes and 8,600 sq.m of business space, and Frater Gate Business Park, a 12 ha site with planning permission for 6,000 sq.m comprising offices and light industrial space, most of which has been built-out as the Gosport Business Centre, with 65 small business units.
- 8.28 The Royal Clarence Yard is now a source of controversy: the mixed-use development is being carried out by Berkeley Homes, who would like to minimise the amount of commercial space involved in the development and replace it with additional residential units. This is now subject to a public inquiry.
- 8.29 There appears to be no town centre sites suitable for office development at present. The bus station site, which overlooks Portsmouth Harbour at one of its narrowest and busiest points, is a waste of a prominent site. A mixed-use scheme on this site, retaining a smaller bus terminal facility, would take advantage of its waterfront location adjoining the town centre, and could include provision of B1 offices.
- 8.30 The gradual release of MoD land is a major resource for development in Gosport. In the long-term major sites such as Daedalus, a 200 ha site, which will be predominantly retained for aviation use, will provide a major opportunity for employment land development if and when it is released.
- 8.31 The Coldharbour site is an area of mainly employment land immediately to the north of Gosport town centre and has important frontages to the Portsmouth Harbour waterfront. Several employment uses have relocated away from the area and a developer is assembling land with the support of Gosport Borough Council. In this way, two areas have already been subject to recent development, and the area includes the important Premier Marinas site.

iv) Havant

- 8.32 A Business Property Needs Survey carried out by the authors of a SEEDA report into sites in the Solent revealed that businesses in Havant considered that *"the quality of*

potential sites for relocation [within the Borough] was poor and that this would influence their decision whether to stay in the Borough”.

- 8.33 Havant has very few sites suitable for conventional office development, either out or in town. The most significant is Langstone Technology Park, which comprises a mixed-use office, high technology and light industrial business park close to the A27 with around 65,000 sq.m (700,000 sq.ft) occupied. The recently adopted local plan has designated a major employment zone at Dunsbury Hill Farm between Havant and Waterlooville, extending to 13.2 ha, for mixed-use B uses. The Master Plan stipulates B1, B2 and B8 development, of which 21,000 sq.m of office floorspace could be provided, but only “if a sequential test establishes there are no suitable sites for B1(a) in the town centre”. (Havant District Local Plan, 2005, p. 87)
- 8.34 Although no sites in the town centre have planning permission for office redevelopment, two sites are considered to have potential for this use:
- Market Parade. An existing mixed-use retail and residential site that could yield an estimated 3,600 sq.m of floorspace.
 - Park Road South. Two sites, one vacant and the other occupied by a fast-food outlet, could be combined to allow for a high-density redevelopment of up to 6,900 sq.m.
- 8.35 There is also a ‘West of Waterlooville Major Development Area’ straddling Havant and Winchester, a 30 ha mixed-use site that could provide 48,000 sq.m of office floorspace. It is not considered that the sequential test would apply in this instance as it is reasonably well-related to Waterlooville town centre. It is awaiting a confirmed local plan allocation but it is mentioned in the County Structure Plan (Policy MDA 2) and it is anticipated that applications for outline planning permission will be submitted before the end of 2005.

iv) Portsmouth

- 8.36 Portsmouth suffers from its geographical position as a peninsula city. It is heavily urbanised and densely populated. There is a shortage of land for development and competition for use, albeit for housing, employment or recreation. The local plan comments “*there are no obvious opportunities for large-scale urban expansion, which would significantly expand that supply*”. As with Southampton, the rise in residential values has impacted not only existing residential areas, but also created competition for non-residential land which is becoming under-used or surplus.
- 8.37 The Portsmouth commercial property market has been dominated by industrial premises due to the economy’s dependence on manufacturing and activities ancillary to defence. Decline in these activities has led to the accumulation of a number of brownfield sites, although these often contain development constraints in terms of contamination, access and fragmented ownership.
- 8.38 Portsmouth’s losses in manufacturing have not been compensated by an increase in service employment. According to the revised local plan, whilst planning permission was granted for 410,000 sq.m of new employment floorspace between 1996 and 2004, most of this was for redevelopment within established industrial estates and for industrial uses. It goes on to state that “*very little new employment floorspace has been secured outside established industrial estates*”.

- 8.39 Commentary on the local plan also observes that while developable land in the city remains scarce, many sites previously-used or reserved for employment uses have recently come under pressure from alternative uses and development. Between 1996 and 2004 change of use was granted for 185,000 sq.m of office and industrial floorspace for uses other than for employment purposes. This was often on older sites or buildings outside industrial estates or commercial centres, which have been previously vacant and difficult to re-let.
- 8.40 The situation with city centre sites suitable for office development has thus deteriorated, and the potential for new office floorspace set out in the Local Plan First Review in 1999 has been reduced. Of the ten sites, either allocated in the local plan or with the benefit of planning permission, only three remain available. However, one site is due to expire soon and is expected to be replaced by a residential application. Meanwhile, only one site, at Gunwharf Quay, has actually been developed with an element of office floorspace, although even here the initial office quantity permitted was subsequently reduced, because the developer had found a serious lack of demand on pre-marketing the site.
- 8.41 The major sites for potential commercial development are situated in an out-of-centre location close to the M27:
- Harbour Gate is being developed in two phases – the first was completed as an industrial/warehouse site, but phase 2 has outline planning permission for 11,150 sq.m of B1 floorspace on a 1.95 ha site.
 - A site east of the IBM headquarters at North Harbour is allocated for B1 office use has the capacity for up to 19,000 sq.m of office on an 8 ha site.

v) Southampton

- 8.42 Total development floorspace (schemes with planning permission, applications for planning permission, and schemes in preparation) in Southampton is approximately 300,000 sq.m, of which nearly two-thirds have outline or full planning permission. This is the equivalent of nearly 30 years supply at recent development rates. It is not an absolute lack of development sites which is a constraint on Southampton's commercial office market, but suitable sites with critical mass which are not subject to competition from alternative uses.
- 8.43 In South Hampshire there are few sites that currently support office developments in excess of 1,000 sq.m. Southampton has a shortage of substantial city centre sites suitable for major companies. There are 15 identified sites with more than an estimated 1,000 sq.m capacity, but only four of these can accommodate more than 10,000 sq.m³:
- Central Station. 27,800 sq.m. Available in the medium-term. Some minor obstacles to development.
 - Nelson Gate Car Park. 20,000 sq.m. Available in the short-term. Some minor obstacles to development.
 - Norman Offer. 15,000 sq.m. Available in the short-term. But potential lease and ownership complications provide obstacles to development.

³ As identified in Appendix 3, Southampton and its Further Development as a Regional Office Centre (draft), Southampton City Council.

- Mayflower Plaza. 10,700 sq.m. Outline planning permission. Available short-term.

vi) Test Valley

8.44 There are also several sites with development potential in Test Valley District to the north of Southampton which provide an alternative to the city centre:

- Adanac Park is a 24 ha development site at Nursling, off the M27 and next to the M271. A hotel and health centre have been developed. A third phase of 20 ha has been identified in the Local Plan as a safeguarded site for a high quality office, research or manufacturing development for a single company needing up to 58,000 sq.m in landscaped grounds. This has attracted attention from the Ordnance Survey, which is searching for new headquarters close in its existing site to the north-west of the city.
- To the east of the M3 junction with the M27 there is Chilworth Research Park, encompassing 17.8 ha. Located in Test Valley District, the park is being developed by a subsidiary of the University of Southampton for technology companies. The remaining 3.6 ha is ready to be developed.

South Hampshire Occupier Base

8.45 The office occupier base of Southampton has historically depended on business associated with its port facilities. The ultimate inheritor of the Cunard company, P&O Carnival, is a major office occupier. The port also attracts other shipping related employers such as Nuance Global Traders and the Oceanography Centre. However, this now takes second place to some major financial companies (e.g. HSBC, Scandia Life, Fortis Insurance) and a number of national and regional public administration departments (Customs & Excise, Ordnance Survey and the Maritime & Coastguard Agency). The relocation of a substantial part of Lloyds to the city would be a significant addition to employment, providing it is located within the centre.

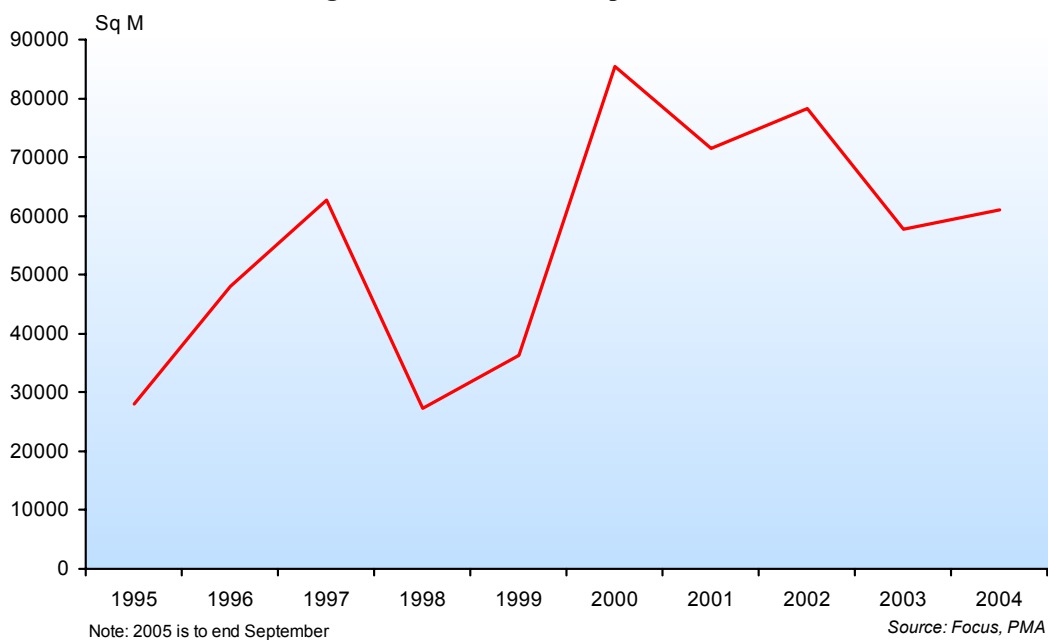
8.46 Portsmouth has an employment history rooted in the Royal Navy and other nautically related military and civilian organisations. Office employment is dominated by public sector organisations (City Council, Inland Revenue, Job Centre and Office for National Statistics). The financial, business and service sector lacks major employers, with the exception of Amey and Zurich Financial Services. The biggest office employer in the city is IBM.

8.47 In the period between the early 1970s and early 1990s there were waves of relocation of jobs and enterprises from London. This trend has slowed down considerably over the last decade or so. Relocation was fundamentally both workforce and cost-driven; the goal was to cut costs (wages, property costs, service cost) but also to secure a more compliant workforce. To an extent this cost-driven relocation has run its course: companies in higher cost locations are there because they need and prefer to be there, whether for reasons of being close to a specialist labour pool, competitors, customers or specialist services.

Take-Up

- 8.48 The UK office market has recently climbed out of a three year decline in letting activity and rental values between 2000 and 2003. This was followed by 18 months of gradual improvement, with availability falling and the volume of transaction activity rising. This improvement has continued in the office market, with the RICS still recording moderate rises in occupier demand, supported by sustained expansion in the business and financial services activity. Availability continues to fall and rental values are edging upward.
- 8.49 The short-term outlook for business demand for commercial property is weakness across all sectors, reflecting the impact of interest rate rises on slowing the domestic economy. Looking ahead to the next quarter, the RICS reports that surveyors expect higher activity in the office sector going forward as continued growth in the global economy and the service sector should support the office sector.
- 8.50 Similarly, at a sub-regional level, although take-up has varied between a low of 28,050 sq.m in 1995 to a peak take-up in the current property cycle of 85,400 sq.m in 2000, take-up was high in the 2000-2002 period, and then fell off in 2003 and 2004. In 2005 there are signs of a revival, with take up rising in most locations above its 2004 performance.

Figure 8.9: Annual Take Up



- 8.51 The M3/M27 regional office market has been experiencing a down turn in demand after 2002 as a result of uncertainty in the wider economy. The results of which are seen in the low take-up of offices, particularly in Southampton in 2003-04, estimated at between 90-110,000 sq.m, down from 279,000 sq.m in 2002. This is a direct consequence of a lack of demand from medium/large occupiers. In 2004, 70% of deals in 2004 were for less than 1,000 sq. m., compared with only 30% of deals below 1,000 sq.m in 2002. However, data from Q1 and Q2 of 2005 suggests demand has increased. Recent requirements for large pre-lets for OS Survey and P&O Carnival, from companies already located within the sub-region, suggest confidence in the economy is beginning to return.

Figure 8.10: Take-Up by District 1995-2005



- 8.52 Take-up in Portsmouth has also revived in 2005. Although Aker Kvaerner's move from Solent Business Park to Port Solent, as well as Ray Marine (a local company) taking 2,420 sq.m at North Harbour, were healthy signs, they have located to an out-of-centre location in the north end of the city close to Junction 27 of the M27.
- 8.53 The letting in Peninsula House of 1,400 sq.m to the PHA Group, a local housing association, also carries mixed-use messages for the city's office market. It is a relatively large amount of space in the city where office availability is not high, but it is a local organisation that will be vacating other offices in the city. Currently, apart from a substantial amount of space in a number of vacant units in the Cumberland Business Centre, the largest unit now available is 1,700 sq.m in non-contiguous space in Enterprise House, Isambard Brunel Road.
- 8.54 It is the districts outside of Southampton that have benefited from inward investment/relocation into the sub-region and relocation within it. This is effectively Eastleigh and Fareham, Havant and Gosport are less well-placed to benefit; Gosport because of access problems and Havant because of its remoteness at the east end of the M27 corridor.
- 8.55 Fareham has proved to be a popular location for South East call centres. Zurich Financial Services moved its operation from Bournemouth to Fareham, amongst other centres, in 2003. Xerox Engineering Systems set up a European Customer centre at Cams Hall in 2001. In 2002 Fareham was named the second most popular call centre location in the UK by the Adecco-Omis survey of centres. More recently, in 2004, the same survey of a smaller number of centres, placed Southampton towards the bottom of similar-sized centres in terms of attractiveness for call-centre operations. This is fundamentally related to the city's low level of unemployment (as a proxy for labour market tightness), relatively high labour costs and competition for staff.

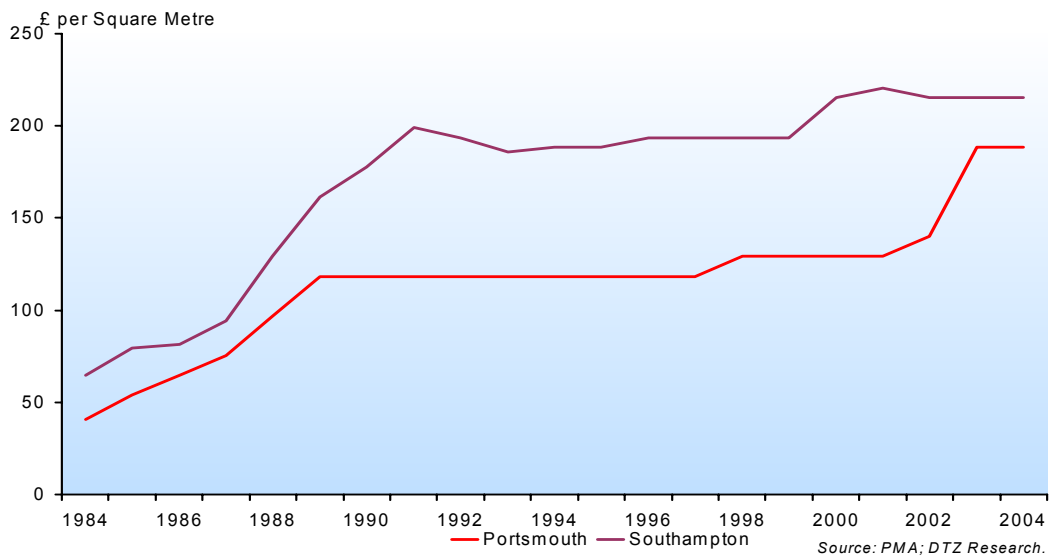
- 8.56 Loss of employment to, or at least a shift in the balance of employment toward out-of-centre destinations, is a common pattern in office markets in the South East in recent decades. Business parks emerged as a consequence of the establishment of new road infrastructure and an accompanying expansion in ownership and use of motor vehicles. At the same time it was necessary for greenfield sites to also be made available in order that new employment centres could be created.
- 8.57 However, due to their dependence on the IT sector, business parks suffered from the demise of the dotcom boom. Lettings in parks all over the UK fell precipitously from late 2002 onwards. Recovery is now in train, however, and the first half of 2005 has seen a 5% rise in take-up. In the South East, where much of the capacity is located, available space totals 409,000 sq.m, 12.5% of stock. A lack of confidence is reflected in the very low level of speculative development, which accounts for just 10% of the space under construction.
- 8.58 But it would appear that business parks along the M27 corridor have not suffered as harshly as in other areas, because the occupier-base is more diversified than say the Thames Valley and not as dependent on the IT sector. Certainly Solent Business Park is regarded as an outstanding example of the business park genre: in a recent Strutt & Parker report on major business park investment performance, Solent's 5 year return was 11.5% per annum, slightly ahead of Fareham (itself a testament to the local office market performance and somewhat above Southampton at 10.5%).
- 8.59 Nevertheless, the era of untrammelled business park expansion has come to an end. The introduction of robust sustainability criteria for assessing the granting of planning permission has gradually permeated the planning process at a local level, inhibiting the further allocation of development land in locations where public transport accessibility is poor. It has refocused attention on the encouragement of employment retention and expansion at major public transport nodes.
- 8.60 At the same time, the success of the new infrastructure in creating new locations for employment and residence has created problems of congestion, as usage of the main arteries has continued to grow. After a period indecision over continued expansion of road capacity, the current government is carrying out a substantial upgrading of the motorway system. On the M27 there are two schemes: installation of climbing lanes between junctions 11 and 12, and widening between junctions 3 and 4.
- 8.61 Firm policy commitment to limiting development in locations away from existing urban centres and transport hubs is still not established. Government targets for house building is also directing policy towards the establishment of new urban areas, and in order to maintain population/employment balance also providing capacity for employment generation.
- 8.62 A recent announcement of the intended establishment at Kite's Croft Business Park of the South East Fire and Rescue control centre underlines the attraction of out-of-centre locations for organisations which value accessibility and mobility. Chosen taking into account factors such as accessibility (for both people and services), demographics, vulnerability to threats such as flooding and suitability for development, it is one of nine such regional centres (replacing 46 nationwide), all of which are to be based on business parks.

8.63 In conclusion, there has been a check placed upon the untrammelled growth of business parks, just as with out-of-centre retailing. But occupier preferences and continued growth in predominantly road-based mobility is ensuring that there is demand for existing expansion capacity, which is significant in some regions. Locations which do not have this capacity may lose out, at least in the medium-term, if occupiers' preferences are strong enough that the absence of suitable out-of-centre premises drives them to consider relocation.

Property Values

8.64 Rents in Portsmouth reached £188 per sq.m in 2003 with a letting achieved at Gunwharf Quays. This shift in rents, which had been at the £129 level for several years, reflected the quality of the accommodation, the supply of which has been a rare event in Portsmouth in recent years. By comparison, Aker Kvearner paid around £172 per sq.m for the refurbished Port Solent building, and the Peninsula House letting achieved £140 per sq.m.

Figure 8.11: Prime Rents in Portsmouth and Southampton



8.65 In Southampton the current top rent is around £215 per sq.m, slightly below the peak reached in 2001 of £221 per sq.m. Transactions have been secured at £226 per sq.m on sub-lettings of small floorplates since then but these are not thought to be representative. In comparison during this period rents in the wider area monitored by PMA have fallen slightly.

8.66 At the same time rental growth over the longer term has not been marked. Compared to many other provincial office centres, rents in Southampton are only a little above their 1991 peak. This may be a factor in the ease with which residential developers have out bid office developers in recent years, as the price of residential property has continued, at least until recently, to rise steeply.

8.67 Rents in out-of-centre locations in South Hampshire are above those in Southampton, but are markedly higher than in the other town centres. Portsmouth's top rent is somewhat lower, at £188 per sq.m. In the other town centres, lack of newly built property makes comparison difficult. In those major office markets in the South East where out-of-centre

rents are higher than in the town centre (e.g. Reading and Swindon), this is regarded as a sign that the centre lacks appropriate space, as well as experiencing weak demand.

8.68 The highest rent in recent years is the £215 per sq.m secured in 2004 at Stoneham Gate, close to Junction 5 at Eastleigh, from lawyers Clarke Wilmott. Previous to this, in 2002, The Mortgage Lender paid £210 per sq.m at Solent Business Park. Recently built second hand properties have achieved rents of around £161 per sq.m. In the first half of 2005 two significant deals achieved lower rents of £172 per sq.m £167 per sq.m. New properties on the Park, such as the recently completed Forum Four, are expected to achieve more when they are let.

8.69 Rents are the most substantial component of property costs. High levels of rent play a major part in attracting property investment to provide modern facilities. This needs to be balanced with the need to be competitive with rival locations. Nevertheless, if rents are 'too low' they can inhibit investment in development, especially if they are combined with an apparent lack of demand. This would appear to be the case in Portsmouth.

Requirements

8.70 The Harbour Economic Development Group (representing Fareham, Havant, Gosport and Portsmouth Districts) reports that at time of writing there are no current major enquiries in the area (over 1,000 sq.m). Most enquiries, in their experience, are more modest in size and locally based.

8.71 In Southampton, according to the Council and DTZ Agents, there are a number of major current enquiries for space in South Hampshire as set out in **Table 8.1** below.

Table 8.1: Current Office Requirements in South Hampshire			
Enquiry	Origin of company	Size (sq.m)	Preferred location
Carnival UK	Southampton	18,000	City centre and motorway corridor
Ordnance Survey	Southampton	18,000	Redevelop in situ or motorway corridor close to Southampton
Insurance company	Bournemouth	4,645	Not yet determined
Blake Laphorn Linnell	Southampton	4,645	City centre
N/A	London	3,500	City centre and motorway corridor
Howarth Clark Whitehill	National	2,500	Around Hedge End / Eastleigh
Travel company	Hounslow	2,000	Near Universities
Job Centre Plus	Southampton	2,000	City centre
NDS	Chandlers Ford	1,600	Eastleigh City centre
Hampshire Partnership NHS Trust	Southampton	1,000	Out-of-centre
Marketing/communication company	N/A	929	City centre or business park
Audit Commission	Hedge End	800	Around Hedge End/Eastleigh
Hampshire Police	Southampton	1.2 ha	City centre

8.72 The degree to which the city centre is in competition with the out-of-centre market is illustrated by the fact that only three of the above requirements are concentrating solely on the city centre in their search for premises. It is also a sign that a significant private employer (Carnival), which is expanding its workforce, is considering an out-of-centre site in preference to its existing city centre location. The Ordnance Survey is also looking

for a new headquarters, and is actively considering moving from its current central location to an out-of-centre location.

- 8.73 Another major test of the relative attractiveness of the city centre may come if the recent reported intention of Lloyd’s Register of Shipping moves approximately 400 staff from its head office in the City to a new facility in the Southampton area.
- 8.74 In addition, the recent past provides evidence that in-movers or local expanding companies to the sub-region have not generally chosen a city centre location, although they might have done if attractive premises had been available.

Table 8.2: Recent Major Acquisitions of Office Floorspace in South Hampshire		
Company	Size (sq.m)	Location
NATS	23,876	Solent Business Park
B&Q	5,600	Chandler’s Ford
TML	4,505	Solent Business Park
Oriel Housing Group	4,000	Bishopstoke Road, Eastleigh
Mott McDonald	2,663	Stoneham Park, Eastleigh
Meridian	1,672	Solent Business Park
Serenity Holidays Limited	1,644	Solent Business Park
Clarke Willmott	1,161	Stoneham Park, Eastleigh
Southampton City Council	1,159	Cumberland House, Southampton
MLS (Serviced office provider)	900	Capital House, Southampton
Lee Peck Greenfield	743	Chilworth Point, Chilworth
Lab 21	650	Solent Business Park
Trans Ocean Distribution	616	Tollbar Way, Hedge End
Crescent Training	557	Salisbury House, Southampton

Source: Southampton and its Future as a Regional Office Centre (Draft)

Office Employment Forecasting

- 8.75 This section sets out the analysis of future employment scenarios relating to town centre office uses. This is based upon future employment scenarios developed by DTZ, on behalf of PUSH, as part of the Economic Drivers & Growth research. Some elements of the methodology used in the earlier work have been refined within this study, due to the additional detail required on office uses.

i) Methodology

- 8.76 Official data from ONS has been analysed to build a picture of current patterns and recent trends in office-based employment across the entire PUSH sub-region and the seven town centres at the core of this study. 4-digit SIC (1992) employment data from the Annual Business Inquiry (ABI) has been used to underpin this analysis. The town centres have each been defined as a single ward, as set out earlier in this report.
- 8.77 It has been necessary to estimate current office employment in each town centre in a consistent manner. This estimation has allocated a proportion of total employment in each sector to office uses. The results of the analysis of current patterns and recent trends are presented below.

8.78 The original PUSH future employment scenarios work for the sub-region has led to a preferred growth option. This scenario is based around steady rising GVA growth averaging 3.1% per annum over the period 2006 to 2026. The employment forecasts within this scenario have formed the basis of employment analysis in this study.

8.79 Using the analysis of current office employment three future scenarios for the seven town centres have been developed. These scenarios also reflect current and future planned policy aims relating to supporting growth within town centres. Further discussion on each scenario is included below.

Current Patterns and Recent Trends

8.80 **Table 8.3** contains estimated employment in the entire PUSH sub-region and the seven town centres for the years 1998 and 2002⁴. This table is based on data from the ABI as indicated above.

8.81 We estimate that some 134,900 people were employed in office-based activities in the entire PUSH sub-region in 2002, which represents 31% of total employment in the sub-region. Of this, 34% (or 45,500 jobs) are within the tightly defined town centres, which are the focus of this study. The largest single centre is clearly Southampton, with 23,000 office jobs and Portsmouth is the second largest with 10,000 jobs. No other centre has more than 5,000 office jobs. Southampton has an estimated 43% of city centre employment within office uses, the same as Portsmouth. Fareham, Gosport and Havant all have around a third of town centre employment in office uses. The figures for Eastleigh (27%) and Southsea (26%) are lower than the other centres.

8.82 Office employment has increased across the entire PUSH sub-region over the four-year period 1998-2002 by 4%, equivalent to an additional 4,700 employee jobs. However, in the town centres there was an overall fall in office-related employment of 8% (3,800 jobs). The performance of individual town centres varied considerably. Southsea and Havant have experienced slight net gains in office-based employment over the period. All other centres were subject to falling employment levels in office uses. In absolute terms the largest falls were in Portsmouth (-2,600) and Eastleigh (-700), with Southampton also experiencing a decline of some 600 jobs.

Table 8.3: Estimated Employment in PUSH				
Area	1998 Estimated Office Employment	2002 Estimated Office Employment	Change 1998-2002	% Change 1998-2002
PUSH	130,200	134,900	4,700	4%
<i>PUSH Town Centres</i>	49,300	45,500	-3,800	-8%
Eastleigh	3,400	2,600	-700	-21%
Fareham	3,700	3,700	-100	-3%
Gosport	1,500	1,400	-100	-7%
Havant	3,600	3,800	200	6%
Portsmouth	12,600	10,000	-2,600	-21%
Southampton	23,700	23,000	-600	-3%
Southsea	800	1,000	200	25%

Source: DTZ estimates based on ABI

⁴ 1998-2002 is a short time period. However, this period provides the most consistent set of data for both sectoral and geographical classification.

8.83 This headline analysis has provided the baseline for developing future employment scenarios for office based town centre employment.

ii) Forecast Employment Change

8.84 We forecast an overall net employment change in the PUSH sub-region of some 58,600 jobs over the period 2006-26 under the PUSH lead scenario. We estimate that some 73% (42,600⁵ jobs) of this growth will take place in office-based uses, reflecting the shift towards service sector activities. This is a significant change from historic patterns. For the purpose of this assessment we have developed a number of scenarios to model the potential impacts of the growth in office-based employment in the seven town centres.

- **Scenario 1: No Town Centre Growth** - The analysis of recent data suggests that town centre locations have not been attracting significant net job growth for office uses. However, it may take policy intervention by the public sector to maintain existing levels of office-based employment within town centres, due to the significant pressures for out-of-centre office locations in established and new locations, as well as the growing retail and residential development pressures on employment land in town centres. With the current policy shift towards attracting growth back to town centre locations we have set the baseline scenario of no additional employment growth within town centre office activities over the period 2006-26.
- **Scenario 2: Moderate Town Centre Growth** - The second scenario takes some account of recent trends and links this to policy seeking to focus activity within town centres. Overall this scenario models centres attracting less growth than their current share of sub-regional employment would suggest. The performance of individual centres is linked to recent performance. The centres that have fared worst in recent times are anticipated to struggle somewhat in the future. Conversely those centres that have performed more strongly in recent history are forecast to benefit from future growth.
- **Scenario 3: Existing Shares of Sub-regional Activity** - The “existing shares” scenario assumes that the recent trend towards a decline in town centre based office employment is reversed. Policy aimed at focusing growth on town centre locations, coupled with appropriate development leads to increasing employment within offices in each centre according to the current (2002) shares of activity.
- **Scenario 4a: Town Centres “First”** - This scenario reflects the policy set out in PPS6 that all new development should be directed to town centres first, followed by edge-of-centre sites, unless there are no suitable, viable and available opportunities for new development and investment. This reflects a significant step change from recent market trends which has pushed new office development and employment away from town centres to out-of-centre locations. This scenario further reflects the policy focus towards the major city centres of Southampton and Portsmouth as growth poles and we assume that some 90% of all office development will take place in the main PUSH centres.

⁵ This figure differs slightly from that presented within the ‘Economic Drivers & Growth’ final report due to a refined estimating methodology for this study.

- **Scenario 4b: Town Centres “First” (Phased Growth)** - This scenario builds on Scenario 4a with additional assumptions. The forecast includes five-year periods to allow for phasing. The assumptions underpinning this scenario are based on:
 - the fact that it will take time to change market perceptions and also that existing allocations for out-of-centre development may be taken-up over the short-term (i.e. up to 2011). Therefore, we assume that over each five-year period an increasing proportion of office employment is attracted to town centres.
 - Southampton is most likely to attract new office development over the short/medium term, as it is currently the most significant location for office activities of all the PUSH centres. This is confirmed by the fact that the ‘Northern Quarter’ redevelopment in Portsmouth only comprises a small quantum of office floorspace, which reflects the current rating of the city centre as a prime office location in the sub-region.
 - nevertheless, over time we assume Portsmouth will achieve a greater share of new office-based employment. We assume that investor, business and developer confidence in the centre will increase on the back of the ‘Northern Quarter’ redevelopment, as well as more proactive marketing and promotion by the Council and other key stakeholders.
 - we assume that both Eastleigh and Fareham will benefit from an uplift in office-based development and employment over the longer term due to the promotion of Strategic Development Areas (SDAs) post-2016.
 - finally, we also assume that other centres in the PUSH sub-region will continue to grow broadly in line with their current shares of office-based employment.

iii) Scenario Outputs

8.85 The modelling exercise for the outlined scenarios has led to net employment change within offices as set out in Table 8.4.

Table 8.4: Net Employment Change Within Offices					
	Scenario 1	Scenario 2	Scenario 3	Scenario 4a	Scenario 4b
Area	No Town Centre Growth	Moderate Town Centre Growth	Existing Shares of Sub-regional Activity	Town Centres First	Phased Town Centres First*
PUSH	42,600	42,600	42,600	42,600	42,600
<i>PUSH Town Centres</i>	0	7,300	15,400	38,300	26,300
Eastleigh	0	300	700	1,900	2,000
Fareham	0	600	1,300	1,900	2,000
Gosport	0	200	400	1,100	800
Havant	0	700	1,500	3,800	1,300
Portsmouth	0	1,000	2,600	9,600	7,300
Southampton	0	4,300	8,600	19,200	12,400
Southsea	0	200	300	800	500
Source: DTZ					
Notes: * Aggregate change presented in this table. Phased results contained within Annex					

8.86 In order to provide more context, the existing shares scenario is also quantified at local authority level, as follows.

PUSH Area	-	42,600
<i>Rest of PUSH</i>	-	5,800
Eastleigh	-	4,300
Fareham	-	4,600
Gosport	-	1,400
Havant	-	3,500
Portsmouth	-	9,300
Southampton	-	13,700

8.87 These employment outputs have been used to calculate estimates for additional office floorspace demand in the main centres.

Office Floorspace Scenarios

8.88 Estimates for office floorspace have been based on two key sources of information:

- Employment Densities: A Full Guide, English Partnerships & the Regional Development Agencies, Arup Economics & Planning.
- Use of Business Space and Changing Working Practices in the South East, SEERA & SEEDA, DTZ Piedad Consulting.

8.89 The latter of these two studies researched the potential impact on employment densities in the South East region. The research considered the potential impact of more flexible working patterns and increased use of technology. With such strong forces potentially exerting influence on the property/floorspace needs of occupiers in the future it is important to consider such issues when setting policy. The study made some of the following findings:

“Change in floorspace ratios are taking place at a slow pace, especially in the light of various forces (some operating in opposite directions) shaping it”.

“...changing working practices appear to have had little impact on the use of business space”.

“Over three quarters of respondents (to the business survey) suggested that no change to floorspace to worker ratio is likely due to new/changing working practices”.

“In terms of new working practices and employment densities, the evidence presented in this report shows limited overall impact of changing working practices on employment density, except for some office based employment activities with increasing ICT use”.

8.90 This research would suggest that there is no strong evidence, on the basis of changing working practices, to justify a departure from established guidance on floorspace per worker assumptions as set out in the Arup report for EP and the RDAs. However, the business survey did suggest that average floorspace per worker figures for Hampshire are higher than the South East averages⁶. In order to accommodate this we have used a range

⁶ South East average data was largely in line with established guidance.

of floorspace assumptions, setting the baseline using established guidance up to a higher limit 25% above.

8.91 To calculate the baseline assumption for office floorspace per worker, to take into account the variety of different uses, we have used a simple arithmetic average of the following office sub-categories:

- General offices 19 sq.m per employee
- Headquarters 22 sq.m per employee
- Serviced Business Centre 20 sq.m per employee
- Call Centre 13 sq.m per employee
- A2 Professional Services⁷ 25.5 sq.m per employee
- **Average** **20 sq.m per employee**
- **Higher Range (Hants uplift)** **25 sq.m per employee**

[This analysis has discounted the sub-categories City of London and Business Park as these are not relevant to town centre development in South Hampshire].

8.92 The results of this analysis are set out in Table 8.5. It should be noted that these figures relate to additional office requirements to accommodate net additional employment growth. These estimates do not take account of current pipeline developments or requirements for replacement stock.

Table 8.5: Office Floorspace Growth Scenarios (sq.m)					
Area	No Town Centre Growth	Moderate Town Centre Growth	Existing Shares of Sub-regional Activity	Town Centres First	Phased Town Centres First*
PUSH	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100
<i>PUSH Centres</i>	0	144,600 - 180,900	306,900 - 383,800	766,000 - 957,700	526,000 - 658,000
Eastleigh	0	5,400 -6,800	14,500 - 18,100	38,300 - 47,900	39,800 - 49,900
Fareham	0	12,800 -16,000	25,600 - 32,000	38,300 - 47,900	39,800 - 49,900
Gosport	0	3,100 -3,900	8,200 - 10,300	23,000 - 28,700	15,700 -19,800
Havant	0	14,800 -18,500	29,600 - 37,000	76,600 - 95,800	26,300 - 32,900
Portsmouth	0	19,800 - 24,800	52,800 - 66,100	191,500 - 239,400	146,600 - 183,300
Southampton	0	85,500 - 106,900	171,000 - 213,800	383,000 - 478,800	247,200 - 309,000
Southsea	0	3,200 - 4,000	5,200 - 6,500	15,300 - 19,200	10,600 - 13,200
Source: DTZ (figures may not sum due to rounding) * Aggregate change presented in this table. Phased results contained within Annex					

8.93 The following summarises the position at a district level (sq.m).

PUSH Area	:	851,300 - 1,064,100
Rest of PUSH	:	114,000 - 142,500
Eastleigh	:	86,000 - 107,500
Fareham	:	92,000 - 115,000
Gosport	:	26,000 - 32,500

⁷ Midpoint of findings from *Use of Business Space and Changing Working Practices in the South East*

Havant	:	68,000 - 85,000
Portsmouth	:	184,000 - 230,000
Southampton	:	276,000 - 345,000

- 8.94 The table below sets out our broad forecasts for PUSH and the main town centres over five-year periods up to 2026. Please note that our base year is 2006, and not 2005 as used for the other town centre uses, as our office assessment is based on previous work developed by DTZ for PUSH as part of the ‘*Economic Drivers of Growth*’ research.
- 8.95 These forecasts are not meant to be prescriptive and there is no one single capacity figure for office-based town centre employment over the period to 2026. Nevertheless, we consider that the more robust scenario, based on current activity and commercial reality, is Scenario 4b (i.e. phased town centre development).
- 8.96 In Scenario 4b we assume that it will take time to change market perceptions of the main town centres as prime office locations, particularly in the context of the significant out-of-centre development that has occurred over the last decade or more. Moreover, existing allocations for out-of-centre floorspace in the pipeline will place a “drag” over the short term on the demand and take-up of space in existing centres, particularly Portsmouth city centre. It is our overall view that Scenario 4b provides a more robust approach for PUSH and the local authorities to market and plan for appropriate floorspace allocations in their main centres.

Table 8.6: Broad Forecasts For PUSH Centres sq.m (All Scenarios)

Area	2006 - 2011	2011 - 2016	2016 - 2021	2021 - 2026	2006 – 2026
PUSH SUB-REGION					
<i>All Scenarios</i>	240,700 - 300,800	208,300 – 260,300	204,900 – 256,100	196,900 – 246,100	850,800 – 1,063,300
PUSH CENTRES					
Eastleigh					
<i>Scenario 2</i>	43,300 – 54,100	37,600 – 47,000	37,100 – 46,400	35,500 – 44,400	153,500 – 191,900
<i>Scenario 3</i>	86,500 - 108,200	75,100 – 93,900	74,200 – 92,800	71,000 – 88,700	306,800 – 383,600
<i>Scenario 4a</i>	216,000 – 270,000	188,000 – 235,200	184,000 – 230,200	178,000 – 226,600	766,000 – 957,800
<i>Scenario 4b</i>	60,000 – 75,200	104,000 – 130,000	184,000 – 230,000	178,000 – 220,700	526,000 – 658,000
Fareham					
<i>Scenario 2</i>	1,500 – 1,900	1,300 – 1,700	1,300 – 1,600	1,300 – 1,600	5,400 – 6,800
<i>Scenario 3</i>	4,100 – 5,200	3,600 – 4,500	3,500 – 4,300	3,400 – 4,200	14,600 – 18,200
<i>Scenario 4a</i>	10,800 – 13,500	9,400 – 11,800	9,200 – 11,500	8,900 – 11,100	38,300 – 47,900
<i>Scenario 4b</i>	3,000 – 3,800	5,200 – 6,500	13,800 – 17,300	17,800 – 22,300	39,800 – 49,900
Gosport					
<i>Scenario 2</i>	900 – 1,100	800 – 1,000	700 – 900	700 – 900	3,100 – 3,900
<i>Scenario 3</i>	2,300 – 2,900	2,000 – 2,500	2,000 – 2,500	1,900 – 2,400	8,200 – 10,300
<i>Scenario 4a</i>	6,500 – 8,100	5,600 – 7,100	5,500 – 6,900	5,300 – 6,700	22,900 – 28,800
<i>Scenario 4b</i>	1,800 – 2,300	3,100 – 3,900	5,500 – 6,900	5,300 – 6,700	15,700 – 19,800
Havant					
<i>Scenario 2</i>	4,100 – 5,200	3,600 – 4,500	3,600 – 4,500	3,400 – 4,300	14,700 – 18,500
<i>Scenario 3</i>	8,300 – 10,400	7,200 – 9,100	7,200 – 9,000	6,900 – 8,600	29,600 – 37,100
<i>Scenario 4a</i>	21,600 – 27,000	18,800 – 23,500	18,400 – 23,000	17,800 – 22,300	76,600 – 95,800
<i>Scenario 4b</i>	3,000 – 3,800	5,200 – 6,500	9,200 – 11,500	8,900 – 11,100	26,300 – 32,900
Portsmouth					

<i>Scenario 2</i>	5,700 – 7,100	4,800 – 6,100	4,700 – 5,900	4,500 – 5,700	19,700 – 24,800
<i>Scenario 3</i>	15,200 – 19,00	12,900 – 16,200	12,600 – 15,700	12,100 – 15,200	52,800 – 66,100
<i>Scenario 4a</i>	54,000 – 67,500	47,000 – 58,800	46,000 – 57,500	44,500 – 55,600	191,500 – 239,400
<i>Scenario 4b</i>	12,000 – 15,000	26,000 – 32,500	55,200 – 69,000	53,400 – 66,800	146,600 – 183,300
Southampton					
<i>Scenario 2</i>	24,000 – 30,000	20,900 – 26,200	20,800 – 26,000	19,500 – 24,800	85,500 – 107,000
<i>Scenario 3</i>	47,900 – 59,900	41,800 – 52,300	41,600 – 52,000	39,600 – 49,500	170,900 – 213,700
<i>Scenario 4a</i>	108,000 – 135,000	94,000 – 117,500	92,000 – 115,000	89,000 – 113,300	383,000 – 478,800
<i>Scenario 4b</i>	36,000 – 45,000	57,200 – 71,500	82,800 – 103,500	71,200 – 89,000	247,200 – 309,000
Southsea					
<i>Scenario 2</i>	900 – 1,200	800 – 1,000	800 – 1,000	700 – 900	3,200 – 4,100
<i>Scenario 3</i>	1,500 – 1,900	1,300 – 1,600	1,200 – 1,500	1,200 – 1,500	5,200 – 6,500
<i>Scenario 4a</i>	4,300 – 5,400	3,800 – 4,700	3,700 – 4,600	3,600 – 4,500	15,400 – 19,200
<i>Scenario 4b</i>	1,200 – 1,500	2,100 – 2,600	3,700 – 4,600	3,600 – 4,500	10,600 – 13,200
Source: DTZ (figures may not sum due to rounding)					

Conclusions

- 8.97 The prime areas in the South Hampshire office market are Southampton city centre followed by a number of out-of-centre locations, primarily Solent Business Park. The town centres, other than Southampton, do not have any significant level of activity, value (rental levels) or, most significantly, development activity. There is little prospect of development here as it currently stands.
- 8.98 In Southampton the city centre office market is constrained by a lack of sites that can compete with the business parks, Solent in particular. Recently this is attributable to competition for sites from residential developers which are able to outbid those promoting office schemes. This, in turn, has led to the general rise in residential values in the last decade, and in particular to the establishment of a ‘city living’ market for apartments in the city centre.
- 8.99 At the same time, it is thought that sites could be made available if there was more impetus to develop the obsolescent space that could provide attractive sites. The obstacles to this are the current vigour of the residential market and other competing uses, notably retailing.
- 8.100 There is evidence of a vicious circle that certainly affects Portsmouth, and perhaps Southampton too. The inability to attract inward investor occupiers, even those regionally relocating, has meant that property investment in development has been inhibited in the provision of large developments. Lack of transactions on newly built property has meant that property values have not reached their potential. Developers are faced with the prospect of a market where both demand for space and the value that underpin investment are unclear. This, in turn, has meant that sites are not developed speculatively to benefit from immediate needs, or are prepared and ‘ready to go’ for the occasional pre-letting opportunity.
- 8.101 It is with this context in mind that the forecasts for office floorspace growth in South Hampshire, based on growth in office-based employment, should be judged. The floorspace uplifts on the four scenarios (Moderate Growth, Existing Shares, Town Centres First and Phased Town Centres First) are broken down into town centre forecasts. These cannot be compared with office stock growth at a town centre level (because of the lack of disaggregation at this level), and so have been compared at the district level. The 1984-99 growth rate for stock (substantially faster than the recent 2000-2004 rate) has been calculated and compared to the floorspace requirements set out in the floorspace

scenarios, and presented in the table below in terms of annual average take-up over the 20 year forecast period (**Table 8.7**). The aim is to examine past rates of growth in office floorspace in order to see, by comparison, what rate of floorspace growth would be required in the future relative to the past if the figures presented by the scenarios are to be validated.

Table 8.7: PUSH Office Floorspace Scenarios (2006-2026)

Area (Sq.m)	Moderate Town Centre Growth PA	Existing Shares of Sub-Regional Activity PA	Stock Growth 84-99 Rate pa	Assessment of Moderate Town Centre Growth Scenario	Assessment of Existing Share of Sub-Regional Activity Scenario
PUSH	47,300	47,300	11,377	Very high growth	Very high growth
PUSH Town Centres	8,138	17,268	11,377	Below average growth	Above average growth
Eastleigh	310	815	4,559	Very low growth	Very low growth
Fareham	720	1,440	4,199	Very low growth	Very low growth
Gosport	125	463	-293	Very high growth	Very high growth
Havant	838	1,665	1,120	Average growth	Above average growth
Portsmouth	721	3,265	-2,659	Very high growth	Very high growth
Southampton	4,810	9,870	4,452	Average growth	Very high growth

Note: * OPDM statistics for Fareham do not match local development pattern – omitted.

Source: OPD

Area (Sq.m)	Town Centres First	Phased Town Centres First	Stock Growth 84-99 Rate pa	Assessment of Town Centres First Scenario	Assessment of Phased Town Centres First Scenario
PUSH	47,300	47,300	11,377	Very high growth	Very high growth
PUSH Town Centres	43,093	29,600	11,377	Very high growth	Very high growth
Eastleigh	2,155	2,243	4,559	Below average growth	Below average growth
Fareham	2,155	2,243	4,199	Below average growth	Below average growth
Gosport	1,293	888	-293	Very high growth	Very high growth
Havant	4,310	1,880	1,120	Very high growth	Above average growth
Portsmouth	11,635	3,930	-2,659	Very high growth	Very high growth
Southampton	21,545	4,913	4,452	Very high growth	Above average growth

Note: Below average growth = 25%-75% of stock growth rate
Average growth = 75%-125% of stock growth rate
Above average growth = 125%-175% of stock growth rate
Very high growth = 175%+ of stock growth rate

- 8.102 As shown in **Table 8.7** the level of PUSH as a whole, the floorspace forecasts, for whichever scenario is chosen, appear very ambitious in the light of past rates of growth in office floorspace. This is because they are based on the district growth in stock, which encompasses all office-based employment floorspace growth, in-centre and out-of-centre.
- 8.103 The message seems quite clear for Southampton and Portsmouth. At these levels of employment growth, especially considering the higher rates of output, the growth in floorspace would need to be considerably stronger than that evidenced in the past. At the same time the foregoing analysis of their office markets makes it quite clear that Portsmouth, and to a lesser degree, Southampton, have serious problems in supplying sites that are attractive to developers.
- 8.104 Similarly, the other district town centres all have problems with securing sites for office development. Eastleigh and Fareham have alternative sources of supply out-of-centre, and in the absence of town centre development, whether in these districts or in the nearby cities, this demand will naturally flow to those sites. Gosport, now that the MoD is releasing land, will also have sites with office potential outside the town in the foreseeable future. However, it is difficult to see large-scale demand being developed, unless the District's accessibility problems are resolved.
- 8.105 If the current allocated sites outside the existing town and city centres are not added to by subsequent allocations of additional areas, then upon exhaustion of those still in the pipeline (a period which could be as much as a decade away), it might be surmised that the town and city centres might then benefit from redirected demand. However, this will depend on at least two factors:
- 1. The attractiveness of sites in the existing towns and cities.** Outside of Southampton and Portsmouth the existing availability of sites, let alone attractive sites, is an issue, except for Gosport where accessibility is a constraint. In Portsmouth accessibility is also an issue, and although redevelopment is improving the city's attractiveness it is still in a markedly weaker position than Southampton. In the latter the issue is not so much the availability of sites but the pressure for residential development. At the same time encouragement of adequate and competitive (to out-of-town) retail capacity is also required: this would seem to point in the direction of a planning policy in the city which leans toward favouring mixed retail and office development, and continued resistance to residential schemes which might be the preferred alternative.
 - 2. The extent of restrictions on the supply of out-of-town allocations.** Redirection to town centres would (under conditions where the tendency to favour location to out-of-town business parks remains) depend on no further allocations of development land being made. This policy would need to be uniform across the sub-region, and include neighbouring districts (e.g. Winchester, Test, and even Basingstoke). Even so demand is mobile, such that if an out-of-town location is desired above an urban one then, unless the occupier also places priority on either moving to, or remaining in, the sub-region, then a wide variety of locations, either regional, inter-regional or perhaps even international might be preferred. Consistency in the application of PPS6 across the UK would seem to be of critical importance in this case.

- 8.106 The main thrust of the above is to indicate that if a strong preference for out-of-town locations persisted, then it would be at least a decade, in formal terms (i.e. using up all the out-of-centre sites, in practice probably unrealistic) until all of these were developed out and absorbed. In policy terms, therefore, it would indicate that pro in-town development policies (e.g. safeguarding prime sites in Southampton, developing Portsmouth as a more attractive location, finding sites in other town centres which are currently bereft of them) need to be implemented now, at the same time as restricting the allocation of additional out- of-centre sites. However, this latter policy, although essential, will not, for the reason set out above, have an impact for some years in the future.
- 8.107 In a bid to support town centre development in the short-term, there should also be a ‘carrot’ type policy to draw in visitors to town centres. This could potentially cover site availability, support to investors, marketing, parking requirements and charging policy, complimentary services, quality of location, design and environment, accessibility, access to training, access to affordable accommodation. All of these will contribute in attracting office occupiers to city centre sites.

9 Prospects for Retail: Market Demand

- 9.01 This section sets out our assessment of the market demand for new retail facilities in the main centres within the PUSH sub-region. It describes trends in retailing and how these are impacting on the vitality and viability of town and city centres. This analysis is based on our in-house research on the requirements of retail and leisure businesses, along with our market intelligence of operator and investor requirements at the national, regional and local level¹.
- 9.02 Our research indicates that the highest level of demand from retail and service businesses is for representation in the larger centres of Southampton and Portsmouth, which reflects their importance within the sub-region. The other centres have lower levels of demand for representation. Market demand in the main centres covered by Focus² Reports is as follows – Eastleigh (30 requirements), Fareham (42 requirements), Gosport (19 requirements), Havant (29 requirements), Portsmouth (80 requirements), Southampton (128 requirements), and Southsea (9 requirements).
- 9.03 The following commentary describes some of the key trends that are driving changes in the retail sectors and specifically how this is being manifested in terms of the scale, quality and location of new retail development.

1. Convenience Goods Retailers - Market Demand

- 9.04 The UK grocery sector has experienced dramatic changes in its location, format and offer since the 1980s. Growth during most of this period has been characterised by the expansion of large out-of-centre foodstores, which recent research shows account for £2 out of every £5 spent on groceries in the UK³. National trends also indicate a decline in the number of food specialists in the decade since 1992 by c.19% and an increase in the number of large superstores by c.50% (from 860 to 1,292 outlets).
- 9.05 The government's recent political and policy commitment to urban renaissance and town centre regeneration has resulted in a significant reduction in planning applications and permissions for new out-of-centre stores. This scaling down of out-of-centre development has been further compounded by the fact that the forecast growth in convenience goods spending is significantly lower than for comparison goods retailing. This means that there is less demand, and therefore capacity, for new convenience goods space.
- 9.06 These trends in policy and consumer demand have impacted on the business strategies of the major food retailers. Whilst they are continuing with new store openings and extensions, albeit on a smaller scale than before, they are also trying to differentiate themselves from their competitors in order to open up new markets and increase market share in this highly competitive sector. This has manifested itself in a number of key trends over recent years, including:

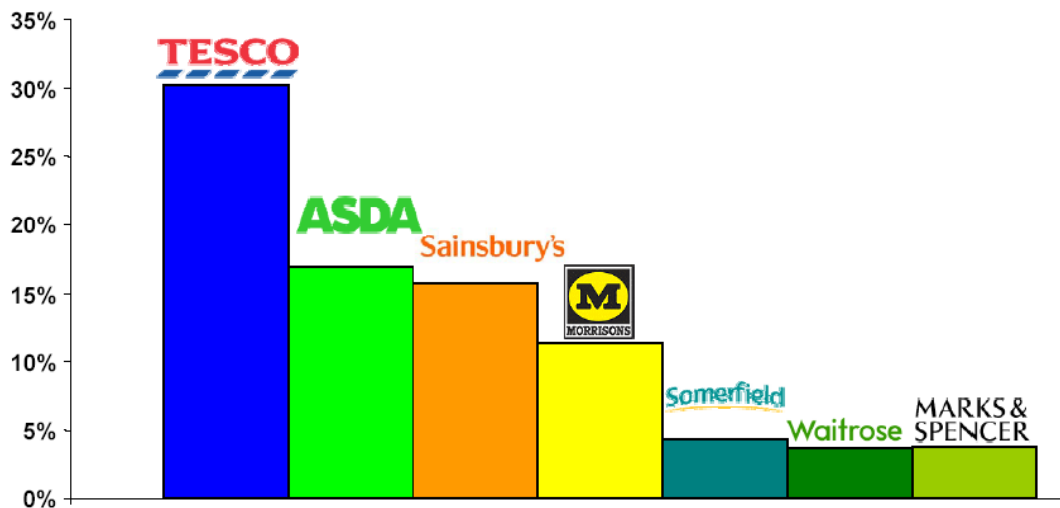
¹ Market demand is highly dynamic and sensitive to changes in the market place. Thus our in-house datasets can only provide a broad indication of market demand at a particular point in time and do not necessarily reflect the potential increase in business requirements that can occur if new opportunity sites and/or schemes are developed and marketed.

² Town Focus produced by Focus Information Limited, provides individual town reports giving demographic, socio-economic and property information for over 700 towns throughout England, Scotland and Wales. The 'Retail Focus' element contains requirements provided by retailers or their agents or obtained from the property press. The database provides details of the requirements of over 800 multiple retailers.

³ The National Retail Planning Forum (November 2004) *'The Role and Vitality of Secondary Shopping - a New Direction'*

- (i) **Consolidation** – the takeover of Safeway by WM Morrison has enabled it to expand its UK coverage and market share. However, Morrisons has been forced into significant changes at management level following profit warnings in March 2005. Other operators have also benefited from the disposal of over 164 Safeway stores up to March 2005 (with a further 92 to be sold by the end of 2005). For example, Somerfield has purchased 114 stores, although 22 of these are currently under investigation by the Competition Commission following concerns by the Office of Fair Trading (OFT). Similarly the convenience stores and supermarkets arm of the Co-operative Group is in the midst of a ‘root-and-branch’ review after threefold expansion over the last four years, a period that has included the acquisition of the Alldays chain.
- (ii) **Product diversification** - non-food sales now account for an increasing share of the turnover of grocery retailer multiples. Tesco and Asda already have a large non-food component, and Sainsbury has intensified its non-food coverage in larger stores. Although Morrisons still remains focused on its main food business, we believe it is likely to diversify into non-food once it has successfully integrated Safeway’s stores into its business. In September 2005, Tesco reported that they would open a further 93 stores, amounting to 170,000 sq.m in floorspace terms. This also includes its first two non-food outlets, ‘Tesco Homeplus’ that have opened in Manchester and Aberdeen. Tesco’s domination, in terms of market share, is shown in **Figure 9.1**. In addition to the differentiation into non-food products, the sector has also seen an increase in the demand for high-quality convenience food ranges, such as Tesco Finest and Sainsbury’s Taste the Difference ranges, and organic products which potentially add to the inflationary pricing on food.

Figure 9.1: UK Supermarket - Market Share

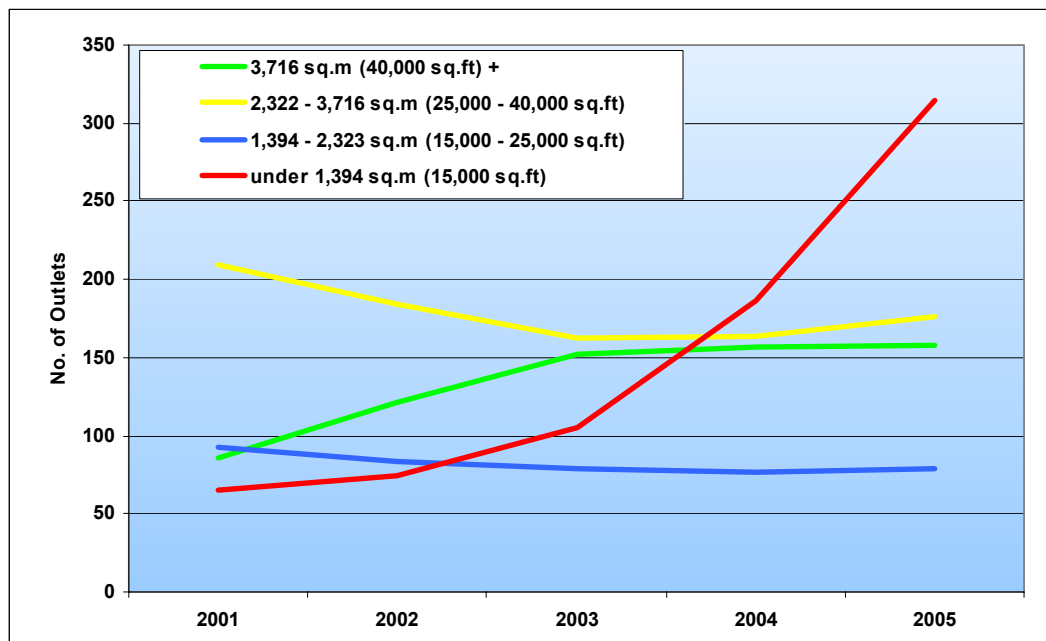


Source: CACI / TNS - November 2005

- (iii) **A ‘return’ to the high street and the growth of convenience (‘c-store’) formats** – The sequential test has resulted in new smaller store formats on the high street, such as Tesco’s ‘Express’ and ‘Metro’ formats, and Sainsbury’s ‘Local’ stores. The growth in Sainsbury’s smaller store format is illustrated in **Figure 9.2**, which shows an increase both through acquisitions and new openings. It is likely that these smaller store formats will be rolled out to smaller and medium-sized centres in the future, particularly following the move by Tesco (and other operators) into the ‘c-store’

format, following its purchase of T&S stores. There may, therefore, be opportunities for smaller-scale formats to be located in some of the smaller centres in the future within the sub-region. Tesco have indicated that they could double their number of local Express stores within a decade⁴. This demand is being boosted by an ageing population, busier lifestyles and more single households. Within Eastleigh, for example the presence of Tesco Metro (amongst other convenience retailers such as Aldi and Morrisons) has contributed to the upgraded retail offer in the centre and increasing pedestrian flow into the centre.

Figure 9.2: Total Sainsbury's Supermarkets (2001 – 2005)



Source: J.Sainsbury Company Profile – October 2005 (http://www.j-sainsbury.co.uk/files/pdf/company_profile.pdf)

- (iv) **The growth of the discount food retailers** – European food operators (particularly Aldi, Lidl and Netto) have experienced significant growth over the last 10-15 years. These operators, along with Kwik Save, are (to varying degrees) seeking opportunities to expand their network of centres and market share in the competitive grocery sector. Aldi currently has requirements in Southampton, Eastleigh, Gosport and Havant.

9.07 If these trends continue over the medium-term (and planning policy remains unchanged), it is our view that the main trends driving demand and development over the next 5–10 years will comprise the following:

- continued applications for extensions to existing larger foodstores as well as mezzanines (both in-town and out-of-centre), as operators attempt to increase their non-food offer.
- the growth of convenience ('c-store') operators and discounters as operators seek to increase their representation and market share in smaller and medium-sized towns. This trend could lead to high profile retailers such as Tesco and Sainsburys

⁴ Source: Egi 07/11/05

targeting centres that they would not have previously considered, which may benefit some of lower order centres within the PUSH sub-region.

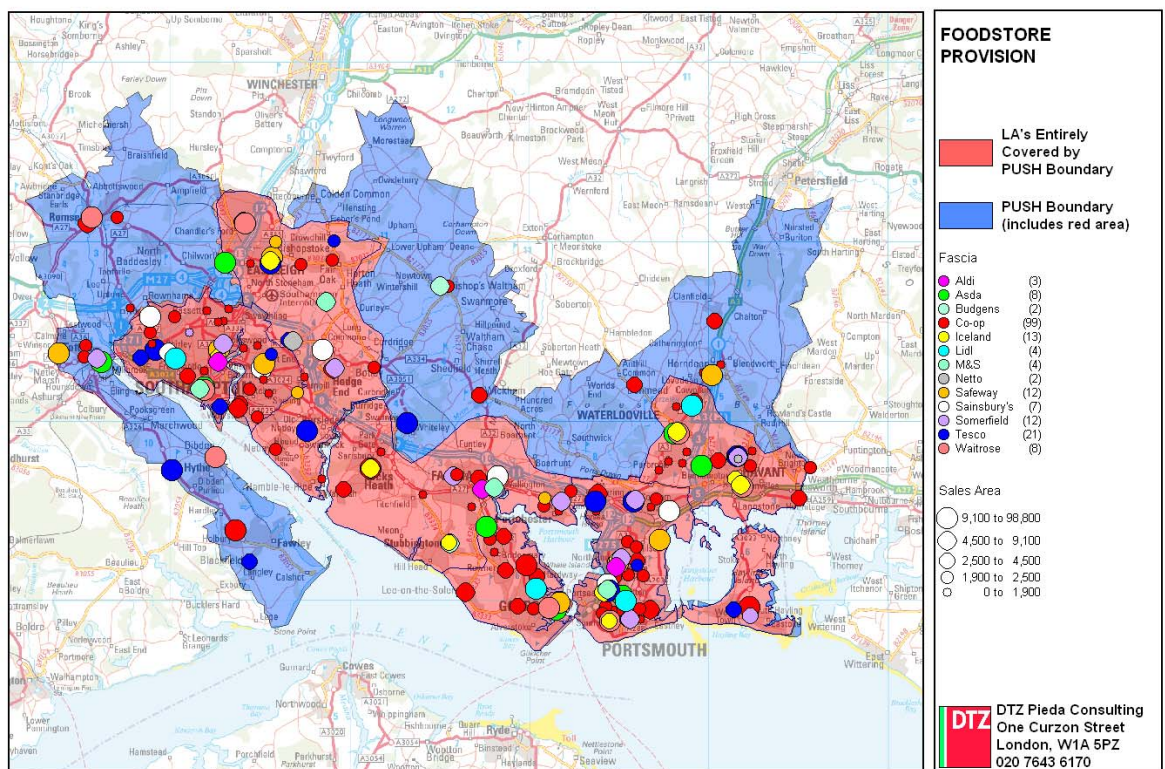
- an increase in the number of planning applications for mixed-use foodstore developments. For example, both Tesco and Sainsburys are now looking to develop mixed use schemes in metropolitan and urban areas, which generally comprise new (or extended) foodstores and residential units (or other uses) in the ‘air space’ above stores.

9.08 The following represents the reported demand from key foodstore and convenience goods operators seeking representation or relocation within the PUSH centres:

- **Southampton:** Iceland, Aldi, Bakers Oven, Farmfoods, Oddbins.
- **Portsmouth:** Bakers Oven, Julian Graves.
- **Eastleigh:** Aldi, Bakers Oven, Farmfoods, Greggs.
- **Fareham:** Farmfoods, Greggs.
- **Gosport:** Aldi, Farmfoods.
- **Havant:** Aldi, Farmfoods, Greggs, Holland & Barrett.
- **Southsea:** Greggs.

9.09 The primary demand is from a discount foodstore operator and bakers. This may be a reflection of the fact that the PUSH sub-region already has good representation from multiple convenience retailers as seen in **Figure 9.3**.

Figure 9.3: Convenience Foodstores in the PUSH Sub-region



2. Comparison Goods Retailers - Market Demand for the High Street

- 9.10 The high street is currently facing a difficult period. Market indicators show that consumer spending growth is at its weakest for almost two years. Verdict Research⁵ forecasts that retail sales in value terms will rise just 2.1% in the last three months of 2005, compared with a 3.3% growth a year earlier.
- 9.11 This slowdown is due, in part, to a marked dip in consumer confidence following a period of rising interest rates and household debt. This debt burden and the increase in savings, which is expected as a result, is likely to mean that private consumption will be less buoyant over the short-term. This has been further exacerbated by the cooling housing market, which is expected to deter the large volume of mortgage equity withdrawal that has partly helped to underpin the growth of consumer spending over recent years. Discretionary spending has therefore reduced drastically through a combination of a depressed housing market and increases in interest rates.
- 9.12 Consumer caution and uncertainties over the housing market, interest rates and potential tax rises continue to depress sales of housing and related products. These tougher trading conditions are inevitably impacting on other retailers' sales and profit margins. All sectors of the retail market have been hit and examples over the last 6-12 months include⁶:
- **Woolworths** – like-for-like sales in its high street stores fell by 1.3% in the year to January 2005. These trading problems have subsequently delayed its programme to refit 50 more high street stores, in addition to the 48 already completed.
 - **Topps Tiles** – the country's biggest ceramic tiles retailer experienced a 2-3% fall in like-for-like sales in March 2005. This impacted on the company's profits and resulted in a 23% fall in its share prices overnight (equivalent to £114 million).
 - **Comet** – despite a 3.9% increase in like-for-like sales in the year to January 2005, Comet announced in March 2005 that it was set for its first sales slowdown in six years.
 - **Next** – despite full-year sales rising by 13% at the end of January 2005, Next announced in March 2005 that like-for-like sales had since fallen by 0.9%. During 2004, Next added a net 44,871 sq.m to its trading space, increasing the total by 17% to 309,078 sq.m⁷. Despite tough trading conditions Next still plans to open an extra 74,300 sq.m (800,000 sq.ft) of trading space in 2005 which will increase the size of its portfolio by 24%. The most significant feature of Next's expansion is the increase in the average size of its stores. As **Table 4.1** shows, it is now opening more stores over 465 sq.m (5,000 sq.ft).

⁵ Retailfreeview – Verdict Research (25 October 2005)

⁶ Source: The Times (24 March 2005, p.55)

⁷ Source: Next Annual Reports and Accounts (January 2005)

Table 4.1: Next - Number of Stores by Average Size (2003 – 2005)			
Store size (sq.m)	Number of stores		
	2005	2004	2003
Less than 465	152	166	182
465 – 929	112	99	96
929 – 1,394	61	45	34
1,394 – 1,858	29	25	19
Greater than 1,858	30	23	13
Total	384	358	344

Source: Next Annual Report & Accounts – January 2005

- 9.13 Nevertheless, despite this more pessimistic outlook for the retail sector, the evidence suggests that demand for space in prime town and city centre locations is still relatively strong (as indicated by Next's expansion programme).
- 9.14 We have identified the following key sectors that are driving demand for space at the national and regional level, and we comment on how this is broadly being manifested within the PUSH sub-region.
- (i) Department and Variety Stores*
- 9.15 Although analysts argue that the mixed goods profile of department stores should help to insulate this sector against any major downturn in retail spending, Allders was forced into administration in early 2005 and part of its portfolio was sold to other major retailers, including British Home Stores (Bhs), Debenhams and Primark.
- 9.16 Nevertheless, some major department store operators, such as The John Lewis Partnership, are still actively targeting selected town and city centres for expansion. It is planning a further ten new department stores in the UK. Within the PUSH sub-region the John Lewis Partnership has representation in Southampton and Southsea. However, the latter will close in light of the proposed development of the Northern Quarter (former Tricorn Centre) site in Portsmouth.
- 9.17 Other key operators are also looking at medium-sized centres. For example, Debenhams currently has 104 stores, with plans for an additional 20 stores by 2008. We understand that Debenhams is also looking to open a number of smaller format 'Desire' stores of 2,323 sq.m – 3,252 sq.m (c.25,000 – 35,000 sq.ft) in town and city centres that cannot support a full sized store. It is to open up to 130 Desire stores and has trialled this format in Truro, Cornwall and South Shields and has one in Orpington opening by Christmas 2005. These stores will inevitably be in places where physical development constraints exist, but where there is a sizeable catchment and demand for a department store. These stores are unique in that they are female-only department stores and as of November 2005 were delivering 30% more sales than expected⁸.
- 9.18 Similarly Bhs aims to increase its store space in 2005 by up to 9% increasing its estate to more than c.418,000 sq.m⁹. Bhs is already buying six former Littlewoods stores from Primark.

⁸ The Guardian 11/11/05 (pg 29)

⁹ Source: Egi 16/11/05

- 9.19 Department store operators seeking representation or relocation within the PUSH sub-region include:
- Desire by Debenhams in Southampton, Fareham and Havant.
 - House of Fraser in Southampton.
 - TJ Hughes in Southampton & Portsmouth.
- 9.20 Only one multiple variety store operator, namely Argos, is seeking representation in the sub-region within Portsmouth and Southsea.
- (ii) Fashion Retailing*
- 9.21 Modern multiple fashion retailers generally have requirements for larger unit sizes, as it allows them greater flexibility to display a wider range of goods in a more customer-friendly environment. A number of established retailers in this sector have significant expansion plans up to 2006. For example:
- **Next** is predominantly looking for larger units, similar to its 4,000 sq.m anchor store in the remodelled Arndale Centre in Manchester. Over the last year, much of Next's profitable new space has come from retail parks on the edge of, or out of, centre¹⁰. This is despite current concerns of a challenging retail environment.
 - **Arcadia Group** is also reportedly targeting an additional c.46,500 sq.m of new shop space, on top of its existing 2,000+ stores in the UK. Arcadia has also identified 60 potential new sites for the Top Shop format. The spin-off fascia Top Shop Shoes is to be expanded after its successful pilot in Manchester.
- 9.22 Other high street stores with expansion plans in the fashion sector include H&M, Monsoon, Mango and Zara. They are all generally looking for larger footprints in order to capture higher market shares. However, much of this growth will be concentrated in Britain's 'top 100 – 200' centres, and there appears to be limited demand for representation in smaller rural, market and coastal towns. Within the PUSH sub-region there is a full complement of representation from fashion retailers including (amongst others):
- **Southampton:** Marks & Spencer, BhS, Debenhams.
 - **Portsmouth:** Marks & Spencer, BhS, Debenhams, H&M.
 - **Eastleigh:** Dorothy Perkins, Top Shop.
 - **Fareham:** Marks & Spencer, BhS, Top Shop.
 - **Gosport:** Dorothy Perkins.
 - **Havant:** none.
 - **Southsea:** Debenhams, Knight and Lee.
- 9.23 The identified requirements from fashion retailers for representation in the PUSH sub-region are in Southampton and Portsmouth reflecting the catchment area of these centres:
- **Southampton:** Espirit, Levis Strauss, Uniqlo.
 - **Portsmouth:** Zara.

¹⁰ Source: Next Annual Reports and Accounts (January 2005)

(iii) Value Fashion Retailing

- 9.24 A significant trend on the high street over recent years has been the increased polarisation in the retail market between the more expensive brands at one end of the spectrum and the value/discount clothing retailers at the other. Research shows that the value-fashion retailers (such as Matalan and TK Maxx) have doubled their market share of the clothing sector between 1995–2001, and strong growth is forecast up to 2006. Matalan, which had previously concentrated on out-of-centre locations, is currently targeting town centre sites due to the stricter planning policy climate.
- 9.25 The smaller value-fashion specialists (such as Primark and Peacocks) are also looking at low-cost city centre sites, market towns and secondary shopping centres in large urban areas, where overheads are relatively low. New players are also opening on the high street. The most high profile example is ‘George’ (at Asda), which is looking to increase its market share by opening stores on the high street and out-of-centre. As a reaction to this growth, middle-market operators are segmenting their offer further to provide either more up-market own-brands (such as Per Una in Marks & Spencer), or more heavily discounted offers within stores (such as in New Look).
- 9.26 Value fashion seeking representation in the PUSH sub-region include:
- **Southampton:** Matalan, TK Maxx, Officers Club.
 - **Portsmouth:** Edinburgh Woolen Mill, TK Maxx, Peacocks, Claire’s Accessories.
 - **Eastleigh:** TK Maxx, Ponden Mill, Edinburgh Woolen Mill.
 - **Fareham:** Edinburgh Woolen Mill, Matalan, TK Maxx, Scholl, Ponden Mill.
 - **Gosport:** Claire’s Accessories, Matalan, Ponden Mill.
 - **Havant:** Bon Marche.
 - **Southsea:** Edinburgh Woolen Mill.

(iv) Other Retail Operators

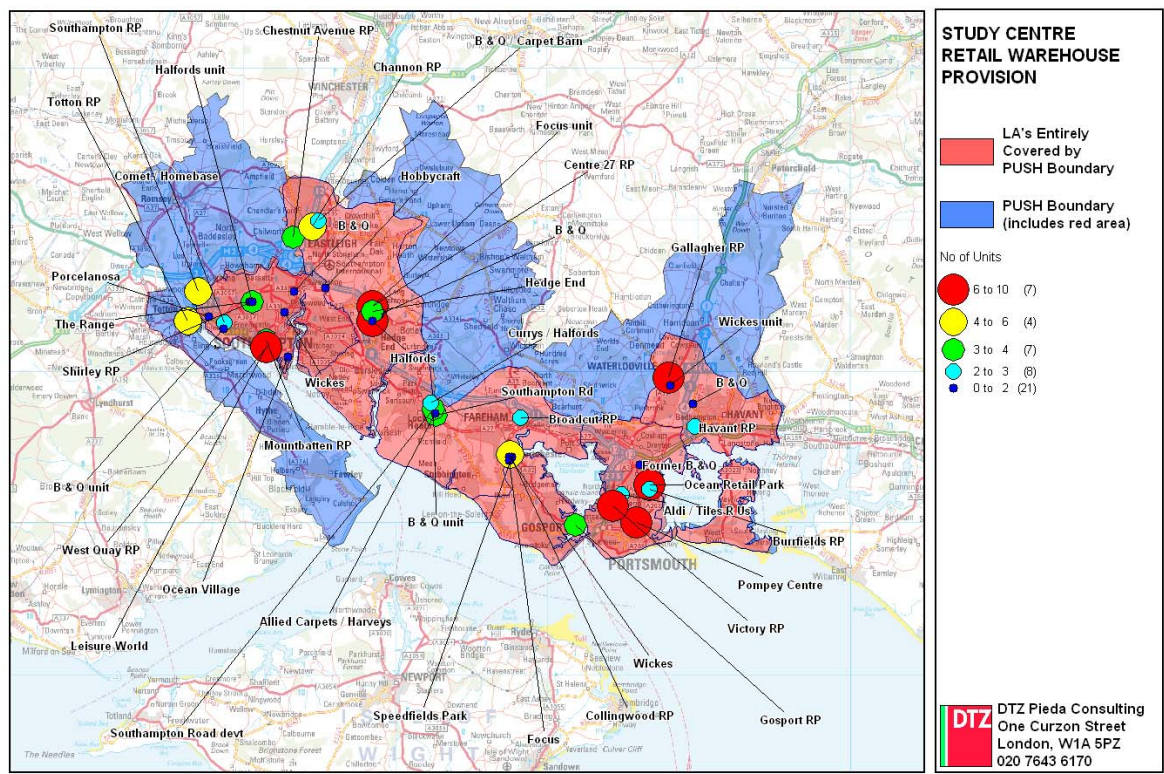
- 9.27 Our review of retailer requirements from other comparison goods retailers include:
- **Southampton:** Decathlon, Superdrug, Lakeland, Field & Trek.
 - **Portsmouth:** Robert Dyas, Superdrug.
 - **Eastleigh:** Gamestation, The Works.
 - **Fareham:** Gamestation, Warren James Jewellery, The Stationery Box, The Works.
 - **Gosport:** Cook & Wash, Savers Health & Beauty, Superdrug.
 - **Havant:** The Carphone Warehouse, Cook & Wash, Halfords.
 - **Southsea:** Millets, Savers Health & Beauty, The Works.

3. Comparison Goods Retailers - Market Demand for Out-of-Centre Retailing

9.28 Despite the slowdown in new retail warehouse development due to the tightening of the planning system, research shows that approximately 280,000 sq.m of floorspace will be developed in out-of-centre and edge-of-centre locations in 2004/05¹¹. Demand for retail warehouse units and retail park locations remains strong, mainly because they offer large unit sizes, lower cost premises and are generally served by free car parking. The top three retailers, in terms of trading space on retail parks are B&Q, Homebase and Currys.

9.29 **Figure 9.4** shows the extent of out-of-centre retailing in the PUSH area. These major shopping destinations are primarily situated in close proximity to the main regional road arteries and subsequently serve both the PUSH residents and those from a wider catchment area.

Figure 9.4: Out-of-Centre Provision



Basemap © MapInfo © Batholomew 2000

9.30 These retail destinations compete directly with the PUSH centres for trade and the principal schemes are:

- **Hedge End** – situated within the Southampton sub-region and is anchored by two large anchor stores, Sainsbury's and Marks & Spencer. It provides for both comparison and convenience shopping in one linked trip. In terms of accessibility, the centre is conveniently located at Junction 7 of the M27 motorway, Hedge End, about five miles south-east of Eastleigh. The complex provides free dedicated car parking.

¹¹ Source: The Times (19th June 2004)

- **Gunwharf Quays** - A major mixed-use regeneration scheme and retail destination clustered round the original harbour in the Portsmouth conurbation. Its total size is approximately 100,000 sq.m and comprises a variety of factory outlet centre shops, residential uses, a marina, hotels, a cinema, restaurants and bars, together with associated amenities. The retail function comprises 17,200 sq.m of floorspace and the key occupiers include Marks & Spencer, Calvin Klein, Paul Smith, Monsoon, Bally, Fat Face, Speedo and Fred Perry.
 - **Whiteley Village** – This is a factory outlet centre comprising c. 15,000 sq.m of retail floorspace. The key fashion operators include Jaeger, Pringle, Joseph, Moss Bros, Petroleum, Cotton Traders, Pilot, Sisley, Elle, Joseph, Jigsaw, Puma, High & Mighty and Marlboro Classics. Other operators with representation include Lillywhites, Samsonite and Starbucks.
- 9.31 In terms of investment performance, the retail warehouse sub-sector has out-performed the rest of retail property (including department stores, variety stores, supermarkets and other retail) over the last 23 years (and particularly during the last decade). One of the main driving forces behind the strong growth has been high consumer spending on household and durable goods.
- 9.32 Thus, despite the tighter planning restrictions, developers and occupiers are still pushing ahead with applications and development to try and meet the high levels of demand. The key retailers driving demand in the out-of-centre retail warehouse market are briefly described below:
- (i) DIY and Hardware*
- 9.33 This has been the best performing sector over recent years and analysts predict that growth will remain strong during 2005, as it is argued that any falling confidence in the housing market will result in fewer transactions and more people investing in their homes. This is also the most consolidated ‘out-of-centre’ sector and is dominated by just four key players – B&Q, Focus, Wickes and Homebase. All the DIY operators are rolling out larger ‘category-killer’ stores as well as smaller stores, targeted at edge-of-centre and even town centre locations. They are also introducing ‘mezzanine’ floors in some stores as a means of extending the floorspace, often without the need for planning permission. The government is moving to close this ‘loophole’ and a consultation paper was published in March 2005, which proposed that planning permission should be required for mezzanine floors over 200 sq.m. It is expected that this legislation will come into force in early 2006.
- 9.34 Within the PUSH centres there is no requirement from the major DIY operators. This is a reflection of the good provision in the sub-region as shown in **Figure 9.3**. The only requirement identified is for a Robert Dyas hardware store in Portsmouth.
- (ii) Electrical goods*
- 9.35 The constant stream of new products, innovations and technology has fuelled the growth of this sector over recent years - such as digital/plasma televisions, third-generation mobile phones, cheaper computers/laptops and MP3 players. It is expected that PC demand will also increase with the wider usage of broadband and digital photography, particularly as prices are set to fall.

- 9.36 However all the major retailers – Dixons/Currys Group and Comet – are facing severe competition from non-traditional retailers such as supermarkets and the internet, and are reviewing their current portfolio of stores. For example, Dixons announced in 2004 that it will reduce its high street presence by two-thirds over the next ten years. It plans to close over 100 of its smaller high street stores and open new Dixons XL format (larger stores of between 929 sq.m – 2,787 sq.m) in edge-of-centre locations. Nevertheless, the withdrawal of Dixons from smaller towns and high streets is creating opportunities for other retailers, such as Robert Dyas.
- 9.37 Our analysis shows that Panasonic is the only operator from the electrical sector seeking representation within the sub-region.

(iii) Furniture and Carpets Sector

- 9.38 Analysts also predict strong growth for this sector over the next five years. However, the market leaders – MFI, Ikea, DFS and Courts – are facing increased competition from other retailers (particularly department and variety stores) leading to increased consolidation. Both MFI and Ikea are looking to expand both their out-of-centre store portfolio (such as the new Ikea in Edmonton, North London), whilst also looking to develop in-centre, multi-storey stores where sites and parking are available. In Coventry, a 24,000 sq.m Ikea store designed over four floors and with 900 car parking spaces underneath, on a former Co-Op store was recently approved by a planning committee and will now be referred to the ODPM for final approval¹². Allied Carpets is also planning a return to the high street and has targeted locations across the UK.
- 9.39 This sector is one of the most cyclical of all and, with consumer spending growth slowing in the face of rising interest rates, it may experience more difficult trading conditions in the short-term. Nevertheless, new entrants in this sector include Danish furniture retailer ILVA, which plans to open 20 new stores across the UK over the next decade. As part of this expansion it purchased the failed Marks & Spencer ‘Lifestore’ in Gateshead in January 2005.
- 9.40 Within the sub-region there is very good representation of multiple furniture retailers including:
- **Southampton:** Allied Carpets, Furniture Village, Scs, Carpetright, MFI.
 - **Portsmouth:** MFI, Haskers, Carpetright, Allied Carpets, Harveys, Dreams, Roseby’s.
 - **Eastleigh:** Magnet, Carpetright, Courts, Furnitureland, Harveys, Kingsbury.
 - **Fareham:** Bed-e-buys, Furniture Express, Harveys, Haskers, Flooring Depot, Tiles R Us, Allied Carpets, Carpetright.
 - **Gosport:** None.
 - **Havant:** Carpetright, Focus DIY.
 - **Southsea:** John Lewis, Classic Pine Furniture.

¹² Planning Magazine 11th November 2005 ‘Coventry Ikea indicates high street course’

9.41 With this good representation, our analysis has only identified three requirements from multiple furniture and carpet retailers for representation in the sub-region, namely:

- **Southampton:** Lombok.
- **Portsmouth:** The Pier, Dreams.

(iv) Other Retailers

9.42 A new wave of national multiple retailers, which have been traditionally associated with high street locations, are also looking to expand in out-of-centre locations in order to reach new customers and increase market share. Despite the tighter planning restrictions, operators who are currently targeting larger stores in out-of-centre locations include Next, Early Learning Centre, Borders, HMV, Boots, Mothercare, Arcadia Group and Clinton Cards. In certain locations this could mean that existing smaller town centre stores are vulnerable to closure.

9.43 The strength of demand from retailers for space in out-of-centre locations, coupled with a continuing shortage of new supply, has resulted in above average rental growth in the retail warehouse sector. This, in turn, has placed pressure on other retail sectors that have been unable to generate the level of sales densities required to sustain these higher rents. Recent casualties include value/discount retailers such as Brunswick Shoes, Textile World and What Everyone Wants, all of whom have been put into administration. Woolworths also plan to reduce its underperforming portfolio of out-of-centre 'Big W' stores. These stores represented more than 130,000 sq.m of selling space, of which almost 60% had open A1 consent. Of the original 24 stores, eleven have been sold or reduced in size. It has been reported¹³ that the remaining 13 stores are unlikely to be sold but would be cut down to fit with the other successful out-of-centre stores of about 3,716 sq.m (40,000 sq.ft). Nevertheless, we understand that there is a queue of retailers ready to purchase some of these stores, including Next, Matalan, Asda, TK Maxx, Wickes, Boots, Tesco, TJ Hughes, PC World and Currys.

9.44 In summary, the out-of-centre retail market has evolved from low-cost and narrow-margin formats, to higher cost and wider-margin structures, similar to those on the high street. As planning permission becomes increasingly harder to obtain, so developers, investors and retailers have to be more innovative and flexible about how they extend their businesses. As a result a new generation of retail parks and stores are emerging that are very different from earlier developments. Operators are increasingly looking to add value to their retail offer, rather than simply 'pile-it-high and sell-it-cheap'. For example, retailers are experimenting with leisure and A3 uses, often by introducing mezzanines into existing stores, and landlords are also looking to invest and asset manage their portfolios of retail parks through improved design, branding and tenant mix strategies.

4. The Growth of E-commerce and the Potential Impact on Market Demand

9.45 Over the last five years the growth of the internet has had a significant impact on the way people live, work and shop. Not surprisingly there are many different views and forecasts as to the potential impact of the internet and 'e-commerce' (or 'e-tailing') on shopping and leisure patterns. In broad terms recent research indicates that:

¹³ Financial Times 24/03/05

- the UK home shopping market is the second largest in Europe behind Germany¹⁴.
- according to a recent study by IBM and The Economist, the UK is now the biggest e-commerce market in Europe.
- consumer confidence in online retailers has risen with increasing familiarity of the internet, the spread of broadband technology and confidence in using online payment facilities.
- the ease of comparing the price of goods and services has also led sales to soar.

9.46 Although it is clear that internet-based shopping will increasingly impact upon town centres, it is difficult to forecast the likely scale and focus of this impact on Britain's high street. The research evidence seems to indicate that, over the short to medium-term, the future of the high street is not under significant pressure. The reasoning is that the internet cannot fulfil the leisure and social needs of retailing and therefore its impact is unlikely to threaten the future of town centres. The ODPM Property Advisory Group (PAG, 2001) has looked at the likely impact on the retail offer in different types of urban areas and suggested that¹⁵:

- **Outer London and the South East** - attractive and larger towns will do better than more ordinary towns and generally better than northern towns, because of their greater influence.
- **Metropolitan areas (excluding the South East)** - they offer better choice, so should be less badly affected than smaller towns.
- **Towns outside the South East** - could lose trade to larger towns, unless they have other attractions, such as a pleasant environment.
- **Country towns** - could find e-commerce particularly attractive, although they probably have more of a convenience role, which could be less affected.

9.47 Thus, although e-commerce may not pose an immediate threat to the economic viability of many small centres, it is likely to be increasingly relevant over the long-term, although in different ways depending on the characteristics and attractions of particular centres. In the case of the PUSH sub-region centres, many of the centres will be able to meet the potential threat of e-commerce to their future vitality and viability, as they primarily function as local centres serving the needs of their immediate catchment.

9.48 Nevertheless, in a rapidly changing marketplace it is increasingly important to plan for potential change in the retail and leisure sectors. Thus the better managed and marketed the centre is, the less vulnerable it will be to the growth of the internet. The best way to ensure against any impact is to offer a range of complementary, non-retail attractions. Smaller and medium-sized centres, that offer a high level of convenient shopping facilities, supported by niche goods, leisure and tourist attractions are likely to be more resilient to these technological changes. Inevitably, there will be increasing polarisation of prime and secondary property within centres and between towns. Therefore, centres need to diversify their role in order to be resilient to changing future circumstances.

¹⁴ Source: Mintel - Ibid. (March 2005)

¹⁵ As referred to in BCSC (2004) *'The Smaller Towns Report'*.

9.49 In conclusion, it is hard to accurately forecast the extent to which ‘e-commerce’ will impact on the high street and market demand. Nevertheless, it has already impacted on the business strategies of key retailers and sectors, and in certain cases this has manifested itself on the high street by speeding up the trend towards the closure of banks, travel agencies and post offices. For example, over the last decade Britain has lost over one-quarter of its high street bank branches, due principally to the rise of telephone and internet banking, along with the increase in ATMs (and branch-less banks). The closure of banks and post offices in smaller urban and rural centres can have an adverse impact on their overall vitality and viability, as they are significant generators of day-to-day footfall leading to ‘spin-off’ benefits for other shops and facilities.

9.50 Planning and managing change on the high street due to the impact of the internet and new technological advances represents a major challenge to all centres in the future. The role of town centre management will become ever important, as it will be necessary to build even closer partnerships between key stakeholders to meet the challenges ahead and to identify opportunities for using the new technology to promote and market centres in more innovative ways.

Summary

9.51 The retail sector has experienced some profound changes over recent years. The mix of social and economic conditions which prevailed in the 1980s has triggered the arrival of a much more mobile and discerning consumer seeking not just value for money, but also increased choice in terms of goods, shopping and leisure environments and experiences.

9.52 These conditions continue to impact on the nature and location of today’s retail and leisure provision. Consumer loyalty has become a vital ingredient in the success of town centres. Increasingly, town centres have to be able to fulfil the role of destination shopping and entertainment locations. This means providing a wide range of retail and leisure facilities, which are able to attract and retain the interest of the entire family. In return, such schemes benefit not only from much wider catchment areas, but also increased footfall, spend and substantially longer shopping trips. At the same time, this meets the government’s objectives of sustainable communities and sustainable development in thriving town and city centres.

9.53 It is evident, however, that whilst town centre development has increased over the last twenty years, the successive waves of out-of-centre investment have squeezed the market share of the traditional high street. There is also growing evidence of polarisation between centres in regions, with the larger more dominant centres benefiting from increased investment, as well as between prime and secondary/tertiary locations on the high street. As a result, the larger cities and towns have continued to outperform the smaller and medium-sized centres in terms of average rental growth and market demand.

9.54 Our research shows that there is a good level of demand from retailers for representation in the PUSH sub-region. The headlines are as follows:

- high end fashion demand is primarily in the larger centres of Southampton and Portsmouth.
- there is a good demand from department store operators. This being led by the smaller scale department store formats (such as Desire by Debenhams).
- the demand from the value fashion retailers is spread across all the PUSH centres and is diverse mix ranging from TK Maxx, Matalan to the Edinburgh Woolen Mill.

- there is currently a low demand from out-of-centre retailers in the PUSH sub-region. This could be accounted by the existing large scale provision of large national multiple retailers (food and non-food) at locations such as Channon Retail Park and Hedge End in Eastleigh, Victory Retail Park and Ocean Retail Park in Portsmouth, Winchester Road in Southampton and Hambledon Retail Park in Havant.
- 9.55 Whilst our research has shown a low demand from primarily out-of-centre retailers, in the context of PPS6 and the sequential approach (*paras.* 3.13 – 3.19), our advice is that any future proposal/developer should demonstrate that, in seeking to find a site in or on the edge of existing centres, they have been flexible about their proposed business model in terms of the scale and format of the development; car parking provision; and the scope for disaggregation (PPS6: *paras.* 3.17 –3.18).
- 9.56 The purpose of this exercise is, according to PPS6, to explore the possibility of enabling the development to fit onto more central sites by reducing its overall footprint. In this context, this section has demonstrated that the larger food retailers are rolling out smaller store formats in town centre locations (e.g. Tesco Metro and Express stores). At the same time, discount food retailers, such as Aldi, sell a much more limited range of food products than would be available in a larger food superstore. They do not offer facilities that may be found in smaller centres, such as a butcher, baker or fishmonger, and non-retail facilities such as dry cleaning, pharmacy or a post office. In addition, the discount food retailers' operating hours are not usually as long as those of superstores, as they are not normally open on Sundays and do not have late night opening. As such, there could be more of a role for their presence within secondary centres and shopping areas, to complement existing convenience outlets, where these continue to exist.
- 9.57 The emergence of 'e-commerce' over recent years also represents a major challenge to the future vitality and viability of the high street. Town centres will increasingly need to adapt and diversify their roles and activities to differentiate themselves from the 'physical' and 'virtual' competition. Although it is still too early to predict the potential implications for market demand, it is clear that it is impacting on a number of key sectors, such as books, music and travel agents.

10 Retailing in the PUSH Sub-Region: The need for growth

- 10.01 One of the key aims of this study is to assess, in broad terms, the capacity for new retail facilities in the PUSH sub-region. This section summarises our broad quantitative assessment of the potential economic capacity for comparison goods retailing in the PUSH sub-region up to 2011, 2016, 2021 and 2026.
- 10.02 DTZ has developed the *Re:Map* model specifically to forecast the potential capacity for new retail floorspace. *DTZ Re:Map* is based on a conventional manual step-by-step approach which is both transparent and robust, in accordance with advice set out in PPS6. Its main advantage over other approaches is that the sensitivity of the key assumptions can be tested at all stages in the analysis.
- 10.03 We have produced a range of capacity forecasts based on different projections of potential spend growth and turnover efficiency. In each case we describe the methodologies and key assumptions underpinning our capacity assessments, as well as the caveats involved in forecasting trends and growth over a long-term period.
- 10.04 Please note our residual spend capacity forecasts are for the main PUSH centres only (i.e. Southampton, Portsmouth, Fareham, Eastleigh, Havant, Gosport and Southsea), as identified in the brief and our scoping paper. We also model the residual spend growth derived from other “non-town centre” retail floorspace (including large format stores in out-of-centre locations and retail warehousing). Therefore, it is important to note that a small proportion of residual spend growth and floorspace capacity available to other town and district centres in the PUSH sub-region (such as Waterlooville, Locks Heath and Portchester) up to 2026 has not been identified by our capacity assessments.
- 10.05 The advantage of the *DTZ Re:Map* model over other approaches lies in the fact that we are able to analyse the relative robustness of the market share assumptions through a series of sensitivity tests. In this case the outputs of the model, namely turnover potential (**Stage 5**) and average sales densities (**Stage 6**), provide a critical test of the market share assumptions. If adjustments are necessary, then by a process of iteration we are able to arrive at more robust and realistic market share levels.
- 10.06 It is important to emphasise that there is no one simple or single solution to quantifying capacity. Therefore, in order to test the sensitivity of the outputs of the *DTZ Re:Map* model to critical changes in the key inputs (such as population and expenditure growth, as well as turnover ‘efficiency’ rates), we normally model different capacity scenarios for comparison shopping.
- 10.07 DTZ has developed the *Re:Map* model specifically to forecast the potential capacity for (and impact of) new retail and leisure floorspace. The model is based on a conventional manual step-by-step approach and is both transparent and robust, in accordance with policy advice. Its main advantage over other approaches is that the sensitivity of the key inputs and forecasts can be tested at all stages in the analysis.
- 10.08 In the context of PPS6 we necessarily assume that all the forecast capacity should be accommodated in town centres “first”, including any potential capacity and demand for ‘larger store’ formats (including retail warehousing). This approach is in accordance with the sequential approach to site selection. PPS6 states that only where there are no suitable and viable sites or redevelopment opportunities in existing centres, should edge-of-centre locations be considered, followed (lastly) by out-of-centre locations.

10.09 In order to produce robust forecasts of residual spend and floorspace capacity up to 2026, we have tested the impact of the following growth scenarios on the outputs of the model.

Table 10.1 PUSH Sub-Region: Comparison goods retail capacity assessment, 2005 – 2026 Scenario Testing – Key Assumptions				
	Spend Growth (per annum)	'Efficiency' Growth (per annum)	Constant Market Shares	Average turnover of new retailing (per sq.metre)
Scenario 1(a):	+3.8%	1%	√	£4,000 / £6,000
Scenario 1(b):	+4.8%	1%	√	£4,000 / £6,000
Scenario 2(a):	+3.8%	2%	√	£4,000 / £6,000
Scenario 2(b):	+4.8%	2%	√	£4,000 / £6,000

Source: Appedices 21-24

10.10 As **Table 10.1** shows our capacity forecasts are based on constant market shares over the forecast period. However, we accept that this may not necessarily reflect commercial reality, as new investment and development in centres (such as Market Quay in Fareham and the proposed 'Northern Quarter' redevelopment in Portsmouth for example) could result in increased market shares across the PUSH area and a higher trade draw from beyond the sub-region. In turn, this will lead to an increase in the residual spend and floorspace capacity available to these centres.

10.11 The main assumptions underpinning these scenarios and each stage of our capacity assessment are briefly described below:

- **Study Area:** For the purpose of our assessment we have divided the PUSH sub-region into a 'core' and 'outer' area (see **Figure 1.1**). The red 'core' area comprises the six main local authorities of Southampton, Portsmouth, Fareham, Eastleigh, Gosport and Havant. The blue 'outer' area comprises the rest of the PUSH sub-region. We take account of spend derived by centres from outside the PUSH sub-region in our trade draw estimates (**Stage 4** of the *Re:Map* model).
- **Constant market share and trade draw levels:** Our growth and capacity scenarios assume that the market shares of all the centres and stores modelled will remain constant over the forecast period from 2005 – 2026. We nevertheless accept that significant new investment and development in some centres (e.g. Portsmouth) could increase market share and trade draw levels over a period of time. This could therefore, generate more potential residual spend and capacity up to 2026.
- **'Equilibrium' trading conditions** – We necessarily assume that all existing floorspace and retail businesses are trading at 'equilibrium' at the base year. In other words, existing centres and stores are assumed to be achieving average turnover to floorspace levels in line with the national company and centre averages. We believe this is a reasonable and robust baseline assumption, as there is no published information on the changing turnover performance of Britain's cities and towns over time, or individual foodstores and shops. As a result we are unable to accurately identify whether businesses are 'under-trading' or 'over-trading'. In this context, we therefore necessarily assume that there is no residual ('pent-up') convenience or comparison goods expenditure available to support new floorspace in 2005. However, we do recognise that some centres and stores in the PUSH sub-region may

be ‘over-trading’ (or ‘under-trading’) and we therefore do set out our high level view as to whether stores and centres in the core area are broadly in ‘equilibrium’ at 2005.

- **Turnover ‘efficiency’ growth:** We assume a proportion of the forecast growth in average spend will be allocated to existing floorspace and businesses to allow for their increased turnover ‘efficiency’ in order to maintain and enhance the overall vitality and viability of existing centres. This is a standard approach used in retail planning studies and is supported by the revised PPS6 which advocates the use of a “...*realistic assessment of forecast improvements in productivity in the use of floorspace*” (paragraph 2.34). This ‘efficiency’ or ‘productivity’ growth represents the ability of retailers to absorb real increases in their costs (e.g. rents) by increasing their turnover to floorspace ratios. However, PPS6 does not provide specific guidance on what are realistic and robust growth rates for food and non-food retailing. Therefore, for comparison goods retailing we test a ‘higher’ and ‘lower’ annual floorspace ‘efficiency’ growth rate of +1.0% and +2.0% respectively.

STAGE 1: Population and Spend forecasts (Stage 1)

Population projections

10.12 The population estimates at 2001 are derived from our in-house MapInfo Geographic Information System (GIS) dataset. Our forecasts of potential population growth up to 2026 have been sourced from Hampshire County Council. These forecasts take into account the plans for additional housing growth in South Hampshire and specifically the proposed Strategic Development Areas (see **Table 10.2**):

Table 10.2							
Population projections (2005 – 2026)							
	Total Population						Growth (%)
	2001	2005	2011	2016	2021	2026	2005 - 2026
CORE AREA:							
Eastleigh Borough	116,276	119,709	125,048	129,680	134,483	139,464	+16.5%
Fareham Borough	107,808	110,463	114,568	118,105	121,751	125,510	+13.6%
Gosport Borough	76,004	75,974	75,928	75,890	75,852	75,814	-0.2%
Havant Borough	116,814	117,470	118,460	119,291	120,129	120,972	+3.0%
Portsmouth City	186,479	189,028	192,917	196,219	199,578	202,994	+7.4%
Southampton City	217,497	218,107	219,024	219,792	220,562	221,335	+1.5%
TOTAL ‘CORE’ AREA:	820,878	830,749	845,945	858,977	872,355	886,089	+6.7%
TOTAL PUSH SUB-REGION:	982,907	996,900	1,018,477	1,037,012	1,056,069	1,075,663	+7.9%

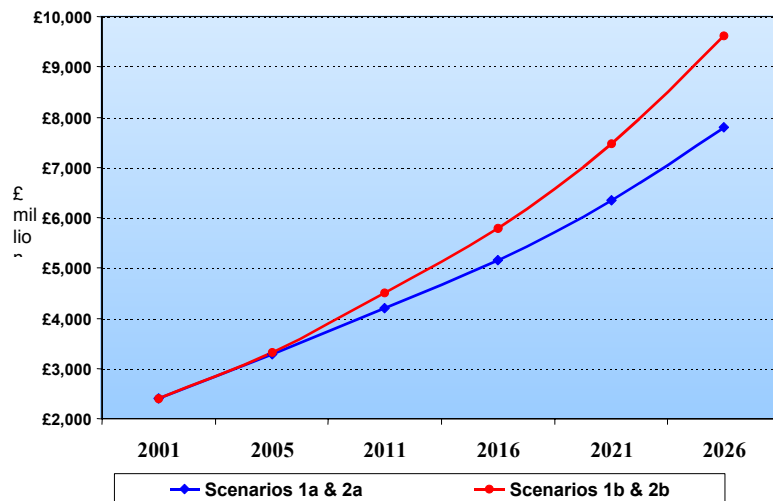
Source: Appendices 21-24. Stage 1

Spend (Expenditure growth) projections

10.13 We have used a ‘goods-based’ approach (rather than the ‘business-based’ approach) to determine average spend levels at 2001 and growth up to 2026, in accordance with the advice set out in PPS6 (para. 3.10). For comparison goods retailing we have applied a ‘lower’ (+3.8% per annum) and ‘higher’ (+4.8% per annum) spend projection to test the sensitivity of the capacity forecasts to different growth rates. These spend projections are derived from the “ultra long” and “long term” national trends set out in MapInfo Brief 05/02 “*Goods based retail expenditure estimates and price indices*” (September 2005).

10.14 **Figure 10.1** illustrates the significant growth in available spend up to 2026. The lower growth scenario (+3.8% per annum) results in a total spend growth of +137% between 2005 and 2026 and the higher growth scenario (+4.8% per annum) results in a total growth of +190% for the PUSH area. In both cases the highest growth is forecast for Eastleigh and Fareham Boroughs and the lowest growth is for Gosport Borough. This reflects the plans for housing growth and different population forecasts set out in **Table 10.1** above.

Figure 10.1: Forecasts of total available spend in PUSH



Source: Appendices 21-24, Stage 1

STAGE 2: Retail Floorspace Stock and Commitments

- 10.15 We estimate that there is c.253,000 sq.m net of comparison goods retailing in the seven main study centres at 2005 (as agreed with PUSH, see Appendix 25). According to our estimates, there is a similar quantum of non-town centre retailing (211,000 sq.m net, Appendix 26). This reflects the significant growth in the out-of-centre market over the last 10-15 years.
- 10.16 Significantly, Southampton city centre's comparison goods floorspace stock (c.109,000 sq.m net) is currently more than double Portsmouth's offer (c.47,500 sq.m). However the proposed redevelopment of the 'Northern Quarter' area (the former Tricorn Centre site) by Centros Miller will help to raise the quantity and quality of the city centre's retail offer up to 2011 and beyond. In our opinion, the 'Northern Quarter' redevelopment will also increase Portsmouth's overall market share of spend in the PUSH area and its trade draw from beyond, which will, in turn, increase the forecast capacity for new retailing over the longer term.
- 10.17 In terms of new commitments, (the most significant schemes with planning permission and/or under construction) are detailed in Appendices 27 and 28. This shows that there is some 17,170 sq.m committed in the main PUSH town centres, with almost an equal amount (17,230 sq.m) committed out of town.

STAGE 3: Market Share Estimates

- 10.18 **Stage 3** sets out our estimates of the share of available comparison spend which is currently being attracted to existing centres and stores in the PUSH sub-region. This stage of DTZ *Re:Map* drives our assessment of the total turnover (**Stage 5**) and average sales densities (**Stage 6**) of existing comparison goods floorspace in the region, as well as the potential capacity for new floorspace over the forecast period (**Stage 7**).
- 10.19 Market share¹ estimates are one of the key inputs to the *Re:Map* model. These estimates should preferably be informed by detailed household and centre surveys conducted across the defined study area and beyond. In this case, however, a PUSH-wide comprehensive survey was not commissioned.
- 10.20 As a result we have necessarily drawn on the results of household surveys we have specifically conducted for Southampton and Eastleigh Councils as part of a separate commission, as well as the recent survey conducted by Colliers CRE to inform the updated *Portsmouth City Retail Study* (2004).
- 10.21 The results of both surveys have been ‘blended’ to provide a broad matrix of comparison goods shopping and spending patterns across the PUSH area. We have then adjusted these survey-based market shares to provide more robust and realistic potential turnover estimates at 2005 (**Stages 5/6**). These adjustments are needed for a number of reasons. For example, the surveys tend to over-estimate the attraction and market shares of larger centres/stores and they also generally under-estimate the market share of ‘special forms of trading’ (SFT), such as internet and mail order shopping.
- 10.22 Our revised market share estimates indicate that the main centres in PUSH are achieving a combined market share of c.41% across the sub-region, followed by non-town centre retailing (c.25%), other shops and stores in PUSH (c.7%) and ‘SFT’ (c.7%). We also estimate that there is a 20% ‘leakage’ of spend to other centres and stores outside the PUSH sub-region (including Winchester, Chichester and Bournemouth).

STAGE 4: Trade Draw Estimates

- 10.23 At this stage in our analysis we calculate the proportion of total estimated turnover of each centre that is drawn from outside the defined catchment area (i.e. outside the PUSH sub-region). This trade draw estimate, in combination with the market share assumptions (**Stage 3**), are the two main inputs to the DTZ *Re:Map* model and drive the assessments of retail floorspace capacity.
- 10.24 The trade draw of a centre or store from within its defined catchment areas is an output of the market share estimates (at **Stage 3**) and can be used to test whether the assumed market shares are reasonable or not. Dependent on their size, location, accessibility and quality of shopping provision, we normally assume that a certain proportion of the total estimated turnover will also be derived from beyond the catchment area.
- 10.25 The potential trade draw of centres and stores from outside the PUSH sub-region is another critical input to the *Re:Map* model. Trade draw is normally dependent on the relative size, location, accessibility and quality of shopping provision in centres and/or stores, as well the attractiveness and diversity of uses in the centre’s as a whole. We have therefore

¹ Market share is defined as the proportion of available comparison and convenience goods spending in a catchment area that is attracted to existing centres and stores

necessarily assumed that a certain proportion of the total estimated turnover of the main study centres and stores will be derived from beyond PUSH sub-region.

- 10.26 In this case we assume that the larger centres of Southampton and Portsmouth achieve the widest trade draws (15% and 10% respectively from outside the PUSH area). Conversely we assume that the smaller centres, such as Gosport and Southsea, have a more limited trade draw of c.5%. Overall our estimates indicate that c.19% of the total turnover of the main centres/stores in PUSH is derived from outside the sub-region.

STAGES 5 & 6: Total Turnover and Average Sales Densities

- 10.27 The total estimated potential turnover (**Stage 5**) and average sales densities (**Stage 6**) of existing centres and stores are key outputs of *Re:Map*. These turnover estimates also provide a critical test of the sensitivity of the model to key changes in the inputs, such as population and spend forecasts, as well as the market share and trade draw estimates.
- 10.28 As explained above, we have necessarily adjusted the market share and trade draw estimates to produce, in our opinion, more robust and realistic potential average sales densities at **Stage 6**. In order to inform this sensitivity testing, we have identified a ‘benchmark’ average turnover level for each study centre. This ‘benchmark’ is based on the findings of our centre healthchecks (which identifies their relative roles, strengths and attractions), other key datasets detailing the potential average sales densities of the main study centres (such as previous retail studies) and our own professional judgement.
- 10.29 **Table 10.3** below sets out our ‘benchmark’ average sales densities and the potential average sales densities at 2005 derived from our market share and trade draw estimates.

Table 10.3			
‘Benchmark’ and Potential Average Sales Densities (2005 – 2026)			
(£ per sq.metre)	DTZ ‘Benchmark’	2005 Potential Average Sales Density	
		Scenario 1a & 2a	Scenario 1b & 2b
Eastleigh	£5,000 - £5,250	£5,386	£5,438
Fareham	£5,250 - £5,500	£5,712	£5,767
Gosport	£3,500 - £3,750	£4,078	£4,117
Havant	£3,750 - £4,000	£4,362	£4,404
Portsmouth	£5,750 - £6,000	£6,402	£6,463
Southsea	£3,750 - £4,000	£4,064	£4,103
Southampton	£6,000 - £6,500	£6,746	£6,811
Non-Town centre retailing	£3,000 - £3,500	£4,182	£4,223
Source: Appendices 21-24, DTZ ReMap, Stage 6			

- 10.30 The table shows that our “adjusted” market share estimates result in relatively robust average turnover levels for most of the PUSH centres at the base year compared to our assumed “benchmark” ranges. This would seem to indicate that some of the centres are not necessarily at “equilibrium” and that there could, therefore, be some “pent-up” capacity available at 2005, over and above our forecasts that we set out below.

Stages 7 & 8: PUSH Sub-Region: Residual Spend and Capacity Forecasts

- 10.31 The final stages of the *Re:Map* model set out our residual spend and floorspace capacity forecasts for the PUSH sub-region as a whole at 2011, 2016, 2021 and 2026⁽²⁾. In this case the capacity forecasts are a function of the difference between the ‘**potential**’ (**Stage 5**) and ‘**derived**’ (**Stage 7**) turnover of existing centres and stores. The ‘derived’ average sales densities have been determined by constraining the growth of existing centres and stores using a turnover “efficiency” (or “productivity”) growth rate.
- 10.32 This application of an **efficiency growth rate** is a standard approach used in retail planning studies. PPS6 also advocates the use of a “...*realistic assessment of forecast improvements in productivity in the use of floorspace*” (paragraph 2.34). This growth represents the ability of retailers to absorb real increases in their costs (such as rents, rates and service charges) by increasing their average sales densities. An allowance for the increased efficiency of existing floorspace therefore effectively allows retail businesses to increase their turnover year-on-year (over and above inflation) to help them compete with new retail developments and innovations, and thereby maintain the future vitality and viability of existing centres. For the purpose of our assessment we have tested the impact of a ‘lower’ efficiency growth rate of 1% per annum (Scenarios 1a and 2a) and a ‘higher’ growth rate of 2% per annum (Scenarios 1b and 2b) on the residual spend and floorspace capacity forecasts.
- 10.33 The other key assumptions underpinning our capacity assessment at **Stages 7 and 8** are as follows:
- we assume that all the PUSH centres and stores are trading at “equilibrium” at the base year (2005), although our analysis does appear to indicate that there is some “pent-up” capacity available to some of the centres at the outset.
 - we have held the base year market shares constant over the forecast period and do not, therefore, model the potential impact of new floorspace on the market shares of the PUSH centres.
 - we assume that all the retail commitments in the pipeline will be open and trading by 2011.
 - we do not include the proposed redevelopment of the ‘Northern Quarter’ as a commitment as it did not have planning permission at the time of our assessment.
 - we assume that all the forecast comparison goods residual spend will be accommodated in town centres “first”, in accordance with the sequential approach.
 - we assume that any new comparison goods retailing in existing centres will achieve average sales densities ranging from £4,000/sq.m to £6,000/sq.m, depending on the relative quality of the floorspace and tenant mix.
 - our initial capacity forecasts assume that any residual spend growth derived from non-town centre retailing (which includes, for example, Hedge End, Chandlers Ford and other retail warehouse schemes) up to 2026 should be accommodated in town centres first, in accordance with policy.

² Please note that all our forecasts are expressed in constant 2001 prices and exclude inflation.

- however, we do accept that the market demand for, and growth of, ‘large format’ stores (including retail warehousing) will continue over the long-term, to meet retailer requirements. Consequently, we have also carried out a broad qualitative and quantitative assessment which assumes that a proportion of the forecast ‘global’ residual spend will be “taken-up” by these ‘large format’ stores. Nevertheless, we still assume that this type of retailing should be directed to town centres “first”.
- We assume a net/gross floorspace ratio for all new floorspace of 75%.

10.34 **Table 10.4** sets out our revised residual spend forecasts for the PUSH sub-region only. These forecasts deduct our estimates of the potential turnover of all new town and non-town centre commitments (**Stage 8a** of *Re:Map*) from the unadjusted residual spend forecasts (**Stage 7**).

Table 10.4				
PUSH Sub-Region: Revised Residual Spend Capacity (£ million)				
	2005 - 2011	2005 – 2016	2005 – 2021	2005 - 2026
Scenario 1(a):	£364	£919	£1,625	£2,517
Scenario 1(b):	£552	£1,351	£2,413	£3,815
Scenario 2(a):	£200	£595	£1,116	£1,797
Scenario 2(b):	£386	£1,024	£1,900	£3,088
Notes:	Scenario 1(a) = Lower spend growth (+3.8%) and lower turnover efficiency (+1.0%)			
	Scenario 1(b) = Higher spend growth (+4.8%) and lower turnover efficiency (+1.0%)			
	Scenario 2(a) = Lower spend growth (+3.%) and higher turnover efficiency (+2%)			
	Scenario 2(b) = Higher spend growth (+4.8%) and higher turnover efficiency (+2%)			

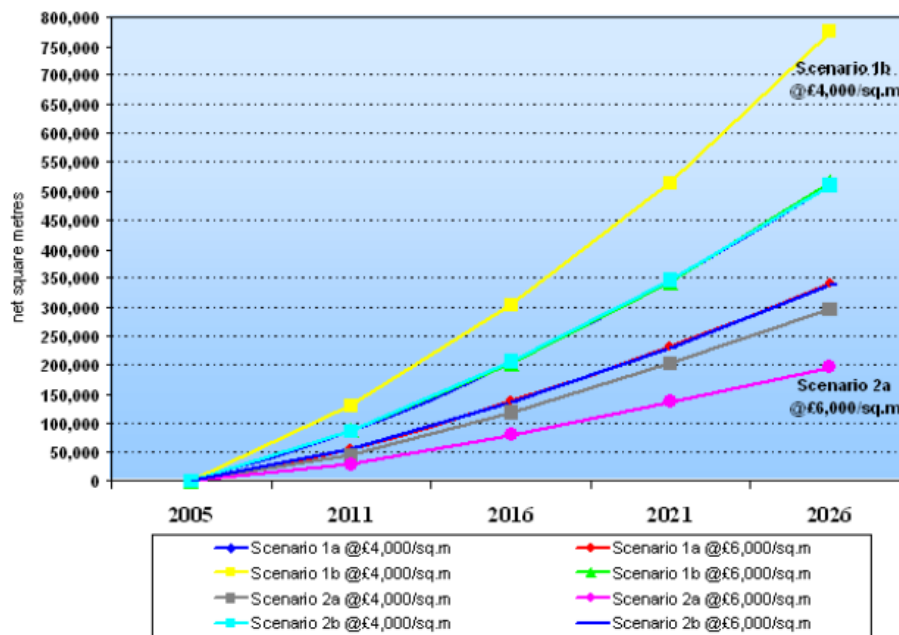
Appendices 21-24, DTZ ReMap, Stage 8a

- 10.35 To determine the equivalent net floorspace capacity we have assumed that all new modern shops and floorspace in town centre locations will achieve average sales densities of between £4,000/sq.m and £6,000/sq.m. On this basis **Table 10.5** and **Figure 10.2** below set out our (net) floorspace capacity forecasts for the PUSH sub-region as a whole.
- 10.36 The table and figure clearly show the significant forecast capacity ranges based on the different growth scenarios tested. For example, for the 2005-2011 period we forecast a potential capacity of between 29,600 – 86,700 sq.m net, assuming all new floorspace achieves an average sales level of £4,000/sq.m. This rises to 44,300 – 130,000 sq.m net over the same period based on the higher average sales level of £6,000/sq.m.
- 10.37 Scenario 1(b) clearly represents a ‘higher’ capacity forecast and Scenario 2(a) represents a ‘lower’ capacity forecast. We therefore consider that the ‘mid-range’ forecasts provided by Scenarios 1(b) and 2(b) are probably more robust over the longer term and therefore probably provide a more realistic broad assessment of potential floorspace capacity up to 2026.

Table 10.5 PUSH Sub-Region: Floorspace Capacity Forecasts (<i>net square metres</i>) Ranges based on new floorspace trading at either £4,000/sq.m or £6,000/sq.m				
	2005 – 2011	2005 – 2016	2005 – 2021	2005 - 2026
Scenario 1(a):	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
Scenario 1(b):	86,700 – 130,000	201,900 – 302,800	343,000 – 514,500	515,900 – 773,900
Scenario 2(a):	29,600 – 44,300	79,700 – 119,500	135,500 – 203,200	197,500 – 296,300
Scenario 2(b):	57,200 – 85,800	137,200 – 205,800	230,600 – 345,900	339,600 – 509,400
Notes:	Scenario 1(a) = Lower spend growth (+3.8%) and lower turnover efficiency (+1.0%) Scenario 1(b) = Higher spend growth (+4.8%) and lower turnover efficiency (+1.0%) Scenario 2(a) = Lower spend growth (+3.%) and higher turnover efficiency (+2%) Scenario 2(b) = Higher spend growth (+4.8%) and higher turnover efficiency (+2%)			

Appendices 21-24, DTZ ReMap, Stage 8b

Figure 10.2: Floorspace Capacity Ranges for PUSH Area (net sq.m)



Source: Appendices 21-24, DTZ ReMap, Stage 8b

10.38 However, it is important to restate that our capacity forecasts are based on constant market shares up to 2026. We do accept that this assumption does not necessarily reflect commercial reality, as new investment and development in centres generally results in increased market share and trade draw levels, leading to an increase in overall floorspace capacity. This is particularly relevant to the Market Quay development in Fareham and the proposed ‘Northern Quarter’ scheme in Portsmouth. We predict that the new retail floorspace in both centres will increase their respective market shares up to 2011 and beyond (to varying degrees), and that this could therefore generate additional floorspace capacity over and above our forecasts.

10.39 In the context of PPS6, and specifically the sequential approach, we advise PUSH that this new floorspace capacity should be accommodated in town centres “first”. Only where sequentially preferable opportunity sites are not available, suitable or viable in town centres will it then be necessary to consider edge-of-centre, followed by out-of-centre locations. **Section 11** sets out our broad planning and market assessment of sequential sites identified by the respective local authorities in their main town and city centres. This analysis will provide a first step in examining whether these centres have the potential sites and physical capacity to accommodate the quantum of floorspace capacity forecast for the mix of town centre uses.

PUSH Sub-Region: Potential Capacity for ‘High Street’ and ‘Large Format’ Stores

10.40 Based on current and forecast trends in the retail sector, we accept that it may not be possible to accommodate all types of development in existing high street locations. For example, the sale of some comparison goods may require large showrooms and delivery facilities that may prove difficult to integrate within existing historic high street environments and infrastructures.

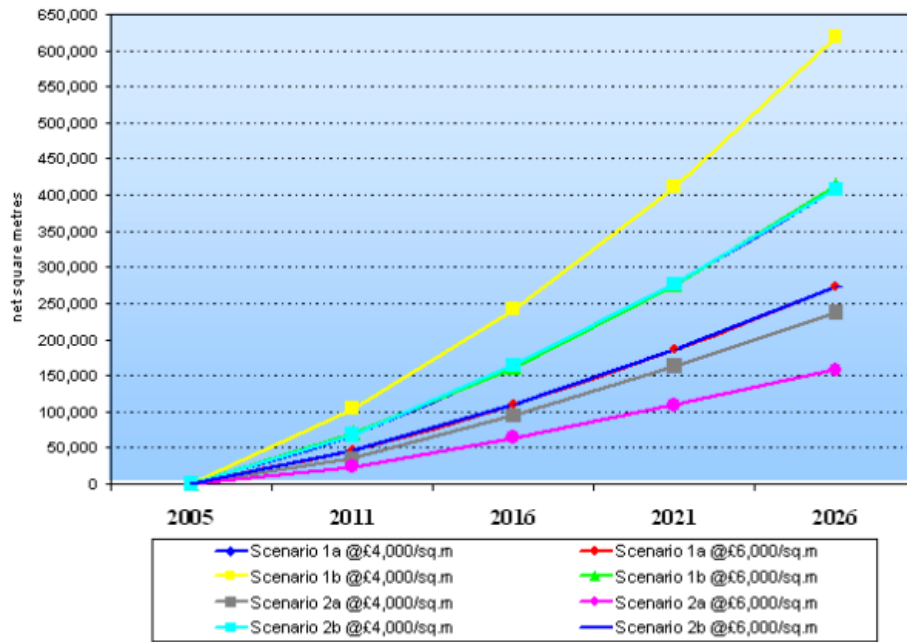
10.41 We have therefore re-run our *Re:Map* model to broadly assess the potential residual spend that could be available for ‘large format’ stores (including retail warehouses). Research indicates that spend on larger non-food products (e.g. DIY, hardware, furniture, floor coverings, carpets and electrical goods) accounts for c.35% of total comparison goods spend. Based on research by DTZ and other consultancies, we believe it is reasonable to assume that a proportion (c.20%) of the forecast residual spend set out in **Table 10.4** above could be “taken-up” by ‘large format’ stores (including retail warehouses). Smaller comparison shops in more traditional high street locations would account for the remainder.

10.42 Drawing on these assumptions, **Figures 10.3** and **10.4** below sets out our revised forecasts for the two different types of comparison goods retail formats. For ‘larger format’ stores (including retail warehouses) we assume that they will achieve an average sales density of between £2,500/sq.m and £3,000/sq.m, based on company averages for a mix of different retail formats (see **Figure 10.4**). For ‘high street’ comparison shops we assume that they will trade at average sales densities of either £4,000/sq.m or £6,000/sq.m, depending on the quality of the operator and floorspace (see **Figure 10.3**).

10.43 The revised residual spend forecasts for ‘high street’ and ‘large format’ stores (including retail warehouses) inevitably result in higher floorspace capacity ranges up to 2026 than originally forecast in **Table 10.5**, as we assume that 20% of the total available residual spend will trade at lower average sales densities. For example, for Scenario 1a, the revised total forecast capacity range at 2011 is 68,590 – 96,030 sq.m net, rising to 408,410 – 571,780 sq.m net by 2026. In comparison, the “original” forecast floorspace capacity is 57,200 – 85,700 sq.m net at 2011, rising to 340,300 – 510,500 sq.m net by 2026 (see **Table 10.5**).

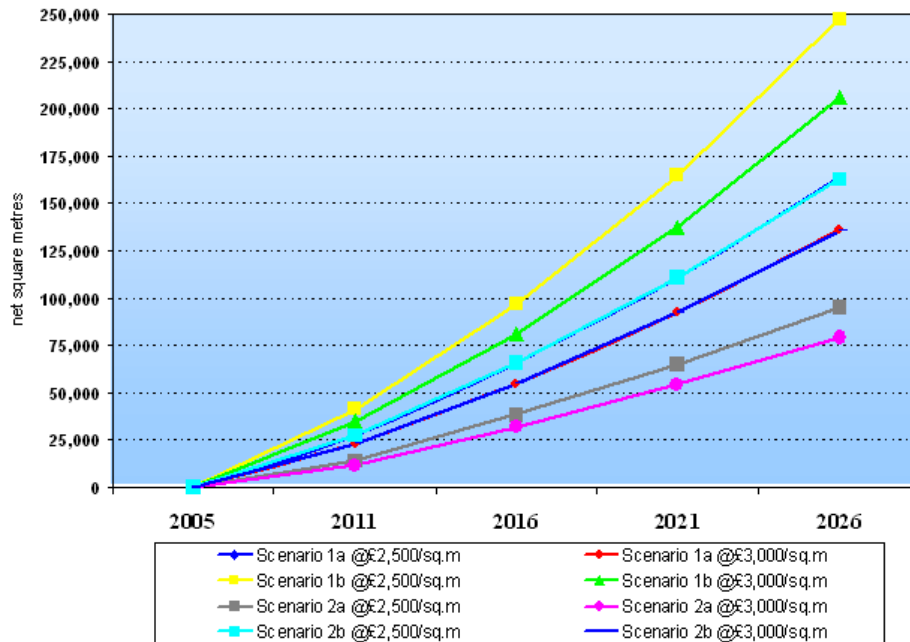
10.44 In order to determine a “best fit” capacity forecast for the PUSH sub-region we again assume that Scenarios 1a/2b broadly represent a mid-range between the higher (Scenario 1b) and lower (Scenario 2a) capacity forecasts.

Figure 10.3: Residual Floorspace Capacity Ranges for High Street Formats (net sq.m)



Source: Appendices 21-24, DTZ ReMap, Stage 8b

Figure 10.4: Residual Floorspace Capacity Ranges for Larger Format Stores (net sq.m)



Source: Appendices 21-24, DTZ ReMap, Stage 8b

Summary

- 10.45 The table below sets out our mid-range capacity ranges for PUSH sub-region as whole based on our original ‘global’ forecasts derived from Scenarios 1a and 2b (also see **Tables 10.4 and 10.5**). It also sets out our “adjusted” forecasts, which broadly differentiate between ‘high street’ and ‘large format’ (including retail warehouses) comparison goods retailing:

Table 10.6				
Mid-Range Floorspace Capacity Forecasts for the main centres in the PUSH Sub-Region				
	2005 - 2011	2005 - 2016	2005 - 2021	2005 – 2026
‘GLOBAL’ CAPACITY FORECASTS FOR ALL MAIN CENTRES:				
Residual Spend (£ millions)	£364m	£919m	£1,625m	£2,517m
Floorspace capacity (net sq.m)	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
ADJUSTED CAPACITY FORECASTS FOR ‘HIGH STREET’ & ‘LARGER FORMAT’ RETAILING:				
‘High Street’ Formats ⁽¹⁾ :	45,730 – 68,610	109,780 – 164,780	184,490 – 277,140	271,670 – 408,410
‘Large Store’ Formats ⁽²⁾ :	22,860 – 27,440	54,890 – 65,910	92,250 – 110,860	135,830 – 163,370
Notes:	(i) Assume ‘high street’ formats account for c.80% of total forecast residual spend and achieve average sales levels of between £4,000 - £6,000 per sq.m			
	(ii) Assume ‘larger store’ formats account for c.20% of total forecast residual spend and achieve average sales levels of between £2,500 - £3,000 per sq.m			

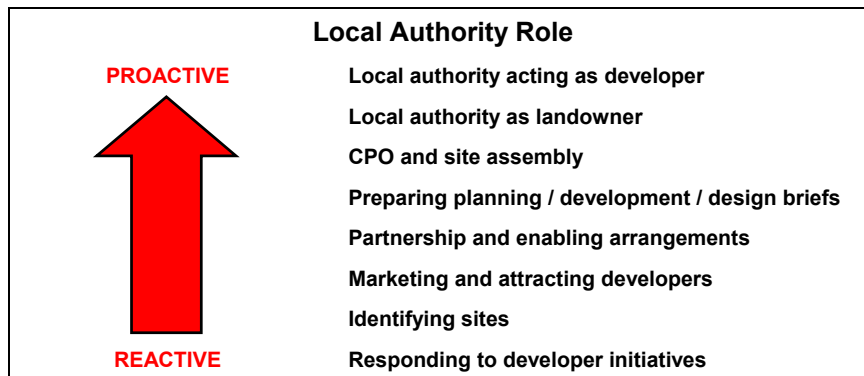
- 10.46 Although we have modelled ‘larger format’ retailing (which includes retail warehousing), we nevertheless still advise PUSH that all the forecast capacity should be accommodated in town centres “first”, in accordance with PPS6 and the sequential approach. Only where sequentially preferable opportunity sites are not identified for town centre and/or edge-of-centre sites will it be necessary to consider out-of-centre locations.
- 10.47 **Section 11** sets out our broad planning and market assessment of sequential sites identified by the respective local authorities in their main town centres. This analysis will provide a first step in examining whether these centres have the potential sites and physical capacity to accommodate the quantum of floorspace capacity forecast for the mix of town centre uses.

11 Opportunity Sites Assessment

- 11.01 This section of our study considers a planning and commercial appraisal of the suitability and viability of a range of opportunity sites situated in and around the town and city centres of the South Hampshire sub-region.
- 11.02 By way of background information, a selection of sites were presented and discussed at a successful and pro-active workshop meeting on 10 November 2005, attended by representatives from DTZ and the consortium of local authorities that comprise the PUSH area.
- 11.03 Accordingly, we have considered each of the local authorities' principal opportunity sites and have examined their potential for mixed-use and/or retail, office, leisure, residential and cultural-led development, in accordance with the sequential approach and advice contained within PPS6. This analysis has been prepared in the context of the capacity and market demand assessments previously addressed.
- 11.04 It is important to state at the outset that we have only examined those sites submitted by the local authorities at the workshop meeting. Furthermore, we have not carried out detailed discussions with landowners, nor have we undertaken more detailed assessments such as financial appraisals, land assembly options and market testing of the potential uses identified.
- 11.05 We therefore strongly recommend that the site appraisals set out in this section should be subject to more detailed analysis to test the options for development on the identified sites (and any other emerging opportunity sites) and provide advice on critical issues, such as delivery, funding and phasing of new development. Thereafter, the Council(s) will need to produce clear and flexible policy guidance on the planning, design and development of the opportunity sites through tools such as Area Action Plans and/or development briefs.

'Making Development Happen' - The Role of Local Authorities

- 11.06 Before we set out our broad appraisal of the opportunity sites, we believe it is important to highlight the main thrust of the government's advice in PPS6 on 'making development happen'. In particular it sets out the important role that local authorities need to take in the planning and development of their centres, specifically through the sequential approach to site selection and land assembly.
- 11.07 PPS6 has clearly reinforced the government's "town centre first" message. It states that: "*...development should be focussed in existing centres in order to strengthen and, where appropriate, regenerate them*" (para. 2.1). Most local authorities have, to varying degrees, adopted a combination of approaches to help attract and deliver new retail-led and mixed-use development in their town centres. As the figure shows, this has ranged from the **reactive approach**, essentially responding to developer initiatives, through to the more **proactive approach** of identifying and assembling sites, or even acting as the developer.



Source: BCSC (2004) 'The Smaller Towns Report', page 19

- 11.08 At the heart of the “town centres first” message is the sequential approach. Although this approach to site selection has created significant debate and controversy in retail planning, development and investment circles since it was first introduced into the 1996 PPG6, it has had a dramatic impact on the scale and location of new retail developments. It is the fundamental test for identifying opportunity sites for new development and requires that locations in existing centres, followed by edge-of-centre locations, are the first preference for new development, ahead of out-of-centre sites.
- 11.09 A past criticism of the sequential approach is that it has been largely negative, in that it did little to empower local authorities to assemble sites in town centres or edge-of-centre locations to help deliver new retail and mixed-use developments. The new PPS6 is now clearer in its advice and states that that local authorities should adopt a much more positive and proactive approach to planning for the future of all types of centres within their areas (*para. 2.15*). This involves identifying town centre and edge-of-centre sites for development, and using key tools such as Area Action Plans, Compulsory Purchase Order (CPO) powers and, where appropriate, preparing town centre strategies to address the key issues associated with the growth and management of centres (such as transport, land assembly and design).
- 11.10 PPS6 sets out guidelines for local authorities relating to the sequential approach to site selection and land assembly. Some of the more relevant advice is highlighted below:
- local planning authorities should allocate sufficient sites to meet the identified need for at least the first five years from the adoption of their development plan documents, although for large town centre schemes a longer period may be appropriate to allow for site assembly (*para.2.52*).
 - sites should be capable of accommodating a range of business models (*para.2.45*). In planning terms the factors to be taken into account are: scale, format, car parking provision and the scope for disaggregation.
 - when selecting and considering sites for allocation in the development plan document, local authorities should work closely with key stakeholders (*para. 2.30*).
 - in selecting suitable sites for development, the aim should be to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits into that centre and that it complements its role and function (*para. 2.41*).

- in considering alternative sequential sites with similar locational characteristics, local planning authorities should “...give weight to those locations that best serve the needs of deprived areas” (*para.2.44*).
- local authorities should have regard to whether the site is or will be accessible and well served by a choice of means of transport, as well as the impact on car use, traffic and congestion (*para. 2.49*).
- the local planning authority should also take account of the degree to which other considerations, including specific local circumstances, may be material to the choice of appropriate locations for development. This may include physical regeneration, employment, economic growth and social inclusion issues (*para. 2.51*).
- the distance thresholds used in applying the sequential approach and for searching for appropriate sites will differ for different types of development (PPS6: Annex A, Table 2). For example, edge-of-centre retail locations should be well connected to and within easy walking distance (i.e. up to 300 metres) of the primary shopping area, taking into account local topography, barriers to movement (e.g. roads) and the attractiveness/safety of the route. All other main town centre uses should be within 300 metres of the town centre boundary, although office developments outside the town centre, but within 500 metres of a public transport interchange in the urban area, will be classified as edge-of-centre.
- local planning authorities should consider setting an indicative upper limit for the scale of developments (usually defined in terms of gross floorspace) likely to be permissible in different types of centres (*para. 3.12*). Developments above these limits should be directed to centres higher up the town centre hierarchy (*para. 2.42*).
- local planning authorities should, where appropriate, include policies and proposals in development plan documents for the phasing and release of development sites over the life of the plan to ensure that those sites in preferred locations within centres are developed ahead of less central locations (*para. 2.46*).
- where growth cannot be accommodated in identified existing centres, local planning authorities should plan for the extension of the primary shopping area if there is a need for additional retail provision or, where appropriate, plan for the extension of the town centre to accommodate other main town centre uses (*para.2.5*).
- where extensions are proposed, these should be carefully integrated with the existing centre both in terms of design and to allow easy access on foot (*para.2.6*). Where larger developments or larger stores need to be accommodated, “...local planning authorities should seek to identify, designate and assemble larger sites adjoining the primary shopping area” (i.e. in edge-of-centre locations) (*para.2.6*).
- PPS6 also makes it clear that developers and operators should be able to demonstrate that they have been flexible about their proposed business models when applying the sequential approach for new planning applications (*para. 3.15*). They are required to demonstrate that they have examined all potential development options to reduce the size of their proposals; tested options for more innovative layouts and store configurations; and looked at reducing/reconfiguring car parking areas. This ‘business model’ approach is intended to explore the potential of “...enabling the development to fit onto more central sites by reducing the footprint of the proposal” (*para.3.16*).

- 11.11 PPS6 also provides greater clarity with regard to the controversial and much debated issue of “disaggregation”. Although it states that it will “...not be sufficient for an applicant to claim merely the class of goods proposed to be sold cannot be sold from the town centre” (para.3.16), it does accept that local authorities will need to take into account evidence that demonstrates the retailer will end up providing a significantly reduced range of goods if its business model is operated from the sequentially preferable site. PPS6 adds that it is “...not the intention of this policy to seek the arbitrary sub-division of proposals. Rather it is to ensure that consideration is given as to whether there are elements which could reasonably and successfully be located on a separate sequentially preferable site or sites” (para.3.18). With regard to retail park, leisure park or shopping centre proposals in edge or out-of-centre locations, the applicants should consider the degree to which the “constituent units within the proposal could be accommodated on more centrally located sites” (para.3.17).
- 11.12 Nevertheless, recent research for the National Retail Planning Forum¹ (NRPF) and our own research for the Department of Trade and Industry’s (Dti) Retail Strategy Group² conclude that site selection, land assembly and the delivery of new town centre development is becoming increasingly complex, expensive and time-consuming. We found, for example, that it takes on average eleven years and often longer to deliver town centre development from inception (site identification) to completion (opening). In turn this means that planning certainty, speed of delivery, managing of the total process and phasing the project to allow the town centre to function at all stages of the development cycle are even more critical to the success of the scheme.
- 11.13 There is also limited research evidence of local authorities assembling and marketing sites for new retail development in, or on the edge of secondary shopping centres and areas. This is not surprising, given the long-term national trend towards the location of new town centre retail development in the largest centres, and the low values in secondary shopping areas. It is also a reflection of the lack of suitable sites for substantial development in, or immediately adjacent to many secondary shopping centres and areas. The NRPF research concluded, for example, that most improvement in secondary shopping centres and areas has tended to be through cumulative small-scale changes over a longer period of time, rather than through large-scale development.
- 11.14 With the above in mind, the following sets out our planning and commercial appraisal of the potential for new development on the identified opportunity sites across the PUSH sub-region.

Opportunity Sites in Southampton

- 11.15 As previously set out in this study, Southampton is the largest commercial centre within the South Hampshire sub-region and it is a centre of regional importance. Its status has been significantly enhanced with the opening of the West Quay Shopping Centre in September 2000. There is now a requirement and vision to continue to regenerate and enhance the city centre by consolidating its retail, leisure and cultural offer, especially in light of major commercial developments in neighbouring and competing centres.
- 11.16 By way of background information, there are two major private and public sector interests in Southampton city centre, both of which have aspirations for future development. Hammerson, leaseholders of the West Quay Shopping Centre, have

¹ National Retail Planning Forum (NRPF, 2004) ‘The Role and Vitality of Secondary Shopping – a New Direction’, London.

² DTZ Piedad Consulting (February 2004) ‘The Retail Development Process and Land Assembly’.

expressed their desire to improve and expand the existing commercial heart in and around Above Bar Street and West Quay. Morley Property Fund, leaseholders of the West Quay Retail Park and the Pirelli Site, envisage an expansion of the city centre westwards extending towards the waterfront. Realistically, this is the only opportunity to expand the centre due to physical constraints in the north, east and south. Meanwhile, Southampton City Council owns the freehold of land along Above Bar Street and the majority of land within Site A, although this is leased on a long-term basis to the above parties amongst others.

11.17 In partnership with major leaseholders, Southampton City Council has identified a number of sites within the city centre that, in their opinion, are ripe for regeneration and retail-led development. Hammerson envisage that future retail development can be accommodated on sites one to seven, without the need for significant development on Site A. All of the opportunity sites are summarised in **Table 11.1** and illustrated on **Figure 11.1**. Thereafter, Site A is discussed in more detail.

Figure 11.1 Opportunity Sites in Southampton

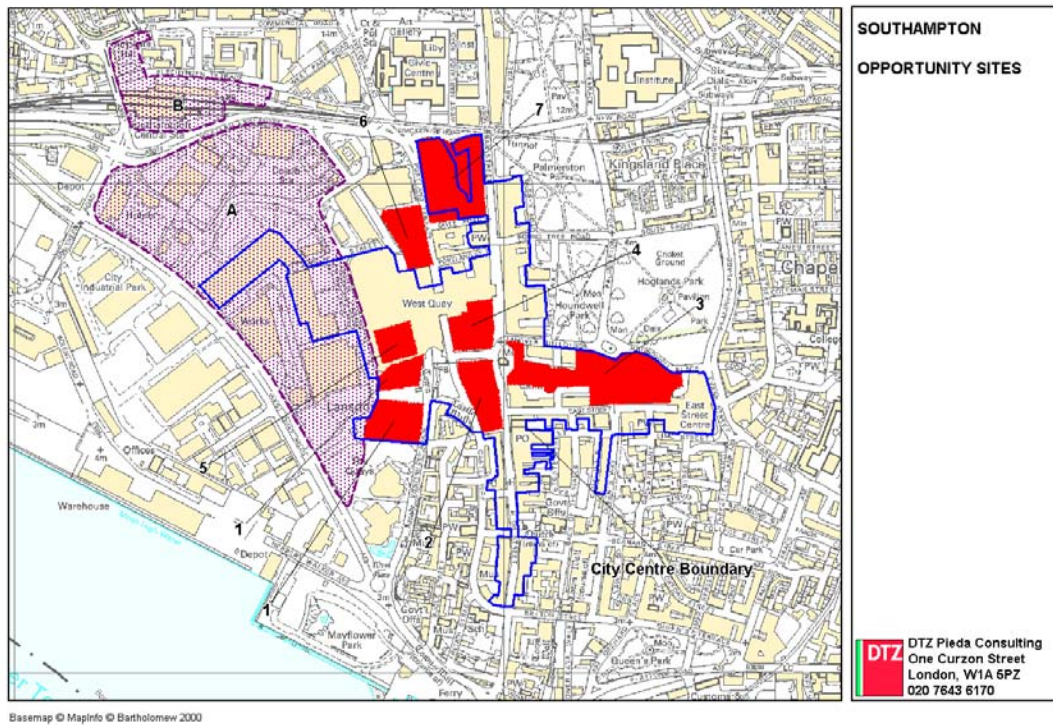


Table 11.1 Opportunity Sites in Southampton			
Site	Size (ha)	Owner	Notes
1: West Quay 3 Central Area	2.53	SCC	<ul style="list-style-type: none"> Hammerson are the preferred developer. Currently vacant.
2: West Quay 3 Eastern Area	0.85	SCC own 80% of site.	<ul style="list-style-type: none"> Retail use at present. Difficult to provide large retail units. Significant archaeological works could be required at huge expense.
3: Bargate Shopping Centre, East Street & Debenhams	2.54	Debenhams own the freehold of their store.	<ul style="list-style-type: none"> At present, preferred options are to refurbish The Bargate Centre and adopt an 'open street' approach. DTZ recommend discussing the option of relocation with Debenhams. Ideally, Debenhams would be part of any redevelopment of The Bargate Centre.
4. Above Bar Street	0.74	Unknown	<ul style="list-style-type: none"> Main occupiers include Boots and Littlewoods.
5: Marks & Spencer, West Quay.	N/A	SCC (Long-lease to Hammerson)	<ul style="list-style-type: none"> Planning permission granted to extend Marks & Spencer on an additional floor.
6. NCP Car Park & BT	0.74	BT/SCC	<ul style="list-style-type: none"> DTZ advise that the investor may not want total redevelopment in the short-term because the NCP element performs well.
7: Marlands Centre	2.04	The Mall Corporation	<ul style="list-style-type: none"> Opportunities to extend frontages along Above Bar Street. DTZ advise that the investor may not want total redevelopment in the short-term as the centre is performing well.
Site A: Land to the west of West Quay	20	Southampton City Council own the majority of the site with various long-leaseholders including Toys R Us, Morley. Morley have the freehold of the Pirelli site.	<ul style="list-style-type: none"> Selected as principal site - see below.
Site B: Land around Southampton Central Train Station		Network Rail	<ul style="list-style-type: none"> Council have commenced discussions with Network Rail. Important transport interchange. Considered to be more suitable for office uses, as part of a mixed environment, given links with Commercial Road and the BBC. Feasibility study undertaken – the site has potential capacity for 35,000 sq.m office and 360 residential units. DTZ advise that Southampton is likely to be a key focus for development of station facilities for Network Rail.

11.18

In addition to the sites identified above there are also proposals, visions and plans being put forward for other areas in and around the city centre as follows:

- **Northern Above Bar (former Tyrell & Green Store)** –proposals for a cultural/arts quarter within close proximity to the Civic Centre.
- **Ice Rink** – plans for a multi-purpose venue, incorporating a 10,000 seater ice rink, continue to be discussed. This could be located on the southern tip of Site A.

- **Regional Casino** – a casino operator has confirmed a requirement in Southampton city centre of circa 4,645 sq.m (50,000 sq.ft). Site A is the preferred location.
- **Royal Pier** – ABP are currently not interested in developing the site. If it was released for development, it could become a permanent location for the Boat Show and/or residential units.
- **Ocean Village/Southampton Oceanography Centre** – plans are being progressed for an office development, hotel and marine centre, together with associated amenities. This area is somewhat divorced from the city centre and is a destination in its own right. It has two cinemas and is within walking distance to the quality restaurant offer along Oxford Road.

Site A

- 11.19 The site currently comprises a range of low-density uses including the highly successful West Quay and Mountbatten retail warehouse parks, a number of vacant parcels of land and two car parks. Leisure World lies to the south-west of the site boundary.
- 11.20 It provides an unrivalled opportunity to expand Southampton city centre with a comprehensive mixed-use development that could incorporate a significant amount of commercial development. This would potentially change the orientation of retailing within the city centre and subsequently the extant city centre boundary may need to be redrawn accordingly.
- 11.21 A mixed-use development in this location would be able to provide residential, office and retail/leisure accommodation. In terms of residential accommodation we would envisage buildings which were predominantly apartments owing to its city centre location. We are aware that in Southampton, and the wider PUSH area, there are a significant number of flatted units which have been constructed, are currently being built or are in the pipeline. As a result of this current oversupply, if the site was to be marketed immediately, land receipts may be lower than historically achieved. We consider that the residential element should be marketed with the supply/demand issues at the forefront of the marketing strategy of the residential element of the scheme.
- 11.22 In terms of the retail element, this is traditionally a retail warehouse location and demand for this location and product remains strong. However, as the demand for comparison shopping increases with the population, this area could provide an extension or linked accommodation to West Quay shopping centre and the prime retail core would be further cemented south and west of Above Bar Street.
- 11.23 In addition, there is an opportunity to create a boulevard of high quality office accommodation on each side of West Quay Road. In our view, this would be an ideal office location because of its relationship to public transport, hotels and services. Aggressive marketing of the site to potential office occupiers, phasing, accessibility and car parking would all need to be carefully considered. The Southampton office market over the last few years suffered a downturn in demand from medium/large occupiers with 70% of deals in 2004 for less than 929 sq.m. (10,000 sq.ft) of accommodation. However, recent requirements for pre-lets from OS Survey and P&O Carnival suggests confidence in the economy is beginning to return. Whilst there is demand for accommodation from medium/large occupiers, we would recommend the office element is only developed when a pre-let has been secured, partly owing to the amount of floorspace in the pipeline and the resulting competition from other sites.

11.24 Southampton City Council believes that the following sites can be brought forward between 2005 and 2011, and post-2011.

- West Quay Phase 3 Pirelli Site (2005 – 2011)
- Central Station (2010/2011)
- M&S planning permission
- The Bargate Centre
- Ocean Village
- Marlands (post 2011)
- NCP car park (post 2011)

Opportunity Sites in Portsmouth

11.25 Portsmouth is undergoing a period of change. Regeneration has been spurred on by the successful redevelopment of Gunwharf Quays on the waterfront and attention is now turning to the rejuvenation of the city centre. As previously set out, a major application for outline planning permission has been approved, subject to a Section 106 Agreement, for a new retail-led mixed-use scheme on the former Tricorn Centre site (Northern Quarter). It is anticipated that this scheme, which will commence trading in late-2009 and will host a large amount of retail floorspace (including a John Lewis department store), will ‘mop-up’ the short to medium-term retail capacity for Portsmouth city centre.

11.26 With the above in mind, Portsmouth City Council is keen to ensure that there is a balance between development in the north and the south of the city centre. Various opportunity sites have been identified by Portsmouth City Council as summarised in **Table 11.2**.

Table 11.2: Opportunity Sites in Portsmouth		
Site	Owner	Notes
East of 54 Arundel Street, Portsmouth	Portsmouth City Council	<ul style="list-style-type: none"> Prominent and important location at the eastern entrance to Arundel Street precinct. The design of the building(s) is therefore a more important issue than the use. Must be seen as a 'gateway feature', or incorporate elements to that effect.
Greetham Street/Dugald Drummond Street, Portsmouth	Portsmouth City Council	<ul style="list-style-type: none"> Includes the existing Citizens Advice Bureau and public car park. Considered suitable for live/work units.
Connaught Drill Hall, Stanhope Street, Portsmouth	Luminar Leisure Group plc	<ul style="list-style-type: none"> Planning permission granted for a leisure complex including bars, restaurants and nightclubs. Subsequent application made to vary details granted, subject to Section 106 Agreement.
Guildhall Square, Portsmouth	Guildhall and Civic Offices owned by Portsmouth City Council	<ul style="list-style-type: none"> Policy supports proposals for changes to retail, A3, A4 and A5 uses at ground floor level in buildings fronting Guildhall Square.
New Theatre Royal, Portsmouth	Unknown	<ul style="list-style-type: none"> Land at Exchange Road is allocated for an extension to the New Theatre Royal. Appropriate enabling development, such as a restaurant or university uses, will be supported.
ABC Cinema Site, Portsmouth	Treve Investments and Portsmouth City Council	<ul style="list-style-type: none"> Forms part of the city centre north urban priority area, but it is not part of the Tricorn redevelopment. Site will not be ready for development until 2009 due to highway issues. Quality of design is considered paramount on the site. Site could potentially take a building of 10-12 storeys. Considered appropriate for hotel or office use with some residential.

11.27 It is also important to note that Southsea and Gunwharf Quays are significant areas of commercial activity within the Portsmouth conurbation and the Council actively promote a three-centre strategy for retailing, transport and marketing.

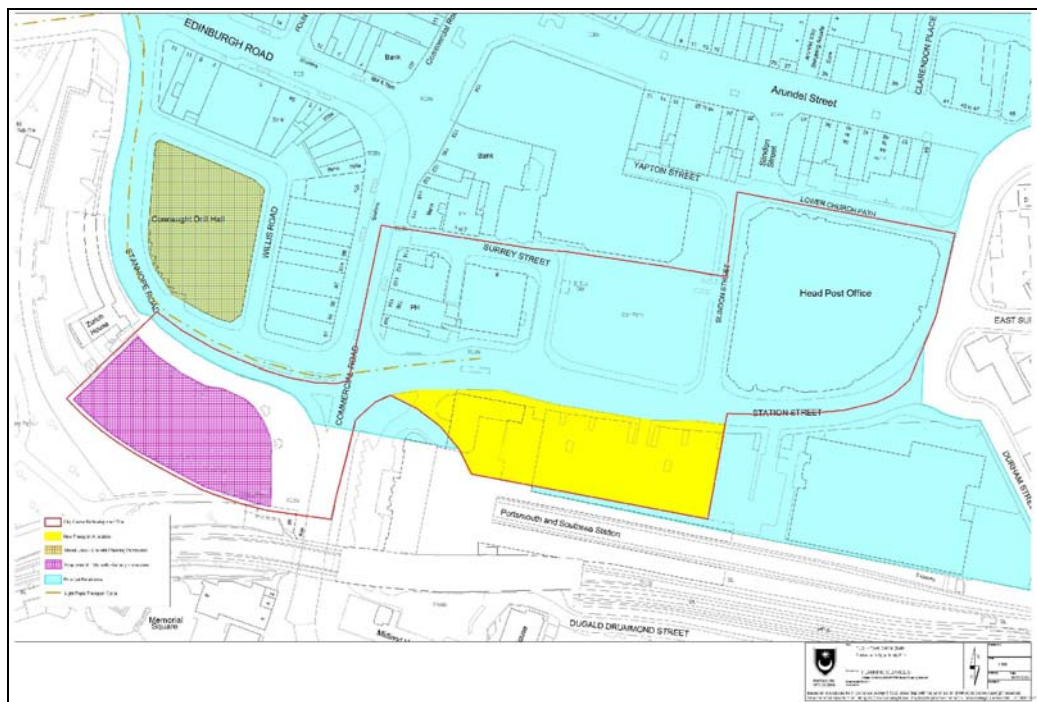
11.28 Gunwharf Quays is technically out-of-centre, but it is only a ten minute walk from Portsmouth city centre. It is also located next to a regional transport hub comprising Portsmouth Harbour Station, The Hard Interchange and the Isle of Wight and Gosport ferry terminals. The City Council consider that there is the potential for future leisure, employment and transport development around this area, which could be re-designated as town centre in the forthcoming LDF. A hotel and conference facility are considered to be appropriate uses for this area given its link with the major leisure attraction of the Historic Dockyard.

11.29 There are also opportunities for future development within Southsea town centre. Portsmouth City Council has commenced work on an Area Action Plan for Southsea, which will assist in the identification of sites for future development.

Portsmouth City Centre: Station Yard

11.30 The highly accessible and prominent Station Square has been identified as a key strategic site within the southern half of Portsmouth city centre (see **Figure 11.2**). This important site is situated in close proximity to Portsmouth & Southsea railway station and benefits from a good level of passing trade. It provides an excellent opportunity to create a prestigious mixed-use development.

Figure 11.2 Station Square



11.31 The majority of Station Square falls within the Principal Retail Area, whilst the remainder is within the Secondary Retail Area. At present, policies for the Principal Retail Area state that the proportion of A1 frontages should not fall below 75%. In our opinion, the site's current designation will need to be reviewed as the retail gravity in the city centre shifts northwards. This would allow the site to be developed for a wider mix of uses, including offices.

11.32 Within the boundary of the opportunity site, three parcels of land are specifically allocated in the Local Plan Proposed Modifications (2005) as set out below:

- **North of Station Street**– the redevelopment of this site must incorporate (or not prejudice) the public transport interchange on land to the south of Station Street. The site is owned by Debenhams.
- **Zurich Insurance Car Park** – full planning permission has been granted for office use to extend the existing Zurich building, but this is unlikely to be implemented in the short-term. Any proposals should aim to improve access to Victoria Park and respect views to and from the park. The site is owned by Zurich insurance.

- **Land to the South of Station Street** – allocated for a new public transport interchange. This will involve acquiring part of the Matalan car park as well as premises owned by Network Rail and Southwest trains.

11.33 The site is currently under multiple-ownership, as set out in **Table 11.3** below.

Table 11.3: Identified Sites within Portsmouth Station Square Opportunity Site		
Site	Owner	Notes
Debenhams Car Park	Unknown	• Includes an electricity sub-station.
Former Parcel Force Office	Post Office	• Vacant and currently for sale.
104 Commercial Road	Madinah Property Ltd	• Vacant. Planning permission granted for restaurant and takeaway. Not built.
106/108 Commercial Road (Albany Public House)	Whitbread	• N/A
110 Commercial Road (Subway)	Subway Southampton Ltd	• N/A
112/114 Commercial Road (The Woolwich Plc)	The Woolwich Plc	• N/A
110/114 Commercial Road	Fleetway Properties	• Residential use.

11.34 At the workshop meeting, Portsmouth City Council stated their desire for a mixed-use scheme incorporating a high proportion of offices. Whilst there is some demand for pre-lets in Portsmouth, these are often requirements for the PUSH region rather than for Portsmouth in particular, and as a result the city has to compete with Southampton for occupiers who require ‘in-centre’ locations. Demographics and existing labour skills for the Portsmouth area are strong and there is scope to increase the office market in this area.

11.35 With this in mind, an office proposal on this opportunity site would require an occupier-led approach to ‘spark’ proceedings and to act as a catalyst for attracting further office space. Phased development also needs to be carefully considered. In addition, a high profile marketing campaign will be crucial if Portsmouth City Council is to realise their aspirations. A campaign should target medium-large office occupiers and seek to alter occupier, investor and public perceptions of Portsmouth city centre as an office destination. Funding could, in part, be sought from SEEDA. To springboard the marketing campaign, it should focus the site’s attributes, i.e. central locational benefits, high accessibility and the good demographics and skills base within the area.

11.36 The development should be designed to accommodate sufficient ground floor retail and/or leisure units that will provide the appropriate floor plates to meet current demand and benefit from a good level of passing trade. This would provide the opportunity to create a new destination for retail and leisure operators within the southern half of the city centre, to complement the proposed Northern Quarter scheme and the centre’s existing offer.

11.37 Careful consideration should be given to the potential impact of any new development, including the level of traffic generation and also any additional demand for parking. In the circumstances, development and feasibility briefs should be prepared accordingly.

Opportunity Sites in Fareham

11.38 Fareham Borough Council has identified a range of sites in and around Fareham town centre that are considered suitable for redevelopment (refer to **Figure 11.3** and **Table 11.4**). This, in turn, provides contextual information for our planning and market appraisal of the selected principal opportunity site located at Station Yard.

Figure 11.3 Opportunity Sites in Fareham

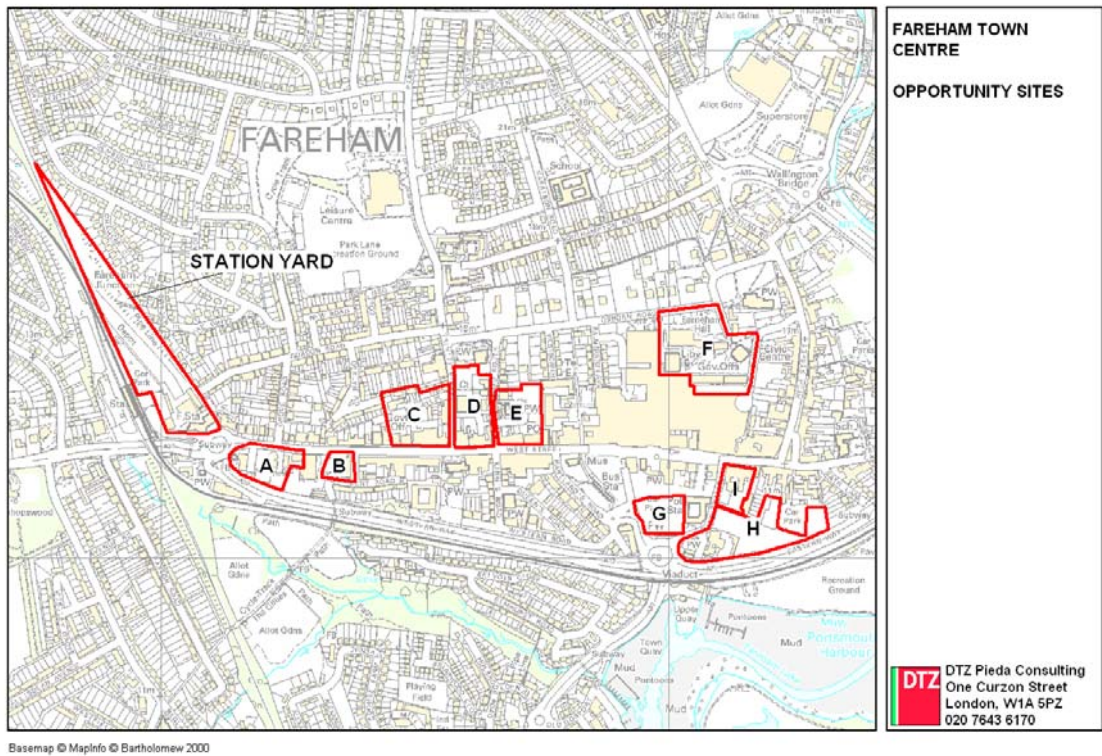


Table 11.4:
Fareham Opportunity Sites

Site	Address	Existing Use	Potential Use
A	Delme Court, Maytree Road	Car Sales Showroom	<ul style="list-style-type: none"> • Planning permission granted for residential. • Not built.
B	Crescent Road	Unknown	<ul style="list-style-type: none"> • Not discussed.
C	Russell Place	Secondary Shopping Area	<ul style="list-style-type: none"> • Retail, leisure & A3/A4/A5 with residential above.
D	West Street/Trinity Street	Secondary Shopping Area	<ul style="list-style-type: none"> • Retail, leisure & A3/A4/A5 with residential above.
E	Osborn Road Car Park	Secondary Shopping Area	<ul style="list-style-type: none"> • Retail, leisure & A3/A4/A5 with residential above.
F	Civic Area	Various civic uses (Quasi public sector ownership).	<ul style="list-style-type: none"> • Residential. • Too far north for retail and leisure development.
G	Market Quay Car Park	Car Park (Owned by FBC)	<ul style="list-style-type: none"> • Retail warehouse format units (Tesco would stimulate demand).
H	Quay Street (Foundry Site)	Unknown.	<ul style="list-style-type: none"> • Planning application for Tesco & c.80 flats. • Awaiting Environmental Statement in relation to traffic issues. • Strategic location by Key Street roundabout. Congested at peak times.
I	Quay Street North	Unknown (Owned by FBC)	<ul style="list-style-type: none"> • Retail – creating a link between Tesco and the existing High Street.

Station Yard

- 11.39 Station Yard, which lies to the west of the town centre, is somewhat isolated and functionally divorced from the town centre's retailing areas. Indeed, the site sits outside of the town centre boundary and approximately 600 metres from the primary shopping area, as designated in the adopted local plan. Subsequently, it is deemed out-of-centre in terms of PPS6 and any retail proposal on this site should be rigorously subjected to the policy tests and the sequential approach.
- 11.40 According to the local authority, the site can accommodate up to 10,000 sq.m gross of development. However, the layout of any proposal will be dictated by the characteristics of the site, which has an irregular elongated shape and significant level changes along the north-eastern boundary. The site is currently being utilised as an aggregates depot with ancillary uses and subsequently the redevelopment of the site is dependant on the relocation of the depot. Hampshire County Council has objected to this relocation because, in their opinion, it is a strategically important facility that should not be sacrificed in this location.
- 11.41 It is anticipated that the site will contain a degree of contamination and therefore will have to undergo decontamination measures before it can be successfully brought forward for redevelopment. We believe that the cost involved could impact on the overall viability of any proposed development and this will require more detailed costings and appraisal.

- 11.42 The site is well located next to Fareham railway station and therefore this highly accessible location would prove a very attractive option for commuters travelling to and from neighbouring higher order centres. This, in turn, would restrain unnecessary car use.
- 11.43 Throughout the UK there has been a swing in recent years towards urban living, particularly in larger settlements. This is a result of a number of factors including quality and cost of public transport, longer working hours, increased use of health, sports and leisure facilities, hardening attitudes to drink driving and an increase in the popularity in the UK of the European café type lifestyle.
- 11.44 With all the above in mind, a residential-led development would, in our view, be most suitable and viable option for the development of the site. Indeed, the site is a valuable opportunity to make a significant contribution to meeting the need for housing and for affordable housing on previously developed land, in a highly accessible location. There may also be some scope for potential live/work units.
- 11.45 A residential scheme on this site would gain significant support from national and regional policy. The provision of various dwelling types will also be consistent with the dominant uses in neighbouring streets and therefore will be compatible with the character of the surrounding area. It will, in turn, attract new residents to the town.
- 11.46 On the side of caution, any residential development will need to be considered in the context of the railway line that runs parallel to the site. In this way, it will need to be carefully designed and positioned to minimise the railway's negative impacts, i.e. noise and environmental considerations and other uses may be needed to act as a barrier to such input.

Opportunity Sites in Eastleigh

- 11.47 The practical scope for change in retailing in the Borough is directly related to the ability of Eastleigh to attract new investment and development into the town centre. Indeed, for any town centre retail scheme to be successful it must be well-located, well-conceived in layout terms and attractively anchored. In terms of location, it should link into the existing prime retail pitch or main shopping area. In terms of design/layout, it should be pleasant and easy to use with good car parking facilities and access to public transport. Shop frontages and depths should be adequate, shopper flow well-distributed and services exemplary.
- 11.48 Eastleigh Borough Council emphasised the political will to regenerate the town centre to benefit its residents and to ensure its commercial viability as the main shopping destination within the Borough. The Council are keen to respond to new pressures, particularly from out-of-centre retail development, such as Hedge End.
- 11.49 By way of background information, Eastleigh town centre is bound by high-density housing and parkland. Consequently, its expansion options are somewhat limited. These constraints mean that the only realistic opportunity to expand the centre is to regenerate and reconfigure the existing stock.
- 11.50 The two main retail streets (High Street and Market Street) comprise terraced housing that has been converted into retail use at ground floor level. In many cases, the upper floors are no longer suitable for residential, offices or indeed storage uses as the ceilings have been raised to enlarge the retail space below. The poor configuration of these units explains the limited range of national multiple retailers. In contrast to this, The Swan

Centre at the southern end of the town centre is a successful purpose-built indoor shopping facility.

11.51 The Council has identified Site 1 (see **Figure 11.4**), opposite the Swan Centre, as the most viable segment of the town centre for redevelopment. We now consider the strengths and weaknesses of this site in more detail (see **Table 11.5**).

Figure 11.4 Eastleigh Town Centre

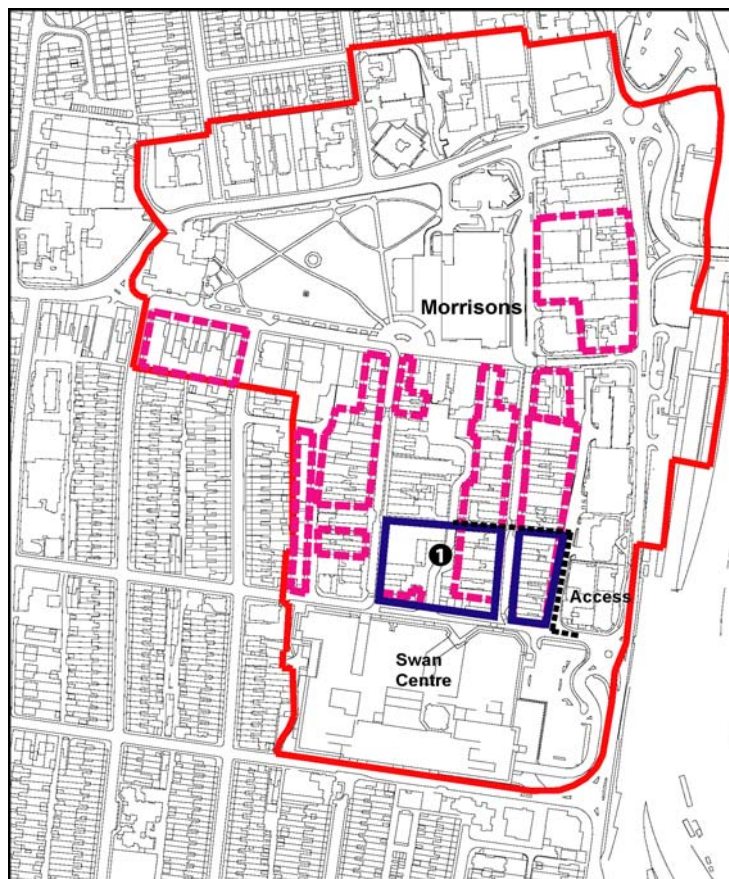


Table 11.5: Analysis of Eastleigh Opportunity Site	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Situated in the heart of the town centre opposite the prosperous Swan Centre. • Opportunity to create new shop units at ground floor level to meet modern retailer requirements. • Close proximity to railway and bus station. • Close to a large walk-in population. • Sequentially preferred site. • Opportunity to improve public realm and create public spaces. • Opportunity to raise building heights to 4 storeys and accommodate office and residential on upper floors. 	<ul style="list-style-type: none"> • Funding. • Limited retailer demand. • Fragmented ownership – CPO required. • Potentially expensive to acquire.

- 11.52 In our opinion, there are two options for delivering a regeneration scheme in Eastleigh town centre. These are as follows:
- pursue a development partner to establish a joint venture with.
 - acquire key interests within the proposed development area, namely the prime units in the middle of the site, corner units and those closest to the Swan Centre. Then seek a development partner to complete the exercise.
- 11.53 Both of these scenarios may need the use of CPO powers, which would need the full support of the Council on a medium to long-term basis. In addition, if the proposed development is not viable owing to the large costs of acquisition, gap funding from English Partnerships or other public sector bodies may need to be considered.
- 11.54 We consider that a comprehensive, high quality mixed-use scheme will enhance the town centre's built environment. This will also ensure a development that is environmentally sustainable, robust and adaptable to changing social and economic needs. There is an opportunity to provide a landmark scheme that will enhance both the retail and residential provision within the town centre.
- 11.55 The redevelopment of the site provides the opportunity to attract more national multiple retailers, which the town centre currently lacks, especially in the important fashion market sector. This can be achieved by providing larger floor plates, more suited to modern retailer requirements. It should be noted that TK Maxx currently has an extant requirement to locate in Eastleigh town centre.
- 11.56 A mixed-use form of development will ensure a more efficient use of land when compared to a single use development proposal. A residential element will provide an opportunity to improve effective linkages with the surrounding area and provide a sustainable form of development. The residential component will introduce a sense of vibrancy, security and additional spend and activity for town centre uses. The residential accommodation within the re-development of the site will need to be in the form of apartments, as we envisage residential accommodation to be above the retail units. We also feel that there may be scope to provide a small number of small office suites above the retail units.
- 11.57 It should also be noted that Eastleigh has identified a 100+ hectare site for B1 employment uses to the east of the railway lines. This currently comprises greenfield land and railway uses.

Opportunity Sites in Havant

- 11.58 Havant Borough Council opted to disclose two key town centre opportunity sites at the workshop meeting. We set out below our observations on each.

Asda Redevelopment in Waterlooville Town Centre

- 11.59 The site is situated towards the north-west periphery of the town centre and in a prominent position that hinges around an important road junction. It therefore benefits from an extended frontage potential and from being in close proximity to the town centre's amenities. At present, it accommodates an Asda supermarket, together with 446 dedicated car parking spaces at grade. We are advised that these premises could be

relocated on the opposite side of Maurepas Way to release a new opportunity for the existing site.

- 11.60 Although the Borough Council has stated that there is currently no definitive mix of uses they envisage for the site, their Urban Design Framework undertaken by David Lock Associates has devised a mixed-use scheme comprising a hotel (4,725 sq.m) with approximately forty parking spaces, retail and leisure uses at ground floor level equating to circa 4,000 sq.m and 111 residential units totalling 11,000 sq.m. The over-riding objective is “*that the public realm created can be supported by a wide range of activity combinations yet still offer the high quality town centre environment.*” As it stands, the site is yet to be marketed and consequently there has been no developer interest.

Market Parade Rejuvenation in Havant Town Centre

- 11.61 The principal opportunity site that Havant Borough Council would like us to focus on in our planning and commercial appraisal relates to the regeneration of Market Parade.
- 11.62 The site forms a relatively regular shape and benefits from a strong pedestrian link through the site between the train station in the immediate north and The Meridian Centre/bus station to the south. It is fundamental that this established link is maintained and enhanced, so that more active and viable ground floor uses can be introduced and sustained in this location to benefit from its important gateway function. In this way, any proposal should be effectively designed to take advantage of these pedestrian flows and linkages.
- 11.63 The healthcheck section described this area of the town centre as follows, “*...Market Parade situated in north of the centre appears tired and stale, especially in terms of shop fascias, décor and trading formats. This 1960s development would benefit from regeneration, which could act as a catalyst for enticing new retailers to occupy the numerous voids that exist in this part of the centre.*” It continues in the environmental quality section, “*...requires a range of environmental improvements to give it a face-lift*”. In this way, we are not surprised that the Council has selected this part of the town centre for redevelopment.
- 11.64 The key objectives outlined by the Borough Council for the site are:
- to create a landmark development visible from the town centre and railway;
 - to create development that maximises the frontage to the park;
 - to enliven the link between the station and town centre;
 - to create activity on the periphery of the park; and
 - to introduce a quality café and/or leisure activity.
- 11.65 The design criteria constitutes the following:

Table 11.6: Design Criteria for Market Parade, Havant	
Design/Character	<ul style="list-style-type: none"> • Light and contemporary • A landmark for Havant
Streets and Access	<ul style="list-style-type: none"> • Service access from the street and the interior of the block
Urban Form	<ul style="list-style-type: none"> • Up to four storeys, with an eight storey tower on part
Landscape and Public Realm	<ul style="list-style-type: none"> • New street link to the station and a public square located next to the park
Activities	<ul style="list-style-type: none"> • Residential, retail and restaurant/cafe
Development Capacity	<ul style="list-style-type: none"> • Less than 1,600 sq.m retail/café • 63 flats
Parking	<ul style="list-style-type: none"> • Parking in basement and on-street
Phasing	<ul style="list-style-type: none"> • Medium-term

- 11.66 The site offers the potential to provide a comprehensive mixed-use scheme that will provide a catalyst for further regeneration of the town centre. All proposals will need to complement and strengthen the existing town centre offer and its overall vitality and viability. Notwithstanding this, the quantum of ground floor uses should be sufficient enough to be economically feasible and accommodate any potential change in use in the future (i.e. converted back to residential uses should commercial uses not prove viable).
- 11.67 The residential component of the scheme should be designed to maximise the site's locational benefits, the proximity to the prime retailing pitch and neighbouring parkland (units with parkland views will command higher end sales).
- 11.68 In our opinion the proposal, albeit ambitious, is in the right location, of the right scale and will make a significant contribution to the retail offer and overall competitiveness of the town centre. In terms of the Council's vision to see offices as part of the scheme, we would see limited demand for a substantial office component.

Opportunity Sites in Gosport

- 11.69 During the workshop, two sites were discussed and we consider each in turn.
- **Site A: Coldharbour** – a site of considerable scale to the north of the town centre, bounded by Mumby Road to the south and the harbour to the north. Land is currently being assembled with the view to long-term development for residential, leisure, recreation and marine business uses.
 - **Site B: Gosport Bus Station** – the site is situated directly on the waterfront and forms an important and strategic link between the main pedestrianised shopping street in Gosport town centre and the public transport hub comprising bus and ferry. This prime site of 0.8 hectares fronts onto the Millennium Promenade and overlooks one of the most busiest and attractive parts of the harbour (see **Figure 11.5**).

Figure 11.5 Aerial View of Site B (Gosport Bus Station)



11.70 The strengths, weaknesses, opportunities and threats for Site B are summarised in **Table 11.7**.

Table 11.7: SWOT Analysis of Gosport Bus Station	
STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Direct access to waterfront • Excellent maritime setting • Exceptional views of the harbour and the Spinnaker Tower in Portsmouth • Direct link to the pedestrianised High Street and main retail areas • Park adjoining site to the north • Millennium promenade • Manageable size of site for a developer 	<ul style="list-style-type: none"> • Prime location • Owned by Gosport Borough Council • Potential to reclaim additional land from the Harbour to expand the site eastwards as there are no nature conservation constraints • Could become a key public transport route for water-borne transport. • To promote marine business clusters along the channel in Gosport • Ferry pontoon is coming to the end of its usable life and a replacement is sought
WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Lack of interest from developers when the site was marketed six years ago • Gosport is isolated from key national and regional arterial routes • Weak retailer and office demand 	<ul style="list-style-type: none"> • Residential apartment boom in the area at the moment which could slow down and saturate the market • Surplus of office sites • Single-minded developers who only seek a residential scheme

- 11.71 This site is considered to be one of the prime redevelopment opportunities within Gosport given its gateway function, accessibility and relation to the town centre. It is of significant importance in terms of acting as a catalyst for future development activity within the town. In our opinion, the most appropriate use for maximising the value of the site and its exceptional locational benefits would be a residential-led scheme with ground floor active frontages. It should be noted that residential units with waterfront views can attract increases in values of 10-15% compared to units without views. The ground floor uses should aim to create activity in the area, incorporating a mix of retail, restaurants and bars, which will benefit from some waterfront views. In order to retain the presence of the bus facility, albeit of a smaller scale than the existing bus station, a comprehensive scheme is sought.
- 11.72 The desired scheme should be designed to maximise the potential of the waterfront environment and proximity to the end of the High Street and public transport links. By creating ground floor active uses, this could result in extending the prime retail pitch towards the waterfront and create a unique in-town destination with leisure/restaurant uses. Key issues should include legibility, permeability, buildings heights, massing, densities and prominence. We feel that a distinctively designed building which maximises the views of Gunwharf Quays should be encouraged as a landmark building would help with the prominence of the location. In this way, we highly recommend that a development brief be prepared for this important site addressing the aforementioned issues. This, in turn, can form part of the local development framework.
- 11.73 To summarise, the site offers a good opportunity to provide a distinct development that benefits from its proximity to town centre uses, public transport links, the waterfront environment and view of the Spinnaker Tower.

General for all Centres

- 11.74 In summary, PPS6 requires local planning authorities to allocate sufficient sites to meet the identified need for new retail and town centre uses for least the first five years from the adoption of development plan documents. Although it is recognised that for large town centre schemes a longer time period may be appropriate to allow for more complex site assembly. PPS6 also advises that:
- “An apparent lack of sites of the right size and in the right location should not be construed as an obstacle to site allocation and development to meet this need”* (para. 2.52).
- 11.75 Local planning authorities are therefore encouraged to consider the need for effective site assembly using their CPO powers to ensure that suitable sites within, or on the edge of, centres are brought forward for development. This includes sites that are under-utilised, such as car parks and single-storey buildings,
- “...which could be redeveloped for multi-storey, mixed use development.”* (para.2.52).
- 11.76 Our planning and commercial appraisal of the sites identified by the consortium of local authorities in the South Hampshire sub-region has indicated that a number of the sites are complex and their viability is obviously dependent on more detailed market, transport, urban design, land ownership, land assembly and financial appraisals.
- 11.77 Each site has unique attributes and we advise each Council that they may need to consider using CPO powers to effectively assemble the opportunity sites. However, we are also aware that the skills to implement long-term development schemes, incorporating CPO, is often absent at the local authority level, added to which there has been a general reluctance to use the instrument. The decision-making at local authority level involving elected members for a term of four years can also, in some circumstances, breed a short-term mentality and a lack of commitment to long-term land assembly, especially where compulsory purchase is a realistic option.
- 11.78 Due to the limited resources available, local authorities should therefore focus on their key statutory function as planning authority. The new planning system provides new opportunities for local authorities to enhance skills in plan-making and produce a clearer vision and set of policy objectives for individual sites through the new system of local development frameworks. The added-value that local authorities can bring to the development process in the form of more detailed investigations of sites and release of information would help to ‘kick-start’ retail and mixed-use development and provide greater clarity and certainty to developers.
- 11.79 Therefore, we strongly recommend that the Councils carry out more detailed analysis and testing of the development potential of all the identified opportunity sites (and other emerging sites). Where appropriate, the Councils should aim to produce planning and development briefs for the key sites to provide a flexible, robust and co-ordinated strategy for planning and development over the next five to ten years.