

Three Rivers District Council

Three Rivers Retail Capacity Study 2006

October 2006

**CB Richard Ellis
Kingsley House
Wimpole Street
London W1G 0RE**

**Tel: 020 7182 2142
Fax: 020 7182 2001**

PLANNING/272267/VW

Contents

CONTENTS	PAGE NUMBER
1. Introduction	1
2. The National Policy Context; Assessing Retail Capacity and Need	2
3. Retail Capacity Forecasts.....	11
4. The REASN Model Forecasts.....	21
5. Summary of Conclusions and Recommendations	32

APPENDICES

- APPENDIX 1 – THREE RIVERS CATCHMENT AREA PLAN
- APPENDIX 2 – RICKMANSWORTH CATCHMENT AREA – CBRE NSLSP 2005
- APPENDIX 3 – GOAD CENTRE REPORT – RICKMANSWORTH (OCTOBER 2005)
- APPENDIX 4 – RETAIL CAPACITY MODELLING
- APPENDIX 5 – RETAIL CAPACITY MODELLING – INCREASE IN INTERNET SALES

1. INTRODUCTION

- 1.1 CB Richard Ellis was instructed by Three Rivers District Council in September 2006 to prepare a retail study for Three Rivers District.
- 1.2 Our terms of reference are summarised as follows:
- To use a household interview survey to determine shopping patterns in Three Rivers and its catchment area, to provide a robust basis for the quantitative retail capacity modelling;
 - To review the extent of the catchment area of Three Rivers' centres;
 - To take account of expected population and expenditure growth in Three Rivers and its wider catchment area;
 - To prepare up to date retail capacity forecasts for Three Rivers, based on a household interview survey and forecasted growth, distinguishing between the capacity for additional convenience and comparison goods retail floorspace;
 - Assess the capacity or retail 'need' for each in Three Rivers up to 2021 (to tie in with the timeframe for Three Rivers Local Development Framework); and
 - To prepare a report of our findings and conclusions.
- 1.3 We have undertaken an assessment of expenditure capacity or quantitative need, the findings of which are set out in this report.
- 1.4 The report is set out under the following sections:
- Section 2 summarises the relevant, local, regional and national retail planning policies.
- Section 3 sets out the technical basis of our retail capacity forecasts and describes the principal data input into and the structure of our REASN forecasting model.
- Section 4 considers the retail capacity forecasts.
- Section 5 summarises our principal conclusions in relation to the capacity for new retail development in Three Rivers over the plan period.
- 1.5 Appendices include a map of Three Rivers' retail catchment area and the detailed REASN model forecasts.

2. THE NATIONAL POLICY CONTEXT; ASSESSING RETAIL CAPACITY AND NEED

2.1 In this Section, we review of the planning policy context for the Study through a focus on national planning policy guidance and the policies of the development plan.

NATIONAL POLICY CONTEXT

2.2 In considering its approach to planning for new retail and leisure development, this study acknowledges the guidance set out in PPS6. An important difference between PPS6 and its predecessor PPG6 is the fresh emphasis on pro-active planning for new development.

2.3 PPS6 sets a new agenda of 'positive planning' for town centres. Paragraph 2.1 of PPS6 explains that to deliver the Government's objective of promoting vital and viable town centres, development should be focused in existing centres in order to strengthen them and where appropriate, regenerate them. Local authorities, in consultation with key stakeholders, are urged to assemble and accommodate forecasted need through positively planning for growth of town centre development in accordance with the sequential approach to site selection which places 'town centres first'.

2.4 In seeking to demonstrate need, it is pertinent to note that the way in which need is to be assessed is a matter for the 'decision maker'. PPS6 confirms the factors which may not be considered to comprise retail or leisure 'need' and states, as a pre-requisite, that quantitative or expenditure capacity need should be demonstrated.

2.5 Retail need assessments should identify need and gaps in provision by allocating sites to meet such need. Indeed, whilst local planning authorities are charged with an overall need assessment over a plan period 'with regular updates', there is an explicit requirement in the statement to allocate sufficient sites to meet a five year need.

2.6 This approach is reflected in this study in considering, in the first instance, expenditure capacity across convenience and comparison goods classes and destinations which presently meet such 'need', taking account of growth in both population and consumer expenditure up to 2011, as well as looking beyond this date, up to 2021.

2.7 Quantitative (expenditure capacity) need, rather than qualitative need should form the principal demonstration of the key 'need test', although the statement suggests that qualitative considerations may also be considered, and in certain circumstances, be given significant weight where these are targeted at socially excluded groups who do not benefit from a full range of services and facilities. Local planning authorities are also instructed to be flexible in meeting the needs of 'a variety of retail and leisure operators'.

- 2.8 We understand Three Rivers District Council is in the process of undertaking a qualitative retail assessment including a vitality and viability health check of Three Rivers' town centres.
- 2.9 A further key test required by PPS6 provides a more discrete approach to the allocation of retail resources according to the scale and function of a centre in order to ensure an appropriate scale of development is matched to the role of the centre within the wider retail hierarchy; the aim being 'to locate the appropriate type and scale of development in the right type of centre, to ensure it fits into that centre and that it complements its role and function'.
- 2.10 This more discrete approach seeks to provide a more balanced distribution of provision and growth at each level of the hierarchy.
- 2.11 Paragraph 2.9 of PPS6 explains that in promoting and enhancing existing centres regional planning bodies should plan carefully how best to distribute any identified growth to achieve the objectives of their spatial strategies. Local planning authorities should consider whether there is a need to rebalance the network of centres to ensure that it is not dominated by the largest centres, that there is a more even distribution of town centre uses, and that people's everyday needs are met at the local level. Local planning authorities should take into account;
- Whether there is a need to avoid an over-concentration of growth in the higher level centres;
 - The need for investment and growth to strengthen other centres, especially those needing regeneration; and
 - The need to address deficiencies in the network by promoting centres to function at a higher level in the hierarchy or designating new centres.
- 2.12 It is also reasonable to assume that where possible new floorspace should be directed to Three Rivers' town centres under the sequential assessment in the first instance.

DEVELOPMENT PLAN INTERPRETATION

- 2.13 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires determinations made under the Planning Acts to be in accordance with the development plan unless material considerations indicate otherwise. The Act has defined the development plan as comprising the regional spatial strategy for the region and the development plan documents (taken as a whole) which have been adopted or approved in relation to that area.

Regional Planning Guidance

- 2.14 Three Rivers District falls within the administrative area for RPG9: Regional Planning Guidance for the South East. Hertfordshire is one of a number of counties that has more recently been moved from the South-East Region to the new East of England Region. Until the draft East of England plan is adopted, RPG9 is the adopted regional spatial strategy for Hertfordshire.

- 2.15 RPG9 sets out, at Policy Q5 the requirement that the region's existing network of larger town centres should be the focus of major retail, leisure and office developments, to support urban renaissance, promote social inclusion and encourage more sustainable patterns of transport to ensure continued vitality and viability of the town centres. None of Three Rivers town centres are identified as larger town centres so therefore Three Rivers' centres are not identified as a focus for major retail development.
- 2.16 The guidance indicates that in preparing development plans, local authorities should:
- Consider any reviews of 'need' by regional planning bodies.
 - Assess 'need' in their area.
 - Identify which towns and district centres should be the preferred locations for growth.
 - Apply the sequential approach to identify sites.
 - Match scale and provision.
- 2.17 Local authorities are also encouraged to undertake town and district centre improvement strategies and management schemes that can assist in improving the vitality and viability of centres.

The East of England Plan

- 2.18 The draft East of England Plan, once adopted, will form the first Regional Spatial Strategy for the revised East of England Region which now includes the Three Rivers District (previously in the South-East Region). An Examination in Public, at which the draft East of England Plan was scrutinised by an independent panel, concluded on 16th March 2006. The Secretary of State then reviewed the panel's report and produced a document setting out the proposed changes to the RSS and her reasons for recommending them. Consultation has since taken place on the suggested changes and the Secretary of State is expected to publish the final document in mid 2007. The Panel's findings and the Secretary of State's proposed changes to the draft revision to the Regional Spatial Strategy for the East of England are outlined below.
- 2.19 Policy E9 defines the regional structure of retail centres. This is set out as:
- Major regional centres (the nearest centre to Three Rivers is Watford)
 - Regional centres (centres close to Three Rivers District include; Hemel Hempstead and St Albans).
 - Other towns and market towns: Local development documents will define the towns and market towns that comprise the structure of main retail centres within their area.
 - Villages and local centres. Local development documents will define the villages and local centres that complete the structure of retail provision within their area.
- 2.20 None of Three Rivers District centres are therefore explicitly identified in the East of England Plan.

- 2.21 Policy E10 explains that in accordance with the regional structure in Policy E9 new retail development will be located in existing centres and will be consistent with the scale, size and character of the centre and its role in the regional structure. Local development documents will propose a higher order provision only where a need is clearly established and where it would result in a more sustainable pattern of development and movement, including a reduction in the need to travel, no significant detrimental impact on other centres or the transport network and there is environmental capacity.
- 2.22 Paragraph 6.36 of the supporting text explains that research did not identify any need for major change to the retail structure to meet existing need.
- 2.23 The plan recognises that EERA and local authorities need to plan more positively for retail development in order to:
- Maintain and enhance the vitality and viability of retail centres
 - Make proper provision for new forms of retail distribution
- 2.24 Paragraph 6.38 of the supporting text explains that retail centres should aim to support and enhance their existing functions and absorb expenditure growth through higher quality development without changing the centre's position in the regional structure.
- 2.25 Therefore the local authority will need to consider how its town centre will be improved and expanded to meet the needs of existing and incoming residents.

The East of England Plan Panel Report

- 2.26 The Report of the Panel sets out the Inspectors' recommendations to the Secretary of State for changes to the draft East of England Plan. The Inspector's conclusions in relation to policies relevant to retail in Three Rivers are as follows:
- 2.27 The report recommends the draft plan's proposed retail hierarchy is amended. It recommends policies E9 and E10 are combined to set out a new regional structure of cities and towns of regional strategic importance for retail and other town centre purposes.

2.28 The proposed amendment to policies and E9 and E10 explains major new retail development (and other main town centre complementary uses) will primarily be located in the centres identified above and will be consistent in scale with the size and character of the centre. Local development documents will propose higher order provision only where need is clearly established and the development would:

- Result in a more sustainable pattern of development and movement, including a reduction in the need to travel;
- Have no significant harmful impact on other centres or the transport network; and
- Be within the limits of environmental capacity.

2.29 The report explains any new regional centres will be subject to similar considerations and will be brought forward only as part of a review of this RSS. Below the level of the centres of regional strategic importance local development documents will identify a network of more local town centres, district centres, neighbourhood centres and village centres.

2.30 Recommended policy SS6 states that vibrant and attractive town centres are vital to the sustainable development of East England. Therefore local development documents, supported by transport plans and relevant economic, environmental and cultural strategies will:

- *'Include a strategy for each city or town centre to define its role (or redefine it where necessary), manage change, promote a healthy mix of uses, build upon positive elements of its distinctive character, and support the development and consolidation of the local cultural heritage;*
- *Ensure that land is allocated or can be made available to meet the full range of the city or town centre's identified needs; and*
- *Protect and enhance existing neighbourhood centres and, where need is established, promote the provision of new centres of an appropriate scale and function to meet local day to day needs.'*

The East of England Plan Secretary of State's Proposed Changes

2.31 The Secretary of State has supported the majority of the findings of the Panel report identified above and has only suggested a few further amendments in addition to the Inspector's proposed changes. For example the Secretary of State intends to remove the requirement under amalgamated policies E9 and E10 that require new retail developments to be "be within the limits of environmental capacity".

2.32 The Secretary of State has also recommended a minor change to clarify the text in bullet point 1 of policy SS6 to clarify the requirement for local authorities to provide a strategy for each city or town centre.

- 2.33 The recommendations of the panel together with the changes recommended by the Secretary of State are binding on the regional authority. Although the RSS is subject to a final round of consultation before the plan is adopted.

Hertfordshire Structure Plan

- 2.34 The current Hertfordshire Structure Plan was adopted by the County Council in April 1998 and covers the period to 2011. First stage consultation on rolling forward the policies of the Structure Plan to 2016 took place during Summer 2002. Following this a deposit stage consultation set out draft policy alterations during April 2003. The review of the Hertfordshire Structure Plan was abandoned due to the abolition of Structure Plans in the Planning and Compulsory Purchase Act 2004. Policies in the existing Structure Plan will continue to apply for 3 years from the date of the Act or until they are replaced by policies in the East of England Plan or in Three Rivers Local Development Framework.
- 2.35 Policy 4 considers the hierarchy of town centres in Hertfordshire, requiring existing town centres within the hierarchy to be the preferred locations for retail development. Policy 16 requires provision for new retail development to be provided through the framework of local plans in accordance with PPG6 (which, in turn has now been updated by PPS6). As part of this policy, Rickmansworth and Abbots Langley are defined as historic centres in which development should be consistent with the maintenance and enhancement of the historic core. Policy 17 requires new retail development to have regard to PPG6 and in particular the sequential approach. No significant changes are made in the draft consultation alterations to these policies.

Three Rivers Local Plan 1996-2011 (Adopted July 2001)

- 2.36 Policy S1 states that in the Primary Shopping Frontages (as identified on the proposals map) change of use from A1 will be resisted except in the instance of:
- *“The proposed use will enhance the vitality and viability of the town centre as a whole;*
 - *The proposed use will have no significant adverse impact on the amenity enjoyed by nearby residents, and;*
 - *It can be demonstrated that no retailers are likely to require the premises within a reasonable period of time.”*
- 2.37 In accordance with Policies S2 Secondary Shopping Frontages, S3 Local Shopping Centres, and S4 Local Shops, retention of A1 shop use will also be encouraged. Class A2 and A3 uses found in a shopping area will normally be permitted. For all use classes, shop fronts and displays appropriate to the shopping area should be maintained.

2.38 Policy S5 states that retail development in existing shopping centres will be encouraged if it:

- *“Is located within the existing main shopping centres of Rickmansworth (as a ‘Minor Town Centre’), South Oxhey, Chorleywood or Abbots Langley;*
- *Is appropriate to the character and function of these centres; and*
- *Protects historic buildings and townscapes.”*
- Policy S5a allocates Rickmanworth Station Car Park for convenience retail development as indicated on the Proposals Map. A development brief has been approved for the site, setting guidelines for development. A Waitrose food store is currently under construction on the site.

2.39 In accordance with PPG6, Policy S6 seeks to direct retail development outside existing shopping centres to existing town centres stating:

- *“Applications for new retail development outside the existing town and local shopping centres will only be considered if the applicant has established that there is a need for the development, and that there is no suitable and viable site likely to become available within a reasonable period of time firstly within, or secondly at the edge of the existing town or local shopping centre which can satisfactorily accommodate the development; and*
- *Where (1) above has been established, permission will only be granted for development on an out-of-town site where the applicant can demonstrate that all of the following criteria will be achieved:*
 - *The proposal will have no significant adverse impact, when considered cumulatively with other development allowed, on nearby town and local centres, (including the evening economy where out-of-town leisure or entertainment uses are proposed);*
 - *The proposal is accessible by modes other than the car, enabling a high proportion of staff and customers to reach the development by passenger transport, on foot or by bicycle;*
 - *The proposal will not cause a significant overall increase in journeys by car, or create significant traffic problems contrary to Policy T.7; and*
 - *the proposal is neither sited in the Green Belt, nor on land allocated for some other purpose in the Local Plan.”*

Core Strategy: Issue and Options June 2006

2.40 Three Rivers has begun work on preparing a new Local Development Framework and it is currently at the issues and options stage. The Core Strategy Issues and Options paper was consulted on in the summer of 2006 and in November 2006 the Council published a summary of the consultation responses. The final Core Strategy is scheduled for Adoption in 2009.

- 2.41 In addition to preparing the Core Strategy, Three Rivers is currently developing a number of other documents that will combine to create the Local Development Framework. Completion of this framework is currently scheduled for 2010.
- 2.42 The Core Strategy Issues and Options document acknowledges the conclusion of the emerging East of England Plan that there are no strategic retail centres in the Three Rivers area but that there are many other centres that meet local shopping needs.
- 2.43 The document explains that the district's shopping areas are classified into a retail hierarchy under four categories:
- *“Primary frontages: the cores of main centres within Rickmansworth, Abbots Langley, Chorleywood and South Oxhey;*
 - *Secondary Frontages: the more peripheral part of the main centres;*
 - *Local Shopping Centres: ‘stand-alone’ centres within Croxley Green and on edge of Rickmansworth; and*
 - *Local Shops: smaller parades and individual shops dotted around the district.”*
- 2.44 The Core Strategy document sets out three options for consideration:
- Option 6a guides retail development within existing shopping areas subject to it being appropriate to the character and function of these centres.
 - Option 6b seeks to achieve greater protection of town and local shopping centres.
 - Option 6c suggests a more flexible approach, letting market forces determine the mix of uses in within town and local shopping centres.
 - Option 6d suggests that subject to the findings of a retail capacity study, Three Rivers should plan for any additional retail floorspace that is identified to meet need.
- 2.45 It is expected that the conclusions on retail capacity identified in this capacity assessment will inform the need for additional convenience and comparison goods provision in the district.
- 2.46 Finally, the Council's summary of the consultation response on the document suggested that in the main consultees gave support for continuing to guide retail development within existing shopping areas subject to it being appropriate to the character and function of those areas. However consultees had mixed views about the flexibility of shops to be able to change between retail and non-retail uses

SUMMARY

- 2.47 The Three Rivers Local Plan (adopted 2001) and Three Rivers Core Strategy Issues and Options identifies Three Rivers' main centres as; Rickmansworth, Abbots Langley, Chorleywood and South Oxhey.
- 2.48 The emerging East of England Plan does not identify any of Three Rivers' town centres as regional centres. However, it acknowledges that there are many other centres that meet local needs and the Plan expects local development documents to identify a network of local town centres, district centres, neighbourhood centres and village centres.
- 2.49 PPS6 requires Local Planning Authorities to 'plan for growth' in town centres and to undertake a retail need assessment to identify need and gaps in provision by allocating sites to meet such need. There is an explicit requirement in the statement to allocate sufficient sites to meet a five year need.
- 2.50 Local planning authorities should also consider whether there is a need to rebalance the network of centres to ensure that it is not dominated by the largest centres, that there is a more even distribution of town centre uses, and that people's everyday needs are met at the local level.
- 2.51 It is expected that the conclusions on retail capacity identified in this capacity assessment will inform the need for additional convenience and comparison goods provision in the district.
- 2.52 The next section sets out the technical basis of our retail capacity forecasts and describes the principal data input into and the structure of our REASN forecasting model.

3. RETAIL CAPACITY FORECASTS

3.1 In this section, we summarise our REASN forecasting Model for Three Rivers District, and set out the resulting retail capacity forecasts. These have been prepared separately for convenience and comparison goods, defined as follows:

- **Convenience goods:** Food, alcoholic drink, tobacco products, newspapers and periodicals, non-durable household goods.
- **Comparison goods:** Clothing and footwear; household textiles and soft furnishings; Furniture and floor coverings; household appliances; audio visual equipment; hardware, DIY goods, decorating supplies, tools and garden products; chemist and medical goods, cosmetics and beauty products; books, jewellery, watches, china, glassware and kitchen utensils, recreational, personal and luxury goods.

3.2 This study reviews the current retail attraction and performance of retail destinations in the Three Rivers District. We have also assessed the quantitative expenditure capacity available to support further floorspace in Three Rivers District. The study, therefore, includes the preparation of up to date forecasts of the additional retail floorspace, which will be supportable by increases in the population and expenditure of catchment area residents.

3.3 We describe below our REASN forecasting model before setting out our forecast of the additional retail floorspace, for the period up to 2021. A copy of the REASN Forecasting Model is included in Appendix 4.

THE CB RICHARD ELLIS REASN MODEL

3.4 There are a number of alternative approaches to forecasting the level of additional shop floorspace supportable in any location, and the retail impact of proposed retail development. Some rely on the use of driving time isochrones in defined catchment areas, whilst others employ gravity models to forecast retail attraction of centres; or assessment of overall market share of available expenditure.

3.5 All require an assessment of existing facilities in the area, and the level of expenditure available. Using this data, most then apply judgements to identify the existing trading pattern and the consequences (both positive and negative) of additional retail development.

3.6 The effectiveness of the various forecasting methods available varies considerably according to the approach and assumptions used. Conventional gravity models are based on the attractiveness of different centres, and therefore the extent and potential of their trade draw, purely on size and

accessibility. In reality, other factors, including the type and quality of retailers, level of parking provision, and the retail environment. These can be equally important determinants of the trading pattern.

- 3.7 Forecasting methods on driving time isochrones to determine catchment areas also rely on assumptions and judgement rather than measures of the actual pattern of shopping visits from residential areas to shopping centres, foodstores and retail warehouses. Similarly, global market share based methods include a degree of interpretation because they rely on estimates derived from one location being applied to another with different catchment area characteristics . The result depends substantially on assumptions about the extent of the catchment area in each location.
- 3.8 In response to these CB Richard Ellis has developed its Retail Expenditure, Allocation and Shop Floorspace Need (REASN) forecasting Model. The main difference between our approach and conventional gravity models is that the REASN Model employs the results of a household interview survey to identify the actual shopping patterns in the area and the extent of the existing catchment area.
- 3.9 Using the results of the survey, it is possible to model realistically existing flows of available expenditure to established town centres; as the basis for predicting the existing and future capacity for further retail development.
- 3.10 The REASN Model utilises the results of the household interview survey as its objective measured 'base line', using a step by step approach, to:-
- Calculate the total amount of convenience and comparison goods expenditure which is available within the catchment area;
 - Allocate available expenditure to the study area's town centres, based on the results of the household interview surveys of shopping patterns. This is in order to obtain estimates of current sales and forecast future sales in the study area;
 - Compare the estimated sales with existing floorspace to determine the current trading performance of the study area's retail destinations;
 - Assess the capacity for further retail growth within the catchment according to forecasts of expenditure and population increases and expected changes in market share.
- 3.11 The REASN Model is a very useful tool for retail planning, and may avoid assumptions about existing trade draw patterns and market shares which are often inherent in other forecasting methods. It has been used and refined in a large number of retail studies on behalf of public sector clients. In particular, forecasts made using the REASN Model have been accepted by Planning Inspectors and the Secretary of State at many Public Inquiries.

- 3.12 It is important to remember that the REASN Model is an exploratory tool, rather than a prescriptive mechanism. Thus, for example, in preparing forecasts for future shop floorspace capacity, the Model is usually run iteratively to explore the changes in the forecasting variables, such as in the pattern of attraction of expenditure or in sales densities, which would be necessary to support different levels of new development. Use of the Model in this way illuminates sensitivities and variables, and assists in the making of judgements about the realism of any given growth or impact scenario.
- 3.13 It is usually the case that significant new retail development in any town centre has the potential to increase the market share of catchment area expenditure which is attracted to that destination. For example, we expect this phenomenon to occur to some degree in Three Rivers District, as a result of the new development planned for the Waitrose food store in Rickmansworth.
- 3.14 For the purposes of this Retail Capacity Study, we have therefore adopted Three Rivers District's existing market share as our 'baseline' position. We have also modelled a second scenario. This is to reflect an expected increase in Three Rivers District's market share as a result of new development.
- 3.15 When using the REASN Model capacity forecasts as a guide to future planning policy, it is also important to remember that the further advanced the forecasting date, the less certain the forecast. Thus the forecast for 2011 is more robust than those for 2016 and 2021. We suggest that these latter forecasts only indicate the broad order of magnitude of retail capacity at that date, as it assumes all of the forecast trends continue. For this reason, we recommend that the forecasts should be reviewed and revised on a regular basis (for example every five years) in the light of events; taking account of the effects of any development which has occurred in the meantime.
- 3.16 As explained in Section 2, PPS 6 emphasises the need for local planning authorities, in consultation with stakeholders and other key local interests, to actively 'plan for the growth' of town centres through identifying need and gaps in provision by allocating sites to meet such need. Local planning authorities are charged with an overall need assessment over a plan period 'with regular updates'. Whilst developers are advised to identify need no further than five years ahead, paragraph 2.52 further states that in planning for growth in their town centres, 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. Local Planning Authorities are also encouraged to ensure that suitable sites within or on the edge of centres are brought forward for development. In conclusion, PPS6 encourages Local Planning Authorities to plan for growth.

PRINCIPAL DATA INPUTS

CATCHMENT AREA EXPENDITURE

- 3.17 CB Richard Ellis' National Survey of Local Shopping Patterns (NSLSP) 2002 comprises a countrywide sample survey of shopping habits for comparison goods which covered the whole country, and provides detailed information for each postcode sector on where residents shop most often for such goods. The results indicate the extent of the catchment area of all significant retail centres, and the market shares of catchment area comparison goods expenditure which are attracted to each centre from each postcode sector.
- 3.18 The NSLSP is a unique data source which is extremely useful for identifying the catchment area of a town centre for fashion based comparison goods, eg. Clothing and footwear, jewellery, etc. It does not provide any information on shopping patterns for individual comparison goods shopping categories. It is therefore important to undertake a 'bespoke' household interview survey of the major part of the catchment area indicated by the NSLSP, in order to obtain more up-to date and more detailed information on shopping patterns for each of the various convenience and comparison goods sub-categories.
- 3.19 An example of a catchment area plan that can be produced from the results of the NSLP is attached as Appendix 2. This plan shows Rickmansworth's catchment area. The core dark area shows where 70% of Rickmansworth's shoppers come from. The percentages attached to each town (1.59% for Rickmansworth) reflect the proportion of the identified catchment area population who use that town/retail destination as their primary shopping destination for comparison goods.
- 3.20 In 2005, CB Richard Ellis was commissioned by Watford Borough Council to undertake a bespoke household interview survey of Watford town centre's catchment area. Watford town centre is identified in the East of England Plan as a Major Regional Centre.
- 3.21 The Watford survey covered the entirety of the Three Rivers District. The results of this survey therefore provided a detailed picture of where the residents of Three Rivers shop for main food and top up convenience goods shopping, and for eight different categories of comparison goods shopping. They also provide some information on linked trips shopping, where the primary trip generator is main food shopping, and on travel mode.
- 3.22 We defined the Three Rivers District catchment area based on the following:
- The survey zones of the Watford household survey
 - The catchment area of Rickmansworth defined by the NSLSP; and,
 - The Three Rivers District boundary.

- 3.23 The catchment area was divided into nine zones, each of which is a group of postcode districts/sectors. Only one of the zones (zone 3) identified by the NSLSP is outside the Watford catchment area. For this zone we have drawn on data from the National Survey of Local Shopping Patterns alone. For all other zones we have analysed the information provided by the 2005 Watford household survey. We understand there have been no significant retail developments within the catchment area that would affect shopping patterns since 2005. The catchment area plan is attached as appendix 1.

CATCHMENT POPULATION

- 3.24 We have obtained a "Three Rivers Area Profile Report" from MapInfo setting out the 2006 population of each of the 9 catchment zones covered, together with trend based forecast populations for 2008, 2011, 2016 and 2021.
- 3.25 Using information provided by the Council, we have identified those zones in Three Rivers where new housing provision is planned; zones 1-7. For these zones, we have added to the trend based population forecasts, the likely growth in population which will result from new housing development in the District up to 2021.
- 3.26 In order to determine the projected population associated with the expected increase in the number of dwellings, we have assumed an occupancy rate of 2.47 persons per unit. This has been derived from data provided by the Council. We have added the resulting growth in population to the MapInfo trend base population growth, to arrive at a set of population forecasts each zone. The resulting catchment area population forecasts by zone are set out in REASN Model Tables 1a and 1b in Appendix 4.

FORECASTING DATES

- 3.27 We have prepared base year estimates of retail sales at 2006. Our forecasts have been prepared for the years 2008, 2011, 2016 and 2021. As indicated above, the 2016 and 2021 forecasts should be treated as a broad guide only, and reviewed and updated well before 2016.

PRICE BASE

- 3.28 All monetary values in this report are in 2003 prices, unless otherwise indicated.

SPECIAL FORMS OF TRADING

- 3.29 Expenditure on special forms of trading (SFT) is excluded from our capacity forecasts. Special forms of trading are mail order, vending machines and other non-store activity such as internet shopping. To take SFT into account we have made a deduction of 1.6% for convenience goods and 5.3% for comparison goods (as advised by Mapinfo Expenditure Explanatory Volume: 2003 Expenditure).

- 3.30 Internet sales are expected to grow over the forecasting period. Experian predict that E-tailing sales as a Percentage of Total Retail Expenditure between 2004 and 2009 will increase from £6.8 billion in 2004 to £24.0 billion in 2009.
- 3.31 However, it is difficult to determine whether or not the growth of internet retail will impact significantly upon the need to provide new shop floorspace. For example, goods sold over the internet may still come from conventional retail outlets (i.e. sales made over the internet may still be taken from the shelves of normal shops). Moreover, whilst internet sales have increased other special forms of trading (for example catalogue sales) are expected to decrease over the forecasting period.
- 3.32 To explore further the potential impact of internet retailing, we have included a further scenario in the study which assumes special forms of trading will increase significantly up to 2012 before levelling off.

PER CAPITA EXPENDITURE

- 3.33 The MapInfo 'Three Rivers District Area Profile Report' indicates the average per capita expenditure on convenience and comparison goods in the catchment area as a whole at 2003. After deducting expenditure on special forms of trading, these amount to £1,681 for convenience goods and £3,021 for comparison goods. These base figures are set out in REASN Model Table 2a in Appendix 4. The base figures for the year 2003 in Table 2a have been increased to allow for estimated actual growth over the period 2003 to 2005, followed by expected growth thereafter to 2021. For convenience goods, we have applied the estimated actual growth of 2.20% per annum (based on the ultra long-term) over the two year period 2003 to 2005; followed by the 1964 to 2004 (ultra long-term) rate of 0.1% per annum, for the period 2005 to 2021. For comparison goods, we have applied the estimated actual growth of 18.0% over the two year period 2003 to 2005; followed by the ultra long term trend rate of 3.8% per annum to the period 2005 to 2021.
- 3.34 Whilst growth in per capita expenditure on comparison goods is currently running at a higher rate than 3.8% per annum, it would be unrealistic to assume that the current high level of growth will continue annually throughout the 15 year forecasting period. The ultra long term trend spans the period 1964 to 2004 thus covering several economic cycles. Of course it does not take full account of the potential growth of online shopping via the Internet or interactive digital TV. Whilst this is currently growing rapidly, it still accounts for only a very small proportion of total retail spending; and is focused mainly on particular retail categories eg. books, music, computer products.
- 3.35 To assume an annualised average of 3.8% per annum over the entire forecasting period when growth for the last few years has been significantly above this level, therefore makes an implicit allowance for further growth in such non traditional forms of shopping. In any event, periodic

review of the forecasts will enable the assumed growth rate to be adjusted as necessary in the light of actual growth, and the forecasts revised accordingly.

- 3.36 The combined effect of the forecast growth in population and in per capita expenditure is that we expect total catchment expenditure on convenience goods to increase by £39m (10%) over the period 2006 to 2021. We expect total catchment area expenditure on comparison goods to increase by £717m (90%) over the same period. This compares with forecast growth in total catchment area population of 9% over the period. Thus nearly all of the growth in the catchment area's expenditure on convenience goods is due to expected growth in population. Only a small proportion of the growth in catchment area expenditure on comparison goods is accounted for by forecast growth in population. This is because expenditure on comparison goods has grown (and is projected to grow at) a much faster rate than convenience goods as the range of goods available and the amount of expenditure consumers spend on these goods increases.

SHOPPING PATTERNS IN THE CATCHMENT AREA

- 3.37 As indicated above, we have used the results of the Watford household interview survey as the key input to our REASN forecasting Model in order to forecast shopping patterns in the catchment area. Thus for food stores in Three Rivers, in Table 3a (i) we have combined the results of the question about main food shopping with those of the question about top up food and convenience goods shopping. This provides a weighted average market share of convenience goods expenditure, which is attracted by the main food stores from each zone by food and convenience stores in the Three Rivers District. These weighted averages are then rounded to the nearest integer and used in Table 3a (Appendix 4) to indicate the pattern of attraction of convenience goods expenditure by food stores in Three Rivers District.
- 3.38 In the case of comparison goods, the REASN Model Tables 3a and 3b show that the shopping destinations in Three Rivers attract their market share of catchment area expenditure from catchment zones 1, 2 and 3. This is not surprising because these zones cover the majority of the Three Rivers District. According to the household survey most respondents who visited centres in Three Rivers visited Rickmansworth with very few respondents visiting the district's other smaller town centres.
- 3.39 As a result, the use of the weighted average market shares obtained from the Household Interview Surveys and the NSLSP without adjustment, results in an unrealistically low average sales density for the existing comparison goods retail floorspace in retail destinations in Three Rivers. We have therefore applied an adjustment factor to the survey derived market shares of retail destinations in Three Rivers by 170%, as shown in Table 3a. We believe this will reflect those survey respondents who visit other larger centres such as Watford, St Albans and Hemel Hempstead more often than the shops in Three Rivers for comparison goods shopping but do occasionally visit shops in Three Rivers. This results in a more realistic average sales density for Three Rivers retail floorspace (although this is still a low average sales density for town centre floorspace). This approach is

consistent with the approach we have taken in other studies, including our 2005 study for Watford Borough Council.

- 3.40 We have therefore used the results of the Household Interview Survey and have weighted the market shares for each according to per capita expenditure on each category. This provides a weighted average market share of all comparison goods expenditure which is attracted from each zone by town centres in Three Rivers District. The market shares for each individual goods category and the weighted averages are set out in Table 3a (ii); the final column (weighted average), of which is rounded to the nearest integer, and applied in Table 3a (with adjustment) to indicate the market shares of all comparison goods expenditure attracted from each zone by retail destinations in Three Rivers District.

EXISTING SHOP FLOORSPACE

- 3.41 For convenience goods floorspace in Three Rivers, we have used floorspace data published by the Institute of Grocery Distribution (IGD), supplemented where necessary with information from Three Rivers District Council. We estimate there is a total of 6,650 sq m net of convenience floorspace in the District according to the data available from IGD, GOAD and Three Rivers District Council.
- 3.42 In terms of comparison goods, based on information provided by GOAD Three Rivers District Council and our own estimates, we estimate that there is a total of 7,887 sq m net of existing comparison goods floorspace in Three Rivers District. A GOAD centre report for Rickmansworth town centre is attached as appendix 3.
- 3.43 Section 4 of PPS6 recommends that local planning authorities should collect information on floorspace areas for all town centre uses, including retail. We therefore recommend that a full and comprehensive shop floorspace survey of Three Rivers' town centres is undertaken by the Council and thereafter kept up to date, thus enabling the Council to monitor changes in its town centres much more closely than at present.
- 3.44 However, we consider that the floorspace figures used in this report provide a realistic indication of the order of magnitude of existing comparison goods shop floorspace in the town centre. Using more accurate results from a 'bespoke' shop floorspace survey would be likely to result in subtle, rather than gross changes to our shop floorspace capacity forecasts.
- 3.45 The resulting floorspace figures are set out in Appendix 4, Tables 5a(i) and 5a(ii).

SALES DENSITIES

- 3.46 For the existing main food and convenience stores in Three Rivers, we have applied estimated company average sales densities based on information published by Verdict Research. These are set out in Appendix 4 Tables 5a(i).

RETAIL PRODUCTIVITY

- 3.47 Paragraph 2.34 of PPS6 identifies those factors that are likely to affect future demand for additional retail floorspace. This includes forecast improvements in productivity in the use of floorspace. This is also known as retail space productivity growth which means the increase of sales density (£ per sq m) over time. Sales densities can change over time for a variety of reasons, including:
- o Retailers selling more goods from less space through; improvements in stock management; more efficient floor layouts; attracting more customers into shops and converting these visits into increases in sales.
 - o Longer opening hours.
 - o Changes to the use of space in terms of the goods sold. For example, selling smaller high value items can be more efficient than selling bulky high value items.
- 3.48 As new technologies emerge retailers become better and therefore more efficient at selling and this is reflected in increases in productivity over time. At present there are no official estimates of how retailer productivity growth might grow over time. We consider it appropriate to allow for comparison goods sales from existing retail floorspace to grow at 1.5% per annum in real terms. However, in some centres productivity growth may be as high as between 2 and 2.5% for some comparison goods and 0.5% for convenience goods.
- 3.49 Higher productivity rates tend to be found in centres where floorspace is constrained and demand high, for example, in historic centres such as Oxford and Cambridge. As recommend by PPS6 we have applied two different growth rates in this study; in Scenarios 3 and 4 we have set retail productivity at 1.5% for comparison goods and 0% for convenience goods and in scenario 1,2 and 5 we have assumed retail productivity at 2.5% for comparison goods and 0.5% for convenience goods. As floorspace is already constrained, particularly in Rickmansworth, we would expect the productivity rates to be higher rather than lower within the Three Rivers District.

FORMAT OF THE REASN MODEL TABLES

- 3.50 The detailed REASN Model tables are set out in Appendix 4. Table 1a and 1b set out the population forecasts for each of the nine catchment zones. Table 2a indicates per capita expenditure, growth in that expenditure, and total catchment area expenditure by zone for convenience and comparison goods over the period 2006 to 2021. Table 3a sets out the pattern of weighted average market shares of catchment area convenience and comparison goods expenditure, which is attracted from the catchment area to Three Rivers District's retail destinations. This is based on the detailed results by goods category obtained from the household interview survey (as described above), and set out in Tables 3a and b(i) for convenience goods and 3a(ii) for

comparison goods. Table 4a is the product of Table 2a (catchment area expenditure) and Tables 3a.

- 3.51 Table 5a compares the expenditure attracted by Three Rivers District's retail destinations and sales, with existing shop floorspace. It also indicates the resulting capacity for additional shop floorspace. The top line of Table 5a (spending by catchment area residents) is taken from the bottom line of Table 4a.
- 3.52 The next section sets out our forecasts for capacity for new retail floorspace in Three Rivers District.

4. THE REASN MODEL FORECASTS

4.1 We now set out our retail capacity forecasts for Three Rivers. We provide forecasts for both convenience and comparison goods. We have assessed five scenarios for retail development as follows:

1. Scenario 1 – the ‘baseline’ scenario, which assumes that there will be no change in the market shares of available expenditure attracted from the catchment area through the period to 2021. Retail productivity growth set at 0.5% for convenience goods and 2.5% for comparison goods.
2. Scenario 2 – increase in convenience and comparison market shares to take account of the new Waitrose store at Rickmansworth and reduced market shares for comparison goods following new floorspace and qualitative improvements to higher order competing centres. Retail productivity growth set at 0.5% for convenience goods and 2.5%
3. Scenario 3 – no change in the market shares of available expenditure attracted from the catchment area through the period to 2021. Retail productivity growth set at 0.0% for convenience goods and 1.5% for comparison goods.
4. Scenario 4 - increase in market share as assumed for scenario 2. Retail productivity growth set at 0% for convenience goods and 1.5% for comparison goods.
5. Scenario 5 – increase in market share as assumed for scenario 2. Retail productivity growth set at 0.5% for convenience goods and 2.5% for comparison goods. Decreases in retail expenditure over the forecasting period for comparison and convenience goods as spending on internet sales increases.

FINDINGS

Table 4.1- Summary of forecast capacity for additional retail floorspace

Goods/Location	2008 (sq m net)	2011 (sq m net)	2016 (sq m net)	2021 (sq m net)
Convenience Goods:				
Scenario 1: Three Rivers	-1,400	-1,300	-1,300	-1,250
Scenario 2: Three Rivers	-650	-500	-550	-450
Scenario 3: Three Rivers	-1,350	-1,200	-1100	-900
Scenario 4: Three Rivers	-600	-400	-250	-50
Scenario 5: Three Rivers	-750	-650	-650	-600
Comparison Goods:				
Scenario 1: Three Rivers	0	-700	-50	800
Scenario 2: Three Rivers	1,300	350	1,050	2,000
Scenario 3: Three Rivers	150	1,150	2,450	4,100
Scenario 4: Three Rivers	1,500	750	2,000	3,650
Scenario 5: Three Rivers	1,200	250	950	1,900

Source: Reasn Model Forecasts (Appendix 4) rounded to the nearest 50 sq m net.

CONVENIENCE GOODS

- 4.2 As identified above we have assessed five scenarios for convenience goods. Scenarios 1 and 3 are somewhat artificial, in that they make no explicit allowances for the attractiveness of the new Waitrose food store in Rickmansworth. It is therefore a worst case scenario which assumes that the new Waitrose food store in Rickmansworth Town Centre is unable to achieve increased market shares in the face of increased competition from other shopping destinations. However, these scenarios set a useful baseline, with which scenario 2, 4 and 5 can be compared. Scenario 2 in particular is more realistic in that it explores the implications for shopping patterns of the proposed new Waitrose food store in Rickmansworth. Whilst some impact may be felt initially on other stores in Rickmansworth, we consider it is more likely that the Waitrose food store will increase the number of shoppers visiting Rickmansworth rather than have an adverse impact on existing stores in the town centre. Scenarios 1, 2 and 5 also take into account the likelihood that the existing small shops will increase their productivity over time, particularly in those stores where there is limited space available to expand the existing stores. Finally scenario 5 provides an indication of the impact on the capacity forecasts if spending on internet goods increases significantly over the forecasting period.
- 4.3 We consider scenario 2 represents our current best estimate of likely future retail performance of the town centre.

Scenario 1 – No Change in Market Share (Baseline), high increases in retail productivity

- 4.4 Table 5a in Appendix 4 shows that in 2006, the foodstores in Three Rivers were achieving combined sales of £49m, at a combined average sales density of £7,407 per sq m net. Table 5a (i) shows that based on estimated company average densities, the combined sales density of the main food and convenience stores in Three Rivers in 2006 was expected to be £5,930 per sq m net. Therefore, these stores are estimated to be trading above the expected level based on estimated company averages. This reflects the good market share of catchment area expenditure on convenience goods attracted to existing food stores in Three Rivers.
- 4.5 As indicated in Table 4.1 under scenario 1 there will be a theoretical oversupply of up to 1,400 sq m net of convenience floorspace in 2008. This is because much of the available expenditure will be absorbed by the new Waitrose food store in Rickmansworth town centre and the additional convenience floorspace permitted at Schoolmead. If forecast trends occur this oversupply will diminish over time as the catchment area's population and expenditure increase, reducing to up to 1,250 sq m net of new floorspace by 2021. This scenario assumes an increase in retail productivity of 0.5%.

Scenario 2 – Increase in Market Share, high increases in retail productivity

4.6 Scenario 1 assumes that no changes in market share occur in Three Rivers District over the forecasting period. In Scenario 2, we have based our market share assumptions on the expectation that by 2008 the Waitrose food store in Rickmansworth, currently under construction, will be open and trading. We expect this quantitative and qualitative improvement to significantly increase Rickmansworth town centre's market share by between 3%-5% across the catchment area. Under this scenario, Table 4.1 shows that this will reduce the oversupply of comparison goods to up to 650 sq m net by 2008. This oversupply is forecast to reduce further to up to 450 sq m net by 2021 for comparison goods.

4.7 We consider this scenario is the most realistic as market shares are unlikely to remain static as new development takes place in the catchment area. In any event, we expect the convenience stores in the catchment area to retain their existing market shares due to the distance residents within Three Rivers (particularly in Zones 1 & 2) need to travel to undertake their convenience shopping. We consider increasing congestion in larger urban areas such as Watford, Hemel Hempstead and Northwood may also encourage more of the district's residents to shop locally. As explained above, we also expect some increases in retail productivity to occur due to the constraints on operators expanding existing retail floorspace which is an issue in a number of the district's centres.

Scenario 3 – No Change in Market Share (Baseline), no increases in retail productivity

4.8 As for Scenario 1, scenario 3 assumes there will be no change in market share over the forecasting period. As explained above, PPS6 suggest that increases in retail space productivity growth should be considered in retail assessments. In scenario 3, we have assumed that no increases will occur in the retail productivity of convenience retail floorspace over the forecasting period.

4.9 As indicated in Table 4.1 under scenario 3 there will be a theoretical oversupply of up to 1,350 sq m net of convenience floorspace in 2008. If forecast trends occur this oversupply will diminish over time as the catchment area's population and expenditure increase, reducing to up to 900 sq m net of new floorspace by 2021. This scenario assumes an increase in retail productivity of 0.5%.

Scenario 4 – Increase in Market Share, no increase in retail productivity

4.10 As for scenario 2, in scenario 4 we have based our market share assumptions on the expectation that market shares will increase over the forecasting period, largely due to the opening by 2008 the Waitrose food store in Rickmansworth, currently under construction. Under this scenario, Table 4.1 shows that this will reduce the oversupply of convenience goods floorspace from to up to

600 sq m net by 2008, this oversupply will have reduced over the forecasting period to up to 650 sq m net by 2021. As for scenario 3, scenario 4 assumes no increase in market share will occur.

Scenario 5 – High growth in internet sales, increase in market share, high increases in retail productivity

- 4.11 As for Scenario 2, scenario 5 assumes market shares in convenience goods will increase over the forecasting period and that the productivity of convenience retail floorspace will also increase. This is because we consider the assumptions in scenario 2 to be the most relevant to the Three Rivers catchment. As explained in section 3, internet sales are also expected to grow over the forecasting period. However, this is likely to be off-set in part by increases in other forms of non-store retailing. More importantly, the majority of convenience goods ordered online are picked and then despatched from the shelves of existing food stores. Therefore, new floorspace for convenience goods shopping will still be required. We therefore consider this is a worst case scenario as it assumes no new floorspace will be required to support the growth in internet sales.
- 4.12 As indicated in Table 4.1 under scenario 5 there will be a theoretical oversupply of up to 750 sq m net of convenience floorspace in 2008. If forecast trends occur this oversupply will diminish over time as the catchment area's population and expenditure increase, reducing to up to 600 sq m net of new floorspace by 2021. This scenario assumes an increase in retail productivity of 0.5%.

COMPARISON GOODS

- 4.13 For comparison goods we have also assessed five scenarios. Scenarios 1 and 3 are somewhat artificial, in that they make no explicit allowances for the impact on the comparison goods retail offer of Three Rivers' town centres in the face of increased competition from other major shopping destinations. As for convenience goods, it sets a useful baseline, with which Scenario 2, 4 and 5 can be compared. We consider scenario 2 is the most realistic scenario as whilst it allows for some increases in market shares as the Waitrose food store attracts new shoppers to Rickmansworth it also explores the implications for shopping patterns from improvements to nearby larger centres.
- 4.14 For example, we expect the proposed new floorspace and qualitative improvements to Watford town centre and some other larger centres including Hemel Hempstead and St Albans, will draw comparison goods market shares away from Three Rivers' small centres. Scenario 2 therefore represents our current best estimate of likely future retail performance of retail destinations in Three Rivers. As for convenience goods, we consider the limited space available to expand existing retail stores will lead to productivity increases in both new and existing shops.
- 4.15 Finally scenario 5 provides an indication of the impact on the capacity forecasts if spending on internet goods increases significantly over the forecasting period.

Scenario 1 – No Change in Market Share (Baseline), high increases in retail productivity

- 4.16 In Appendix 4, Table 5a shows that retail destinations in Three Rivers are estimated to be achieving an average sales density for comparison goods in 2006 of £2,481 per sq m net. This indicates Three Rivers' centres are trading below the national average for all town centres. Based on our retail studies of a number of other town centres, we consider that this low sales density reflects the retail offer of the district as a whole. For example, the majority of the retail centres are dominated by independent retailers with very few multiple retailers present.
- 4.17 This reflects the local role of these centres and the strong competition from the larger centres of Watford, Hemel Hempstead and St Albans. These larger centres are more likely to appeal to multiple retailers. Multiple retailers currently dominate the retail market and account for more than 70% of total non-food spending. Research by CB Richard Ellis confirms that multiple retailers are increasingly looking for larger retail units.
- 4.18 National retail trends indicate a continuing contraction in the number of shop units – total store numbers in the UK have declined by 10% over the last 10 years. Conversely, average unit size has shown an upward trend, increasing by 8% since 1994, and Verdict predict average store sizes to increase further. These trends, coupled with strong sales growth, have contributed to average sales per high street store increasing by 69% between 1994 and 2004. New retail schemes being bought forward in these large centres are therefore more likely to attract new retailers, for example, the proposed extension to Charter Place shopping centre in Watford.
- 4.19 As these larger centres continue to grow, this limits the potential for further retail development in Three Rivers to accommodate the growth in expenditure resulting from growth in population and per capita expenditure over time. This is unless a new retail scheme that meets the requirements of multiple retailers can be bought forward within one of Three Rivers' town centres.
- 4.20 These forecasts further depend on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres.
- 4.21 If Three Rivers' centres are to maintain market share, the Council will need to continue to improve the shopping environment and retain existing retailers as well as attract new retailers. Developments in these town centres should seek to qualitatively improve the retail offer by encouraging new independent retailers as this could help to differentiate Three Rivers' centres from the mainstream offer of the larger centres of Watford, St Albans and Hemel Hempstead.
- 4.22 However, as a result of the growth expected in population and expenditure within Three Rivers catchment area, there will be some capacity to support additional comparison goods floorspace within the town centre without further increases in market share by the end of the forecasting period.

- 4.23 Table 4.1 shows that with no increase in market shares, there will be a theoretical oversupply of up to 700 sq m net of comparison floorspace in 2011. If forecast trends occur this oversupply will diminish over time as the catchment area's population and expenditure increases. This oversupply will decrease further to 50 sq m net by 2016. By the end of the forecasting period we expect there will be capacity to support additional comparison floorspace, up to 800 sq m net by 2021. These forecasts are in addition to the floorspace already permitted as part of the new Waitrose food store.
- 4.24 We have also allowed for comparison goods sales from the existing town centres' floorspace to grow at 2.5% per annum in real terms. This will also absorb some of the growth in expenditure.

Scenario 2 – Increase in Market Share, low increases in retail productivity

- 4.25 In Scenario 2, we have based our market share assumptions on the expectation that the centres' market shares will increase as a result of the influence of the new Waitrose food store in Rickmansworth. We have also assumed that by 2011 the extension to Watford town centre (the Charter Place shopping centre extension) will have been completed. The extension to Charter Place in Watford town centre will be accompanied by qualitative improvements to Watford town centre which may impact on Three Rivers' town centres towards the end of the forecasting period. Improvements are also planned to other existing larger centres including Hemel Hempstead and St Albans. These forecasts also depend on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres.
- 4.26 This scenario therefore assumes that Rickmansworth will increase its market share, although it also likely to suffer some impact from extensions to nearby larger centres. This results in a need for new floorspace earlier in the forecasting period; up to 1,300 sq m net by 2008. This capacity then reduces to 350 sq m net by 2011 in the face of competition from Watford and other centres. Thereafter forecast capacity increases to 1,050 sq m net by 2016 and increases further to 2,000 sq m net by 2016.

Scenario 3 – No Change in Market Share (Baseline), high increases in retail productivity

- 4.27 As explained above, PPS6 suggests that increases in retail space productivity growth should be considered in retail assessments. In scenario 3 we have assumed a lower increase in the retail productivity of existing and proposed floorspace of 1.5%. If policy commitments are then taken into account, this results in reduced capacity forecasts for new floorspace. As for Scenario 1, these forecasts depend on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres.

- 4.28 This means that by 2008 there is capacity for 150 sq m net of new retail floorspace, this is projected to reduce to 1,150 sq m net by 2011, rising to 2,450 sq m by 2016 and thereafter increasing to 4,100 sq m net by 2021.

Scenario 4 – Increase in Market Share, high increases in retail productivity

- 4.29 As for scenario 2, in scenario 4 we have based our market share assumptions on the expectation that market shares will increase over the forecasting period, largely due to the opening by 2008 the Waitrose food store in Rickmansworth. Market shares will then decrease following competition from other large centres including Watford, Hemel Hempstead and St Albans. As for the other scenarios above, these forecasts also depend on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres.
- 4.30 Under this scenario, Table 4.1 shows that this will result in capacity for new floorspace of up to 1,500 sq m net by 2008, this is projected to decrease by 2011 to 750 sq m net as a result of increased competition in the catchment area. Thereafter, a need is identified for up to 2,000 sq m net by 2016, thereafter rising to 3,650 sq m net by 2021. As for scenario 3, scenario 4 assumes that retail productivity will remain at 0.1%.

Scenario 5 – High growth in internet sales, increase in Market Share, high increases in retail productivity

- 4.31 As for scenario 2, scenario 5 assumes market shares in comparison goods will increase over the forecasting period. Scenario 5 also assumes that the productivity of comparison retail floorspace will also increase. This is because we consider the assumptions in scenario 2 to be the most relevant to the Three Rivers catchment.
- 4.32 As explained above, internet sales of comparison goods are also expected to grow significantly over the forecasting period. However, this is likely to be off-set in part by decreases in expenditure on other forms of non-store trading, for example catalogue shopping. We consider scenario 5 is a worst case scenario as it also assumes no new retail floorspace will be required to support the growth in internet sales.
- 4.33 As indicated in Table 4.1 under scenario 5 there will be capacity for up to 1,200 sq m net of new retail floorspace, this is projected to reduce to 250 sq m net by 2011, rising to 950 sq m by 2016 as internet spending levels off. Thereafter there will be capacity for up to 1,900 sq m net by 2021.

RETAIL SECTOR ANALYSIS

- 4.34 To assess the need for additional retail floorspace in Three Rivers District, we have undertaken an analysis of the market shares of catchment area expenditure for each of the eight sub-categories of comparison goods, which Three Rivers District is currently attracting from the catchment area.

Table 2b in Appendix 4 sets out the available catchment area expenditure on each of the eight comparison goods categories. Table 3a (ii) indicates the pattern of market shares of such goods attracted from the catchment area by retail destinations in Three Rivers. The product of Table 3a (ii) with Table 2b is set out in Table 4a (i). Table 4a (i) therefore indicates the overall market share of expenditure of each comparison goods sub-category, which is attracted by retail destinations in the Three Rivers District.

- 4.35 Table 4a (i) shows that the existing retail floorspace in Three Rivers District attracts a very low proportion of retail expenditure across all goods categories. Stores in Three Rivers District capture less than 2% of retail expenditure across nearly all goods categories from the catchment area.
- 4.36 The highest market share attracted is for chemist, medical and beauty goods (3.8%). Shops in Three Rivers attract less than 2%. The lowest market shares were achieved for household textiles (0.5%), clothing & footwear (0.85%) and Hardware & DIY (0.8%).
- 4.37 A major town centre would attract a higher market share for clothing and footwear and this evidences the need to encourage more clothing retailers into the town centre.
- 4.38 These findings are not surprising when considered against the comparison goods offer of the existing town centres in Three Rivers. For example, Rickmansworth town centre as the largest town centre in Three Rivers has a very limited comparison retail offer (approx. 33 retail units).
- 4.39 We would expect a major town centre to attract around 30% of the market share across its catchment area, based on our studies elsewhere in England. For the largest centres this figure would be much higher. For example, major regional centre Watford (in the neighbouring borough of Watford) along with 65,433 sq m net of retail warehousing and other shops attracts market shares across all goods categories of 65-80% over a wide catchment area. There are also no retail warehouses within Three Rivers District.
- 4.40 This retail sector analysis therefore, reflects the limited comparison goods retail offer within the Three Rivers District.

SUMMARY

Convenience goods

- 4.41 We forecast that the expenditure available to support new convenience floorspace over the forecasting period will be taken up by the new Waitrose food store in Rickmansworth and the new convenience floorspace at Abbots Langley. The district's convenience stores as a group are trading above the level expected, based on combined company averages. We would expect some modest gains in the productivity of the existing food stores in the catchment area to occur over the forecasting period (0.5% per annum).

- 4.42 Therefore, on the assumption that sales in the existing food stores fall to levels based on estimated company averages and that market shares increase as a result of new development (scenario 2), there will be an oversupply of up to about 500 sq m net additional convenience goods floorspace in Three Rivers by 2011. This oversupply will decrease over the forecasting period to 450 sq m net by 2021, if forecast trends occur.
- 4.43 These forecasts indicate there will be no capacity for new convenience floorspace in Three Rivers until after the forecasting period. However, it is possible that this may change in the future if the new food stores are more successful than expected in attracting new shoppers from the Three Rivers catchment area or if additional housing is planned for the district. We would therefore recommend that the Council reviews these forecasts after the Waitrose food store has been open and trading for over a year, in order to understand how convenience shopping patterns may have changed over time.
- 4.44 We also suggest that the Council also seeks to improve convenience goods provision to meet local needs and provides local shops and services closer to peoples' homes. Improving access to local shops and meeting local needs are both recognised as important by PPS6. Therefore, the Council may consider it appropriate to allow some new convenience floorspace to meet local needs where it accords with the Council's sustainable development objectives.

Comparison goods

- 4.45 We conclude there will be capacity to support new comparison goods retail development in Three Rivers District due to the projected increases in population and expenditure in the District over the forecasting period. We forecast that (under scenario 2 – increase in market share), there will be sufficient expenditure to support additional town centre floorspace of about 350 sq m net by 2011, increasing to about 1,050 sq m net by 2016, thereafter rising further to 2,000 sq m net by 2021. This would be sufficient to support a modest extension of Rickmansworth's shopping area and/or that of the district's other shopping centres. Abbots Langley may be an appropriate location for this development to serve the north of the district.
- 4.46 These forecasts depend in part on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres. The Council should ensure that qualitative improvements are continually made to enhance the attractive historic environment of these centres. This will provide catchment area residents with an alternative shopping offer and retail destination to that of the larger centres, such as Watford, Hemel Hempstead and St Albans.
- 4.47 In deciding where to focus any new retail floorspace, the Council should also consider how best to meet local needs and ensure that shops are located where the need for the district's residents to travel substantial distances to reach shops is reduced.

Use and Review of the Forecasts

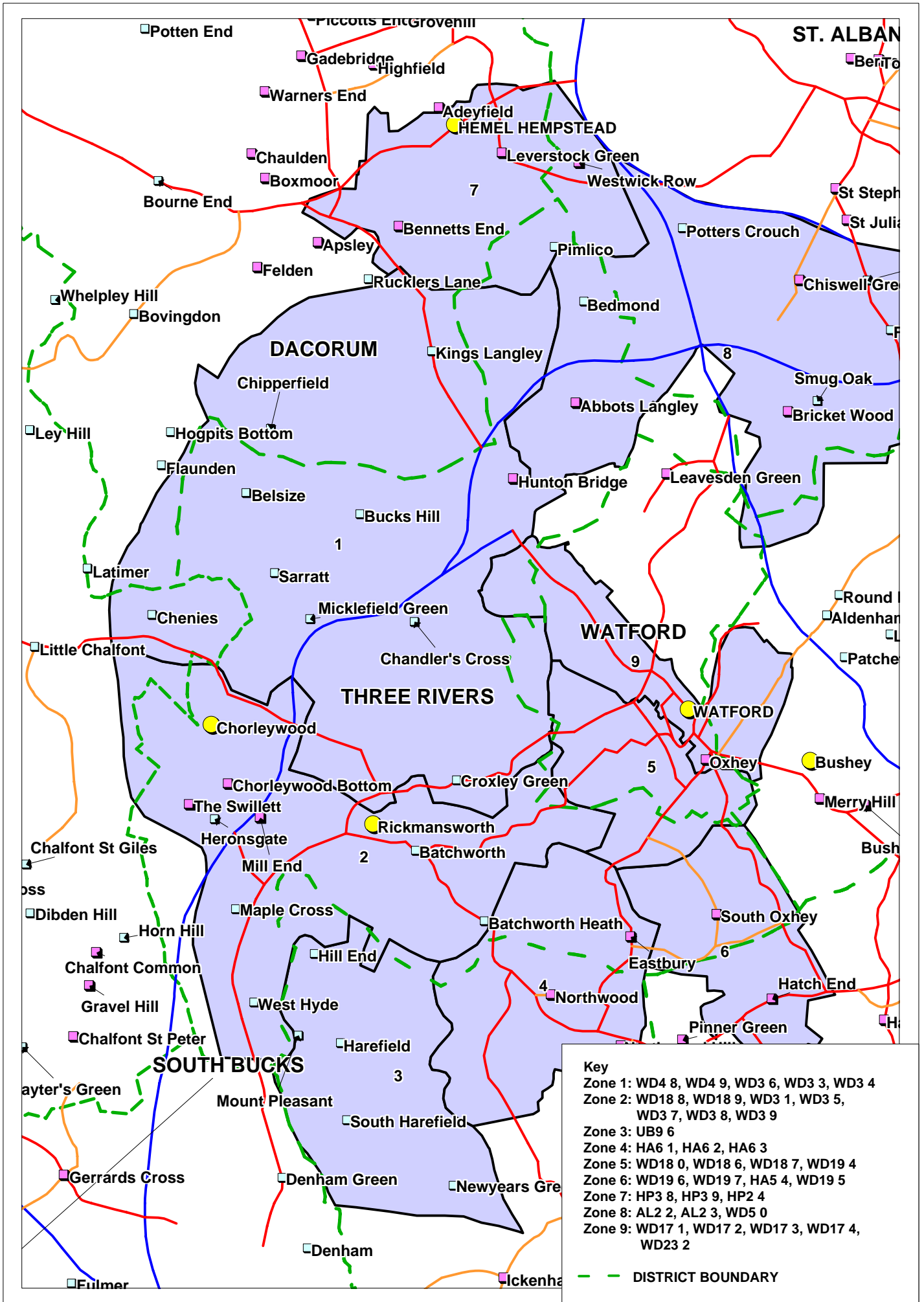
- 4.48 Finally and in accordance with our usual practice, we must emphasise that all expenditure based forecasts of future shop floorspace capacity are based on imperfect data and contain a number of assumptions. Our forecasts set out in this report are based on the most up to date and reliable information available to us. They are intended to be exploratory rather than prescriptive; and as indications of the likely order of magnitude of future shop floorspace capacity (if forecast trends are realised), rather than as absolute statements of need or rigid limits to future growth. The shorter-term forecasts are likely to be more reliable than the longer-term forecasts.
- 4.49 All of the forecasts should be periodically revised as necessary in the light of actual population and expenditure growth, and the proposed new retail development in Three Rivers is completed and its effects become measurable. This would also enable the effects of any significant new developments in or improvements to competing retail destinations within the catchment area to be taken into account, when planning for further development.
- 4.50 The final section summarises our conclusions.

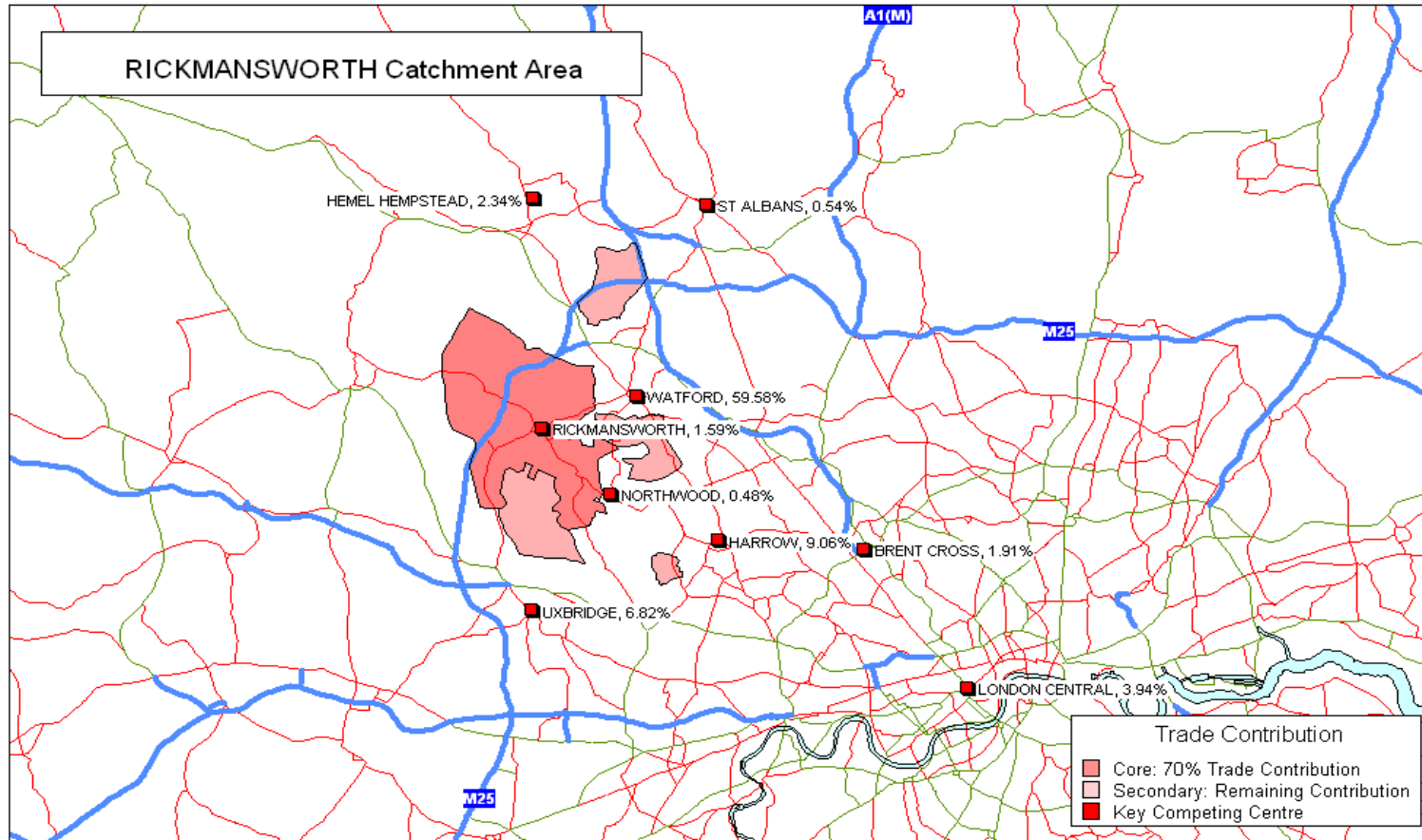
5. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

- 5.1 In preparing this report, we have prepared forecasts of retail capacity in Three Rivers District. Our principal conclusions are summarised below.
- 5.2 PPS6 requires Local Planning Authorities to ‘plan for growth’ in town centres and to undertake a retail need assessment to identify need and gaps in provision by allocating sites to meet such need. There is an explicit requirement in the statement to allocate sufficient sites to meet a five year need.
- 5.3 Local planning authorities should also consider whether there is a need to rebalance the network of centres to ensure that it is not dominated by the largest centres, that there is a more even distribution of town centre uses, and that people’s everyday needs are met at the local level.
- 5.4 The emerging East of England Plan supports the emphasis in PPS6 on meeting need for new retail development within town centres through a network of local town centres, district centres, neighbourhood centres and village centres. The plan encourages local authorities to
- *‘Include a strategy for each town centre to define its role (or redefine it where necessary), manage change, promote a healthy mix of uses, build upon positive elements of its distinctive character, and support the development and consolidation of the local cultural heritage;*
 - *ensure that land is allocated or can be made available to meet the full range of the city or town centre’s identified needs; and protect and enhance existing neighbourhood centres and, where need is established, promote the provision of new centres of an appropriate scale and function to meet local day to day needs.’*
- 5.5 This study provides an assessment of retail capacity or retail ‘need’ to assist Three Rivers District Council with determining the need for new development in the district. Our capacity forecasts are based on the Watford household interview survey (2005) and the CB Richard Ellis National Survey of Local Shopping patterns. These surveys identified the principal centre within Three Rivers as Rickmansworth town centre. According to the Watford household survey most respondents who visited town centres in Three Rivers for comparison shopping visited Rickmansworth with very few respondents visiting the district’s other smaller town centres.
- 5.6 We forecast that the expenditure available to support new convenience floorspace over the forecasting period will be absorbed by the new Waitrose food store in Rickmansworth and the new convenience floorspace at Abbots Langley. The district’s convenience stores as a group are trading above the level expected, based on combined company averages. We would expect some modest gains in the productivity of the existing food stores in the catchment area to occur over the forecasting period (0.5% per annum).

- 5.7 Therefore, on the assumption that sales in the existing food stores fall to levels based on estimated company averages and that market shares increase as a result of new development (scenario 2), there will be an oversupply of up to about 500 sq m net additional convenience goods floorspace in Three Rivers by 2011, decreasing over the forecasting period to 450 sq m net by 2021, if forecast trends occur.
- 5.8 These forecasts indicate there will be no capacity for new convenience floorspace in Three Rivers until after the forecasting period. However, it is possible that this may change in the future if the new food stores are more successful than expected in attracting new shoppers from the Three Rivers catchment area or if additional housing is planned for the district. We would therefore recommend that the Council reviews these forecasts after the Waitrose food store has been open and trading for over a year, in order to understand how convenience shopping patterns may have changed over time.
- 5.9 We conclude there will be capacity to support new comparison goods retail development in Three Rivers District due to the projected increases in population and expenditure in the District over the forecasting period. We forecast that (under scenario 2 – increase in market share), there will be sufficient expenditure to support additional town centre floorspace of about 350 sq m net by 2011, increasing to about 1,050 sq m net by 2016, thereafter rising further to 2,000 sq m net by 2021. This would be sufficient to support a modest extension of Rickmansworth's shopping area and/or that of the district's other shopping centres. Abbots Langley may be an appropriate location for this development to serve the north of the district. In deciding where to focus any new retail floorspace, the Council should consider how best to meet local needs and ensure that shops are located where the need for the district's residents to travel substantial distances to reach shops is reduced.
- 5.10 These forecasts depend in part on Rickmansworth and/or the other centres maintaining existing market shares and new development retaining more of catchment area expenditure in the face of competition from Watford and other large centres. The Council should ensure that qualitative improvements are continually made to enhance the attractive historic environment of these centres. This will provide catchment area residents with an alternative shopping offer and retail destination to that of the larger centres, such as Watford, Hemel Hempstead and St Albans.

Three Rivers Catchment Plan





© CB Richard Ellis 2005; © Collins Bartholomew Ltd 2005; © 2005 MapInfo Corporation



Rickmansworth

Prepared for:
CBRE

GETTING THE MOST FROM YOUR GOAD CENTRE REPORT

Each shopping centre has its own unique mix of multiple outlets, independent shops, convenience and comparison stores, food outlets and vacant premises.

Understanding the retail composition of a centre and its effect on local consumers is crucial to the success of any business. By studying the information in the report, you will be able to examine site quality, evaluate threats and opportunities, and assess the vitality and viability of the centre. However, you will only achieve this if you are aware of the various implications of the data that you see. This guide is designed to help you interpret the information you see on the Goad Centre Report.

1. The Local Area

The map in the top left-hand corner of your report locates other local Goad centres. When evaluating the quality of a site, it is often beneficial to compare it with other local shopping centres. Goad Centre Reports are available for any of the highlighted centres.

2. The Indexing System

A simple indexing system appears throughout the report. This illustrates the difference between a percentage figure for the centre and the GB average. An index of 100 represents an exact match, anything less than 100 indicates a below average count for the centre, and a figure over 100 represents an above average count.

For example, if restaurants accounted for 10% of a centre's outlets and the GB average was also 10%, the index would be 100. If however, the GB average was 8%, the index would be 125.

The index is an effective gap analysis tool and can be used to identify areas that are under and over represented within a centre. A retail category that is heavily under represented could indicate poor local demand. On the other hand, it could show that there is an untapped market waiting to be serviced. Either way, it provides a strong indication that the site will need to be examined further.

3. Floor Space

The floor space figures shown on the report are derived from the relevant Goad Paper Plan, but only show the footprint floorspace, and the site area without the building lines. They should not therefore be read as a definitive report of floor space, but do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

4. Vacant Outlets

Comparing the number of vacant outlets with the GB average provides a useful insight into the current economic status of a centre. For example, a high index generally represents under-development or decay, while a low index shows a strong retail presence.

5. Multiple Outlets/Key Attractors

A multiple retailer is defined as being part of a network of nine or more outlets. The presence of multiple outlets can greatly enhance the appeal of a centre to local consumers: The strong branding and comprehensive product mix of retailers such as Marks & Spencer, Boots and Dixons is often sufficient in itself to attract consumers to a centre. Approximately 27 national multiples have been identified as key attractors, (i.e. those retailers most likely to improve the consumer appeal of a centre).

The presence of multiple outlets and key attractors can have a significant impact on neighbouring outlets: While other retailers will undoubtedly benefit from increased pedestrian traffic, (and therefore increased sales opportunities), multiples provide fierce competition for rivals in their retail categories.

Also available from Experian:

The Goad Catchment Profile

This measures the extent of the local consumer base, in relation to a shopping centre. It also helps you to recognise the individual groups that make-up a local population, using MOSAIC, the world's leading geo-demographic classification system.

MOSAIC classifies individuals using census, financial, housing and retail data. Combining this with the profile's information on local household composition and age structure enables you to understand the varied lifestyles and behaviours of individual customers. You can then tailor your products, services and communications to suit local markets, build one-to-one customer relations and generate greater brand loyalty.

Goad Paper Plans

These provide a bird's eye view of over 1,200 UK retail centres. The name, retail category, floor space and exact location of all outlets and vacant premises is recorded and mapped. Key location factors such as pedestrian zones, road crossings, bus stops and car parks are also featured.

Tailored Plans and Extracts

We are able to provide tailored plans and extracts which highlight the information most relevant to your enquiry.

The Retail Address Database

An extensive database covering the addresses of 340,000 retail outlets across the UK, this is a highly effective tool for site evaluation and competitor analysis.

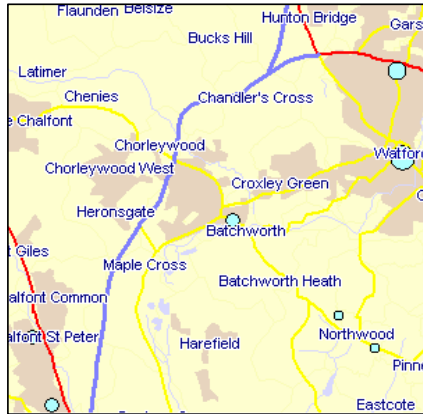
For further details on these products or if you have any queries regarding your Goad Centre Report, please contact Experian on:

Tel: 0845 601 6011

Fax: 0115 968 5003

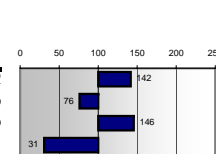
E-mail: goad.sales@uk.experian.com

Rickmansworth

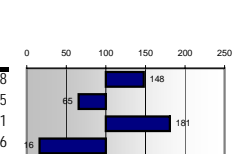


Retail Composition

Retail Trade Group	Outlets Number	%	%GB	Index
Convenience	12	12.90	9.11	142
Comparison	33	35.48	46.60	76
Service	44	47.31	32.49	146
Vacant	3	3.23	10.46	31

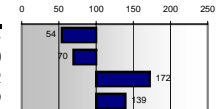


Retail Trade Group	sq.ft	sq.m	%	%GB	Index
Convenience	34	3.16	24.64	16.66	148
Comparison	47	4.37	34.06	52.04	65
Service	53	4.92	38.41	21.23	181
Vacant	2	0.19	1.45	8.92	16

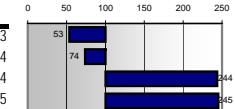


Multiple Retailers by Trade Group

Trade Group	Count	%	%GB	Index
Convenience	2	6.06	11.26	54
Comparison	13	39.39	56.63	70
Service	17	51.52	29.94	172
Miscellaneous	1	3.03	2.17	139

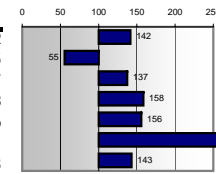


Trade Group	Count	%	%GB	Index
Convenience	7	0.65	11.86	22.19
Comparison	26	2.42	44.07	59.74
Service	24	2.23	40.68	16.68
Miscellaneous	2	0.19	3.39	1.38

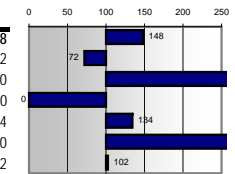


Retail Category

Category	Count	%	%GB	Index
Convenience	12	12.90	9.11	142
Bakers	1	1.08	1.94	55
Butchers	1	1.08	0.78	137
Greengrocers & fishmongers	1	1.08	0.68	158
Groceries & frozen foods	4	4.30	2.76	156
Off licences & home brew	2	2.15	0.69	311
CTN & convenience	3	3.23	2.26	143

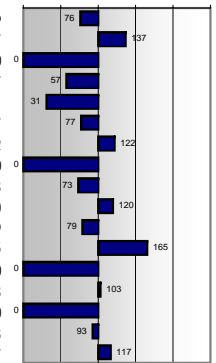


Category	Count	%	%GB	Index
Convenience	34	3.16	24.64	16.66
Bakers	1	0.09	0.72	1.01
Butchers	2	0.19	1.45	0.43
Greengrocers & fishmongers	0	0.00	0.00	1.48
Groceries & frozen foods	22	2.04	15.94	11.87
Off licences & home brew	7	0.65	5.07	0.46
CTN & convenience	2	0.19	1.45	1.42

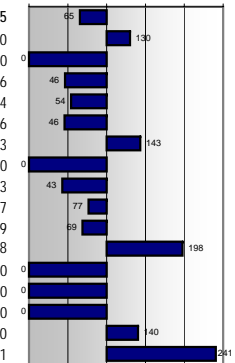


Comparison

Category	Count	%	%GB	Index
Footwear & repairs	3	3.23	2.36	137
Mens, boys Wear	0	0.00	1.27	0
Womens, girls & childrens	3	3.23	5.61	57
Mixed & general clothing	1	1.08	3.48	31
Furniture, carpets, textiles	3	3.23	4.18	77
Books, arts/crafts, stationers/copy	5	5.38	4.41	122
Elec, home ent, phones & video	0	0.00	4.75	0
DIY, hardware & household goods	2	2.15	2.93	73
Gifts, china, glass & leather goods	2	2.15	1.80	120
Cars, motor cycles & accessories	1	1.08	1.36	79
Chemists, toiletries & opticians	6	6.45	3.90	165
Variety, department & catalogue	0	0.00	0.95	0
Florists & gardens	1	1.08	1.04	103
Sports, toys, cycles & hobbies	0	0.00	2.55	0
Jewellers, clocks & repairs	2	2.15	2.32	93
Charity, pets & other comparison	4	4.30	3.69	117

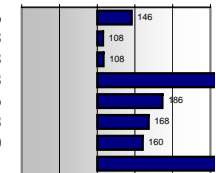


Category	Count	%	%GB	Index
Footwear & repairs	3	0.28	2.17	1.67
Mens, boys Wear	0	0.00	0.00	1.03
Womens, girls & childrens	3	0.28	2.17	4.69
Mixed & general clothing	4	0.37	2.90	5.35
Furniture, carpets, textiles	3	0.28	2.17	4.75
Books, arts/crafts, stationers/copy	7	0.65	5.07	3.54
Elec, home ent, phones & video	0	0.00	0.00	3.75
DIY, hardware & household goods	3	0.28	2.17	5.06
Gifts, china, glass & leather goods	1	0.09	0.72	0.94
Cars, motor cycles & accessories	2	0.19	1.45	2.10
Chemists, toiletries & opticians	11	1.02	7.97	4.03
Variety, department & catalogue	0	0.00	0.00	8.63
Florists & gardens	0	0.00	0.00	0.45
Sports, toys, cycles & hobbies	0	0.00	0.00	2.61
Jewellers, clocks & repairs	2	0.19	1.45	1.03
Charity, pets & other comparison	8	0.74	5.80	2.41

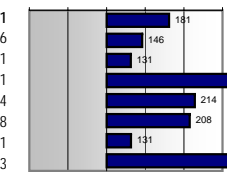


Service

Category	Count	%	%GB	Index
Restaurants, cafes, fast food	14	15.05	13.98	108
Hairdressing, beauty & health	7	7.53	6.94	108
Launderettes & dry cleaners	3	3.23	0.98	328
Travel agents	3	3.23	1.73	186
Banks & financial services	7	7.53	4.48	168
Building societies	1	1.08	0.67	160
Estate agents & auctioneers	9	9.68	3.70	261

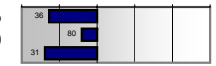


Category	Count	%	%GB	Index
Restaurants, cafes, fast food	18	1.67	13.04	8.93
Hairdressing, beauty & health	6	0.56	4.35	3.31
Launderettes & dry cleaners	2	0.19	1.45	0.45
Travel agents	3	0.28	2.17	1.02
Banks & financial services	14	1.30	10.14	4.89
Building societies	1	0.09	0.72	0.55
Estate agents & auctioneers	9	0.84	6.52	2.08

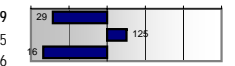


Miscellaneous

Category	Count	%	%GB	Index
Miscellaneous	4	4.30	11.81	36
Employment, careers, POs & info	1	1.08	1.35	80
Vacant	3	3.23	10.46	31



Category	Count	%	%GB	Index
Miscellaneous	4	0.37	2.90	10.07
Employment, careers, POs & info	2	0.19	1.45	1.16
Vacant	2	0.19	1.45	8.92



Key Retail Indicators

Total Outlets	93			
Total Floorspace (000 sq ft)	138			
Vacant Outlets	3	3.23	10.46	31
Vacant Floorspace (000 sq ft)	2	1.45	8.92	16
Multiple Outlets	33	35.48	33.72	105
Comparison Outlets	33	35.48	46.60	76

Key Retailers

Argos	0	Sainsburys	0
BhS	0	Superdrug	0
Boots	1	Tesco	0
Burton	0	Topman	0
Clarks	1	Topshop	0
Debenhams	0	Virgin Megastore	0
Dixons	0	W H Smith	1
Dorothy Perkins	0	Waitrose	0
H & M	0	Waterstones	0
House Of Fraser	0	Wilkinson	0
John Lewis	0	Woolworths	0
Marks & Spencer	0		
New Look	0		
Next	0		
River Island	0		

Closest Centres	Distance (m)
Northwood	4.3
Watford - Central	5.5
Northwood Hills	5.8
Watford - St Albans Road	6.8
Chalfont St Peter	7.0

For a Goad Paper Plan, a Goad Catchment Report or if you have any queries please contact Experian on tel: 0845 601 6011 or fax: 0115 968 5003 or E-mail: goad.sales@uk.experian.com

TERMS AND CONDITIONS

1. DEFINITIONS

"this agreement" means the terms and conditions hereunder and the correspondence between the parties attached hereto.

"Experian" means Experian Group Limited.

"the Client" means the person, firm or limited company to whom the Services are to be provided.

"the Information" means any information (in whatsoever form) provided to the Client by Experian in connection with the Services.

"the Media" means the records, tapes or other materials and documents by which the information is communicated to the Client.

"the Services" means the services to be provided by Experian to the Client more particularly described in the correspondence between the parties attached hereto.

2. CONTRACT TERMS

Subject to Clause 14 hereunder this Agreement shall be on the terms and conditions set out below to the exclusion of any other terms and conditions whether or not the same are endorsed upon, delivered with or referred to in any document delivered or sent by the client to Experian.

3. PAYMENT OF CHARGES

3.1 The charges for the Services ("the Charges") shall be specified by Experian to the Client.

3.2 The Client shall pay the Charges within 28 days of the date of Experian's invoice thereof.

3.3 Interest at an annual rate of 5% above Barclays Bank plc's base rate from time to time shall accrue daily and be calculated on a daily basis on any sum overdue from the date of invoice until payment in full of the Charges.

3.4 Unless expressly stated otherwise the Charges shall be exclusive of VAT (or any other duty chargeable in respect thereof) (which for the avoidance of doubt shall be payable by the Client in accordance with the terms and conditions hereof).

4. PROVISION OF THE SERVICES

4.1 Experian shall use all reasonable endeavours to ensure that the information is accurate in all material respects.

4.2 Save as provided in sub-clause 4.1 above or otherwise expressly provided in this Agreement or to the extent that it is unlawful for any said representations and warranties to be excluded Experian makes no representations or warranties whether express or implied (by statute or otherwise) in connection with the Services or use thereof by the Client or otherwise in connection with this Agreement.

4.3 The parties hereto agree that the time for the performance of Experian's obligations in connection with the Services shall not be of the essence in this Agreement.

5. LIMITATION OF LIABILITY

Notwithstanding anything to the contrary contained in this Agreement:

5.1 Experian shall not be liable (whether in contract or in negligence (other than the liability in respect of death or personal injury arising out of the negligence of Experian its servants or agents) or other tort or otherwise) for any indirect or consequential loss of any kind whatsoever (including without limitation loss of profit or loss of business) suffered by the Client in connection with the Services.

5.2 Without prejudice to the provisions of sub-clause 4.1 above Experian's maximum aggregate liability hereunder (other than liability in respect of death or personal injury arising out of the negligence of Experian its servants or agents) whether for breach of this Agreement or otherwise and whether or not arising from the negligence of Experian or any other person involved directly or indirectly in the provision of the Services shall not exceed an amount equal to the Charges (exclusive of VAT) payable to Experian hereunder.

6. COPYRIGHT

Property and the copyright (and all other intellectual property rights) in the Media and the Information (other than any information which has passed to Experian by the Client in connection with the Services or which has been obtained from any third party by Experian which copyright and all other intellectual property rights as appropriate shall remain vested in such third party) shall at all times remain vested in Experian.

7. CONFIDENTIALITY

7.1 The Client undertakes that it shall use the Information solely for the purpose of its own business and shall not (without the prior written consent of Experian) copy reproduce publish or transmit any part of the Information in any manner whatsoever and the media shall be returned to Experian upon demand.

7.2 The Client undertakes with Experian that the Client shall permit access to the Information only to those of its authorised officers or employees who need to know or use the Information and that the Client shall procure that its offices and employees shall maintain in strictest confidence and not divulge communicate or permit access to any third party any confidential information relating to Experian.

7.3 For the purpose of sub-clause 7.2 hereof the expression "confidential information" shall mean (as the context may require)

7.3.1 the Information; and/or

7.3.2 any information concerning Experian's trade secrets or business dealings transactions or affairs which may come to the notice of the client; and/or

7.3.3 any information and/or know how relating to the methods or techniques used by Experian in devising and developing the Services and any tapes documents or other materials comprising any part of such information and/or know how made available by Experian hereunder.

7.4 The provisions of sub-clause 7.2 hereof shall not apply to any confidential information to the extent that:

7.4.1 the Client is required to divulge the same by a Court tribunal or government authority with competent jurisdiction

7.4.2 it has already come within the public domain

7.4.3 it was already known to the Client prior to the date of disclosure by Experian (as evidence by written records)

8. INDEMNITY

The Client shall indemnify and keep indemnified Experian from and against any and all liability loss claims demands costs or expenses of any kind whatsoever which shall at any time suffer or incur and which arise out of or in connection with the services provided that this indemnity shall not apply to the extent that any such liability arises of the default of Experian.

9. DATA PROTECTION ACT 1984

The Client undertakes that at all times they shall comply fully with the provisions of the Data Protection Act 1984 and any subsequent amendments thereto or re-enactments thereof.

10. TERMINATION

10.1 Experian shall be entitled to terminate this Agreement immediately by written notice to the Client if:

10.1.1 The Client is guilty of any material breach of the provisions of this Agreement and such breach if capable of remedy is not remedied within twenty one working days of written notice having been given to remedy such breach.

10.1.2 The Client has had a bankruptcy order made against it or has made an arrangement or composition with its creditors or (being a body corporate) has had convened a meeting of creditors (whether formal or informal) or has entered into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation or has a receiver manager administrator or administrative receiver appointed of its undertaking or any part thereof or a resolution has been passed or a petition presented to any Court for the winding-up of the Client or for the granting of an administration order in respect of the Client or any proceedings have been commenced relating to the insolvency of the Client.

10.2 The termination of this Agreement shall be without prejudice to the rights of Experian accrued prior to such termination.

11. FORCE MAJEURE

Notwithstanding anything herein contained neither party shall be under any liability to the other in respect of any failure to perform or delay in performing any of the obligations hereunder which is due to any cause of whatsoever nature beyond its reasonable control and no such failure or delay shall be deemed for any purposes to be a breach of this Agreement.

12. ASSIGNMENT

The rights granted to the Client hereunder are personal to it and the Client shall not assign or grant any rights in respect of or otherwise deal in the same.

13. WAIVER

Failure by either party to enforce any of the provisions of this Agreement shall not operate as a waiver of any of its rights hereunder or operate so as to bar the exercise or enforcement thereof at any time or times.

14. VARIATIONS

This Agreement constitutes the whole of the terms agreed between the parties hereto in respect of the subject matter hereof and supersedes all previous negotiations, understandings or representations and shall be capable of being varied only by an instrument in writing signed by a duly authorised representative of each of the parties hereto.

15. NOTICE

Any notice to be given hereunder by either party to the other may be given by first class mail addressed to the party of the address herein specified or such other address as such party may from time to time nominate for the purpose hereof or by telex or telefax and shall be deemed to have been served.

15.1 if given by mail seventy-two hours after the same shall have been despatched and 15.2 if given by telex or telefax one hour after transmission (if transmitted during normal business hours) and twelve hours after transmission (if transmitted outside normal business hours).

16. SEVERANCE

This Agreement is severable in that if any provision hereof is determined to be illegal or unenforceable by any Court or competent jurisdiction such provision shall be deemed to have been deleted without affecting the remaining provisions of this Agreement.

17. LAW

This Agreement shall be governed by and construed in accordance with English Law and the parties hereto agree that the English Courts shall have exclusive jurisdiction.

THREE RIVERS 'REASN' MODEL 2006

Project: Three Rivers District Retail Capacity Study 2006
 Doc: REASN Model 2006.doc
 Latest Revision: 12/01/2006

Job No: 272267
 Client: Three Rivers District Council

OCCUPANCY RATE: 2.47 persons per household

**TABLE 1a
 ADDITIONAL POPULATION IN THREE RIVER DISTRICT COUNCIL**

Zone	2006	2008	2011	2016	2021
1	563	482	929	104	128
2	153	373	494	395	215
3	8	7	5	0	0
4	2	0	0	0	0
5	94	44	0	272	42
6	0	0	0	0	0
7	141	121	0	0	0
8	0	0	0	0	0
9	0	0	0	0	0
TOTAL	961	1,027	1,428	771	385

SOURCE: Three Rivers District Council
 NOTES: The table shows the addition population as a result of new housing at each date.

**TABLE 1b
 MAPINFO CATCHMENT AREA POPULATION FORECASTS**

Zone	2006	2008	2011	2016
1	26753	27025	27479	28232
2	24424	24747	25233	26029
3	7638	7752	7904	8124
4	23026	23368	23830	24551
5	28973	29098	29374	29837
6	25547	25797	26225	26953
7	31317	31386	31540	31971
8	25282	25669	26263	27209
9	20807	20958	21199	21654
	213,767	215,800	219,047	224,560

SOURCE: Three Rivers District Council, Mapinfo Area Profile Report for Three Rivers District

**TABLE 1c
 CATCHMENT AREA POPULATION FORECASTS**

Zone	Postal Sectors	2006	2008	2011	2016	2021
1	WD4 8, WD4 9, WD3 6, WD3 3, WD3 4	27316	28070	29453	30309	31211
2	WD18 8, WD18 9, WD3 1, WD3 5, WD3 7, WD3 8, WD3 9	24577	25273	26253	26424	27460
3	UB9 6	7638	7752	7904	8124	8350
4	HA6 1, HA6 2, HA6 3	23034	23370	23832	24553	25296
5	WD18 0, WD18 6, WD18 7, WD19 4	29067	29236	29512	30247	30759
6	WD19 6, WD19 7, HA5 4, WD19 5	25547	25797	26225	26953	27701
7	HP3 8, HP3 9, HP2 4	31317	31386	31540	31971	32408
8	AL2 2, AL2 3, WD5 0	25282	25669	26263	27209	28189
9	WD17 1, WD17 2, WD17 3, WD17 4, WD23 2	20807	20958	21199	21654	22119
TOTAL		214,585	217,512	222,181	227,445	233,494

SOURCE: Three Rivers District Council, Mapinfo Area Profile Report for Three Rivers District

TABLE 2a

CATCHMENT AREA RETAIL EXPENDITURE FORECASTS (2003 prices)

PER CAPITA EXPENDITURE	2003									
	(£)									
Convenience Goods	1,681									
Comparison Goods	3,021									
GROWTH IN PER CAPITA RETAIL EXPENDITURE:										
Convenience Goods:	2.20 %pa 2003-05				0.10 %pa 2005-16					
Comparison Goods:	18.00 %pa 2003-05				3.80 %pa 2005-16					
PER CAPITA EXPENDITURE IN	2006	2008	2011	2016	2021					
Convenience Goods: (£)	1,720	1,723	1,728	1,737	1,746					
Comparison Goods (£):	3,700	3,987	4,459	5,373	6,474					
Catchment area										
Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (£000)	2008 (£000)	2011 (£000)	2016 (£000)	2021 (£000)	2006 (£000)	2008 (£000)	2011 (£000)	2016 (£000)	2021 (£000)
1	46,976	48,368	50,903	52,646	54,485	101,074	111,906	131,320	162,843	202,066
2	42,265	43,549	45,374	45,898	47,937	90,939	100,757	117,054	141,970	177,780
3	13,135	13,358	13,661	14,111	14,577	28,262	30,905	35,241	43,648	54,060
4	39,612	40,271	41,190	42,649	44,159	85,229	93,171	106,261	131,919	163,771
5	49,986	50,378	51,007	52,538	53,696	107,552	116,557	131,586	162,509	199,139
6	43,933	44,452	45,325	46,817	48,357	94,528	102,845	116,929	144,811	179,341
7	53,856	54,083	54,511	55,533	56,574	115,878	125,127	140,627	171,771	209,812
8	43,477	44,231	45,391	47,261	49,209	93,547	102,335	117,098	146,186	182,499
9	35,782	36,114	36,639	37,612	38,612	76,989	83,553	94,520	116,341	143,199
TOTALS	369,022	374,803	384,000	395,066	407,605	793,999	867,156	990,637	1,221,996	1,511,668

SOURCES: MapInfo Area Profile Report for Three Rivers District
Mapinfo Goods based retail expenditure estimates 2003
Table 1 for population.

NOTES: Expenditure on Special Forms of Trading excluded. 1.6% for convenience goods and 5.3% for comparison goods.

Table 2b

CATCHMENT AREA COMPARISON GOODS EXPENDITURE BY GOODS CATEGORIES 2006 (2003 Prices)

Per Capita Expenditure	Comparison Goods Categories								
	Clothing & footwear	Furniture/ florcvrgs etc	Household Textiles	Household Appliances	Audio-visual equipment	Hardware, DIY, garden products	Chemists, medcl & beauty goods	All other comparison gds	TOTAL
Expenditure in 2003 including SFT	£ 787.00	£ 344.00	£ 112.00	£ 100.00	£ 357.00	£ 273.00	£ 452.00	£ 765.00	£ 3,143.00
Exclusion for SFT (%)	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Expenditure in 2003 excluding SFT	£ 745.29	£ 325.77	£ 106.06	£ 94.70	£ 338.08	£ 258.53	£ 428.04	£ 724.46	£ 3,020.93
Per capita expenditure 2006	Total Comparison Goods Expenditure by Goods Category								
	Clothing & footwear	Furniture/ florcvrgs etc	Household Textiles	Household Appliances	Audio-visual equipment	Hardware, DIY, garden products	Chemists, medical & beauty goods	All other comparison gds	TOTAL
Per capita expenditure 2006	£ 912.86	£ 399.01	£ 129.91	£ 115.99	£ 414.09	£ 316.66	£ 524.29	£ 887.34	£ 3,700.16
Catchment Zones:	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)
1	24,936	10,899	3,549	3,168	11,311	8,650	14,322	24,239	101,074
2	22,435	9,807	3,193	2,851	10,177	7,783	12,886	21,808	90,939
3	6,972	3,048	992	886	3,163	2,419	4,005	6,778	28,262
4	21,027	9,191	2,992	2,672	9,538	7,294	12,076	20,439	85,229
5	26,534	11,598	3,776	3,371	12,036	9,204	15,239	25,792	107,552
6	23,321	10,194	3,319	2,963	10,579	8,090	13,394	22,669	94,528
7	28,588	12,496	4,068	3,632	12,968	9,917	16,419	27,789	115,878
8	23,079	10,088	3,284	2,932	10,469	8,006	13,255	22,434	93,547
9	18,994	8,302	2,703	2,413	8,616	6,589	10,909	18,463	76,989
TOTAL	195,886	85,622	27,877	24,890	88,858	67,951	112,505	190,410	793,999

SOURCE:

MapInfo Area Profile Report for Three Rivers District
Mapinfo Goods based retail expenditure estimates 2003
Table 1 for population.
Table 2a for growth in expenditure 2003-06.

TABLE 3a (i)
CONVENIENCE GOODS 2006

ALLOCATIONS TO THREE RIVERS CONVENIENCE STORES			
	Main Food Q2	Top-up convenience Q5	WEIGHTED AVERAGE
Expenditure Weighting:	80	20	100
Zone	(%)	(%)	(%)
1	20	70	30.0
2	45	75.66	51.1
3	N/A	N/A	49.2
4	0	0	0.0
5	0	0	0.0
6	0.99	38.22	8.4
7	1	0	0.8
8	0	33.95	6.8
9	0	0	0.0

SOURCE: Watford Household
Interview Survey, 2005
CBRE NSLSP 2004 and estimates for Zone 3
N/A means information not available

TABLE 3a (ii)
COMPARISON GOODS 2006

ALLOCATIONS TO THREE RIVERS COMPARISON GOODS STORES INDICATED BY THE HOUSEHOLD INTERVIEW SURVEY 2006									
	Clothing & footwear Q6	Furniture/ flocvrgs etc Q8	Household Textiles	Household Appliances	Audio-visual equipment	Hardware, DIY, grdn products	Chemist, medcl & beauty gds	All other comparison gds	WEIGHTED AVERAGE
£	912.86	£ 399.01	£ 129.91	£ 115.99	£ 414.09	£ 316.66	£ 524.29	£ 887.34	£ 3,700.15
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
	4	4	4	4	5	3	6	6	5
	3	3	0	9	8	3	24	5	7
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	1	0	0	0	0
	0	1	0	0	0	0	0	0	0
	0	0	0	0	0	0	1	1	0
	0	0	0	0	0	0	0	0	0

SOURCE: Watford Household Interview Survey, 2005. CBRE NSLSP 2004 for zone 3.
MapInfo Report for expenditure
N/A means information not available

TABLE 4a (i)
COMPARISON GOODS SALES IN THREE RIVERS DISTRICT BY GOODS TYPE 2006 (2003 Prices)

Catchment Zones	EXPENDITURE IN THREE RIVERS INDICATED BY HOUSEHOLD INTERVIEW SURVEY 2006 (£000)								
	Clothing & footwear Q6	Furniture/ flocvrgs etc Q7	Household Textiles Q8	Household Appliances Q9	Audio-visual equipment Q10	Hardware, DIY, grdn products Q11	Chemist, medcl & beauty gds Q12	All other comparison gds Q13	
1	958	480	135	123	509	223	922	1,367	
2	653	256	0	265	834	255	3,093	1,151	
3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
4	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	
6	0	0	0	0	0	0	0	0	
7	0	119	0	0	114	0	0	0	
8	0	0	0	0	0	78	129	0	
9	0	0	0	0	0	0	0	0	
TOTALS	1,610	854	135	388	1,457	556	4,143	2,519	
MARKET SHARES	0.8%	1.0%	0.5%	1.6%	1.6%	0.8%	3.7%	1.3%	

SOURCE: Tables 2b and 3a (ii)

TABLE 5a (i)
THREE RIVERS DISTRICT
FOOD STORES FLOORSPACE & SALES DENSITIES IN 2006 (2003 prices)

	Gross Floorspace (sq m)	Net Sales Floorspace (sq m)	Convenience goods space allocation (%)	Net convenience goods sales area (sq m net)	Convenience goods sales density (£ per sq m net)	Estimated convenience goods sales (£000)
Rickmansworth						
Marks & Spencer	1390	973	96	934	6185	5,777
Iceland		342	93	318	4578	1,454
Tesco	3521	2230	63	1,405	11797	16,575
Other convenience shops		800	96	768	3000	2,304
Co-op (outside town centre)		84	80	67	5935	397
Chorleywood						
Budgens	669	409	85	347	3443	1,196
Other convenience shops		100	96	96	3000	288
Abbots Langley						
Budgens	609	309	85	263	3443	904
Tesco Express		256	63	161	11797	1,904
Other convenience shops		100	96	96	3000	288
South Oxhey						
Co-op	461	358	80	286	5935	1,698
Other convenience shops		1000	96	960	3000	2,880
Croxley Green						
Co-op	346	225	80	180	5935	1,071
Other convenience shops		700	96	672	3000	2,016
Money Hill Parade						
Other convenience shops		100	96	96	3000	288
TOTAL:				6,650	5,871	39,041

Source: GOAD, CB Richard Ellis 2006, ERM 1999, Verdict 2006

TABLE 5a (ii)
THREE RIVERS DISTRICT
COMPARISON GOODS FLOORSPACE IN 2006

	Gross Sales Floorspace (sq m)	Net Sales Floorspace (sq m)
Town centres		
Rickmansworth	4370	2622
Chorleywood		1105
Abbots Langley		780
South Oxhey		1820
Croxley Green		455
Money Hill Parade, Rickmansworth		1105
TOTAL:		7887

Source: ERM 1999, Experian Goad 2005, CB Richard Ellis estimates

Table 5a (iii)
THREE RIVERS DISTRICT
POLICY COMMITMENTS

	Gross Floorspace	Net Floorspace	Conv.comp (%)	Net floorspace
Waitrose food store (convenience goods floorspace)	4249	2514	84	2112
Additional convenience shopping, Schoolmead	386	270	90	243
Total convenience floorspace:				2355
Additional shopping at Middlemead	386	270	10	27
Waitrose food store (comparison goods floorspace)	4249	2514	16	402
Total comparison floorspace:				429

Source: Three Rivers District Council, CB Richard Ellis 2006

THREE RIVERS DISTRICT FORECASTS

Scenario 1: Baseline Scenario

No change in market share over the forecasting period

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 3a

RETAIL DESTINATIONS IN THREE RIVERS' DRAW UPON THE CATCHMENT AREA.

SCENARIO: 1										
Convenience market shares increase due to new development. Comparison good floorspace market shares increase from 2008 but decrease after 2011.										
Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods										
Market shares adjustment factor for comparison goods: 170 % of survey indicated figures										
Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	30	30	30	30	8	8	7	7	7
2	51	51	51	51	51	12	12	10	10	10
3	49	49	49	49	49	2	2	2	2	2
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0

SOURCE: Tables 3a(i) and 3a(ii)

TABLE 4a

FORECAST RETAIL SALES IN THREE RIVERS CATCHMENT AREA (2003 prices)

As Table 3a										
Catchment zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	14,093	14,510	15,271	15,794	16,345	8,086	8,952	9,192	11,399	14,145
2	21,611	22,268	23,200	23,469	24,511	10,913	12,091	11,705	14,197	17,778
3	6,462	6,572	6,721	6,943	7,172	565	618	529	655	811
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	3,706	3,750	3,824	3,949	4,079	0	0	0	0	0
7	431	433	436	444	453	0	0	0	0	0
8	2,952	3,003	3,082	3,209	3,341	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0
TOTALS	49,255	50,536	52,534	53,808	55,901	19,564	21,661	21,426	26,251	32,734

SOURCE: Tables 2a & 3a

THREE RIVERS DISTRICT FORECASTS

Scenario 1: Baseline Scenario

No change in market share over the forecasting period

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 5a

FUTURE SHOP FLOORSPACE CAPACITY IN THREE RIVERS DISTRICT

SCENARIO: As Table 3a										
Growth in sales per sq m from shop floorspace existing in 2006 (at 2003 prices)						Comparison				
	Convenience Goods: 0.5 %pa 2006-16					Goods: 2.5 %pa 2006-16				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
Total Retail Sales £000	49,255	50,536	52,534	53,808	55,901	19,564	21,661	21,426	26,251	32,734
Existing shop floorspace (sq m net)										
Tables 5a (i)&(ii)	6,650	6,650	6,650	6,650	6,650	7,887	7,887	7,887	7,887	7,887
Sales per sq m net £	7,407	5,930	6,019	6,171	6,327	2,481	2,606	2,806	3,175	3,593
Sales from extg flrspce (£000)	49,255	39,433	40,027	41,038	42,074	19,564	20,554	22,135	25,043	28,334
Residual spending to support new shops (£000)	0	11,103	12,507	12,770	13,827	0	1,107	(708)	1,207	4,399
Sales per sq m net in new shops (£)	11,642	11,759	11,936	12,237	12,546	2,481	2,606	2,806	3,175	3,593
Less policy commitments Table 5a(iii)	0	2,355	2,355	2,355	2,355	0	429	429	429	429
Supportable capacity for new shop flrspce (sq m net)	0	(1,411)	(1,307)	(1,311)	(1,253)	0	(4)	(682)	(49)	795

SOURCES: Tables 4a and 5a (i)-(iii) CB Richard Ellis.

NOTES: Excludes vacant shops
New Waitrose food store and additional retail units in Abbots Langley assumed to open before 2008

THREE RIVERS DISTRICT FORECASTS

Scenario 2: Convenience market shares increase due to new development from 2008

Comparison forecasts increase from 2008 due to new development but decrease

from 2011 due to competition from larger centres including Watford and Hemel Hempstead

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 3a

RETAIL DESTINATIONS IN THREE RIVERS' DRAW UPON THE CATCHMENT AREA.

SCENARIO: 2										
Convenience market shares increase due to new development. Comparison good floorspace market shares increase from 2008 but decrease after 2011.										
Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods										
Market shares adjustment factor for comparison goods: 170 % of survey indicated figures										
Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	35	35	35	35	8	9	8	8	8
2	51	56	56	56	56	12	13	11	11	11
3	49	54	54	54	54	2	3	3	3	3
4	0	3	3	3	3	0	0	0	0	0
5	0	3	3	3	3	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	1	1	1	1
9	0	3	3	3	3	0	0	0	0	0

SOURCE: Tables 3a(i) and 3a(ii)

TABLE 4a

FORECAST RETAIL SALES IN THREE RIVERS CATCHMENT AREA (2003 prices)

As Table 3a										
Catchment zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	14,093	16,929	17,816	18,426	19,070	8,086	10,072	10,506	13,027	16,165
2	21,611	24,445	25,469	25,764	26,908	10,913	13,098	12,291	14,907	18,667
3	6,462	7,240	7,404	7,648	7,901	565	927	881	1,091	1,351
4	0	1,208	1,236	1,279	1,325	0	0	0	0	0
5	0	1,511	1,530	1,576	1,611	0	0	0	0	0
6	3,706	3,750	3,824	3,949	4,079	0	0	0	0	0
7	431	433	436	444	453	0	0	0	0	0
8	2,952	3,003	3,082	3,209	3,341	0	1,023	585	731	912
9	0	1,083	1,099	1,128	1,158	0	0	0	0	0
TOTALS	49,255	59,603	61,896	63,425	65,845	19,564	25,120	24,263	29,756	37,096

SOURCE: Tables 2a & 3a

THREE RIVERS DISTRICT FORECASTS

Scenario 2: Convenience market shares increase due to new development from 2008

Comparison forecasts increase from 2008 due to new development but decrease from 2011 due to competition from larger centres

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 5a

FUTURE SHOP FLOORSPACE CAPACITY IN THREE RIVERS DISTRICT

SCENARIO: As Table 3a										
Growth in sales per sq m from shop floorspace existing in 2006 (at 2003 prices)										
	Convenience Goods: 0.5 %pa 2006-16					Comparison Goods: 2.5 %pa 2006-16				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
Total Retail Sales £000	49,255	59,603	61,896	63,425	65,845	19,564	25,120	24,263	29,756	37,096
Existing shop floorspace (sq m net) Tables 5a (i)&(ii)	6,650	6,650	6,650	6,650	6,650	7,887	7,887	7,887	7,887	7,887
Sales per sq m net £	7,407	5,930	6,019	6,171	6,327	2,481	2,606	2,806	3,175	3,593
Sales from extg flrspce (£000)	49,255	39,433	40,027	41,038	42,074	19,564	20,554	22,135	25,043	28,334
Residual spending to support new shops (£000)	0	20,170	21,869	22,387	23,771	0	4,566	2,128	4,713	8,762
Sales per sq m net in new shops (£)	11,642	11,759	11,936	12,237	12,546	2,481	2,606	2,806	3,175	3,593
Less policy commitments Table 5a(iii)	0	2,355	2,355	2,355	2,355	0	429	429	429	429
Supportable capacity for new shop flrspce (sq m net)	0	(640)	(523)	(526)	(460)	0	1,323	329	1,055	2,010

SOURCES: Tables 4a and 5a (i)-(iii) CB Richard Ellis.

NOTES: Excludes vacant shops
New Waitrose food store and additional retail units in Abbots Langley assumed to open before 2008

THREE RIVERS DISTRICT FORECASTS

Scenario 3: No change in market shares

Retail productivity set at 0.0% for convenience goods and 1.5% for comparison goods

TABLE 3a

RETAIL DESTINATIONS IN THREE RIVERS' DRAW UPON THE CATCHMENT AREA.

SCENARIO: 3 - Low retail productivity										
Market Shares indicated by the Household Interview Survey 2005 remain unchanged throughout forecasting period.										
Market shares adjustment factor for comparison goods: 170 % of survey indicated figures										
Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	30	30	30	30	8	8	8	8	8
2	51	51	51	51	51	12	12	12	12	12
3	49	49	49	49	49	2	2	2	2	2
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0

SOURCE: Tables 3a(i) and 3a(ii)
New Waitrose food store due to open before 2008

TABLE 4a

FORECAST RETAIL SALES IN THREE RIVERS CATCHMENT AREA (2003 prices)

As Table 3a										
Catchment zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	14,093	14,510	15,271	15,794	16,345	8,086	8,952	10,506	13,027	16,165
2	21,611	22,268	23,200	23,469	24,511	10,913	12,091	14,047	17,036	21,334
3	6,462	6,572	6,721	6,943	7,172	565	618	705	873	1,081
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	3,706	3,750	3,824	3,949	4,079	0	0	0	0	0
7	431	433	436	444	453	0	0	0	0	0
8	2,952	3,003	3,082	3,209	3,341	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0
TOTALS	49,255	50,536	52,534	53,808	55,901	19,564	21,661	25,257	30,937	38,580

SOURCE: Tables 2a & 3a

THREE RIVERS DISTRICT FORECASTS

Scenario 3: Baseline Scenario

Retail productivity set at 0.0% for convenience goods and 1.5% for comparison goods

TABLE 5a
FUTURE SHOP FLOORSPACE CAPACITY IN THREE RIVERS DISTRICT

SCENARIO: As Table 3a										
Growth in sales per sq m from shop floorspace existing in 2006 (at 2003 prices)						Comparison				
	Convenience Goods: 0.00 %pa 2006-16					Goods: 1.5 %pa 2006-16				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
Total Retail Sales £000	49,255	50,536	52,534	53,808	55,901	19,564	21,661	25,257	30,937	38,580
Existing shop floorspace (sq m net)										
Tables 5a (i)&(ii)	6,650	6,650	6,650	6,650	6,650	7,887	7,887	7,887	7,887	7,887
Sales per sq m net £	7,407	5,871	5,871	5,871	5,871	2,481	2,555	2,672	2,879	3,101
Sales from extg flrspce (£000)	49,255	39,041	39,041	39,041	39,041	19,564	20,155	21,076	22,705	24,459
Residual spending to support new shops (£000)	0	11,495	13,493	14,767	16,860	0	1,506	4,181	8,232	14,121
Sales per sq m net in new shops (£)	11,642	11,642	11,642	11,642	11,642	2,481	2,555	2,672	2,879	3,101
Less policy commitments Table 5a(iii)	0	2,355	2,355	2,355	2,355	0	429	429	429	429
Supportable capacity for new shop flrspce (sq m net)	0	(1,368)	(1,196)	(1,087)	(907)		160	1,135	2,430	4,124

SOURCES: Tables 4a and 5a (i)-(iii) CB Richard Ellis.

NOTES: Excludes vacant shops
New Waitrose food store and additional retail units in Abbots Langley assumed to open before 2008

THREE RIVERS DISTRICT FORECASTS

Scenario 4: Convenience market shares increase due to new development from 2008

Comparison forecasts increase from 2008 due to new development but decrease from 2011 due to competition from larger centres including Watford and Hemel Hempstead

Retail productivity set at 0.0% for convenience goods and 1.5% for comparison goods

TABLE 3a

RETAIL DESTINATIONS IN THREE RIVERS' DRAW UPON THE CATCHMENT AREA.

SCENARIO: 4										
Convenience market shares increase due to new development. Comparison goods floorspace market shares increase from 2008 but decrease after 2011.										
Market shares adjustment factor for comparison goods:						170 % of survey indicated figures				
Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	35	35	35	35	8	9	8	8	8
2	51	56	56	56	56	12	13	11	11	11
3	49	54	54	54	54	2	3	3	3	3
4	0	3	3	3	3	0	0	0	0	0
5	0	3	3	3	3	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	1	1	1	1
9	0	3	3	3	3	0	0	0	0	0

SOURCE: Tables 3a(i) and 3a(ii)

TABLE 4a

FORECAST RETAIL SALES IN THREE RIVERS CATCHMENT AREA (2003 prices)

As Table 3a										
Catchment zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	14,093	16,929	17,816	18,426	19,070	8,086	10,072	10,506	13,027	16,165
2	21,611	24,445	25,469	25,764	26,908	10,913	13,098	12,291	14,907	18,667
3	6,462	7,240	7,404	7,648	7,901	565	927	881	1,091	1,351
4	0	1,208	1,236	1,279	1,325	0	0	0	0	0
5	0	1,511	1,530	1,576	1,611	0	0	0	0	0
6	3,706	3,750	3,824	3,949	4,079	0	0	0	0	0
7	431	433	436	444	453	0	0	0	0	0
8	2,952	3,003	3,082	3,209	3,341	0	1,023	585	731	912
9	0	1,083	1,099	1,128	1,158	0	0	0	0	0
TOTALS	49,255	59,603	61,896	63,425	65,845	19,564	25,120	24,263	29,756	37,096

SOURCE: Tables 2a & 3a

THREE RIVERS DISTRICT FORECASTS

**Scenario 4: Convenience market shares increase due to new development from 2008
Comparison forecasts increase from 2008 due to new development but decrease
from 2011 due to competition from larger centres**

Retail productivity set at 0.0% for convenience goods and 1.5% for comparison goods

TABLE 5a

FUTURE SHOP FLOORSPACE CAPACITY IN THREE RIVERS DISTRICT

SCENARIO: As Table 3a										
Growth in sales per sq m from shop floorspace existing in 2006 (at 2003 prices)						Comparison				
	Convenience Goods: 0.00 %pa 2006-16					Comparison Goods: 1.5 %pa 2006-16				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
Total Retail Sales £000	49,255	59,603	61,896	63,425	65,845	19,564	25,120	24,263	29,756	37,096
Existing shop floorspace (sq m net) Tables 5a (i)&(ii)	6,650	6,650	6,650	6,650	6,650	7,887	7,887	7,887	7,887	7,887
Sales per sq m net £	7,407	5,871	5,871	5,871	5,871	2,481	2,555	2,672	2,879	3,101
Sales from extg flrspce (£000)	49,255	39,041	39,041	39,041	39,041	19,564	20,155	21,076	22,705	24,459
Residual spending to support new shops (£000)	0	20,561	22,855	24,384	26,804	0	4,965	3,187	7,052	12,637
Sales per sq m net in new shops (£)	11,642	11,642	11,642	11,642	11,642	2,481	2,555	2,672	2,879	3,101
Less policy commitments Table 5a(iii)	0	2,355	2,355	2,355	2,355	0	429	429	429	429
Supportable capacity for new shop flrspce (sq m net)	0	(589)	(392)	(260)	(53)		1,514	763	2,020	3,646

SOURCES: Tables 4a and 5a (i)-(iii) CB Richard Ellis.

NOTES: Excludes vacant shops
New Waitrose food store and additional retail units in Abbots Langley assumed to open before 2008

TOTAL MARKET SHARES

SCENARIOS 1 & 3 - No change in market shares

Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	30	30	30	30	8	8	8	8	8
2	51	51	51	51	51	12	12	12	12	12
3	49	49	49	49	49	2	2	2	2	2
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0

SOURCE: Scenarios 1 & 3 Tables 3a and 3b

SCENARIOS 2, 4 & 5 - MANUAL ADJUSTMENT MADE TO HOUSEHOLD SURVEY RESULTS

Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	35	35	35	35	8	9	8	8	8
2	51	56	56	56	56	12	13	11	11	11
3	49	54	54	54	54	2	3	3	3	3
4	0	3	3	3	3	0	0	0	0	0
5	0	3	3	3	3	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	1	1	1	1
9	0	3	3	3	3	0	0	0	0	0

SOURCE: Scenarios 2, 4 & 5, tables 3a and 3b

THREE RIVERS DISTRICT FORECASTS

Scenario 5: Non store retail sales (including internet expenditure) increase significant over the forecasting period

TABLE 2a

CATCHMENT AREA RETAIL EXPENDITURE FORECASTS (2003 prices)

PER CAPITA EXPENDITURE	2003									
	(£)									
Convenience Goods	1,708									
SFT:	2.5									
Excluding SFT:	1,665									
Comparison Goods	3,143									
SFT:	5.7									
Excluding SFT:	2,964									
GROWTH IN PER CAPITA RETAIL EXPENDITURE:										
Convenience Goods:	2.20 %pa 2003-05					0.10 %pa 2005-16				
Comparison Goods:	18.00 %pa 2003-05					3.80 %pa 2005-16				
PER CAPITA EXPENDITURE IN	2006	2008	2011	2016	2021					
Convenience Goods: (£)	1,747	1,751	1,756	1,765	1,774					
SFT	3.3	3.9	4.3	4.3	4.3					
Excluding SFT:	1,690	1,683	1,681	1,689	1,697					
Comparison Goods (£):	3,850	4,148	4,639	5,590	6,736					
SFT	7.0	8.0	8.7	8.7	8.7					
Excluding SFT:	3,580	3,816	4,235	5,103	6,150					
Catchment area										
Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)
1	46,155	47,228	49,497	51,192	52,980	97,797	107,114	124,739	154,683	191,941
2	41,527	42,523	44,120	44,630	46,612	87,991	96,442	111,189	134,856	168,872
3	12,906	13,043	13,283	13,721	14,174	27,346	29,581	33,476	41,461	51,351
4	38,920	39,322	40,052	41,470	42,939	82,466	89,181	100,937	125,309	155,565
5	49,113	49,191	49,597	51,087	52,212	104,065	111,565	124,993	154,366	189,161
6	43,166	43,404	44,073	45,523	47,021	91,463	98,441	111,070	137,555	170,354
7	52,915	52,808	53,005	53,999	55,011	112,121	119,768	133,580	163,164	199,299
8	42,718	43,189	44,137	45,956	47,849	90,514	97,952	111,231	138,861	173,355
9	35,157	35,263	35,626	36,573	37,545	74,493	79,975	89,784	110,511	136,024
TOTALS	362,576	365,971	373,390	384,151	396,344	768,257	830,021	940,999	1,160,765	1,435,922

SOURCES: MapInfo Area Profile Report for Three Rivers District
Mapinfo Goods based retail expenditure estimates 2003
Table 1 for population.

NOTES: Special Forms of Trading as advised by Experian Retail Planner Briefing Note, taking into account growth in internet sales.

THREE RIVERS DISTRICT FORECASTS

Scenario 5: Non store retail sales (including internet expenditure) increase significantly over the forecasting period

Convenience market shares increase due to new development from 2008

Comparison forecasts increase from 2008 due to new development but decrease from 2011 due to competition from larger centres including Watford and Hemel Hempstead

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 3a

RETAIL DESTINATIONS IN THREE RIVERS' DRAW UPON THE CATCHMENT AREA.

SCENARIO: 5										
Convenience market shares increase due to new development. Comparison good floorspace market shares increase from 2008 but decrease after 2011.										
Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods										
Market shares adjustment factor for comparison goods: 170 % of survey indicated figures										
Catchment Zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	30	35	35	35	35	8	9	8	8	8
2	51	56	56	56	56	12	13	11	11	11
3	49	54	54	54	54	2	3	3	3	3
4	0	3	3	3	3	0	0	0	0	0
5	0	3	3	3	3	0	0	0	0	0
6	8	8	8	8	8	0	0	0	0	0
7	1	1	1	1	1	0	0	0	0	0
8	7	7	7	7	7	0	1	1	1	1
9	0	3	3	3	3	0	0	0	0	0

SOURCE: Tables 3a(i) and 3a(ii)

TABLE 4a

FORECAST RETAIL SALES IN THREE RIVERS CATCHMENT AREA (2003 prices)

As Table 3a										
Catchment zone	CONVENIENCE GOODS					COMPARISON GOODS				
	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)	2006 (%)	2008 (%)	2011 (%)	2016 (%)	2021 (%)
1	13,847	16,530	17,324	17,917	18,543	7,824	9,640	9,979	12,375	15,355
2	21,234	23,869	24,765	25,052	26,164	10,559	12,537	11,675	14,160	17,732
3	6,350	7,069	7,199	7,437	7,682	547	887	1,004	1,244	1,541
4	0	1,180	1,202	1,244	1,288	0	0	0	0	0
5	0	1,476	1,488	1,533	1,566	0	0	0	0	0
6	3,641	3,662	3,718	3,840	3,967	0	0	0	0	0
7	423	422	424	432	440	0	0	0	0	0
8	2,901	2,933	2,997	3,120	3,249	0	980	556	694	867
9	0	1,058	1,069	1,097	1,126	0	0	0	0	0
TOTALS	48,395	58,198	60,186	61,672	64,026	18,930	24,045	23,214	28,473	35,494

SOURCE: Tables 2a & 3a

THREE RIVERS DISTRICT FORECASTS

Scenario 5: Non store retail sales (including internet expenditure) increase significantly over the forecasting period

Convenience market shares increase due to new development from 2008

Comparison forecasts increase from 2008 due to new development but decrease from 2011 due to competition from larger centres

Retail productivity set at 0.5% for convenience goods and 2.5% for comparison goods

TABLE 5a

FUTURE SHOP FLOORSPACE CAPACITY IN THREE RIVERS DISTRICT

SCENARIO: As Table 3a										
Growth in sales per sq m from shop floorspace existing in 2006 (at 2003 prices)						Comparison				
	Convenience Goods: 0.5 %pa 2006-16					Goods: 2.5 %pa 2006-16				
	2006	2008	2011	2016	2021	2006	2008	2011	2016	2021
Total Retail Sales £000	48,395	58,198	60,186	61,672	64,026	18,930	24,045	23,214	28,473	35,494
Existing shop floorspace (sq m net)										
Tables 5a (i)&(ii)	6,650	6,650	6,650	6,650	6,650	7,887	7,887	7,887	7,887	7,887
Sales per sq m net £	7,278	5,930	6,019	6,171	6,327	2,400	2,522	2,715	3,072	3,476
Sales from extg flrspce (£000)	48,395	39,433	40,027	41,038	42,074	18,930	19,888	21,417	24,231	27,416
Residual spending to support new shops (£000)	0	18,765	20,159	20,635	21,952	0	4,157	1,797	4,241	8,078
Sales per sq m net in new shops (£)	11,642	11,759	11,936	12,237	12,546	2,400	2,522	2,715	3,072	3,476
Less policy commitments Table 5a(iii)	0	2,355	2,355	2,355	2,355	0	429	429	429	429
Supportable capacity for new shop flrspce (sq m net)	0	(759)	(666)	(669)	(605)	0	1,219	233	951	1,895

SOURCES: Tables 4a and 5a (i)-(iii) CB Richard Ellis.

NOTES: Excludes vacant shops
New Waitrose food store and additional retail units in Abbots Langley assumed to open before 2008