Cardigan and Lampeter

Bulky Goods Needs Study Addendum

FINAL REPORT


Prepared For: Ceredigion Council

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1. Executive Summary

1.1 An analysis on current demand for retailer space demonstrates that whilst there is some demand from national retail chains for representation in Cardigan, the same cannot be said of Lampeter; highlighting a major difference between the two towns in relation to demand for new floor space.

1.2 In turn, the relative level of demand for Cardigan is weaker than for its larger neighbours. This will mean that it is more likely that such retailers will prefer representation in Aberystwyth, Carmarthen and Haverfordwest before choosing to locate in Cardigan.

1.3 In our summary assessment of floorspace need below, the figures indicate total capacity for additional retail floor space over the period from 2007 to the date specified.

1.4 For the purposes of the capacity assessment, a target trading density of £2,541/yr/sq.m has been used. This trading density relates to a national benchmark of performance amongst national retail chains that trade in the area. This is considered a reasonable benchmark level upon which capacity calculations for floor space need can be made.

Development Strategy in Cardigan

1.5 CACI have assessed Cardigan's bulky goods floor space capacity. Taking into account the benchmark trading density, the following bulky goods floor space surplus has been identified for Cardigan.

2007 -401 sq m net

2012 -500 sq m net

2017 -724 sq m net

1.6 The scenario above has demonstrated that there is no capacity for additional bulky goods floor space in Cardigan, and that it actually reduces over time, due to the impacts of the internet. This level of capacity could be satisfied on an incremental basis over the planning period.

1.7 Therefore it will not be necessary for the authority to pro-actively allocate further sites for bulky goods provision.

Development Strategy in Lampeter

1.8 CACI have assessed Lampeter's bulky goods floor space capacity. Taking into account the benchmark trading density, the following bulky goods floor space headroom has been identified for Lampeter.

2007 882 sq m net

2012 839 sq m net

2017 733 sq m net

1.9 The scenario above has demonstrated that there is capacity for additional bulky goods floor space in Lampeter, albeit it actually reduces over time, due to the impacts of the internet. This level of capacity could be satisfied on an incremental basis over the planning period.

1.10 Therefore if the council follows a policy of incremental development of bulky provision, there will be no further headroom for any further major applications, and hence it will not be necessary for the authority to pro-actively allocate further sites for bulky goods provision.

2. Introduction

General Aims of this Study Addendum

2.1 Ceredigion County Council requires a retail planning study that will help guide the current town centre vision work being undertaken for Cardigan and Lampeter town centre, and to provide an evidence base for the preparation of council policies in the new Local Development Plan.

2.2 This planning study addendum has one main aim:

- To determine whether there is any current and/or future need for new development of bulky goods floor space in Lampeter and Cardigan.

2.3 The addendum is an extension to the 'Cardigan and Lampeter Retail Needs Planning Study' (C&LRNPS) produced by CACI.

2.4 For the comparison goods capacity analysis for the two towns provided in the C&LRNPS comparison goods were assessed excluding 'Bulky Goods', since these are predominantly sold at out-of-town retail parks and garden centres.

2.5 Assessing the value of bulky goods separately to general comparison goods is becoming increasingly significant because as the number of retail parks and out of town units has grown, so has the need to understand the leakage of spend on DIY, furniture and white goods from town centres to these retail parks.

2.6 This is particularly pertinent to Cardigan and Lampeter, which currently have relatively little bulky goods provision, and therefore the towns currently draw little trade for these product categories.

2.7 There is a need to understand how the wider network of bulky retail parks operate, and whether there is any evidence for the need for further supply of bulky goods uses in Cardigan and Lampeter.

Report Structure

2.8 The report has been structured into the following four key logical stages of analysis:

- Stage 1 – Market Supply (Chapter 3)
  - Bulky goods locations and relationship with town centres
  - Current bulky goods floor space
  - National store performance of retailers in area
- Stage 2 – Market Demand (Chapter 3)
- Stage 3 – Capacity Analysis (Chapter 4)
- Stage 4 – Land Availability and Town Centre Context (Chapter 4)

Key Assumptions and Sources

2.9 The definition of bulky goods includes the following:

- Bikes and large outdoor equipment
- Furniture
- Floor Coverings
- White Goods (Appliances)
- Tools
- Garden Tools
- Other DIY
- Brown Goods (TV, Video, Audio)
- Computers

- Paint and Wallpaper
- Textiles
- Pet Shops

2.10 Reported floor space figures are reported as net square metres (sq. m.). By 'net' we mean the floor space in a building that is available for economically supporting the building. Net area is all the area of a building exclusive of areas such as hallways, building foyers, areas devoted to heating, air conditioning, elevators, and other utility areas. For example, a building having 500 sq. m. of area may have a net area of 425 sq. m.

2.11 Floor space figures are sourced from consultant audits.

2.12 Reported expenditure and turnover is reported in pound sterling per annum (£'s p.a.).

2.13 Expenditure estimates are taken from CACI's Spend Estimates and Projections. Turnover estimates are the consultants view, informed by analysis of sources, including Mintel Retail Ranking reports for the UK. Mintel publish a comprehensive annual report on the performance of the UK retail sector, available through subscription, compiling information from company reports on sales performance figures of individual retailers.

2.14 To remain consistent with previous reports, the baseline year for this study is 2007, with future reporting dates of 2012 and 2017. Baseline expenditure figures are set to 2007 demand and prices. However, in terms of floor space, the baseline figures are updated to a 2009 estimate.

2.15 Population growth estimates factored into future demand estimates. The same estimates as those used in C&LRNPS will be used in this addendum.

2.16 The impacts of the growth in the use of special forms of trading, including the internet have also been factored into future demand estimates. The same estimates as those used in C&LRNPS will be used in this addendum, which are also the same estimates as used in the Bulky Goods capacity analysis in the Aberystwyth Retail Planning Study 2007.

2.17 For this addendum, Ceredigion Council requested the consultants to review the potential impact of considering alternative economic scenarios on capacity results, in particular considering recent events that have resulted in the economy entering a period of recession.

2.18 Our view is that the most pessimistic forecasts are likely to worsen over the next year, and as the recession continues, this will be backed up with actual observed declines in domestic demand. We would then expect positive growth between 2012 and 2017.

2.19 In the main C&LRNPS our adopted approach was to apply no change to expenditure per capita from the 2007 baseline. This provided the council a robust forecast across the whole period up to 2017, allowing the fluctuations in falls and rises in demand not to impact planning policy, which needs to be guided on the grounds of what is sustainable in the long term.

2.20 We consider that in the light of recent events, this approach has been vindicated, and therefore will remain in place in this report addendum. This approach reflects our main criticism of current planning guidelines, which fail to adequately protect long-term sustainable development planning decisions from the boom and bust cycles of the economy.

3. Market Supply and Demand

Bulky goods locations and relationship with town centres

3.1 A significant number of bulky goods operators are located in Ceredigion's town centres, with a strong bias towards independent small businesses. National chains have a greater tendency to locate at edge of town locations, and often away from the primary shopping area.

3.2 Despite being towns of relatively smaller size in terms of overall scale of retail, both Cardigan and Lampeter town centres have a similar number of bulky goods operators as Aberystwyth town centre (see figure 3.1).

3.3 The most significant national bulky goods occupier present in Cardigan is the Focus store, located out of town on Aberystwyth Road, with good access to the A487 and close to the Tesco and Aldi.

3.4 With the additional presence of Brondesbury Garden Centre, the Tesco and the Aldi, Aberystwyth Road in Cardigan is beginning to form a relatively strong cluster of retail uses.

3.5 Whilst Aberystywth's town offer competes with an out-of-town retail park, neither Cardigan nor Lampeter town centres currently face a similar level of competition. The provision of a much higher number of national bulky goods operators on the Parc Y Llyn Retail Park, just outside of Aberystwyth, explains why, in town only terms, Aberystwyth's bulky goods retail provision is on a similar par to Cardigan and Lampeter, despite its larger size (see figure 3.1).

3.6 The recent insolvency of furniture retail MFI has impacted both Parc Y Llyn and Withybush Retail Park, who had units let to this retailer. Tiles R Us in Parc Y Llyn has also ceased trading (see figures 3.1 and 3.2).

3.7 Focus, who are located in Cardigan – Aberystwyth Road, are also located in Parc Y Llyn in Aberystwyth, Stephens Way in Carmarthen and Withybush Retail Park in Haverfordwest (see figures 3.1 and 3.2).

Figure 3.1 Ceredigion Centres and Operators Selling Bulky Goods

Aberystwyth Town Centre	• Argos • Bathstore (Closed) • Laura Ashley Home • Magnet • Pets at Home • R Benjamin Furniture • Classic Ceramics of Aberystwyth • Geraint Furnishings • Villa Hut Furniture • Knockout Furniture • Walkers Electrical - Euronics Members
Aberystwyth – Parc Y Llyn Retail Park (Llanbadarn Fawr)	• Carpetright • Ceredigion Farming Supplies • Halfords Superstores • Focus for DIY and Gardening • Currys • MFI (Closed) • Magnet & Magnet Trade • Tiles R Us (Closed)
Cardigan Town Centre	• J Geralt Davies & Son DIY • Siop-y-Cardi • Nibco • The Bathroom Centre • Intelligent Computers • Gandalf's Garden • Brethyn Cartref • Domestic Appliances shop • Cardigan Bathroom Showroom • Cardigan Pet Centre • Jewson (Station Road)
Cardigan – Aberystwyth Road	• Focus for DIY and Gardening • Brondesbury Garden Centre
Cardigan – Parc Teifi	• CCF Farming Supplies • Whisper It Computers (no showroom)
Lampeter Town Centre	• Jewsons • A&B Plant & Tool Hire • Teifi Computers • Random Collection Furniture • Gwyn Lewis Carpets • Canolfan Addurno Decorating Centre • Price Slash Computers • JH Roberts & Sons • Jenkins of Farmers- Euronics Members • DL Williams - Mica Hardware Members • Carpet corner • W.D. Lewis Agricultural Merchants • Pet Shop

Source: CACI Audit, CACI Retail Locations

Figure 3.2 Other Competing Centres and Operators Selling Bulky Goods

Carmarthen	• B & Q DIY Supercentre • Currys • MFI • Motor World • Graham Builders Merchants • Sony Centre
Carmarthen – Stephens Way	• Carpetright • Focus for DIY and Gardening • Allied Carpets • Comet • Pets at Home (formerly Fabric Warehouse)
Carmarthen – Parc Pensarn Retail Park	• Halfords Superstores
Carmarthen – Myrtle Hill	• Wyevale Garden Centres • Harveys • Dreams Superstores
Haverfordwest – Withybush Retail Park	• Carpetright • Focus for DIY and gardening • MFI (Closed) • Comet
Haverfordwest – Withybush Industrial Estate	• Pets at Home
Haverfordwest – Bridge Meadow Lane	• Halfords Superstores • Currys • Allied Carpets

Source: CACI Retail Locations

Current bulky goods floor space

3.8 The majority (54%) of supply of bulky goods floor space in Ceredigion is located in the Aberystwyth area of the county. The recent closures of Bathstore, MFI and Tiles R Us have left a current high level of vacancy in Aberystwyth. The units may take time to re-let in the current economic climate.

3.9 Cardigan has close to four times (3.7) as much bulky goods floor space as Lampeter, the difference relating in the main to the large Focus store in Cardigan, trading from 3,055 net sq m of space (including outdoor garden centre space).

Figure 3.3 – Bulky Goods Floor space in Ceredigion

Town & Surrounding Retail Parks	Units < 100 sqm	Units 100-500 sqm	Units 500-1000 sqm	Units > 1000 sqm	Occupied Space (net sqm)	Vacant space (net sqm)	Total space (net sqm)
Aberystwyth	**3**	**10**	**4**	**2**	**6,333**	**2,164**	**8,497**
Cardigan	5	7	1	1	**5,418**	**284**	**5,702**
Lampeter	11	3	0	0	**1,547**	**0**	**1,547**
Ceredigion Total	**19**	**20**	**5**	**3**	**13,530**	**2,216**	**15,746**

Source: CACI audits

3.10 In terms of current applications for new bulky goods floor space, there is currently only one major application of relevance. The Bathhouse development planning application is a mixed development which will include new residential care housing, a hospital, a supermarket and a number of smaller retail premises yet to be confirmed, including a potential interest from Argos. The development is located north of Cardigan Town Centre.

3.11 The non-food area of the planned Tesco is 1,163 sq m (gross), translating to 930 sq m (net). Of this space we'd expect little would be given over to the sales of bulky goods.

National store performance of retailers in the area

3.12 For the purposes of identifying capacity in the town, it is possible to examine the reported national performance figures of bulky goods retailers, to identify 'benchmark' trading densities, which can be applied to our estimates of bulky goods turnover potential.

3.13 Mintel prepares annual reports that gather the published accounts of national retail chains, providing annual sales performance figures which in combination with the number of outlets and floor space that the retailer was trading from provides an estimate of the average sales per outlet performance. Estates Gazette Interactive (EGI), a subscription service providing information on commercial property, deals and occupier requirements.

3.14 The table below provides estimates for the national store operators operating in the area during 2007/2008 (listed in figures 3.1 and 3.2) and for where data was available. Data was sourced from Mintel for sales figures 06/07 and the majority of floor space figures, CACI Retail Locations and Mintel for estimate of number of outlets 06/07, and EGI for floor space estimates where missing.

3.15 Combining the total floorspace and total sales data of each retailer in the table below, an average sales density figure has been derived of £2,541 per sq m net per annum. This will be used as the 'benchmark' trading density in the forthcoming capacity analysis.

Figure 3.4 – Bulky Goods Retailers in Ceredigion in 2007/2008

Retailer	National Count of Outlets 06/07	Total Sales 06/07 (£'s per annum)	Total Floor space 06/07(net sqm)	Average Sales Density (£'s per sq m net) 06/07
ALLIED CARPETS	203	£194,181,000	180,019	£1,079
ARGOS	421	£3,912,800,000	1,356,877	£2,884
B & Q DIY SUPERCENTRES	319	£3,900,000,000	2,314,963	£1,685
BATHSTORE (now closed)	161	£68,492,000	44,888	£1,526
HOMESTYLE GROUP (Harveys)	553	£425,000,000	259,015	£1,641
CARPETRIGHT	407	£418,100,000	379,554	£1,102
COMET	250	£1,676,500,000	261,431	£6,413
CURRYS	359	£2,677,100,000	461,524	£5,801
DREAMS SUPERSTORES	153	£131,488,000	92,426	£1,423
EURONICS MEMBERS	736	£529,054,000	102,602	£5,156
FOCUS FOR DIY AND GARDENING	240	£701,900,000	488,011	£1,438
HALFORDS	414	£744,000,000	192,379	£3,867
LAURA ASHLEY-Home Furnishings	84	£163,700,000	23,420	£6,990
MAGNET	160	£310,569,000	118,959	£2,611
MFI (now closed)	194	£875,000,000	108,178	£8,088
MICA HARDWARE MEMBERS	191	£63,000,000	50,000	£1,260
MOTOR WORLD	232	£52,748,000	21,561	£2,446
PETS AT HOME	186	£303,152,000	86,431	£3,507
WYEVALE GARDEN CENTRES	108	£178,416,000	276,394	£646
Total	5371	£17,325,200,000	6,818,634	£2,541

Source: Mintel Ranking '08, EGI Jan '09, CACI Retail Locations '07

National Retailer Requirements for Cardigan and Lampeter

3.16 To understand the relative demand for new retail floor space from national bulky goods retail chains, we have performed a research of EGI to identify live requirements for new floor space. We have looked at both general nationwide requirements (figure 3.5), with specific potential locations not specified, and where retailers have expressed a specific interest in Aberystwyth, Cardigan, Lampeter, Carmarthen and Haverfordwest (figure 3.6).

Figure 3.5 – Nationwide Live Bulky Goods Retail Requirements

Retailer	Category	Min Area*	Max Area*	Location
3 Store	Electrical & Computer Goods	93	N/A	In town
Allied Carpets	Household Goods	465	929	Out of town
Apple	Electrical & Computer Goods	372	N/A	In town/Shopping Centre
ASDA Living	Clothing, Household Goods	1858	N/A	Edge of town/Out of town
B&Q	Hardware & DIY	12140	20234	Out of town
Bed Shed (The)	Household Goods	279	465	Edge of town/In town/Out
Bensons for Beds	Household Goods	465	N/A	Edge of town/In town/Out
Bhs at Home	Household Goods	2323	N/A	Edge of town/Out of town
Big Bathroom Shop	Household Goods	650	1115	Edge of town/Out of town
Carpetright	Household Goods	465	929	In town/Out of town
Christopher Wray	Household Goods	372	N/A	Edge of town/In town
Clas Ohlson	Department Store & Variety	1394	1858	Shopping Centre
Comet	Electrical & Computer Goods	929	1394	Out of town
Currys.digital	Electrical & Computer Goods	1115	1858	Edge of town/In town/Out
DFS	Household Goods	1858	N/A	Out of town
Divertimenti	Household Goods	163	N/A	In town
Dobbies Garden	Hardware & DIY	32374	40468	Edge of town
Doulton Home	Household Goods	465	650	Edge of town/Out of town
Dreams	Household Goods	650	N/A	Edge of town/Out of town
Dunelm	Household Goods	1858	3716	Edge of town/Out of town
FloorMyHome	Hardware & DIY	325	465	Edge of town/Out of town
Focus	Hardware & DIY	2044	3530	Edge of town/Out of town
Home Bargains	Household Goods	650	1394	In town/Out of
Homebase	Hardware & DIY, Household	2323	3252	Edge of town/In town
HomeSense	Household Goods	929	1394	In town/Out of town
In-Toto Kitchens	Household Goods	93	N/A	Edge of town/Out of town
Marks & Spencer Outlet	Clothing, Department Store &	743	1115	Edge of town/Out of town
Next	Clothing, Household Goods	929	1394	Edge of town/In town/Out
Perfect Home	Household Goods	186	325	In town
Selco Builders	Hardware & DIY	3716	N/A	Edge of town
Sleepmasters	Household Goods	279	465	Edge of town/In town/Out
Sliderobes	Household Goods	372	465	Out of town
Tesco Home Plus	Household Goods	3252	N/A	Edge of town/Out of town
Wickes	Hardware & DIY	1858	2787	Out of town
Wickes Extra	Hardware & DIY	4645	5574	Out of town
Wilkinson	Department Store & Variety	325	2323	In town/Shopping Centre
Wyevale Garden Centre	Hardware & DIY	20234	N/A	Edge of town/Out of town

*Area = sales area in net sq m

Source: EGI January 09

3.17 Despite the difficult economic climate, there remain a significant number of bulky goods retailers looking for new units across the UK. This includes live requirements from DIY chains B&Q, Focus, Homebase and Wickes.

3.18 Of retailers already operating in the area, Allied Carpets, B&Q, Carpetright, Comet, Dreams, Focus and Wyevale Garden Centre have live requirements for further retail units nationwide.

3.19 However, to gauge specific interest in the area, figure 3.6 provides the names of retailers with live requirements that have specifically included the main towns in this study area in their stated requirements.

3.20 The greatest level of interest is for the larger towns of Aberystwyth, Carmarthen and Haverfordwest. This includes specialist audio equipment retailer Bose for Aberystwyth.

3.21 Whilst there is no specific interest in Lampeter, Cardigan has gained the interest of household goods retailers Home Bargains, HomeSense and In-Toto Kitchens. Whilst the first two are looking for up to 1394 sqm of retail space either in town or out of town locations, In-Toto Kitchens are looking for a smaller retail unit (93 sq m) in edge of town and out of town locations (see figure 3.7).

Figure 3.6 – Specific requirements for towns in study area

Retailer	Aberystwyth	Cardigan	Lampeter	Carmarthen	Haverford West
Bose	TRUE	-	-	-	-
Floors-2-Go	TRUE	-	-	TRUE	-
Home Bargains	TRUE	TRUE	-	TRUE	TRUE
HomeSense	TRUE	TRUE	-	TRUE	TRUE
In-Toto Kitchens	TRUE	TRUE	-	TRUE	TRUE
JAG	-	-	-	TRUE	TRUE
Lakeland	TRUE	-	-	TRUE	-
Pets at Home Local	TRUE	-	-	-	-
Topps Tiles	-	-	-	TRUE	TRUE

Source: EGI January '09

3.22 This analysis demonstrates that whilst there is demand from national retail chains for representation in Cardigan, the same cannot be said of Lampeter; highlighting a major difference between the two towns in relation to demand for new floor space. In turn, the relative level of demand for Cardigan is weaker than for its larger neighbours. This will mean that it is more likely that such retailers will prefer representation in Aberystwyth, Carmarthen and Haverfordwest before choosing to locate in Cardigan.

Figure 3.7 – Requirement Details

Retailer	Category	Min Area*	Max Area*	Location
Bose	Electrical & Computer Goods	139	186	Edge of town/In town/Out of town/Shopping Centre
Floors-2-Go	Hardware & DIY	186	650	Edge of town/Out of town
Home Bargains	Household Goods	650	1394	In town/Out of town/Shopping Centre
HomeSense	Household Goods	929	1394	In town/Out of town
In-Toto Kitchens	Household Goods	93	N/A	Edge of town/Out of town
JAG	Electrical & Computer Goods	23	70	In town
Lakeland	Department Store & Variety Store,	279	N/A	In town
Pets at Home Local	Pets & Accessories	279	1115	Edge of town/Out of town
Topps Tiles	Pets & Accessories	279	465	Edge of town/In town

*Area = sales area in net sq m

Source: EGI January 09

3.23 Overall we would conclude therefore that the level of demand new bulky goods floor space amongst national chains is very low for both Lampeter and Cardigan.

3.24 The lack of interest in the two towns from nationals has however had the impact of allowing both towns to sustain a healthy level of independent retail trade. It should be noted that Lampeter has two stores who are members of a national group of independents; the Mica Hardware and the Euronics Electricals groups.

3.25 "Mica is a vehicle which helps its members compete with B&Q, Homebase, etc - the larger corporate stores. Mica is a voluntary trading group owned by its members who are all first class independent hardware stores. It is retailer led and management run. In this way it is similar to Spar - what Spar is to grocery stores, Mica is to hardware/DIY stores." www.mica.co.uk

3.26 "Euronics stores are all Independent Electrical Retailers, who as members of Euronics, the largest electrical buying group in Europe, join forces to create heavyweight buying power. With 25 Member countries across Europe and 8,900 specialist stores and branches, every agent in each country is a specialist in the field of electrical goods. From HD Ready LCD TV's to DVD Recorders and Digital Radio, and from Home Laundry to American Refrigeration, Euronics Retailers can offer you the latest product ranges from top name brands at a very competitive price." www.euronics.co.uk

3.27 However, currently there are no Mica or Euronics members in Cardigan. Therefore there may be a future demand for membership into Mica and/or Euronics in Cardigan. This may not translate into any demand for additional floor space, but may help Cardigan become more competitive in these areas.

4. Capacity and Needs Analysis

Expenditure and Forecasts

4.1 We have reviewed 4 issues of 'A comparison of independent forecasts' for the UK Economy, published by HM Treasury Macroeconomic Prospects Team, in February, May, August and November 2008. These provide growth estimates for domestic demand (expenditure) for future years up to 2012.

4.2 We have identified a marked decline in the forecast prospects for growth over the next 4/5 years. In February the average forecast for growth was 2.34% per annum, by November this has been reduced to 0.99% per annum. It is likely that these forecasts will reduce further.

4.3 The most pessimistic forecasts, made in November 2008, relate to negative growth over the next 5 years of -0.41% per annum.

4.4 The most optimistic forecasts, made in November 2008, relative to a level growth similar to the average of the forecasts made in February, at 2.31% per annum.

4.5 As stated in the introduction chapter, we have adopted an approach to capacity assessment that does not apply growth forecasts to future expenditure estimates. In maintaining 2007 expenditure estimates, we are using estimates based upon economic conditions relating to a period that in hindsight was when expenditure per capita was at relatively high levels. However, by matching this relatively high spend with 'benchmark' trading performance over the same period we are able to make a consistent capacity assessment. Therefore we would say that our estimates are neither particularly high nor particularly conservative.

Capacity Analysis for Cardigan

4.6 Using CACI 2007 spend estimates, we estimate the spend per capita on bulky goods to be £685.6 per capita.

4.7 For Cardigan, taking into account the 2007 population in the catchment area of 75,101 this translates a total amount of available bulky goods expenditure within the catchment area of £51.49 million per annum in 2007.

Figure 4.1 Cardigan Bulky Goods Catchment Expenditure Statistics 2007

Catchment	Total Population	Total Households	Total Bulky Goods Expenditure (£ million p.a.)	Market Share of Expenditure (%)	Bulky Goods Market Potential (£ million p.a.)	Cumulative Origin of Residential Shoppers (%)
Primary	13,674	6,428	£9.37	96.7%	£9.06	60.1%
Secondary	6,515	2,788	£4.47	75.2%	£3.36	82.4%
Tertiary	7,215	3,342	£4.95	32.1%	£1.59	93.0%
Quaternary	47,697	20,886	£32.70	3.2%	£1.06	100.0%
Total	**75,101**	**33,444**	**£51.49**	**29.3%**	**£15.07**	

4.8 Applying the same market shares as used in the main comparison goods assessment, the amount of expenditure attributed to bulky goods in Cardigan is £15.07 million per annum in 2007 (Figure 4.1).

4.9 The 2007 baseline figure was projected forward using population growth.

Figure 4.2 Estimates of Bulky Goods Market Potential for Cardigan (2007 – 2017)

Year	Population Growth (between 5 year periods)	Catchment Population	Expenditure per head (£'s per capita)	Total Bulky Goods Expenditure	Catchment Market Share	Bulky Goods Market Potential
2007	-	75,101	£685.6	£51.49	29.3%	£15.07
2012	2.73%	77,155	£685.6	£52.90	29.3%	£15.48
2017	2.92%	77,294	£685.6	£52.99	29.3%	£15.51

4.10 To enable a quantitative retail needs assessment; it is necessary to estimate the turnover potential for each town, compared to its market potential. Turnover potential represents what, according to modelled expenditure flows; a centre has the potential to turnover. The turnover potential can be compared against floor space figures and benchmark trading densities to provide an assessment on whether there is a need based upon this potential to provide additional retail floor space.

4.11 In order to estimate turnover potential in Cardigan, an adjustment to CACI's bulky goods expenditure figure must be made. This is to account for household expenditure that is not spent directly through visits to stores. This accounts for sales made by home-delivery channels (such as catalogue and Internet, referred to as Special Forms of Trading).

4.12 Estimates of the impacts of Special Forms of Trading have been based upon an industry expert view on the current and future market share of the home-deliveries channels for comparison goods. This includes reference to "The Home Delivery Sector in the UK 1995 to 2010" (October 2003, a project funded by the Department for Transport undertaken by De Montfort University, the Freight Transport Association and associates). CACI have recommended an adjustment of 89.4% to account for 10.6% of comparison goods expenditure spent using catalogue and Internet home-delivery sales channels. This adjustment is changed to 85.4% and 79.4% to account for growth in the market share of this sector to 15.6% and 20.6% for 2012 and 2017 respectively.

4.13 These ratios have been applied to CACI's bulky goods market potential allocations to Cardigan to arrive at an estimate of bulky goods expenditure potential in Cardigan as shown in figure 4.3 below.

Figure 4.3 – Resident Bulky Goods Expenditure Potential (2007-2017)

Year	Bulky Goods Market Potential (£millions pa)	Bulky Goods Turnover Potential (£ millions pa)	Ratio Between Turnover and Market Potential
2007	£15.07	£13.47	89.4%
2012	£15.48	£13.22	85.4%
2017	£15.51	£12.31	79.4%

4.14 The 2007 estimate of £13.47m turnover potential in Cardigan Town Centre relates to a current provision of 5,702 sq m net bulky goods floor space.

4.15 For the purposes of the capacity assessment, a target trading density of £2,541/yr/sq.m has been used. This trading density relates to a national benchmark of performance amongst national retail chains that trade in the area. This is considered a reasonable benchmark level upon which capacity calculations for floor space need can be made.

4.16 The following table shows the floor space requirements for bulky goods in Cardigan for this target trading density scenario.

Figure 4.4 Capacity in Cardigan with Target Trading Density at £2,541/sq.m

Year	Bulky Goods Turnover Potential (£'s)	Benchmark Trading Density (£'s per sq m net)	Capacity (sq m net)	Current Floor space (sq m net)	Headroom for additional floor space (sq m net)
2007	£13.47	£2,541	5,301	5,702	-401
2012	£13.22	£2,541	5,202	5,702	-500
2017	£12.31	£2,541	4,978	5,702	-724

4.17 Figure 4.4 demonstrates that using the benchmark trading density of £2,541 per sq m, by 2012 there will be a floor space surplus of -500 sq m net. Due to the predicted impacts of the internet, this floor space surplus will fall further to -724 sq m net by 2017. Therefore there is no identified floor space 'need' for Cardigan over the period 2007-2017.

4.18 **Therefore it will not be necessary for the authority to pro-actively allocate further sites for bulky goods provision.**

Capacity Analysis for Lampeter

4.19 Using CACI 2007 spend estimates, we estimate the spend per capita on bulky goods to be £685.6 per capita.

4.20 For Lampeter, taking into account the 2007 population in the catchment area of 56,257 this translates a total amount of available bulky goods expenditure within the catchment area of £38.57 million per annum in 2007.

Figure 4.5 Lampeter Bulky Goods Catchment Expenditure Statistics 2007

Catchment	Total Population	Total Households	Total Bulky Goods Expenditure (£ million p.a.)	Market Share of Expenditure (%)	Bulky Goods Market Potential (£ million p.a.)	Cumulative Origin of Residential Shoppers (%)
Primary	9,626	4,230	£6.60	91.6%	£6.04	61.3%
Secondary	2,963	1,293	£2.03	71.1%	£1.44	75.9%
Tertiary	11,070	4,927	£7.59	21.9%	£1.66	92.8%
Quaternary	32,598	14,421	£22.35	3.2%	£0.71	100.0%
Total	**56,257**	**24,871**	**£38.57**	**25.6%**	**£9.86**	

4.21 Applying the same market shares as used in the main comparison goods assessment, the amount of expenditure attributed to bulky goods in Lampeter is £9.86 million per annum in 2007 (Figure 4.5).

4.22 The 2007 baseline figure was projected forward using population growth.

Figure 4.6 Estimates of Bulky Goods Market Potential for Lampeter (2007 – 2017)

Year	Population Growth (across 5 year period)	Catchment Population	Expenditure per head (£'s per capita)	Total Bulky Goods Expenditure	Catchment Market Share	Bulky Goods Market Potential
2007	56,257	£685.6	£38.57	25.6%	£9.86	56,257
2012	57,840	£685.6	£39.65	25.6%	£10.14	57,840
2017	57,820	£685.6	£39.64	25.6%	£10.14	57,820

4.23 To enable a quantitative retail needs assessment; it is necessary to estimate the turnover potential for each town, compared to its market potential. Turnover potential represents what, according to modelled expenditure flows; a centre has the potential to turnover. The turnover potential can be compared against floor space figures and benchmark trading densities to provide an assessment on whether there is a need based upon this potential to provide additional retail floor space.

4.24 In order to estimate turnover potential in Lampeter, an adjustment to CACI's bulky goods expenditure figure must be made. This is to account for household expenditure that is not spent directly through visits to stores. This accounts for sales made by home-delivery channels (such as catalogue and Internet, referred to as Special Forms of Trading).

4.25 Estimates of the impacts of Special Forms of Trading have been based upon an industry expert view on the current and future market share of the home-deliveries channels for comparison goods. This includes reference to "The Home Delivery Sector in the UK 1995 to 2010" (October 2003, a project funded by the Department for Transport undertaken by De Montfort University, the Freight Transport Association and associates). CACI have recommended an adjustment of 89.4% to account for 10.6% of comparison goods expenditure spent using catalogue and Internet home-delivery sales channels. This adjustment is changed to 85.4% and 79.4% to account for growth in the market share of this sector to 15.6% and 20.6% for 2012 and 2017 respectively.

4.26 In the case of Lampeter, which is a small rural centre, it is necessary to apply a further downward adjustment of 70%, reflecting the inability of the centre to capture all of its bulky goods potential. 70% was selected as a suitable level of adjustment by CACI analysts, keeping the figure rounded to the nearest 10% to reflect that this is an assumption rather than a derived statistic.

4.27 These ratios have been applied to CACI's bulky goods market potential allocations to Lampeter to arrive at an estimate of bulky goods expenditure potential in Lampeter as shown in figure 4.7 below.

Figure 4.7 – Resident Bulky Goods Expenditure Potential (2007-2017)

Year	Bulky Goods Market Potential (£millions pa)	Bulky Goods Turnover Potential (£ millions pa)	Ratio Between Turnover and Market Potential
2007	£9.86	£6.17	62.6%
2012	£10.14	£6.06	59.8%
2017	£10.14	£5.63	55.6%

4.28 The 2007 estimate of £6.17m turnover potential in Lampeter Town Centre relates to a current provision of 1,547 sq m net bulky goods floor space.

4.29 For the purposes of the capacity assessment, a target trading density of £2,541/yr/sq.m has been used. This trading density relates to a national benchmark of performance amongst national retail chains that trade in the area. This is considered a reasonable benchmark level upon which capacity calculations for floor space need can be made.

4.30 The following table shows the floor space requirements for bulky goods in Lampeter for this target trading density scenario.

Figure 4.8 Capacity in Lampeter with Target Trading Density at £2,541/sq.m

Year	Bulky Goods Turnover Potential (£'s)	Benchmark Trading Density (£'s per sq m net)	Capacity (sq m net)	Current Floor space (sq m net)	Headroom for additional floor space (sq m net)
2007	£6.17	£2,541	2,429	1,547	882
2012	£6.06	£2,541	2,385	1,547	839
2017	£5.63	£2,541	2,279	1,547	733

4.31 Figure 4.8 demonstrates that using the benchmark trading density of £2,541 per sq m, by 2012 there will be headroom for additional floor space of 839 sq m net. Due to the predicted impacts of the internet, this floor space 'need' will fall marginally to 733 sq m net by 2017. Therefore there is a positive floor space 'need' identified for Lampeter between 2007 and 2017.

4.32 **Therefore if the council follows a policy of incremental development of bulky provision, there will be no further headroom for any further major applications, and hence it will not be necessary for the authority to pro-actively allocate further sites for bulky goods provision.**