
RETAIL UPDATE

ON BEHALF OF



IN RESPECT OF THE SITE AT:

WATERLOOVILLE –FORMER BAE SITE,
ELETTRA AVENUE

Plot A

08 JULY 2015



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Regulated by RICS

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1 INTRODUCTION AND BACKGROUND

- 1.1 This retail update has been prepared by Rapleys LLP on behalf of Hargreaves Property Ltd, in respect of a planning application for a discount food store (the “proposal”) at Plot A (the “plot”) proposed to be occupied by Lidl (UK) at the former BAE Systems Technology Park, Elletra Avenue, Waterlooville (the “park”). Specifically, planning permission is sought for the:
- “Erection of a foodstore (Class A1) with associated parking, servicing, access and landscaping”*
- 1.2 The boundary of the plot, in the context of the wider park, is detailed in the plan attached at **Appendix 1**. As the local authority will be aware, in 2013 a planning application was submitted relative to the park. The application sought outline permission for mixed use development, including a discount food store (to be operated by Aldi). In support of this application, a retail and leisure assessment, by Harris Lamb Property Consultancy, was prepared (and is attached to this update as **Appendix 2**). This study, inter alia, concluded that there was no sequentially preferable location for the proposed food store, and that there would be no significant adverse impact on Waterlooville Town Centres or other identified centres within the catchment area of the proposal.
- 1.3 The mixed use proposal was presented to the Planning Committee in November 2013, and again in February 2014. At both meetings, the Planning Committee resolved to grant planning permission. However, the application was subsequently withdrawn as it was considered that to proceed with development by way of a single overall consent was impractical because of the commercial and financial implications this would create. In the context of the above, the local authority has supported the principle of a discount food store on the site, and the Harris Lamb report, and the analysis within it relating to the principle of retail use, is submitted with this planning application.
- 1.4 However, in the interests of completeness, it is appropriate to consider whether there have been any changes in circumstances since the report was prepared that might impact the findings of the report.
- 1.5 These changes in circumstances can be summarised thus:
- The adoption of then emerging policies;
 - Alterations to the discount foodstore for which planning permission is sought;
 - Changes relative to the local shopping network, and
 - An update of relative to the sequential test.
- 1.6 It should be noted that this report only considers changes in circumstances relative to the principle of retail development at the site. Other matters, where they are relevant, are considered in other material supporting the planning application.

2 PLANNING POLICY

- 2.1 In July 2014, the local authority adopted its emerging site allocations document. As a result, the park is allocated within the Development Plan for mixed use development incorporating "economic development", hotel and leisure. The explanatory bullet points to Policy BD54 confirm that the site should be redeveloped for uses defined as "economic development" within the NPPF, including leisure uses and a hotel subject to viability. The bullet points further indicate that the site has potential for large scale leisure uses such as a bowling alley or cinema that could not be accommodated within the town centre.
- 2.2 Use Class A1 (retail) is included within the NPPF as "economic development". As such, planning policy now establishes retail as an acceptable use on the site, in principle. However, for completeness it is still relevant to consider impact and sequential testing.
- 2.3 Other aspects of planning policy have not changed, including the national approach to sequential and impact testing (and, most pertinently in terms of the latter, the NPPF still confirms that retail space below 2,500sqm should not normally be subject to the impact test).

3 THE PROPOSAL

- 3.1 The current proposal differs from the discount foodstore element of the wider mixed use scheme in the following respects relative to the principle of retail development:
- The current proposal is slightly larger than the discount food store envisaged within the previous mixed use scheme, and
 - The proposed occupier has changed from Aldi to Lidl.
- 3.2 The previous mixed use scheme proposed a discount food store of 1,532 sq.m, with a net sales area of 1,125 sq.m. In comparison, the gross floor area of the current proposal is 1,908 sq.m, with a net sales area of 1,286 sq.m. The uplift in the net sales area is approximately 14%.
- 3.3 However, the change of occupier has an impact on the turnover of the proposal as Retail Rankings indicates that Lidl trades with a substantially lower sales density than Aldi. 2015 Retail Rankings indicates the following sales densities for Aldi and Lidl in 2013/2014.
- Aldi – £9,049 per sq.m
 - Lidl – £4,833 per sq.m
- 3.4 These data indicate that the current proposal will have a substantially lower turnover per square metre than the previous discount food store envisaged on the site, the result of which will more than outweigh the minor increase in net sales area.
- 3.5 The change of retailer will also have an effect on the impact of the proposal on the existing shopping network. The existing shopping network already accommodates a Lidl, in Cowplain district centre. As a result, and in light of the basic principle of retail impact that “like competes with like”, the effect of the change in retailer is likely to be the following:
- A greater relative impact on the existing Lidl in Cowplain than the previous proposal would have had, and
 - A corresponding reduction in relative impact on other retailers.
- 3.6 However, as noted in the Harris Lamb report, this store is overtrading, and the effect introducing a complimentary store at the site will not jeopardise its future, nor that of Cowplain centre as a whole.
- 3.7 In conclusion, although the net sales area of the current proposal is slightly larger than the discount foodstore within the previous mixed use scheme, the change in retailer is likely to reduce the impact on existing centres, both by way of the reduction in sales density, and by the fact that Lidl are already present in Waterloooville.

4 THE LOCAL SHOPPING NETWORK

- 4.1 Harris Lamb conducted a town centre health check, and from visits to the town centre in April 2014 there have been no material changes in circumstances since then.
- 4.2 The retail commitments identified in the Harris Lamb report have now been built out (Sainsburys and Unit 6, Wellington Retail Park (Simply M&S)). However, as the report included the cumulative impact of these commitments its assessment of impact, in the context of the previous section this does not need to be revisited.
- 4.3 Further, three small units, intended to be in either A1 or A3 use, were granted planning permission in September 2013 in the car park of the Wellington Retail Park. This development is now under construction. However, given that the largest of the units is 140sqm, and given that the development is currently under construction, the following comment can be made:
- The development can be discounted from sequential appraisal;
 - The development is unlikely to have any discernable impact on shopping patterns in the area, and as such the assessment of impact within the Harris Lamb report is still relevant, and
 - As the development is currently under construction, this proposal will have no impact on its delivery.
- 4.4 In summary, there have been no changes in the local shopping network that would require the assumptions and findings of the Harris Lamb report to be revisited.

5 SEQUENTIAL APPRAISAL

5.1 A revised sequential appraisal was undertaken in April 2015, reviewing the following potential “opportunities”:

- Vacant units within the primary shopping area of Waterloooville town centre and Cowplain district centre;
- Sites within Waterloooville that are identified as development opportunities in the current Development Plan.

5.2 In considering whether a site is ‘suitable’ under the sequential approach the “Dundee” decision confirms that this means ‘suitable for the development proposed by the applicant’, rather than ‘suitable for meeting identified deficiencies in the area’. As such, when considering the sequential test the relevant matter is whether the site is suitable for accommodating the type of retail development proposed (in this case, a Lidl discount foodstore).

5.3 Further, a call-in decision by the Secretary of State in June 2014 (after the committee resolution relative to the previous application), known as the “Rushden Lakes” decision, confirms that developers should not need to alter or reduce the proposal to fit on an alternative site. In these terms, when considering other sites, only the ability for the “application” to be accommodated on alternative sites is relevant.

5.4 In these terms, to the extent that the cited “opportunities” render review, the findings are presented in **Appendix 4**.

5.5 The position can be summarised as follows:

- None of the vacant units within Waterloooville town centre or Cowplain district centre are close to being suitable in size in order to accommodate the proposal. They should therefore be discounted, and
- The sites within Waterloooville identified in the Development Plan are not available, unlikely to be suitable in the context of the other development envisaged within the respective allocations and are not viable. As such, these sites should be discounted.

5.6 The assessment therefore concludes that there are no suitable sites which are available to accommodate the proposed development in a sequentially preferable location to the application site.

6 CONCLUSION

6.1 From the foregoing analysis, the following comments are made:

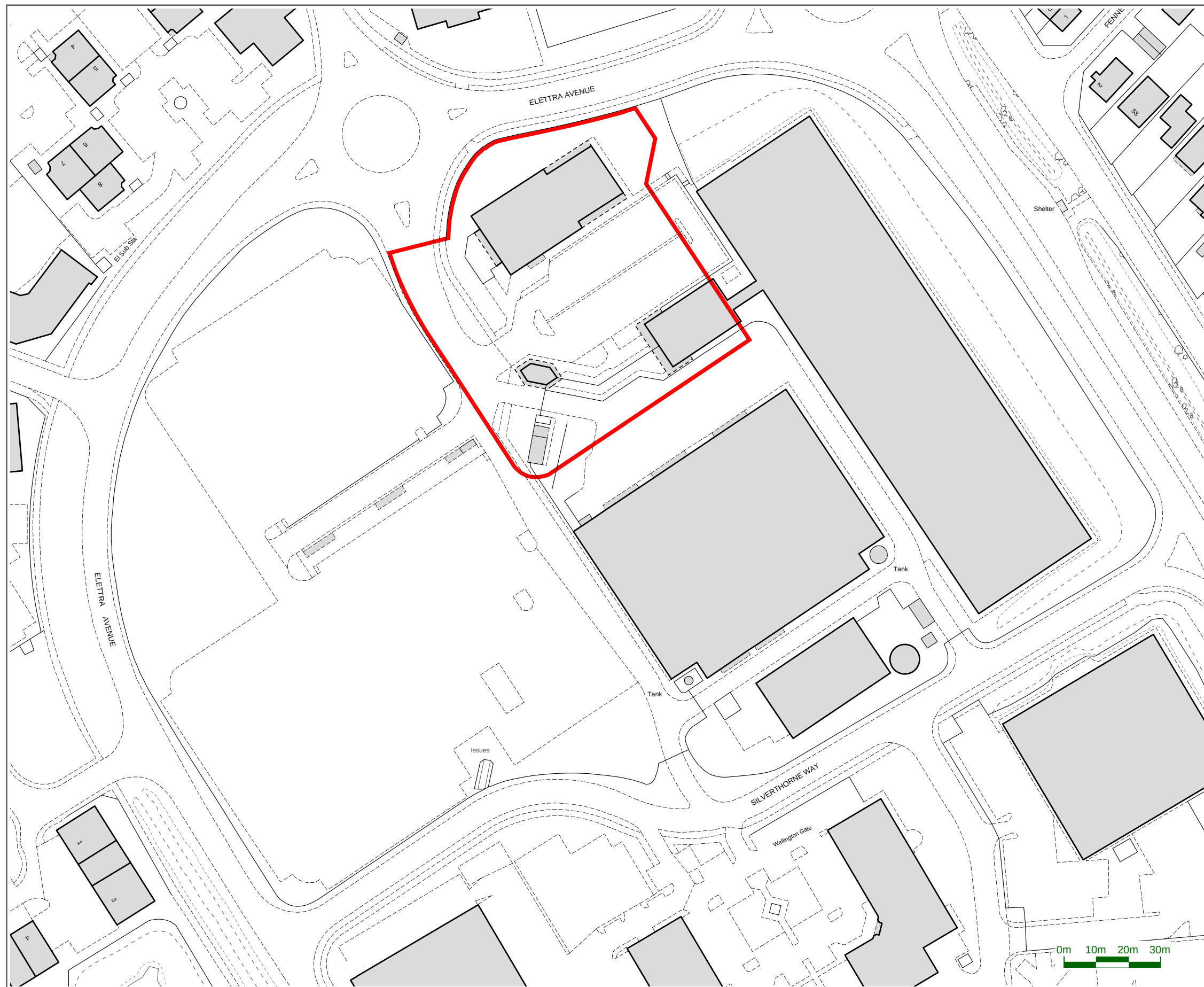
- The local authority supported a discount food store on the site, and the retail and leisure statement supporting this proposal is attached to this statement. Since February 2014 (ref: previously), a site specific allocation has been adopted within the Development Plan, further affirming the acceptability of retail development on the site, in principle.
- Although the current proposal is slightly larger than that previously proposed on the site, any increase in retail impact as a result of this will be more than outweighed by the change in retailer.
- There have been no significant changes in circumstances relative to the local shopping network, or the health of Waterloooville Town Centre which remains vital and viable.
- There have been no material alterations in respect of the application of the sequential test since February 2014, and this is the only available site in Waterloooville suitable for accommodating a new discount food store.

6.2 As such, the proposal will further improve choice and competition within Waterloooville, in a manner that will have no significant adverse impact on Waterloooville or other defined centres. In these terms, the proposal will positively impact upon Waterloooville, in terms of its retail offer and bolster the local economy through increased expenditure retention, spin-off benefit and job creation. Accordingly, the proposals should be supported by the local authority.



Appendix 1
Site Location Plan





SITE LOCATION PLAN
Elettra Avenue,
WATERLOOVILLE. PO7 7XS.



Scale @ A3 : 1:10,000

Plan No. : 286/36/1_SLP03

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