

**Perth & Kinross Council**

**Perth & Kinross Retail Study**

**Final Report**

**June 1998**

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## **Plans:**

**Plan 1 Study Area**

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Please Note: This report should be read as a summary final report, in conjunction with the detailed reports in the March 1998 Technical Appendices, provided separately to Perth & Kinross Council.

## 1.0 Introduction

- 1.1 Perth & Kinross Council was formed in 1996 and assumed the role of Strategic and Local Planning Authority from the previous 2-tier regime of Tayside Region and Perth & Kinross District Councils.
- 1.2 Perth & Kinross Council is now in the process of addressing future strategic policies for land use patterns over the next 10 years and amongst other important topics such as housing, economic development and environmental enhancement, this includes a specific look at retailing in Perth city centre and also in the landward towns within the Council area.
- 1.3 In 1986 Hillier Parker produced the Tayside Shopping Study for the former Tayside Regional Council. This addressed Dundee and Perth city centre retail issues and the need for new central and out-of-town retailing in both cities as well as other towns throughout the region. Other surveys of the area have taken place in the last 8 years and in 1997, Perth & Kinross Council decided to commission further consultancy work on the Perth and Kinross shopping catchment area, the key centres, the views of shoppers and retail businesses and advice on planning and development opportunities.
- 1.4 Hillier Parker has been commissioned to produce the Perth & Kinross Retail Study and this is the final summary report. There is also a significant amount of survey information and findings in the May 1998 Technical Appendices which should be consulted in conjunction with this report.

### Objectives

- 1.5 The Council's key objectives were to commission an overview study which would update the local authority on the shopping patterns in the area and to gauge expenditure levels and opinions and attitudes which might affect future shopping provision. In summary, the client's objectives have been taken as follows:

1. Defining Perth's catchment area and assessing general shopping patterns in the Perth and Kinross area.
  2. Gauging the range and choice of retail provision in Perth city centre and elsewhere and advising on the scope for consolidation, improvement or change in the shopping provision.
  3. To assess the volume of retail expenditure growth - scope for retail turnover growth and retail floorspace growth.
  4. Address locational questions for future retail provision in Perth city centre and elsewhere.
- 1.6 The Technical Appendices have addressed these objectives, through 6 specific areas of research. These 6 areas are summarised in Section 2 of this report. Sections 3 to 6 give our advice in terms of the 4 objectives highlighted above and Section 7 gives the main recommendations.
- 1.7 This report will be presented to Perth & Kinross Council and the Planning & Development Department is expected to consider the Hillier Parker conclusions and implications for future policy immediately thereafter. The study is one of the factors which will be used in developing future policy. The Council is also intending to expand its review of retailing to include Perth city centre discussion groups and other activities which will help to guide the Council's strategy.

## 2.0 Surveys, Findings & Issues

2.1 Hillier Parker's approach to the Perth & Kinross retail study has centred on 6 main research exercises:

1. **Reviewing the Retail Planning Background** - Previous studies, surveys and key policies have been reviewed in detail.
2. **Household Survey** - A specialist retail survey consultancy (Research & Marketing) was commissioned to interview a sample of residents in the study area and this informs the study of current shopping patterns.
3. **Retailer Surveys** - A major mailshot of national multiple retailers with a questionnaire on their trading expectations in Perth or potential desire to locate in Perth.
4. **Perth City Centre Profile** - A brief overview of some indicators of Perth city centre's retail vitality and viability, such as retail composition, rental levels, pedestrian flows etc.
5. **Study Area Town Surveys** - Records of retailer representation in other landward Perth and Kinross towns.
6. **Retail Expenditure & Capacity** - Analysis of retail expenditure patterns, turnover levels and future shopping needs.

2.2 The full reports on the methodology and findings of these areas of survey work are included in the Technical Appendices. This section summarises the main findings and highlights the issues which arise. These issues link with the assessment of objectives in sections 3-6 of this report.

### Retail Planning Background

2.3 Current development plan policies are influenced by NPPG8, the Government's policy on retailing in Scotland which seeks a sustainable pattern of retailing and encourages town centre development. A diversity

of town centre uses is positively encouraged and criteria are laid down for out-of-centre retailing. The Government is keen to integrate retail patterns with established transportation patterns, which will minimise the use of scarce resources and reduce private vehicle trips. Further guidance on transportation and land-use matters is due from the Government in the near future.

- 2.4 The Tayside Structure Plan (approved 1997) recognises the continuing evolution of retailing and promotes Perth as a major retail centre, generally reflecting the main areas of national advice. Likewise, Perth Area Local Plan and Perth Central Area Local Plan both concentrate on existing centres, particularly in the promotion of Perth as an important regional shopping centre. The central area of Perth is the main focus of local policy with encouragement for various commercial, leisure and service activity.
- 2.5 The Tayside Shopping Study was reported in 1986 and this reviewed various changes in retail trends and noted that Perth could be vulnerable to competition from Dundee and centres outwith Tayside. It was concluded that Perth city centre could still improve and increase its retail offer through a greater number of multiple retail outlets. Also, it was recommended that a single retail warehouse development would be beneficial and that selected superstore sites could be developed at out-of-centre locations. In general, the recommendations of the Tayside Shopping Study have been answered, through the completion of the St John's Centre, St Catherine's Retail Park and the ASDA, Safeway and Tesco superstores to the north and west of the city.
- 2.6 The background retail research in the Technical Appendix also details current retail provision and it is suggested that the existing provision can be categorised as follows:
1. Perth city centre - mainstream comparison goods
  2. Perth city - retail warehousing
  3. Perth area - large foodstore provision

4. Landward towns - convenience provision
5. Landward towns - other non-food shopping provision

2.7 Set against this level of current provision in different centres and varying retail formats, Hillier Parker has also advised that the market in general is currently active in 8 broad areas which could be relevant in the Perth and Kinross retail context:

1. Town centre prime retail
2. Other central area non-retail uses
3. Changes in bulky goods formats through retail warehouse outlets
4. The concept of "leisure shopping" with various proposals for specialist shopping and a particular emphasis on factory outlet shopping
5. Contraction of unit size in the foodstore sector with smaller store unit sizes being pioneered by certain national retailers
6. Catalogue/home shopping - increasing speculation that improvements and information technology will increase the level of home shopping and this might have implications for distribution warehouse outlets
7. Discount club warehouses, normally found in larger city catchment, based upon a membership format and retailing lower cost goods
8. Commercial leisure: including multi-screen cinemas, bowling, bingo etc

2.8 Hillier Parker is constantly monitoring changes in the retail and commercial market sector. However, it is suggested that the 8 categories above could be relevant to Perth city centre and to other centres in the catchment area in the near future, in terms of market pressure for new development.

- 2.9 The Technical Appendix also includes the items of background information such as the 1990 MSL survey on shopping habits across Tayside and North East Fife. It is found that Dundee achieved a draw of more than 50% of the survey area whereas, Perth achieved approximately 20%. The A/B social class groups used Dundee less frequently than Perth, and Perth scored well as a city centre with good quality shops, ease of travel and a pleasant place to be. In terms of "pleasant place" Perth's score was twice as strong as Dundee.
- 2.10 Tayside Regional Council also surveyed various retail parks in 1992 and this included St Catherine's which showed the retail parks custom mainly originating from the Perth area (80%). The St Catherine's retail park was found to be nearly 90% car dependent in terms of mode of transport, with 94% of customers finding the location very convenient for accessibility.
- 2.11 The background assessment on retail planning issues also noted that recent development pressure had been concentrated mainly on vacant sites in the vicinity of St Catherine's retail park. Proposals have been put forward for commercial leisure and/or retail warehouse park development. There has also been pressure from the investment ownership interests in the St Catherine's retail park, for future relaxations on the legal agreement which restricts the kind of merchandise which can be sold from the site.
- 2.12 In the city centre, there has not been any evidence of heavy development pressure for modern retail schemes. Small redevelopments, retailer relocations and some new fascia's have been evident. Some of the more recent changes have been in the theme pub/restaurant sector, which has added variety to the city centre. This is a new area of commercial activity which is being encouraged in many other city centres, as a boost to the overall choice, range, vitality and viability of central areas.
- 2.13 Finally, another sign of retail activity in Perth and Kinross is the proposal by the Guinea Group for a factory outlet centre at Levenfields, Kinross. A planning inquiry decision is awaited.
- 2.14 The main issues from the retail planning background can be summarised as follows:

***ISSUES FROM BACKGROUND RETAIL PLANNING ASSESSMENT***

1. **SETTLED RETAIL PATTERN** - Looking at existing retail provision in the context of current planning policies, the Perth area has a settled pattern of city centre, edge-of-centre and out-of-centre retailing; the landward towns have generally maintained a town centre focus. In the next 5-10 years will this be preserved by existing policy or challenged by new proposals for new formats?
2. **MARKET CHANGES** - National commercial market trends are showing continued strengths in certain sectors such as prime area unit shop retailing and profound changes in others, such as smaller units from the main food retailers. Should the Perth and Kinross planning and development policy be changed to allow for various eventualities, or be applied to react to specific viable proposals?
3. **PERTH'S UNIQUE ATTRACTION** - Past surveys have clearly identified Perth city centre as a distinctive shopping centre in its own right, with unique environmental attractions. Is this an established strength to rely upon, or an unexploited opportunity to develop further?
4. **RECENT DEVELOPMENT PRESSURE** - Recent development pressures have not been in the prime core area of the city, but concentrated on vacant sites at the edge of the centre, near St Catherine's. These have mainly been for edge-of-town retail warehouse or commercial leisure schemes. If these are permitted, should the planning authority also seek to encourage further consents and schemes in locations which are even closer to the main prime core in the High Street?

## Household Survey

- 2.15 A full report on the household survey, including tabulated results is included in Appendix 2 of the Technical Appendices. Maps which show the study area employed for the survey and sub-areas, related to different shopping patterns are included as Plans 1 and 2 to the Report.
- 2.16 In terms of the study area, a selection of postcodes were taken which broadly approximated the Perth & Kinross Council area, with some over-

lap to the north and east in particular. However, the responses from households verified the fact that Perth & Kinross Council can make the reasonable assumption that its own administrative area is a reliable approximation of its main shopping catchment area.

- 2.17 In terms of food shopping, it is clear that most households conduct a regular bulky main food shopping trip, normally undertaken once a week. Households also conduct frequent short visits for "top-up" purchases. The most frequently used superstores in Perth include ASDA, Tesco (Crieff Road) and Safeway. Elsewhere, Tesco is strong in the centre of Blairgowrie, Somerfield in Crieff and Safeway at Kinross. For two thirds of the respondents, the main food shopping trip was an isolated activity, with no other visits to banks or similar facilities. 80% of respondents used a car, either as driver or passenger, to do food shopping, with slightly higher levels for the landward areas. Some 80% also do top-up shopping, but this is frequently carried out at the big superstores again, with a variety of smaller local stores also being employed for this purpose.
- 2.18 For non-food goods such as clothing, footwear, household textiles, furniture, electricals, DIY, jewellery etc the dominant conclusion is the popularity of Perth. Firstly, Perth city centre is without doubt the most attractive location for the study area households, in terms of mainstream fashion etc comparison goods. Figures in excess of 70% and 80% were recorded for different categories of mainstream goods, in terms of loyalty to Perth city centre. St Catherine's retail park also featured significantly, in terms of the most frequently visited destination for the bulkier non-food goods.
- 2.19 At the fringes of the study area, it was noted that other centres, particularly Dundee, Dunfermline and Edinburgh had an attractive force.
- 2.20 Before this retail study was commenced, there was some concern that the larger shopping centres of Dundee, Stirling and Edinburgh in particular may be having an increasing force in attracting spending away from the Perth and Kinross area. However, the overall survey response has shown that Perth is holding its own, in terms of attraction on its surrounding catchment area. It also appears that the St Catherine's retail park is a strong attraction in terms of bulky goods. However, modern

developments continue to emerge (such as the Overgate redevelopment in Dundee and the Thistle Marches extension in Stirling) and Perth will obviously have to continually monitor its trade draw and customer loyalty.

- 2.21 Non-food shopping patterns also show a strong propensity to use the private car as the main means of transport (78%). This proportion increases for the more distant rural communities.
- 2.22 Households were more likely to combine their non-food shopping trips with other activities such as food shopping, financial/professional services, restaurants etc. Nearly 60% confirmed that they carried out other activities at the same time as non-food shopping.
- 2.23 In terms of attitudes to Perth city centre and other facilities, the survey corroborated an earlier finding from past surveys on the attractions of Perth - its unique environment, compact town centre, good range of shops and easy accessibility. Attitudinal questions also pursued factors that were disliked about Perth. The city can be proud of the fact that 56% had no response to this question. Where dislikes were given, they related mainly to the lack of choice of shops, parking and traffic congestion.
- 2.24 From this brief overview and the more detailed appraisal in the Technical Appendices, it is considered that the main issues arising from the R&M household survey are as follows:

#### ***ISSUES ARISING FROM HOUSEHOLD SURVEY***

1. **DOMINANT FOODSTORES** - In Perth there is a small number of highly dominant foodstores for main food shopping purposes and in landward towns this pattern is reflected. Is the level of trade to these stores so robust that there is scope to expand choice in Perth city or to increase the localised market share in the landward settlements?
2. **MORE LOCAL TOP-UP STORES** - There is a continued need for top-up shopping on a day-to-day basis and, to an extent this is serviced again by the big stores. Is there continued scope for modern formats of convenience "c-stores" in local areas?
3. **PLAN FOR TRAFFIC AND PARKING** - The dependence upon the

private motor car is quite clear in both the food and non-food sectors, with most shoppers having use of a car. However, there is no serious objection from respondents in terms of major traffic or parking problems in Perth city centre or around the catchment area. Does this suggest that planning policy should continue to cater positively for car borne shopping?

4. **SPENDING IS LOYAL TO PERTH** - Across the study area, the level of durable goods expenditure which remains loyal to Perth city centre (and St Catherine's retail park) is significant and this should be protected and enhanced as far as possible, in order to maintain Perth's market share. However, there are some signs of spend deflection, particularly at the periphery of the study area, where the relative attractions of Dundee, Stirling, Dunfermline and Edinburgh are apparent. What measures can Perth adopt in order to maintain its market loyalty?
5. **PERTH CITY CENTRE IS WELL LIKED** - In terms of the shopping public's attitude to Perth city centre, there are very few dislikes. Factors which are particularly liked include the attractive environment and the range in choice of shops. These special attractions must be developed further and the planning authority will need to look at specific projects and initiatives, to maintain and enhance the environmental attraction of the city centre.
6. **LINK SHOPPING AND LEISURE** - In terms of shared shopping trips, main food retailing appears to be a sole activity, with very few linked trips. However, non-food shopping is combined with various other purposes including leisure, restaurants etc and it will be important to build upon complementary facilities which enhance the overall city centre experience and combined shopping trip.

## Retailer Survey

- 2.25 The Technical Appendix sets out full details of the methodology employed in Hillier Parker's questionnaire of national multiple retailers, leisure operators, developers, housebuilders and other interests in development in Perth. The questionnaire was geared mainly towards Perth, but also sought responses in terms of other towns. The overall mailshot included

more than 130 individual questionnaires to a variety of retailers and other respondents. Hillier Parker has established links with private sector development interests, through its various activities in the property market. Accordingly, most respondents were responsible for the main property and estates decisions at the headquarters offices of major retail companies etc.

- 2.26 Hillier Parker has carried out various surveys of this nature and normally expects to achieve a response rate of up to 50-60%. However in this case, the response on Perth was slightly disappointing at a level of 30%. As a result, additional sources were consulted. For example, there are national data agencies which provide information on current retailer requirements for different cities and towns. These were also employed in the findings.
- 2.27 For Perth, there was a modest response from high street retailers and the majority of these already had representation in the city centre. There was a small number of multiple retailer requirements for new prime area stores in the range of 150m<sup>2</sup> (1,600 sq ft) to 740m<sup>2</sup> (8,000 sq ft). This low level of response corroborates a general market view that mainstream retailers do not show high levels of demand for new stores in the high street and prime area of Perth at present. However, responses from the survey do suggest that existing outlets are trading satisfactorily and other database sources suggest that the retail demand for Perth city centre could be as high as 20 current requirements for multiple outlets.
- 2.28 In the retail warehouse sector, there was a noted interest from 4 different larger store retailers. However, most of their trading formats would not accord directly with the goods restrictions placed on St Catherine's retail park at present.
- 2.29 In terms of large foodstores, it appears that existing retailers are generally satisfied with their existing locations and stores. There does not appear to be a high level of demand for further major foodstores in Perth.
- 2.30 In the commercial leisure sector, there is some interest from fast-food, pub, restaurant and other leisure and hotel interests. This is without any specific sites locations being mentioned. Some prefer edge-of-town or

edge-of-centre sites, but others are focused on the central area.

- 2.31 For the other landward towns, there were lower levels of demand from multiple retailers. There are possible operator interests in the larger centres such as Blairgowrie, Crieff, Pitlochry and Kinross, but this is mainly in the smaller unit shop categories.
- 2.32 The responses from property developers tended to confirm the overall conclusion that Perth is trading well with a reasonable range and choice of existing multiple retailers and there does not appear to be a rising level of retail demand driven property investment interest. However, certain commercial property developers suggested that modest sites for new development or refurbishment could provide for units in the order of 185m<sup>2</sup> (2,000 sq ft) for multiple retailer demand. It appears that developers would generally favour more central sites rather than peripheral or out-of-town locations.
- 2.33 In addition to the questionnaire, a number of interviews have been conducted with store managers in the city centre. This included a mixture of mainstream multiples, as well as a range of large and small independent traders. The general response seemed to be favourable, in terms of recent trading levels and the overall attraction of Perth city centre's prime area was frequently referred to, as well as its own unique attractions and the particular strengths of independent traders, adding to the range and choice of shops. In general, it was noted that the pedestrianisation and other environmental improvement projects had benefitted trading, but improvements must continue to be provided, with continued investment and efficient city centre management. Car parking must not be neglected and the public authorities should continue to address parking and traffic provision. Some of the smaller traders in more peripheral locations were less satisfied with the overall health of the city centre economy.
- 2.34 Most interviewees suggested that Perth should not stand complacent on the basis of continued customer loyalty. The city needs to define new projects, initiatives and future developments which will continue to boost the retail, leisure and other commercial and cultural attractions of the city, in the face of continued growth in the surrounding competitor towns.

- 2.35 From this review of overall opinions and investment decisions from the retail sector, the following issues can be identified:

### ***ISSUES FROM RETAILER SURVEY***

1. **CURRENT NATIONAL RETAILER DEMAND IS LOW** - There is low demand at present from national multiple retailers and other business occupiers of prime property. Whilst this represents a quiet market in terms of new investment, in the case of Perth it also indicates a reasonable complement in terms of the range and choice of shopping already available. Notwithstanding this, should there be more property development sites encouraged in the prime area of Perth city centre which can open up opportunities for modern unit shop occupiers? Should these be retail/leisure occupier-led - rather than by speculative developer/investors?
2. **RETAIL WAREHOUSE DEMAND** - There is some demand from retail warehouse occupiers but these are excluded under the present legal restrictions on St Catherine's retail park. Does this present a case to look at some relaxation of the merchandise range restrictions at the retail park?
3. **EXPENDITURE GROWTH VERSUS RETAIL DEMAND** - Although the current market response is relatively low, this study has a time horizon of 5 and 10 years. Whilst a single survey in 1998 has identified low levels of occupier demand, how does this relate to overall expenditure growth over the next 10 years and identified capacity for new floorspace based upon quantitative appraisals?
4. **PERTH'S UNIQUE ATTRACTION** - Retail managers and others believe that Perth city centre is very attractive, compact, environmentally unique etc - but it must perpetuate and develop this role. How can the city centre maintain momentum on its successful promotional initiatives? It needs to continue with new city centre management projects, as well as close appraisals of physical development opportunities which might continue to drive the vitality of the centre forward over the next 10 years.

## **Perth City Centre Profile**

- 2.36 The Technical Appendices give explanations of the different indicators used to measure Perth city centre's performance. Although this study was not commissioned for an in-depth "health check" on the city centre, in terms of vitality and viability, certain indicators were presented, from Hillier Parker's sources and from other analysis undertaken as part of the study. This analysis included a look at the composition of retailing in terms of convenience, comparison, service etc uses. Also, rental levels, yields, pedestrian flows and the number of multiple branch outlets were assessed. Plan 3 is a trader representation plan, showing existing city centre outlets.
- 2.37 The different traders and the division between comparison goods and other outlets have been analysed over a period 1985 to 1997 and the composition has remained relatively unchanged in that time. Vacancies have been contained to levels of around 10%; there has been a gradual increase in the representation of financial/professional services, as well as hot food and drink outlets. The number of convenience goods outlets represented 7% of the shop units in 1985 and this has dropped to 5% in 1997.
- 2.38 From the analysis, it is clear that the high street area continues to be the strong prime location and other peripheral locations such as Kinnoull Street and Murray Street show the higher levels of vacancies and demonstrate the secondary/tertiary patterns of retailing.
- 2.39 An important indicator from the commercial property market point of view is the average level of rent achieved in the prime area. Under this indicator, Perth city centre does not appear to perform as well as some of its "peer group" cities and towns (such as Dundee, Inverness, Stirling and Dunfermline). The Technical Appendix presents data which shows Perth's prime rental levels at a level of approximately £5.60 per m<sup>2</sup> at present. This has risen by 25% since 1989. Whilst this is a reasonable level of growth, it does not compare with high levels such as 51% in Inverness and 38% and 30% respectively in Stirling and Dunfermline. Only Dundee appears to have grown at a lesser rate (however, this is from a higher overall rental level of £8.40 per m<sup>2</sup> at current rates). Similar patterns are observed in terms of yields on property investments and this is a reflection of general market opinions that Perth has been a sound

location for retail and commercial investment over recent years, but does not perform as strongly as some other towns. This is possibly due to the relatively generous supply of prime and secondary units in the city centre and an average, rather than high level of demand. Therefore, investors may prefer to look at long term prospects in other towns where the supply and demand equation is more favourable.

2.40 A close analysis of pedestrian flow in Perth city centre includes the different retail outlets which have been present at key points around the main streets in the centre. In common with most major towns or cities, Perth has seen a changes in the retail facias trading from the high street and other prime areas. There has also been a shift and extension of activity from High Street only (in 1985 before the St John Centre) to a general area of activity the High Street and to the south of High Street including St John Centre, by 1991. In 1985 the "hot spot" of higher pedestrian flow was outside Salisbury's leather goods shop at 129 High Street. In 1991 and 1995 this had shifted to the H Samuel jewellers in the St John Centre, but in 1998 the top location was back at the High Street, at Salisbury's again. This is suggestive of a long term strength being shown in the traditional high street pitch, particularly after pedestrianisation and with certain refurbishments and redevelopments presenting new, stronger retail fascias in the high street.

2.41 The assessments have also looked at the multiple branch analysis. Hillier Parker has collated data on the number of multiple retailers present in the main UK towns and cities, for more than 15 years. From this database, it is noted that Perth had a score of 36 multiples in 1989 and this has increased by 10 to 46 in 1995. This is a steady level of growth, but not as remarkable as a jump from 27 to 57 over the same period in Inverness, for example. As noted elsewhere, it would also be relevant to look further at the changing scene in Dundee and Stirling in the near future, due to extensions to prime shopping mall unit space and the increase in multiple retailer numbers in those centres.

2.42 From this measurement of Perth city centre's profile, its retail representation, rental levels etc, the following issues arise:

***ISSUES ARISING FROM PERTH CITY CENTRE PROFILE ASSESSMENT***

1. **PERTH'S "CONSTANT" PROPERTY MARKET PERFORMANCE -**  
A common theme from the measurement of composition, rental levels, yields, pedestrian flows and multiple branches is the relatively constant state of the prime, secondary and tertiary retailing area in Perth city centre. Whilst other towns in Scotland have forged ahead with major new developments over the last 10 years, Perth has been relatively constant, with the consolidation of St John's Centre, but little further activity, to cause significant shifts in the performance of the prime area in particular. This either presents a case to consolidate further and concentrate on the prime area, or might suggest a relative depth of market activity in Perth city centre, which needs to be addressed through future projects which will help to revitalise its market attraction to multiple retailers and property investors in particular.
  
2. **HIGH SUPPLY/LOW DEMAND MEANS MODEST INVESTMENT INTEREST -** Certain key measurements of property market performance such as rental levels and yields are suggestive of a relatively high supply versus low demand equation. This might well be due to the large overall area dedicated to shopping and other commercial activity in Perth city centre and might suggest that relative levels of investment in the city are unlikely to overheat, whilst there is a high level of property supply in the market. This also reflects the relative strength of larger centres such as Dundee and Stirling in the wider area.
  
3. **HIGH STREET/ST JOHN'S IS PRIME -** The analysis confirms that High Street remains as the prime pitch, in terms of the success of mainstream retailing in the city centre. St John's Centre also plays a strong role in consolidating this prime area, but pedestrianisation also seems to have played a part in maintaining strength along the main frontage of high street.

## Study Area - Town Surveys

- 2.43 As mentioned earlier, this study was not intended to carry out detailed vitality and viability checks on the study area centres. It is noted that more detailed work has been undertaken on Blairgowrie and Aberfeldy in particular, by Donaldson's and recent results have been published on

these two towns from work undertaken in connection with an earlier 1995 survey on behalf of the Historic Burghs Association of Scotland.

2.44 Hillier Parker's surveys show that the percentage representation of convenience units tends to be slightly higher than Perth city centre, in the landward towns such as Blairgowrie, Crieff and Auchterarder. It was interesting to note that comparison goods units in the smaller towns represent 32-56%, across the board. In some towns it is higher, such as Pitlochry and Crieff, where there is a higher tourist spend. Another point is the relatively high proportion of financial and professional services in the smaller towns. Whilst most of the vitality and viability in smaller towns in areas such as Perth & Kinross appears to be centred on day-to-day convenience and some comparison retailing, it should be noted that the towns also thrive on localised businesses such as solicitors, insurance agents, banks etc which still present a significant proportion of the commercial outlets.

2.45 In terms of vacancies in the smaller towns, Blairgowrie had an 8% vacancy from the 1998 survey, with all the other towns having lower levels (the lowest being 2% in Pitlochry). These are generally below the Perth city centre average and suggest that the town centres are trading well, without any major defects in the physical fabric, or lack of demand in retail units.

2.46 From this brief overview of the study area town surveys and also from the recent Donaldsons report, the following issues can be identified:

1. **SMALLER TOWNS THRIVE ON FOODSTORES** - Convenience goods shopping emerges as a strong "backbone" to the vitality of the smaller towns. This presents a case for the continued vitality of the large and small foodstores in the study area towns. It may prove necessary to investigate expansion opportunities for the larger stores, or to look more radically at town centre or edge-of-centre development opportunities, in order to accommodate modern developments in food retailing in the smaller towns, and avoid a drift back to the larger superstore units, particularly in Perth.

2. **FINANCIAL/PROFESSIONAL SERVICE OUTLETS** - The study

area towns also show a relative strength in the smaller offices of various financial and professional services. These various outlets keep local businesses serviced with various administrative functions and generally play a part in the overall economic activity in the prime and secondary areas of the landward towns. Therefore, it would be appropriate to allow for this sector to play a part in the future vitality of the smaller towns and to avoid policies which might be too restrictive on non-retail commercial frontages.

3. **THE 4 TOURIST TOWNS AND THE 4 LOCAL CATCHMENT TOWNS** - From Hillier Parker's survey of outlets and relative analysis between the 8 study area towns and also from Donaldsons recent detailed analysis of vitality and viability there is a clear division of function between two groups of towns:

**Towns with a Strong  
Tourist Attraction**

- Crieff
- Aberfeldy
- Pitlochry
- Dunkeld

**Towns Based on  
Regular Resident Catchment**

- Blairgowrie
- Coupar Angus
- Kinross
- Auchterarder

This suggests that policies could be formed to concentrate on the tourist attraction of the four visitor dependent towns and separate policies to concentrate on facilities for regular local shopping with the other four towns.

4. **GOOD VARIETY AND RANGE** - Further results from Donaldson's recent analysis suggest an overall level of satisfaction with the variety of goods and range of services. It is possible that some levels of dissatisfaction in this category might well be the shoppers' unrealistic expectation of a small town to provide what a large city might provide. However, the overall satisfaction with variety and range seems healthy. On the other hand, parking is singled out as one of the more doubtful areas and, as these rural areas are more car dependent, it is appropriate to look afresh at parking provision and the ease of traffic access within the smaller towns.



## Retail Expenditure & Capacity

- 2.47 The analysis of retail expenditure across the study area, the linkage with the survey results explained earlier and the quantitative appraisal of retail floorspace capacity, based upon expenditure growth is fully explained in Appendix 6 to the Technical Appendices. It is not intended to repeat the details of methodology and approach in this main report. The comments below are a brief summary of approach and findings, in order to highlight the main issues.
- 2.48 The basic approach has involved a specific assessment of the population levels for the study area (see Plans 1 and 2 to the Report) in 1998 and onwards to 2003 and 2008. Likewise, convenience and comparison expenditure per head levels have been obtained and combined with the population, present an estimate of overall spending power for the study area around Perth. The R&M household survey has verified that the study area represents a good indication of the overall shopping catchment of Perth city centre. By weighting the results of the household shopping survey, it has been possible to provide informed estimates of the pattern of total expenditure movements around the study area. This gives rise to an overall picture of flows of spend from different residential areas of the study area, to different destination centres. The main emphasis has been on Perth city centre and the city's main out-of-town food and non-food retailers.
- 2.49 From the detailed assessment in Appendix 6 of the Technical Appendices, the main issues relating to expenditure capacity are as follows:

### ***ISSUES FROM RETAIL EXPENDITURE & CAPACITY ASSESSMENT***

1. **CATCHMENT AREA** - The study area shown on the plans in Appendix 2.1 (Household Survey Technical Appendices) was selected for the purposes of surveying patterns of spending in Perth city centre and other towns in the Perth and Kinross area. The Household Survey and the Expenditure Analysis prove that this study area (which approximates the Perth & Kinross Council administrative area) is a very accurate reflection of the overall catchment area for Perth city centre and other smaller Perth and Kinross towns. Sub-group areas were defined: Perth Area, Kinross, Strathearn, Highland and

Eastern. These approximate the local planning areas for Perth & Kinross Council and have also proved to be relevant sub-catchments, for the purpose of this analysis. This study area has shown the following measures:

- 1998 population of 166,000, growing to 171,000 in 2008. The core Perth Area holds nearly 50% of this population.
- 1998 total expenditure on convenience goods of £195.6m, increasing to £207.8m in 2008. Total expenditure in durable goods is £264.2m in 1998, increasing to £386.4m in 2008 (these are volume growth levels with all prices expressed at 1994 levels).

2. **EXPENDITURE ATTRACTION** - The Retail Expenditure And Shopping Need model shows that this total pool of expenditure in the study area flows up to the different destination towns in different proportions. Some of the main findings are as follows:

- On durable goods, Perth city centre is dominant with an estimated attraction of more than £170m of the study area's durable expenditure (a market share of approximately 66%). Non-food retail outwith Perth city centre (mainly St Catherine's retail park) attracts over £25m (approximately 10% of the study area durable expenditure). The residual 24% of study area spend is attracted variously by other smaller landward towns (Pitlochry, Blairgowrie etc) and also (to a more significant extent) by competitor cities and towns such as Dundee, Stirling, Dunfermline, Edinburgh, Glasgow and other destinations.
- On convenience goods, Perth city centre has a smaller draw of approximately £12m. Most of the Perth area spend is attracted to the two large superstores in the suburbs, ASDA - Dunkeld Road and Tesco - Crieff Road. To a slightly lesser extent, turnover is also drawn to Tesco at Edinburgh Road and Safeway at St Catherine's. Landward towns show strong attractions to localised convenience spending, with a good retention of turnover to stores such as Tesco at Blairgowrie, Safeway at Kinross, Somerfield at Crieff etc.

3. **CAPACITY FOR FLOORSPACE GROWTH** - When the 1998 flows shown in point 2 above are increased in accordance with average national expenditure per head long term growth rates; the following main areas for growth in capacity and potential floorspace are identified:
- **Potential growth in durable floorspace (depending upon some key assumptions on existing turnover, floorspace and expenditure increases) in Perth city centre of 7,100m<sup>2</sup> sales space in the 5 years to 2003, and a further 8,500m<sup>2</sup> sales space to 2008; a total 10 year capacity of 15,600m<sup>2</sup>.**
  - **Retail warehouse net sales space of up to 2,300m<sup>2</sup> by 2003 and a further 2,700m<sup>2</sup> by 2008; a total 10 year capacity of 5,000m<sup>2</sup>.**
  - **For the main convenience goods stores; no obvious case for new floorspace, but this is based on assuming that a number of existing stores will keep increasing their sales densities on existing floorspace, from already high levels, to even higher turnover ratios in future. This is likely to prompt key questions about extensions to existing stores, rebuild schemes or scope for new stores, if trade deflection from competitors can be tolerated without harmful land use planning effects.**

## Summary

- 2.50 The above sub-headings have given a summary of the overall research, surveys and analyses which have contributed to various exercises in the Technical Appendix to this study. The text above includes the overall issues which arise from each research area. These issues are now combined, in order to assess the four different key objectives highlighted in the Council's original brief: catchment area, range and choice of shopping, expenditure and retail volume and locational issues on future retail. Each objective is analysed in turn in Sections 3 to 6.

## 3.0 Catchment Area

- 3.1 All of the different research exercises have presented key issues and implications for the catchment area. It has been explained that a study area was selected which approximated the administrative area of Perth & Kinross Council. This has been quite rigorously tested through the household survey and the expenditure analysis, in relation to patterns of spending flows to different centres and has proved that the study area (shown in the plans in Appendix 2.1) is indeed an appropriate area to define as the "catchment" area for Perth, and also to identify sub-catchments for the small towns. Indeed, the five sub-areas of Perth Area, Kinross, Strathearn, Highland and Eastern have also proved appropriate as sub-areas for localised shopping patterns.
- 3.2 There is no doubt that Perth city centre and the out-of-centre retail park and foodstores play a heavy role across the whole of the catchment. On the other hand, the smaller towns of Crieff, Pitlochry, Dunkeld, Aberfeldy, Blairgowrie, Couper Angus, Kinross and Auchterarder all play localised roles within their own areas.
- 3.3 According to the household survey, Perth city centre still commands a dominant force across this catchment area and is successful in attracting a significant proportion of expenditure.
- 3.4 However, other towns and cities in the surrounding area continue to exert an influence upon the Perth catchment area and it is advised that the following factors be monitored carefully, in terms of preserving Perth's catchment area:
1. **FRESH PERTH CITY CENTRE PROJECTS** - To look very closely at initiatives, projects, improvements and available budgets, to maintain and enhance the attraction of Perth city centre. The city must not be complacent about its trade draw from the catchment area, it must constantly monitor its own attraction, set against that of other surrounding centres.
  2. **MONITOR COMPETING CENTRES** - Shopping patterns within the catchment, particularly around the periphery, will need to be

monitored, in order to gauge the effects of surrounding towns and cities. There may be an increased loyalty to Dundee to the east and Stirling to the west in particular, due to the forthcoming Overgate redevelopment (with a Debenhams Department Store) and also due to the recently opened Thistle Marches shopping mall extension in Stirling. Likewise, a town centre scheme is being progressed within the centre of Dunfermline and this might have further effects on the southern fringes of the catchment.

3. **FURTHER STREET SURVEYS** - This study has concentrated on households within the Perth and Kinross area and their spending habits and expenditure flows. It has not included surveys of shoppers within the central area of Perth, in order to identify sources of extra expenditure, from outwith the study area. However, there is abundant evidence from the intuitive reaction of retail managers and others who have been contacted in the course of this study, that Perth enjoys a "super catchment" as well as its regular local area expenditure. There is no doubt that the city centre is attractive to day visits from Scotland's central belt and elsewhere and also attractive to summer holiday makers. It is advised that further survey work is carried out during the summer months of shopping habits within the central area of Perth, in order to try and gauge the value of the extra inward spend.

3.5 In conclusion, it is suggested that Perth should concentrate on sustaining the strength of its existing catchment area and being sure to maintain a good range of shops (see next section) and environment which will continue to attract its regular shoppers. Perth city centre also needs to try to develop its "young fashion" retail attraction if it is to compete with the larger centres. There are certain features of the catchment area which will be difficult to reverse, such as the outflow from the fringes, to other stronger centres and also the fact that the smaller towns within the catchment area are unlikely to show significant increases in their relative draw of durable goods trade, because Perth is so strong. These are natural features of catchment area expenditure flow which could be very difficult to alter radically.

3.6 It is suggested that more productive measures are to retain existing expenditure flows to Perth city centre and to concentrate on harnessing future levels of growth in the local area, as well as marketing the city as widely as possible, for higher levels of inward spend, through day visits,

tourism etc.

## 4.0 Range and Choice of Shopping

- 4.1 The various survey and research exercises involved in this study have covered the range and choice of shopping in detail. This mainly applies to Perth city centre, but indicators have also been forthcoming for the landward towns. In this context, the range is a reflection of the spectrum of different merchandise lines available to the shopping public and the choice is a measure of the different brands, styles, quality etc within each line of merchandise.
- 4.2 The overall conclusions on range and choice have been assisted by the background research on existing retail offer, the household survey, the retailer survey and interviews with local managers and also the Perth city centre profile and analysis of study area towns. These exercises are complemented by the findings of the expenditure capacity assessment which also indicates the degree of loyalty to different centres.
- 4.3 Overall, the clear conclusions on range and choice are as follows:
1. **GOOD RANGE - Generally, Perth city centre and the other towns in the catchment area display a thorough range of shopping facilities, from small corner convenience shops to large superstores and from specialist durable retailers run on an independent basis, to larger variety/department stores. There is also a range of retail warehouse outlets at St Catherine's retail park.**
  2. **SOME LIMITATIONS ON CHOICE - However, research from some areas suggests that the choice across different quality lines of merchandise is restricted, mainly at the higher order end of the market, such as expensive fashion ranges and younger fashion goods. This comment mainly relates to Perth city centre. Whilst Perth aims to be a regional centre, it is the case that younger sections of the population, are attracted to the larger regional centres of Edinburgh and Glasgow in particular and Dundee to a lesser extent, for fashion goods.**
  3. **SMALL TOWNS, FOODSTORES - In the landward towns, the range and choice of food shopping appears to be quite satisfactory, with**

the popularity of local foodstores. However, durable goods retailing is more constrained and there is a natural flow to Perth city centre, for this purpose. This is to be expected, with the nature of the central city retail provision and the surrounding rural catchment.

4. **ALLOW FOR COMMERCIAL LEISURE** - The range and choice of other facilities in Perth city centre needs to be investigated further, in particular, the potential to provide for "commercial leisure" uses. This includes the various operators who have recently shown a resurgence in city centre interests, such as multi-screen cinemas, bowling, themed restaurants, public houses etc. There is clear evidence that non-food shopping trips are normally combined with other purposes such as leisure and the city centre will need to be flexible, in order to accommodate these uses. The planning authority might review retail/non-retail frontage control policies and link these more closely with current prime area occupiers which enhance levels of footfall and vitality.
5. **IMPROVE FACILITIES SUCH AS CAR PARKING** - Also, allied to the overall shopping experience is the range and choice of other physical features which might form an attraction such as the ease of car parking and the overall environment of the city centre. Most shoppers are car dependent and it appears to be reasonable to suggest that a parking/traffic friendly city centre would be a sensible aim, in order to maintain the attraction of the city in the future.
6. **PERTH'S UNIQUE ATTRACTIONS** - Furthermore, it is clear that Perth city centre has a unique environmental attraction which is impressive to the residents of the catchment area, but also to visitors from further afield. This is an essential unique branding which must become an opportunity to exploit rather than a feature to take for granted.
7. **APPRAISE RETAIL WAREHOUSE CHOICE** - In terms of retail warehousing, there is evidence to show that new bulky goods retailing formats are moving into some merchandise areas that fall outwith the traditional bulky goods definition which restricts the current operation of St Catherine's retail park. There is a case to re-appraise the restrictions on the retail park and to look at the possibility of some allowances being given to the likes of sports

goods, office supplies, toys, computers and possibly other future innovations in retail formats.

8. **MONITOR NATIONAL RETAILER DEMAND** - In terms of national multiple traders, Perth city centre has increased its representation in recent years, but the current response is quite low, in terms of new retail requirements for the city centre. This might change over time and should be surveyed regularly.
  
9. **TOURIST TOWNS AND LOCAL TOWNS** - Evidence shows that the range and choice in the landward towns depends upon their function. Crieff, Aberfeldy, Pitlochry and Dunkeld all seem to trade strongly on the tourist angle. Blairgowrie, Coupar Angus, Kinross and Auchterarder are more locally based, dependent upon resident expenditure. This pattern is likely to influence the future of these towns in terms of non-food retailing, but each town remains relatively strong in terms of food retailing and there is likely to be pressure for the expansion of convenience goods floorspace at this local level. This prompts a need to undertake a close assessment of each town's localised turnover potential and each town centre's ability to produce suitable sites for new stores or store extensions.

## 5.0 Growth in Expenditure & Retail Volume

- 5.1 One of the key objectives of the original brief from Perth & Kinross Council was to look at different spending patterns within the catchment area and the potential growth in expenditure and retail volume over a 5-10 year period, using the years 2003 and 2008 as forecast years. This analysis has been carried out in Section 6 of the Technical Appendices and the main issues arising are narrated earlier in Section 2 of this main report. However, the points noted earlier are taken directly from the quantitative analysis and this section seeks to qualify conclusions on capacity for retail growth, by taking a balanced view of the quantitative conclusions, alongside retail market factors, the response of retailers in the city centre etc.
- 5.2 It is Hillier Parker's view that strict interpretations from population and expenditure estimates could be unreliable, if relevant market factors are not taken into account. Therefore, the broad indications for increases in floorspace identified earlier in Section 2 have to be tempered by the reaction of the national multiple retailers, local store managers and other sources which tend to suggest that investment interest in new retail space in Perth is relatively constrained at the present time.
- 5.3 Accordingly, we conclude as follows, in terms of expenditure and retail volume:
- CAPACITY FOR DURABLE GOODS FLOORSPACE: SINGLE LARGE MALL?** In terms of mainstream durable goods in Perth city centre, there may appear to be a quantitative capacity for floorspace in excess of 15,000m<sup>2</sup> (150,000 sq ft) over the period to 2008. However, if all this capacity was to be built in the form of new floorspace in a single scheme, it would represent a major new shopping mall for the city centre. At present there is no clear market demand for such a scale of investment, and most importantly no evidence of a major store unit to anchor the scheme. Schemes of this size are normally based upon a large department or variety store anchor which will guarantee high levels of pedestrian flow and keen market interest in the various medium and smaller sized unit shops. Under current market circumstances, the planning authority is

advised to be very cautious about a single major scheme of this nature at present, in the absence of strong "occupier-led" demand.

2. **CAPACITY FOR DURABLE SPACE: SMALLER SCHEMES?** - On durable goods in the city centre, an alternative might be to look at a number of different redevelopment, refurbishment or new build schemes. It is expected that the dynamic nature of mainstream retailers' requirements will probably bring about market demand for smaller scale developments of this nature. However, this sort of scheme tends to replace existing floorspace and this might therefore still leave considerable capacity (in expenditure terms) for further retail floorspace.
3. **TURNOVER GROWTH FOR EXISTING FLOORSPACE?** - Another scenario for durable goods in Perth city centre is to conduct further analysis on the Hillier Parker survey and expenditure findings, in order to look at different assumptions for existing floorspace. The current conclusions have relied upon the assumption that existing sales undergo a volume increase (in terms of sales density) of 1% per annum. This assumption could be varied, in order to try and allow for existing floorspace to benefit from higher levels of volume trade and therefore rental levels, yields and other investment indicators might improve, in order to suggest that the prime central area is becoming stronger. This in turn might fuel investment and retailer interest in future development.
4. **OVER-EMPHASIS CITY CENTRE?** - A further caution in terms of durable goods expenditure is the fact that the household survey might have recorded a level of retail warehouse type shopping as being "Perth city centre." It is likely that this would actually have been Perth's St Catherine's retail park and it might have falsely inflated the turnover expectations for the city centre in the REASN model.
5. **RETAIL WAREHOUSE MERCHANDISE** - In terms of durable goods being merchandised from retail warehouses, there appears to be scope in terms of expenditure growth, and also a modest level of retail warehouse operator demand. In addition, there is certainly pressure from the investment funds which own the units at St Catherine's retail park, for a reappraisal of the merchandise

permitted. It is therefore recommended that the Council undertakes a review of the mechanisms used to control the goods at St Catherine's retail park and considers some form of decision making control, which could allow for relaxations on particular units, to be considered on their merits. There is certainly no case to suggest that mainstream fashion city centre retailing needs to "spill over" into the retail park. However, there is equally no case to suggest that the market is keen to abandon the traditional high street area for mainstream fashion, household, jewellery etc goods. In addition, the physical layout of St Catherine's and potential expansion land in the long term, could be addressed, with a view to consolidating retail warehouse provision.

6. **CONVENIENCE GOODS CAPACITY** - In terms of convenience goods existing stores within the overall catchment area are absorbing virtually all of the existing expenditure. Expenditure growth alone does not justify major expansions in space.
7. **CONVENIENCE STORE TURNOVER DENSITIES** - However, convenience goods turnover should be analysed further, in terms of each individual store or town centre. The initial analysis suggests that there are some very high levels of trading density on existing stores and this might justify a fresh appraisal of scope for expansion, relocation for new build schemes, where these do not detract from the existing pattern of provision. A key question will be whether to allow for trade deflection from existing large stores, in order to provide for further stores and extended choice. Alternatively, the answer might be to give a stronger recognition to existing stores as "established centres" in their own right, therefore justifying further investment at the existing locations.
8. **ALLOW FOR COMMERCIAL LEISURE GROWTH** - Although the quantitative analysis has concentrated on retail expenditure and shopping floorspace, there are indications from the review of current market trends that "commercial leisure" is continuing to grow, with increased interest in urban areas, for the location of cinemas, bowling etc, restaurants, theme pubs etc. It is suggested that this sector is investigated further, in terms of the potential to invest in Perth city centre in particular, and complement the level of retail offer in the central area.

## 6.0 Locational Issues

6.1 Sections 3, 4 and 5 have raised various conclusions which tend to highlight certain land use, planning and locational issues which will be important for the Planning & Development Department of Perth & Kinross Council over the next 10 years. The original brief for this study did seek further advice on the future location of retail development in Perth in particular. This section gives a summary of Hillier Parker's planning and property development advice, in terms of Perth city centre and the landward towns.

### Perth City Centre

6.2 The various planning based exercises involved in this study have helped to provide a detailed background for future planning policy. However, Hillier Parker's input has also placed an emphasis upon the firm's contacts with retail operators, interviews with local retail managers and also market agency interests with property developers, institutional investors etc. This mixture of planning, market and property development knowledge points to the following important conclusions in terms of locational guidance for future retail in Perth:

1. **BUILD PERTH'S ATTRACTION IN PRIME CENTRAL AREA** - The environment, central townscape and heritage of Perth city centre is a unique attraction which sets the city centre apart from many other locations. It enjoys a relatively compact prime area and there is a clear indication that multiple and independent traders alike place a strong reliance upon the High Street/St John's Centre/St John's Place/South Street central block as the prime retailing area. It is recommended that this area continues to be the main pedestrian dominant, prime retailer-led area of the highest environmental quality, in order to upkeep the prestige image of Perth city centre. This area should also embrace St John Street which is an attractive focus for independent retailers in particular.
2. **ATTENTION TO FUTURE OF SECONDARY AREA** - A secondary peripheral area (as defined in the Perth Central Area Local Plan Proposals Map) should be appraised in more detail, for potential

improvements to traffic circulation, increased parking provision, vacant sites and improved retail provision in the future. This should look at locations such as Mill Street, Tay Street, South Street/Canal Street and the area between Scott Street and South Methven Street in particular.

3. **INVESTIGATE POTENTIAL OF "TERTIARY" AREA** - It has been observed that Perth city centre enjoys a large overall "footprint" of retail space and this extends to an outer periphery (arguably a "tertiary" area). Under the current emphasis of planning policy, and increasingly the emphasis of many commercial businesses, the "sequential approach" is all important. This is the need to try and secure development opportunity sites which are closer to the centre of a city. In the course of this study, sites such as Thimble Row to the west end of High Street have been identified and other potential development sites are noted. However, the planning authority is not advised to seek extensions to prime retail provision (national multiples) in these areas. It would be more appropriate to look at a complementary mix of uses such as independent retailers, housing, business use, commercial leisure, possibly car parking and other functions which will help to support and enhance the prime area. This tertiary area tends to straddle the periphery of the Central Area Local Plan and the inner perimeter of the Perth Area Local Plan. The Council might need to address this under one development plan in future.
  
4. **EDGE-OF-CENTRE STRENGTHS** - Commercial activities range onwards beyond the tertiary area to include edge-of-centre retailing facilities, particularly at St Catherine's. Future policy will have to look at the interplay between St Catherine's and the city centre and analyse questions of town centre linkage, joint trips and whether future development plans should include St Catherine's as part of the city centre or treat it as a strong representation of "edge-of-centre" retailing. The evidence to date suggests that there is not a high level of linked trips between the retail park and the city centre, but the retail park's edge-of-centre location is well established and has proved a popular location.

## The Landward Towns

6.3 Although the emphasis of the study has been on Perth city centre, evidence gathered in the course of the research has had implications for the 8 main landward towns. Section 4 looked at the range and choice of shopping and suggested that the four tourist towns might need to concentrate more on the tourist related durable goods shopping and the four more localised towns to look at convenience goods shopping as the main stay of activity. Accordingly, it is suggested that the following locational advice is considered for the landward towns:

1. **SMALLER TOWNS: FOODSTORE EXPANSION** - In view of the strength of retained expenditure on convenience goods shopping, further analyse the scope for expansion, relocation or new development of foodstore shopping. This ties with a national trend by the major food retailers to "down size" their standard retail formats, in order to penetrate local market share.
2. **TRAFFIC/PARKING ENHANCEMENTS** - Undertake a close investigation of traffic accessibility and parking provision in the smaller towns, as they are clearly car dependent and proximity/convenience seem to be some of the main reasons why local people continue to use local towns.
3. **DURABLE GOODS IN TOURIST TOWNS** - In the tourist related towns of Crieff, Aberfeldy, Pitlochry and Dunkeld, undertake further analysis of the contribution made by durable goods retailing which is dependent upon tourist visitor spend in the summer months. Assess whether this can be developed further. One particular idea is to try and harness the factory outlet boom which has hit Scotland in the last 5 years. Many developers are proposing single stand-alone developments on "greenfield" sites, to make unit shops available for factory goods and they usually build a replica "small town street scene" to attract custom. Perhaps the likes of Pitlochry and Crieff should remind the shopping public that their high streets are already offering this kind of retail atmosphere, in a "real town" street scene, and seek to attract more of the factory outlet operators.
4. **SERVICE USES IN LOCAL TOWNS** - With the particular emphasis

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**on the non-tourist related towns, note the important part played by other commercial uses in the town centres such as financial and professional services and encourage their continued location in the central area.**

- 6.4 These particular points are aimed at preserving and enhancing the attraction of the landward towns, to their surrounding catchment populations. In addition, it will be important to pursue maximum funding for environmental improvements and overall attractions within these towns, in order to maintain the loyalty of local custom. It is considered that these general aims will accord with existing and recently redrafted rural planning policy guidelines, which seek to preserve and enhance rural communities.

## **7.0 Summary of Issues and Recommendations**

7.1 The original brief for this retail study was to undertake an overview of the strategic implications of expenditure patterns and other survey research, in order to draw some broad conclusions on the Perth and Kinross study area. Although many of the issues and conclusions arising in the foregoing text relate to some quite specific issues, it would be premature to make direct recommendations to the Council at this stage. It is understood that the Council will wish to consider Hillier Parker's initial broad conclusions and that further work may be undertaken to appraise specific topics, such as future action on Perth city centre, smaller town studies, out-of-town retailing etc. However, at this stage it is appropriate to summarise the various findings, issues and recommendations which have been highlighted in this report.

### ***SUMMARY OF FINDINGS & ISSUES***

- 1. Perth and Kinross has a relatively settled retail pattern with a sufficient range of shopping facilities.**
- 2. Market changes will always be evolving and will have an effect on planning and development policy in the area.**
- 3. Perth has a unique attraction as a distinctive shopping centre in its own right.**
- 4. Recent development pressures have been for edge-of-town retail warehouse and commercial leisure schemes, as well as some pressure for restaurants etc in the city centre.**
- 5. A small number of larger foodstores are dominant, in terms of convenience goods retailing. The large Perth superstores in particular have a significant share of trade. In the landward towns, the larger foodstores also dominate the local provision.**
- 6. Localised "top-up" convenience stores are still very much part of the shopping pattern and there could be scope for more convenience stores in local areas.**
- 7. The area shows a heavy dependence upon the private motor car for**

accessibility and this might suggest that planning policy should continue to cater positively for car borne shopping.

8. Generally, the spending in the catchment area is very loyal to Perth city centre, although there is some evidence of this loyalty breaking away at the fringes of the catchment, where the relative attractions and proximity of Dundee, Stirling and other towns are evident.
9. The shopping public have very few dislikes in terms of Perth city centre. The shopping area is attractive and there is a case to develop this further.
10. There is a case to encourage further linkage between shopping trips and other visits to "leisure establishments" (such as restaurants etc) in and around the city centre.
11. Current national retailer demand for new shop floorspace in Perth city centre is relatively low, but this should continually be monitored. Subject to retailers' requirements, modern standard shop units in the prime area will continue to be the main focus of any national market interest.
12. There is some interest from retail warehouse operators for further large units and this prompts a need to review the restrictive merchandise clauses at St Catherine's retail park.
13. Whilst national retailers do not show a high level of demand, there is expenditure growth over the next 5 and 10 years in the study area which could fuel floorspace increases.
14. Retail managers in Perth have highlighted Perth's unique attractions and the fact that physical development opportunities, initiatives etc should continue to drive the vitality of the centre forward.
15. In terms of rental levels and other property market indicators, Perth's performance has been relatively constant, compared to other towns.
16. A high level of supply of retail space versus a relatively low level of retailer demand, means that investors' expectations of the city centre are relatively modest.

17. **The prime area of the city centre is without doubt High Street and St John's Centre.**
18. **The smaller towns are thriving on their foodstore provision and this will need to be addressed, in terms of expansions, relocations or possibly new stores in appropriate sites.**
19. **Smaller towns also thrive on financial and professional service outlets.**
20. **Of the 8 main towns in the landward area, it is clear that 4 are heavily dependent upon tourist trade in the summer months. The other 4 are more dependent upon localised catchments.**
21. **Generally, there is a good variety and range of retailing in the smaller towns.**
22. **From the survey and expenditure analysis, it appears that the Perth & Kinross Council administrative area is a reasonable geographic approximation to the actual shopping catchment area for Perth city centre and this can also be sub-divided for local areas of Perth area, Kinross, Strathearn, Highland and Eastern. The overall catchment area has a population which will increase to 171,000 in 2008 and Perth area holds nearly 50% of this population. Convenience goods spending power is in excess of £195m and durable goods spending is in excess of £260m. These levels will grow over the next 5-10 years.**
23. **Analysis of expenditure levels shows that Perth has a market share of approximately 66%, with the residual being shared amongst the landward towns and other competitor centres such as Dundee and Stirling. Expenditure analysis also confirms that the larger superstores in Perth tend to harness most of the convenience goods expenditure.**
24. **On the basis of retail expenditure analysis, there appears to be scope for growth in durable goods floorspace. This overall growth could be as high as 20,000m<sup>2</sup> gross by 2008, but needs to be considered alongside retail market demand. There appears to be scope for retail warehouse growth in excess of 5,000m<sup>2</sup> gross and possibly some scope for convenience goods stores to expand, or for a modest amount of new floorspace, without causing trade deflections which**

**will be harmful to existing shopping patterns.**

7.2 From the 24 Findings and Issues above, various key recommendations have been highlighted in the assessments in Sections 3 to 6. These are summarised below:

***CATCHMENT AREA - RECOMMENDATIONS***

1. Perth city centre needs to continually promote initiatives, projects and improvements, in order to maintain the Perth and Kinross catchment area loyalty.
2. Competing centres should be monitored, in terms of their retail growth and their trade draw from the Perth and Kinross catchment.
3. Further surveys conducted on-street in Perth city centre (and possibly other towns) should be carried out in order to identify sources of extra expenditure from outwith the study area.

***RANGE AND CHOICE OF SHOPPING - RECOMMENDATIONS***

1. There is good range of retailing in Perth city centre and the catchment area as a whole.
2. There is some limitation on the breadth of choice, with a lesser offer in the fashion merchandise lines.
3. The small towns specialise in foodstore provision.
4. It would be advisable to allow for growth in commercial leisure activities such as cinema, bowling, theme restaurants, public houses etc.
5. Complementary facilities such as car parking should be improved and enhanced.
6. Perth's unique attraction should be strongly branded.
7. The choice of retail warehouse provision should be appraised with the possibility of some method of relaxing the controls on merchandise at the retail park.

8. National retailer demand should constantly be monitored, particularly for the city centre.
9. Different policies might have to be formed for the landward tourist towns as distinct from the landward towns which are more reliant upon local catchments.

### ***GROWTH IN EXPENDITURE & RETAIL VOLUME - RECOMMENDATIONS***

1. There is capacity for durable goods floorspace growth and this could be accommodated in a single mall development, but this appears to be an excessive scale of investment, particularly at the present time, where no major store unit has a declared demand, in order to anchor such a development.
2. Capacity for durable floorspace might be more appropriately met by smaller redevelopment schemes around the city centre. Another option could be to investigate the possibility of a commercial leisure anchor for a central area redevelopment scheme.
3. Existing floorspace should be appraised in terms of the case for further turnover growth on existing stores.
4. Survey inputs to the study might have over-emphasised the draw of retailing in the city centre versus the retail park, further analysis is recommended.
5. Retail warehouse merchandise at St Catherine's retail park could be re-appraised, with the possibility of a mechanism to consider cases on their own merits, for some relaxation of the goods retailed from the site.
6. There is some modest convenience goods capacity and possibly a case to look in more detail at the distribution and volume of stores in the future.
7. Convenience store turnover densities appear to be relatively high and this might justify some trade deflection, if new stores are proposed.
8. Commercial leisure is increasing, in terms of market activity and this should be allowed for in future city centre developments.

### **LOCATIONAL ISSUES - RECOMMENDATIONS**

1. It will be important to build Perth's attraction in the prime central area.
2. The future of the secondary area around the city centre should be further attention, in terms of a mix of commercial uses, independent traders and other environmental improvements.
3. There is also a case to investigate the potential of the outer "tertiary" area of the city centre; again this involves the possibility of a variety of uses including residential development potential.
4. There are strengths in Perth's edge-of-centre provision, through the established commercial activities at St Catherine's and this should be sustained as the main focus for bulky goods retailing.
5. The smaller towns are likely to see pressure for foodstore expansion, and specific town studies should look into opportunities.
6. Traffic and parking enhancements in the smaller towns will be appropriate.
7. Some smaller towns will continue to thrive on durable goods tourist attraction. Recent national trends to develop factory outlet shopping have tended to favour "greenfield" stand alone sites. The smaller tourist towns in Perth and Kinross could try to market their own High Streets as outlets for factory goods.
8. Service uses in local towns continue to be important.

7.3 This is the summary of Hillier Parker's findings, issues and recommendations in relation to the Perth & Kinross retail study. Obviously, there are some recurrent themes in these recommendations and there will be a case to pursue further detailed discussions on particular areas for future planning policy and development initiatives. The Council is invited to consider the various findings, issues, and recommendations and to take forward further assessments of priorities, in terms of the future of retailing in Perth and Kinross.

# Plans

## **Plan 1: Study Area**

## **Plan 2: Study Sub Areas**

## **Plan 3: Perth City Centre - Goad Trader Plan**

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# **Perth & Kinross Retail Study**

## **Technical Appendices**

### **March 1998**

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#### **Confidentiality**

**Please note that certain items in the Technical Appendix Number 3 include reports on commercially confidential information provided by respondents to surveys. Therefore, it is recommended that this information is for internal circulation only within Perth & Kinross Council Planning & Development Department**

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# **Perth & Kinross Retail Study**

**Technical Appendices**  
**March 1998**

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## ■ Introduction

■ Perth & Kinross Council has commissioned Hillier Parker to carry out a retail study across the Perth & Kinross area. This study commenced in January 1998 and this document reports back on various survey and background technical assessments which have been conducted, in order to provide a foundation of facts, data and analysis which will inform the findings of the final report.

■ The main background exercises are as follows:

- **Retail Planning Background:** A review of retail policy and other relevant background retail planning information, relevant to Perth & Kinross.
- **Household Survey:** A telephone survey of households in the Perth & Kinross area covering various aspects of shopping behaviour in terms of food and non-food goods.
- **Retailer/Commercial Developers' Survey:** A postal questionnaire of various national multiple retailers, leisure operators, developers, investors and some local housebuilders, in order to gauge new development interest in Perth city centre in particular.
- **City Centre Profile:** For Perth, a survey of available data on retail representation, rental, yield, pedestrian flow and multiple branch score levels. This data has been compared with previous years for Perth and comparisons are also made with other towns, on some aspects.
- **Town Surveys:** For other towns in the study area, we have surveyed retail representation and have used data from this to provide measures of the performance of these towns.
- **Retail Expenditure & Capacity:** With reference to the household survey, an analysis of study area retail expenditure growth and expenditure patterns related to different retail centres.

■ These exercises are presented in this document in the form of 6 different technical appendices.

## ■ Confidentiality

■ Most of the information in this document is from Hillier Parker's own surveys, or from published sources. However, the details of retailer demand etc in Appendix 3 have been canvassed from retailers and other companies on a confidential basis and we recommend that this information should remain confidential for internal

use within Perth & Kinross Council's Planning & Development Department.

# **Appendix 1**

## **Perth & Kinross - Retail Planning Background**

## **Appendix 1: Perth & Kinross - Retail Planning Background**

In response to the client's brief, this study commences with a short overview of some of the more relevant retail policy aspects and previous retail issues in the Perth & Kinross area. This provides a background of key information, in terms of the investigations in this study into current shopping patterns and also provides a useful reference point, in terms of the final report and its policy recommendations.

### **National Policy**

The Council is familiar with the terms of the Scottish Office policy in NPPG8 on retailing. This document was produced in April 1996 and emphasised some important points:

1. The Government is aiming to produce patterns of retail development which support the national objective of achieving sustainable development in a way which protects and enhances the environment for current and future generations.
2. The main emphasis of national policy is to place the first preference on town centre sites where suitable land or property is available. This should be followed by edge-of-centre sites if possible, before out-of-centre proposals are considered.
3. The guidance refers to the definition of town centre covering city, town and suburban or district centres.
4. It is important to promote competition and choice, to sustain local shops, minimise transport impacts and promote quality in retail development.
5. With specific reference to town centres, it is important to measure and uphold the vitality and viability of town centre activity through a diversity of use, ease and accessibility, safe pedestrian environment and town centre management.
6. Out-of-centre retailing is subject to guidelines which seek to ensure that town centres will not be undermined and that new centres are developed to complement the overall retail hierarchy. New district shopping centres, retail parks and other forms of development are recognised, but will need to be assessed against certain criteria.
7. Structure and local plans will have to react to changes in retailing and provide a suitable framework for future shopping provision.

In March 1997, the Scottish Office published a revised NPPG8 on retailing, for consultation.

This made some changes in emphasis in relation to the general principles for town centres and made more specific reference to leisure and other uses as contributing to town centre activity. Small shops in rural areas were also reviewed, with greater emphasis on their importance. It was also suggested that town centre strategies should be put forward, making use of surveys of the health of the town centre. The sequential approach to retail location and greater regard to transport accessibility were also emphasised.

The revised NPPG8 has been subject to consultation and it is understood that a finalised draft will be published soon.

The Scottish Office also published a draft NPPG on transport and planning in May 1996. This made specific reference to shopping and the need to acknowledge the importance of the city, town and suburban centre hierarchy and promoting good accessibility, particularly by public transport. The Scottish Office policy on transportation is under review but the Government's current policy is certainly to promote forms of shopping which are accessible to all sectors of the community.

## **Current Development Plan Policies**

The main purpose of this retail study is to review current policies and development pressures and make recommendations for future policy. This study does not intend to analyse existing policies in detail. However, copies of relevant policy extracts are included in Appendix 1.1 and the main framework is as follows:

- **Tayside Structure Plan 1993, Approved 1997 with Secretary of State's Modifications:** The current Structure Plan was drafted by the former Tayside Regional Council with a strategic priority which recognised the continuing evolution of the retail sector (Appendix 1.1 includes a copy of the Retailing Chapter). The key policies seek to;
  - Promote Dundee as the regional shopping centre;
  - Development Perth as a major retail centre;
  - Secure the role of secondary retail centres;
  - Anticipate and guide changes in the retail hierarchy and relate new retail development to the transport system.
- **Perth Area Local Plan 1995:** This Local Plan sets out policies for the landward area around Perth and Perth city (excluding the central area). Appendix 1.1 includes policy extracts but the main objectives are:

- To protect and enhance Perth as an important regional shopping centre;
- The plan only supports the completion of the retail park. No further out-of-centre retail developments are under consideration, the exception being the Edinburgh Road Tesco extension. Smaller scale extensions to neighbourhood centres would also be supported.
- Improvements to existing small neighbourhood centres;
- To identify the major retail areas in Perth city and restrict developments of more than 1,000 sq m outwith these areas;
- To restrict changes of use in Dunkeld Road;
- To maintain retail uses within neighbourhood centres, if possible.
- **Perth Central Area Local Plan 1996:** This plan concentrates on the central area of the city and the key objectives are as follows:
  - Maximise the activity within the central area, in order to minimise transport requirements and make most effective use of land;
  - Maintain the Central Area as the principle focus for retail, commercial, leisure and service activity within the Perth city and Perth & Kinross area generally;
  - To provide a choice of retailing, commercial, leisure, service and residential sites within the Central Area up to 2005;
  - To maintain and enhance the high quality of living and working environment identified in quality of life studies.
  - The decentralisation of office and industrial uses is noted, but there is also a trend for an increase in city centre population and residential use;
  - Car usage per person is seen to exceed national averages;
  - The vision statement for the plan promotes vitality, viability, visual excellence and a vehicle free environment;
  - The shopping/tourism policies reflect the general aims and objectives above, with new retail developments encouraged in the Central Area and regulations on non-retail uses, in order to promote vitality and viability;

- The Council also seeks to support the development of a major tourist attraction in the central area;
- The proposals map includes an indication of the primary business and retail use area around High Street/South Street.

## **Tayside Shopping Study 1986**

Hillier Parker conducted a shopping study for the whole of Tayside region in 1986. This coincided with the review of the structure plan at the time and also assess the potential for additional shopping floorspace in the region, in the light of a number of retail proposals. The study covered various trends in retailing and concentrated on the rapid expansion in larger unit sizes and out-of-town developments, in the 1980's. Increased mobility, store location and the changing structure of retailing were assessed, along with the effects of new technology and the trend to decentralise retailing to out-of-town centres.

It was noted that town centres would have to improve, in order to maintain their market share. For Perth, the conclusions of the study noted that the city was vulnerable to competition from Dundee and centres outwith Tayside. However, the strength of the city centre was noted, and the lack of district centres around the city area. The new St John's shopping centre development was underway at the time of the study, but Hillier Parker concluded that there was still a need to improve and increase the level of multiple retail representation in the city.

It was also recommended that Perth had a very limited supply of retail warehouse outlets and there was potential for additional development in this sector. It was suggested that a retail warehouse park in a location close to the city centre would be preferred. The St Catherine's Retail Park has since been developed.

The Tayside Shopping Study also found a case for reorganising foodstore provision in the city of Perth, having regard to the congested conditions in the city centre and the opportunities for out-of-town stores. The Dunkeld Road ASDA and Crieff Road Tesco (formerly Wm Low) have since been developed. Tesco (formerly Wm Low) has closed its Victoria Street store but continues to trade a "Tesco metro" at South Street. Since the survey was undertaken Safeway has relocated to the retail park.

In summary, it is clear that retail developments emerging in the late 80's and through the 90's have satisfied most of the policy objectives outlined in the Tayside Shopping Study. This endorses the current study, as a timeous update to national retail trends and local shopping patterns.

## **Current Retail Provision**

The scope of this study does not cover a comprehensive analysis of the quality of retail provision in Perth city centre and elsewhere. However, this document includes technical appendices on the various surveys and sources of information which, together with Hillier Parker's observation throughout this study give rise to the following suggested categorisation of current retail provision in the study area:

1. **Perth City Centre - Mainstream Comparison Goods:** It is clear that the city centre is the dominant location, in terms of the overall study area: the structure plan seeks to maintain Perth as a major retail centre and the local plan refers to it as a regional centre. There is no doubt that it continues to hold a strong attraction across the Perth & Kinross area and beyond, in terms of high quality fashion, clothing, footwear and other comparison goods. This is supplemented by a strong representation in the city centre, in terms of higher order independent traders, department stores, antique outlets and other similar retailers, who help to boost the main attraction of the national multiples in the prime area.
2. **Perth City - Retail Warehousing:** There is no doubt that the city and landward populations now depend upon Perth St Catherine's Retail Park as the key location in terms of bulky retail warehouse goods. It is interesting to note that the findings of the Tayside Shopping Study (and also the 1992 Retail Warehouse Survey referred to later) found that the Perth area population had to travel elsewhere for retail warehouse goods, before St Catherine's was established. The full development has now been completed with the extra units to the south end of the retail park and there is currently further pressure for more commercial, retail and leisure development.
3. **Perth Area - Large Foodstore Provision:** It is clear that a relatively recent hierarchy of larger foodstores has developed in the Perth area which serves the city population, but also the landward areas to an extent. The larger ASDA and Tesco stores at Dunkeld Road and Crieff Road respectively appear to dominate, along with the Safeway at St Catherines Retail Park and the Tesco stores at South Street and Edinburgh Road.
4. **Landward Towns - Convenience Provision:** It is clear that the smaller local towns outwith Perth, in the general catchment area continue to provide a central convenience goods role. In particular, Blairgowrie continues with a strong attraction around the central Tesco store and a similar attraction seems to occur with the Somerfield store in Crieff and others such as Penny's supermarket in Aberfeldy, Pitlochry and Crieff. Kinross has convenience outlets in the town centre and also the Safeway supermarket on the edge of the town. Although there is some tendency for shoppers to use the larger superstores in Perth, it is important to note the continuing role for the landward towns, in providing

convenience goods shopping to local catchments.

5. **Landward Towns - Other Non-Food Shopping Provision:** There is a mixture of different non-food provision in each of the small landward towns. This varies according to the different roles of these towns, in their own catchment areas and also in relation to the main tourist routes. For example, Pitlochry is very strong on tourist related goods through the various woollen shop outlets and Crieff also trades on this strength to an extent. However, other towns such as Blairgowrie and Kinross have a comparison goods element which is geared more to the local catchment. Some smaller towns, such as Coupar Angus and Auchterarder have very little in terms of supplementary comparison retailing. However, it is important to note that each of these towns also has a significant number of service outlets which also contribute to the activity in the town centres.

The categorisation above is intended as a broad assessment of the different types of retail provision available through the different centres in the study area. Other technical appendices in this document look at the relative size of the centres, population catchments, expenditure levels and overall turnover implications in town centre and out-of-town retail provision. However, certain published data can help to provide information on retail provision and Appendix 1.2 includes a general reference to some survey information provided to Hillier Parker by Experian Goad and others in terms of the mix of retail in Perth city centre in particular.

## General Retail/Commercial Market Trends

Throughout Hillier Parker's client liaison on this study, various points have been raised in relation to changes in the retail, leisure and commercial development market. As a brief summary, Hillier Parker suggests that, in relation to Perth city and the landward towns, the following current trends in retail and commercial development could be relevant over the next 5 years:

1. **Town Centre Prime Retail:** there remains a preference amongst high street fashion etc retailers in particular for modern regular shaped, prime retail units which are well linked to the strongest levels of pedestrian flow within the city and town centres. For most retailers, this comprises the standard shop unit of approximately 250 sq m. However, there are also variety stores such as M&S, Bhs, C&A etc which prefer stores of more than 1,000 sq m in terms of general sales area.
2. **Other Central Area Non-Retail Uses:** in some of Scotland's larger towns and cities, there is an increasing trend towards changes of use in the prime area, for higher quality restaurant, public house and leisure operations. In particular, the national multiples specialising in franchise restaurants are active at present, along

with continued growth in the fast food sector. Operators such as Whitbread, J D Wetherspoons, City Centre Restaurants, Yates, Pizza Express, and others are all expanding at present.

3. **Changes in Bulky Goods Formats:** the patterns of decentralisation noted over the last 15 years have been to develop larger DIY retail sheds. Some DIY operators, such as B&Q are now keen to increase their overall size and in larger conurbation catchments, this includes a larger 10,000 sq m format for B&Q, known as warehouse. Whilst some are moving towards this end of the market, there is increasing evidence of smaller retail warehouse units, down to 1,000 sq m or thereabouts. This includes certain carpet furnishings, pets, electricals and other suppliers. There continues to be demand in the mid range of 1,000 to 3,000 sq m formats for retail warehousing and this includes the likes of the main DIY operators, computer retailers, sports and also catalogue outlets such as Argos and other mid range occupiers.
4. **The Concept of Leisure Shopping:** Perth & Kinross Council is familiar with the concept of factory outlet centre retailing, through the Leven Fields proposals at Kinross. There is also continued interest in certain aspects of "leisure shopping." This might be relevant in terms of tourist retail growth in some of the more popular towns within the landward area, as well as in Perth city centre itself.
5. **Contraction of Unit Size in the Foodstore Sector:** after the 1980's decentralisation to larger superstores and the manifestation of this in stores such as ASDA and Tesco in Perth, there is now increasing interest amongst the major operators, to maintain or improve market share. This is emerging in the form of renewed interest in smaller sub-area catchments within cities and smaller town representation in rural areas. Tesco in particular is developing its "compact" supermarket format in smaller towns (such as the Tesco stores in Dunblane and Cupar). Sainsbury is also following with a similar compact store (such as Leven in Fife). Others continue to strengthen in this mid and lower range sectors such as Somerfield who have recently decided to merge with Kwik-Save. In addition, there are smaller town centre formats such as Tesco Metro and Sainsbury is also pursuing stores in this sector. At the smallest level of convenience provision, there is also renewed interest in the neighbourhood or "top-up" small convenience store. In particular, the Alldays chain (Watson & Philip - based in Dundee) is expanding its successful formula, for small neighbourhood shop units in the order of 20-50 sq m. In addition, the oil companies are providing larger retail units along with petrol filling stations and this has been reflected in the smallest of the Tesco formats "Tesco Express" where Tesco Plc operate the small foodstore in combination with a roadside filling station.
6. **Catalogue/Home Shopping:** there is a small but significant proportion of home

shopping taking place across the UK and Perth & Kinross is no exception (see the next technical appendix which includes the findings of the R&M survey).

Retailers such as Littlewoods, Next and Argos have pioneered these formats in the last 10 years and their success continues. Various retailers are looking increasingly at virtual reality formats through personal computers at home and in the future, through interactive television. However, these forms of shopping are in their infancy and early research suggests that only a small proportion of the population would definitely shift their shopping pattern to be home based, rather than visiting an established centre.

7. **Discount Club Warehouses:** larger city catchments are attractive to the large club based "cash and carry" operations. Costco in particular has developed stores in Glasgow and Edinburgh. Another similar format is being pioneered by Matalan, for fashion clothing.
8. **Commercial Leisure:** through events at St Catherine's (discussed below) the Council is aware of the interest in "commercial" leisure schemes; in particular multi-screen cinemas (normally seeking 200,000 population catchment within 45 minutes), bingo, bowling, theme restaurants, virtual reality games centres and health clubs.

## **Other Relevant Source Information**

Various other relevant sources have been provided by the Council, as background references to this study.

### **MSL Retail Survey 1990**

Tayside Regional Council commissioned a market research study by Marketing Services Ltd in August 1990. This was a survey across various households within Tayside Region and North East Fife and related to mainly to Dundee and Perth. Some of the salient findings for Perth were as follows:

- Dundee achieves a draw of more than 50% of the Tayside/NE Fife survey area respondents, whereas Perth achieved approximately 20%.
- The A/B social class groups use Dundee less frequently than Perth.
- Attitudes towards Perth city centre included higher scores for good quality shops, easy to travel to and pleasant place to be, than for Dundee. The "pleasant place" factor scored more than twice than Dundee.
- Respondents felt that Perth city centre could be improved by more parking, more seating

areas/pedestrianisation and better quality shops/improved environment and improved bus services.

- The idea of a new shopping mall for Perth was mentioned and most respondents did not expect this would alter their frequency of visiting the town.
- Group discussions with Perth shoppers revealed an attraction to the town as a whole, good quality multiple outlets and old fashioned, interesting speciality shops. There was also reference to the high class Frasers department store, the present relaxed atmosphere of the town centre and good quality restaurants, tea shops etc in support of the shopping facilities. The compact size of Perth was a benefit, as was relatively easy access and parking at most times.

It is useful to review the results of this 1990 survey, and relate some of these results to the findings of the current study (Appendix 2 of this document). Also, since the 1990 survey, the St Catherine's Retail Park has been completed, the full pedestrianisation of High Street is also in place and other environmental improvements have been progressed. However, there have also been significant changes to the central area of Dundee, including the refurbishment of the Wellgate Shopping Centre and the forthcoming Overgate Redevelopment.

### **Tayside Regional Council - Retail Parks Survey 1992**

Another background survey which provides some useful information is the 1992 Tayside Regional Council Survey of Retail Warehouse Parks. This includes Perth, St Catherine's Retail Park. Some of the key findings were as follows:

- More than 80% of the retail park's custom originated in the Perth or Perth Landward areas with the remainder being from towns such as Blairgowrie, Kinross, Pitlochry etc. Only 8% were from Fife or from other most distant locations.
- Compared with the two retail parks in Dundee, St Catherine's had a higher level of people originating their trip within Perth city centre (12.5%). It was also noted that 24% of visitors had originated their trip at work (probably a reflection of tradesman and contractors using the DIY outlet).
- Most people visit St Catherines Retail Park once a week, 89% travel by car and 94% consider the site very convenient for travel/accessibility.
- 96% of St Catherines visitors use the centre for shopping or price comparison, with only 3% using it as a "leisure" location.
- Most visitors are at the retail park for less than 1 hour and DIY is their main purpose of visit. At St Catherines, less than 10% are shopping for food at the nearby Safeway and

less than 25% visit the retail park for other durable goods.

- Before St Catherines was built, 40% used to shop at the city centre, and 32% at another retail park outwith the city.
- Nearly 40% felt that the variety of stores was fair or poor and 73% considered the overall customer facilities as fair or poor. 45% found the retail park as "good" when asked whether it is was an attractive place to shop.
- When asked about onward destinations after the retail park, nearly 20% said they would be visiting Perth city centre. Whilst this was a high level relative to the Dundee retail park (nearly 4 times as great), it is still only one fifth of the custom at the retail park declaring linked trips with the city centre and it certainly appears that most of these will be undertaken by car.

### **Current Retail/Leisure Development Pressure**

Other miscellaneous information which is relevant to this study includes the fact that current retail and leisure proposals have been made on land to the east of St Catherines retail park on various former industrial sites bounded by Caledonian Road/Barrack Street/St Catherines Road. A planning brief was produced in October 1996 by the Council and a further report was presented in June 1997 to suggest a preference for a mixed commercial leisure park on the southern part of the land between Caledonian Road and St Catherines Road. The owner/developer of the southern site (Upland Tulloch) is currently seeking a joint venture partner and occupier interest, in order to progress with the development. A further planning consent has been granted to the Robertson Group for the land north of St Catherines Road (the former Wallace works), for leisure development, but the current preference is for further retail warehouse development on this site.

Another relevant factor in terms of edge-of-town retail in Perth is the continued enforcement of a former Section 50 legal agreement on the range of goods permitted for sale at the retail park. This prevails over the northern part under the ownership of Prudential Portfolio Managers and also the southern section, owned by Abbey Life. It is understood that these funding institutions have had difficulty obtaining retailer interest in potentially vacant units, due to the restriction for bulky goods only and each of the site owners has made representations to the Council in this respect.

Another sign of retail development activity is the proposals by the Guinea Group for a factory outlet centre at Leven Fields, Kinross. This is a site located adjoining Safeway near the M90, outwith the town centre. This proposal, for a 7,000 sq m development, has been subject to a public inquiry and the Secretary of State's decision is awaited.

## **Appendix 1.1**

### **Extracts of Relevant Retail Policies**

## **Appendix 1.2**

### **Reports on Retailer Representation in Perth Area**

# **Promis Report**

**Perth**

**February 1998**

# **Experian GOAD Report**

## **Perth**

# **IGD Report**

## **Perth**

# **GOAD Out-of-Town Report**

## **Perth**

# **Appendix 2**

## **Household Survey**

## Appendix 2 - Household Survey

One of the main reasons for Perth & Kinross Council to commission this study, was the requirement for updated information on shopping habits throughout the Council area. Hillier Parker has conducted a number of local authority studies across city and hinterland areas and has frequently employed telephone household surveys, in order to gauge the pattern of retail expenditure in the study area. In this case, Research & Marketing Ltd were commissioned to produce a questionnaire and to conduct a survey throughout the study area by way of sample telephone calls to each of the postcode zones within the area. Plans showing the area covered are in Appendix 2.1 and a copy of the questionnaire and summary of the R&M methodology is included in Appendix 2.2.

The main aim of the questionnaire was to seek responses on the patterns of food and non-food shopping according to different areas defined by postcode. The survey split the non-food shopping categories into various sub-areas such as clothing/footwear, household textiles/soft furnishings, DIY goods and hardware etc. The questionnaire also sought some basic demographic information on households and information on mode of transport for shopping trips, as well as the extent of shared trips between different shopping purposes and linked trips between shopping and other purposes.

The tabulations in Appendix 2.2 have been provided by R&M, in order to give a full detail of the survey results. After discussion with the client, it has been decided to present the results for the total study area (basically the postcodes which best match the Perth & Kinross Council area); but also to provide sub-areas which approximate the local planning districts used by the Council. The five sub-areas are Perth, Kinross, Strathearn, Highland and Eastern. The maps in Appendix 2.1 present details of the overall Perth & Kinross study area, and also present the boundaries of the five sub-areas which approximate the local planning zones.

Appendix 2.3 presents the full detail of the R&M survey results. The brief text below runs through the different questions and the main findings.

### Food Shopping

The questionnaire was split between "main food" and "top-up" food shopping. From experience with surveys on shopping habits, it is clear that most households now conduct a regular bulky main food shopping trip. However, households also conduct frequent short visits for small "top-up" purchases of day-to-day goods.

The question 2 tabulation in Appendix 2.3 shows that, for the study area as a whole, the top 10 most frequently used stores for main household food shopping are as follows:

## Perth & Kinross Retail Study - Technical Appendices

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1.	ASDA, Dunkeld Road Perth	20.5%
2.	Tesco, Crieff Road Perth	20.3%
3.	Safeway, Perth town centre/ St Catherines Retail Park	10.8%
4.	Tesco, Blairgowrie	6.6%
5.	Tesco, Edinburgh Road Perth	6%
6.	Somerfield, Crieff	5.4%
7.	Tesco, South Street Perth	5.1%
8.	Tesco, Dundee	4.5%
9.	Safeway, Kinross	4.1%
10.	ASDA, Dunfermline	1.7%

Between them, these stores represent 85% of the shopping destinations of all the respondents. The remaining 15% is spread out across a total of 54 smaller stores, or larger supermarkets outwith the main study area.

The split across the five different areas generally goes with the principle that a greater usage of stores occurs in areas which are closer to the store. Therefore, it is not surprising that ASDA, Tesco and Safeway in Perth have the highest levels of visits from the Perth area, Safeway Kinross from the Kinross area etc. Other notable stores with a dominance on their immediate catchment area includes Somerfield at Crieff on the Strathern area, the Co-op in Aberfeldy for the Highland area and Tesco at Blairgowrie for the eastern area.

Respondents were asked to how frequently they visited their main food shopping destination and question 3 response in Appendix 2.3 shows that 80% conduct their main food shopping trip once a week or, more often.

With the survey of the Perth & Kinross area involving longer distances travelled from some of the landward areas to the city, it was considered important to gauge the amount of linked shopping trips. For the main food shopping trip, it is interesting to see that 68% of people across the study area do not usually do other things at the same time as a shopping trip. Between 29 and 39% said that they did carry out other trips at the same time and this generally increased for the more distant areas such as Strathern, Highland and Eastern. The sorts of visits made in combination with the main food shopping trip were mainly visits to

financial/professional service outlets, restaurants/cafes (which might actually be within the main superstores in any case) and lesser responses for pub/takeaways/night clubs and cinema and other services. It was quite surprising to see very low levels of linked trips between travel to work and travel patterns involving children to/from school (question 4b in Appendix 2.3).

An important factor in relation to main food shopping is the method of travel. The majority of respondents (80%) use a car, either as a driver or as a passenger to conduct their shopping trips. Again, these levels increase slightly for the landward areas with a marginally higher level of walking, bus or taxi in the Perth area in particular.

In terms of the lighter, more frequent "top-up" food shopping trips, it was interesting to see that more than one fifth of the respondents are satisfied that all their shopping is done on the main food trip. More than 20% said they did not do top-up shopping. Of those who did, a very disparate list of different stores is mentioned. Perhaps most remarkable is the propensity is to use the big superstores again, even for top-up shopping. This is particularly prevalent in the Perth area, although Strathearn, Highland and Eastern seem to have stronger allegiance to "local stores." The question 6 table shows more than 90 different destinations for top-up shopping.

## Non-Food Goods

Questions 7-12 sought to measure the overall patterns in terms of non-food (comparison) goods across the study area and again, split by the 5 different local areas. The division between the goods categories is apparent from the different questions and this was intended to assist the retail study in later quantitative analyses. Appendix 5 introduces the quantitative assessments and this seeks to appraise expenditure growth and retail demand between the separate categories of mainstream fashion goods etc normally retailed from the high street and secondly the bulky durable goods which are now normally available in retail parks.

The summary below gives the salient findings from each of the goods categories:

- Clothes, Footwear and Other Fashion Goods:** 75% of the overall study area do most of their shopping in Perth city centre. Question 7a shows that this is the most common answer in terms of the most frequently used centre, particularly for the Perth, Strathearn and Highland localities. It is slightly lower for Kinross and Eastern, with a propensity to also shop in Edinburgh/Dunfermline or Dundee, respectively. Question 7b also reveals Perth city centre to be quite popular as the "where else" destination, for those whose main centre is elsewhere.
- Household Textiles & Soft Furnishings:** Again, Perth city centre is popular for these goods, although St Catherine's Retail Park in Perth features in this category. Again, Dundee appears popular amongst the eastern sector and similar patterns occur for Kinross with its allegiance to centres further south. However, although the retail park features, this is at levels of less than 15%, with the city centre still being cited as the main destination. One cautionary point here is that people may well associate St Catherine's Retail Park as part of Perth city centre.
- Furniture, Carpets & Other Floor Coverings:** For this category, there is a higher level of visit to St Catherine's Retail Park (more than 20% for the Perth area), but the city centre is still quoted as popular for most of the 5 different sectors. Dundee's retail parks also feature, along with various other destinations.
- Electrical, TV, Hi-Fi, Washing Machines, Cookers, Fridges etc:** For these goods there is a significant proportion mentioning St Catherine's Retail Park with more than 37% of the Highland area responding with St Catherine's. However, there is still a general level of more than 50% saying that Perth city centre is the main destination. In terms of "where else;" electrical goods seem to be found in Dundee city centre, Dunfermline, Edinburgh and Glasgow, but these are at much lesser levels than the dominant Perth and St Catherine's.
- DIY, Hardware & Decorating Supplies:** Some of the highest proportions for St

Catherine's Retail Park usage appear in this category. It is interesting to relate this back to the finding in Appendix 1, that the 1992 Retail Park Survey noted that DIY goods were the main attractor at St Catherine's. Levels of 36% are noted for St Catherine's in the Perth area and this rises as high as 50% for the Highland area. The latter figures suggests that there is a greater incidence of the "single purpose" trip from the more distant places, for particular DIY purchases. Again, the proportions for Perth city centre remain high but again there is the caution that St Catherine's is being referred to as the centre of Perth.

**•Jewellery, China, Glass, Watches, Toys, Sports & Other Miscellaneous Goods:** This category brings the proportions firmly back to Perth city centre as the main destination, with levels of more than 80% in the Perth area and over 50% in Kinross, Strathern, Highland and Eastern. Interestingly, Dundee and Blairgowrie play strong parts in attracting the eastern population, whereas Crieff is notable in this category for the Strathearn catchment. Again, Kinross shows a loyalty to Edinburgh and Dunfermline for these goods.

Appendix 2.3 also includes different levels of expenditure estimates by respondents for the different goods categories and these are utilised in the quantitative analysis in Appendix 6. Getting an exact gauge on the level of expenditure is very difficult for a survey of this nature. Basically, Hillier Parker employ surveys of this nature to provide a well informed indication of shopping patterns and a basis for assumptions about the overall population in the study area and its propensity to shop in different centres. The survey is not expected to provide a direct calculation of exact expenditure flow.

In summary, it is highly significant to note the dominance of Perth city centre over the whole study area. Before the questionnaire was conducted, it was felt that other larger towns around the study area would be likely to draw significant expenditure leakage. In particular, Dundee city centre, Stirling, Dunfermline, Edinburgh and Glasgow were thought to be potential threats. However, this overall survey response suggests that Perth city centre holds its own on the Perth & Kinross catchment area and it is a successful city centre across a broad range of goods categories. It certainly appears that the edge-of-centre retail park is also a strong attractor in terms of the bulky goods categories. Indeed, it is likely that some respondents are referring to "city centre" when they actually mean the retail park. However, this is a measure of the degree of association of the Retail Park with the established city centre shopping area.

Other important indicators were gleaned from the non-food questions in the survey. In terms of mode of travel, similar patterns to the food shopping car usage are identified, with more than 78% of the whole study area having use of a car either as driver or passenger, for non-food trips. This is higher in the Strathearn, Highland and Eastern areas, as might be expected, with their lesser levels of public transport provision and obviously, greater reliance on Perth and therefore lower levels of walk-in shopping trip. Bus usage for the more urban

areas of Perth and Kinross are relatively low at 16% and 7% respectively.

In terms of doing other things at the same time as a non-food shopping trip, some 59% said yes (which is a stronger reply than 32% on food shopping trips). This positive answer is broadly consistent across the Perth, Kinross, Strathearn etc sub-areas. In terms of the other activities normally linked to a non-food shopping trip, the following are the more common:

- Food shopping (26%)
- Other non-food shops (100%)
- Financial/professional services (54%)
- Restaurant/cafes (71%)
- Perth/takeaways/nightclubs (19%)
- Other services (25%)
- Cinema (11%)

**(Note:** the percentages above are a proportion of only those who answered positively on the matter of linked shopping trips).

Again, it was interesting to see low levels of response in terms of linked trips with travel to work and travel to taking children to/from school. These were 3.6% and 1.6% respectively.

A further specific question related to usage of the St Catherines Retail Park at Perth and whether other activities were undertaken at the same time as shopping at St Catherines. Only 18.5% of the total study area said that they did do other things. This was reflected in broadly similar proportions across the 5 sub-areas. The kind of activities linked to St Catherine's were as follows:

- Food shopping (38%)
- Other non-food shopping (100%)
- Financial/professional services (25%)
- Restaurant/cafes (42%)
- Other services (18%)

An important attitudinal aspect from the questionnaire were the factors most liked about Perth and question 15 provides a wide variety of answers and this is arranged by first answer, second answer and third answer. In the first answer category, the most liked aspects of Perth were its proximity to home, environment, compact town centre and good range of shops. These were all in broadly similar proportions across the 5 sub-areas. Again, in a reflection of the 1990 Tayside Region survey work (see Appendix 1) the attractive environment of Perth was high on the list of priorities under each of the different answers given. The attitudinal question also pursued what was disliked about Perth. The city should be proud of a 56% negative response to this question. However, parking, lack of choice in shops and congestion all appeared quite high on the list. There was a wide range of other factors, but these were down to small numbers of individual answers on varied matters such as prices, lack of employment, lack of toilet facilities etc.

The final tabulations in Appendix 2.3 present the different socio-economic indicators for the surveyed population. Other, more direct census based information is available in the background data in Appendix 6.

Some of the salient points are the high levels of pensionable age respondents in the Strathearn and Highland areas of the catchment, the relatively low levels of unemployment amongst men and women in the area and also the car ownership levels. The final table shows that more than 20% of households do not have a car in the Perth and Strathearn areas, where this is as low as 7% in Kinross. However, despite these lower levels, more than 80% across the board answer that they do have access to a car for shopping trips and this is reflected in the earlier questions on the specific patterns of travel mode.

Appendix 2.3 includes the full tabulations on each question, presented by the whole study area and by the 5 sub-areas. R&M can provide further cross-tabulations if required.

## **Appendix 2.1**

### **Maps of Study Area and Sub Areas**

## **Appendix 2.2**

### **Research & Marketing Methodology Statement and Copy of Questionnaire**

## **Appendix 2.3**

### **Copy of Full R&M Household Survey Responses**

## **Appendix 3**

### **Perth & Kinross - Retailer Survey**

## **Appendix 3: Perth & Kinross - Retailer Survey**

### **National Multiples**

#### **Background**

One of Hillier Parker's main areas of property and commercial planning expertise is in the retail property sector and this provides close contacts with the headquarters estates function of retailers in the UK. One of the key areas to exploit in a study of this nature is the network of retailer knowledge in the context of the relevant shopping centres in the study area.

#### **Method**

The approach concentrated on national and regional multiple retailers, focusing on Perth but also seeking views on the towns of Kinross, Crieff, Blairgowrie and Pitlochry, as requested by the client. It was also considered appropriate to include a smaller selection of leisure operators, development/ investment companies, and housebuilders.

From the retail agency records of Hillier Parker Scotland, a comprehensive distribution list of 135 individual "retailers" was selected and each was sent an explanatory covering letter and short questionnaire (see Appendix 3.1 for details).

The sample was split between those retailers already trading in Perth town centre and other retailers not currently represented. The questionnaire was tailored to suit both types of replies.

This approach has been adopted in a number of Hillier Parker's retail studies for public sector clients in recent years, including a number in Scotland, as well as for general consultancy survey work. In general, Hillier Parker have found that a good response rate is secured as retailers are increasingly competitive in the current economic climate. It is also possible that stricter planning legislation is making retailers more vigilant for opportunities to be considered in key retail planning exercises.

In this case, the response reached over 40 replies, some 30% of the overall sample total. This was considered to be a reasonable response rate and a sufficient sample from which to take a measure of retailer demand for Perth and the other towns.

An additional source of retailer demand information was consulted. This was the Focus Database, produced for property practitioners from standardised retail requirement lists. Retailers and sales area requirements are specified in this database and a small amount of relevant information has been incorporated into our findings.

## **Key Findings**

If necessary, the individual questionnaire responses can be made available to the client in order to examine detailed comments and responses. However, most respondents adhered to the pre-coded format of the questionnaire and the findings are summarised in Appendix 3.2. This information must be treated as confidential as this has been guaranteed to individual respondents. The first part of the Schedule presents a list of respondents by High Street, Retail Warehouse, Foodstore, Leisure (includes pubs/restaurants) and Miscellaneous (which primarily includes developers and housebuilders). The subsequent schedules present current requirements for each category of respondent with the exception of Miscellaneous which is discussed later in this section.

The result for Perth and the towns of Kinross, Crieff, Blairgowrie and Pitlochry, is discussed below.

### **•Perth**

A total of 15 High Street retailers responded, and these ranged from clothing and variety stores to sports and toy stores. Unfortunately 80% of respondents are currently represented in Perth. Only Superdrug and Toni & Guy International Hairdressers do have a current requirement for 743sq m (8,000 sq ft) and 148sq m (1,600 sq ft) respectively and since Superdrug is already represented in Perth, it is likely that this is a relocation.

This response would appear to indicate that, at this point in time, retailer demand for new High Street stores in Perth is fairly low. However, Perth does enjoy a good range of national multiple representation and positive responses such as that from The Body Shop indicate that the town is trading satisfactorily. In addition, information obtained from the Focus Database indicates the demand is higher than that suggested by the Survey with around 20 current requirements on their database for Perth town centre (see Appendix 3.3).

The response from Retail Warehouse multiples at Appendix 3.2 shows a requirement for 2,787 sq m (30,000 sq ft) of retail warehouse floorspace from Sports Division and Staples UK. The Focus Database identifies a further requirement from Pets At Home (which was not disclosed in the questionnaire) and Topps Tiles. This represents a fairly low level of demand and, perhaps of more importance, almost 50% of the current requirements are from multiples which would not comply with the sale of goods restrictions currently operating at St Catherine's Retail Park.

It is also important to note that comments from retailers such as Great Mills and Homebase suggest that there are enough DIY and furnishing retail warehouses to serve the

catchment. Toys R Us have noted that Perth is served by their Dundee and Edinburgh stores and Perth may therefore be prevailed over by these two more dominant regional centres. However, this may be more of a reflection of the goods restrictions rather than actual retailer demand.

The response from the large foodstore retailers was particularly disappointing with only ASDA providing a response. ASDA have stated that, depending on opportunities at the edge of centre or retail park, they would consider an additional 7,900 sq m (85,000 sq ft) store. The poor response was rather surprising given the lack of supply in the east of Perth and further attempts will be made to obtain a response from Sainsbury, Tesco and Safeway in particular.

The leisure response was entirely from the fast-food and pub-restaurant retailers with requirements from Burger King (278 sq m/ 3,000 sq ft), McDonalds(278 sq m/ 3,000 sq ft) and Harvester Vintage Inn/ Holiday Inn Express (696 sq m/ 7,500 sq ft). It is understood that the client is aware of Holiday Inn Express's interest in a site at Broxden.

## **Other Towns Within The Study Area**

In addition to Perth, views were sought on retailer demand for Kinross, Crieff, Blairgowrie and Pitlochry. As expected, the demand was generally low, although High Street retailer Argos did consider Pitlochry as a possible location in the longer term, whilst John Menzies stated a long term interest in Kinross, Crieff and Blairgowrie. Again, it is suggested that further enquiries should be made with the food retailers to understand more about their possible site requirements in the smaller towns.

## **Developers Response**

A sample of general comments were received from development companies. It was generally considered that more national multiples could be attracted to Perth, but that the larger floorplates required by these retailers was not available at present. Highland Developments are currently looking for opportunities to develop or refurbish in order to provide 185 sq m (2,000 sq ft) units with approximately 7.5m (25ft) frontages. McDonald Estates considered that there was demand for upto 9,300 sq m (100,000 sq ft) additional non-food retail warehousing but that there also a specific need to improve the space available in the town centre. Others considered that the Perth prime retail core is physically constrained but there are good secondary locations offering inferior units in terms of size and physical quality.

These responses would tend to confirm that the lack of High Street retailer demand may be due in part to the lack of modern quality retail space available.

With regard to leisure development, THI - leisure developers - consider that the mainstream cinema and other leisure occupiers are currently luke warm about the town because of relatively low catchment. They also consider that planning officials would resist any leisure development at an out of centre site. However, these comments should be considered in the context of this company's own proposals for a site at Inveralmond.

## **Local Businesses and Store Managers**

### **Background**

The Retailer Survey targeted the main national multiples through their headquarters' estates departments. In order to complement this approach and gauge the perceptions of those on the

ground, selected retail managers in Perth were also surveyed. This was intended to provide a cross-check on the head office answers - but also to gain a closer insight into the issues facing local managers and local businesses in the town centre.

## **Method**

Taking the advice of the client, a number of local businesses and store managers were selected for direct interview. A total of 11 interviewees were selected including a representative of the South Methven Traders Association. In addition, two investment funds which have a particular ownership interest in Perth were also included for direct interview - Prudential and Grosvenor Estates.

Each respondent was approached by telephone initially, to personally introduce details of the retail study and to arrange an interview if acceptable. It is intended that the interviews will be completed by 10 April 1998. It is anticipated that the interviews will be carried out largely on a face-to-face basis, although some may necessarily be carried out by telephone. They are intended to last approximately 45 minutes each and be carried out on a semi-structured basis in order to encourage open-ended discussion on key themes.

A list of selected interviewees and the interview programme can be found at Appendix 3.4.

Key findings will be incorporated into the final submission.

## **Appendix 3.1**

### **Retailer Survey Distribution List & Sample Cover Letter/Questionnaire**

## **Appendix 3.2**

### **Retailer Survey Respondents & Schedule of Main Findings**

## **Appendix 3.3**

### **Extract of Focus Database**

## **Appendix 3.4**

### **Retailer Interviewees**

## **Appendix 4**

### **Perth City Centre Profile**

## **Introduction**

A variety of measurements have been undertaken to assess the retail strengths and weaknesses of Perth town centre. For certain data, comparisons are made with other competing centres these include Dundee, Inverness, Stirling, and Dunfermline.

The measurements taken for this profiling exercise have come from a variety of sources available to Hillier Parker. This has taken the form of historic data as well as survey work undertaken. Wherever possible, data has been assimilated to specific bases (for example dates of measurements). Hillier Parker have used their own analysis and have employed GOAD plan records for town centre details.

The results of the profiling exercise provide valuable evidence to back-up perceived retailing trends in Perth and the surrounding region. However, it should be noted that the evidence is an aid to assessment rather than an absolute statement of fact. Each measurement used for this profiling exercise is detailed further below.

## **The Indicators Used**

The following indicators have been employed in this Appendix.

### **•Composition**

Perth city centre was divided into its component parts in order to define the types of retailers that were present in each. The extent of the town centre was defined by GOAD and excludes any large out-of-town retail units.

Definitions of convenience and comparison goods reflect the goods categories used by the Unit for Retail Planning Information. Service uses have been divided into "financial and professional services" "food and drink outlets" (including restaurants, cafes, public houses and takeaways).

### **•Rental Levels**

The actual rental levels for Perth over a period of time (1989-1998) have been assessed. These are compared to surrounding towns and other major competing centres. The rental levels themselves are based on recorded deals and are averaged out for each year. These rents are based on Zone A figures. Zone A is the common term for the first 9.14 metres (30 feet) of the depth of a retail unit.

### **•Yields**

The measurement of yields reflects the demand for investing in retail property in any given centre. The yield figure is derived from the division of the annual gross rent of a property by its capital value. The lower the yield in numeric percentage terms, the more valuable the property is. This reflects increased demand for investment in the property. Similarly, the higher the percentage yield figure, the less valuable a property is perceived to be by investors.

**•Pedestrian Flows**

PMRS have produced survey data on pedestrian flows in Perth in 1985, 1991 and 1995.

Hillier Parker undertook their own survey work in Perth in 1998 and used pedestrian count locations that were very similar to the previous PMRS survey.

**•Multiple Branch Analysis**

Hillier Parker have been producing a multiple branch analysis scoring system over many years. Town centres throughout the UK are given a score which reflects the number of national high street multiple retailers from a given list which are present in that town. Each centre is then ranked accordingly. Over the years, the number of town centres included in the analysis has increased significantly.

The number of centres analysed is such that many are given an equal score and thus an equal ranking. Therefore, any slight change in scoring at a lower level has a major effect.

**The following pages summarise the findings on Perth City Centre, from the different indicators.**

## **Appendix 4.1**

### **Perth City Centre: Composition**

## Perth City Centre Profile - Composition

- Perth is an attractive city with a pleasant retail environment and an up-market image. Managed floorspace is concentrated in one covered shopping centre, the St John's Centre, which is located in the centre of the main shopping area and is accessed from two of the town's principal shopping streets - the high street and south street. The centre was built in 1987 and refurbished in 1996. This centre is anchored by British Homes Stores. Other retailers in the centre include River Island, Burton and Waterstones.
- The city's primary retail area is focused on South Street, Scott Street and High Street and St John Street, with the prime pitch comprising a pedestrianised stretch of the High Street. Major tenants on the prime pitch include Boots, Woolworths and Marks & Spencer.
- Perth has 4 key variety/department stores; in addition to Marks & Spencer and Bhs it has a small House of Fraser department store on the High Street and McEwans a high quality independent department store, located on St John Street.
- Over the years 1985-1997 the composition of Perth city centre has remained similar. Comparison goods are the largest user in the centre followed by hot food and drink, financial and professional then convenience goods.
- Vacancies have remained fairly level over the period 1985-1997 at around 10-11%, however in 1994 this rose to 13%. These figures are for the city centre as a whole as defined by the GOAD plan. These figures include both retail and non-retail units.
- Financial and professional services have seen a gradual rise from 9% in 1985 to 13% in 1997.
- Hot food and drink services have also seen an increase from 12% in 1985 to 15% in 1997.
- Convenience goods however have fallen from 7% in 1985 to 5% in 1997 however it must be noted that in 1996 this accounted for 8%.
- The area around Kinnoull Street and Murray Street in 1987 showed the highest level of vacancies. The pedestrianised area of the High Street shows the least amount of

vacancies.

- The pedestrianised area of the High Street most certainly shows the greatest amount of comparison shopping.
- A summary of the retail composition can be found at Appendix 4 (Schedule 6).

## **Appendix 4.2**

### **Rental Levels**

## Perth City Centre Profile - Rental Levels

- Perth's rental levels have shown only a marginal increase from 1989 to 1998. In the other towns that have been surveyed there has been a generally better level of increase, with Inverness having seen the greatest rise.
- Perth can be seen to have achieved a growth of 25% over the years 1989 to 1998. However of the comparable centres Inverness has fared the best having seen a growth of 51% over the same time period.
- It can be seen that Perth has followed similar trends to the other towns. Albeit that no at the same levels of rental growth (Dunfermline being the exception).

## **Appendix 4.3**

### **Yields**

## Perth City Centre Profile - Yields

- Yields are difficult to monitor as key indicators of city centre performance; they can be subject to various influences such as supply and demand and general investment activity in property.
- In Perth's case, Hillier Parker's yield data shows a keener 4.75% level in 1989 than the current 6%, suggesting that yields have "moved out" to less extreme levels.
- In comparable towns, the shift has also been to less keen percentage levels, but to a lesser degree. However Perth still looks more in demand than Dunfermline and Stirling, with its 6% level in 1998.

## **Appendix 4.4**

### **Pedestrian Flow**

## Perth City Centre Profile

### Pedestrian Flows

- From 1985 to 1991 there has been a profound shift/extension of activity from High Street only to High Street and St John's Centre.
- From 1985 to 1998 a number of retail outlets have changed hands, at the selected locations (see map and Table 4).
- The Table shows that the higher ranking pedestrian flow locations shift over time. For example 1985 had a "hot spot" of Salisbury's at 129 High Street. In 1991 and 1995 this had shifted to H Samuel in the St John's Centre. But in 1998 the top location is back in the High Street, at Salisbury's again.

## **Appendix 4.5**

### **Multiple Branch Analysis**

## **Perth City Centre Profile - Multiple Branch Analysis**

- Perth has seen an improvement in its ranking between 1984 and 1995.
- The change in ranking with the two 1995 figures is due to the increase in the number of centres in the nationwide analysis. It does not reflect a weakening of Perth but rather the inclusion of new centres which are stronger than Perth.
- Of the comparative towns, Inverness has seen the greatest improvement. Dundee however has remained constant between 1984 and 1995. Recent and planned developments in Dundee's Wellgate and Overgate shopping schemes will increase the multiple branch score.

## **Appendix 5**

### **Study Area: Town Surveys**

## **Retail Survey of Surrounding Towns**

Appendix 5 shows the retail composition of the smaller towns around Perth by providing a town by town breakdown of the retailers present in each. A brief commentary/summary of the composition of each town is also provided.

The opening schedule - no.1 gives in table form a clear overview of how Perth's retail mix compares to that of its surrounding towns.

The total number of units in the final column helps to indicate the relative size and strength of retail offer in each centre.

In addition to work undertaken by Hillier Parker, Donaldsons also on behalf of Perth & Kinross Council have undertaken indepth town centre studies for Aberfeldy and Blairgowrie. These studies look at the vitality and viability of the centres as discussed in National Planning Policy Guidance Note No.8 on Retailing.

NB: The town surveys were undertaken by Hillier Parker. The figures for Perth are based on the 1997 (GOAD) analysis.

## **Appendix 5.1**

### **Retail Survey of Surrounding Towns**

## Blairgowrie

- Blairgowrie has the largest number of high street multiples outside of Perth.
- The town also supports three large supermarkets namely Tesco, the Co-op and a Kwik-Save.
- The majority of Blairgowrie's units are occupied by comparison goods retailers.

## Crieff

- Crieff contains a wide range of goods and services and along with Blairgowrie encompasses the largest number of units.
- The town has a range of convenience goods retailers, with only one major supermarket - Somerfield located to the south of the main town centre and Penny's store at Pittenzies Street.
- Most units are small in size (frontage) hence the large number of retailers present.
- The town has two main parades:
  1. The High Street
  2. King Street
- Crieff has the highest percentage of comparison goods of all towns surveyed.

## Pitlochry

- Pitlochry has a high percentage of comparison goods retailers.
- The town is characterised by a large number of tourist related outlets, focusing on clothing and gifts.
- The main foodstore is Penny's, located at West Moulin Road.
- The town has a very low vacancy rate (2%).

## **Kinross**

- Kinross is a lively town with numerous local outlets.
- Kinross has the largest percentage of units involved in the financial and professional services. Banks/solicitors and estate agents feature prominently.
- Although the town has a low percentage of convenience outlets it does have two large supermarkets:
  1. David Sands in the town centre
  2. Safeway at Station Road on the town's periphery

## Aberfeldy

- Aberfeldy has a fairly even split of retailers, with comparison goods being the greatest in number.
- The town has a good selection of convenience retailers with the Co-op foodstore being the anchor of the town centre.
- One interesting point is that a mobile grocery store operates in the town as well as serving the wider area.

## **Auchterarder**

- The majority of units are occupied by comparison goods retailers.
- The main foodstore is Penny's supermarket, located in the centre of the high street.

## Dunkeld

- Dunkeld is one of the smallest towns to be surveyed.
- It has one of the smallest percentages of convenience goods. Few food related stores exist.  
Those that do exist on the whole for the needs of local residents only.
- No multiple retailers are present.

## Coupar Angus

- Coupar Angus has the lowest number of units of all the town's surveyed.
- The main convenience store is the Co-op on Atholl Street.
- Given its size the town has a good level of convenience goods provision namely 14%. No large supermarket is presently in the town.

## Appendix 6

## **Appendix 6: Retail Expenditure & Capacity**

### **Introduction**

Perth & Kinross Council instructed Hillier Parker to carry out the background retail survey (the Research & Marketing survey discussed in Appendix 2) and also to relate this to base data for population and expenditure across the whole study area. These tasks have been carried out through the initial phases of the study and the main results of overall expenditure and capacity are discussed in this Appendix.

Hillier Parker's approach for studies of this nature, is to take an initial overall study area, which in this case approximates the Perth & Kinross Council administrative area. Although previous retail studies have been commissioned by the former Tayside Regional Council and have covered a larger area across Dundee and the landward areas north of Dundee, such as Forfar, Arbroath etc area, this study has concentrated on Perth city and its main landward catchment to the north, west and south in particular.

Appendix 2.1 presents a map of the overall study area and a second map showing 5 different sub-areas. These 5 sub-areas have been selected in agreement with the client and these approximate the areas used for local planning purposes by the Council:

- Perth area
  
- Kinross
  
- Strathearn
  
- Highland
  
- Eastern

## Methodology

Before any quantitative analysis is carried out, and in addition to the Household Survey, it is necessary to carry out these 4 basic steps:-

1. Define the study area.
2. Identify the 5 sub-areas.
3. Obtain population data for the overall study area and the 5 sub-areas.
3. Obtain retail expenditure estimates for 1994, for the overall study area.

Once this is achieved, the quantitative analysis is carried out using Hillier Parker's Retail Expenditure And Shopping Need (REASN) model. The main difference between this approach and conventional gravity models is that the REASN Model employs the results of a special household survey to identify actual shopping patterns in the area, and the extent of the catchment area. By this means, it is possible to model realistically existing flows of available expenditure to established town centres, foodstores and retail warehouses, as a basis for predicting existing and future capacity for further retail development.

The REASN model therefore provides a "first level" approach to the amount of turnover which is flowing to the different centres in the study area, but it must be noted that it is restricted to resident spend only. Further levels of estimates will have to be made, of imported expenditure from other peripheral catchment areas and also from tourist/day trip visitors etc. The REASN model employs the results of the household interview survey as its objective measured "baseline", using a conventional and widely accepted step by step approach, to complete the following tasks:

1. Calculate the total amount of convenience and durable goods expenditure which is available within the postcode areas comprising Perth & Kinross's catchment area;
2. Allocate the available expenditure Perth city centre and non-central main foodstores and retail warehouses; and foodstores in other main towns within study area, in accordance with the results of the household interview survey of shopping patterns; and
3. Compare total expenditure attracted to each shopping destination with existing retail floorspace, and estimate the potential future capacity for additional retail development.

Because the REASN model is computer based and calculates all expenditure flows together, it is possible to explore the effects of varying development scenarios. In this case, there are no committed retail developments within the study area and the "no change" scenario has therefore been used.

Hillier Parker's REASN Model is therefore a very useful tool for retail planning, which avoids the potential inaccuracies arising from 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 very large number of retail studies on behalf of local authority clients. The Model has been used to prepare the forecasts set out in this report.

However, it is important to remember that the REASN model is an exploratory tool, rather than a prescriptive mechanism. The REASN model is not used simplistically to generate prescriptive forecasts, without regard to the realism of the end result or the determining variables.

### **Initial Retail Expenditure & Shopping Need Assessment - Perth & Kinross**

The main purpose of the REASN model in this study, will be to try and gauge the level of expenditure retention within the Perth & Kinross study area and the amounts of expenditure which flow to Perth city centre and to other retail centres.

It has been agreed with the clients that the focus of the analysis shall comprise:

- Perth city Centre durable goods;
- Perth city Centre convenience goods;
- Perth non-central durable goods;
- Perth non-central convenience goods;
- Main convenience foodstores in larger study area towns.

In the forecast, all the convenience goods expenditure has been modelled. The model uses a weighted average of the responses to the household interview survey questions about main food shopping and "top-up" food and convenience shopping, weighing the responses to each category according to the relative expenditures in each. Hillier Parker believes this provides a robust and accurate assessment of total trading performance of existing main food and convenience goods shops and stores, and therefore of the potential capacity for such additional floorspace.

In the case of durable goods, total durable goods expenditure flows from postcode districts have been modelled, rather than distinguishing between comparison durable goods and bulky durable goods. This is principally because the distinction between comparison and bulky durable goods is becoming increasingly blurred. Many retail parks now sell some goods in

the comparison durable goods category, and it has become increasingly difficult to make reliable forecasts of retail warehouse sales and capacity on the basis of any reasonable definition of bulky durable goods. Hillier Parker now therefore considers that forecasts made on an all durable goods basis are more robust, as well as simpler, than those attempting to distinguish between comparison and bulky durable goods. Indeed this might have implications for St Catherine's which we believe could be re-appriated in terms of permitted goods.

During the preparation of the study, it has become apparent that there is a lack of up-to-date and accurate floorspace data for the principle centres of Perth, Blairgowrie, Kinross, Crieff, Aberfeldy and Pitlochry. The Model has therefore had to rely on IGD floorspace data which we have adjusted to provide a more realistic estimation of the net sales floorspace in Perth and the main convenience sales floorspace in the other centres. The use of this data for modelling expenditure is not ideal, and it is therefore strongly recommended that the local authority undertakes a new shop floorspace survey to provide a more comprehensive and detailed assessment of both the gross and net floorspace.

Finally, it should be pointed out that the sales levels estimated in our analysis have not taken any explicit account of the contribution that tourist expenditure would make to retail sales of Perth.

## **The Detailed REASN Model Tables - Main Study Area Findings**

The REASN Model results can be found in Tables at Appendix 6.1. This section provides a more detailed explanation as to how each Table was produced and presents the main findings.

### **Table 1 - Catchment Area Population Forecasts**

As discussed above, population forecasts have been prepared for the years 2001, 2003, 2008 and 2011, for each of the sub-areas and for the total study area. The data for years 2001 and 2011 have been obtained from the Unit for Retail Planning Information (URPI) Illumine Report (February 1998). They use the base census information from 1991 and URPI provide local area forecasts. It should be noted that these figures will differ from the Council's population figures as the study area encompasses whole postcode sectors at the council area boundaries rather than part postcode sectors. This is likely to give a more accurate reflection of the actual catchment area rather than adhering to the artificial council boundaries.

For the Council's key dates of 2003 and 2008, it can be seen that the forecast figures show a population of approximately 169,000 and 171,000 respectively, representing a population growth of 5,000 to the year 2008.

### **Table 2 - Growth in Per Capita Expenditure**

This makes provision for growth in per capita expenditure in real terms, separately distinguishing between convenience and durable goods. The URPI Information Brief 1997/2 provides data on the average annual consumer retail expenditure per head by goods type.

Since our pricing year was 1994, for the year 1994-1995, actual growth rates were used - convenience -0.49% and durable 2.38%. For the years 1995-2011, growth figures for the ultra long-term period 1963-1995 for convenience goods (0.31%) and durable goods (3.57%) were used. Previous usage of the REASN Model has shown that ultra long-term figures provide the best correlation with actual trends in retail sales, and the closest fit to current figures.

These average annual rates of growth there therefore applied to the catchment area actual per capita expenditure to produce forecasts of future per capita expenditure as at 2001, 2003, 2008 and 2011 and these are set out in the top panels of Table 2.

The main body of Table 2 sets out the total available expenditure in each zone of the catchment area at each date for convenience and durable goods. It was obtained by multiplying the average per capita catchment area expenditure at each date by the population

in each zone at the same date (from Table 1). This table there shows the total amount of retail expenditure in all shopping destinations both within and outside the catchment area, which is made by all the households within the catchment area:-

- For convenience goods it is interesting to see the total study area expenditure increase from £195.6m in 1998, to £202.5m in 2003 and to nearly £208m in 2008. This is due to a small level of growth in this sector, but is also due to population increases in the study area.
- Comparison goods expenditure is also subject to population increase, but more particularly to higher level of natural volume growth. The result is a £264.2m comparison goods expenditure level in 1998, growing to £321m in 2003 and just over £386m in 2008.

**Tables 3a, 3a(i) and 3a(ii) - Allocation of Expenditure**  
**Tables 3b, 3b(i) and 3b(ii)**

The available expenditure calculated in Table 2 is allocated to shopping destinations - Perth City Centre and Perth Non-City Centre - in accordance with the information on shopping patterns provided by the household interview survey. The Household Survey results were adjusted to remove responses such as "Don't buy" and "mail order" and these can be found in the background tables preceding Table 3a. Special forms of trading were already accounted for in Table 2 for the URPI figures.

Tables 3a(i) for durable goods and 3a(ii) for convenience goods contain the results of the household survey for Perth city centre.

For durable goods the results from each of questions 7-12 for Perth city centre were entered and, for example, it can be seen that approximately 79% of households in the Perth area sub-group do most of their clothing and footwear shopping in Perth city centre. The results from each individual question were weighted to produce an overall weighted average for the city centre. The weights are the amounts of per capita expenditure on each sub category of goods, obtained from the Illumine Report. The weighted average figures are calculated to one decimal place, but are then rounded to integers, and carried across to the base year column in Table 3a. Thus table 3a(i) shows, for example, a weighted average of 74.2% of households in the Perth Area sub-group do all of their durable goods shopping in the city centre, rounded to 74% in Table 3a.

For convenience goods, figures for main food shopping and top-up food shopping are combined into a single weighted average proportion by weighting each according to the per capita expenditure for each of the two sub-categories. The split of per capita expenditure between main food and top-up shopping is essentially a matter of judgement. Previous

Hillier Parker studies, based on local convenience goods shopping floorspace data and estimated sales densities, suggest that between 20% and 30% of convenience goods expenditure is accounted for by top-up shopping. In this case we have chosen to assume that 30% of convenience goods expenditure is accounted for by top-up but, in any case, the model results are not very sensitive to the proportion adopted. It can be seen from Table 3a(ii) that a weighted average of 11.5% of Perth Area households do their food shopping in Perth city centre (rounded to 11% on Table 3a).

This process has been replicated in Tables 3b, 3b(i) and 3b(ii) for Perth non-city centre expenditure allocation. In this case, it can be seen that for Perth non-city centre:-

- 12% of the Perth Area sub-group households do their durable goods shopping and 62% of households do their food shopping here
- 13% of the Highland sub-group households do their durable goods shopping and 43% do their convenience food shopping.
- 13% of households in Strathearn do their durable goods shopping and 28% doing their convenience shopping.

#### **Table 4a & 4b - Forecast Retail Sales in Perth City Centre and Perth Non-City Centre**

These Tables set out the amounts of retail expenditure on convenience and durable goods attracted from each sub-group to Perth city centre for each of the key dates. The figures are obtained from multiplying the proportions in Table 3a by the available expenditure for each sub-group set out in Table 2. These figures are then summed to indicate the total expenditure flowing from the households in the catchment area to Perth city centre.

Table 4a therefore indicates expenditure attracted to the city centre:-

- Perth city centre attracts approximately £12m of the catchment area's convenience goods expenditure and £174.5m of the durable goods expenditure.

Table 4b calculates the expenditure attracted to non-central Perth using figures from Table 2 and Table 3b for convenience and durable goods:-

- Non-City Centre Perth attracts approximately £80m of the catchment area's convenience goods spend and £25.7m of the durable goods spend.

It should be noted again that in Perth's case we have taken the non-central durable goods

destination to equal St Catherine's retail park since no other non-central destination in Perth was identified in the household survey.

Because total expenditure attracted from the catchment area becomes total sales in the shopping destinations of Perth city centre and non-central Perth, the total expenditure on the bottom line of Tables 4a and 4b is the same as catchment area residents' spending on the top line of Tables 5a and 5b.

### **Tables 5a and 5a (i) & Tables 5b and 5b (i) - Future Floorspace Capacity**

#### **Perth City Centre**

Table 5a is intended to model future floorspace capacity for Perth City Centre for convenience goods and durable goods. Convenience floorspace data was obtained from IGD and comprises only Tesco Metro and Marks & Spencer due to the fact that no other city centre convenience stores were identified in the household survey. "Local store - Perth" featured as a top-up destination but no indication was given as to whether this was located in the city centre or outwith. Table 5a(i) shows how this data was adjusted to reflect the true convenience goods floorspace using data from Verdict Research ("Grocers & Supermarkets 1997). Thus the net convenience floorspace data for Perth City Centre is 2,030 square metres.

Durable Goods floorspace data was obtained direct from the Council (74,866 square metres gross) and a 65% net to gross ratio was applied in accordance with Hillier Parker's REASN model. The total durable goods net floorspace for the city centre is therefore 48,663 square metres.

In the base year, expenditure in each shopping destination equals retail sales. The base year sales density is therefore total spending by residents divided by the existing shop floorspace and, on this basis, the model indicates residual spending to support new shops of as close as possible to zero, and no supportable capacity for floorspace. In the case of durable goods, the calculated sales densities (sales per sq m net £) can be compared against sales densities in other town centres of similar size and type, whereas in the case of convenience food stores, the comparator is company average based estimates of average sales density (as shown in the end column of Table 5a(i)):-

#### **•City Centre Convenience Goods**

Company average suggests that Tesco Metro achieves £9,897 per sq m whilst M&S achieves £9,537 on average. On this basis, Perth's convenience sales density compares unfavourably, only achieving £5,880 per sq m. However, it should be remembered that this data is based only on the resident population's expenditure and it is likely that the city centre trade is supplemented by the daytime business population residing outwith Perth & Kinross, and tourist spend.

•City Centre Durable Goods

The city centre achieves an average of £3,585 per sq m which suggests that Perth is comparable with Stirling which is estimated to achieve sales densities of £3,431 based on a net durable goods floorspace of 40,000 square metres.

For the forecast years, city centre base year sales densities are normally altered for convenience goods to allow them to rise or fall to company average based estimates. However, in Perth's case, although densities are rising, they are still nowhere near to the company based averages shown in the end column of Table 5a(i).

For durable goods, base year sales densities are allowed to rise at around 1% per annum in order to take account of the higher value goods effect of growth in retail spending.

Residual spending to support new shops is then calculated as the difference between total combined spending and the sales from existing floorspace at the future sales densities. Future sales densities for new floorspace are then applied - in the case of convenience goods it was assumed that any new store would require a sales density of at least £7,000 per sq m and for new city centre durable goods floorspace, £4,000 per sq m was assumed. The bottom line of Table 5a therefore shows that:-

- there is no supportable capacity for new convenience floorspace due to the below company average sales figure currently being achieved. (However, as discussed above this may not necessarily be as low as the survey suggests due to likely expenditure from the daytime business community and visitor spend).
- there is scope for an additional 7,158 sq m of durable goods floorspace by the year 2003 and 15,612 sq m by 2008 is indicated. (NB: It is important that these figures are read in conjunction with the caveats outlined at the end of this section).

Perth Non-City Centre

The same process as outlined above was carried out for Perth Non-City Centre convenience and durable goods, and the results can be found in Table 5b. Table 5b(i) sets out how the total net convenience floorspace of 7,952 sq m was arrived at for each of the four main foodstores outwith Perth's city centre - Tesco (Crieff Road), Tesco(Edinburgh Road), Asda and Safeway. For convenience floorspace, St Catherine's Retail Park was the only durable goods destination identified in the survey outwith Perth city centre. The gross floorspace figure was obtained from Hillier Parker's agency team and an 85% net to gross ratio was applied to give a total net durable goods floorpace figure of 18,805 sq m.

Table 5a sets out the sales densities achieved.

Non-City Centre main convenience stores - Table 5b(i) provides details of company average sales densities for each of the four main foodstores. The average density for these is £8,916 per sq m which is significantly below the sales densities figures of £10,060 shown to being achieved in Table 5a. As discussed above, the model therefore uses the company average figures for all years beyond the base year and in this case the figure £8,916 is applied. The results show Perth non-city centre can support additional convenience floorspace, assuming new floorspace requires densities of at least £8,000 per sq m, of:-

- an additional 1,497 square metres additional convenience floorspace by 2003;
- an additional 1,765 square metres by 2008 [The caveats at the end of this section apply].

For Non-City Centre Durable Goods as Table 5b shows that sales densities of £1,369 per sq m was being achieved in the base year. Allowing for 1% growth beyond the base year, as in Perth city centre durable goods, the model indicates that residual spending could support:-

- an additional 2,283 sq m of durable goods floorspace by the year 2003
- an additional 4,980 sq m by the year 2008, assuming that densities of £1,850 per sq m are required for any new floorspace.

Again, it must be stressed that the appropriate caveats apply.

### **Table 6a and 6b - Market Share**

As discussed above, Table 4a and 4b indicates the expenditure attracted to the city centre and non-central from the catchment area. Tables 6a and 6b show these total figures as market share. It can be seen that:-

- Perth city centre attracts only 6.1% of the convenience goods expenditure available in the catchment
- Perth non-central foodstores attract 40.9%.
- Perth city centre attracts 66% of the durable goods expenditure available in the catchment;
- Perth non-central durable goods destinations (St Catherine's) attracts only 9.7%.
- Perth as a whole attracts 76.7% of the durable goods expenditure available in the catchment area, and 47.0% of the convenience goods expenditure.

This suggests that whilst Perth itself is retaining a high proportion of the available durable goods expenditure, almost half of the available convenience goods expenditure is going outwith Perth. The durable goods market share attracted by Perth non-city centre does appear to be fairly low however it is recognised that respondents to the survey may have given Perth city centre as destination rather than St Catherine's, thus attributing a larger share to the city centre and a lower share to St Catherines.

Table 7 examines the expenditure being attracted to of each of the main foodstores in non-central Perth. Tables 9 and 10 examine whether the remaining convenience expenditure is being attracted by the landward town food stores.

### **Table 7 - Perth Non-City Centre Foodstores**

This examines the four main foodstores on an individual basis allowing the trade draw of each to be assessed. Table 7, and 7(i)-7(iv) follow the same process as Table 3a and 3b above, identifying the proportion of weighted expenditure attracted by each store on a sub-group basis. It is obvious from the Table that Asda and Tesco, Crieff Road have a fairly high patronage from Perth Area (45% use these stores), Highland (37%) and Strathearn (24%). The other main food stores of Safeway and Tesco, Edinburgh Road enjoy their main patronage from Perth Area (13% and 7% respectively) but with very little from the other sub-group areas.

### **Table 8 - Forecast Retail Sales in Perth Non-City Food Stores**

Table 8 uses similar processes to that carried out for Tables 4a and 4b, and 5a and 5b, converting the proportion of expenditure calculated in Table 7. When comparing the sales densities achieved for each individual stores compared with the company average sales densities provided in Table 5b(i), both Asda and Tesco, Crieff Road are trading substantially above their company averages of £8,407 and £9,897psm respectively, at densities of £11,733psm and £12,655psm respectively. On the other hand, Safeway is trading just below its company average of £7,462psm at £6,997psm with Tesco, Edinburgh Road trading at £8,464psm, below it company average of £9,897psm.

In summary:-

- Asda and Tesco, Crieff Road are trading well above company averages
- Safeway and Tesco, Edinburgh Road are trading just below company averages.

### **Table 9 - Non-Perth Foodstore Forecasts**

Turning to convenience foodstores in the landward towns, the study focuses on the main foodstore in each sub-group. Table 9 follows the same format as Table 7 discussed above, with Tables 9(i)-9(iv) calculating weighted average allocations for main and top-up food shopping. Of most interest is the high level of patronage of each store by its immediate sub-group hinterland. It can be seen that in the case of Blairgowrie, 46% of households in the Eastern area do their convenience shopping at Tesco, Blairgowrie, with no other expenditure being attracted from outwith this sub-group. This is also reflected in Crieff where Somerfield attracts 33% of Strathearn's convenience expenditure, in Kinross where 46% of the sub-group's households use Safeway, Kinross, and in Aberfeldy where 10% of Highland's convenience good expenditure is attracted to Co-op Aberfeldy. It can therefore be seen that the study area has a high convenience spend loyalty to the main landward towns.

### **Table 10 - Forecast Retail Sales in Non-Perth Foodstores**

Table 10 provides details of sales densities and actual expenditure attracted to each of the non-Perth foodstores analysed above. Table 10(i) shows how convenience floorspace was adjusted to reflect a higher net to gross ratio (90%) than the larger superstores, and provides details of company average sales densities.

All stores attract a surprisingly high level of turnover with sales densities well in excess of company averages, perhaps with the exception of Co-op, Aberfeldy. Tesco, Blairgowrie is trading at £786psm higher than company average, whilst Somerfield is trading particularly high at £7,993psm above average, with Safeway the best performer at £13,448psm above average. Unfortunately no official company average figure was available for co-op but at £4,885psm, Co-op, Aberfeldy is considered to be trading fairly well. Whilst these figures are based on the best floorspace figures available, these are not 100% reliable and the caveats at the end of this section apply.

- The main landward foodstores appear are retaining a high proportion of available convenience expenditure within each sub-group, and in many cases trading well above company average.

### **Table 11 - Principal Centres Accounting for Durable goods Expenditure Leakage**

Although it was not possible to calculate durable goods spend to the main landward towns within the catchment area, Table 11 assess the proportion of resident's durable goods

expenditure which is attracted to the main competing centres outwith the study area. Taking the main competing centres of Dundee, Edinburgh, Stirling, Glasgow and Dunfermline, Table 11 shows:-

- Dundee attracts 23% of Eastern's households for durable goods shopping and 10% of Perth Area's.
- Edinburgh attracts a fairly even patronage from each sub-area with Kinross slightly higher as would be expected.
- Stirling does not attract as much expenditure as would expected.
- Glasgow attracts a fairly low patronage from all sub-groups.
- Dunfermline only attract expenditure from the Kinross sub-group with 15% of households choosing to do their main durable goods shopping there.

#### **Table 12 - Forecast Retail Sales in Main Competing Centres**

Table 12 provides details of actual expenditure from the resident catchment population which is attracted to these main competing centres. Perhaps of most interest however is the market share of total durable goods expenditure in the catchment:-

- Dundee 7.9%;
- Edinburgh 3.2%;
- Stirling 3.3%;
- Glasgow 1.9%; and
- Dunfermline 2.5%.

#### **Table 13 - Total Market Share of Main Centres**

The market share currently enjoyed by Perth (city centre and non-city centre), and the main centres outlined above is summarised in Table 13. This shows that once all expenditure going to these centres is accounted for, the remainder of market share can be attracted by the landward centres:-

- The landward centres can only attract a maximum market share of 5.5% of the catchment's

available durable goods expenditure.

Moreover, this does not take account of other destinations mentioned in the survey such as London and Manchester. However, it should be remembered that this expenditure does not include visitor spend and it is likely that in towns such as Pitlochry and Crieff this would be fairly significant.

## **CONDITIONS ON DATA RELIABILITY**

All of the above findings are covered by the following provisos:-

- **Study Area - although we believe that the catchment area has been accurately reflected by the survey, we are aware that Perth does enjoy a "supercatchment" which has not been modelled.**
- **Growth rate - we have used URPI's ultra-long term growth rate which is the most conservative rate available. It may not reflect growth rates achieved in recent years.**
- **Household survey - the REASN model analysis strictly adheres to the outputs of the Household Survey and appendix 2 suggests some possible anomalies, for example, a possible confusion between St Catherine's and the city centre.**
  - **Durable goods - no sub-analysis has been carried out for bulky durable goods and comparison durable goods.**
- **Floorspace - floorspace figures used are the best currently available however Hillier Parker strongly recommends that the local authority update their figures available in the council area.**
- **Sales densities - company based national averages were used but these may not accurately reflect local circumstances.**
- **Durable goods growth - 1% was used as frequently advocated by URPI but local circumstances might suggest that this should be increased.**

## **Main Competing Centres - Durable Goods**