CACI : Property Consulting

5 Town Network & Chichester:

Strategy & Sustainable Opportunities

Chichester - Final Report

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CACI Information Solutions

5 Town Network & Chichester

Strategy & Sustainable Opportunities

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Strategy & Sustainable Opportunities

1. Project Scope

Project Scope:

- CACI have been instructed by 5 Town Network to provide an independent, strategic assessment of the retail potential of each of the 5 Towns – Bognor Regis, Littlehampton, Selsey, Shoreham-by-Sea and Worthing – plus Chichester.

- 5 Town Network wish to understand who uses the towns, the level of town centre retail, leisure and catering facilities, how well users are satisfied, and what facilities could be added to improve the towns, as part of a co-ordinated approach to their long term regeneration and vitality.

- CACI have assessed in detail each towns' current market position relative to competing centres, incorporating a detailed analysis of spend derived from residents, workers and tourists.

- Each centre has also been benchmarked against similar UK centres and its current retail provision has been analysed. An initial analysis of occupier suitability has also been undertaken, based on the current market profile for each centre.

- Future development scenarios for both residential and retail development to 2016 have been assessed, enabling a detailed analysis of how developments in competing towns will impact upon the 5 Towns + Chichester.

- A draft local strategy for each town has been recommended, based on the sector profile and occupier suitability analysis for each location.

5 Town Network & Chichester

Strategy & Sustainable Opportunities

2. Resident Market Potential

Retail Footprint 2006: An Overview

- In order to accurately assess the scope of the 5 Towns' current retail catchments and their market share within this key area, CACI have made use of Retail Footprint.

- Retail Footprint is CACI's national comparison goods shopping model, covering circa 3,000 shopping destinations across Great Britain. It is built using gravity modelling principles, ie: the flow of customers from a postal sector will be directly proportional to the size of the Centre and inversely proportional to its Distance/Drivetime.

- Catchments, predicted shopper/expenditure flows and postal sector market share penetration outputs are recalibrated annually using retailer exit surveys and credit card transaction data. Retail Footprint recognises that shoppers have a choice therefore catchments overlap – Retail Footprint defines primary, secondary, tertiary and quarternary sub-catchments for each retail centre.

- Retail Footprint is used by a significant and increasing number of local authorities and retailers to understand local shopping patterns, current and future retail capacity, town centre performance and as a key input into store location planning.

Retail Footprint 2006: Gravity Modelling Methodology

- Within CACI's Retail Footprint gravity modelling system all retailers trading in every venue are scored based on average turnover (weighted based on specific quantitative & qualitative locational characteristics).

- The spatial distribution of expenditure for every GB postal sector is then calculated given this competitive hierarchy and a drivetime matrix from every postal sector to every competing retail venue.

- In order to define sub-catchments, all GB postal sectors are ranked according to a centre's achieved market share penetration, with the greatest percentage at the top.

- These proportions are then accumulated until at least 50% of total available catchment expenditure captured by the centre has been assigned - this defines the primary catchment.

- The remaining sectors are then accumulated to define the 3 remaining catchments at 75% (secondary) 90% (tertiary) and 100% (quaternary) respectively.

Retail Footprint 2006: Retail Footprint Class

- In Retail Footprint, centres are described by their Class, which defines the role or function of centres within the retail hierarchy and the consequent characteristics of shopping trips.

- For instance, Classes such as ‘Primary Centres’ see strong shopper flows over large distances, and very strong flows from local customers.

- At the other end of the hierarchy customers will only travel to ‘Small Rural Centres’ or ‘Small Local Centres’ if they live very close by.

- CACI recalibrate Retail Footprint on an annual basis using new data on shopper flows received from a combination of credit and debit card transactions, client’s own in-house exit surveys and loyalty cards.

- A description of the Retail Footprint Class of the town is included in the introduction to the resident market potential analysis below.

ACORN: An Overview

- ACORN combines geography with demographics and lifestyle information, grouping the entire population into 5 categories, 17 groups and 56 types. By analysing significant social factors and consumer behaviour, it provides precise information and an in-depth understanding of the different types of consumers in every part of the country.
- ACORN can be used proactively as part of a shopper-focused tenant mix strategy, to facilitate ongoing asset management, for effective catchment zoning and 'battleground' analysis, and to drive marketing and shopper communication strategy.

ACORN

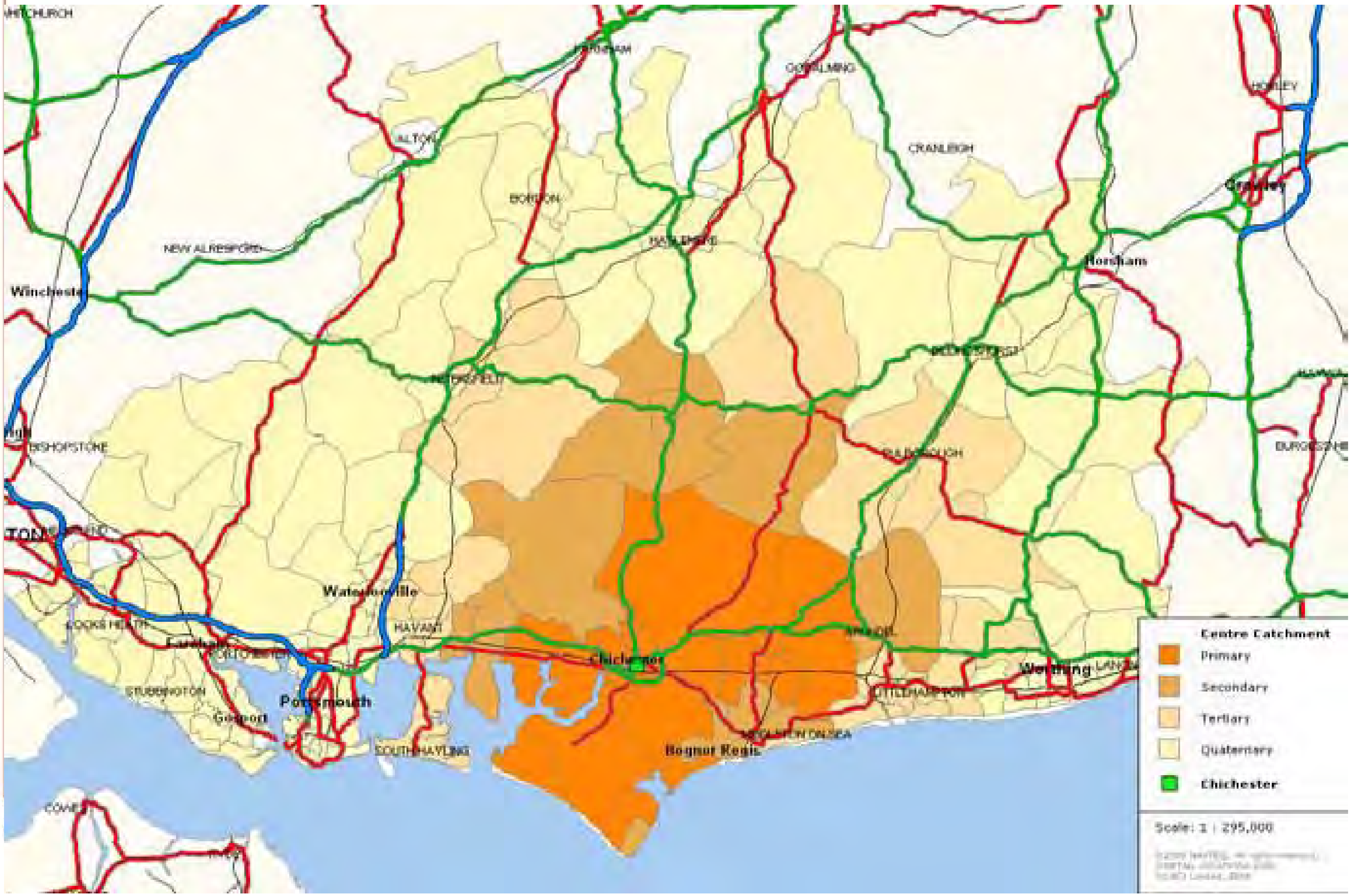
Wealthy Achievers	Urban Prosperity	Comfortably Off	Moderate Means	Hard Pressed
Category 1	Category 2	Category 3	Category 4	Category 5
Groups A - C	Groups D - F	Groups G - J	Groups K - M	Groups N - Q
Types 1 - 12	Types 13 - 23	Types 24 - 36	Types 37 - 43	Types 44 - 56

Most Affluent **Most Deprived**

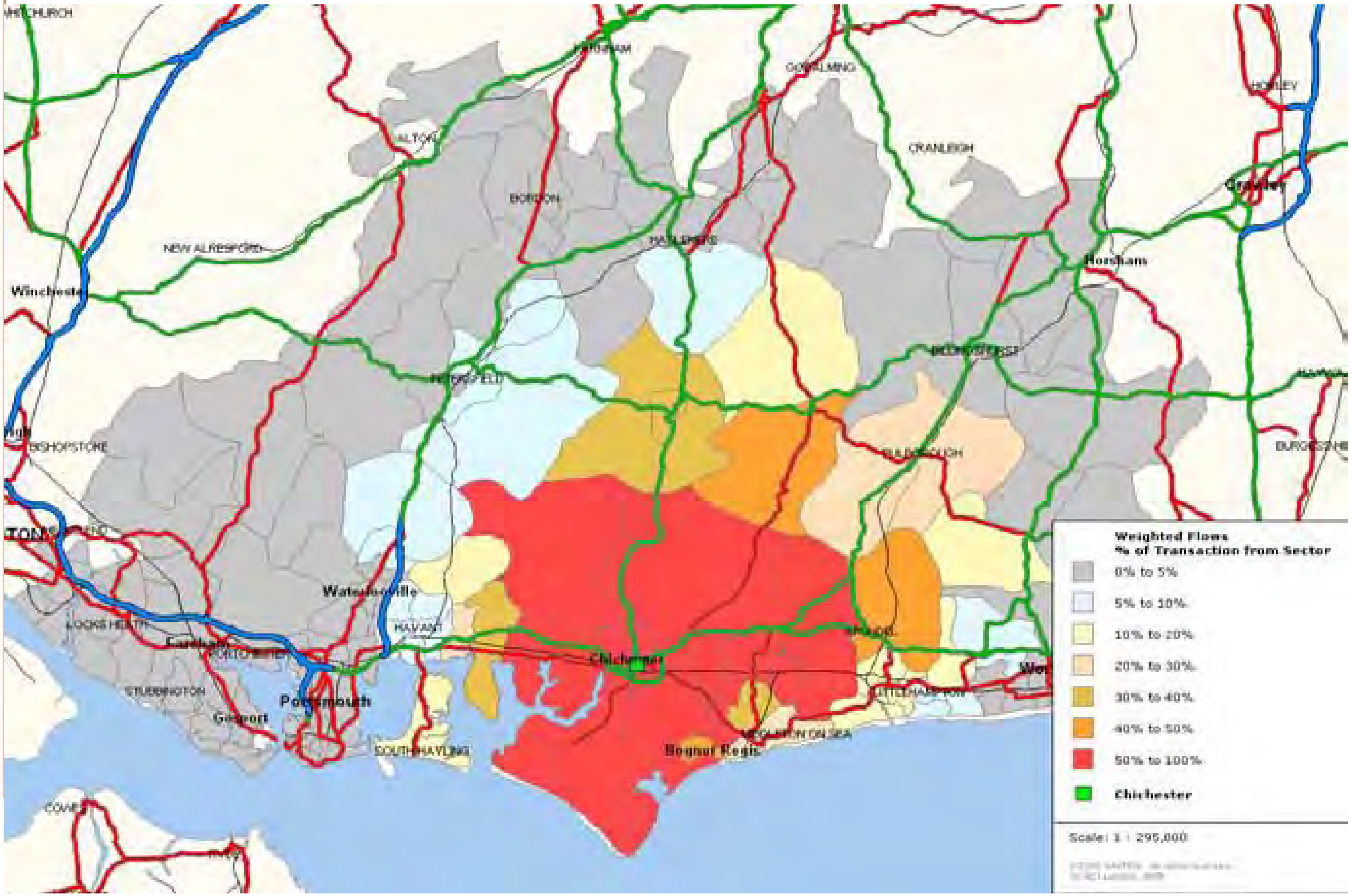
Chichester: Retail Footprint Class

- Chichester is currently classed as a Quality Major Centre.
- Major Centres are large ‘traditional’ High Street centres located in the centre of either large towns or ‘secondary’ regional cities. They are the second tier in the regional shopping hierarchy in terms of both the number of comparison goods outlets and shopper numbers.
- Quality Major Centres demonstrate a relatively high proportion of premium quality retail provision (greater than 15%) but have a smaller number of retailers than Premium Major Centres.
- Examples include Watford, Bath and Tunbridge Wells.

Chichester: Gravity Modelled Catchment Area



Chichester: Market Penetration



Chichester: Market Summary

Catchment	Total Population	Total Households	Shopper Population	Expenditure (millions)	Market Share
Primary	81,821	36,065	67,411	£182.7	82.2%
Secondary	91,869	40,551	35,558	£92.6	38.5%
Tertiary	170,038	74,621	18,772	£50.6	11.2%
Quaternary	785,659	332,860	13,046	£35.7	1.7%
Total	**1,129,387**	**484,097**	**134,787**	**£361.7**	**11.9%**

- Chichester captures a very strong 82% market share of its primary sub-catchment (where 50% of the centre's trade is derived), with a shopper population of over 67,400 and comparison goods expenditure of £182.7 million.
- A market share of 39% is captured from the secondary catchment (which accounts for the next 25% of trade); from a total population of 91,869 the centre attracts a shopper population of 35,558.
- The tertiary catchment, which incorporates the next 15%, attracts a market share of 11% whilst the quaternary catchment (the remaining 10% of trade) generates a market share of 2%.
- Overall, Chichester captures a 12% market share of its total catchment, equating to £361.7 million of comparison goods expenditure per annum.

Chichester: Current Competitive Position

Centre Name	Market Share (Primary & Secondary)	Market Share (Total Catchment)
Chichester	**59.3%**	**11.9%**
Portsmouth	0.8%	8.2%
Fareham	0.4%	7.9%
Worthing	0.6%	7.9%
Southampton	1.2%	6.9%
Guildford	2.2%	5.9%
Portsmouth - Gunwharf Quays	3.6%	5.8%
Brighton	1.4%	5.3%
Waterlooville	0.9%	3.8%
Havant	3.2%	3.5%
Bognor Regis	16.1%	3.4%
Southsea	0.1%	3.0%
Gosport	0.0%	2.4%
Whiteley Village Outlet Centre	0.9%	2.3%
Horsham	0.1%	2.1%

- Chichester's market share of its total catchment is just under 12%.
- The greater draw of this centre when compared to the 5 Towns means that it competes with a higher level of centre; Portsmouth, Fareham, Worthing, Southampton and Guildford all achieve significant market shares of around 6-8% in Chichester's total catchment.
- Of the 5 Towns, Worthing offers the most significant competition to Chichester (7.9% market share), while Bognor Regis captures a 3.4% market share in Chichester's catchment.

- Chichester has the largest retail catchment of the six centres being analysed, and dominates both its core and total catchments. Despite having a lower Retail Footprint score than Worthing (338 compared to 402), its status as a Quality Major Centre is highly attractive to shoppers.
- Chichester achieves a strong 59% market share in its core catchment. Bognor Regis is the only other retail centre which captures a significant proportion of residents within Chichester's catchment (16%).

Chichester: Expenditure Profile

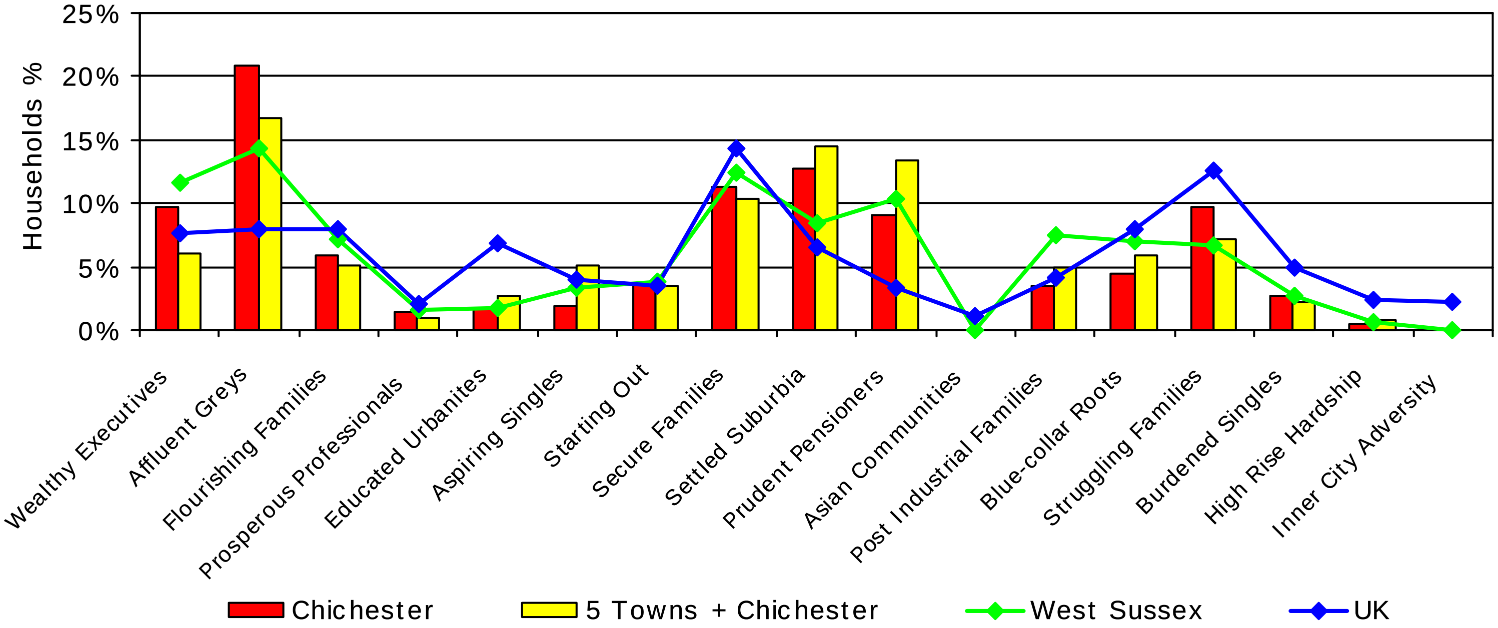
	Total Market Potential (£m)	% of Market Potential	Spend per Household (£ per annum)
Clothing	£84.0	16.0%	£1,459
Footwear	£10.0	1.9%	£174
House & Home	£33.4	6.4%	£581
Leisure Goods	£74.9	14.3%	£1,301
Personal Goods	£24.0	4.6%	£416
Personal Care	£35.5	6.8%	£616
Durable Goods	£99.9	19.1%	£1,734
Comparison Goods Total	**£361.7**	**69.0%**	**£6,280**
Convenience & Catering	£162.1	31.0%	£2,815
Grand Total	**£523.8**	**100.0%**	**£9,095**

- Total Comparison Goods market potential currently attracted to Chichester is £361.7 million, rising to £523.8 million including Convenience and Catering categories.
- Durable Goods account for the greatest proportion of Comparison Goods expenditure; 19.1% of the total, or £99.9 million of expenditure per annum. The key Clothing and Footwear market is worth £94.0 million, or 17.9% of total market potential.
- Comparison Goods spend per household in Chichester of £6,280 per annum is significantly above the national average of £5,900 per annum. Spend per household is above the UK average across all sectors, with the exception of Footwear and Convenience goods.

Chichester: Expenditure Profile Definition

Sector	Sub-Sectors	
Clothing	Womenswear	Haberdashery
	Menswear	Accessories
	Childrenswear	Other Clothing
Footwear	Footwear	
House & Home	China, Glass & Fancy Goods	Small Household Electrical
	Glassware & Tableware	Soft Furnishings
Leisure Goods	Sports Equipment	Books
	Music & Video	Bikes
	Toys & Hobbies	Leather & Travel
	Computer Games, Consoles	
Personal Goods	Jewellery	Greetings Cards & Stationery
	Communications	
Personal Care	Cosmetics	Toiletries
	Personal Care, Electrical Appliances	Baby Equipment
	Sunglasses	Other Personal Care
	Chemist Goods (non prescript.)	
Durable Goods	TV, Audio, Video	Appliances
	Cameras & Binoculars	Tools
	Personal Computers	Garden Tools
	Furniture	Paint, Wallpaper
	Garden Furniture	Other DIY
	Carpets	
Convenience	Provisions	Household Convenience
	Alcohol	Newspapers & Magazines
	Tobacco	Confectionery
Catering	Restaurants	
	Take away	

Chichester: ACORN Lifestyle Profile



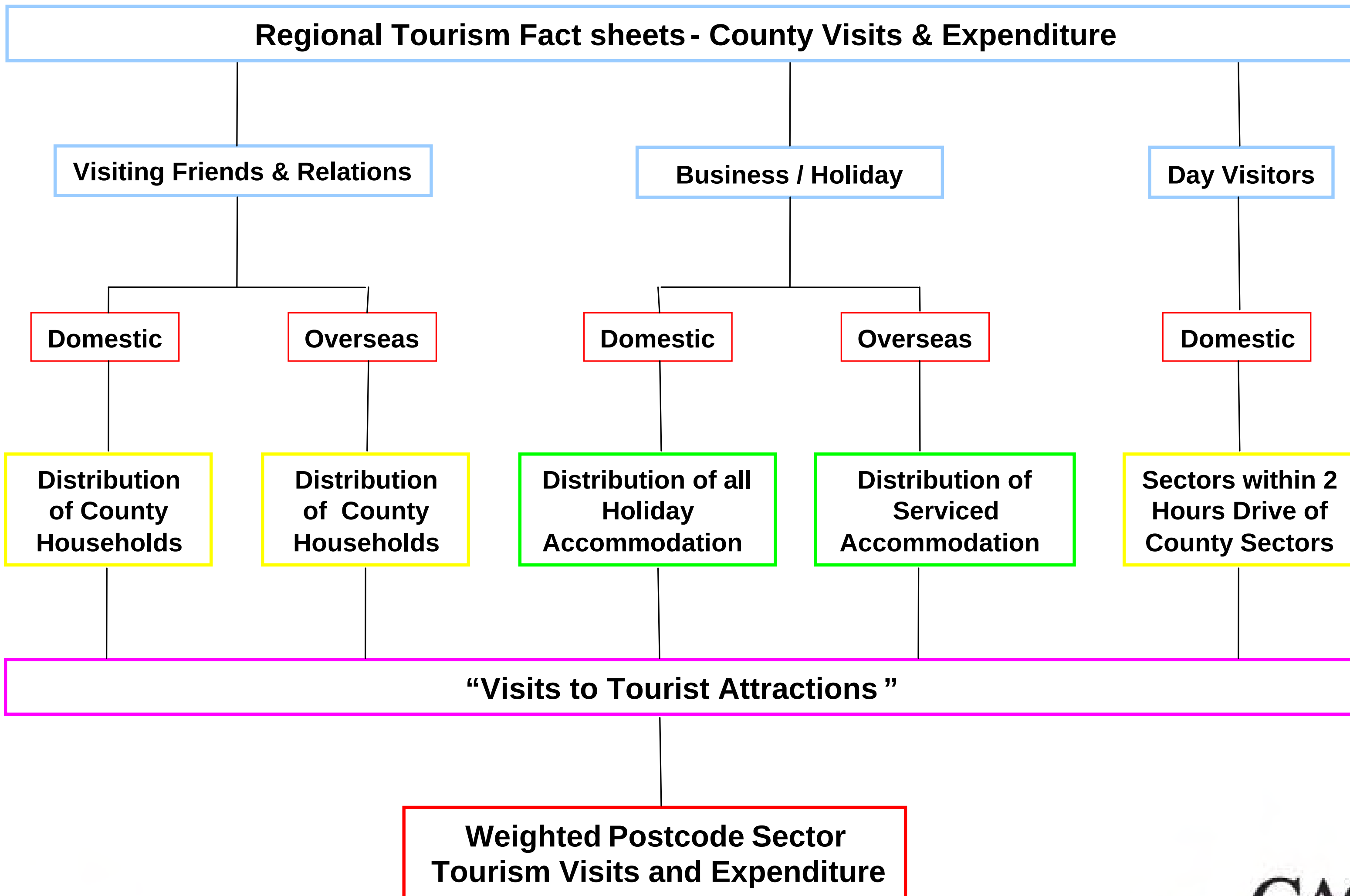
- Chichester generally has the most affluent lifestyle profile of the six towns being examined. While the overall profile is dominated by Affluent Greys, the Wealthy Executives group accounts for just under 10% of households, which is above the 5 Towns + Chichester and UK averages. Wealthy Executives prefer mid and upper-mid market classic fashion, boutique shopping and good quality catering facilities such as coffee shops and restaurants.
- Representation of middle-income groups such as Settled Suburbia and Prudent Pensioners is below the 5 Towns + Chichester average, but representation of less affluent Struggling Families is above average at 9.7% of households. This group is characterised by low income families living mostly in rented accommodation. Typical retailers include Bhs, Woolworths, George and Mk One.

5 Town Network & Chichester

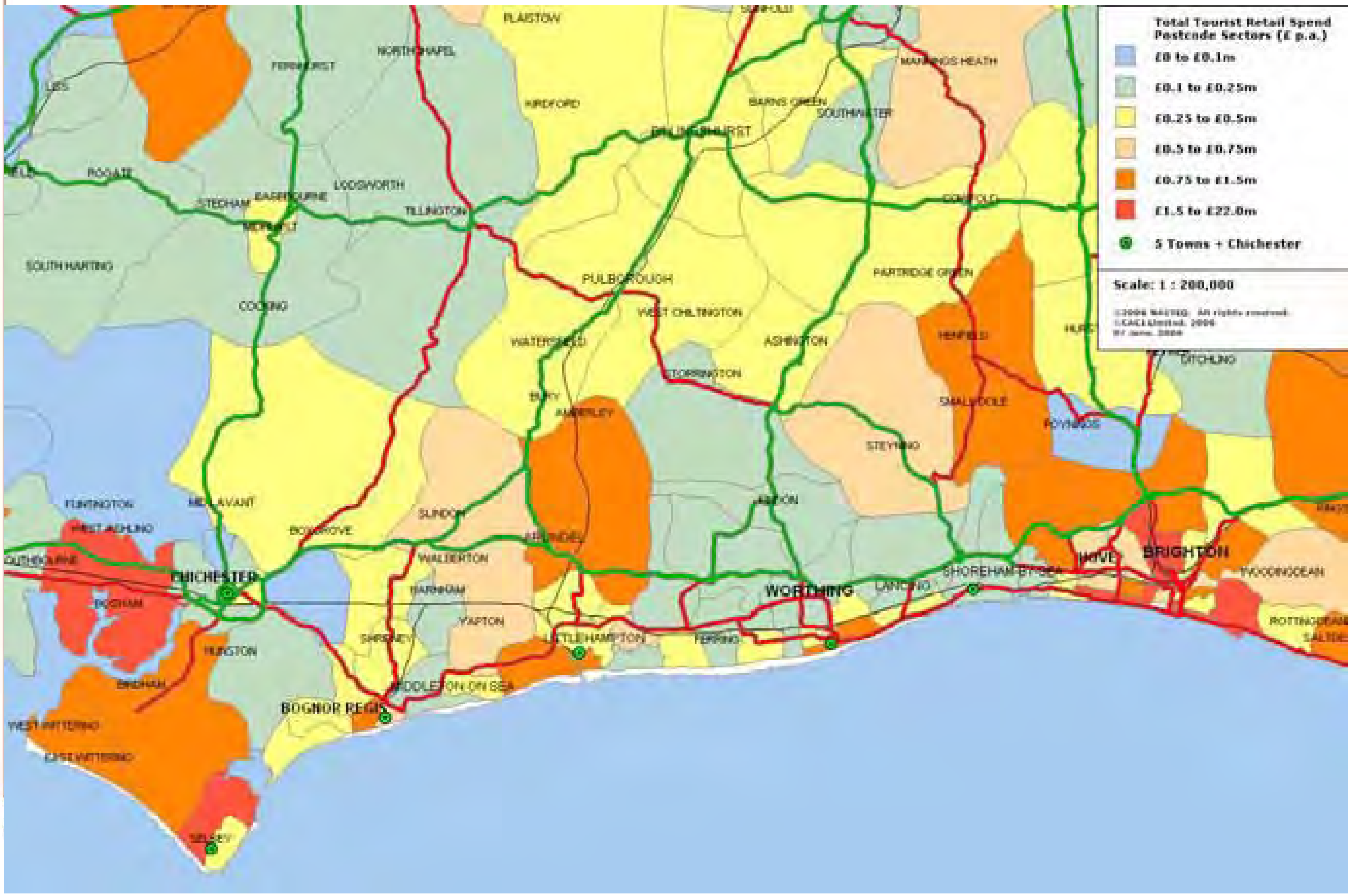
Strategy & Sustainable Opportunities

3. Tourist Market Potential

Tourist Market Potential



Tourist Demand: Total Retail Demand (£ millions per annum)



Tourist Visits: Drive Time Catchment – Visits

- The table shows the number and proportion of tourist visits within 20 minutes drive time of each centre, broken down by type of visit.
- Shoreham's 20 minute drive time catchment receives the highest number of tourists; an estimated 2.0 million visitors per annum, as a result of the catchment covering Brighton and part of East Sussex.
- In Selsey and Chichester, Domestic Business/Holiday tourists account for the majority of visitors in each 20 minute drive time catchment. In Littlehampton, Shoreham-by-Sea and Worthing, it is Domestic Day Visitors that account for the greatest proportion of the total.
- Bognor Regis' drive time catchment has the least additional market potential in terms of tourist visits, although the volume is still substantial; tourist visits amount to just under 530,000 per year.

Source of Tourist Visits	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Visits						
Domestic Day Visit	171,800	248,057	61,924	1,098,031	325,545	234,740
Domestic Bus/Hol	219,705	203,551	659,110	452,085	200,319	1,046,238
Domestic VFR	102,571	148,097	36,972	229,500	186,858	140,024
Overseas Bus/Hol	20,273	11,711	2,669	154,923	9,613	33,162
Overseas VFR	15,604	22,530	5,624	65,206	31,574	21,302
Total Visits	**529,953**	**633,946**	**766,299**	**1,999,744**	**753,909**	**1,475,466**
Visitor Profile						
Domestic Day Visit	32.4%	39.1%	8.1%	54.9%	43.2%	15.9%
Domestic Bus/Hol	41.5%	32.1%	86.0%	22.6%	26.6%	70.9%
Domestic VFR	19.4%	23.4%	4.8%	11.5%	24.8%	9.5%
Overseas Bus/Hol	3.8%	1.8%	0.3%	7.7%	1.3%	2.2%
Overseas VFR	2.9%	3.6%	0.7%	3.3%	4.2%	1.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

Tourist Retail Expenditure: Drive Time Catchment – Retail Spend

- The table shows the annual total and proportion of tourist retail spend within 20 minutes drive time of each centre, broken down by type of visit.
- Tourism market potential within the 20 minute drive time catchment is greatest for Shoreham-by-Sea, where it is worth £49.0 million of Retail spend.
- Bognor Regis' drive time catchment has the least additional market potential in terms of tourist spend, at an estimated retail spend of £7.6 million.
- Domestic Business/Holiday visitors account for the majority of retail expenditure across all six centres.

Source of Tourist Retail Spend	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Retail Spend						
Domestic Day Visit	£954,061	£1,377,541	£343,889	£7,355,207	£1,847,779	£1,294,551
Domestic Bus/Hol	£4,480,044	£4,150,629	£13,440,130	£17,736,929	£4,084,746	£21,345,278
Domestic VFR	£1,573,763	£2,272,320	£567,258	£6,066,076	£3,131,430	£2,149,951
Overseas Bus/Hol	£391,890	£226,422	£51,616	£12,293,594	£185,899	£661,862
Overseas VFR	£228,025	£329,240	£82,190	£5,539,600	£937,960	£313,534
Total Retail Spend	**£7,627,783**	**£8,356,152**	**£14,485,083**	**£48,991,406**	**£10,187,814**	**£25,765,176**
Retail Spend Profile						
Domestic Day Visit	12.5%	16.5%	2.4%	15.0%	18.1%	5.0%
Domestic Bus/Hol	58.7%	49.7%	92.8%	36.2%	40.1%	82.8%
Domestic VFR	20.6%	27.2%	3.9%	12.4%	30.7%	8.3%
Overseas Bus/Hol	5.1%	2.7%	0.4%	25.1%	1.8%	2.6%
Overseas VFR	3.0%	3.9%	0.6%	11.3%	9.2%	1.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

Tourist Catering Expenditure: Drive Time Catchment – Catering Spend

- The table shows the annual total and proportion of tourist Catering spend within 20 minutes drive time of each centre, broken down by type of visit.
- Tourism market potential within the 20 minute drive time catchment is greatest for Shoreham, where it is worth £48.0 million of Catering spend. This is a similar level to the estimated Retail spend (£49 million).
- Bognor Regis' drive time catchment has the least additional market potential in terms of tourist spend, at an estimated £5.3 million of spend on Catering.
- Domestic Visiting Friends/Relatives visitors account for the majority of Catering expenditure across all six centres.

Source of Tourist Catering Spend	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Catering Spend						
Domestic Day Visit	£1,383,510	£1,997,610	£498,676	£11,411,568	£2,703,165	£1,877,260
Domestic Bus/Hol	£599,474	£346,295	£78,923	£12,844,801	£284,257	£983,668
Domestic VFR	£2,282,234	£3,295,201	£822,638	£9,272,164	£4,590,451	£3,117,734
Overseas Bus/Hol	£629,169	£363,449	£82,832	£9,876,383	£298,338	£1,062,583
Overseas VFR	£366,092	£528,585	£131,947	£4,653,128	£1,065,277	£503,371
Total Catering Spend	**£5,260,479**	**£6,531,140**	**£1,615,015**	**£48,058,045**	**£8,941,489**	**£7,544,616**
Catering Spend Profile						
Domestic Day Visit	26.3%	30.6%	30.9%	23.7%	30.2%	24.9%
Domestic Bus/Hol	11.4%	5.3%	4.9%	26.7%	3.2%	13.0%
Domestic VFR	43.4%	50.5%	50.9%	19.3%	51.3%	41.3%
Overseas Bus/Hol	12.0%	5.6%	5.1%	20.6%	3.3%	14.1%
Overseas VFR	7.0%	8.1%	8.2%	9.7%	11.9%	6.7%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

Tourist Visits: Weighted Retail Catchment – Visits

- The table shows the number and proportion of tourist visits within the weighted retail catchment of each centre, broken down by type of visit.
- In Selsey and Chichester, Domestic Business/Holiday tourists account for the majority of visitors to the retail centre. In Shoreham-by-Sea it is Domestic Day Visitors that account for the greatest proportion of the total. In Worthing there is an even mix between Day Visitors and Domestic Business/Holiday tourists.
- Chichester receives an estimated 1.15 million tourist visitors per annum. Shoreham has negligible tourist visitor numbers when assessed by weighted retail catchment; estimated tourist visits amount to just over 12,350 per year. This contrasts with the estimated visits to Shoreham within 20 minutes drive time, estimated to be 2.0 million.

Source of Tourist Visits	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Visits						
Domestic Day Visit	52,219	28,570	3,816	5,887	131,759	177,686
Domestic Bus/Hol	84,257	38,812	146,001	2,959	122,883	829,250
Domestic VFR	31,176	17,058	2,278	2,794	75,791	105,923
Overseas Bus/Hol	3,706	2,451	9	168	7,267	21,086
Overseas VFR	4,743	2,595	346	544	11,848	16,113
Total Visits	**176,101**	**89,486**	**152,450**	**12,353**	**349,547**	**1,150,058**
Visitor Profile						
Domestic Day Visit	29.7%	31.9%	2.5%	47.7%	37.7%	15.5%
Domestic Bus/Hol	47.8%	43.4%	95.8%	24.0%	35.2%	72.1%
Domestic VFR	17.7%	19.1%	1.5%	22.6%	21.7%	9.2%
Overseas Bus/Hol	2.1%	2.7%	0.0%	1.4%	2.1%	1.8%
Overseas VFR	2.7%	2.9%	0.2%	4.4%	3.4%	1.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

Tourist Retail Expenditure: Weighted Retail Catchment – Retail Spend

- The table shows the annual total and proportion of tourist retail spend within the weighted retail catchment of each centre, broken down by type of visit.
- Tourism market potential within the weighted retail catchments is greatest for Chichester, where it is worth £20.2 million of Retail spend. Selsey receives a large amount of spend from Domestic Business/Holiday visitors; over £3 million per annum.
- Shoreham has the least additional market potential in terms of tourist retail spend; an estimated £199,000. This contrasts with estimated Retail spend by 20 minute drivetime catchment – estimated to be worth £49 million.
- Domestic Business/Holiday visitors account for the majority of retail expenditure across all six centres.

Source of Tourist Retail Spend	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Retail Spend						
Domestic Day Visit	£289,969	£158,661	£21,190	£35,282	£740,958	£976,334
Domestic Bus/Hol	£1,718,130	£791,426	£2,977,153	£76,812	£2,581,910	£16,938,764
Domestic VFR	£478,344	£261,720	£34,953	£52,889	£1,189,591	£1,626,936
Overseas Bus/Hol	£71,678	£47,388	£168	£7,978	£188,395	£415,960
Overseas VFR	£69,312	£37,920	£5,064	£26,001	£221,258	£238,062
Total Retail Spend	**£2,627,433**	**£1,297,115**	**£3,038,528**	**£198,962**	**£4,922,112**	**£20,196,056**
Retail Spend Profile						
Domestic Day Visit	11.0%	12.2%	0.7%	17.7%	15.1%	4.8%
Domestic Bus/Hol	65.4%	61.0%	98.0%	38.6%	52.5%	83.9%
Domestic VFR	18.2%	20.2%	1.2%	26.6%	24.2%	8.1%
Overseas Bus/Hol	2.7%	3.7%	0.0%	4.0%	3.8%	2.1%
Overseas VFR	2.6%	2.9%	0.2%	13.1%	4.5%	1.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

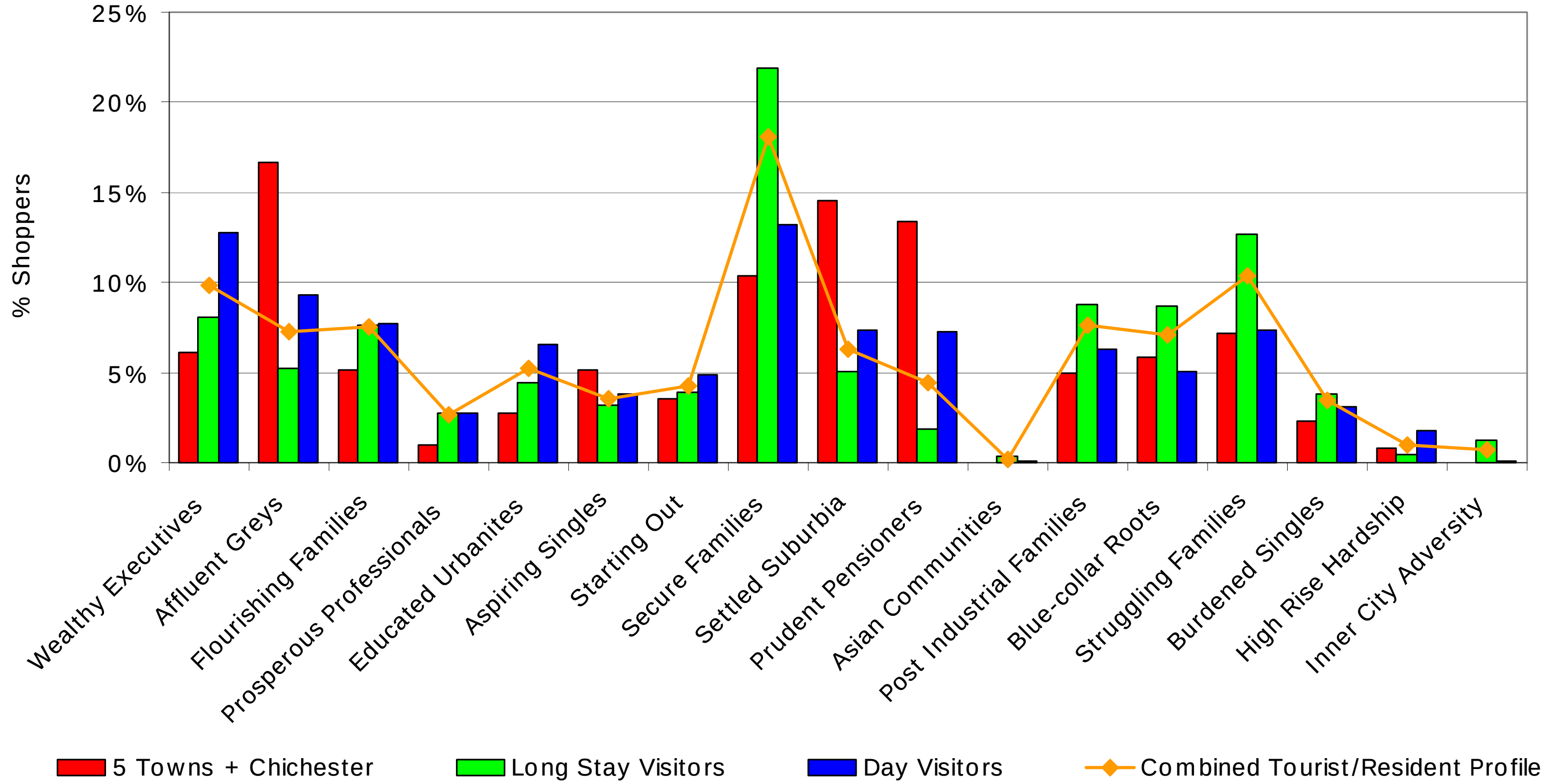
Tourist Catering Expenditure: Weighted Retail Catchment – Catering Spend

- The table shows the annual total and proportion of tourist Catering spend within within the weighted retail catchment of each centre, broken down by type of visit.
- Tourism market potential within the weighted retail catchments is greatest for Chichester, where it is worth £5.5 million of Catering spend.
- Selsey and Shoreham have the least additional market potential in terms of tourist Catering spend; estimated to be worth £90,000 and £173,000, respectively. The estimate for Shoreham contrasts with the estimated worth of retail spend by 20 minute drivetime catchment of £48 million.
- Domestic Visiting Friends/Relatives visitors account for the majority of catering expenditure across all six centres.

Source of Tourist Catering Spend	Bognor Regis	Littlehampton	Selsey	Shoreham-by-Sea	Worthing	Chichester
Annual Catering Spend						
Domestic Day Visit	£420,497	£230,075	£30,730	£52,698	£1,079,960	£1,415,801
Domestic Bus/Hol	£109,593	£72,476	£266	£9,172	£257,441	£624,740
Domestic VFR	£693,679	£379,545	£50,686	£78,562	£1,730,076	£2,359,306
Overseas Bus/Hol	£115,084	£76,066	£279	£7,796	£251,633	£667,750
Overseas VFR	£111,284	£60,882	£8,118	£25,055	£310,735	£382,178
Total Catering Spend	**£1,450,137**	**£819,045**	**£90,080**	**£173,283**	**£3,629,845**	**£5,449,775**
Catering Spend Profile						
Domestic Day Visit	29.0%	28.1%	34.1%	30.4%	29.8%	26.0%
Domestic Bus/Hol	7.6%	8.8%	0.3%	5.3%	7.1%	11.5%
Domestic VFR	47.8%	46.3%	56.3%	45.3%	47.7%	43.3%
Overseas Bus/Hol	7.9%	9.3%	0.3%	4.5%	6.9%	12.3%
Overseas VFR	7.7%	7.4%	9.0%	14.5%	8.6%	7.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Bus/Hol – Business/Holiday
VFR – Visiting Friends/Relatives

Tourist ACORN Profile



- The ACORN profile of tourist visitors (split into long stay and day visitors) is examined in the chart above in relation to the combined profile of the 5 Towns + Chichester.
- The chart shows that day visitors to the 5 Towns + Chichester are generally more wealthy than both long stay visitors and residents, and are therefore an important source of additional expenditure potential from which retailers in the 5 Towns + Chichester can benefit.
- Long stay visitors are dominated by family ACORN lifestyle types, including the Secure, Struggling and Post Industrial Families groups.