BRIDGEND TOWN CENTRE HEALTH CHECK ASSESSMENT 1999

1. BACKGROUND

1.1 The purpose of this item is to establish the current health and attraction of Bridgend town centre. The previous health check was presented to the Bridgend Town Centre Regeneration Sub Committee in February 1999. At that Committee meeting it was agreed that the health check needs to be repeated at regular intervals to assess the future direction of trends to enable planning policies to be tailored to ensure that Bridgend town centre retains its position in the retail hierarchy of South Wales. This health check utilises the most-up-to date information available on the specified retailing and property indicators of town centre vitality and viability.

1.2 I would remind members that the following indicators are recommended in TAN 4 (Wales) as useful in assessing the health and attraction of a town centre.

- retail floorspace rents
- commercial yield
- pedestrian flow (requires survey)
- retail provision
- the diversity of uses
- retail representation and change
- vacant street level property
- perception of safety and occurrence of crime
- state of town centre environmental quality
- customer view and behaviour (Recent survey by consultants Colliers Erdman Lewis)
- turnover in relation to floorspace (estimates of turnover are considered problematic and will not form part of the health check)

2. INTRODUCTION

2.1 For most indicators of health, information is readily available from published sources such as retail indicators measured by factors such as floorspace, number of shops, vacancy rates and the presence of national and multiple retailers. Experian Goad Centre Reports are particularly useful in this respect. Property indicators such as rental and capital values are provided on an annual basis from national and local property development and surveying agencies and firms who regularly publish annual property reviews such as Cooke and Arkwright's Welsh Property Review and Colliers Erdman Lewis' In Town Retail Rents Maps and reports.

2.2 For some of the indicators information is not available on a consistent basis over a period of time to allow meaningful analysis, e.g. pedestrian flows and customer views and behaviour (although on this occasion up to date material on customer views exists from shopper surveys and interviews carried out by consultants on behalf of the Authority). These two indicators require detailed and extensive annual surveys. Turnover in relation to floorspace is normally calculated through the application of national figures and are therefore problematic. It is, therefore, proposed not to use pedestrian flows and turnover in relation to floorspace in the conduct of this year 2000 health check. The remaining indicators will, however, be used.

2.3 It should be noted that individual indicators taken in isolation do not provide a true picture of health. Findings based on the evaluation of all indicators taken together can provide a more useful insight into the performance of a town centre.

2.4 It is, therefore, proposed the following indicators be looked at in turn. Emphasis will be placed on trying to identify changes which have taken place since last year's exercise which mainly relied on 1997 data.

- Retail floorspace rents and commercial yield
- Retail provision
- Diversity of uses
- Retailer representation and change
- Vacant street level property
- Accessibility
- Perception of safety and occurrence of crime
- State of town centre environmental quality
- Customer views and behaviour

2.5 * The health of the town centre will be established in the following sections by analysing the data drawn up in tables 1-10 in **Appendix A** attached. Some of the indicators such as accessibility, state of town centre environmental quality and perception of safety are essentially subjective concepts and are not based on empirical data interpretation.

2.6 The impact of out-of-town retail development including the designer outlet centre on junction 36 of the M4 will receive particular examination in the final section.

3. RETAIL AND FLOORSPACE RENTS

3.1 It can be seen from table 1 that since the previous health check average zone A prime rents for retail in Britain on the whole have risen from £81 per sq. ft in 1997 to £93 per sq. ft in 1999. Bridgend, as with other major centres, has experienced a rise in rental values from £58 per sq. ft in 1997 to an estimated £60 per sq. ft in 1999. This is a small increase particularly when compared to the other major regional centres listed in table 1 where increases have been much higher. For example it is estimated that in Cardiff prime rental values have increased by an enormous 40% between 1997 and 1999.

3.2 The estimated average increase in prime rental levels in Bridgend town centre although small points to increased demand for retail units. Rental growth in small towns continues to struggle compared to the larger city centres.

3.3 Rental levels on the out-of-town retail parks in Bridgend County Borough remain constant at £11 per sq. ft since 1997 which is much lower than that of £25 per sq. ft achieved in the secondary frontages of the town centre.

4. COMMERCIAL YIELD

4.1 The point to be noted when looking at commercial yields is that the lower the yield the higher the capital value resulting from a given rental income.

4.2 It is estimated that average retail yields increased from 7.25% in 1997 and 1998 to 7.5% in 1999 (table 3). This is considered average for a town of Bridgend's size. This indicates that interest in investment in retail in the town centre has increased.

4.3 The 7.5% average yield level for retail units in Bridgend is comparable with that achieved in other centres such as Newport and Swansea.

4.4 Both rental levels and the yields for office floorspace in Bridgend have remained constant since the last health check and as noted then are fairly average for the region. This has also been the case with rents in the other main centres.

5. RETAIL PROVISION

5.1 The apparent trend in increase in service sector outlets in the town centre identified in the previous health check has continued with a further increase from 95 in 1997 to 99 in 1998 and 102 in 1999 (table 5). However, 1998 saw decline in the number of convenience goods and comparison goods outlets in Bridgend town centre. Comparison goods declined from 153 in 1997 to 147 in 1998 then recovered to 149 in 1999. The trend is the same for convenience goods where in the town centre the number of convenience goods outlets fell from 18 to 15 then went back up to 16 in 1999. From table 10, the decline in outlets was specifically in the categories of women's, girl's, children's, and general wear and footwear where a small decline has continued into 1999. Furniture, carpets, and textiles all saw a drop from 15 in 1997 to 11 in 1998, but then went up to 13 in 1999.

5.2 In terms of floorspace the situation remains unchanged since the last health check, with comparison goods continuing to occupy about 50% of the total retail floorspace with service uses at 23% and convenience goods at 17%. Total retail floorspace has actually declined from 655,400 sq. ft in 1997 to 638,800 sq. ft in 1999, although this is a very small decline.

6. THE DIVERSITY OF USES AND RETAILER REPRESENTATION

6.1 In Bridgend town centre there is a total of 267 retail outlets with a total floorspace area of 638,800 sq. ft. There are 106 multiple retail outlets in the town centre. A multiple retailer is defined as a network of nine or more outlets and their presence is very important for the continued attractiveness of a centre to shoppers. Bridgend has a higher percentage of multiple retailers (36%) in the town centre than the Great Britain average of 32%. There are eleven key attractors in the town centre whose presence together with the three multiple mixed retailers Boots, WH Smith and Woolworth's are vital to the continued appeal of Bridgend town centre. Multiple retailers provide healthy competition for rivals in their retail category. New retailers to establish themselves in the town centre in the past year include Electronics Boutique, Tiny Computers, and Wilkinson's who have occupied the former Living Coop store.

6.2 34% of all outlets in the town centre are for service uses. This proportion is well above the Great Britain average for the provision of service outlets of 28% and is considered to add to the mix and variety of uses available.

6.3 Comparison goods in Bridgend account for 50% of total outlets and is the same as the Great Britain average of 50%. In terms of convenience goods 5.4% of outlets are in this trade group, this figure is below the Great Britain average of 10% for all outlets and indicates that there is capacity for further convenience goods floorspace. This has become more apparent with the recent closure of the Kwik Save store on Quarella Road.

6.4 In general, as can be deduced from table 10 Bridgend town centre continues to provide a healthy range of retail and non-retail outlets as well as leisure and entertainment facilities.

7. VACANT STREET LEVEL PROPERTY

7.1 Table 7 shows vacancy rates since 1986. In 1998 there was an increase in the vacancy rate in Bridgend town centre to 12.25% of all units, but this has since declined to 8.7% (65,600 sq. ft) in 1999 and is below the Great Britain average of 13%.

8. ACCESSIBILITY

8.1 The town centre continues to be highly accessible by a choice of means of transport including, car, rail, and buses. Pedestrian access throughout the town centre will also improve in the near future when improvement schemes are implemented, initial phases of which are already in place.

9. PERCEPTION OF SAFETY AND OCCURRENCE OF CRIME

9.1 Although crime data is available on a ward level, Bridgend town centre is covered by the three wards of Morfa, Oldcastle and Newcastle which include residential areas within them. It is therefore continues to be an indicator where meaningful analysis is not possible. However, thorough the CCTV scheme which operates in the town centre 103 arrests were made in 1998 involving a range of offences mostly relating to public order, theft and criminal damage. CCTV plays an important role in crime reduction, and there is no doubt that it is a deterrent and contributes to creating an increasingly safer town centre environment for visitors and people who work there.

10. ENVIRONMENTAL QUALITY

10.1 The environmental quality of the town centre is continuing to improve and further private and public sector investment, facilitated by the new Bridgend Northern Distributor Road is anticipated in the town centre, where sites are specifically allocated in the Local Plan for key retail and commercial development. Initial phases of environmental improvements have already taken place particularly in Dunraven Place.

11. CUSTOMER VIEWS AND BEHAVIOUR

11.1 A survey of 300 shoppers in Bridgend town centre commissioned by property consultants Colliers Erdman Lewis was completed in June 1999. Its findings were as follows:

- 48% of respondents visit Bridgend town centre mainly for shopping.
- 56% of respondents used a car to travel to Bridgend town centre, 20% by bus, 16.9% walked, 5.65 by coach/train and 1.4% by other means of transport
- It was established that the majority of the respondents visit the town centre very frequently (71% visit once a week or more)
- More than half of shoppers stay in excess of 2 hours
- 44% of travellers from home on the day of the interview travelled a distance of more than 5 miles.

11.2 The above findings serve to reinforce Bridgend town centre's function and role as a sub-regional centre, with clothing being the most common type of commodity bought, with almost half of shoppers in the sample undertaking this type of shopping.

12. IMPACT OF OUT-OF-TOWN RETAIL DEVELOPMENT

12.1 As noted earlier the health check is also important for the assessing the impact of out of town retail development on town centres. The 1999 health check was based upon analysing 1997 indicators and therefore it was not possible to evaluate the cumulative impact of the recently completed Designer Outlet Centre at that time.

12.2 A measured evaluation of that effect can be made from an analysis of the 1998 and 1999 data now available and set out in the accompanying tables. Of particular note is the decline in the number of comparison and convenience goods in the town centre during 1998, which also saw a rise in the number of vacant units from 9.9% in 1997 to 12.5%. Although both retail rental values and retail yield were unchanged, the total floorspace occupied by comparison, convenience and service outlets experienced a small but significant loss in that year.

12.3 These negative trends in vitality and viability indicators during 1998 could be accounted for by the opening of the Designer Outlet Centre which introduced 186,000 sq. ft gross of additional retail floorspace into the area at that time, although the state of the national economy generally and the trading position of individual retailers/national chains also have a significant effect.

12.4 Fortunately the same indicators for 1999 point to a significant recovery from the 1998 position and once again to a reasonably healthy town centre. The number of both convenience and comparison goods outlets increased slightly, for the first time in over a decade, and the total floorspace occupied by comparison and service uses recovered quite strongly. Most significantly vacancy rates in 1999 dropped to 8.75%, their lowest level since 1989.

12.5 Thus although it appears that the Designer Outlet Centre had an immediate 'shock' impact on Bridgend town centre, recovery seems to have been equally rapid and the 1999 position appears positive. Undoubtedly the Designer Outlet Centre has attracted a large number of additional shoppers into Bridgend which has generated a significant level of spin-off shopping into the town centre, the positive economic effects of which are now showing in the statistics.

12.6 It is not sound practice to draw too heavily on short term trends as these can be extremely volatile. A longer time series of information needs to be assessed over the coming years to fully evaluate the effects of the Designer Outlet Centre.

13. CONCLUSION

13.1 Based upon the health check the overall conclusion which can be drawn is that Bridgend town centre since the last health check has continued to hold its own in the retail hierarchy of South Wales, indeed it has attracted some new uses particularly in the service and comparison goods sector. The following findings confirm the continuing healthiness of Bridgend town centre.

- For 1998 prime zone A rental levels average £60 per sq. ft and this represents a healthy increase of 3.3% over last year's average.

- The retail floorspace yield for Bridgend town centre for 1999 averaged 7.5%. This is considered fairly average for the region and is an indicator of investor confidence in the centre.

- In 1998 there was a total of 261 retail outlets in the town centre, this has increased to 267 outlets in 1999 of which 106 (36%) are multiple retailers. This is higher than the Great Britain average of 32%. There is therefore a healthy diversity and good retailer representation in the town centre.

- 1998 saw a decline in the total retail floorspace occupied from 655,400 sq. ft in 1997 to 638,000. This, however, went back up to 638,800 sq. ft in 1999.

- The number of vacant units in the town centre when surveyed by Goad in September 1999 was 26 and equates to 8.75% of all units and is below the Great Britain average of 13% based on centres surveyed by Goad.

13.2 On balance the health check assessment confirms that current levels of vitality and viability in Bridgend town centre are good, and it appears that the town has withstood the impact of recent out of town retail development at the Designer Outlet Centre. This is supported by the indicators analysed such as the current increase in rental levels, a low vacancy rate, its ability to attract new retailers and continuing demand for space in the centre.

MALCOLM E THOMAS
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28 April 2000

APPENDIX A
TO BE READ IN CONJUNCTION WITH
ITEM 1 OF THE REPORT OF THE
DIRECTOR OF ENVIRONMENTAL AND PLANNING SERVICES

BRIDGEND TOWN CENTRE HEALTH CHECK

Table 1 : Prime Zone A retail rental values (£/sq ft)

	90	91	92	93	94	95	96	97	98	99
Bridgend	55	55	55	55	55	55	58	58	58	60
Cardiff	165	160	155	145	140	140	150	160	200	225
Swansea	120	120	105	100	100	100	100	125	130	140
Newport	100	100	110	80	100	110	110	115	120	125
G.B	79	76	72	70	70	70	75	81	87	93

Source: Cooke & Arkwright Welsh Property Review, 1999
Colliers Erdman Lewis in Town Retail Rents, 1999

Table 2 : Secondary Shop Rents (£/sq ft)

	90	91	92	93	94	95	96	97	98	99
Bridgend	35	35	35	35	35	35	25	25	25	25
Cardiff	65	65	60	60	65	65	65	70	85	95
Swansea	40	40	35	35	35	35	35	40	50	70
Newport	50	45	35	35	40	40	40	40	40	40

Source: Cooke & Arkwright Welsh Property Review, 1999

Table 3 : Prime Retail Floorspace Yields (%)

	1995	1996	1997	1998	1999
Bridgend	7.00	7.25	7.25	7.25	7.50
Cardiff	4.25	4.25	5.00	4.50	5.50
Swansea	5.50	5.25	5.50	5.50	5.75
Newport	5.50	5.25	6.00	6.00	6.00

Source: Cooke & Arkwright Welsh Property Review, 1999

Table 4 : Office rents and Yields

	Rents (£/sq ft) 1999	Prime Yield (%) 1999	Secondary Yield (%) 1999
Bridgend	8	12.0% - 14.0%	14.0% - 16.0%
Cardiff	16.5	7.0% - 8.0%	10.0% - 12.0%
Swansea	8	10.0% - 11.0%	12.0% - 14.0%
Newport	10.5	9.0% - 11.0%	12.0% - 15.0%

Source: Cooke & Arkwright Welsh Property Review, 1999

Table 5 : Change in the Number of Retail Outlets

	1986	1989	1994	1997	1998	1999
Convenience	32 (10.5%)	28 (9.0%)	22 (7.2%)	18 (5.9%)	15 (4.97%)	16 (5.39%)
Comparison	157 (51.5%)	160 (52.5%)	160 (52.1%)	153 (50.8%)	147 (48.68%)	149 (50.17%)
Services	67 (22%)	73 (24%)	86 (28.0%)	95 (31.5%)	99 (32.78%)	102 (34.34%)
Total	256	261	268	266	261	267

Source : Goad

Table 6 : Change in Retail Floorspace 000's sq ft (Ground floor footprint floorspace)

	1994	1995	1996	1997	1998	1999
Convenience	74.7 (12.6%)	68.2 (11.5%)	113.6 (17.9%)	117.9 (17.9	114.7 (17.98%)	105.3 (16.48%)
Comparison	322.6 (54.4%)	343.8 (57.9%)	333.4 (50%)	326.3 (49.7%)	319 (50.0%)	320.4 (50.16%)
Services	129.1 (12.7%)	126.8 (21.3%)	123.0 (19.3%)	132.3 (20.1%)	132 (20.69%)	143.9 (22.53%)
Miscellaneous	66.4 (11.2%)	54.2 (9.1%)	80.5 (12.1%)	78.9 (12.0%)	72.4 (11.35%)	69.2 (10.83 %)
Total	592.8 (100%)	593.0 (100%)	660.5 (100%)	655.4 (100%)	638.1 (100 %)	638.8 (100%)

Source : Goad

ble 7: Vacant Street Level Property

	1986	1989	1994	1995	1996	1997	1998	1999
No of vacant units	29	24	35	34	39	30	37	26
Per cent of all units	10.1	8.4	11.5	11.2	12.7	9.9	12.25	8.75

Source: Goad

Table 8: Key Retail Indicators

	Count	%	GB %
Vacant Outlets	26	8.75	11.87
Vacant Floorspace (ooo sq ft)	65.5	10.27	9.47
Multiple Outlets	106	35.69	31.78
Comparison Outlets	149	50.17	49.66

Source: Goad 1999

Table 9: Distribution of outlets by size

	97	99
Under 1,000 sq ft	113 (37.5%)	110 (37.04 %)
Between 1,000 and 2,499 sq ft	137 (45.5%)	136 (45.79%)
Between 2,500 and 4,900 sq ft	32 (10.6%)	32 (10.77%)
Between 5,000 and 9,999 sq ft	7 (2.3%)	9 (3.03%)

Between 10,000 and 14,999 sq ft	8 (2.6%)	7 (2.36%)
Between 15,000 and 19,999 sq ft	2 (0.6%)	1 (0.34%)
Between 20,000 and 29,999 sq ft	0 (0.0%)	0 (0.0%)
30,000 sq ft and ab	2 (0.6 %)	2 (.67%)

Source: Goad