

**Lewisham Planning Department**



# Town and District Centres Retail Report 2013 Part I: Issues and trends

February 2014

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# **1 Introduction**

## **1.1 The Town and District Centre Survey**

1.1.1 Lewisham Borough Council undertakes an annual survey of the town and district centres within the Borough:

- Lewisham
- Catford
- Blackheath
- Deptford
- Downham
- Forest Hill
- Lee Green
- New Cross / New Cross Gate
- Sydenham

1.1.2 The 2013 survey took place in August 2013. The survey recorded the name and use of each ground floor unit within each of the town and district centres.

## **1.2 The Town and District Centre Retail Report**

1.2.1 The Town and District Centre Retail Report analysis the data gathered from the Town and District Centre Survey.

1.2.2 The report is split into two sections; part I and part II:

- Part I is a topic-based summary analysis of the key issues facing centres in the Borough.
- Part II individually presents the full data for each centre, including a brief analysis of use classes within each centre. Part II also repeats the key findings in Part I in order to present them by centre name as opposed to by topic.

## **1.3 Part I: Retail Issues and Trends**

1.3.1 Part I identifies the topical retail issues facing town centres in the Borough, and analyses the trends relating to those issues.

1.3.2 The issues that have been identified are based on concerns that have been raised in relation to town centres and retail by local people, by local elected members, by central government, and by national media:

- Vacancy rates;
- The proportion of units within town centres that are in use as A1 units (shops), as opposed to other uses such as food, entertainment, and services;
- The number of betting shops in centres;

## Town and District Centre Retail Report Part I

- The number of takeaways in centres;
- The number of public houses in centres.

### **1.4 Part II: Centre Analysis**

1.4.1 Part II of the report is arranged by centre. The full survey data is presented for each centre in table format.

1.4.2 Analysis is also undertaken regarding uses classes and business types. For each centre the following analysis is undertaken:

- The proportion of units by use class is identified in a pie chart;
- The change in the proportion of units by use class over the time period 1993 – 2013 is identified on a line chart;
- The adherence to local plan targets relating to the percentage of primary shopping units in A1 use and the percentage of all units in A5 use;
- The number of units categorised by use class and sub-categorised by business type is presented in a table..

1.4.3 The key findings from Part I are also repeated in Part II, in order to present them by centre name as opposed to by topic.

## 2 Vacancy rates

2.1.1 Vacancy rates are the most immediate indication of a struggling town centre, however the majority of centres within the Borough are faring well compared with the national and regional statistics.

### 2.2 Vacancy rates: the Borough compares well; but Lee Green is a cause for concern

2.2.1 The national mean vacancy rate is currently estimated to be between 11.1%<sup>1</sup> and 14%<sup>2</sup>, with the London vacancy rate estimated at 9%<sup>3</sup>. The mean vacancy rate for the Borough's two major town centres and the seven district centres compares favourably, being 6.8% in 2013 (figure 1).



Figure 1 Mean average vacancy rates locally, regionally and nationally

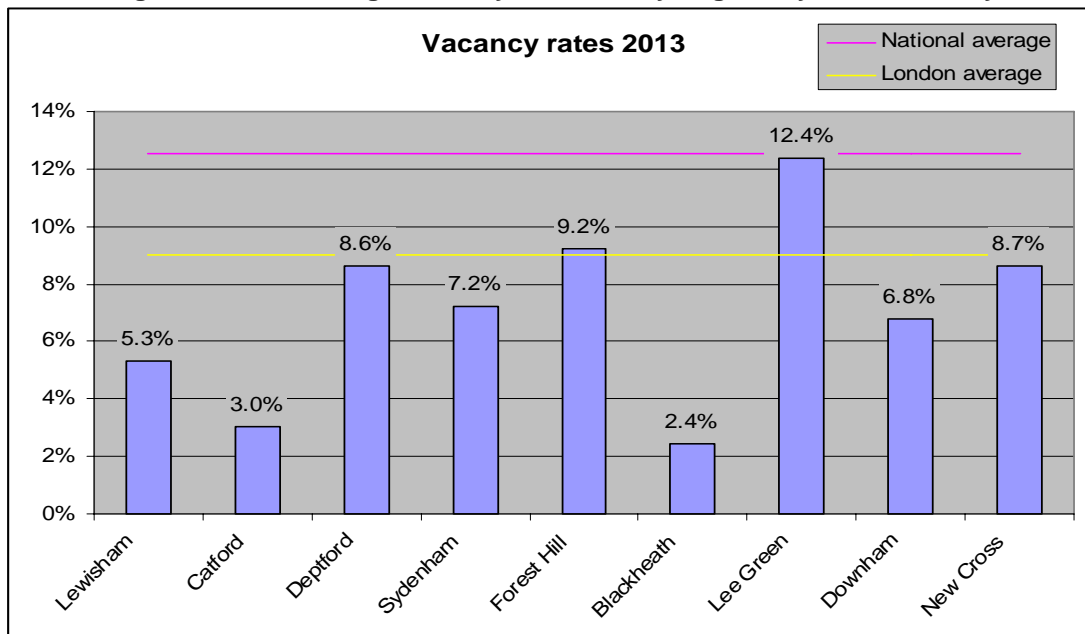


Figure 2 Vacancy rates in Lewisham Borough

<sup>1</sup> [http://www.brc.org.uk/brc\\_news\\_detail.asp?id=2490](http://www.brc.org.uk/brc_news_detail.asp?id=2490), British Retail Consortium, July 2013

<sup>2</sup> <http://www.retailgazette.co.uk/articles/42103-demolition-or-alternative-use-only-option-for-empty-shops>, Local Data Company, September 2013

<sup>3</sup> <http://www.retailgazette.co.uk/articles/42103-demolition-or-alternative-use-only-option-for-empty-shops>, Local Data Company, September 2013

2.2.2 Figure 2 compares each of the Borough's retail centres with each other, and with the regional and national averages.

2.2.3 The Borough's two major town centres, Lewisham and Catford, significantly outperform the national and regional averages; with the two centres having vacancy rates of 5.3% and 3% respectively.

2.2.4 Amongst the district centres, Blackheath stands out as particularly a strong performer, with a vacancy rate of 2.4%, equalling the vacancy rate reported for Oxford Street in central London<sup>4</sup>.

2.2.5 All other district centres have vacancy rates below both the national and regional averages, aside from Forest Hill, which at 9.2% is close to the London average, and Lee Green, which at 12.4% is close to the national average.

2.2.6 Based on the data outlined above, Lee Green district centre is the only centre in the Borough which stands out as having notably high vacancy rate, being significantly higher than the London average. However, the vacancy rate should not be seen as dire, as the rate is still in line with the national average.

### 2.3 Vacancy rate trends: a constantly improving picture

2.3.1 The vacancy rate of a town centre can also be judged against rates of previous years, to identify if centres are in ascent or decline.

2.3.2 The average figures for the Borough are encouraging, showing a significant reduction in the proportion of vacant units found in the town and district centres. Vacancy rates have improved markedly since the financial crises of 2008, and are now at the lowest level since our survey began 20 years ago.

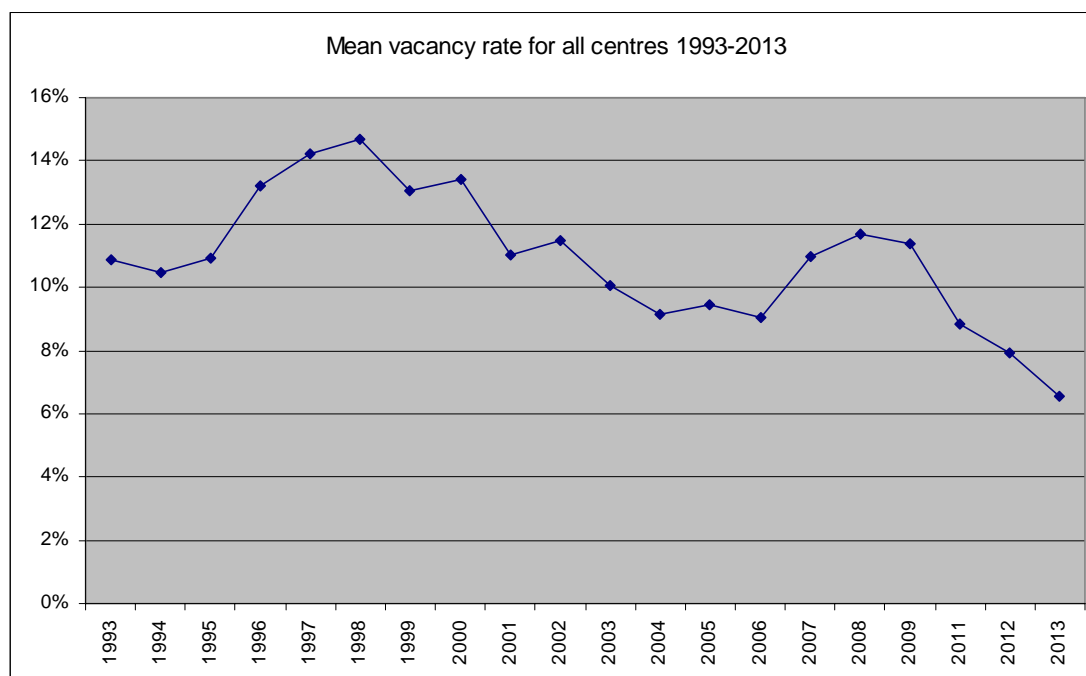


Figure 3 Mean vacancy rates for all centres 1993-2013

<sup>4</sup> <http://www.colliers.com/~media/Files/EMEA/UK/research/retail/201308-national-retail-barometer>, Colliers, April 2013

## 2.4 Vacancy rate trends: Lewisham, Catford and Forest Hill star performers

2.4.1 The majority of centres have seen vacancy rates dropping or remaining stable over a five year period. Lewisham, Catford and Forest Hill centres are notable for having seen significant reductions in the proportion of vacant units during this period (see charts below).

2.4.2 Only Downham has ended the five year period 2008-2013 with a higher vacancy rate than it began, rising from 2.8% to 6.8%, however Downham still poses the fourth lowest vacancy rate in the Borough. The increased vacancy rate is due to an additional 3 units becoming vacant within the last year, and therefore the increase may only be temporary whilst these units are re-filled.

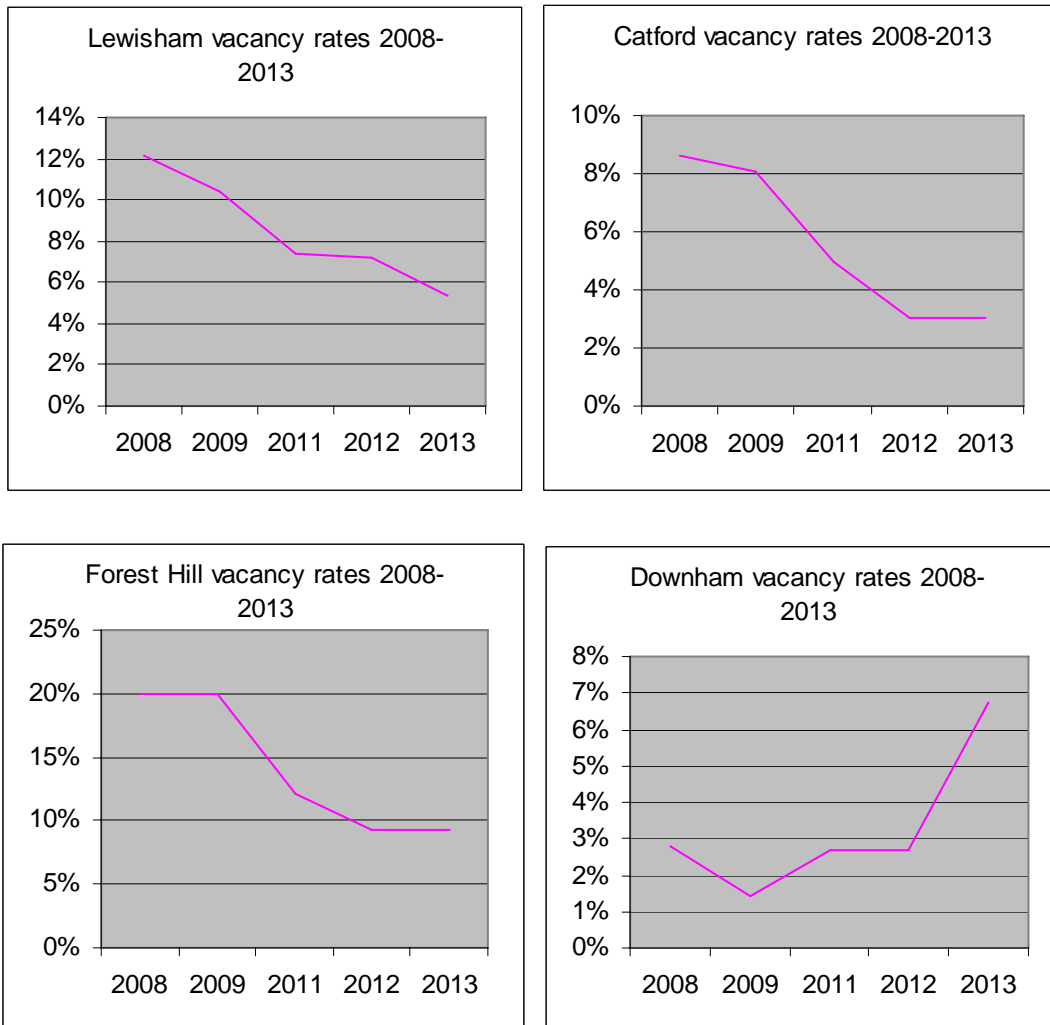


Figure 4 Vacancy rates for Lewisham, Catford, Forest Hill and Downham



2.4.3 Lee Green is the only centre which has seen a sustained increase in its vacancy rate over the entirety of the 20 year period (figure 5). This has been masked somewhat by a significant decrease in vacant units in the last year, which may be the beginning of a recovery for the centre, or may be a temporary reprieve during a general downward trend for the centre. The general trend for increasing vacancy rates in this district centre is likely to be associated with the planned redevelopment of the Leegate Centre.



**Figure 5 Vacancy rate for Lee Green 1993-2013**

### 3 Proportion of units in A1 use

3.1.1 Town and district centres are traditionally considered to be primarily shopping destinations, with additional ancillary functions such as banking, food, drink, and other services playing a supporting role in the vitality of a centre.

3.1.2 Concerns are often raised if the proportion of shops (use class A1) drops in a centre, as this may result in the centre losing its ability to meet the retail needs of the local population. With this in mind, the submitted Development Management Local Plan, alongside the Lewisham Town Centre Local Plan, set a target of 70% of units within the primary shopping frontage of each centre to be in A1 use.

#### 3.2 A1 uses in primary frontages: majority of town and district centres fail to meet target

3.2.1 The majority of centres fail to meet the target of 70% A1 units in the primary shopping frontages. Only Lewisham, Deptford and Downham exceed the target. Catford and Blackheath are within 10% of the target.

3.2.2 Forest Hill and Lee Green both have less than 50% of primary shopping frontage units in A1 use, and therefore there is a concern that the primary shopping frontages of these centres no longer have a predominantly retail function.

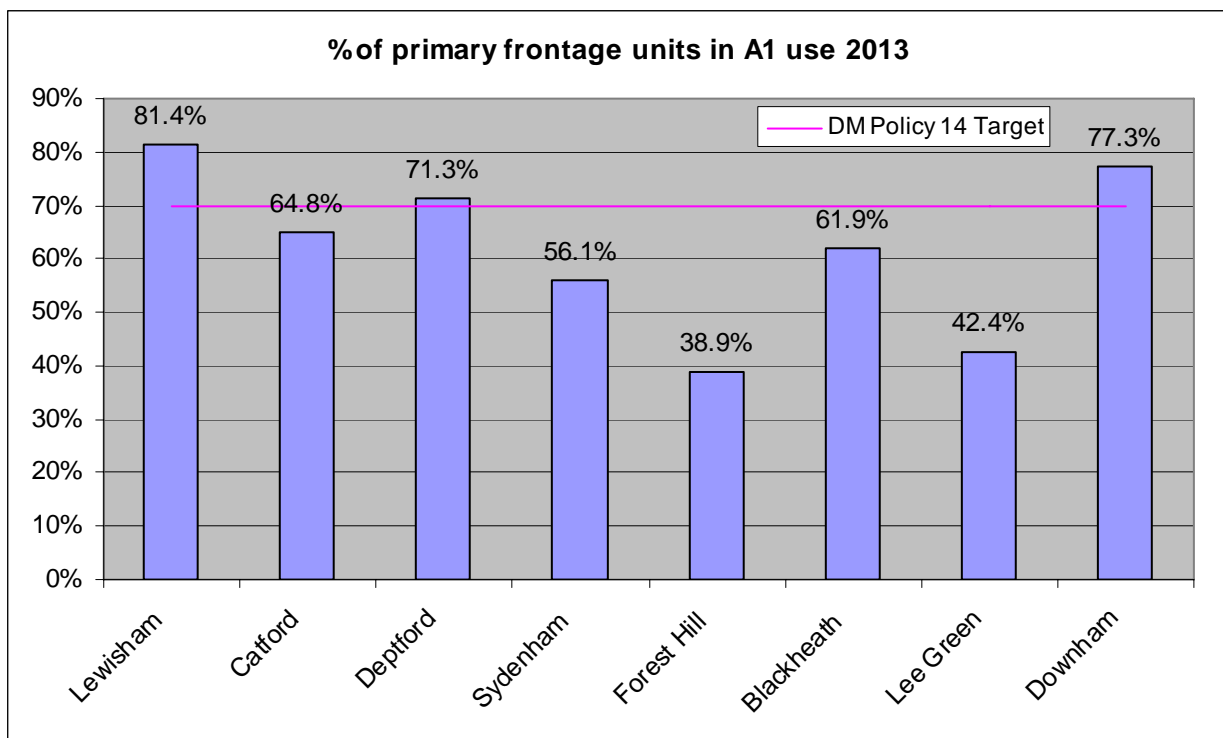


Figure 6 Percentage of primary frontage units in A1 use 2013

### 3.3 A1 and other uses long term trends: gradual, but not drastic, decline in A1 uses

3.3.1 The proportion of units in A1 use in all town and district centres (primary, secondary and other frontages) has gradually decreased from 58% in 1993 to 52% in 2013 (figure 7). During the same period A2 uses (such as banks, betting shops and high street solicitors) have increased from 9% to 14%, and A3/A4/A5 uses (restaurants, cafés, pubs and takeaways) from 13% to 18%.

3.3.2 The shift in uses within the centres has been gradual and fluctuating, therefore the loss of A1 units is not considered to pose an immediate threat to the Borough’s centres as a whole.

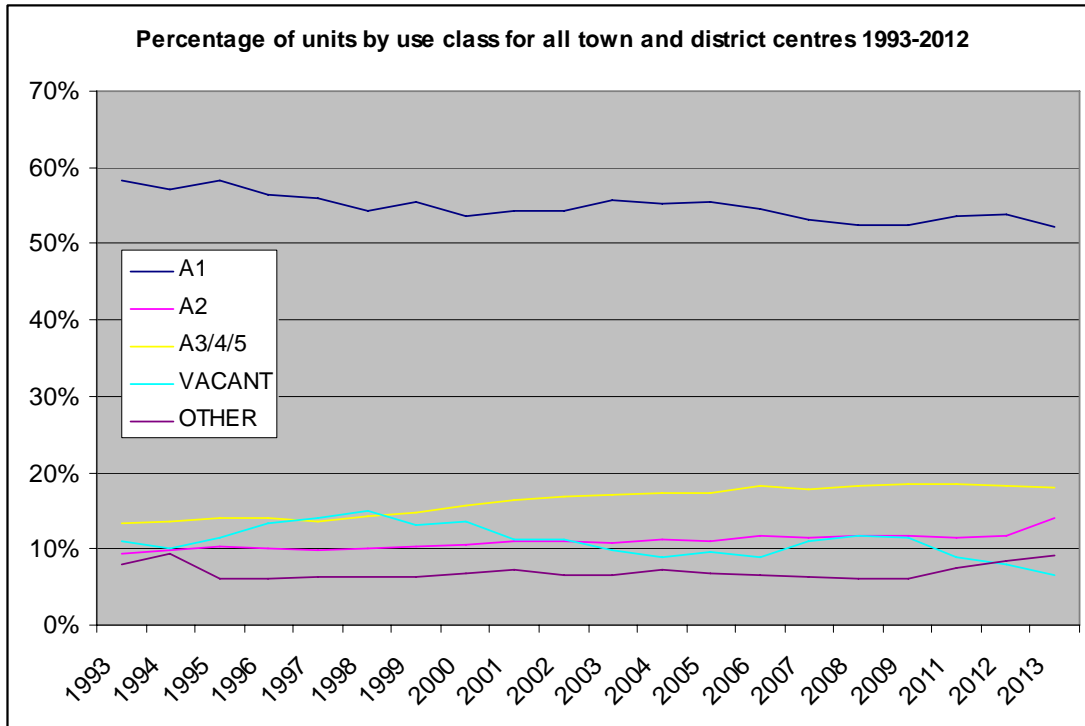


Figure 7 Percentage of units by use class 1993-2013

## 4 Betting shops

4.1.1 There are currently well publicised concerns that there is a proliferation of betting shops on the nation's high streets, and it is perceived by many that this is having negative consequences for town centres.

### 4.2 Betting shop trends: rate of growth slows to a halt

4.2.1 The local data shows that there was a notable increase in the number of betting shops within the Borough's town centres in the period succeeding the liberalisation of gambling licensing via the Gambling Act 2005. The total number of betting shops within the borough's town centres increased from 19 in 2004 to 31 in 2009 (figure 8).

4.2.2 However, there has been only a small increase of two new betting shops in the Borough's centres between 2009 and the present day, and no increase at all within the past year. Therefore it appears that the Borough is not currently facing an influx of gambling premises.

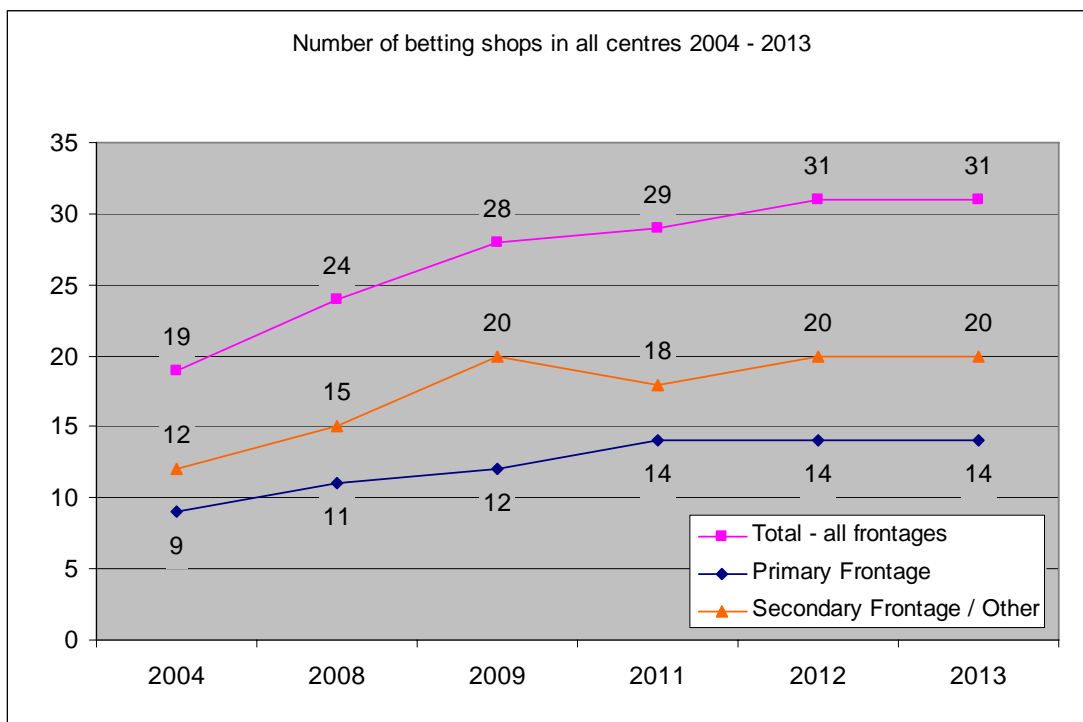


Figure 8 Number of betting shops in all centres 2004-2013

### 4.3 Betting shops trends: increases in numbers mainly limited to larger centres, smaller centres barely affected

4.3.1 The statistics for individual centres show a clear split between the three largest centres – Lewisham, Catford and Deptford which have generally experienced significant increases in the number of betting shops, and the remainder of the smaller centres (table 1 and figure 9).

4.3.2

	2004	2013	Gain / loss
Lewisham	3	8	5
Catford	4	6	2
Deptford	4	7	3
Sydenham	3	3	0
Forest Hill	1	2	1
Blackheath	1	1	0
Lee Green	2	2	0
Downham	1	2	1
<b>Total</b>	<b>19</b>	<b>31</b>	<b>12</b>

Table 1 Number of betting shops for each centre, 2004 and 2013



Figure 9 Number of betting shops for each centre 2004-2013

4.3.3 Each of the smaller centres has seen no increase in the number of betting shops in the period 2004 to 2013, with the exception of Downham which has each seen an increase of just one betting shop over the period.

4.3.4 Lewisham town centre, on the other hand, has seen the number of betting shops more than double from 3 in 2004 to 8 in 2013. Deptford has also seen a significant increases, from 4 in 2004 to 7 in 2013. Catford has experienced a more moderate increase from 4 in 2004 to 6 in 2013.

4.3.5 Therefore the phenomena of the proliferation of betting shops, as discussed by the national media, has not been experienced by the majority of the Borough’s centres. Instead, bookmakers have focused on the larger centres within the Borough, with Lewisham and Deptford both experiencing a notable influx of new gambling establishments.

4.3.6 One final point to note is that no centre has seen an increase in the number of betting shops since the period 2008-2009, with the exception of Deptford which saw an increase between 2009-2011, and Lewisham which saw an increase between 2011-2012. There was no increase in the number of betting shops in any centre in the period 2012-2013. It is too early to say whether the increase in the number of betting shops has ceased, or whether this is a temporary reprieve.

## 5 Takeaways

5.1.1 There have been recent concerns regarding the number of takeaways in the Borough, and their potential health consequences. These concerns have led to the inclusion of DM Policy 18 in the submission version of the Development Management Local Plan. This policy seeks to limit the number of takeaways in major and district centres to 5% of the total number of units. The policy is expected to be adopted formally in 2014.

### 5.2 Takeaway trends: increase of 5 takeaways in period 2012-2013

5.2.1 The number of takeaways in the Borough's centres increased by 5 units in the period 2012-2013. This follows a period of zero net increase in the number of takeaways over the three year period 2009-2012.

5.2.2 Over the longer period 2008-2013 there has been a net increase of 8 takeaways in all of the Borough's centres.

5.2.3 Therefore the perception that the number of takeaways in the Borough are increasing is correct, although the figure 10 below demonstrates that the increase has not been constant throughout the period.

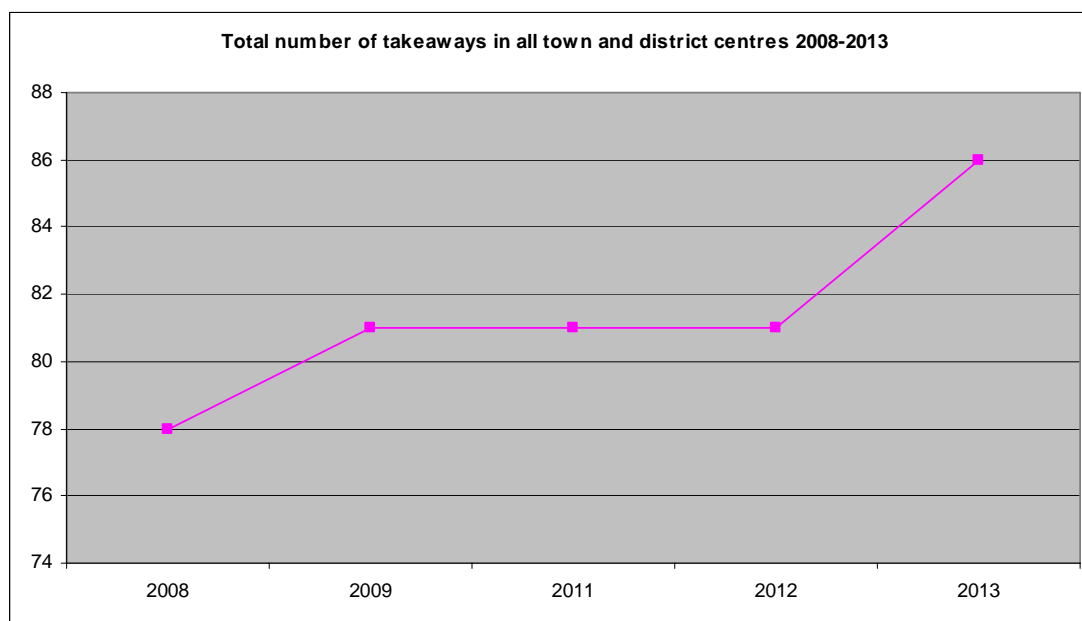


Figure 10 Total number of takeaways in all of Lewisham Borough's town and district centres 2008-2013

### 5.3 Takeaway trends: significant increase in Catford, marginal increase, or decrease, elsewhere

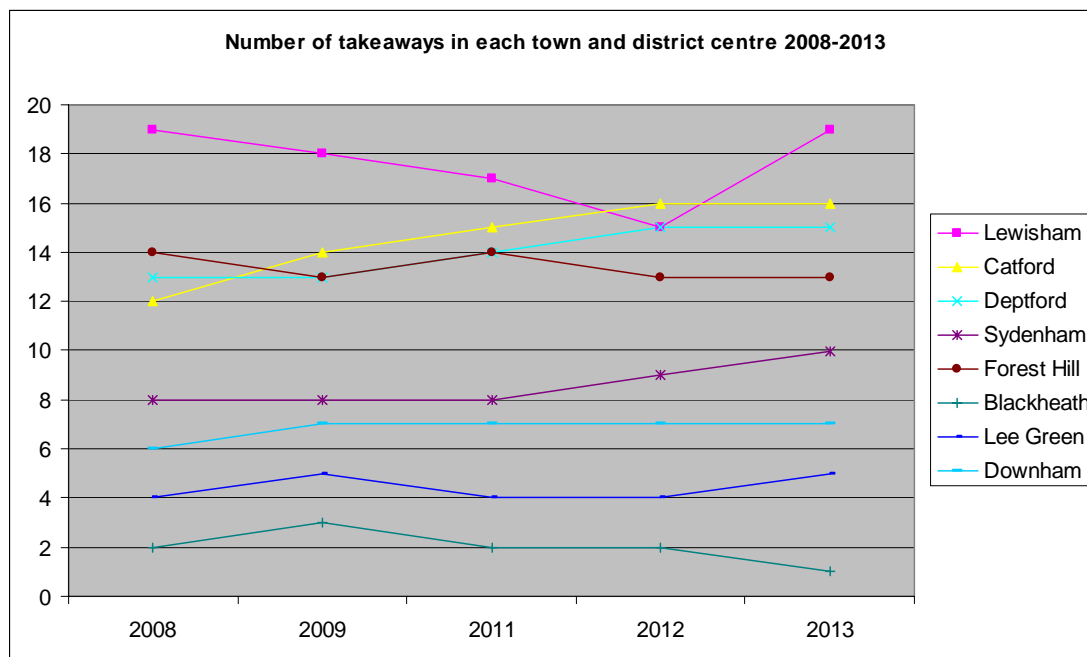
5.3.1 The survey data shows the number of takeaways decreased in two centres over the period, remained the same in one centre, and increased in five centres (table 2 and figure 11).

5.3.2 Catford was the only centre to experience a significant increase over this period, possessing four more takeaways in 2013 than in 2008. The remainder of the centres experiencing increases saw only one or two additional units.

**Number of takeaways by centre**

	2008	2013	Gain / loss
Lewisham	19	19	0
Catford	12	16	4
Deptford	13	15	2
Sydenham	8	10	2
Forest Hill	14	13	-1
Blackheath	2	1	-1
Lee Green	4	5	1
Downham	6	7	1
<b>Total</b>	<b>78</b>	<b>86</b>	

**Table 2 Number of takeaways for each centre, 2008 and 2013**



**Figure 11 Number of takeaways for each centre 2008-2013**

### 5.4 Takeaways: percentage of units in takeaway use too high for all centres except Blackheath

5.4.1 The data has been analysed to calculate the percentage of all units in each centre that are in takeaway use. This analysis shows that every town and district centre fails to meet the DM Policy 18 target of a maximum of 5% units in takeaway use, with the exception of Blackheath (figure 12).

5.4.2 The data shows New Cross to be significantly over the target, with Catford, Forest Hill, and Downham also having a notably high percentage of takeaway units.

5.4.3 The adoption of DM Policy 18 in 2014 will not necessarily see a reduction in the percentage of units used as takeaways in each of the centres, as the policy can only be applied to proposals for new takeaways, and cannot be used to regulate existing takeaways. However, the application of the policy will curtail the further growth of takeaways in eight out of the nine centres.

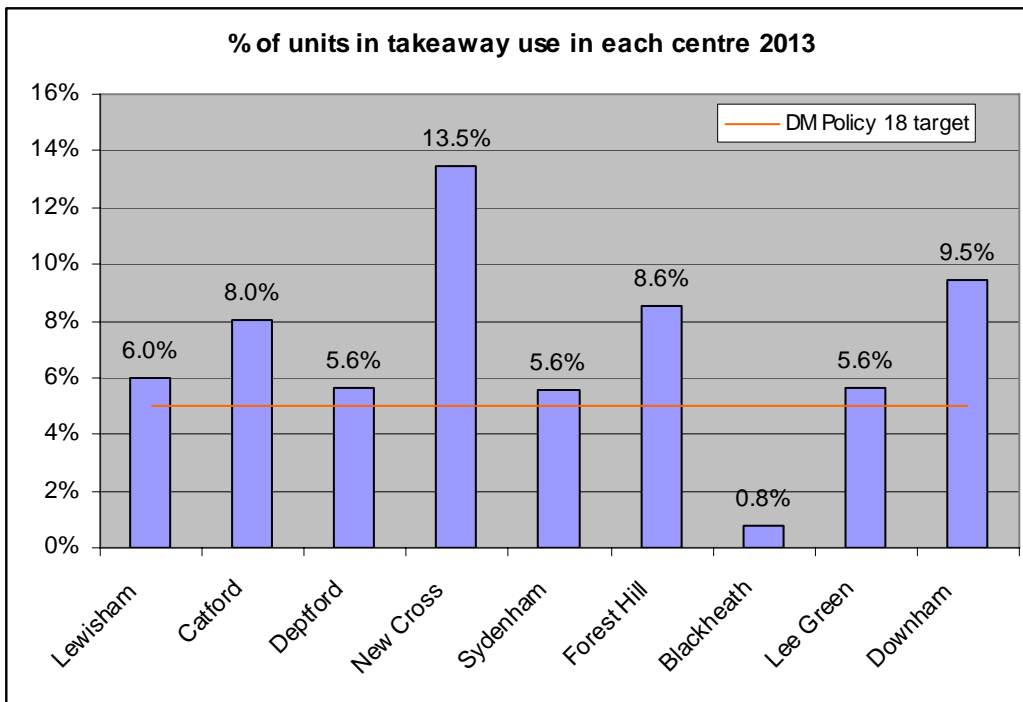


Figure 12 Percentage of units in takeaway use in each centre 2013



## 6 Public houses and bars

6.1.1 Public houses are considered to be assets of community value, and the recent national decline in the number of public houses has been met with consternation. Lewisham's planning policies seek to protect assets of community value, however public houses may still be lost where permitted development rights exist, or where the public house use is no longer viable.

### 6.2 Public house long term trends: loss of pubs in every centre except Blackheath; significant losses in Lewisham town centre

6.2.1 The long-term data shows there has been a loss of 13 pubs and bars in the Borough's centres during the period 2004-2013 (figure 13).

6.2.2 Every centre except Blackheath has experienced a loss of pubs during the period (table 3). These losses range from one to two units in the various centres, aside from Lewisham centre which has seen a significant loss of six pubs.

6.2.3 Downham is unique in that it has possessed no pubs during the survey period.

#### Number of pubs/bars in each town and district centre 2004-2013

	2004	2013	Gain / loss
Lewisham	11	5	-6
Catford	7	5	-2
Deptford	6	5	-1
Sydenham	5	3	-2
Forest Hill	6	5	-1
Blackheath	4	4	0
Lee Green	4	3	-1
Downham	0	0	0
<b>Total</b>	<b>43</b>	<b>30</b>	<b>-13</b>

Table 3 Number of pubs/bars in each centre 2004 and 2013

### 6.3 Public house short term trends: respite from decline?

6.3.1 The short-term data shows no overall loss of pubs in the Borough's centres in the period 2011-2013 (figure 13).

6.3.2 Only Lewisham town centre has experienced a loss (of one pub) in this period, however this has been balanced out by a gain of one pub in Forest Hill (figure 14).

6.3.3 The short term data therefore shows promising signs that the decline in the numbers of public houses and bars may be subsiding, however it is too early to state this with any surety.

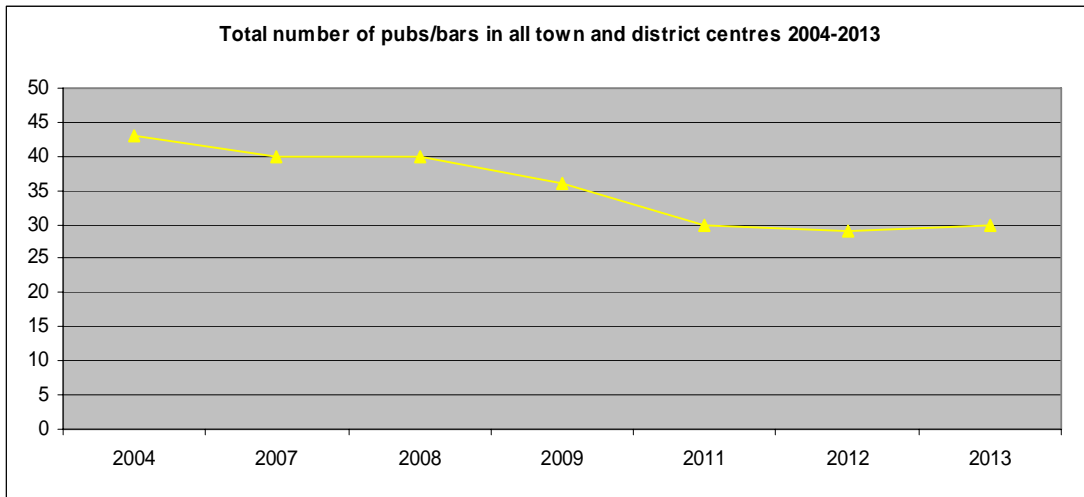


Figure 13 Total number of pubs/bars in all town and district centre 2004-2013

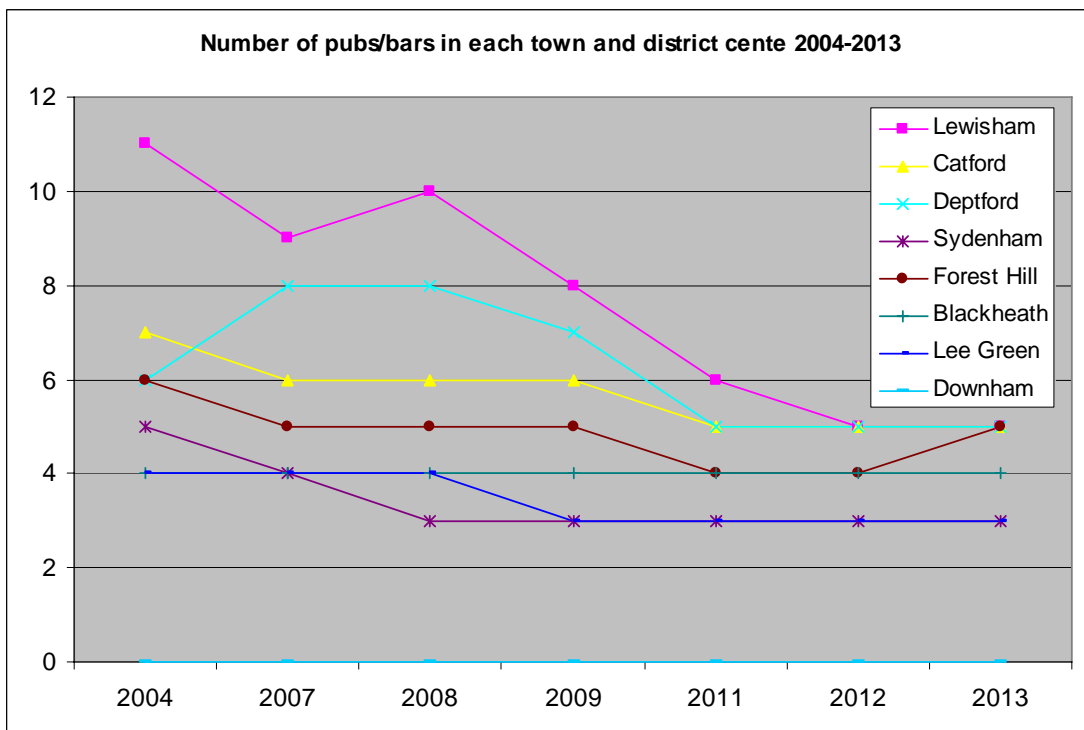


Figure 14 Number of pubs/bars in each centre 2004-2013

## 7 Summary

- 7.1.1 The Borough's town centres are generally in good health, and are not suffering from the type of rapid decline discussed recently in the national media.
- 7.1.2 Vacancy rates in the Borough are low compared with the national and regional averages, and furthermore the trend is for constantly improving vacancy rates over the past five years in the majority of centres.
- 7.1.3 There is a concern for the Borough's centres as a whole regarding the low proportion of A1 units found within the primary shopping frontages. Only Lewisham, Deptford and Downham meet the target of at least 70% of primary shopping units being in A1 use. Forest Hill and Lee Green both have less than 50% of primary shopping units in A1 use, resulting in a concern that these centres no longer have a predominantly retail function.
- 7.1.4 However, the decline in the percentage of units in A1 use is has been very gradual, occurring over a twenty year period, and there is no short term significant decline in A1 units. Therefore there is considered to be no general threat to the retail character of the majority of the Borough's centres.
- 7.1.5 The majority of centres have seen either a small increase of one additional betting shop, or have seen no increase in betting shops, over the period 2004-2013. However, Lewisham, Catford and Deptford centres are the exception, experiencing a more significant increase over this period. No centres have seen an increase in the number of betting shops within the last year.
- 7.1.6 Blackheath is the only centre in the Borough which meets the proposed Development Management Local Plan (DMLP) Policy 18 target of having no more than 5% of units in takeaway use, with all other centres failing to meet this target. Overall the number of takeaways has increased from 78 to 86 in all centres between 2008-2013. Catford centre has seen the greatest increase, with four additional takeaway units appearing in this period. The anticipated adoption of proposed DMLP should stop any further increase in all centres aside from Blackheath.
- 7.1.7 The number of public houses within the Borough's centres has been in decline over the nine year period 2004-2013. However, this decline appears to have come to a halt in the past two years, with no overall loss of public houses within the Borough's centres in the period 2011-2013.
- 7.1.8 In conclusion, the Borough's town centres are in relatively good health, with low vacancy rates which further improve year on year. The trends for losses of public houses and for increases in the number of betting shops have ceased in the past year, however there has been an increase in the number of takeaways in the same period. There is a need to protect the A1 units within the centres, and to limit the openings new of takeaways within the centres, in order to meet proposed local plan targets.