

**Lewisham Planning Department**



# Town and District Centres

## Retail Report 2015

### Part I:

### Issues and trends

January 2016

## Table of contents

1	Introduction.....	4
1.1	The Town and District Centre Survey .....	4
1.2	The Major Town and District Centre Retail Report.....	4
2	Vacancy rates.....	5
2.2	Vacancy rates: the Borough compares well; but Lee Green is a cause for concern.....	5
2.3	Vacancy rate trends: The overall picture.....	7
2.4	Vacancy rate trends 2011-2015: By Town Centre .....	7
3	Proportion of units in A1 use .....	10
3.2	A1 uses in primary frontages: majority of town and district centres fail to meet target .....	10
3.3	A1 and other uses long term trends: gradual decline in A1 uses .....	11
4	Betting shops.....	12
4.2	Betting shop trends: All centres.....	12
4.3	Betting shops trends: Individual centres.....	12
5	Takeaways .....	14
5.2	Takeaway trends .....	14
5.3	Takeaway trends by centre .....	15
5.4	Takeaways: Proportion of commercial units in A5 use.....	16
6	Public houses and bars .....	17
6.2	Public house long term trends.....	17
6.3	Public house short term trends.....	18
7	Summary .....	19

## Figures

Figure 1 Mean average vacancy rates.....	5
Figure 2 Vacancy rates in Lewisham Borough.....	6
Figure 3 Mean vacancy rates for all centres 1993-2015.....	7
Figure 4 Vacancy rates for Deptford, New Cross, Sydenham, Forest Hill and Blackheath .....	8
Figure 5 vacancy rates for Downham .....	8
Figure 6 Vacancy rate for Lewisham, Catford and Lee Green 2011-2015.....	9
Figure 7 Percentage of primary frontage units in A1 use 2015.....	10
Figure 8 Percentage of units by use class 1993-2015.....	11
Figure 9 Number of betting shops in all centres 2004-2015 .....	12
Figure 10 Number of betting shops for each centre 2004-2015.....	13
Figure 11 Total number of takeaways in all of Lewisham Borough's Major and District centres 2008-2015 .....	14
Figure 12 Number of takeaways for each centre 2008-2015 .....	15
Figure 13 Percentage of units in takeaway use in each centre 2015.....	16
Figure 14 Total number of pubs/bars in all town and district centre 2004-2015 .....	18
Figure 15 Number of pubs/bars in each centre 2004-2015.....	18

## Tables

Table 1 Number of betting shops for each centre, 2004 and 2015.....	13
Table 2 Number of takeaways for each centre, 2008 and 2015 .....	15
Table 3 Number of pubs/bars in each centre 2004 and 2015 .....	17

# 1 Introduction

## 1.1 The Town and District Centre Survey

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

### *Major Town Centres*

- Lewisham
- Catford

### *District Town Centres*

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

1.1.2 The 2015 survey was conducted between August and October 2015. It recorded the occupant and use class of each ground floor unit within each of the town and district centres.

## 1.2 The Major Town and District Centre Retail Report

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

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

- **Part I: Retail Issues and Trends** is a summary analysis of the key issues facing town centres in the Borough.

1.2.3 The issues that have been identified are based on concerns that have been raised by local residents, Members, central government and national media. They include:

- vacancy rates;
  - diversity of use classes, particularly the proportion of A1 (retail) uses;
  - number of betting shops;
  - number of takeaways; and,
  - number of public houses.
- **Part II: Centre Analysis** presents the full survey results for each town centre. The following analysis is also undertaken regarding use class and business type:
    - proportion of units by use class
    - change in proportion of units by use class between 1993-2015
    - compliance with Local Plan policies relating to the percentage of primary shopping units in A1 use and the percentage of all units in A5 use
    - number of units categorised by use class and sub-categorised by business type

## 2 Vacancy rates

2.1.1 High vacancy rates are a strong indication of a struggling town centre, however the majority of centres within the Borough are faring well compared with the England and Great Britain average.

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

2.2.1 The mean vacancy rate for Great Britain was estimated to be 13% for the first half of 2015<sup>1</sup>. The mean vacancy rate for England was reported as 11.5%<sup>2</sup> and the London vacancy rate estimated at 7.9%<sup>3</sup> during H1 (Local Data Report) 2015. The mean vacancy rate for the Borough's two major town centres and the seven district centres was 8.24% in 2015 (Figure 1) which is a little higher than the estimated London-wide vacancy rate but compares favourably to those of England and Great Britain.

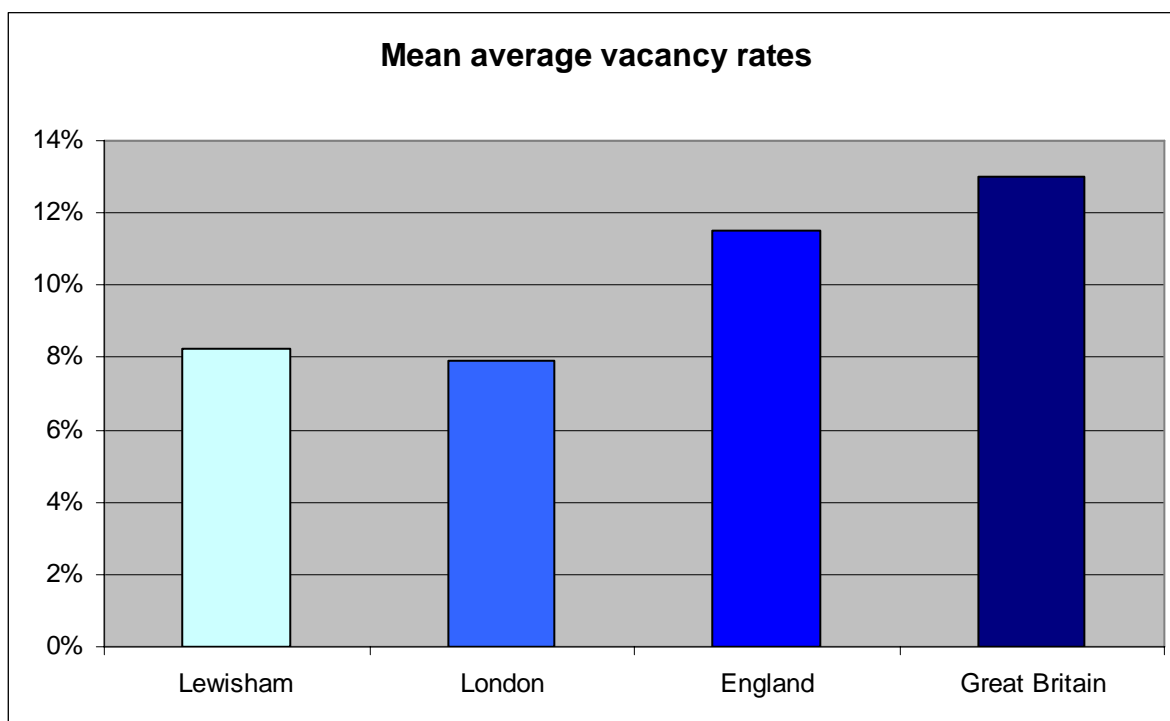


Figure 1 Mean average vacancy rates

<sup>1</sup> Local Data Company <http://blog.localdatacompany.com/topic/vacancy-rates/page/2>

<sup>2</sup> 12<sup>th</sup> LDC retail summit H1 2015.

<sup>3</sup> Engage Customer <http://engagecustomer.com/number-of-long-term-vacant-retail-units-up-by-a-quarter-to-nearly-10000/>

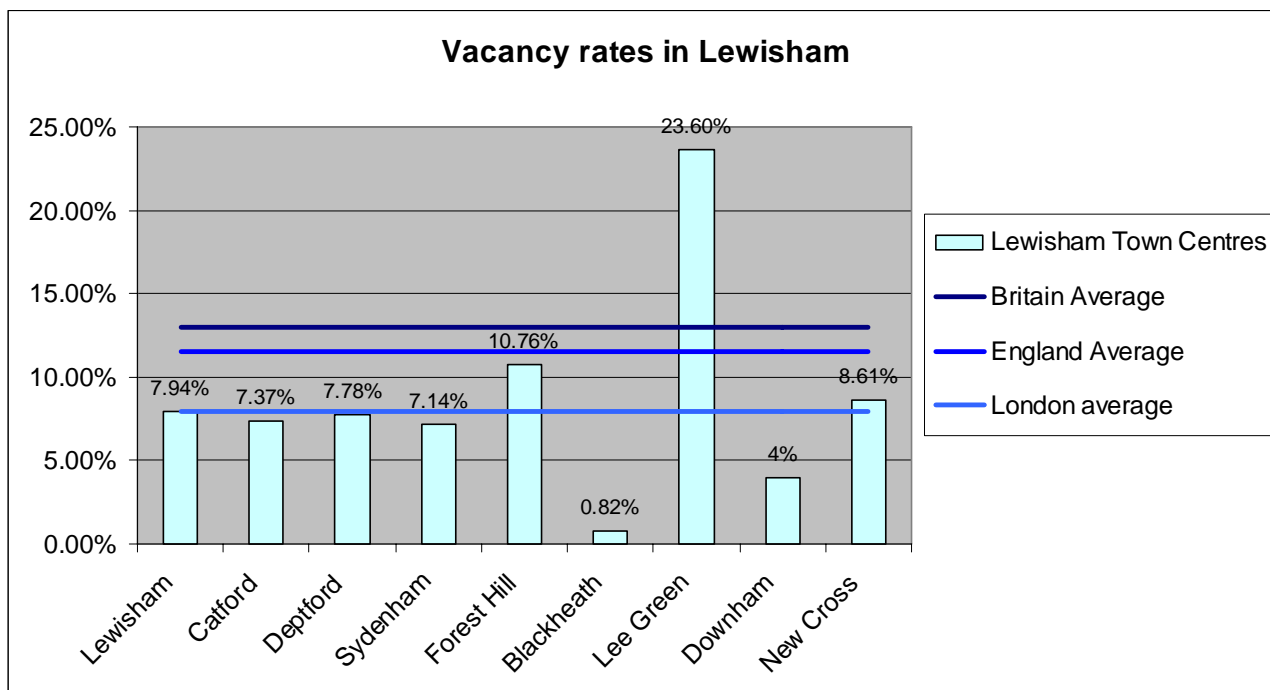


Figure 2 Vacancy rates in Lewisham Borough

- 2.2.2 Figure 2 compares each of the Borough’s town centres with each other, and with the averages for London and Great Britain.
- 2.2.3 The Borough’s two major town centres, Lewisham and Catford, compare favourably to the London average retail vacancy rate but are significantly below the averages for Great Britain and England; with the two centres having vacancy rates of 7.94% and 7.37% respectively.
- 2.2.4 Amongst the district centres, Blackheath stands out as particularly a strong performer, with a vacancy rate of 0.8%, equating to a single unit that was vacant at the time of survey.
- 2.2.5 All other district centres, aside from the Lee Green District Centre have vacancy rates close to the London average vacancy rate, but below mean vacancy rates for England and Great Britain.
- 2.2.6 Based on the data outlined above, Lee Green district centre is the only town centre in the Borough which stands out as having a significantly higher vacancy rate than the London, England and Great Britain mean vacancy rates.

### 2.3 Vacancy rate trends: The overall picture

2.3.1 The average figures for the all of the Major and District centres in the Borough are encouraging. Vacancy rates have decreased markedly since the financial crises of 2008, although they have increased slightly in the last two years.

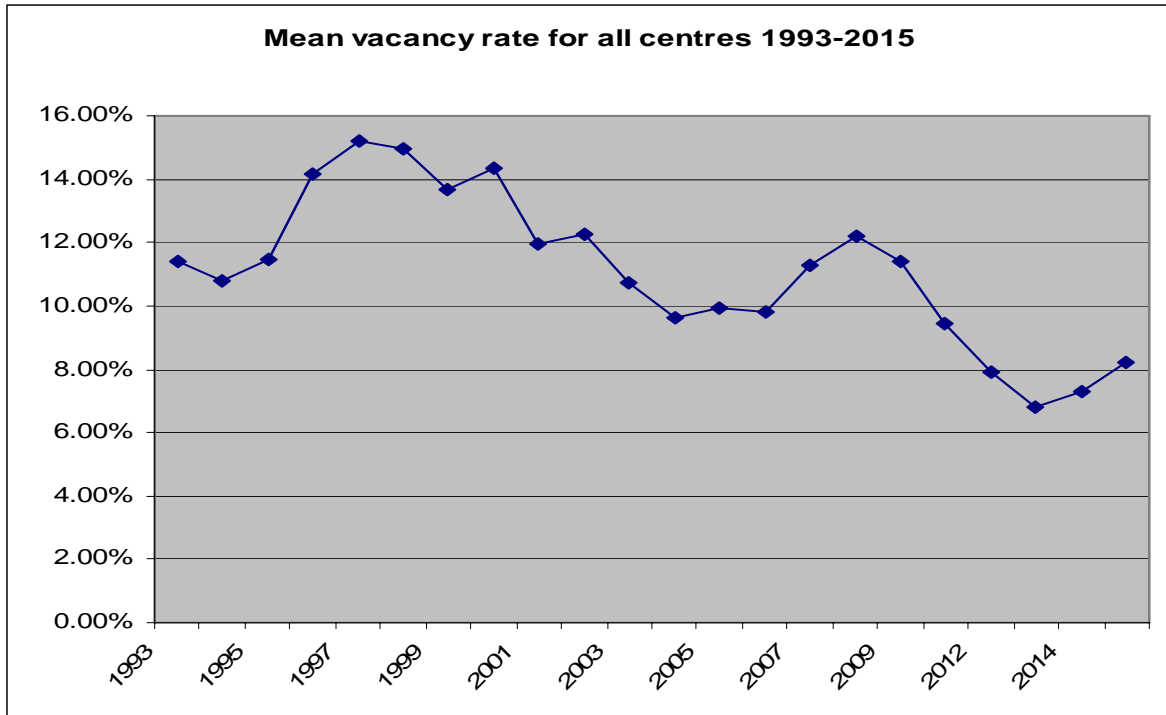
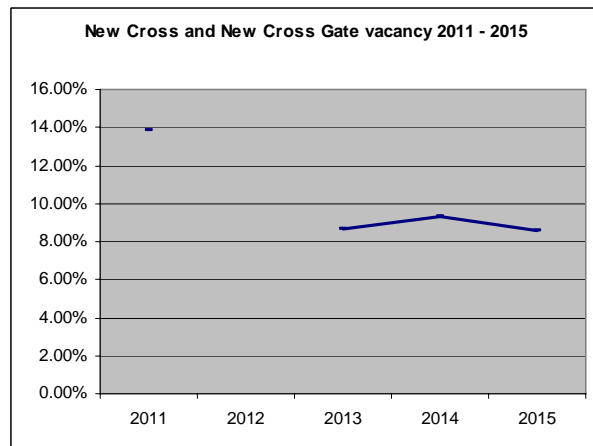
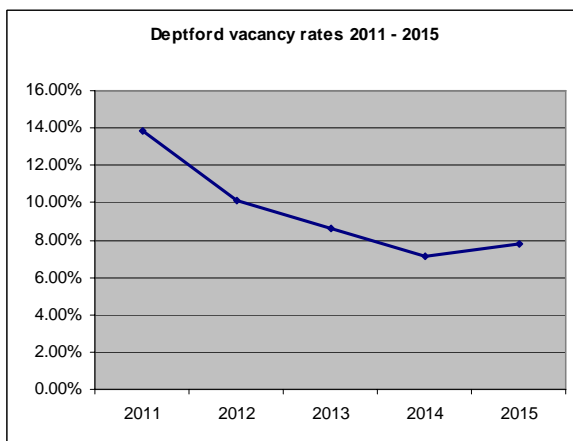


Figure 3 Mean vacancy rates for all centres 1993-2015

### 2.4 Vacancy rate trends 2011-2015: By Town Centre

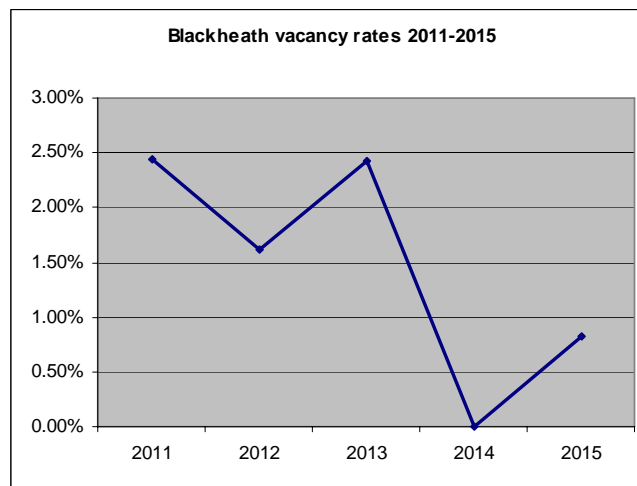
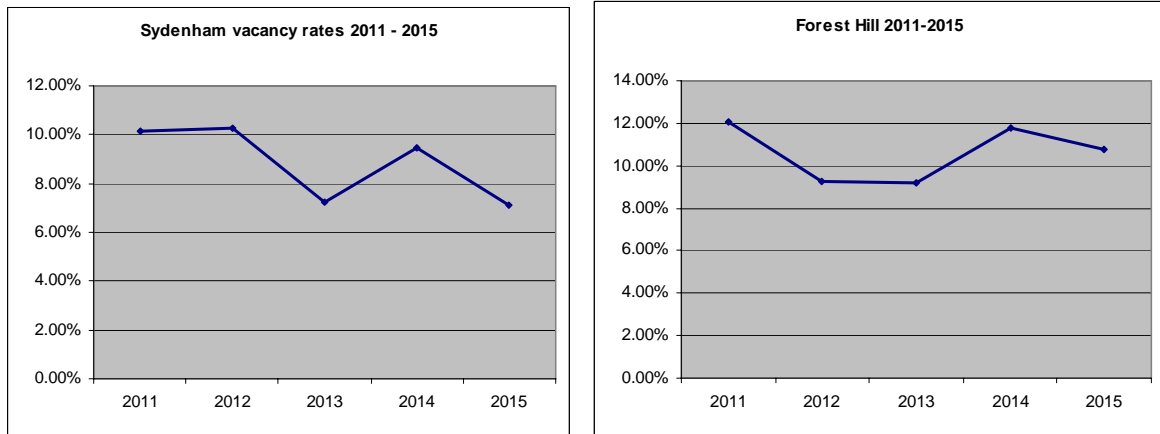
2.4.1 Between 2011 and 2015 the majority of centres have either seen a decrease in vacancy rates or have remained relatively stable over a four year period. Deptford, New Cross and New Cross Gate<sup>4</sup>, Sydenham and Forest Hill centres are notable for having reductions in the proportion of vacant units during this four year period (see charts below).

2.4.2 Whilst Blackheath has seen a slight increase in the proportion of vacant retail units, this district centre has consistently performed well with a low proportion of vacant units overall.



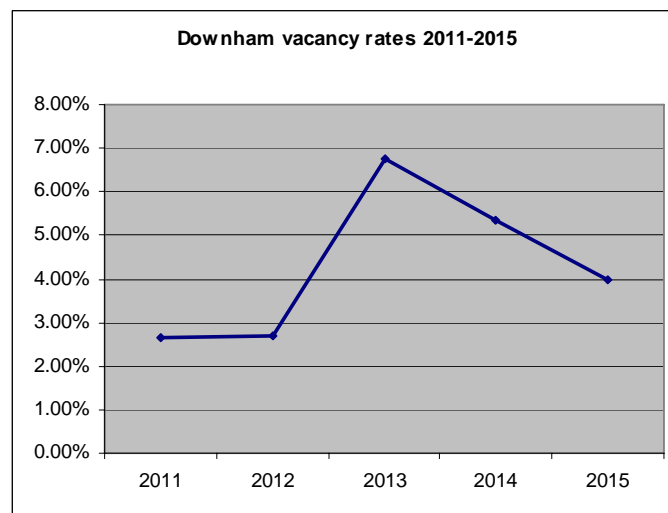
<sup>4</sup> Note: Data was not collected for the New Cross and new Cross and New Cross Gate Centre in 2012.

## Town and District Centre Retail Report Part I



**Figure 4 Vacancy rates for Deptford, New Cross, Sydenham, Forest Hill and Blackheath**

2.4.3 Downham has ended the four year period 2011-2015 with a higher vacancy rate than it began, rising from 2.67% to 4%. However, Downham still has the second lowest vacancy rate of all the district centres in the Borough at 4%.



**Figure 5 vacancy rates for Downham**



- 2.4.4 The proportion of shop units that are vacant has been increasing in Lewisham Town Centre in recent years from 4.11% in 2014 to 7.94% in 2015. It is currently under a period of change due to the implementation of the Lewisham Gateway scheme and it is expected that these changes will impact on the number of vacant shop units in the next few years.
- 2.4.5 Catford is another town centre that has ended the four year period (2011 to 2015) with a higher proportion of vacant units than at the start, rising to 7.37% in 2015 from 4.98%.
- 2.4.6 Lee Green is the only town centre which has seen consistently high vacancy rates over the entirety of the 22 year period (1993-2015). The proportion of vacant units in Lee Green has risen sharply to 23.6% in 2015. This is likely to be associated with the planned redevelopment of the Leegate Centre.

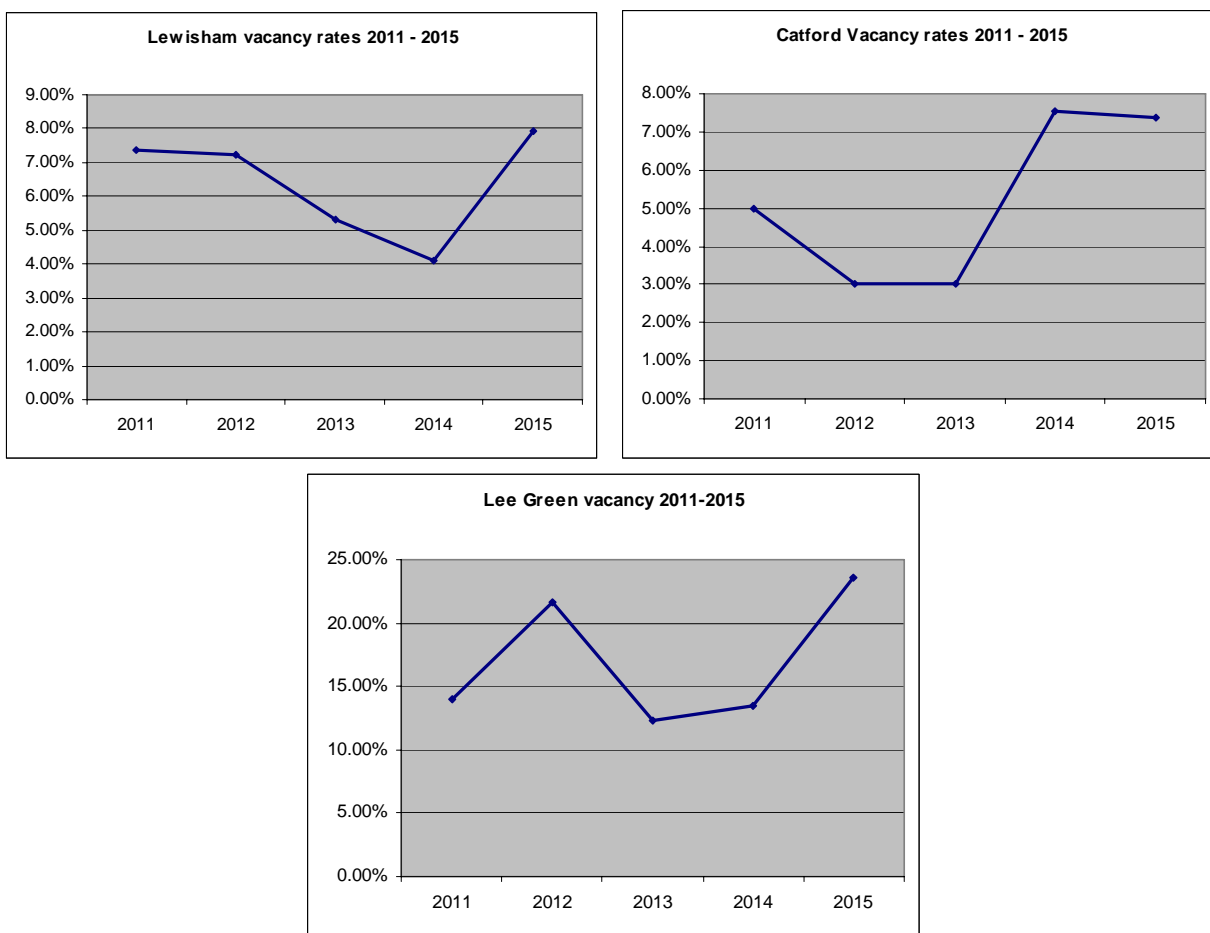


Figure 6 Vacancy rate for Lewisham, Catford and Lee Green 2011-2015

### 3 Proportion of units in A1 use

3.1.1 Traditionally, town and district centres are considered to be shopping destinations, with additional ancillary functions such as banking, food, drink, and other services playing a supporting role in their vitality.

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

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

3.2.1 The majority of town centres fail to meet the target of 70% A1 units in their primary shopping frontages. Only Lewisham, Deptford and Downham exceed the target. Catford is 7.2% short of the target.

3.2.2 Forest Hill and Lee Green both have less than 40% of primary shopping frontage units in A1 use, and therefore there is a concern that the retail function of the primary shopping frontages is being eroded.

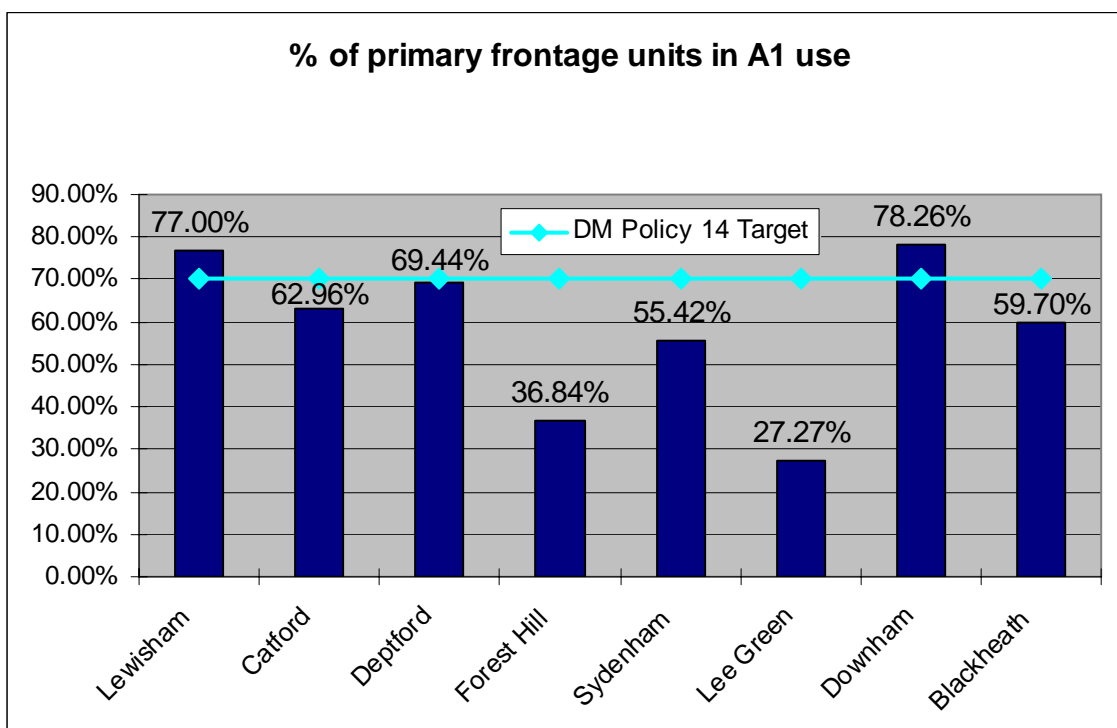


Figure 7 Percentage of primary frontage units in A1 use 2015

### 3.3 A1 and other uses long term trends: gradual 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 47.17% in 2015 (Figure 8). During the same period A2 uses (such as banks high street solicitors) have increased from 9% to 11.73%, and A3/A4/A5 uses (restaurants, cafés, pubs and takeaways) from 13% to 19.37%. Vacancy rates have declined from 10.99% in 1993 to 8.24% in 2015. There has been a rise in ‘other’ uses from 8.03% in 1993 to 13.48% in 2015 but this is partly attributable to the reclassification of betting shops from A2 use class to Sui Generis Use Class in 2015.

3.3.2 The shift in uses within the centres has been gradual and fluctuating with marked differences between centres (see Figure 8). The general changes in shopping patterns, notably the increase in internet shopping is considered to impact on the gradual decline in A1 units.

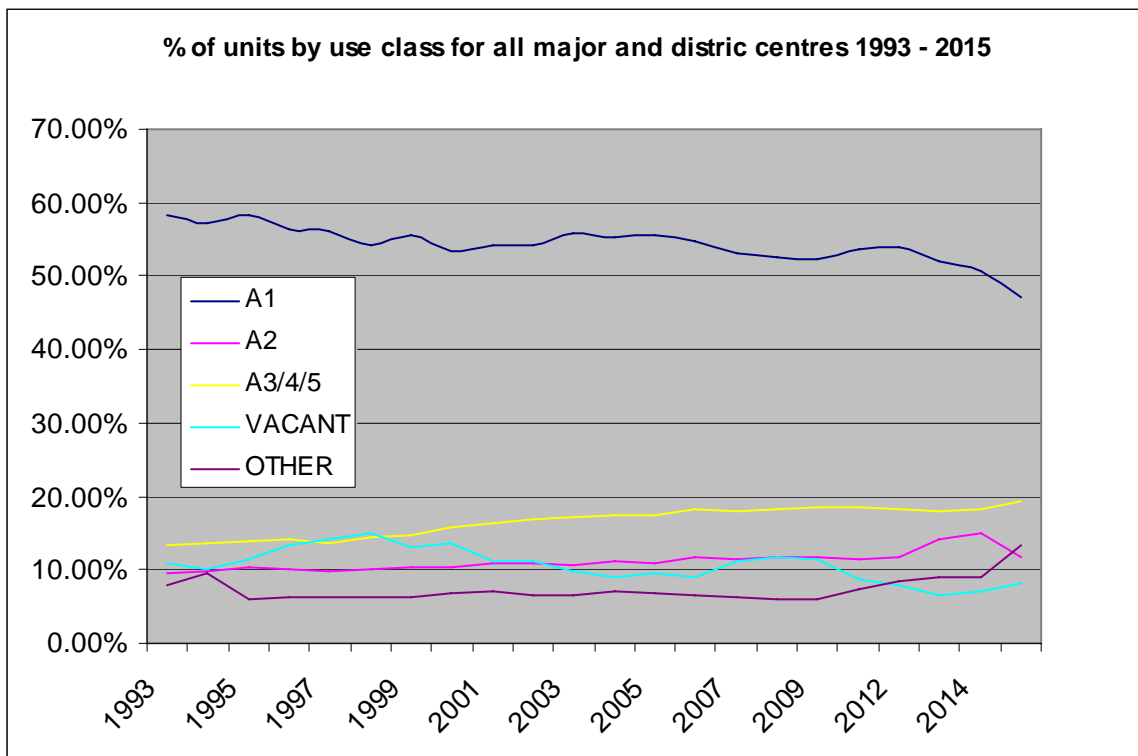


Figure 8 Percentage of units by use class 1993-2015

## 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: All centres

4.2.1 The survey 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 36 in 2015 (Figure 9).

4.2.2 However, there has been only a small increase of four new betting shops in the Borough’s centres between 2009 and 2015, and no increase at all between 2014 and 2015. Therefore, it appears that the Borough is not currently facing an influx of gambling premises.

4.2.3 It should be noted that in 2015 betting shops were reclassified under the Use Class Order from A2 to Sui Generis. This means that a planning application will have to be submitted to seek the creation of a betting shop as the Sui Generis does not enjoy any permitted change of use permitted development rights.

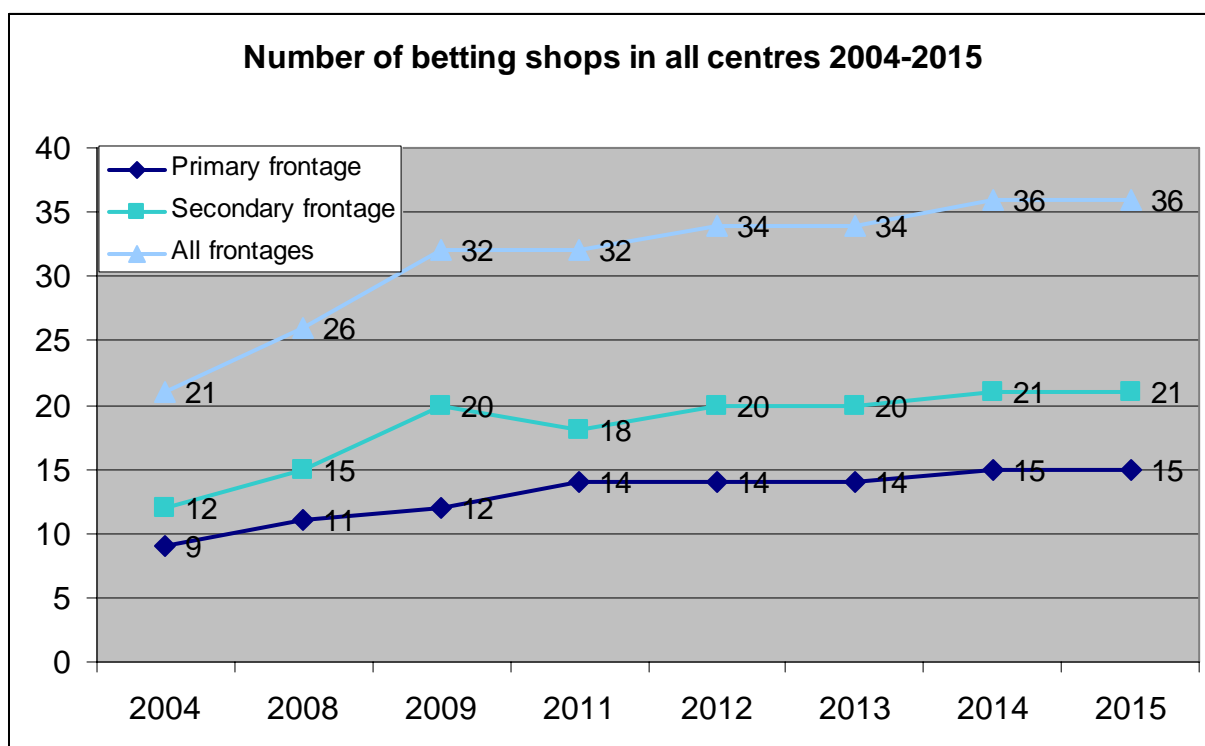


Figure 9 Number of betting shops in all centres 2004-2015

### 4.3 Betting shops trends: Individual centres

4.3.1 The data shows a gap between the three largest centres – Lewisham, Catford and Deptford which have all experienced significant increases in the number of betting shops, and the remainder of the smaller centres (Table 1 and Figure 10).

	2004	2015	Gain / loss
Lewisham	3	8	5
Catford	4	6	2
Deptford	4	7	3
Sydenham	3	4	1
Forest Hill	1	2	1
Blackheath	1	1	0
Lee Green	2	2	0
Downham	1	3	2
New Cross and New Cross Gate	2	3	1
<b>Total</b>	<b>21</b>	<b>36</b>	<b>15</b>

Table 1 Number of betting shops for each centre, 2004 and 2015

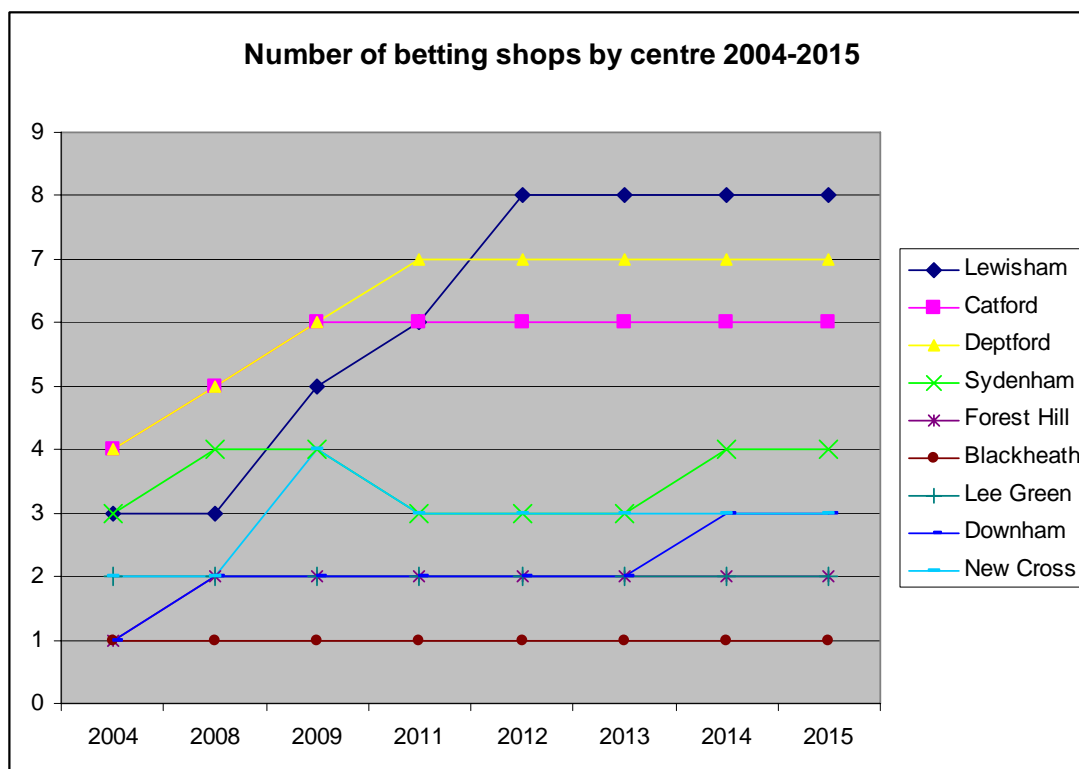


Figure 10 Number of betting shops for each centre 2004-2015

- 4.3.2 Each of the smaller centres has seen a smaller increase in the number of betting shops in the period 2004 to 2015<sup>5</sup>.
- 4.3.3 However, no centre has seen an increase in the number of betting shops during the period 2014-2015. It is too early to say whether the increase in the number of betting shops has ceased, or whether this is a temporary reprieve.

<sup>5</sup> Note: New Cross and New Cross Gate merged into one centre (for the purpose of this study) in 2011. The data has been backdated to 2009 hence the jump in the number of betting shops for New Cross and New Cross Gate from 2008 to 2009.

## 5 Takeaways

5.1.1 There have been recent concerns regarding the number of takeaways in the Borough, and their potential health impacts. These concerns have led to the inclusion of DM Policy 18 in the Development Management Local Plan (adopted November 2014). This policy seeks to limit the number of takeaways in major and district centres to 5% of the total number of units.

### 5.2 Takeaway trends

5.2.1 The number of takeaways in the Borough's town centres decreased by 5 units in the period 2014-2015.

5.2.2 Over the longer period 2008-2015 there has been a net increase of 19 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 Figure 10 below demonstrates that the increase has not been constant throughout the period. Although it is too early to confirm, it does appear that the application of DM policy 18 could be helping to discourage further growth of takeaways in the centres.

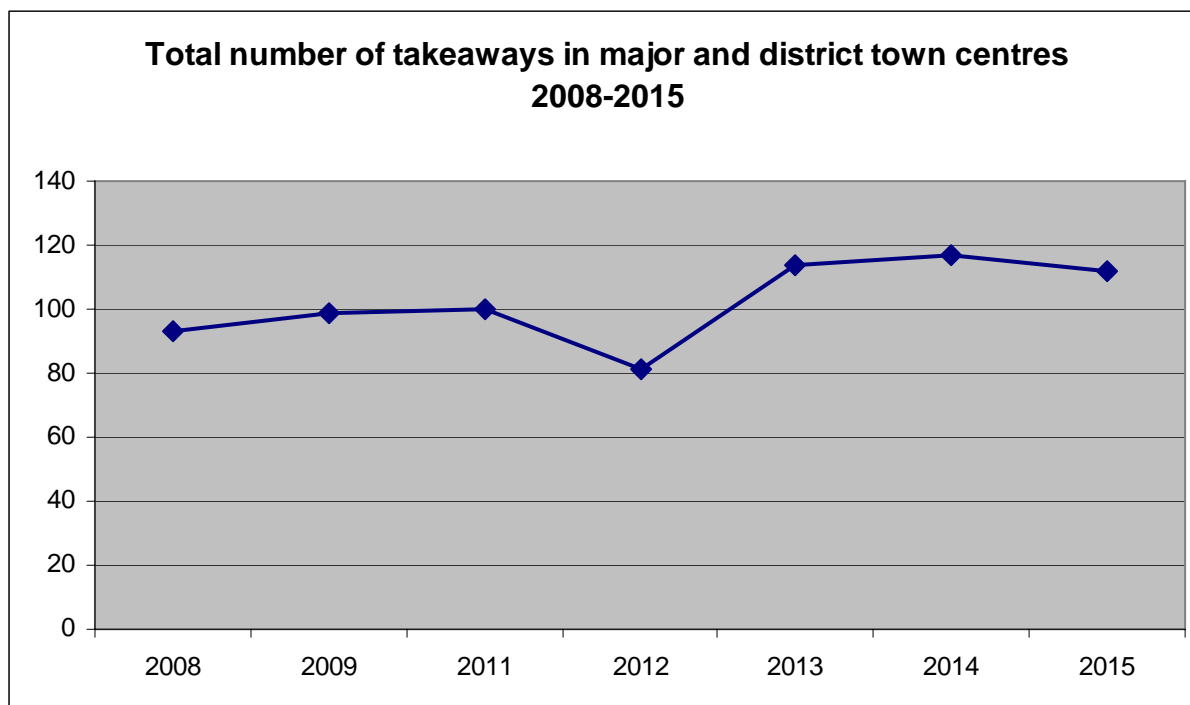


Figure 11 Total number of takeaways in all of Lewisham Borough's Major and District centres 2008-2015

### 5.3 Takeaway trends by centre

5.3.1 The survey data shows the number of takeaways decreased in two town centres over the 2008-2015 period, remained the same in one centre, and increased in six centres (Table 2 and Figure 12).

	2008	2015	Gain / loss
Lewisham	19	17	-2
Catford	12	14	2
Deptford	13	16	3
Sydenham	8	10	2
Forest Hill	14	11	-3
Blackheath	2	2	0
Lee Green	4	5	1
Downham	6	9	3
New Cross and New Cross Gate <sup>6</sup>	15	28	13
<b>Total</b>	<b>93</b>	<b>112</b>	<b>19</b>

Table 2 Number of takeaways for each centre, 2008 and 2015

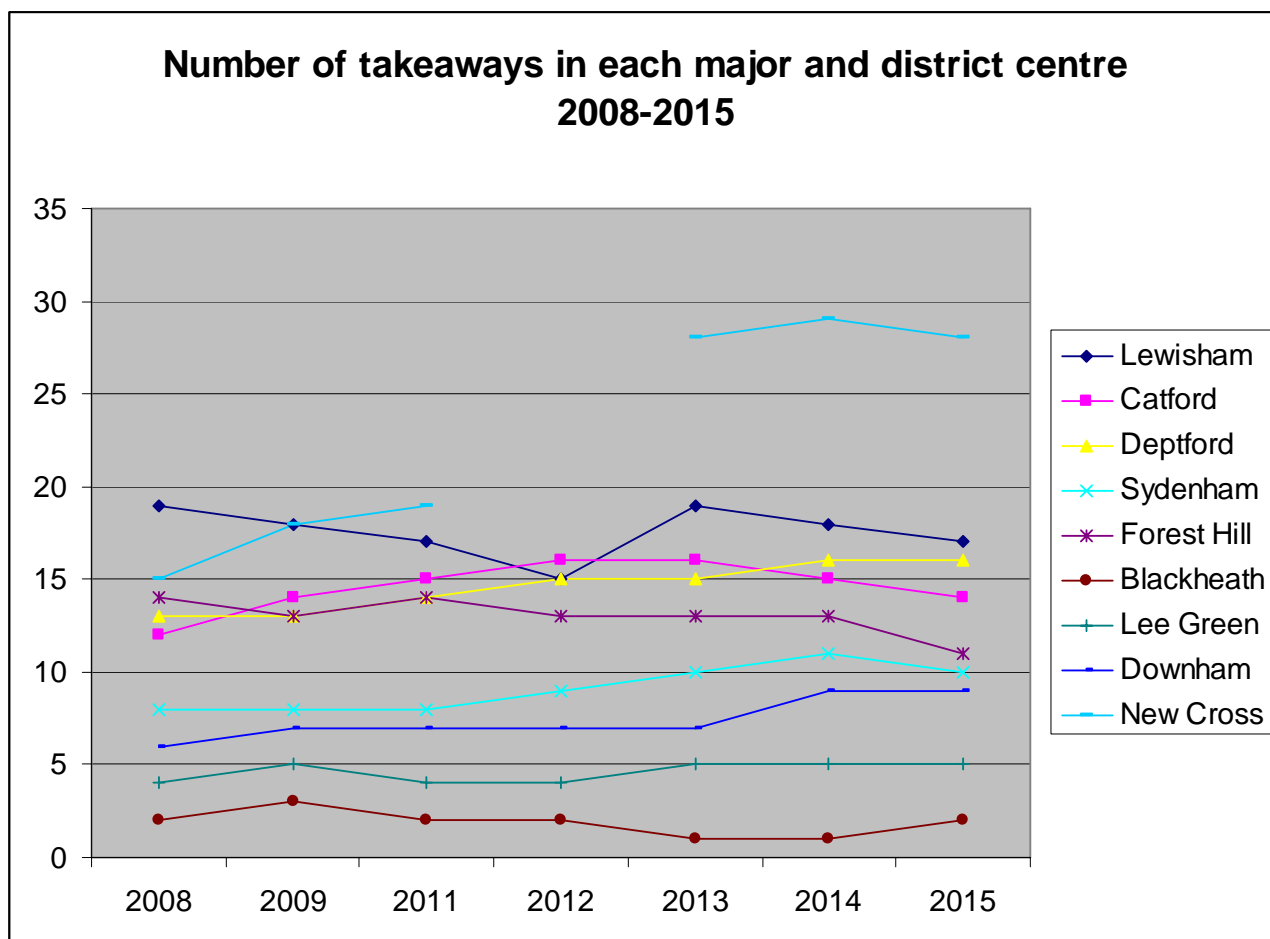


Figure 12 Number of takeaways for each centre 2008-2015

<sup>6</sup> Note that the significant increase in takeaways is the result of merging the New Cross and New Cross Gate survey areas together from 2011, with the data for both centres amalgamated back to 2009, hence the jump in takeaways from 2008 - 2009. Note, the centre was not surveyed in 2012.

### 5.4 Takeaways: Proportion of commercial units in A5 use

- 5.4.1 The data has been analysed to calculate the percentage of all units in each town 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 Lewisham and Blackheath (Figure 13).
- 5.4.2 The data shows that New Cross (including New Cross Gate) and Downham significantly exceed the target.
- 5.4.3 The adoption of DM Policy 18 in November 2014 has not necessarily caused the reduction in the percentage of units used as takeaways in each of the town centres, as the policy can only be applied to proposals for new takeaways, and cannot be used to regulate those that already exist. However, there has been a slight reduction in the number of takeaways in the borough during the period 2014-2015 and the application of the policy should curtail the further growth of takeaways in eight out of the nine town centres.

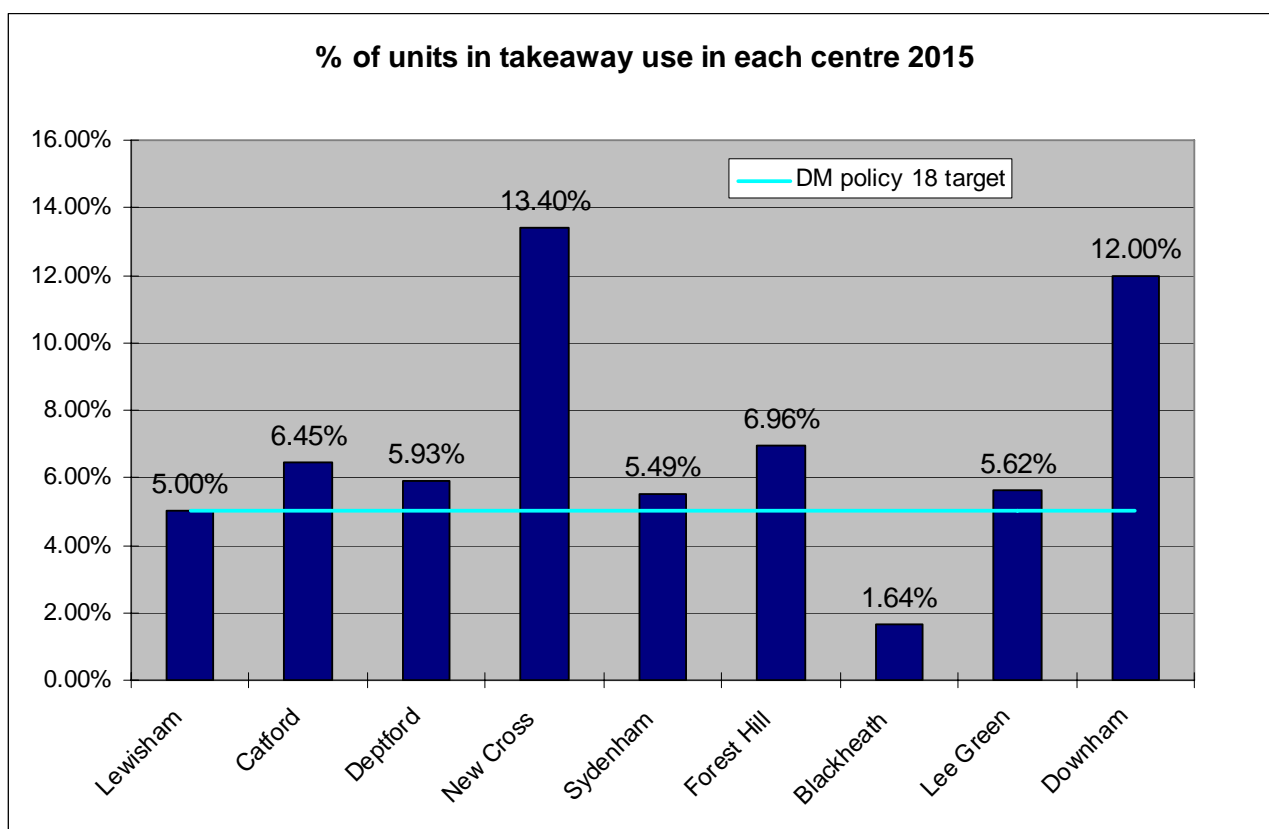


Figure 13 Percentage of units in takeaway use in each centre 2015



## 6 Public houses and bars

6.1.1 The recent national decline in the number of public houses has been met with general concern by the public. 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

6.2.1 The data shows there has been a loss of 10 pubs and bars in the Borough's town centres during the period 2004-2015 (Figure 14).

6.2.2 Every town centre except New Cross (including New Cross Gate) has experienced a loss of pubs during the period (Table 3). These losses range from one to two units, 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 or bars within the town centre boundary during the survey period.

	2004	2015	Gain / loss
Lewisham	11	5	-6
Catford	7	4	-3
Deptford	6	5	-1
Sydenham	5	4	-1
Forest Hill	6	5	-1
Blackheath	4	5	-1
Lee Green	4	3	-1
Downham	0	0	0
New Cross and New Cross Gate <sup>7</sup>	5	7	2
<b>Total</b>	<b>48</b>	<b>38</b>	<b>-10</b>

Table 3 Number of pubs/bars in each centre 2004 and 2015

<sup>7</sup> Note that the significant increase in takeaways is the result of merging the New Cross and New Cross Gate survey areas together from 2011, with the data for both centres amalgamated back to 2009.

### 6.3 Public house short term trends

6.3.1 The data shows an increase of one pub or bar in the Borough's town centres in the period 2014-2015 which was in Sydenham town centre (Figure 14).

6.3.2 All the remaining town centres have experienced no change in the number of pubs/bars between 2014 and 2015.

6.3.3 The 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 certainty.

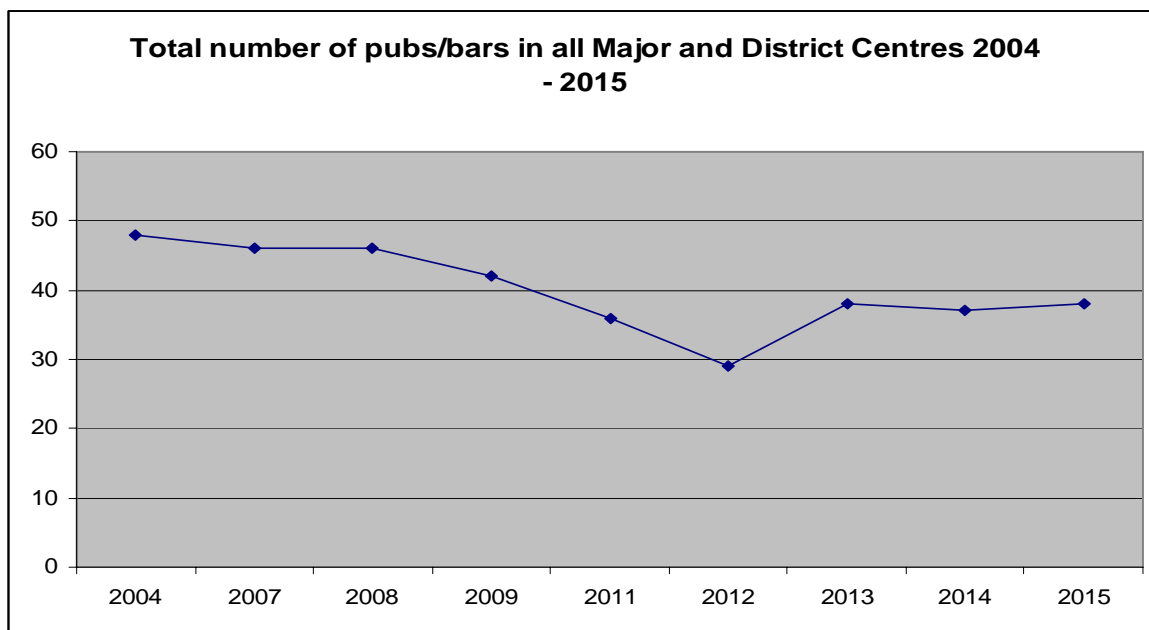


Figure 14 Total number of pubs/bars in all town and district centre 2004-2015

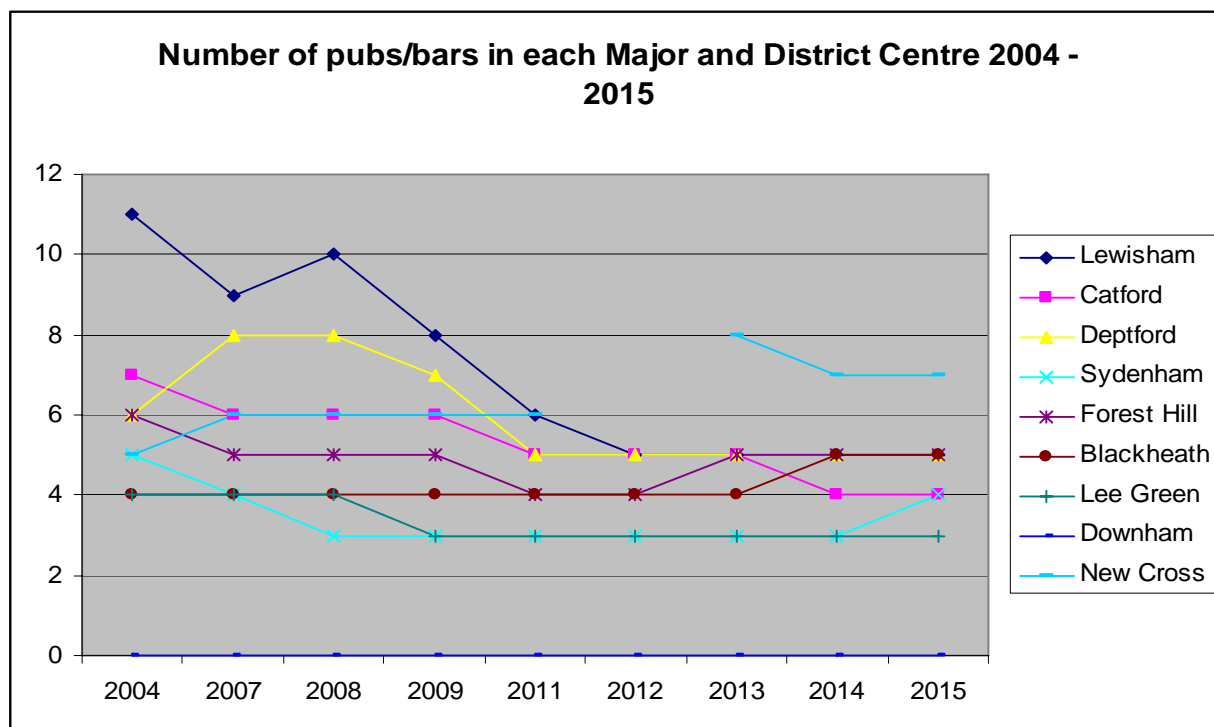


Figure 15 Number of pubs/bars in each centre 2004-2015

## 7 Summary

- 7.1.1 The Borough's town centres are generally in good health (with the exception of Lee Green), and are not suffering from the rapid decline that has been experienced in some places during the recession. Vacancy rates in the Borough are low compared with the England and Great Britain averages.
- 7.1.2 There is a concern for the some of the Borough's town centres 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 40% of primary shopping units in A1 use, which raises concern that these centres no longer have a predominantly retail function.
- 7.1.3 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 significant short term decline in A1 units, except in the case of Lee Green where plans for redevelopment have progressed. Therefore, there is considered to be no general threat to the retail character of the majority of the Borough's town centres.
- 7.1.4 The Borough's town centres have seen have seen no increase in betting shops between 2014 and 2015.
- 7.1.5 Blackheath and Lewisham are the only town centres in the Borough which meet the proposed Development Management Local Plan (DMLP) Policy 18 target of having no more than 5% of units in A5 (takeaway) use. Overall, the number of takeaways has increased from 93 to 112 in all town centres between 2008 and 2015. However, there has been a slight decrease in the number of takeaway units 2014 – 2015. New Cross (including New Cross Gate) and Downham have the highest proportion of A5 units of all the town centres.
- 7.1.6 The number of public houses (A4 use) within the Borough's town 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 during the period 2013-2015.
- 7.1.7 In conclusion, the Borough's retail health is relatively good overall, with low vacancy rates. Past trends regarding the loss of public houses and increase in betting shops ceased between 2014 and 2015.