Conwy County Borough Retail study 2013

Retail Capacity

Corporate Research and Information Unit

April 2013

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COUNTY BOROUGH COUNCIL

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Section 1: introduction and methodology

Introduction

This retail study contains data, analysis and conclusions with regards the retail environment within Conwy County Borough, excluding Snowdonia National Park. This first chapter is intended to provide a detailed analysis of supply and demand and outline the capacity for new retail floor space until 2022. It will be followed by a second chapter investigating the health and vitality of our town centres as detailed in Technical Advice Note 4: Retailing & Town Centres.

This study has been produced by the Corporate Research Department of Conwy County Borough Council (CCBC) together with the Strategic Planning Policy Service in CCBC and will be used to inform future reviews of the Conwy Local Development Plan (LDP).

It should to be noted that "real world" data in relation to retail sales is commercially sensitive and not openly available. This means that any retail needs assessment such as this is only an approximation based on sample surveys and computer models and as such is only intended to be used as a guide to the likely capacity for new retail floor space. Any policy decisions made upon this study must take this caveat into consideration.

Data sources and methodology

The analysis in this report has been conducted by Corporate Research CCBC, supported by consultancy from Experian plc, based on data provided by Experian plc using their supermarket flow model, Where Britain Shops Model, GOAD and ShopPoint data. The Experian data models have the potential to offer detailed data at a much lower geographic area than using sample survey data.

MOSAIC
Mosaic is Experian's flagship consumer classification providing a deep view of UK consumers' characteristics and lifestyles. Through a combination of Experian proprietary, public and trusted third party sourced data, Mosaic condenses billions of pieces of information to fully understand consumer characteristics and lifestyles.

Comparison and convenience goods
The analysis will break retail down into two categories. These are defined below:

Convenience goods:
Food and non-alcoholic beverages, tobacco, alcoholic beverages, newspapers and periodicals and non-durable household goods.

Comparison goods:
Clothing, shoes, furniture, household appliances, tools, medical goods, games and toys, books and stationery, jewellery and other personal effects.

Supermarket flow model
Experian modelled data, looking at the type of supermarket by brand & size to determine the strength of 'pull' of each supermarket. This is matched with the socio-

economic profile of the residents (MOSAIC data) at the small area level (Census Output areas) to model where residents are likely to shop.

Where Britain shops model
Experian modelled data, estimating the ‘pull’ strength of each retail centre based on the number, size and mix of available brands on offer. This is matched with the socio-economic profile of the residents (MOSAIC data) at the small area level (Census Output areas) to model where residents are likely to shop.

Supply and demand
The report will break the county into six defined retail zones and explore the retail spend capacity (demand) based on the resident population and tourism for both comparison and convenience goods.

The report will explore the retail supply from four main retail centres; Abergele, Colwyn Bay, Llandudno and Llanrwst. Using the Experian data models, it will identify and assess the primary and secondary catchment areas for each centre and explore the interactions between each centre and their rivals in North Wales and the North West of England.

Section 2: initial assessment

Retail spend

Conwy County Borough contains 115,228[1] usual residents and attracts a further 8,000,000 visitors each year. Overall retail spend for the resident population of Conwy County Borough has been estimated based on average spends per head published by the Office for National Statistics (2012):

Table 2.1: retail spend by resident population

Source: Office for National Statistics 2012

Total retail spend	Comparison spend	Convenience spend
£550 Million	£330 Million	£220 Million

Tourism plays an important part in the local economy and will be explored in more detail in Section 5. According to the figures in the 2011 Scarborough Tourism Economic Activity Monitor (STEAM) study, tourism comparison shopping adds a further £95 Million per year to the figures above and tourism convenience shopping £36 Million per year.

Including tourism the retail spend for Conwy County Borough is in the table below.

Table 2.2: retail spend by resident population and tourism

Source: Office for National Statistics 2012 & STEAM study, 2011

Total retail spend	Comparison spend	Convenience spend
£681 Million	£425 Million	£256 Million

Catchment areas

The following maps show the primary and secondary catchment areas for each of the four retail centres covered within this report. The primary catchment area is where 50% of the trade comes from and the secondary catchment area is where 75% of the trade comes from. The size of the catchment area does not relate to the strength of different shopping centres, for example the Colwyn Bay Primary Catchment area is much larger than that for Llandudno, yet actually attracts a much smaller percentage of the people within this area and a much smaller number of people in total.

Table 2.3: population in each retail catchment area

Source: Census 2011, Office for National Statistics & Experian Plc

Retail Centre	Total population:		% penetration:	
	Primary catchment area (50%)	Secondary catchment area (75%)	Primary catchment area	Secondary catchment area
Abergele	14,250	24,800	1.0%	0.9%
Colwyn Bay	61,150	119,400	20.4%	15.7%
Llandudno	57,150	113,170	57.9%	43.9%
Llanrwst	5,600	10,250	15.1%*	11.2%*

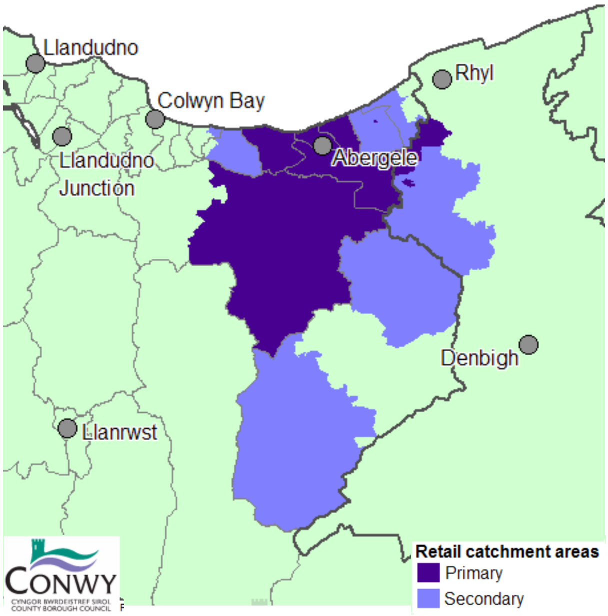
This is based on all retail – both comparison and convenience
* This is mostly convenience retail going to the Co-op in Llanrwst.

[1] This is the population total from the 2011 Census, although the retail spend models used by Experian has not yet been updated to take account of this figure and so may be slightly over estimated

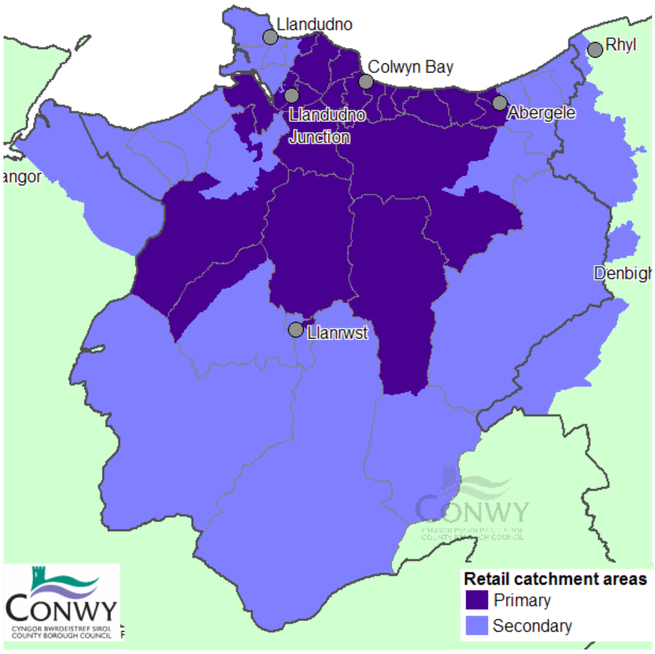
Map 2.1: primary and secondary catchment areas

Source: Experian plc

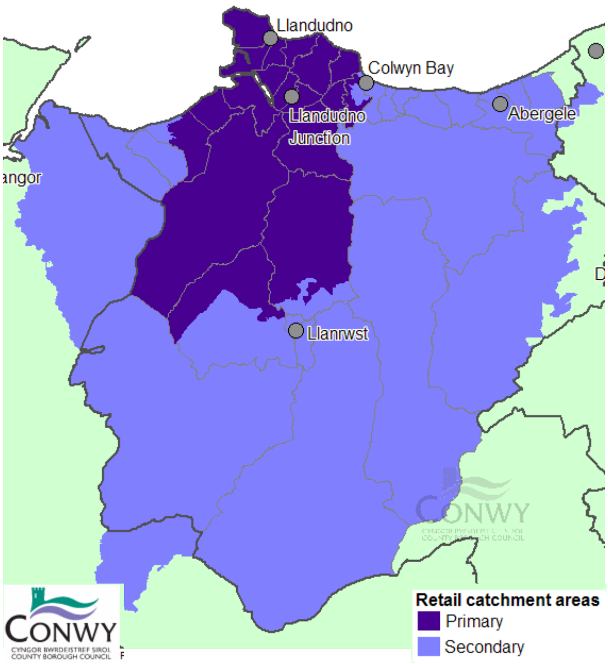
Abergele



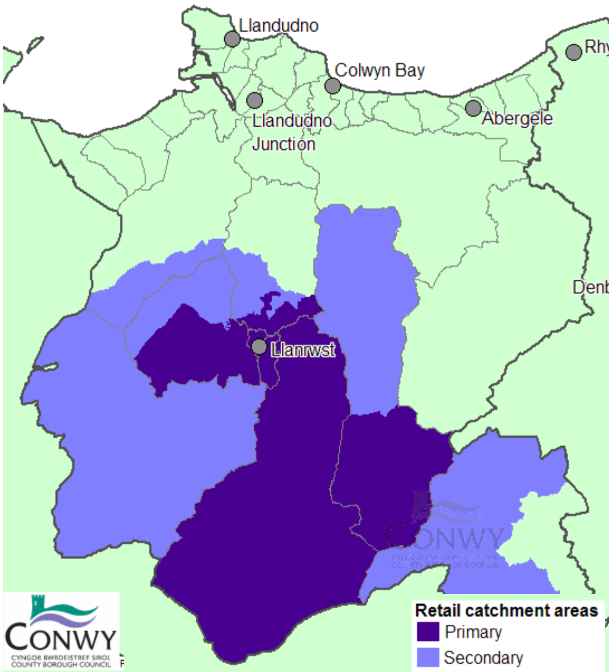
Colwyn Bay



Llandudno



Llanrwst



The maps show the considerable overlap between each of the coastal catchment areas of Abergele, Colwyn Bay and Llandudno. This shows how interdependent the different retail centres are. Changes to one centre will have a considerable effect on another. Once one new store is built in one centre it will reduce the capacity for a new store in another.

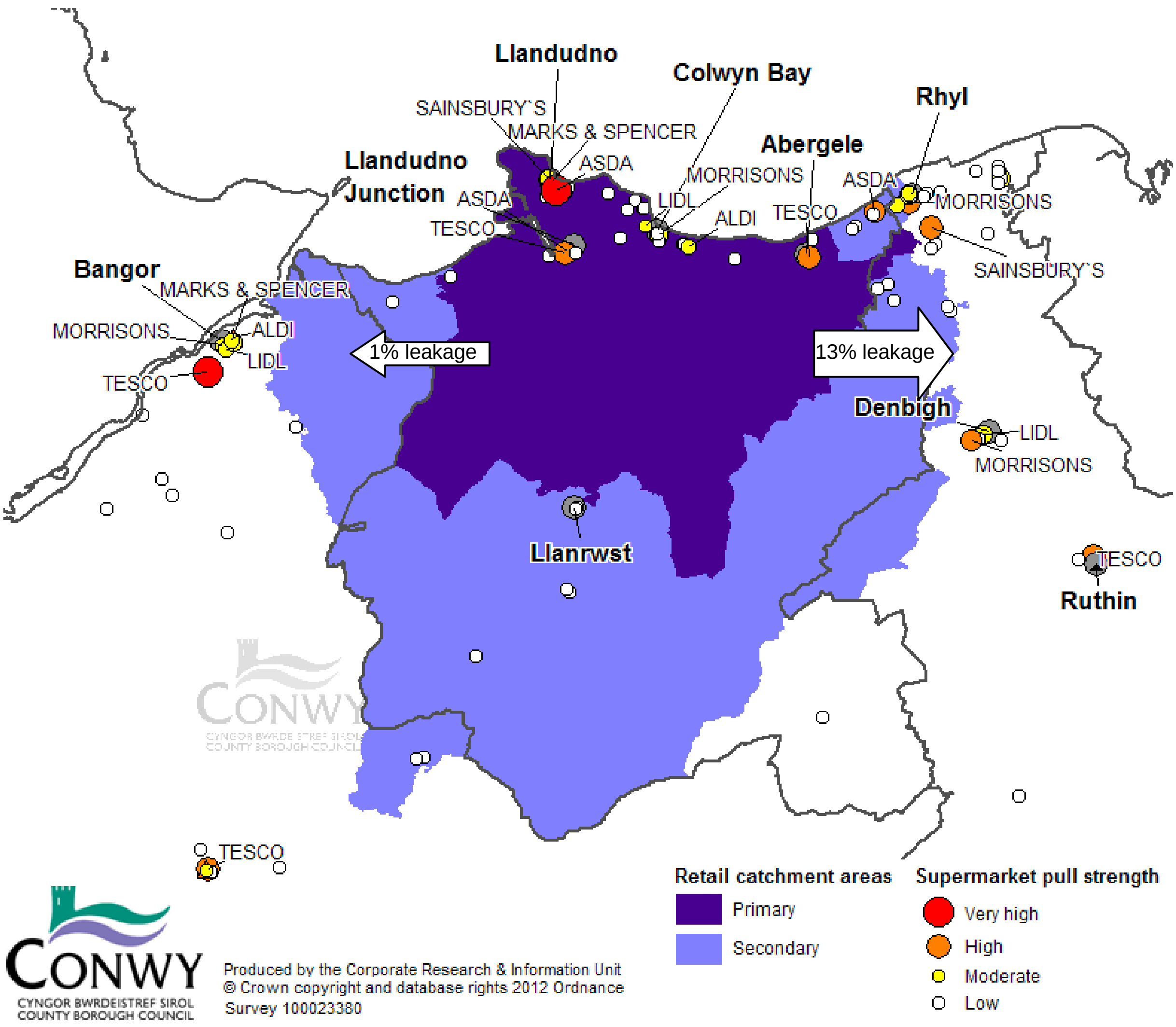
To take account of this overlap, these catchment areas have been combined to form one coastal catchment area for some of the analysis and conclusions within this report (see map below).

Convenience / supermarket retail

The map below shows the coastal primary and secondary catchment area, combining those of Abergele, Colwyn Bay and Llandudno. It also shows the main supermarket stores impacting on this catchment area. Arrows showing the level of leakage have been added, with more detail to follow later in this report.

The 13% leakage over to the East represents the pull from supermarkets in Rhyl. The 1% leakage to the West represents the pull from supermarkets in Bangor and Menai Bridge.

Map 2.2: overall primary and secondary catchment areas for Conwy County Borough <u>supermarket</u> retail
Source: Experian plc



Main supermarkets and trading levels

The following table lists the main supermarkets within Conwy County Borough according to Experian's shoppoint and GOAD data collection. Experian have produced estimates based on their data model as to the annual turnover and sales per sq ft. As already mentioned, "real world" sales data is commercially sensitive and not available for studies such as this. The following table represents a "best guess" based on computer models and sample surveys by Experian Plc, who are recognised as experts in this field of work.

Table 2.2: main supermarkets within Conwy County Borough

Source: floorspace data, GOAD (2012); supermarket retail data, Experian PLC (2012)

Supermarket name and location	Floorspace (sq ft) [2]	Estimated sales (annual)	Estimated sales per sq ft	Trading level assessment (CCBC)
Tesco Abergele LL22 7AA	37,800	£30M	£1,070	Trading well
Co-op Abergele LL22 7PR	13,500	£1.0M	£100	
Morrisons Colwyn Bay LL29 8DG	28,700	£23M	£1,030	Trading well
Aldi Old Colwyn LL29 9LU	13,500	£2.8M	£320	
Lidl Colwyn Bay LL29 7LP	13,500	£1.6M	£170	
Iceland Colwyn Bay LL29 8DG	10,300	£1.6M	£330	
Co-op Old Colwyn LL29 9PN	9,800	£0.9M	£310	
Co-op Rhos on Sea LL28 4RD	4,400	£0.8M	£310	
Asda Llandudno LL30 1PJ	96,300	£60M	£740	
Aldi Llandudno LL30 1RY	13,500	£4.0M	£310	
Marks & Spencer Llandudno LL30 2NW	13,000	£10M	£800	Trading well
Iceland Llandudno LL30 1RY	10,300	£1.5M	£300	
Co-op Llandudno LL30 3NL	4,096	£1.3M	£330	
Sainsbury's Llandudno LL30 2PD	3,900	£2.5M	£1,030	Trading well
Tesco Llandudno Junction LL31 9XY	47,900	£37M	£1,080	Trading well
Asda Llandudno Junction LL31 9LU	9,800	£6.3M	£970	Trading well
Iceland Llandudno Junction LL31 9LU	7,400	£1.8M	£370	
Co-op Llandudno Junction LL31 9EG	2,900	£0.9M	£450	
Co-Op Llanrwst C 1 LL26 0AG	10,200	£6.8M	£675	
Asda Kinmel Bay LL18 5EQ	65,000	£60M	£1,150	Trading well

In order to asses how well each of these stores could be trading, the estimated sales per square feet has been compared to similar sized stores across North Wales using the same data model, as well as the national figures published by Experian.

North Wales average = £700/sq ft
National average = £730/sq ft

An assessment of the data coming out of the Experian model suggests that a number of the stores in Llandudno Junction, Colwyn Bay and Abergele are possibly trading well in terms of sales per square foot.

[2] This is gross floorspace

Section 3: convenience shopping customer leakage and flows

This section is based on the Experian Supermarket flows data modelled down to Census Output area level. It shows the population of each retail zone[3], the estimated weekly convenience spend by residents within each retail zone and the spend leakage.

For this section of the report, the county has been split into six retail zones:

- Colwyn Bay (including Llandrillo yn Rhos and Llysfaen)
- Llandudno (including Llandudno Junction, Deganwy and Conwy)
- Abergele (including Llanddulas)
- West Conwy (including Llanfairfechan, Penmaenmawr and Capelulo)
- Towyn and Kinmel Bay
- Llanrwst and the Conwy Valley (including Eglwysbach, Trefriw, Uwch Conwy, Caerhun, Llangernyw, Betws y Coed)

These zones have been based around the catchment areas of each retail centre using existing council ward boundaries to make comparisons with other data possible.

Zone 1: Colwyn Bay (including Llandrillo yn Rhos and Llysfaen)

Electoral divisions (wards) within this area:
Glyn, Rhiw, Eirias, Colwyn, Llandrillo yn Rhos and Llysfaen

Total population within this area is estimated at:
29,430 people

For supermarket shopping the population of this area go to:

Colwyn Bay	39.3%
Llandudno / Llandudno Junction	40.4%
Abergele	7.7%
Denbighshire County	12.5%
Other	0.03%

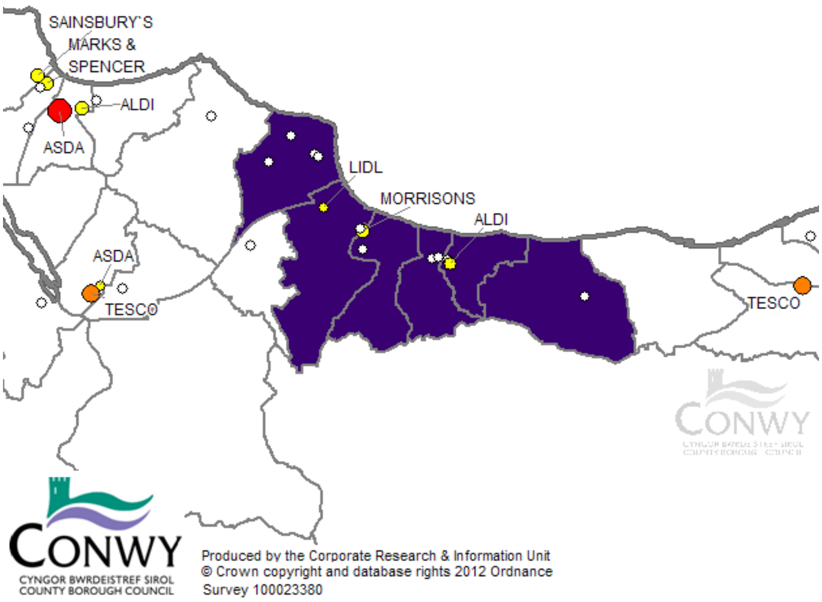
Estimated weekly spend by the residents of the Colwyn Bay retail zone
Supermarket spend = £1.3 Million per week

Estimated leakage outside of Colwyn Bay
60.7% = £770,000 per week

[3] Census 2011, Office for National Statistics

Map 3.1:Colwyn Bay and the main supermarkets

Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Zone 2: Llandudno, Llandudno Junction, Deganwy and Conwy

Electoral divisions (wards) within this area:
Gogarth, Mostyn, Tudno, Craig y Don, Penrhyn, Deganwy, Marl, Pensarn and Conwy

Total population within this area is estimated at:
35,424 people

For supermarket shopping the population of this area go to:

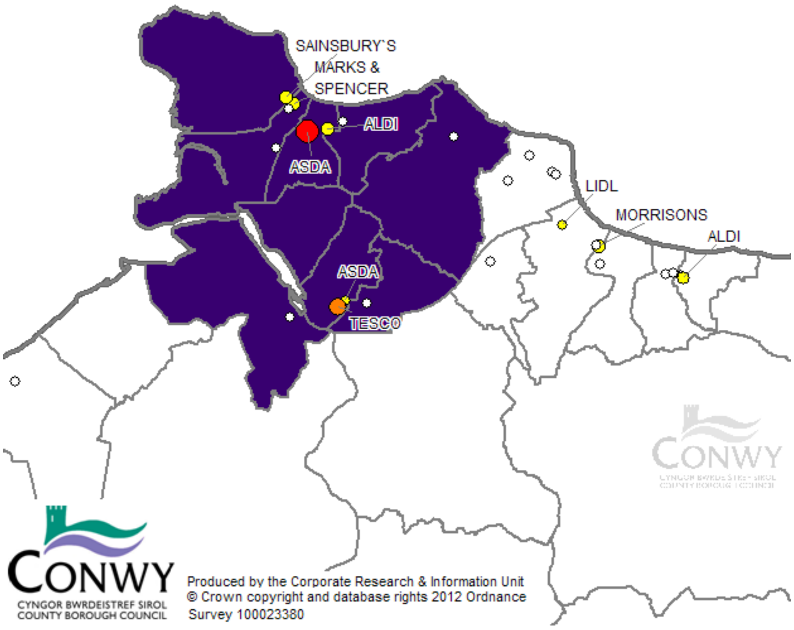
Llandudno / Llandudno Junction	87.4%
Colwyn Bay	8.1%
Abergele	1.7%
Denbighshire County	2.3%
Gwynedd County	0.4%
Other	0.1%

Estimated weekly spend by the residents of the Llandudno retail zone
Supermarket spend = £1.4 Million per week

Estimated leakage outside of Llandudno
12.6% = £200,000 per week

Map 3.2: Llandudno, Llandudno Junction, Deganwy and Conwy with the main supermarkets

Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Zone 3: Abergele area (including Llanddulas)

Electoral divisions (wards) within this area:
Gele, Abergele-Pensarn, Pentre Mawr, and Llanddulas

Total population within this area is estimated at:
12,119 people

For supermarket shopping the population of this area go to:

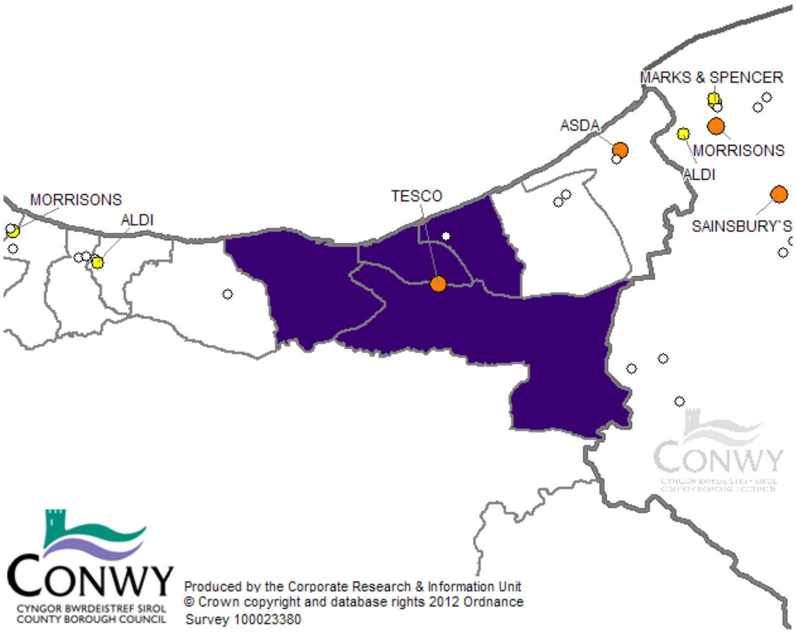
Abergele	36.6%
Kinmel Bay (Asda)	28.0%
Denbighshire County	19.4%
Colwyn Bay	7.9%
Llandudno / Llandudno Junction	7.7%
Other	0.4%

Estimated weekly spend by the residents of the Abergele retail zone
Supermarket spend = £550,000 per week

Estimated leakage outside of Abergele
63.4% = £350,000 per week

Map 3.3: Abergele and Llanddulas with the main supermarkets

Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Zone 4: West Conwy (including Llanfairfechan, Penmaenmawr & Capelulo)

Electoral divisions (wards) within this area:
Bryn, Pandy, Penmaenan/Pant-yr-Afon and Capelulo

Total population within this area is estimated at:
7,990 people

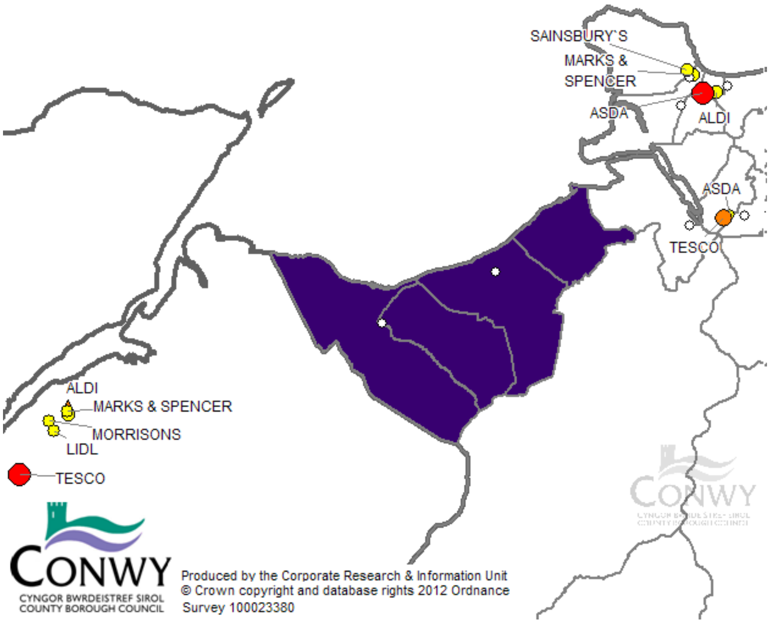
For supermarket shopping the population of this area go to:

West Conwy	15.1%
Llandudno / Llandudno Junction	54.1%
Gwynedd County	23.7%
Colwyn Bay	4.5%
Other	2.6%

Estimated weekly spend by the residents of the West Conwy retail zone
Supermarket spend = £350,000 per week

Estimated leakage outside of West Conwy
84.9% = £300,000 per week

Map 3.4: West Conwy with the main supermarkets
Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Zone 5: Towyn & Kinmel Bay

Electoral divisions (wards) within this area:
Kinmel Bay and Towyn

Total population within this area is estimated at:
8,460 people

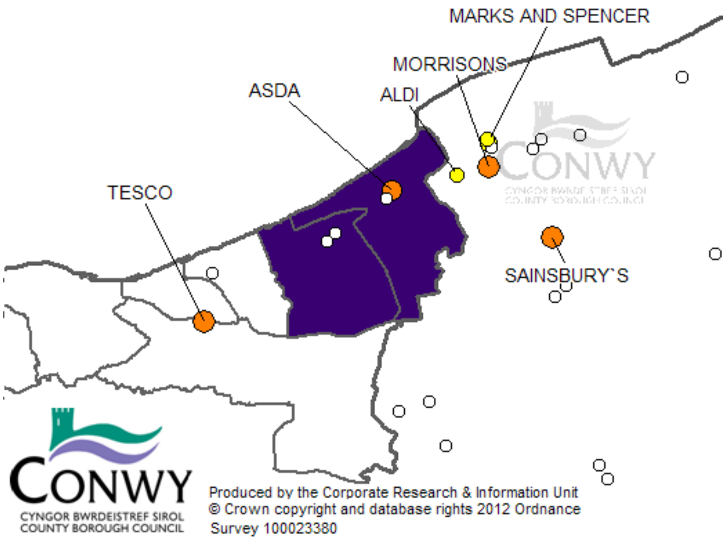
For supermarket shopping the population of this area go to:

Kinmel Bay	41.2%
Denbighshire County	39.4%
Abergele	15.2%
Colwyn Bay	1.7%
Llandudno / Llandudno Junction	2.2%
Other	0.3%

Estimated weekly spend by the residents of the Towyn & Kinmel Bay retail zone
Supermarket spend = £350,000 per week

Estimated leakage outside of Towyn & Kinmel Bay
58.8% = £200,000 per week

Map 3.5: Towyn & Kinmel Bay with the main supermarkets
Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Zone 6: Llanrwst and the Conwy Valley

Electoral divisions (wards) within this retail zone:
Crwst, Gower, Trefriw, Eglwysbach, Uwch Conwy, Llangernyw, Caerhun and Betws y Coed

Total population within this area is estimated at:
12,240 people

For supermarket shopping the population of this area go to:

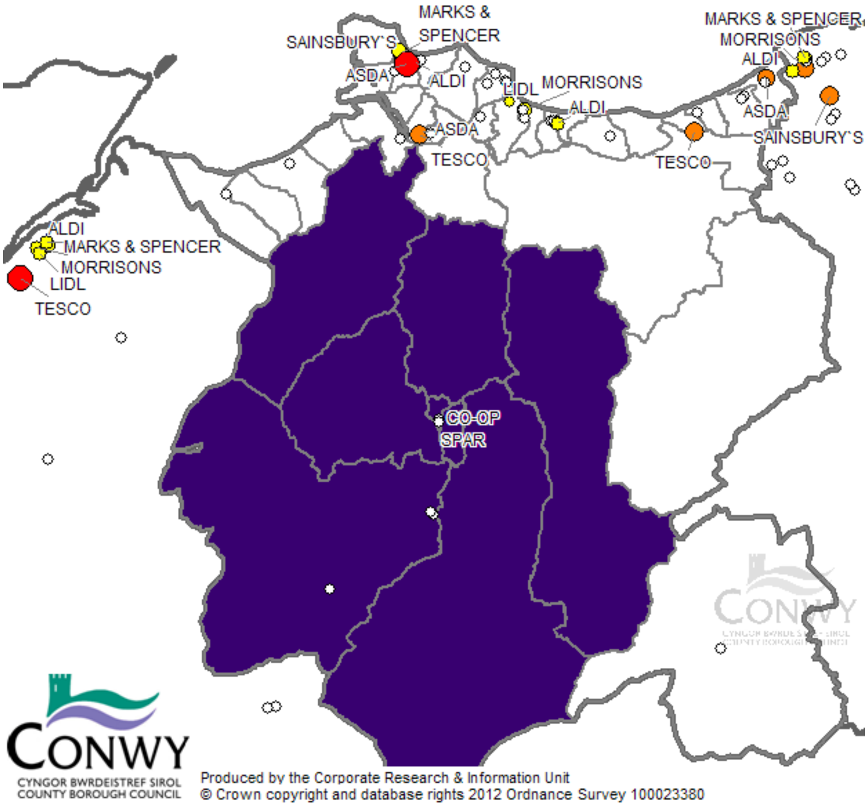
Llanrwst	28.3%
Betws y Coed	13.4%
Llandudno / Llandudno Junction	40.9%
Colwyn Bay	5.4%
Gwynedd County	4.1%
Denbighshire County	4.0%
Abergele	3.9%
Other	0.1%

Estimated weekly spend by the residents of the Llanrwst retail zone
Supermarket spend = £600,000 per week

Estimated leakage outside of this Llanrwst area
58.3% = £350,000 per week

Map 3.6: Llanrwst retail zone and main supermarkets

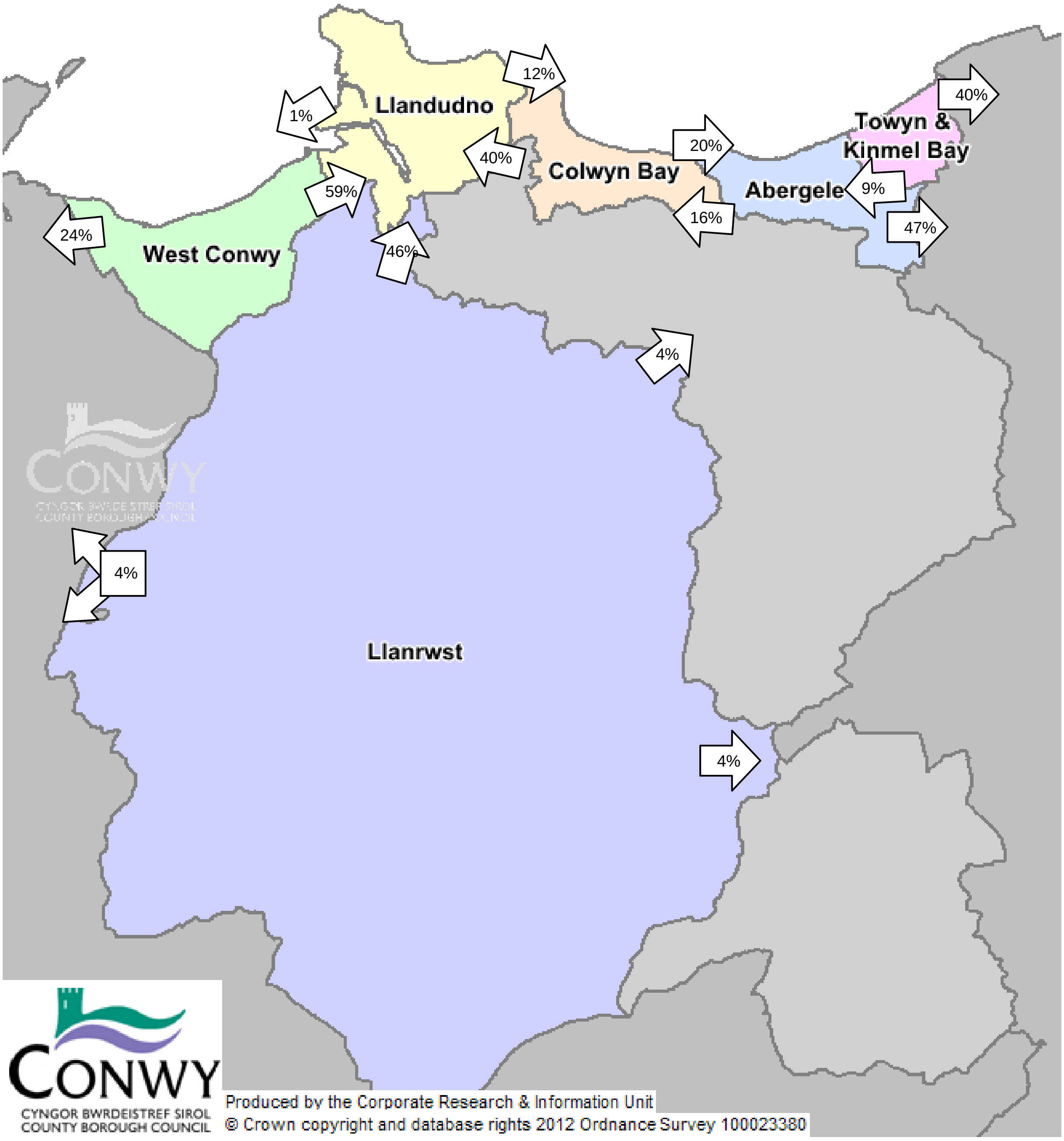
Source: Experian plc, Corporate Research and Information Unit, Conwy County Borough Council



Map 3.7: the direction of flow for supermarket retail trade

Source: Experian Plc, Corporate Research and Information Unit, Conwy County Borough Council

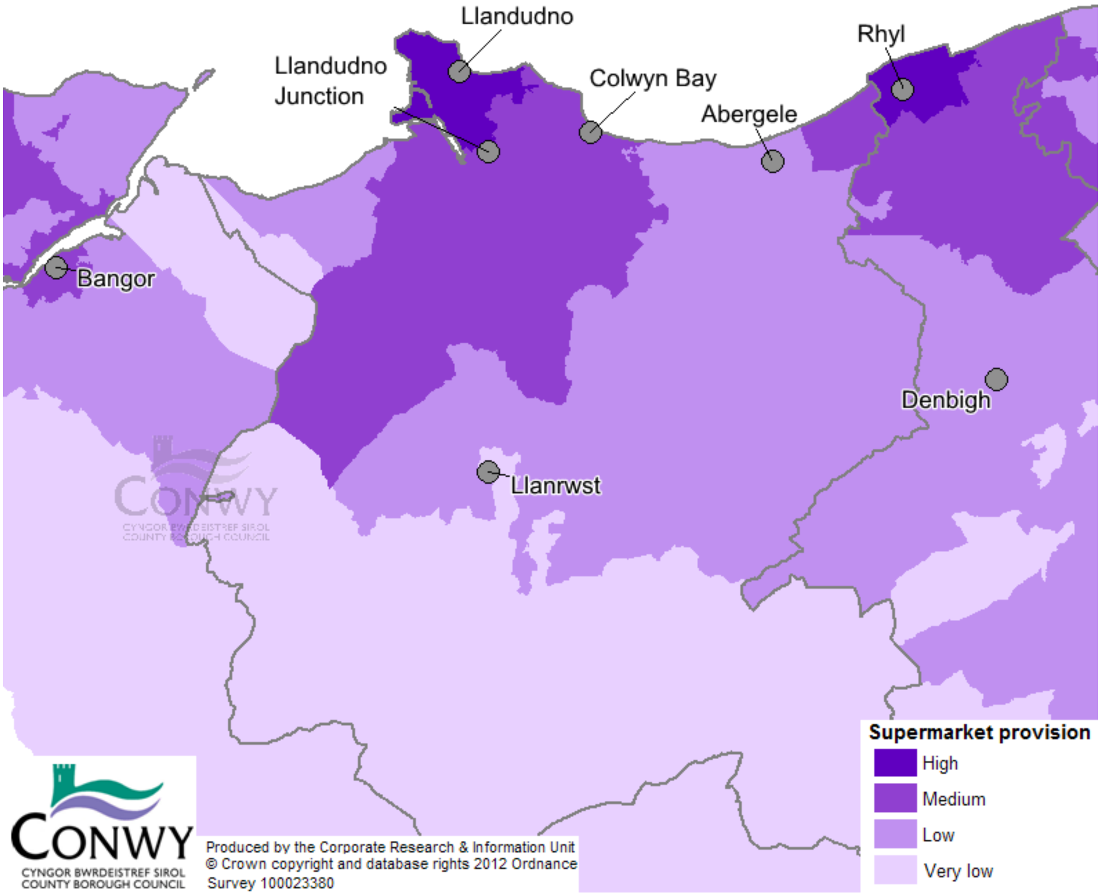
Note: the arrows show a direction of travel for supermarket trade and not necessarily travel to the neighbouring retail zone. For example, the arrow with 20% of trade flowing from Colwyn Bay towards the East includes trade going to Abergele, Kinmel Bay and Rhyl.



The following map shows the strength of supermarket offer in each Census Output Area, based on the number, size and diversity of stores. It shows that while Llandudno and West Colwyn Bay are well catered for, there is lower coverage as you travel towards East Colwyn Bay and Abergele and significantly low coverage in rural Conwy south of Llanrwst.

Map 3.8: the strength of supermarket offer

Source: Corporate Research Conwy CBC & Experian Plc



Section 4: comparison shopping customer leakage and flows

This section is based on the Experian where Britain shops data modelled down to the Census Output area level. It shows the population of each retail zone, the estimated weekly comparison spend by residents within each retail zone and the spend leakage.

For this section of the report, the county has been split into six retail zones:

- Colwyn Bay (including Llandrillo yn Rhos and Llysfaen)
- Llandudno (including Llandudno Junction, Deganwy and Conwy)
- Abergele (including Llanddulas)
- West Conwy (including Llanfairfechan, Penmaenmawr and Capelulo)
- Towyn and Kinmel Bay
- Llanrwst (including Eglwysbach, Trefrew, Uwch Conwy, Caerhun, Llangernyw, Betws y Coed)

These zones have been based around the catchment areas of each retail centre using existing council ward boundaries to make comparisons with other data possible.

For each retail zone there is a significant proportion of spend in the “other” category, representing the leakage to retail centres in Gwynedd, North East Wales and the North West of England.

Zone 1: Colwyn Bay (including Llandrillo yn Rhos and Llysfaen)

Electoral divisions (wards) within this area:
Glyn, Rhiw, Eirias, Colwyn, Llandrillo yn Rhos and Llysfaen

Total population within this area is estimated at:
29,430 people

For comparison shopping the population of this area go to:

Colwyn Bay	25.6%
Abergele	0.2%
Llandudno	43.7%
Other	30.6%

Estimated weekly spend by the residents of the Colwyn Bay retail zone
Comparison spend = £1.9 Million per week

Estimated leakage outside of Colwyn Bay
74.4% = £1.4 Million per week

Zone 2: Llandudno, Llandudno Junction, Deganwy and Conwy

Electoral divisions (wards) within this area:
Gogarth, Mostyn, Tudno, Craig y Don, Penrhyn, Deganwy, Marl, Pensarn and Conwy

Total population within this area is estimated at:
35,424 people

For comparison shopping the population of this area go to:

Llandudno	64.2%
Colwyn Bay	13.9%
Abergele	0%
Other	21.9%

Estimated weekly spend by the residents of the Llandudno retail zone
Comparison spend = £2.4 Million per week

Estimated leakage outside of Llandudno
35.8% = £850,000 per week

Zone 3: Abergele area (including Llanddulas)

Electoral divisions (wards) within this area:
Gele, Abergele-Pensarn, Pentre Mawr, and Llanddulas

Total population within this area is estimated at:
12,119 people

For comparison shopping the population of this area go to:

Abergele	1.1%
Denbighshire County	44.0%
Llandudno	24.3%
Other	30.6%

Estimated weekly spend by the residents of the Abergele retail zone
Comparison spend = £850,000 per week

Estimated leakage outside of Abergele
98.9% = £830,000 per week

Zone 4: West Conwy (including Llanfairfechan, Penmaenmawr & Capelulo)

Electoral divisions (wards) within this area:
Bryn, Pandy, Penmaenan/Pant-yr-Afon and Capelulo

Total population within this area is estimated at:
7,990 people

For comparison shopping the population of this area go to:

Llandudno	40.9%
Colwyn Bay	10.6%
Abergele	0.0%
Other	48.4%

Estimated weekly spend by the residents of the West Conwy retail zone
Comparison spend = £550,000 per week

Estimated leakage outside of West Conwy
99% = £530,000 per week

Zone 5: Towyn & Kinmel Bay

Electoral divisions (wards) within this area:
Kinmel Bay and Towyn

Total population within this area is estimated at:
8,460 people

For comparison shopping the population of this area go to:

Abergele	0.7%
Rhyl	55.2%
Colwyn Bay	8.9%
Llandudno	15.1%
Other	20.1%

Estimated weekly spend by the residents of the Towyn & Kinmel Bay retail zone
Comparison spend = £500,000 per week

Estimated leakage outside of Towyn & Kinmel Bay
100% = £500,000 per week

Zone 6: Llanrwst and the Conwy Valley

Electoral divisions (wards) within this retail zone:
Crwst, Gower, Trefriw, Eglwysbach, Uwch Conwy, Llangernyw, Caerhun and Betws y Coed

Total population within this area is estimated at:
12,240 people

For comparison shopping the population of this area go to:

Llanrwst	1.1%
Llandudno	40.6%
Denbighshire County	14.1%
Abergele	0.1%
Conwy	0.7%
Other	43.4%

Estimated weekly spend by the residents of the Llanrwst retail zone
Comparison spend = £900,000 per week

Estimated leakage outside of this Llanrwst area
98.9% = £900,000 per week

Section 5: town centre benchmarking

This section shows the results of a town centre benchmarking exercise. Using the GOAD data each retail centre has been compared to similar and slightly larger centres across the UK based on the estimated number of shoppers visiting that centre. We have then compared the range of shops on offer to identify potential shortfalls and opportunities.

Colwyn Bay

Colwyn Bay has been compared to the following retail centres:

Colwyn Bay
Stamford
Monmouth
Louth
Stroud
Diss

Stores found in these areas that are not in Colwyn Bay:

- Asda or Tesco supermarket
- Wilkinson (or similar) store
- Outdoor clothing shop
- Stead & Simpson Shoes

The town centre is missing at least one if not two key brands to pull people in.

Llandudno

Llandudno has been compared to the following retail centres:

Llandudno
Grantham
Dunfermline
Folkestone
Trowbridge
Glenrothes

Llandudno was found to contain a very good mix of retail offer for a town of this size.

Conwy

Conwy has been compared to the following retail centres:

Conwy
Turriff
Newton Stewart
Thurso
Millom
Kirkcudbright

Conwy was found to contain a very good mix of retail offer for a town of this size.

Abergele, Rhos on Sea and Llanrwst

These towns have been compared to the following retail centres:

Abergele
Rhos on Sea
Llanrwst
Turriff
Newton Stewart
Thurso
Millom
Kirkcudbright

With the exception of some of the high street banks, all of these town centres were found to have about the right number of major branded retailers. Of particular importance to towns such as these is the presence of smaller / independent specialist stores. All three towns showed a lower number of such stores when compared to other areas.

Section 6: impact of tourism

Conwy County Borough (including the part that lies in Snowdonia National Park) attracts some 8,000,000 visitors each year according to the 2011 STEAM study. STEAM has two categories which are of interest to this report.

- Food & Drink – £90 Million, which includes convenience spend as well as meals out and alcoholic drinks.
- Shopping – £140 Million, which includes spend on clothes, gifts, souvenirs, books and newspapers.

Shopping expenditure is broken down as follows:

Table 5.1: tourism comparison expenditure
Source: STEAM 2011

Type of accommodation	Tourist numbers	Comparison expenditure total
Serviced	1,156,500	£17.3 M
Non Serviced	966,000	£19.3M
Staying with friends/relatives	171,300	£2.6M
Day visitors	5,599,400	£56.0M
CCB Total	**7,893,200**	**£95.2M**

The food and drink category is not broken down further in STEAM, so the following estimates have been made using the available data from STEAM, GOAD and ONS:

Table 5.2: tourism convenience expenditure
Source: STEAM 2011

Type of accommodation	Tourist numbers	Convenience expenditure total
Serviced	1,156,500	£1M
Non Serviced	966,000	£31.9M
Staying with friends/relatives	171,300	£0.8M
Day visitors	5,599,400	£2.8M
CCB Total	**7,893,200**	**£36.6M**

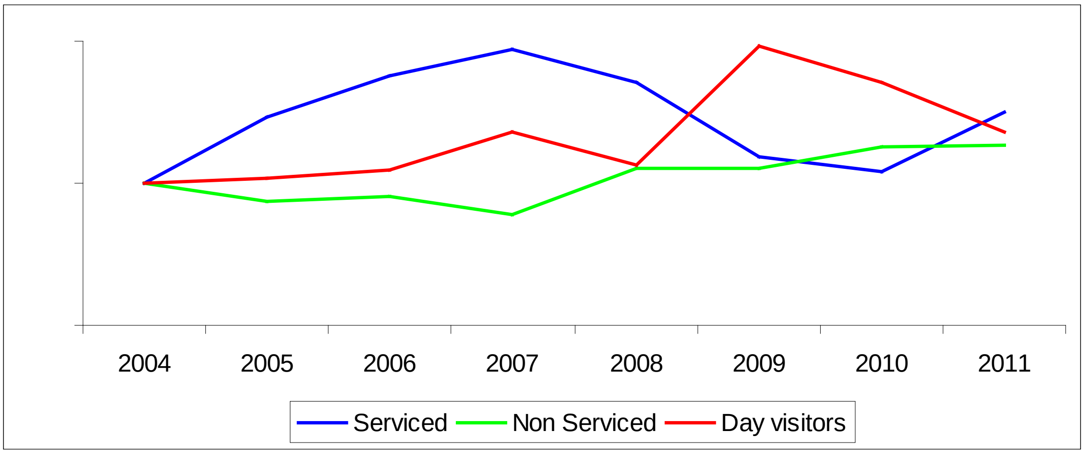
To assess the impact of tourism on each of the retail centres, the above information has been combined with accommodation and bed space data collected by Conwy County Borough Council to produce the following estimates:

Table 5.3: tourism comparison and convenience spend
Source: STEAM 2011

Retail centre	Tourism comparison spend	Tourism convenience spend
Zone 1: Colwyn Bay	£4.5M	£0.67M
Zone 2: Llandudno	£46.9M	£5.3M
Zone3: Abergele	£2.2M	£2.7M
Zone4: West Conwy	No data	No data
Zone5: Towyn & Kinmel Bay	£23.1M	£17.4M
Zone 6: Llanrwst	£12.3M	£4.5M

In terms of future tourism spends, the chart below shows how tourist numbers have changed between 2004 and 2011. The effects of the recession are clear to see, with a steady increase in visitors staying in non-serviced accommodation and decrease in visitors staying in serviced accommodation. Day visitors, by far the largest group, initially saw a large increase following the start of the recession, but over the last 3 years has seen a notable decline in numbers.

Chart 5.1: the change in tourist numbers for Conwy County Borough since 2004
Source: STEAM 2011



The state of the national economy makes assessing the impact of these trends very difficult. The non-serviced visitor numbers have a strong influence on the convenience spend for Conwy County Borough, but the rising trend is quite slow and will not have a significant impact on retail floor space requirements over the next five years. There is potential for this impact to become important over the 10 year period, but forecasting such volatile numbers this far forward is not recommended.

The drop in day visitors in the last 3 years is estimated to have taken some £2.75 Million off comparison spending within the Llandudno retail centre. This has the potential to be very significant if the trend continues and needs to be monitored closely.

Section 7: current population and population growth

The following table shows the population of each retail zone according to the recent 2011 Census, with a breakdown by age. Llandudno and Colwyn Bay have a much larger population than the other areas and Abergele has a significantly older age profile. The age structure of the population is taken into account in the data within this report.

Table 6.1: population (2011)

Source: Census 2011, Office for National Statistics

Retail Zone	All usual residents	Under 18	Age 18 to 29	Age 30 to 44	Age 45 to 64	Age 65 to 74	Age 75+
Abergele	12,119	16.7%	9.6%	15.1%	27.8%	15.4%	15.4%
Colwyn Bay	29,430	20.4%	12.6%	16.4%	27.1%	10.9%	12.6%
Llandudno	35,424	18.4%	12.1%	16.7%	27.2%	12.2%	13.4%
Llanrwst	12,240	18.8%	11.2%	17.1%	30.8%	11.7%	10.4%
West Conwy	7,990	19.2%	12.9%	17.8%	29.4%	11.0%	9.7%
Towyn & Kinmel Bay	8,460	20.2%	11.2%	16.5%	27.5%	13.5%	11.1%
CCB Total	**115,228**	**19.1%**	**11.8%**	**16.6%**	**28.1%**	**12.1%**	**12.3%**

Projected population growth

Population projections are not available based on the 2011 Census as yet, and traditional population projections are unreliable at smaller geographies. This report will therefore use a different methodology for projecting population growth based on anticipated house building activity according to current planning applications in hand and future allocations according to the Conwy LDP.

Table 6.2: possible population change taking into account housing allocations

Source: Census 2011, Office for National Statistics & Conwy CB Local Development Plan

Retail Zone	All usual residents	5 year growth	10 year growth
Abergele	12,119	4.9%	14.3%
Colwyn Bay	29,430	2.2%	7.4%
Llandudno	35,424	1.9%	3.5%
Llanrwst	12,240	-0.7%	1.3%
West Conwy	7,990	2.1%	9.9%
Towyn & Kinmel Bay	8,460	-3.2%	-2.6%
CCB Total	**115,228**	**1.6%**	**5.6%**

Under the proposed housing allocations policy significant growth is anticipated in the Abergele, Colwyn Bay and West Conwy areas.

High flood risk in Towyn and Kinmel Bay means that house building is limited in this area. This means that a small decline in population over the 10 year period is likely, due to an increase in smaller person households, in particular single pensioner and lone parent households.

Effect of population growth

This table shows the projected growth in estimated spend at each of the retail centres as a result of population growth. The spend figures here are based on the total catchment areas for the centre and not just the resident population within the Conwy County boundary.

Growth over the next 5 years is expected to be minimal, especially as you take into account the current national/world economic situation. Growth is expected to pick up between 5 and 10 years once the larger LDP housing allocations come forward.

Table 6.3: projected growth for all retail based on the primary and secondary catchment areas for each centre
Source: Corporate Research Conwy CBC

Retail Centre	Current spend** (annual)	5 years growth	10 years growth
Abergele	£31.3M	2.4%	9.1%
Colwyn Bay	£215.8M	1.3%	4.5%
Llandudno	£295.0M	1.3%	4.5%
Llanrwst*	No data	No data	No data

* Llanrwst is not a recognised GOAD centre and as such no data is available
** This is based on all retail – both comparison and convenience

Table 6.4: projected growth for supermarket[4] retail
Source: Corporate Research Conwy CBC & Experian Plc

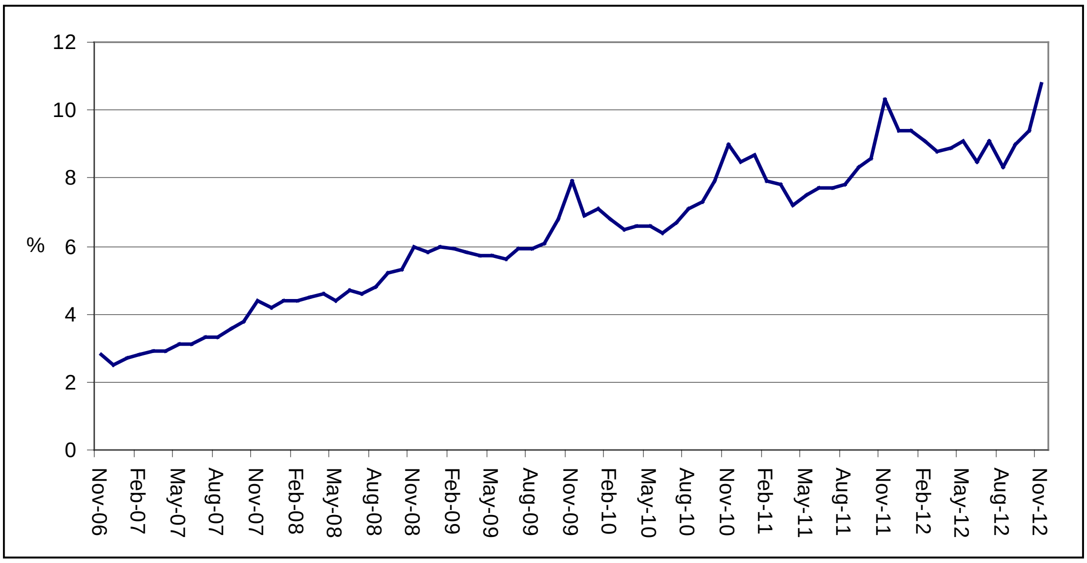
Supermarket	Current spend (annual)	5 years growth	10 years growth
Tesco Abergele LL22 7AA	£30M	2.4%	9.5%
Co-op Abergele LL22 7PR	£1.0M	5.0%	16.0%
Morrisons Colwyn Bay LL29 8DG	£23M	1.7%	5.7%
Aldi Old Colwyn LL29 9LU	£2.8M	1.7%	5.6%
Lidl Colwyn Bay LL29 7LP	£1.6M	1.5%	4.9%
Iceland Colwyn Bay LL29 8DG	£1.6M	1.7%	5.2%
Co-op Old Colwyn LL29 9PN	£0.9M	1.8%	5.8%
Co-op Rhos on Sea LL28 4RD	£0.8M	0.7%	3.7%
Asda Llandudno LL30 1PJ	£60M	1.2%	3.9%
Aldi Llandudno LL30 1RY	£4.0M	1.1%	3.3%
Marks & Spencer Llandudno LL30 2NW	£10M	1.3%	3.6%
Iceland Llandudno LL30 1RY	£1.5M	1.1%	2.9%
Co-op Llandudno LL30 3NL	£1.3M	0.4%	3.1%
Sainsbury's Llandudno LL30 2PD	£2.5M	1.2%	3.6%
Tesco Llandudno Junction LL31 9XY	£37M	1.6%	5.2%
Asda Llandudno Junction LL31 9LU	£6.3M	1.4%	4.4%
Iceland Llandudno Junction LL31 9LU	£1.8M	1.7%	4.5%
Co-op Llandudno Junction LL31 9EG	£0.9M	1.8%	4.4%
Co-op Llanrwst LL26 0AG	£6.8M	0.4%	2.4%
Asda Kinmel Bay LL18 5EQ	£60M	1.0%	5.9%

[4] Supermarket retail includes the majority of convenience spending and also a small element of comparison spending that can be attributed to supermarkets of this size.

Section 8: internet shopping

E-Commerce continues to grow, with 60% of the population accessing the internet on a daily or near daily basis and another 20% who access less frequently[5]. In November 2012, internet sales (online sales for all retailers) were estimated to be 10.8% of all retail sales. This is a rise from 10.3% in November 2011[6] and little over 2% in November 2006.

Chart 7.1: UK Internet sales as a proportion of all retail sales
Source: Office for National Statistics, November 2012



The books, music and games category shows the highest online purchase penetration, with 50% of people buying more online than from the 'High Street'. This has increased significantly since the introduction of the smart phone. Food, grocery and white goods show the largest in store only purchase groups. Within all categories, there is a proportion of consumers who predominately buy online. These are more likely to be middle income family based groups or middle income career people.

An important factor in the growth of online retailing has been an expansion in the range of goods that people are willing to buy online, progressing from entertainment and electronics products to fashion, furniture and white goods. In the UK, fashion is now the single biggest online retail sector, something that would have been impossible to imagine five years ago. Online clothing sales are now worth £9 billion (2011), up from less than £1 billion in 2001.

The recent economic downturn has impacted heavily on the high street and there needs to be an acknowledgement that the customer today is a lot more price conscious. More consumers are using the internet as part of their decision-making process, so are often well-informed about the products they want to buy before they come into the store. Despite an increase in online retail, footfall in shops has only fallen by a small amount. There has, however, been a reduction in converting footfall into sales. This shows that the high street continues to play an important part in the buying process, even if the proportion of total sales is falling.

[5] Experian - The changing face of UK retail in today's multi-channel world, March 2011
[6] Office for National Statistics – Retail Sales November 2012

While many people are quick to talk about the rise of online shopping in terms of how it could spell doom for the traditional high street, it is still only 10.8% of total sales, meaning that the majority of retail spend is still at high street stores. While it is undeniable that the challenge to traditional store-based shopping will continue to grow strongly, two factors temper the threat:

- A large proportion of retailers, including supermarkets, source internet goods sales from store space.
- Store-based shopping is still increasing and expected to continue to expand at an annual average of 1.5% per annum in *per capita* terms to 2029.

Experian forecast that the growth in the share of retail sales by special forms of trading (mostly online sales) will eventually begin to tail off, reaching 17.4% by 2020, and 20% by the end of the 2020s[7].

Overall it is assessed that although online sales are increasing and having a significant impact on some categories (music, books and DVDs in particular), the impact on store based shopping is offset by a general increasing trend in comparison retail spending. As such the overall impact on retail floor space requirements within this report will be minimal. It is recommended that this situation is reviewed in 5 years, given the current rate of new technological developments.

[7] Experian Retail planner Briefing Note 10.1

Section 9: floor space requirements

This section of the report will outline the additional capacity for both comparison and convenience floor space based on an analysis of the data contained within this report. It will focus on the following topics:

- Convenience retail along the coast, grouping together Llandudno, Llandudno Junction, Colwyn Bay and Abergele because of the considerable overlap in convenience trade between these areas.
- Rural Convenience trade for Llanrwst and the surrounding area.
- Comparison trade in Llandudno, with this being a main retail centre
- Comparison trade in Colwyn Bay, again with this being a main retail centre

Coastal convenience trade

The significant overlap between the retail centres of Abergele, Colwyn Bay, Llandudno Junction and Llandudno makes it difficult to assess each centre individually. Combining these centres together shows that they are retaining 86.3% of the convenience trade within the existing convenience stores, with 13% leaking to the East, mostly to Rhyl and 0.7% leaking to the West (mostly Bangor). The overall supermarket retail spend for this coastal area is estimated at £220 Million per year, so the leakage is worth around £30 Million. At the same time the Experian data model suggests that a number of stores could be trading very well compared to national averages, in particular:

- Tesco, Abergele
- Tesco, Llandudno Junction
- Asda, Llandudno Junction
- Morrisons Colwyn Bay
- Marks & Spencer, Llandudno
- Sainsburys, Llandudno

By increasing the trade retention by 5% (reducing the leakage) and reducing some of the trade to these stores above, it is estimated that there is potential for a maximum of a further 60,000 sq ft of supermarket retail within this coastal area based on the current population levels. This increases to 70,000 sq ft to account for population growth in accordance with the Conwy LDP.

We also approached this analysis from a different angle by looking at the supermarket retail offer (in sq ft) within this coastal area compared to the residential population numbers (sq ft per person), and then benchmarked this against the average for North Wales. This analysis showed that the Coastal catchment area offers 3.61 sq ft of supermarket floor space for ever person compared to a North Wales average of 4.10 sq ft / person. To bring this area up to the North Wales level would require an additional 50,000 sq ft of supermarket space at the current population levels, rising to 70,000 sq ft if the LDP population growth is realised.

Both methods give a similar requirement, suggesting that there is potentially capacity for a further 50,000 sq ft to 60,000 sq ft in the short term and 70,000 sq ft in the long term (up to 2022).

An analysis of where the leakage is coming from, combined with the location of the stores trading well and the information within the map on page 15, it is suggested that the best location for a new store would be the East Colwyn Bay to Abergele area, subject to land availability and commercial viability. This would fit in line with the

BayLife+ regeneration initiative and help increase footfall within the town of Colwyn Bay.

Tourism convenience spend within the coastal zone

All of these figures are based on the residential population. The analysis of tourism convenience spend suggests that a further 5,000 sq ft could be added to this additional capacity in the Abergele area, with demand coming from the caravan parks to the East. This capacity could perhaps be met in Colwyn Bay, but it is considered that Llandudno Junction and Llandudno would be out of the catchment areas for these caravan parks.

It is however recognised that Llandudno Junction meets some of the tourism convenience needs of West Conwy, Conwy town and the Conwy Valley. Taking the tourism spend for these areas into account gives further capacity in Llandudno Junction for an additional 5,000 sq ft of convenience space.

Overall it is assessed that there is potential capacity for 55,000 to 65,000 sq ft additional convenience floor space in the short term and 75,000 sq ft in the long term. It is preferred, subject to land availability and commercial viability, that this capacity be met in the area of East Colwyn Bay to Abergele.

Llanrwst and surrounding area convenience trade

For the purpose of this analysis, the Llanrwst and the surrounding area covers the council electoral wards of:

- Crwst
- Gower
- Trefriw
- Eglwysbach
- Uwch Conwy
- Llangernyw
- Caerhun
- Betws y Coed

The analysis suggests that the current convenience offer only retains 41.7% of the trade within this catchment area. This leakage is significant, amounting to £45 Million each year. Tourism, in particular self catering tourism, plays an important part of the local economy for this rural area and has the potential to add a further £4.5 Million per year to the convenience trade.

It is obvious from the data that the town of Llanrwst has great potential to significantly expand the current convenience offer and its prominence as a retail centre within rural Conwy. Two scenarios are put forward:

1. To increase the convenience trade retention by 10%
2. To increase the convenience trade retention by 20%

A 10% increase in the retention rate for convenience shopping would release the potential for an additional 18,000 sq ft of supermarket floor space at current population levels (taking account of the potential for tourism spend). A 20% increase would release the potential for an additional 30,000 sq ft at current population levels. Population growth within rural Conwy is anticipated to be relatively small and will not have a significant impact on these figures.

Looking at this from a different angle, the supermarket retail offer (in sq ft) has been compared to the residential population numbers (to give sq ft per person) and then benchmarked against the average for the North Wales area. This analysis showed that the Llanrwst catchment area offers 1.32 sq ft of supermarket floor space for every person compared to a North Wales average of 4.10 sq ft / person (a map showing convenience retail offer can be found on page 15). To bring this area up to the North Wales level would require an additional 28,000 sq ft of supermarket space at the current population levels. This of course does not take into account the potential spend associated with self catering tourism, which would increase this figure to 35,000 sq ft.

Overall it is assessed that there is potential for additional convenience floor space of between 18,000 sq ft and 35,000 sq ft within Llanrwst and the surrounding area.

Any new development in Llanrwst will have a significant impact on the potential capacity for a new store in Llandudno/Llandudno Junction. The Llanrwst retail zone contributes around 10% of the convenience trade to Llandudno/Llandudno Junction. An 18,000 sq ft store in Llanrwst would reduced the capacity for convenience floor space in Llandudno/Llandudno Junction by 5,000 sq ft, while a 35,000 sq ft store in Llanrwst would reduce the capacity in Llandudno/Llandudno Junction by 10,500 sq ft.

Colwyn Bay comparison trade

Looking at Colwyn Bay, the Experian model suggests that the centre should be attracting an annual comparison turnover of £66 Million. With a current comparison floor space of 295,000 sq ft (GOAD), this puts the trading at £225 per sq ft, which is well below the national average reported by Experian at £420 per sq ft[8]. Currently the centre is retaining 15.7% of the comparison trade within the primary and secondary catchment areas[9].

The Experian scenario modelling suggests that increasing the strength of pull for this centre could increase the retention to 20.7%, which is an increase in turnover of £21 Million. This is forecast to increase to £26 Million in 10 years time if the LDP growth projections produced for this report are realised.

The £21 Million equates to 50,000 sq ft of floor space and the £26 Million to 60,000 sq ft of floor space, however given the current inefficient trading of the Colwyn Bay centre it is anticipated that much of this increase could be taken up by better use of the existing floor space offer and not necessarily a new development. A number of options are explored:

1. Some additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 5%.
2. Some additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 10%.
3. No additional comparison floor space and seeking to make better use of the existing space to develop the centre.

[8] Experian Retail Planner – September 2012
[9] Experian 'Where Britain Shops' data model 2011

Increasing the current estimated sales density of £225 per sq ft by 5% would leave an additional comparison capacity of 40,000 sq ft (current) and 50,000 sq ft taking into account population growth. Increasing the current sales density by 10% would leave an additional comparison capacity of 30,000 sq ft (current) and 40,000 sq ft taking account of population growth. If Colwyn Bay trades at the same sales density as the national average then there is no requirement for increased comparison retail floor space within the centre.

These figures relate to the residential population only. While it is accepted that tourism will play a role in increasing the sales density of Colwyn Bay, there is insufficient evidence to assess the amount of this increase.

It should also be noted that there is significant overlap of the catchment areas for Colwyn Bay and Llandudno, with 43.9% of the comparison trade in this catchment area going to Llandudno and 15.7% going to Colwyn Bay. Increasing the trade to Colwyn Bay by £26 Million is estimated to take £17 Million that would have gone to Llandudno, a reduction to Llandudno of around -8%.

Overall three options for comparison floor space are suggested for Colwyn Bay:

1. **Between 40,000 sq ft and 50,000 sq ft additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 5%.**
2. **Between 30,000 sq ft and 40,000 sq ft additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 10%.**
3. **No additional comparison floor space and seeking to make better use of the existing space to develop the centre.**

These options will be subject to further analysis of land availability, the level of retail unit vacancies and inappropriate uses within the town centre of Colwyn Bay.

Llandudno comparison trade

Looking at Llandudno, the Experian model suggests that the centre should be attracting an annual comparison turnover of £175 Million with an additional £46.9 Million comparison spend from tourism, making a total of £223 Million. With a current comparison floor space of 695,600 sq ft (GOAD), this puts the trading at £320 per sq ft, which is below the national average reported by Experian at £420 per sq ft[10].

Currently the centre is retaining 43.9% of the comparison trade within the primary and secondary catchment areas[11]. The Experian scenario modelling suggests that increasing the strength of pull for this centre could increase the retention to 48.9%, which is an increase in turnover of £20 Million. This is forecast to increase to £29 Million in 10 years time if the LDP growth projections produced for this report are realised.

The £20 Million equates to 45,000 sq ft of floor space and the £29 Million to 65,000 sq ft of floor space, however given that the data suggests that the town centre is

[10] Experian Retail Planner – September 2012
[11] Experian 'Where Britain Shops' data model 2011

trading below national averages, it is anticipated that much of this increase could be taken up by better use of the existing floor space offer and not necessarily a new development. Again a number of options are explored:

1. Some additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 5%.
2. Some additional comparison floor space to help stimulate growth within the centre, while seeking to increase the efficiency of the current floor space by 10%.
3. No additional comparison floor space and seeking to make better use of the existing space to develop the centre.

Increasing the current estimated sales density of £320 per sq ft by 5% would leave an additional comparison capacity of 20,000 sq ft (current) and 40,000 sq ft taking into account population growth. Increasing the current sales density by 10% would leave no additional capacity at current population levels and 15,000 sq ft once population growth is taken into account. If Llandudno trades at the same sales density as the national average then there is no requirement for increased comparison retail floor space within the centre.

It has to be noted again, however, that there is significant overlap of the catchment areas for Colwyn Bay and Llandudno, with 43.9% of the comparison trade in this catchment area going to Llandudno and 15.7% going to Colwyn Bay. Any significant additional comparison floor space in Llandudno will limit the viability of additional floor space in Colwyn Bay and any additional comparison floor space in Colwyn Bay will reduce the capacity for additional floor space in Llandudno. Given the council's current BayLife+ regeneration programme, option 1 above is not recommended.

Overall two options for comparison floor space are suggested for Llandudno:

1. **An additional 15,000 sq ft comparison floor space to accommodate population growth over the 10 year period, while seeking to increase the efficiency of the current floor space.**
2. **No additional comparison floor space and seeking to make better use of the existing space to develop the centre.**

The options outlined above will be subject to further analysis and will be used to inform future reviews of the Conwy LDP.