BRIDGEND TOWN CENTRE HEALTH CHECK ASSESSMENT 2000

1. INTRODUCTION

1.1 At its meeting of the 15 February 1999 the former Bridgend Town Centre Regeneration Sub Committee agreed that a health check of Bridgend town centre should be undertaken at regular intervals to assess the future direction of trends and to enable planning policies to be tailored to ensure that Bridgend town centre retains its position in the retail hierarchy of South Wales. The previous health check was presented to the Sub Committee on the 28 April 2000 and assessed the state of the town centre in 1999.

1.2 Following an analysis of the recommended indicators of vitality and viability, the findings of the 1999 health check confirmed that the levels of vitality and viability in Bridgend town centre were good and that at that point in time it had withstood the impact of out of town retail development. That finding was supported by the indicators analyzed such as the increase in rental levels, a low vacancy rate, its ability to continue to attract retailers and continuing demand for space in the centre.

1.3 The purpose of this 2000 health check is to assess what has happened since the last assessment by analyzing the key indicators of vitality and viability recommended in Planning Guidance (Wales) Technical Advice Note (Wales)4, TAN 4 on retailing and town centres, 1996

1.4 As with previous health checks exercises, the following assessment is based upon analyzing the indicators and data drawn up in the updated tables and schedules 1-10 which appear in appendix A.

2. RETAIL FLOORSPACE RENTS

2.1 Prime in town retail rents in the UK have increased between mid 99 and mid 2000 on average by about 6.0%. This rate of growth is below the 8.8% achieved between 1998 and 1999 and is the lowest rate of increase since 1995-96. In general the past year 99-2000 has seen a lower rate of rental growth . In Cardiff prime rental levels have increased by 6.7% which is much lower than the previous year where the growth rate was 12.5%.

2.2 For Bridgend average prime rental values have not seen an increase but have remained constant at £60 per sq.ft. This compares favourably with other towns and cities in the country which have actually experienced declining rental values. Most industrial and market towns of similar size to Bridgend have not had increases in rental values, for example in Pontypridd, Merthyr Tydfil and Neath where the average rents have remained unchanged.

2.3 At a national level the lower rental growth during the past year can be explained by the poor performance of many retailers and to changes in consumer purchasing power, which has depressed the rental market.

2.4 In relation to Bridgend the unchanged average rental levels does not indicate decline but a constant and steady demand for retail floorspace. Secondary shop rents have also remained unchanged averaging £25 per sq.ft which has been the case since 1996.

2.5 An interesting trend which has emerged is the significant increase in retail rents for floorspace on out of town retail parks where average levels have increased from £11.00 per sq.ft in 1999 to £13.00 per sq.ft. This indicates increasing demand for out of town retail floorspace in the light of strict planning controls on further out of town retail development and increasing interest by investors and retailers in locating in the Bridgend area.

3. COMMERCIAL YIELD

3.1 Average retail yields (table3) generally representative of the markets valuation of the risk attached to the income from shop rents have changed little. Bridgend's yield continues to be average for a town of its size and is in line with the average over previous years. It indicates a continuing degree of investor confidence in the centre. An example which reinforces this is the current take up of retail floorspace in the Brackla Shopping Centre with the opening of the B'Wise and What Everyone wants stores, who have taken up units in the former Kwik Save store. This has enhanced the appeal of the Brackla centre.

3.2 There is also continuing interest in sites allocated in the UDP for retail development . At a national level there has been a softening in yields for shopping centre investment property as a result of below average growth in rental levels and downgraded rental growth forecasts. For most of the year 2000 town centre returns have been below the industrial and office property, however yields for retail parks have been strong.

4. RETAIL PROVISION AND THE DIVERSITY OF USES

4.1 From tables 5 and 6 it can be seen that between 1999 and 2000 there has been a small decrease in both the total number of outlets in the town centre and the total floorspace occupied. The total floorspace occupied has decreased from 638,800 sq.ft in 1999 to 613,000 sq.ft in 2000. Comparison goods continue to account for around 50% of the total outlets and floorspace occupied. This is followed by service sector uses which account for 33.56% of all units and occupies a floorspace area amounting to about 22% of all floorspace in the town centre.

4.2 One issue which is very apparent is the continuing rapid decline of convenience sector floorspace, which has fallen from 105,300 sq.ft in 1999 to 79,900 sq.ft in 2000. The floorspace occupied by the convenience, comparison and services sectors all broadly correspond to the average provision in other centres in GB. However in terms of outlet provision, as noted in the previous health check, there appears to be an under representation in the number of convenience goods outlets which account for 5.37% of all outlets compared to the GB average of 9.45% of all outlets as surveyed by Goad, and indicates untapped demand. Service outlet provision (class A2 and A3 uses) is good in Bridgend (33.56%) and is above the GB average of 28.29%.

4.3 At the time of the Goad survey in August 2000 there were 107 multiple retailers in the town centre, which is 36% of all outlets and continues to be above the great Britain average of 32%. All eleven key attractors have maintained their outlets in the town centre, although there has been concern expressed about falling trade as a result of the current pedestrianization works, this is likely to be short-term and the prospects for an enhanced shopping environment are likely to increase the attractiveness of the centre to visitors and shoppers. This is based upon the experiences of many pedestrianization schemes which have been implemented.

5. VACANT STREET LEVEL PROPERTY

5.1 There has been an increase in the numbers of vacant units in the town centre , which have increased from 26 in 1999 to 33 representing 11.07% of all units. Vacancy rates have, however, risen and fallen over the years , and one should not read too much into minor fluctuations as vacancy rates should be used with caution since vacancies can arise even in the strongest centres. The current rate is, however, around the average for GB of 11.2% of all centres. This does nonetheless point to a strong retail presence in the centre.

6. ACCESSIBILITY AND ENVIRONMENTAL QUALITY

6.1 A great deal of investment is currently taking place to enhance the accessibility and environmental quality of the town centre. Work is continuing on the creation of a pedestrian zone within the core streets of the town centre. Recent projects completed which should enhance the accessibility and attractiveness of the town centre have included the rationalization of traffic movement in and around the town centre, the segregation of traffic and pedestrian movement to create a traffic free shopping environment with associated surface treatment, landscaping and junction signing improvement.

6.2 Traffic calming, bus priority lanes, and a shopmobility scheme have been introduced. The bus priority lanes should improve public transport access while the shopmobility will provide better accessibility for the needs of the aged, infirm and disabled. There are also other projects in the pipeline to be implemented as part of an integrated and sustainable regeneration strategy for the Bridgend town centre.

7. PERCEPTION OF SAFETY AND OCCURRENCE OF CRIME

7.1 It is not possible to assess statistically the level of crime in the town centre . The police authority do not collect information on town centre/car park related crime, so it is difficult to establish precisely how the rate has changed over the years. Funding has however become available and work is ongoing to extend CCTV camera coverage at priority locations experiencing particular problems of anti-social behaviour, violent crime and criminal damage within the town centre which arise mainly in the later evening. This is being undertaken as part

Authority's developing strategy for CCTV systems in crime and disorder reduction.

8. CUSTOMER VIEWS AND BEHAVIOUR

8.1 There have been no newly conducted street or household surveys since the last conducted by Colliers Erdman Lewis and reported in the 2000 health check.

9. CONCLUSION

9.1 The total number of outlets in August 2000 was 260 of which 107 were multiple outlets and 144 comparison goods outlets. There has been a small decline from 267 recorded in 1999. The total floorspace occupied has also declined from 638,800 sq.ft in 1999 to 613,000 in 2000. The vacancy rate of 11.07% continues to be just below the GB average of 11.2%, although this represents an increase in the rate which was 8.75% in 1999.

9.2 The rental levels (£60 per sq.ft) and yields (7.5%) achieved in the town centre are the same as those achieved last year.

9.3 In general from an assessment of the indicators it can be inferred that the levels of vitality and viability in the town centre remain good although the overall performance has not been as good as that experienced in 1999. This, however, is a similar situation to the performance of other centres of similar size and catchments. In general at the national level the performance of centres including larger centres over the past year has been poorer than the previous year. This can be explained by the poor performance of many high street retailers and to changes in the character of consumer behaviour.

9.4 The health of the town centre in 2000 also has to be placed in the context of significant physical changes to the townscape. Throughout the year there was considerable disruption in the main shopping streets due to the major upgrading of utility infrastructure followed by the physical works necessary to implement the new traffic orders and pedestrianization scheme.

9.5 It can therefore be concluded that Bridgend town centre in 2000 has fared quite well and its performance has been relatively stable considering national retail market trends and local physical disruption. Although experiencing a decline in total floorspace and an increase in vacancies the town centre has attracted new business, leisure and service uses which is strong evidence that it is continuing to evolve.

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

	90	91	92	93	94	95	96	97	98	99	2000
Bridgend	55	55	55	55	55	55	58	58	58	60	60
Cardiff	165	160	155	145	140	140	150	160	200	225	245
Swansea	120	120	105	100	100	100	100	125	130	140	160
Newport	100	100	110	80	100	110	110	115	120	125	135
UK	79	76	72	70	70	70	75	81	87	93	99

Source: Cooke & Arkwright Welsh Property Review, 2000
Colliers Erdman Lewis in Town Retail Rents, 2000

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

	90	91	92	93	94	95	96	97	98	99	2000
Bridgend	35	35	35	35	35	35	25	25	25	25	25
Cardiff	65	65	60	60	65	65	65	70	85	95	100
Swansea	40	40	35	35	35	35	35	40	50	70	70
Newport	50	45	35	35	40	40	40	40	40	40	45

Source: Cooke & Arkwright Welsh Property Review, 2000

Table 3 : Prime Retail Floorspace Yields (%)

	1995	1996	1997	1998	1999	2000
Bridgend	7.00	7.25	7.25	7.25	7.50	7.50
Cardiff	4.25	4.25	5.00	4.50	5.50	5.50
Swansea	5.50	5.25	5.50	5.50	5.75	6.00
Newport	5.50	5.25	6.00	6.00	6.00	7.00

Source: Cooke & Arkwright Welsh Property Review, 2000

Table 4 : Office rents and Yields

	Rents (£/sq ft) 2000	Prime Yield (%) 2000	Secondary Yield (%) 2000
Bridgend	9	9.0 - 14.0	12.0 - 16.0
Cardiff	17	7.0 - 9.0	10.0 - 12.0
Swansea	8.5	9.0 - 11.0	12.0 - 14.0
Newport	10.5	9.0 - 11.0	12.0 - 15.0

Source: Cooke & Arkwright Welsh Property Review, 2000

Table 5 : Change in the Number of Retail Outlets

	1986	1989	1994	1997	1998	1999	2000
Convenience	32 (10.5%)	28 (9.0%)	22 (7.2%)	18 (5.9%)	15 (4.97%)	16 (5.39%)	16 (5.37%)
Comparison	157 (51.5%)	160 (52.5%)	160 (52.1%)	153 (50.8%)	147 (48.68%)	149 (50.17%)	144 (48.32%)
Services	67 (22%)	73 (24%)	86 (28.0%)	95 (31.5%)	99 (32.78%)	102 (34.34%)	100 (33.56)
Total	256	261	268	266	261	267	260

Source : Goad

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

	1994	1995	1996	1997	1998	1999	2000
Convenience	74.7 (12.6%)	68.2 (11.5%)	118.6 (17.9%)	117.9 (17.9)	114.7 (17.98%)	105.3 (16.48%)	79.9 (13.03%)
Comparison	322.6 (54.4%)	343.8 (57.9%)	333.4 (50%)	326.3 (49.7%)	319 (50.0%)	320.4 (50.16%)	306.9 (50.07%)
Services	129.1 (12.7%)	126.8 (21.3%)	128.0 (19.3%)	132.3 (20.1%)	132 (20.69%)	143.9 (22.53%)	131.5 (21.45%)
Miscellaneous	66.4 (11.2%)	54.2 (9.1%)	80.5 (12.1%)	78.9 (12.0%)	72.4 (11.35%)	69.2 (10.83 %)	94.7 (15.45%)
Total	592.8 (100%)	593.0 (100%)	660.5 (100%)	655.4 (100%)	638.1 (100 %)	638.8 (100%)	613 (100%)

Source : Goad

Table 7: Vacant Street Level Property

	1986	1989	1994	1995	1996	1997	1998	1999	2000
No of vacant units	29	24	35	34	39	30	37	26	33
Per cent of all units	10.1	8.4	11.5	11.2	12.7	9.9	12.25	8.75	11.07

Source: Goad

Table 8: Key Retail Indicators

	Count	%	GB %
Vacant Outlets	33	11.07	11.2
Vacant Floorspace (ooo sq ft)	90	14.8	8.64
Multiple Outlets	107	35.91	32.09
Comparison Outlets	144	48.32	49.73

Source: Goad 2000

Table 9: Distribution of outlets by size

	97	99	2000
Under 1,000 sq ft	113 (37.5%)	110 (37.04 %)	113 (37.92%)
Between 1,000 and 2,499 sq ft	137 (45.5%)	136 (45.79%)	144 (48.32%)
Between 2,500 and 4,900 sq ft	32 (10.6%)	32 (10.77%)	23 (7.72%)
Between 5,000 and 9,999 sq ft	7 (2.3%)	9 (3.03%)	9 (3.02%)

Between 10,000 and 14,999 sq ft	8 (2.6%)	7 (2.36%)	5 (1.68%)
Between 15,000 and 19,999 sq ft	2 (0.6%)	1 (0.34%)	2 (0.67%)
Between 20,000 and 29,999 sq ft	0 (0.0%)	0 (0.0%)	0 (0.0%)
30,000 sq ft and ab	2 (0.6 %)	2 (0.67%)	2 (0.67%)

Source: Goad

Table 10: Changes in No. of Retail Outlets in Bridgend

	1994	1995	1996	1997	1998	1999	2000
Convenience Goods							
Bakers & confectioners	6	7	6	5	5	7	7
Butchers & poulterers	2	1	1	1	1	1	1
Greengrocers & fishmongers	4	3	3	4	1	1	1
Grocery	5	3	6	5	6	5	5
Off-licences	1	1	0	0	0	0	0
Confectioners, tobacconists, newsagents	4	4	2	3	2	2	2
Total	**22**	**19**	**18**	**18**	**15**	**16**	**16**
Comparison Goods							
Footwear & repair	11	12	12	12	10	9	9
Mens & boys wear	8	7	6	6	6	6	5
Womens, girls, children & general wear	32	31	32	37	33	30	29
Furniture, carpets & textiles	16	16	14	15	11	13	13
Booksellers, arts, crafts, stationers, copy bureaux	7	8	10	10	12	13	12
Electrical, gas, music & photographic	17	14	14	13	14	16	15
DIY, hardware & housewares	7	6	3	2	4	7	7
China, glass, fancy & leather goods	9	11	10	10	9	9	10
Cars, motorcycles & motor accessories	5	5	3	2	2	2	2
Chemists, drug stores & opticians	13	12	11	10	10	10	10
Variety, department & catalogue showrooms	7	9	8	8	7	3	3
Florists, nurserymen & seedsmen	3	3	3	3	3	3	3
Toys, hobby, cycle & sports	8	8	8	11	10	13	11
Jewellers & repair	6	6	7	7	8	8	8
Other comparison retailers	11	13	10	7	8	7	7
Total	**160**	**161**	**151**	**153**	**147**	**149**	**144**
Services							
Restaurants, coffee bars, fast food & take-aways	29	29	31	32	33	34	33
Hairdressers, beauty parlours & health centres	16	20	22	23	25	25	25
Laundries & dry cleaners	3	3	2	2	1	1	1
Travel agents	8	8	8	8	8	8	8
Banks & financial services	11	10	14	13	17	19	17
Building societies	8	8	5	4	3	3	4
Estate agents & valuers	11	10	11	13	12	12	12
Total	**86**	**88**	**93**	**95**	**99**	**102**	**100**
Other miscellaneous	4	4	4	5	4	4	5
TOTAL	**272**	**272**	**266**	**253**	**265**	**271**	**265**