- **City Hall** festival retailing, where planning consent has recently been granted for a 2,300 sq.m. development, comprising a restaurant, 12 retail units totalling 1,722 sq.m. and concourse space.

- **Caithness Glass**, where planning consent has recently been granted to replace the 1,726 sq.m. building with a 6,660 sq.m. development which includes 4,330 sq.m. of retail floorspace aimed primarily at visitors.

- At **Perth railway and bus stations**, development proposals are emerging. A development brief is being produced for Thimblerow.

These proposals and other commitments are considered in Section 5 as part of the retail capacity assessment.

Perth & Kinross Towns

3.19 Table 3 presents market information for the seven Perth & Kinross towns. Town populations of 2000-8000 provide little guide to retail performance. A larger town such as Kinross is losing retail status to other centres, while a small town such as Pitlochry has a strong market supported by a rural catchment and tourism. None of the towns has a particularly active market – perhaps one sale or letting each year is typical for the more active centres, and fewer for the weaker centres. Blairgowrie, Crieff and Pitlochry have the largest numbers of multiple retailers. Rents are generally at levels associated with small towns, except for Pitlochry where rents are significantly higher. The Appendix lists all town centre retailers in each of these locations.

3.20 Development proposals in these burgh towns are limited to these examples:

- A Crieff site is proposed for supermarket and bulky goods (see Section 5)
- Planned new retail units in Blairgowrie and Aberfeldy are listed in Table 3

In both Perth city and the towns, there will be further proposals from retailers and site owners which will emerge over time.

Table 3 – Perth & Kinross Towns

Town	Popn.	Main Pitch	Retail Multiples	Recent deals	Comments
Auchterarder	3,945	High Street	Lloyds Pharmacy Co-Op	54-56 High St (Sept 04)	1 unit available
Aberfeldy	1,895	Dunkeld St., The Square	Munros Co-op Spar	11 Bank St (May 03) 21a Dunkeld St (Mar 05) 11 The Square (Jun 06)	3 units available New units planned on Dunkeld Street £16 per sq.ft. (quoting)
Blairgowrie	7,965	High Street, Wellmeadow	Scotmid Your More Store Peacocks Ethel Austin E. Woollen Mill Boots Tesco	7 Allan St (Oct 05) 8/12 Wellmeadow (Apr 04 and Aug 06) 13a Wellmeadow (Apr 04) 66/68 High St (Dec 04)	3 units available Rents £16–20 per sq.ft. Vacant Tesco on High St to be redeveloped, subject to planning
Crieff	6,579	High St, East High St, West High St	Semi-chem RS McColl E. Woollen Mill Boots Lloyds Pharmacy Co-op	16 High St (Jul 06) 46 High St (Oct 04) 22/26 E. High St (Nov 04)	9 units available Rents £17 per sq.ft.
Kinross	4,681	High Street	David Sands Acorn Pet Centre Somerfield	76 High St (May 05)	4 units are vacant (although only one is on the market)
Pitlochry	2,564	Atholl Road	Lloyds Pharmacy E. Woollen Mill WH Smith Hawkshead Co-op foodstore	115 Atholl Rd (Jul 05) 55/57 Atholl Rd (Nov 05)	Rents £28-30 per sq.ft. 1 unit available (former Post Office) 4 retailer requirements
Coupar Angus	2,190	George St.	Scotmid		7 vacant units

4. Shopper Surveys

Catchment Area and Population

4.1 Figure 5 shows the Perth & Kinross Council area. Five sub-areas are listed below. The postcode sectors which make up the sub areas are listed in the Sub Area and Population Appendix.

- Perth
- Kinross
- Strathearn- containing Crieff and Auchterarder
- Highland- containing Aberfeldy and Pitlochry
- Eastern- containing Blairgowrie and Coupar Angus

4.2 The comparison shopping household survey confirms that the main catchment for Perth city is the wider Council area on Figure 5. Although the attraction to Perth by respondents from the Kinross and Eastern sub areas[10] is weaker, the City is still important to these areas for comparison shopping.

4.3 Small town catchments are based upon the convenience trade draw in the sub area. The main shopping catchment of Crieff is defined by postcode sectors[11], as approximately 50% or more of respondents from these sectors identify the town as their main food shopping centre.

4.4 The population of the study area and sub areas, is shown in Table 4. The area population is projected to grow by 2.8% to 2016, (nearly 4,000 people). The Appendix shows how the sub area populations were derived.

[10] Respondents from the following postcode areas spend less than 50% of their comparison goods expenditure in Perth: FK 14-7, FK15-0, KY 13-0, KY 4-0 and KY 6-3 (Kinross); FK 15-9 (Strathearn); PH 10-7, PH 11-8, PH 12-8 and PH 13-9 (Eastern).

5. Expenditure Patterns and Projections

5.1 This section of the study examines expenditure potential and patterns in Perth & Kinross. It takes account of expenditure patterns from the shopping survey, the distribution of convenience floorspace and Mapinfo expenditure per capita data for Perth & Kinross plus projected expenditure growth rates.. Data tables are shown in the Appendix. All values are expressed in constant 2004 prices.

Convenience expenditure potential

5.2 Convenience expenditure potential in Perth & Kinross is shown in Table 5. It totals £245 million and is projected to grow to nearly £274 million by 2016.

Table 5

Perth & Kinross residents' convenience expenditure potential £ million (2004 prices)					
Sub area	2006 £ million	2012 £ million	% growth 2006-12	2016 £ million	% growth 2012-16
Perth	138.0	147.4		154.0	
Kinross	20.4	21.8		22.8	
Strathearn	34.0	36.3		37.9	
Highland	20.5	21.9		22.9	
Eastern	32.5	34.7		36.2	
Total Council area	245.4	262.1	6.8%	273.8	4.4%
Notes: Excludes special forms of retailing. See Tables 7.1 to 7.3 in the appendices					

5.3 In the 2006 household survey, convenience expenditure leakage from Perth & Kinross was too small to record. Inflows of convenience expenditure are also likely to be very low. Therefore, it is assumed that the outflows and inflows are similarly very small and cancel each other out. Thus total expenditure in Table 5 is taken to represent all convenience turnover in Perth & Kinross.

5.4 Table 6 shows the current distribution and estimated turnover of the convenience retail floorspace among the various towns in Perth & Kinross.

Table 6

Perth & Kinross: convenience floorspace and turnover, 2006 (in 2004 prices)					
	Floorspace sq.m.		Turnover ratio £/sq.m.	Turnover at av. levels £million	*Estimated actual turnover £million
	gross	Net			
PERTH					
Perth City Centre total	8,606	5,163		38.4	38.4
Tesco, South Street	2,948	1,769	10,732	19.0	
Marks & Spencer foodhall	1,077	646	9,834	6.4	
Rest of City Centre	4,581	2,749	4,763	13.1	
Perth out of centre stores-total	23,392	13,355		118.2	133.1
ASDA (7,833 sq.m. gross)-60% conv	4,700	2,585	11,915	30.8	
Morrison (4,965 sq.m. gross)-90% conv	4,469	2,234	9,375	20.9	
Tesco, Ed Rd (5,300 sq.m. gross)-75% conv	3,975	2,385	10,732	25.6	
Tesco, Cr Rd (7,863 sq.m. gross)-65% conv	5,111	2,811	10,732	30.2	
Lidl, Riggs Road	1,407	985	2,894	2.9	
Aldi, Dunkeld Road	1,160	812	4,283	3.5	
Other Perth	2,571	1,543	2,858	4.4	
KINROSS total	2,882	1,729		7.5	11.2
Somerfield	1,595	957	5,499	5.3	
Other shops	1,287	772	2,858	2.2	
STRATHEARN total	4,518	2,510		9.5	14.2
Crieff					
Somerfield	1,450	870	5,499	4.8	
Other shops	2,264	1,158	2,858	3.3	
Auchterarder	804	482	2,858	1.4	
HIGHLAND total	4,246	2,548		7.3	10.9
Pitlochry	2,436	1,462	2,858	4.2	
Aberfeldy	1,810	1,086	2,858	3.1	
EASTERN total	9,202	5,521		37.5	37.5
Blairgowrie					
Tesco	4,303	2,582	10,732	27.7	
Somerfield	900	540	5,499	3.0	
Other shops	2,529	1,517	2,858	4.3	
Coupar Angus	1,470	882	2,858	2.5	
Overtrading			*11%*	*27.0*	
Total Perth & Kinross				245.4	245.4

Notes :

Gross floorspace data mainly derives from the Council, updated by recent Goad information and Ryden street survey June 2006.

Floospace data for the smallest towns are mainly based on street surveys of unit numbers and average unit sizes.

The assumed proportions of convenience/ comparison floorspace in the superstores are taken from the 2002 Review, with some Revisions/ updates.

Supermarket turnover ratios derive from the Retail Rankings 2006, with VAT added and petrol sales removed.

* Based on the markes shares from the household survey, with adjustments made to rationalise with the levels of floorspace

5.5 Average company trading levels from the 2006 Retail Rankings have been applied to the main supermarket operators. For town centres and other stores, the turnover ratios reflect anticipated performance compared to other towns in Scotland, taking account of Zone A retail rents and retail studies elsewhere. The total turnover for Perth & Kinross is controlled to the expenditure total in Table 5, and calibrated using the market share results of the household survey. The Appendix shows the fit between household survey results and average turnover levels. The estimated actual trading levels in this report incorporate adjustments by the consultants which assume that the city centre is trading at average levels and high levels of overtrading exist in the Kinross, Strathearn and Highland sub areas, but not as nearly as extreme as suggested by the survey results. The findings suggest that a significant level of overtrading exists within the study area as a whole, as shown at the bottom of Table 6.

Spare Convenience Capacity to 2016

5.6 Projected spare capacity to support additional convenience retail floorspace up to 2016 will relate to expenditure growth, plus the current estimated overtrading. Perth & Kinross is fairly self contained for convenience retailing, so opportunities for the clawback of leakage or the attraction of new trade into the Council area will not be significant for the purposes of this study.

5.7 Convenience planning consents and other commitments require to be deducted from the projected spare capacity. It is assumed that these will be completed and operational by 2012. The only convenience retail commitments are in Crieff, where there are two sites for the development of supermarkets. One is at Market Park, Broich Road, which is part of a mixed retail development, including bulky goods retail warehousing. The second is land at Duchlage Farm, where the Council supports development of a similar sized supermarket to the Market Park proposal, although there is no planning application- see Table 7. It is unrealistic to assume that supermarkets would be developed on both sites, so for the purposes of this study, a supermarket of 3,400 sq.m. gross is assumed to be developed before 2012 in Crieff.

Table 7

Foodstores in Perth & Kinross with planning consent or a Council brief				
	Floorspace sq.m.		Turnover	Turnover
	gross	Net	Ratio £/sq.m.	£million
Supermarket, Market Park, Broich Rd, Crieff (appeal decision)	3,400	2,040	10,238	20.9
Supermarket – land at Duchlage Farm, Crieff- Council commitment	3,333	2,000	10,238	20.5

Notes:
No named operators, so this report has applied the average of Tesco, Sainsbury, ASDA and Morrison from the Retail Rankings 2006, adjusted to remove petrol sales and add VAT

5.8 Table 8 sets out the projected of spare convenience capacity by sub area to 2012 and 2016, based on the existing distribution of turnover. This basis recognizes the expenditure from the landward areas contributes to the supermarket provision in and around Perth, and is likely to continue to do so in the future. Projected expenditure growth is added to the estimated current overtrading for each sub area. The supermarket commitment in Crieff is deducted from the total to arrive at the residual spare capacity in 2012.

5.9 As explained in the footnote to the table, the trade diversion to the proposed Crieff supermarket is apportioned from both the Strathearn and Perth sub areas, as it will substantially reduce expenditure leakage from Strathearn to the supermarkets in Perth. At present, this leakage is estimated at approximately £20 million, from comparing the turnover in Strathearn (£14.2 million) with its expenditure potential in Table 5 (£34 million).

5.10 Spare convenience expenditure capacity is estimated at nearly £23 million by 2006. This is projected to rise by a further £12 million or so from 2012-16. So, over the next few years, there is limited spare convenience capacity, most of which is concentrated in the Perth sub area. The projected spare capacity in the sub area zones of Kinross, Highland and the Eastern area is low in each case. Assuming that a new supermarket is developed in Crieff, the impact on local shops would remove any spare capacity and is predicted to cause slight under trading in the short term, which would rectify by 2016.

Table 8

Projected spare convenience expenditure capacity to 2016 (in 2004 prices)								
Sub area	Turnover 2006 £million	2006-12 Expenditure growth %	Applied to turnover £million	Add: overtrading £ million	Less: *consents £ million	2006-12 Residual Capacity £ million	2012-16 Expenditure growth %	2012-16 spare capacity £ million
Perth	171.6		11.7	14.9	14.6	11.9		8.2
City Centre	*38.4*		*2.6*	*0*				
Out of centre	*133.1*		*9.0*	*14.9*	*14.6*			
Kinross	11.2		0.8	3.7		4.5		0.5
Strathearn	14.2		1.0	4.7	6.3	-0.6		0.7
Highland	10.9		0.7	3.6		4.4		0.5
Eastern	37.5		2.6	0		2.6		1.8
Total Council area	245.4	6.8%	16.7	27.0	20.9	22.8	4.4%	11.7

Note :

Expenditure growth derives from Table 5. Overtrading derives from Table A5 (actual trading levels minus actual trading levels

* Planning consents- Table 7. Assumes consent for a supermarket in Crieff with a turnover of £20.9 million. Estimated 30% trade diversion from Strathearn area stores and 70% from out of centre Perth supermarkets

5.11 Table 9 shows the spare expenditure capacity estimates, converted into gross retail floorspace equivalents for supermarkets and for discount foodstores. For the supermarket floorspace, an allowance for some comparison retail sales has been added. It should be stressed that the floorspace equivalents are indicative and for illustration only, because the retailer formats of individual operators vary, as do the store components with size.

Table 9

Perth & Kinross spare convenience expenditure capacity to 2016 showing the floorspace equivalent, *after deducting planning commitments*		
	2006-12	2012-16
	£million	£million
Expenditure £ millions	22.8	11.7
Floorspace equivalent (indicative)	sq.m. gross	sq.m. gross
*mainstream supermarkets	4,600	2,400
**discount foodstores	9,000	4,600

Note :

*For mainstream supermarkets, the average turnover ratio for ASDA, Morrison, Tesco and Sainsbury from the Retail Rankings 2006 has been applied, adjusted to remove petrol sales and include VAT (£10, 238 per sq.m. net).

Gross floorspace assumes a net/gross ratio of 60% plus 20% to allow for comparison sales

** For discount foodstores, a turnover ratio of £3,600 per sq.m. net has been applied, based on Aldi and Lidl From the Retail Rankings. The gross floorspace assumes a net/gross ratio of 70%.

The outcome suggests that there is scope for another small to medium supermarket to 2012, or extension/ redevelopment of existing supermarkets. There would certainly be expenditure capacity for further discount foodstores. Among the sub area zones with limited spare capacity, there would be some support for additional discount foodstore opportunities, for example. The estimated spare capacity is broadly supportive of the Structure Plan allocations.

Comparison expenditure potential 2006

5.12 The comparison expenditure potential is shown in Table 10, broken down by sub categories. It currently amounts to some £397 million, which is projected to grow to £591 million by 2016. Full details are presented in the Appendix.

Table 10

Perth & Kinross residents' comparison expenditure potential £ millions (in 2004 prices)					
(excluding special forms of retailing)	2006 £ million	% growth 2006-12	2012 £ million	2016 £ million	% growth 2012-16
Clothing, shoes & fashion	115.6		146.5	170.5	
Bulky goods					
Furniture/floorcoverings/ soft furnishings	54.7		70.0	82.3	
Domestic appliances	31.4		39.5	45.6	
DIY/Hardware	36.6		47.2	55.8	
Sub total bulky goods	122.8		156.7	183.7	
Personal/ other goods	158.4		202.3	237.1	
All comparison goods	396.8	27.4%	505.5	591.3	17.0%
Note: see Appendix for tabulations					

5.13 In terms of outflows, the household survey indicated that around 80% of the current residents' comparison expenditure shown in Table 10 is retained in Perth & Kinross, with the balance of 20% representing outflows to centres outside the Council area. The proportions of leakage are fairly similar among the different goods categories, although they are higher among clothing and furnishing.

5.14 Inflows-of comparison expenditure to the Council area have been estimated, based on the findings of the street shopper interviews in Perth and Crieff, grossed up to the annual estimated spend on clothing and gifts, by calculating the average amount spent by the respondents, taking account of their frequency of visit. The data was also adjusted to allow for seasonal variations in visitor numbers from information on visitors to Perth & Kinross published by VisitScotland. The estimated inflow of comparison expenditure equates to 13% of the expenditure potential of the residents of Perth & Kinross.

5.15 Table 11 summarizes the current comparison expenditure patterns for Perth & Kinross, taking account of these outflows and inflows.

Table 11

Perth & Kinross comparison expenditure patterns 2006 (in 2004 prices)		
		£million
Residents expenditure potential		396.8
Plus inflows	13%	53.3
Less outflows	20%	-79.4
Turnover		370.7

5.16 Table 12 shows the current distribution and estimated turnover of the comparison retail floorspace among the various towns in Perth & Kinross, at average anticipated trading levels. There would be a small proportion of overtrading above these levels (3% is indicated) to balance with the overall expenditure in Table 11. Full details are provided in the appendix.

5.17 The findings of the household survey provide a guide to the distribution of turnover. The Appendix shows survey-based proportions of market share of the residents' expenditure among the floorspace in different sub areas, with the visitor spending added. These proportions don't recognize comparison shopping at the supermarkets. They indicate overtrading at St Catherine's Retail Park and very high levels of turnover in the city centre.

5.18 Very low levels of turnover for some of the landward areas seem quite improbable against the level of comparison floorspace. There is little reason to believe that these centres, including the House of Bruar and Tullibardine, would be trading badly, especially as many of the small towns are popular tourist destinations. The total, though, for Perth & Kinross from the survey is almost the same as that derived from average trading levels.

5.19 In Table 12, estimates of the actual trading levels have been applied. Half of the overtrading is assigned to St Catherine's and half to the city centre, in recognition of the survey findings. Otherwise, it is assumed that trading in the landward areas is at average levels. The table illustrates the central dominance of Perth for comparison shopping within the Council area.

Table 12

Perth & Kinross comparison retail floorspace and turnover 2006 (in 2004 prices)					
	Floorspace sq.m.		Turnover	Turnover at av.	*Estimated actual turnover £million
	Gross	Net	£ per sq.m.	levels £million	
Perth	**108,245**	**69,019**		**299.7**	**310.8**
City Centre	71,525	42,451	5,227	221.9	227.5
St Cath Ret Park & B&Q	29,013	22,288		58.7	64.3
**Other out of centre	7,707	4,280		19.1	19.1
Kinross	**1,809**	**1,085**	2,352	**2.6**	**2.6**
Strathearn	**15,080**	**9,395**	2,875	**27.0**	**27.0**
Crieff	7,194	4,273			
Auchterarder	3,986	2,392			
Tullibardine	3,900	2,730			
Highland	**10,274**	**6,484**	2,875	**18.6**	**18.6**
Pitlochry	4,302	2,581			
Aberfeldy	2,772	1,663			
House of Bruar	3,200	2,240			
Eastern	**8,248**	**4,949**	2,352	**11.6**	**11.6**
Blairgowrie	7,242	4,345			
Coupar Angus	1,006	604			
Overtrading			3%	11.1	
Total Council area				**370.7**	**370.7**
Note					
Retail floorspace derives from the same sources as convenience retailing in section 7					
* the estimated actual turnover based on adjustments from the market shares.					
** this refers to the comparison floorspace in supermarkets- see calculations below					
ASDA, Dunkeld Road (7,833 sq. m. gross)-40% comp	3,133	1,723	4,766	8.2	
Morrison, St C R Park (4,965 sq.m. gross)-10% comp	497	248	3,750	0.9	
Tesco, Edinburgh Road (5,300 sq.m. gross)-25% comp	1,325	795	4,293	3.4	
Tesco, Crieff Road (7,863 sq.m. gross)-35% comp	2,752	1,514	4,293	6.5	
Total	7,707	4,280		19.1	

5.20 The appendix shows the distribution of comparison floorspace by categories of goods for each of the sub areas. About 75% of the floorspace in Perth & Kinross is within the Perth sub area, of which 50% is in the city centre. Not only does the city centre contain the greatest concentration of floorspace relating to clothing and personal shopping, but it has a high level of bulky goods floorspace too. The table also reveals the importance of clothing and personal shopping floorspace in the small towns, where bulky goods floorspace is generally very limited.

5.21 Current expenditure on bulky goods by residents of the Council area is estimated at some £123 million (Table 10). Expenditure outflows are about 20%. Expenditure inflows relating to bulky goods are likely to be very low and for the purposes of this exercise, we have assumed no inflow. Thus, the current bulky goods turnover[12] in Perth & Kinross is estimated at some £98 million.

<u>Spare Comparison Capacity to 2016</u>

5.22 The projected spare expenditure capacity to support additional comparison retail floorspace up to 2016 is reviewed in this section. The approach differs from the appraisal of convenience expenditure capacity, as an allowance for 1% growth in turnover/floorspace efficiency has been applied, to provide continuity with the 2002 study. Also, there is a significant net outflow of comparison expenditure from Perth & Kinross. So the potential to recapture some of this leakage is embraced in the estimates which follow.

5.23 Planning consents and other commitments for comparison retail floorspace require to be deducted from the projected spare capacity. It is assumed that these will be completed and operational by 2012. These are listed in Table 13.

[12] Note that the household interview surveys were conducted before the new B & Q was opened, so the position is slightly different from survey based estimates for DIY

Table 13

Comparison retail consents/commitments in Perth & Kinross (in 2004 prices)				
	Floorspace sq.m.		Turnover ratio £/sq.m.	Turnover £million
	Gross	Net		
Bulky goods RW,Market Park, Broich Rd, Crieff (appeal decision)	2,330	1,864	2,500	4.7
City Hall (total 2,300 sq.m.)	1,722	1,205	5,200	6.3
Vacant former Lidl store (to become a Christian bookshop)- Riggs Rd, Perth	1,350	1,080	500	0.5
St Johns Shopping Centre –unit	251	176	5,200	0.9
Caithness Glass, Inveralmond IE *Total 6,660 sq.m. : retail element 4,330 sq..m.	3,108	2,486	1,000	2.5
Total				14.9

Note:
* Existing building of 1,726 sq.m. to be demolished. Estimated 65% retail or 1,122 sq.m. to deduct from the 4,330 sq.m. retail in the new building.
Turnover ratios: for Crieff bulky goods- from av for bulky goods in St Catherine's.
For St Johns- similar to City Centre average. Rest are estimates based on the nature of the operation.
The growth in floorspace efficienciency assumption has not been applied in this table

5.24 Table 14 shows the projected spare comparison expenditure capacity to 2016, taking account of expenditure growth, overtrading and deducting the planning consents. Table 15 shows the effect of applying an assumed growth in turnover/floorspace efficiency of 1% per annum. This reduces the projected capacity. It represents the basic capacity projection for this report, before reviewing the prospects of any clawback of leakage from Perth & Kinross. In other words, it relates to existing expenditure patterns for the study area.

5.25 There is substantial projected spare comparison expenditure capacity in Perth & Kinross up to 2016, most of which is concentrated in Perth. The projected capacity among the other sub areas is fairly minor and would probably be mainly drawn towards any new developments in Perth.

Table 14

Projected spare comparison expenditure capacity to 2016 (in 2004 prices) *before applying a 1% per annum growth in turnover/floorspace efficiency rate*								
All comparison Sub area	A Turnover 2006 £million	B 2006-12 Expenditure Growth %	C Growth Applied to turnover £million	d Add: overtrading £ million	e Less: consents £ million	**2006-12** Residual Spare capacity £ million	f 2012-16 Expenditure growth %	**2012-16** growth related spare capacity £million
Perth	310.8		85.2	11.1	10.2	86.1		67.2
Kinross	2.6		0.7	0		0.7		0.6
Strathearn	27.0		7.4	0	4.7	2.7		5.8
Highland	18.6		5.1	0		5.1		4.0
Eastern	11.6		3.2	0		3.2		2.5
Total Council area	370.7	27.4%	101.6	*11.1*	14.9	**97.8**	17.0%	**80.1**
			a*b			c+d-e		(a+c)*f
Bulky goods								
Total Council area	98.2	27.4%	26.9	3.4	4.7	**25.7**	17.0%	**21.2**
	*80%			Perth				

Note:

The bulky goods turnover in 2006 derives from the expenditure potential in Table 9.12, assuming 80% retention in Perth & Kinross.

Apportionment of the bulky goods overtrading in column d is based on the ratio of bulky goods /comparion floorspace in the Perth sub area

Table 15

Spare comparison expenditure capacity with 1% per annum growth in floorspace efficiency applied (in 2004 prices)		
All comparison goods	2006-12 £ million	2012-16 £ million
Perth	66.3	53.8
Kinross	0.5	0.4
Strathearn	0.8	4.7
Highland	4.0	3.2
Eastern	2.5	2.0
Total Council area	**74.1**	**64.1**
Bulky goods		
Total Council area	19.3	17.0

The application of 1% per annum growth in floorspace efficiency reduces the spare capacity.
It lowers growth based capacity and has also been applied to the consents.

5.26 The projected bulky goods spare expenditure capacity provides some guidance for consideration of further out of centre retail park development opportunities in Perth, although some of this expenditure potential would also support additional bulky goods floorspace in the city centre.

5.27 A major new retail development in Perth would be partly serviced by clawback of existing expenditure leakage. In Table 16 it is assumed that up to 30% of the leakage could be retained. The outcome adds to the expenditure potential to support new comparison retail floorspace in Perth & Kinross, but it must be stressed that the opportunity to clawback leakage would relate to substantial new developments only.

5.28 Thus, a low and a high range of spare comparison expenditure capacity can be considered, as presented in Table 17:

- Low: assuming existing expenditure patterns, as in Table 15
- High: the above plus possible additional retained leakage, from Table 16.

Table 16

Potential additional capacity: recapture of 30% of comparison expenditure Leakage from Perth & Kinross (in 2004 prices)		
	2012 £ million	2016 £ million
Residents' expenditure potential-Table 10	505.5	591.3
Leakage (20% from Table 11)	101.1	118.3
Possible recapture of 30% of leakage	30.3	35.5
for bulky goods (same assumptions applied)	9.4	11.0

Table 17

Range of spare comparison expenditure capaity in Perth & Kinross £million (in 2004 prices)			
2006-12		2012-16	
Low	High	low	*high
All comparison 74.1	104.4	64.1	99.6
Bulky goods 19.3	28.7	17.0	28.0
Note * the high range for 2012-16 assumes that no leakage has been recaptured in the previous period.			

5.29 For the purposes of providing broad guidance, it is assumed that the spare bulky goods capacity would principally relate to supporting out-of-centre retail park developments in Perth. All other comparison spare capacity would mainly relate to the city centre. In reality, some bulky goods expenditure capacity would relate to the city centre and possibly elsewhere in the Council area. Likewise, some of the other comparison expenditure capacity would relate to potential developments outside the city centre, including elsewhere in Perth & Kinross.

5.30 Table 18 shows the estimated floorspace equivalent relating to the range of spare capacity expenditure in the previous table. The assumptions used to convert expenditure to gross floorspace are set out in the footnote to the table.

Table 18

Range of spare comparison expenditure capacity in Perth & Kinross Floorspace equivalent sq.m. gross (in 2004 prices)			
2006-12		2012-16	
Low	high	low	*high
City centre related (all comparison minus bulky goods) 17,000	23,000	14,000	21,000
Out of centre related Bulky goods 9,100	14,000	7,700	13,000

Note

* the high range for 2012-16 assumes that no leakage has been recaptured in the previous period.
For City Centre related comparison expenditure capacity, assume £5,200 per sq.m. net in 2006 with 1% per annum growth in efficiency applied to 2016. A net/gross floorspace ratio of 60% has been applied
For bulky goods, a turnover ratio of £2,500 per sq.m. net has been applied, increased by 1% per annum to 2016
A net/gross floorspace ratio of 80% has been applied for bulky goods

5.31 The estimates in Table 18 lend support for significant additional comparison retail development in the city centre. Some of this capacity could also be directed elsewhere, but that would be a planning policy issue.

5.32 The spare bulky goods expenditure capacity would support some additional expansion of retail warehousing, but the potential expenditure to support a new retail park, for example, would not emerge until later into the study period.

6. Conclusions

6.1 This report provides a 2006 retail review for Perth & Kinross. It examines in detail the shopping patterns of household and visitors, assesses retail market activity in the main centres and identifies future market prospects. The conclusions presented in this section summarise the report's findings and provide information to guide Perth & Kinross Council's decision making.

6.2 Superstores in Perth dominate the regional food shopping market. Analysis of capacity in the convenience sector identifies that most areas are well-served and expenditure is growing slowly, therefore there will be limited potential for new development. The exceptions to this general market finding are:-

- Although there is no particular capacity argument, there may be a distribution argument for new convenience floorspace in the Highland Area, to serve the dispersed northern catchment centred on Aberfeldy and Pitlochry. The limited capacity would suggest that a discount or metro store is more appropriate than a full supermarket or superstore.

- A modest amount of additional capacity in Perth indicates potential for a city centre metro store or extension(s) to existing superstore(s).

- Again for distribution reasons, it may be appropriate to consider a discount store or small supermarket to serve the south and/ or west areas of Perth.

6.3 Perth's comparison shopping sector faces strong competition from larger centres. Although expenditure leakage of expenditure is modest and Perth attracts some expenditure from elsewhere, expenditure growth lags behind the Scottish average, vacancies have risen in off-prime locations and rents are growing comparatively slowly. More positively, the incidence of multi-purpose trips linking different types of shopping and leisure is increasing. St. Catherine's retail park has increased its market share. Comparison goods expenditure is forecast to grow:-

- To 2012, potential for 17,000 to 23,000 sq.m. gross comparison goods floorspace in Perth city centre will be absorbed by proposals for 18,000 sq.m. gross at site between High Street and Mill Street. This site is identified within and complies with the development plan. The approved City Hall conversion also falls within identified retail capacity for Perth. Any further, significant addition to comparison floorspace elsewhere in Perth during this short to medium term period could undermine High Street/ Mill Street by diverting occupier demand away from the city centre.

- Capacity for a further 14,000 to 21,000 sq.m. gross comparison goods floorspace is indicated to 2016. This would be sufficient to support a further phase of an existing city centre mall, or a new scheme. If this capacity is not delivered in the city centre during the medium to longer term, demand is likely to divert to alternative sites such as St. Catherine's Retail Park, or indeed new retail locations in Perth.

- Additional bulky goods capacity is identified as 9,000 to 14,000 sq.m. up to 2012, and a further 7,700 to 13,000 sq.m. up to 2016. This implies a gradual build-up of market potential for further retail warehousing development and some city centre bulky goods trading. This capacity would include any trading from mezzanine levels in new or existing retail warehouses. The requirement for bulky goods capacity would increase if any existing retail warehouse floorspace is displaced by comparison goods.

6.4 In the burgh towns, retail sectors vary considerably. Blairgowrie, Crieff and Pitlochry have significant numbers of multiple retailers. None of the towns has a particularly active market, although tourism boosts Pitlochry in particular, where rents are comparatively high. Current retail development proposals are limited to Crieff, Blairgowrie and Aberfeldy (although the latter two are small proposals).

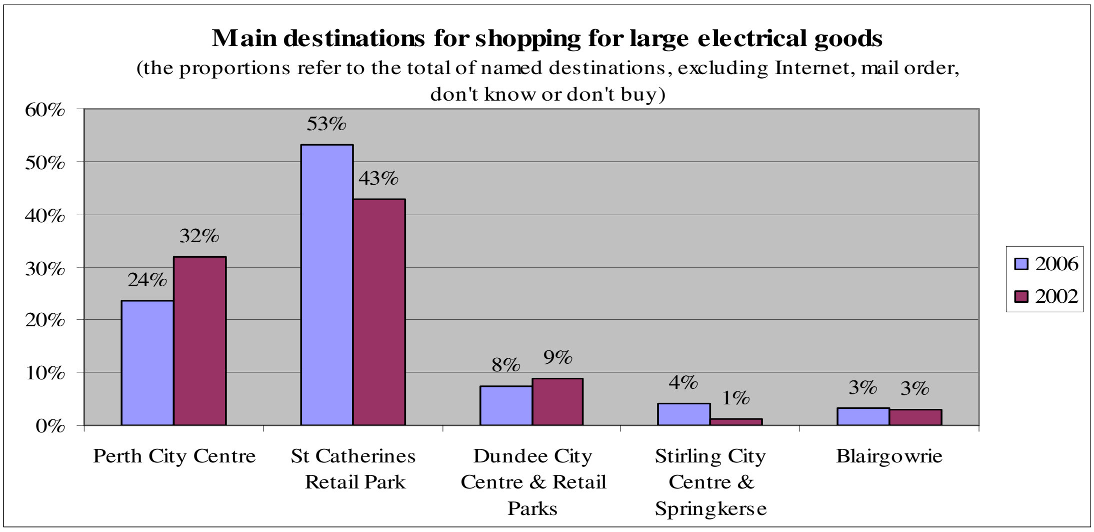
Ryden and Roderick MacLean Associates
October 2006

Young age group 16-24: 46% used Perth city centre and 37% used St Catherines for their main purchases of furniture, floorcoverings and soft furnishings. So the city centre is a relatively more important destination to this group than for the sample as a whole.

4.14 St Catherine's Retail Park is the main destination for purchases of large electrical goods/ domestic appliances, followed by the city centre. Figure 9 illustrates the five most popular centres identified by the respondents. Changes since 2002 follow a similar pattern to that for shopping for furniture/ furnishings.

Young age group 16-24: 63% used St Catherine's Retail Park and 21% used the city centre for their main purchases of large electrical goods.

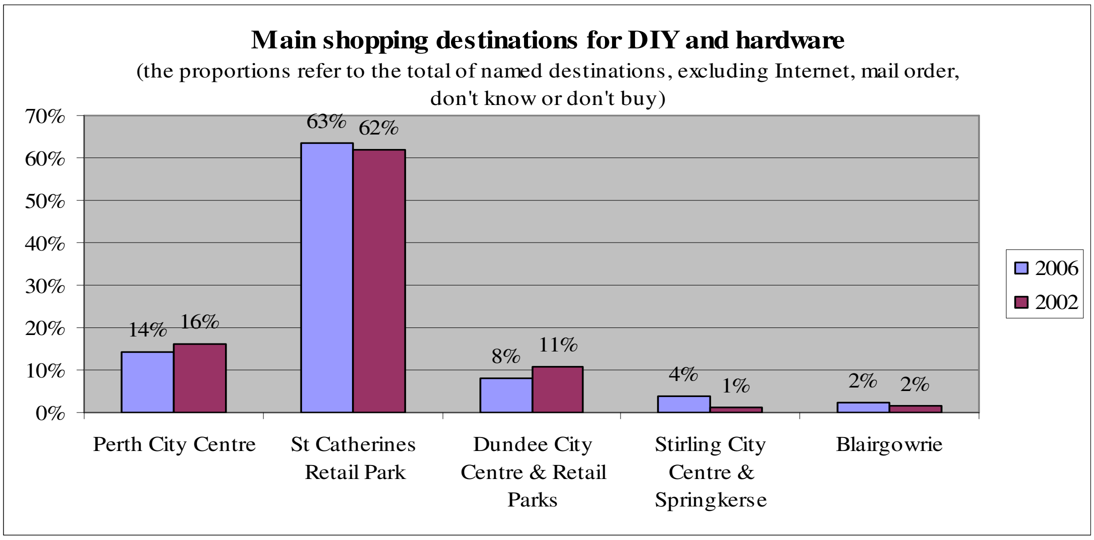
Figure 9



4.15 St Catherine's Retail Park is the dominant destination for DIY and hardware purchases. Figure 10 illustrates the five most popular centres identified by the respondents. Perth city centre and Dundee are the next most popular destinations. Changes since 2002 indicate that the attraction to St Catherine's has increased very slightly, with increased attraction to Stirling and reduced attraction to the city centre and Dundee.

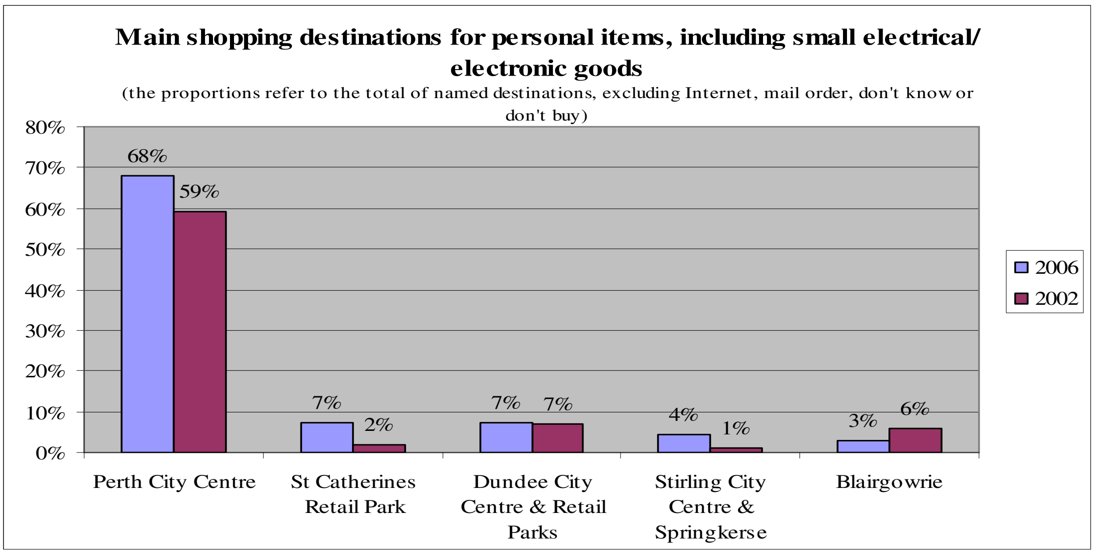
Young age group 16-24: 74% used St Catherine's Retail Park and the rest used various centres in low proportions for their DIY shopping.

Figure 10



4.16 Perth city centre is by far the most significant destination for personal and miscellaneous goods, which include small electrical and electronic items. Some 68% of the respondents identified it as their main centre. Figure 11 illustrates the five most popular destinations; the others are relatively small in proportion. Proportions attracted to the city centre, St Catherine's and Stirling have increased. Blairgowrie has suffered a reduction in attraction.

Figure 11



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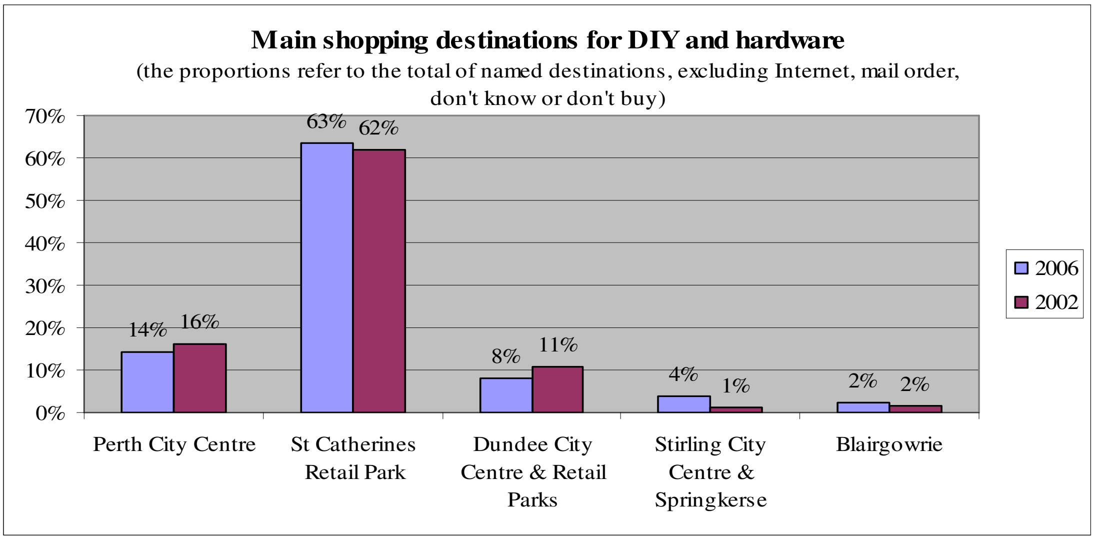

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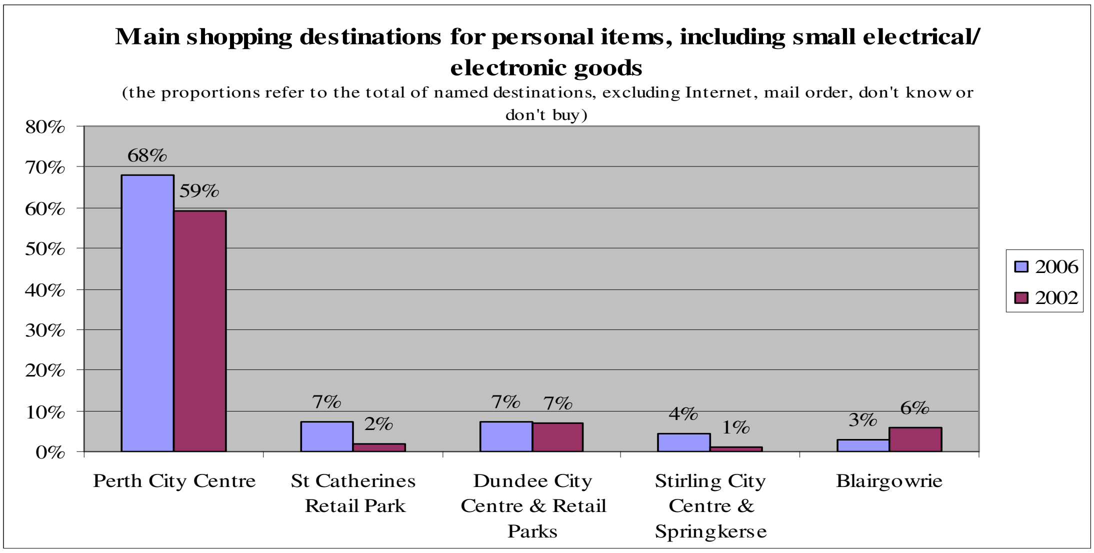

APPENDIX 2 - CONVENIENCE RETAIL

Table A1
Main food shopping destinations %

Sample size 1001	By Zone					by
	Perth	Kinross	Strathearn	Highland	Eastern	Total
Perth City Centre (Tesco SS & CC shops)	12%	3%	1%	4%	1%	7%
Other Perth supermarkets (Aldi, ASDA, Lidl, Morrison, Tesco Crieff Rd, Tesco Edinburgh Rd)	81%	20%	41%	55%	5%	55%
Auchterarder Co-op			5%			1%
Aberfeldy Co-op				12%		1%
Blairgowrie (Somerfield, Tesco)				1%	73%	11%
Cupar Angus Co-op			1%		5%	1%
Crieff Somerfield			30%			5%
Kinross Somerfield		23%				2%
Pitlochry Co-op				22%		2%
Other local shops	6%	54%	23%	7%	15%	15%
Internet			1%		2%	1%
Total	100%	100%	100%	100%	100%	100%

Note: the percentages have been rounded the nearest whole figure

Table A2
Projected growth in per capita convenience expenditure in the UK

Annual average

2003-06	2006-12	2012-16
1.1%	0.8%	0.9%

Source:
MapInfo Brief 05/02, Table 2- blend of trends and forecasts by Oxford Economic Forecasting
The figure for 2003-06 is the trend based on the figure for convenience expenditure in 2003 and the figure for 2006 interpolated between 2005 & 2010 in Table 2 of Brief 05/02
The %s shown are rounded.

Table A3 **Projected UK growth in convenience goods expenditure per capita (in 2002 prices)**	
Date	£ per annum
2003	**1,512**
2005	**1,549**
2006	1,561
2010	**1,611**
2012	1,637
2015	**1,677**
2016	1,694
2020	**1,763**

Source:

MapInfo Brief 05/02, Table 2- Oxford Economic Forecasting

The figure for 2003 derives from MapInfo Table 1. The figures shown in bold are taken directly from the tables. The other figures are interpolations/ extrapolations, rounded to the nearest whole number.

Table A4
Perth & Kinross convenience expenditure per capita per annum (in 2004 prices)
Excluding special forms of retailing

2003 £	2006 £	2012 £	2016 £
1,701	1,756	1,842	1,906

Note:

The 2003 figures derive from a MapInfo *Targepro* report commissioned for Perth & Kinross, published in 2003 prices. This has been converted to 2004 prices from MapInfo Brief 05/02, Table 1- (by applying a factor of 1.0039)

The original MapInfo figure for 2003, before deducting special forms of retailing is £1,722 in 2003 prices

The proportion of special forms of retailing in the convenience sector in 2003 was 1.6% (MapInfo *Explanatory Volume- 2003 Expenditure-* published 2005). Special forms of retailing includes spending on, mail order, vending machines etc- ie not from shops. In the case of Internet grocery expenditure, most is drawn from supermarket stock. The projected growth derives from MapInfo Brief 05/02, Table 2.

Table A5
Convenience turnover: average trading levels and market share based estimated compared. Adjusted levels for 2006

	a Turnover at average levels	b Market share from survey		b/a Overtrading	Adustments-estimated actual turnover levels	
	£million	%	£million	% above av Levels	% overtrading	Turnover £million
ZONE						
Perth						
City Centre	38.4	8.1%	19.8	-48%	0%	38.4
(Tesco South St & other CC shops)						
Perth out of centre shops	118.2	54.2%	133.0	12%	13%	133.1
(Aldi, ASDA, Lidl, Morrison, Tesco Crieff Rd, Tesco Edinburgh Rd, plus local shops)						
Kinross	7.5	8.1%	19.8	165%	50%	11.2
(Somerfield & local shops)						
Strathearn	9.5	9.8%	23.9	153%	50%	14.2
(Crieff Somerfield, Auchterarder Co-op & local shops)						
Highland	7.3	5.4%	13.3	82%	50%	10.9
(Aberfeldy & Pitlochry Co-ops & local shops)						
Eastern	37.5	14.5%	35.5	-6%	0%	37.5
(Blairgowrie Somerfield & Tesco, Cupar Angus Co-op & local shops)						
Overtrading	27.0					
Total Council area	245.4	100%	245.4			245.4

Table A16
Distribution of comparison retail floorspace, sq.m. gross- 2006

	Clothing,shoes & fashion	Furniture, Floorcoverings & furnishings	Domestic appliances	DIY & hardware	*Bulky goods total*	Personal/ other goods	All comparison
Perth	**36,054**	**15,153**	**3,374**	**14,661**	***33,188***	**39,003**	**108,245**
City Centre	29,800	10,940	908	2,485	*14,333*	27,392	71,525
St Cath Ret Park & B&Q	2,400	4,213	2,466	12,176	*18,855*	7,758	29,013
Other out of centre	3,854					3,853	7,707
Kinross	**76**	**123**	**0**	**724**	***847***	**886**	**1,809**
Strathearn	**6,037**	**1,136**	**312**	**878**	***2,326***	**6,717**	**15,080**
Crieff	2,058	251	312	701	*1,264*	3,872	7,194
Auchterarder	1,479	885	0	177	*1,062*	1,445	3,986
Tullibardine	2,500					1,400	3,900
Highland	**5,172**	**329**	**215**	**548**	***1,092***	**4,010**	**10,274**
Pitlochry	2,064	145	215	145	*505*	1,733	4,302
Aberfeldy	608	184	0	403	*587*	1,577	2,772
House of Bruar	2,500					700	3,200
Eastern	**1,957**	**565**	**337**	**341**	***1,243***	**5,048**	**8,248**
Blairgowrie	1,837	161	290	341	*792*	4,613	7,242
Coupar Angus	120	404	47	0	*451*	435	1,006
Total Council area	**49,296**	**17,306**	**4,238**	**17,152**	***38,696***	**55,664**	**143,655**

Note
Council, Goad and Ryden survey update 2006

Table A16

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