

LISBURN & CASTLEREAGH CITY COUNCIL LDP 2032

Draft Plan Strategy Response

Sprucefield Retail Park, Lisburn

NewRiver

January 2020



A Representation to Lisburn and Castlereagh City Council’s Draft Plan Strategy (Local Development Plan 2032)

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Annex 1: Sprucefield Retail Park Location

1. Introduction

1.1 This representation has been prepared by **TSA Planning** on behalf of our client **NewRiver REIT plc ('NewRiver')**, in respect of Lisburn and Castlereagh City Council's published Draft Plan Strategy (DPS), for their Local Development Plan 2032.

1.2 NewRiver are the new owners of Sprucefield Retail Park, as illustrated at **Annex 1**. We have been engaged by NewRiver to consider and make representation on the Retail Strategy and **Strategic Policy 14, Town Centres, Retailing and Other Uses; Strategic Policy 15 Evening/Night-time Economy, and SMU03 - Sprucefield Regional Shopping Centre**, set out within the Draft Plan Strategy (DPS) of the Lisburn & Castlereagh Local Development Plan. Our client is fully supportive of the Policy direction set out for Sprucefield in the DPS.

1.3 To inform this response to the Draft Plan Strategy, consideration is given to the legislative requirements relating to the preparation, form and content of the Local Development Plan set out in the Planning Act (NI) 2011 and The Planning (Local Development Plan) Regulations (NI) 2015. Consideration is also given to the following Policy and Guidance publications, along with the wider content of the Draft Plan Strategy (including accompanying assessments and technical supplements):

- The Regional Development Strategy (RDS) 2035;
- The Strategic Planning Policy Statement (SPPS);
- The Department's Development Plan Practice Notes (DPPN); and in particular:
 - DPPN 6 - Soundness; and
 - DPPN 7 - The Plan Strategy.
- Draft Plan Position Paper 4: Retailing, Offices and Town Centres; and
- Draft Plan Technical Supplement 5: Retail Capacity Study.

Regard is also had for the Preferred Options Paper stage, the LDP Timetable, and the Council's Community Plan 2017/2032.

1.4 **Section 2** sets out some background information relating to NewRiver and their recent acquisition of Sprucefield Retail Park.

1.5 **Section 3** discusses the various challenges facing the Retail Sector, expanding upon the findings of the Council's own evidence papers.

1.6 **Section 4** sets out our consideration of the Strategic Policies **14, 15** and **SMU03 - Sprucefield Regional Shopping Centre**.

1.7 **Section 5** sets out Conclusions in respect of this representation.

1.8 We respectfully request this representation is heard by **oral hearing** at Independent Examination stage.

2. Client Background

- 2.1 NewRiver is a leading Real Estate Investment Trust specialising in buying, managing, developing and recycling convenience-led, community-focused retail and leisure assets throughout the UK.
- 2.2 Founded in 2009, their portfolio is now worth in excess of £1 billion. covering over 9 million sqft of retail floorspace across 33 community shopping centres, and 25 retail parks. NewRiver have other investment and real estate interests, however, their portfolio primarily consists of UK shopping centres and retail parks centred on having a diverse range of retail sub-sectors, (with grocery, convenience stores, value clothing, health & beauty and discounters forming the core of their retail portfolio), and actively managing their assets with affordable rents and appropriate development strategies.
- 2.3 Locally, NewRiver bought the Abbey Centre in Newtownabbey in 2014 and has worked to extend and refurbish its offering. In November 2019, NewRiver acquired the 231,000 sqft Sprucefield Retail Park for £40m.

Sprucefield Retail Park

- 2.4 NewRiver's landholding at Sprucefield consists of the Retail Park including Sainsburys, B&Q, Argos, Next Home as current tenants, with potential to add value through the letting of the existing vacant units within the Retail Park, and also the development of the adjacent vacant lands, as illustrated at **TSA 1**.



TSA 1: Aerial Image of Sprucefield Regional Shopping Centre (NewRiver site outlined in red).

2.5 A current tenant schedule of the retail accommodation, set out in the recent sales brochure, is provided below: -

Unit	Tenant	Trading Floor	GIA (sq ft)
1	B&Q Plc	B&Q	101,016
2	Vacant		28,604
3	Argos Ltd	Argos	10,792
4	Next Group Plc	Next at Home	10,782
5	Sainsbury's Supermarkets Ltd	Sainsbury's	80,000
Advertising Screens	Clear Channel NI Limited	-	-
Vending	Photo-Me International Plc	-	-
			231,194

2.6 Initially granted in 2001, outline planning permission S/1998/0618 permitted a comprehensive mixed development (to include retail food-store, retail warehousing, commercial leisure, vehicle showrooms and associated uses) together with Link Rd between A1 and M1, associated junctions, civil engineering and landscape works. The associated reserved matters (S/2001/1423/RM) only covered the extent of the retail park currently constructed. However, the principle of other uses such as commercial leisure, vehicle showrooms etc. are clearly established. In fact, condition 9 of the outline approval set out the following uses: -

The planning permission hereby granted relates to the proposals as submitted which comprise the following elements:

- (a) Business space for use as defined by Classes 2, 3 and 4(a) of the Planning Use (Classes) Order (NI) 1989, the gross floorspace of which shall not exceed 9,290 sqm when measured internally;*
- (b) a food store, the gross floorspace of which shall not exceed 7,432 sqm when measured internally;*
- (c) a DIY store, the gross floorspace of which shall not exceed 9,290 sqm when measured internally;*
- (d) a builder's yard and garden centre;*
- (e) retail warehousing, the gross floorspace of which shall not exceed 4,645 sqm when measured internally;*
- (f) a multiplex cinema, the gross floorspace of which shall not exceed 5,016 sqm when measured internally;*

- (g) car showrooms, the gross floorspace of which shall not exceed 4,500 sqm when measured internally;*
- (h) a hotel comprising a maximum of 150 bedrooms;*
- (i) a petrol filling station, the kiosk of which shall have a gross floorspace not exceeding 200 sqm when measured internally;*
- (j) a drive-through restaurant, the gross floorspace of which shall not exceed 200 sqm when measured internally.*

2.7 Since the recent acquisition of the Retail Park, NewRiver have been developing a suitable Asset Management Strategy aimed at improving the retail and leisure offer, with the view to submitting a planning application for mixed-use development shortly (Application LA05/2018/1061/O by previous owner, Intu, has been withdrawn).

3. Changing Retail Context and Challenges

3.1 We shall expand upon the National trends in Retailing covered within the Council's own evidence papers (Section 3 of Technical Supplement 5), by providing the following supplementary commentary regarding the changing nature of retail.

Challenges facing the Retail Sector

3.2 It is indisputable that UK Retailing is undergoing a fundamental restructuring. Regional planning policy has sought to strengthen the role of town centres through a town centre first approach; however, this does not fully recognise the key challenges facing the Retail Sector and what is driving this restructuring across all parts of the industry (regardless of the location).

3.3 Changing demographics, generational attitudes, new technologies and globalisation are all directing a change in consumer model. Physical retailing is having to transform to keep pace with consumer demands for a more immersive retail/leisure destination.

3.4 This has affected many traditional retail operators and many multi-national retailers have struggled to adapt, such as Debenhams, House of Fraser, Mothercare some of the most recognisable casualties.

3.5 There has been a witnessed decline in footfall across retail centres, however, the reduction in footfall is less in those largest centres with a strong dining offer.

3.6 The financial model of the traditional retailer has been broken as a result of discounters that focus on the cheapest price and online retailers with low operating costs that can provide virtually any product, quickly, at a lower price.

3.7 Growth in online sales and increases in the cost base of physical retailing has led to diminished demand for retail space. Paragraph 3.4.7 of the Retail Capacity Study states that there is considerable uncertainty over the extent to which internet retailing will expand. However, the Centre for Retail Research identifies as one example that Online Retailing accounts for 19% of fashion sales and is expected to grow to 25% in the next decade.

3.8 Investment activity in the retail property sector has fallen dramatically over the last five years and represents the lowest level of investment activity since 2000 (Savills Shopping Centre and High Street Spotlight Q1, 2019).

3.9 The hierarchy of retail centres has changed dramatically over the past 30 years with changes in shopping patterns driven by improved private transport, brand awareness, increased time available for combined leisure and shopping trips. As a result, many of the UK's retail centres no longer support the higher order goods they once provided.

- 3.10 Many retailers are unable to cope with decreased footfall and increased overheads/expenditure caused by long leases and high rental costs. As a result, many town centres are witnessing a gradual market driven correction which will take many years to complete with many retail properties highly leveraged.

The Future for Retailing

- 3.11 As the Council's own Technical Supplement identifies, customer experience is now essential. Retailers and shopping centres strive to differentiate themselves in a challenging and crowded market. There is a consumer-driven need for mixed-use visitor experiences.
- 3.12 This is largely evidenced by the growth in the number of coffee shops and other eateries across retail parks in order to maximise 'dwell' time. Leisure and community facilities are also a growing trend within the traditional retail centre. Retail Centres are positioning themselves with a leisure attraction (e.g. cinema, bowling alley, entertainment centre etc) so that they become a 'Retail Destination'.
- 3.13 To combat high vacancy rates, many centres are actively looking at a reduction in retail floorspace, to be replaced with community facilities, leisure and increasingly residential uses.

4. Consideration

- 4.1 Having considered the content of the Draft Plan Strategy along with the associated evidence base (including Position Paper 4: Retailing, Offices and Town Centres, and Technical Supplement 5: Retail Capacity Study), we believe **Strategic Policies 13 and 14** to be **Sound**. Considered together, they provide a robust policy that:
- Promotes town centre regeneration/development for a range of uses, including the aim to strengthen night-time economy;
 - Addresses the opportunities and challenges facing the ever-changing nature of the Retail Sector and the need for complementary leisure-based uses to create 'Retail Destinations'; and
 - Properly acknowledges and supports the role of Sprucefield as NI's only Regional Shopping Centre.
- 4.2 The Retail Capacity Study and Position Paper sets out some of the challenges and retailing trends that are impacting the retail sector. We would also consider the policy to be Sound as it appears to be flexible enough to hopefully deal with existing and foreseen challenges likely to affect the UK Retail Market.
- 4.3 Sprucefield Retail Park is a key component part of the wider Sprucefield Regional Shopping Centre designation identified in BMAP and carried through in the Draft Plan Strategy. Having considered the content of the Draft Plan Strategy along with the associated evidence base (including Position Paper 4: Retailing, Offices and Town Centres, and Technical Supplement 5: Retail Capacity Study), we believe **Policy SMU03** to be **Sound**.
- 4.4 Our client is fully supportive of the Council's objective to retain the Regional Shopping Centre status (in line with the RDS) and further provides a robust policy base that will guide the future development of Sprucefield in a comprehensive and sustainable manner, capable of performing at a level which reflects its status as the only Regional Shopping Centre in NI.
- 4.5 The content and Key Site Requirements of the policy offers sufficient scope to achieve this objective, affording the ability to achieve additional retail and leisure growth (including tourism-based projects, café/restaurants, and car showrooms, along with achieving a retail offer based primarily around comparison goods.
- 4.6 We consider the policy to be sufficiently robust in terms of protecting other centres, such as Lisburn City Centre, Belfast City Centre and other town centres within the catchment area, as the policy explicitly states that the type, scale and nature of retail goods offered will be determined through the submission of a Retail Impact Assessment/Needs Assessment. In this context, we also agree that Sprucefield provides a complementary, rather than competitive,

role to Lisburn Town Centre, and that future growth in comparison retailing is capable of being spread between the town centre and Sprucefield.

- 4.7 This complementary relationship can be nurtured to enable the future sustainable growth of both locations by ensuring that the emerging planning policy for the Borough is not over prescriptive when it comes to administrating top down national policies which seek to protect town centres by presuming against development or changes at out of town centres. It is important to view both locations as working together in the same way that the Borough's consumers do, despite the obvious distance between them. We believe the draft Policies adequately achieve this objective.

5. Conclusions

- 5.1 In conclusion, this representation has assessed the published Draft Plan Strategy in respect of the Strategic Policies 13, 14 and SMU03 and have found these to be **Sound**, taking in to account the soundness tests set out in Development Plan Practice Note 6 – Soundness.
- 5.2 Our client has a substantial portfolio of Shopping Centres across the UK and has recently committed a substantial investment into the Borough through the £40m purchase of the Sprucefield Retail Park (November 2019).
- 5.3 As part of the identified Sprucefield Regional Centre, our client intends to bring forward further significant investment into the Borough through suitable development proposals relating to the vacant lands that lie adjacent to the Retail Park. The Strategic Retail Policy and Spatial Strategy contained within the DPS, provides an appropriate policy base that protects town centres, strengthens town centres (acknowledging a requirement for the provision of a range of complementary uses and importance of the evening/night-time economy), and affirms and supports the regional status and role of Sprucefield being NI's only Regional Centre.
- 5.4 For the reasons set out within this representation we respectfully request the retail proposals are brought forward unchanged to the adopted Plan Strategy.

ANNEX 1
Sprucefield Retail Park Location



Project:

Sprucefield Retail Park - DPS Response

Client:

McDonald's

Drawing Title:

Site Location - Aerial Image

Drawing No:

TCA 2002 004

Date:

January 2020

Revision: