

## 5.0 INTRODUCTION

One of the key requirements of the Retail Planning Guidelines is that retail strategies provide a broad assessment of the additional retail floorspace needed in counties over the lifetime of their strategies. As the capacity of an area to provide additional retail floorspace changes over time, the function of this chapter is to review and update the floorspace capacity assessment presented in the 2004-2009 County Retail Strategy taking into account the changes to the population and population forecasts since the strategy was adopted. To do this, a quantitative assessment is produced of the predicted capacity of additional retail floor space in Longford Town for the life of the current County Retail Strategy (2009). Predicted capacities are also presented for 2015 and 2020, thereby enabling a longer term broad examination of potential retail floor space capacity in the study area. The base year for the purposes of this capacity assessment is 2007, the latest year for which comprehensive floorspace data is available.

### 5.1 THE APPROACH

A step by step approach is taken to the capacity assessment. These are as follows:

1. Estimation of national expenditure per capita on convenience and comparison goods at the base year (2007), 2009 and beyond to 2015;
2. Estimate of per capita available expenditure in the base year 2007, 2009 and beyond (2015) for residents of County Longford with adjustments to allow for, regional/county variations in disposable incomes,
3. Estimation of the county population at base year 2007, 2009 and beyond to 2015;
4. Estimation of total available expenditure for convenience and comparison goods for the base year 2007, 2009 and beyond to 2015 as well as adjustments for inflows and outflows based on the household and shopper's surveys;
5. Estimation of floorspace turnover ratios per m<sup>2</sup>
6. Estimation of the likely average turnover per m<sup>2</sup> of new floor space in convenience, comparison and bulky household goods;
7. Estimation of the likely increase in expenditure available for the provision of additional floorspace making allowances for increased turnover efficiency of existing retail floorspace;
8. Estimation of floorspace capacity for the key dates: 2009 and 2015 and beyond to 2020;
9. Estimation of the capacity for additional floorspace in the county for the key dates: 2009 and 2015 and beyond to 2020.
10. Adjustments must then be made for non-quantifiably determined criteria.

### 5.1.1 Expenditure Estimates

The first step in establishing expenditure estimates is to calculate the total amount national per capita expenditure on convenience and comparison goods. These figures are then projected forward to 2009 using an assumed growth rate scenario for each type of goods. Ratios of expenditure per resident in County Longford are then applied to these projections and the County Longford per capita expenditure figures are then multiplied by the county population forecasts.

The per capita expenditure estimates for comparison and convenience goods are derived from the CSO's Annual Services Inquiry for 2003, the latest year for which information has been published. Per capita expenditure estimates for convenience and comparison goods are projected forward based on estimated future personal consumption growth estimates.

The Retail Planning Guidelines examine three principal sources of data on retail planning expenditure in Ireland. These are namely, the Household Budget Survey, the National Income and Expenditure Accounts and the Annual Services Inquiry. The Guidelines conclude that the most reliable data source for establishing baseline expenditure is the Annual Services Inquiry (ASI). Due to drafting and adoption timeframes, the County Retail Strategy 2004-2009 used the 2001 Annual Service Inquiry to inform the capacity assessment undertaken in the production of the Strategy. However, the most recent Annual Service Inquiry was published in 2003. Thus, this latter source is used for the purposes of the updating and reviewing the Strategy's capacity assessment. However, in order to be consistent with 2004 (the adoption year of the existing strategy), the figures presented in the 2003 Annual Services Inquiry have been adjusted to 2004 using the Consumer Price Index (CPI). Specifically, adjustments to the data set out in Table 1 of the ASI are required so as to ensure that items are correctly categorised into comparison and convenience goods. The particulars of these adjustments are outlined below:

- In keeping with the findings of the Tym/Blackwell Study undertaken in the production of the Retail Planning Guidelines for Planning Authorities, it is estimated in this update and review of the County Retail Strategy that approximately 10% of retail sales in non-specialised stores is in department stores and other comparison goods. The remaining 90% is categorised as convenience sales.
- In line with the provisions of the Retail Planning Guidelines, the category "*other retailing in specialised stores*" has been understood to constitute comparison expenditure, with the exception of a limited element of forecourt sales. An allowance has been made for this - the 10% adjustment has also been utilised for department stores and comparison goods.
- As is the convention in Retail Strategies and Retail Impact Assessments, expenditure on pharmaceutical goods and medical articles have been omitted from the comparison expenditure estimate as many medical or pharmaceutical products would not constitute either convenience or comparison goods by the normal definition. Such retailers are commonly referred to as 'retail services'.

Based on the 2003 ASI and the Consumer Price Index (CPI), it is calculated that the total expenditure per capita on convenience goods in 2004 was €3,046. This is 22% or €551 above the figure tabulated from the 2001 ASI in preparing the adopted County Retail Strategy. In line with CSO Retail Sales Index figures, a growth rate in convenience goods of 1% from 2004 to 2006 and 2% thereafter has been assumed. The expenditure rates for comparison goods have likewise been calculated based on the 2003 Annual Service Inquiry and the Consumer Price Index. This gives a per capita expenditure figure of €2,781 in 2004 prices. This is 25% or €556 above the figure tabulated from the 2001 ASI in preparing the adopted County Retail Strategy.

In general, expenditure growth on comparison goods has been significantly higher than expenditure growth on convenience goods in recent years. Conventionally, this is attributed to the paralleling of greater disposable incomes and the increasing ease at which household requirements are now met. Thus, with household needs in respect of convenience products satisfied with less financial strain, additional expenditure has been channelled into products such as clothing, footwear, and electrical goods. Although there was an exponential annual growth rate of comparison goods sales in the late 1990s to 2001, which in itself was in line with significant advances in the nation's GDP per capita, this figure has moderated in the more recent past. Indeed, based on the CSO Retail Sales Index figures, a growth rate in comparison goods of 5% is assumed from 2004. Whilst this is higher than the figures employed in the County Retail Strategy, it is contended that a 5% annual growth figure is more reflective of national personal consumption rates of comparison goods, as is evidenced in the significant growth of retail warehousing units in Longford Town and County.

<b>Table 5.1 National Per Capita Expenditure Estimates for Convenience and Comparison Goods 2004 -2020</b>		
<b>Year</b>	<b>Convenience (€)</b>	<b>Comparison (€)</b>
2004	3,046	2,781
2005	3,076	2,920
2006	3,107	3,066
2007	3,138	3,219
2008	3,201	3,380
<b>2009</b>	<b>3,265</b>	<b>3,549</b>
2010	3,330	3,727
2011	3,397	3,913
2012	3,465	4,109
2013	3,534	4,314
2014	3,605	4,530
<b>2015</b>	<b>3,677</b>	<b>4,756</b>
2016	3,751	4,994
2017	3,826	5,244
2018	3,902	5,506
2019	3,980	5,781
<b>2020</b>	<b>4,060</b>	<b>6,071</b>

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO ASI 2003; CSO Retail Sales Index 2004-2007*

However, when applying these figures to a regional or county level, it is first necessary to make adjustments to the per capita comparison figures so as to account for regional variations in per capita disposable incomes. The latest year for which figures on regional and county per capita income variations are available is 2004. A CSO publication on regional and county per capita incomes in 2004 (published in 2007), outlines that Longford's per capita income in 2004 was approximately 91.4% of the national average, with that of the Midland's Region at 92% of the state average. Thus, for the purposes of this update and review it has been assumed that expenditure on comparison goods in Longford is approximately 91.4% of the national average. This equates to a figure of approximately €2,542 in 2004 which is 14.3% or €317 above the figure tabulated from the 2001 ASI in preparing the adopted County Retail Strategy.

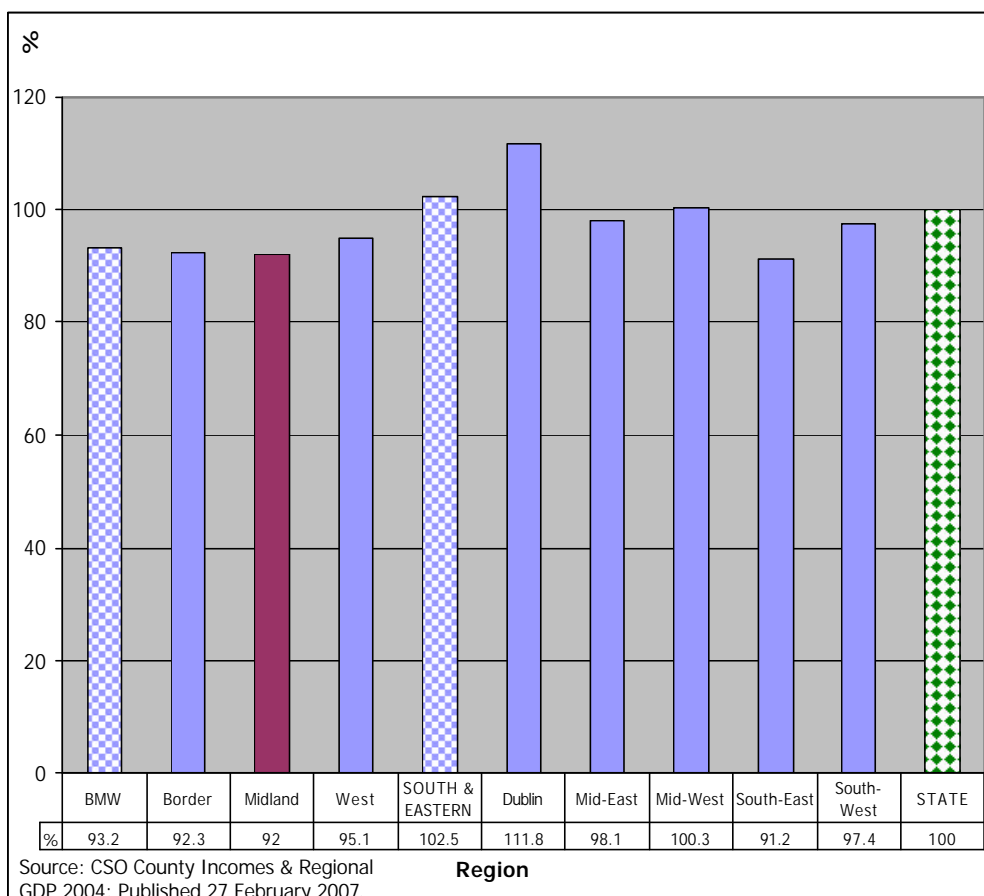


Figure 5.1  
Regional Income Variations for 2004 expressed  
as a percentage of National Mean Per Capita Income

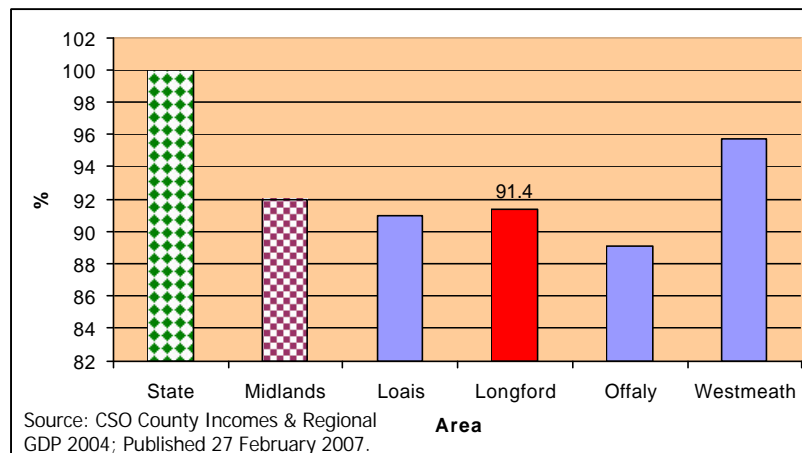


Figure 5.2  
County Income Variations in the Midlands Region for 2004 expressed as a percentage of National Mean Per Capita Income

Table 5.2 Longford Per Capita Expenditure Projections for Convenience and Comparison Goods 2004 -2020 (adjusted for county disposable income estimates)		
Year	Convenience €	Comparison €
2004	3,046	2,542
2005	3,076	2,669
2006	3,107	2,802
2007	3,138	2,942
2008	3,201	3,089
<b>2009</b>	<b>3,265</b>	<b>3,244</b>
2010	3,330	3,406
2011	3,397	3,576
2012	3,465	3,756
2013	3,534	3,943
2014	3,605	4,140
<b>2015</b>	<b>3,677</b>	<b>4,347</b>
2016	3,751	4,565
2017	3,826	4,793
2018	3,902	5,032
2019	3,980	5,284
<b>2020</b>	<b>4,060</b>	<b>5,549</b>

Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007

So as to determine the available convenience and comparison expenditure levels for County Longford as a whole, it is now necessary to multiply the per capita expenditure estimates against the population projections for the county. Table 5.3 below provides population projections for Longford County through the life of the County Retail Strategy (2009) and beyond to 2015 and 2020 respectively. The methodology by which these population figures were established is outlined in the Baseline Information Chapter.

<b>Table 5.3 Population Projections</b>						
<b>Area</b>	<b>2004</b>	<b>2006</b>	<b>2007</b>	<b>2009</b>	<b>2015</b>	<b>2020</b>
<b>Longford County</b>	32,602	34,361	35,236	37,056	43,100	48,883

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSR Research 2007*

<b>Table 5.4 Longford Total Available Expenditure Projections for Convenience and Comparison Goods for Key Dates; 2004 -2020</b>		
<b>Year</b>	<b>Calculated Available Convenience Expenditure €</b>	<b>Calculated Available Comparison Expenditure €</b>
2004	99,305,692	82,874,284
2007	110,570,568	103,664,312
<b>2009</b>	<b>120,987,840</b>	<b>120,209,664</b>
<b>2015</b>	<b>158,478,700</b>	<b>187,355,700</b>
2020	196,678,580	268,810,207

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

It is now necessary to make adjustments to the County Longford convenience and comparison expenditure estimates to allow for inflows and outflows for consumer expenditure in the county. In other words, to allow for people living outside Longford County who shop in Longford Town and to allow for the expenditure generated by the population of the county which goes to centres outside County Longford. As there is only marginal variance (0.6%) between the CSO per capita disposable income estimates for County Longford and the Midland's Region, from which it can be assumed inflows would originate, the expenditure estimates for County Longford have been used in calculating both the expenditure inflows and outflows for the county.

Based on the information obtained from the household and time lapse shopper surveys, a figure of 6.2% is used to accommodate for county expenditure inflow for convenience goods and 2.2% for comparison goods. Also founded on information derived from the

surveys, outflow (leakage) figures have been estimated at approximately 10% for convenience per capita expenditure and 10% comparison per capita expenditure.

<b>Table 5.6 Longford Total Available Expenditure Projections for Convenience and Comparison Goods for Key Dates; 2004 -2020 (adjusted for expenditure inflow and outflow estimates)</b>		
<b>Year</b>	<b>Calculated Available Convenience Expenditure €</b>	<b>Calculated Available Comparison Expenditure €</b>
2004	95,532,076	76,410,090
2007	106,368,886	95,578,496
<b>2009</b>	<b>116,390,302</b>	<b>110,833,310</b>
<b>2015</b>	<b>152,456,509</b>	<b>172,741,955</b>
2020	189,204,794	247,843,011

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

### 5.1.2 Turnover Estimates

It is now possible to establish turnover ratios per m<sup>2</sup> on both comparison and convenience floorspace in County Longford by dividing the available expenditure for each type of goods by the associated available retail floorspace. In establishing such turnover ratios the County Retail Strategy used figures on available floorspace for 2004. However, in updating the strategy, this review will use floorspace figures for 2007.

<b>Table 5.7 Comparative Breakdown of Floorspace in the County for 2003 and 2007 (m<sup>2</sup>/%)</b>						
<b>Retail Type</b>	<b>2003</b>			<b>2007</b>		
	<b>Gross Floor Area</b>	<b>Net Floor Area</b>	<b>% of Total</b>	<b>Gross Floor Area</b>	<b>Net Floor Area</b>	<b>% of Total</b>
<b>Convenience</b>	9,146	7,317	28	15,766	12,613	19
<b>Comparison</b>	9,983	7,986	30	13,970	11,176	17
<b>Bulky Goods</b>	13,899	11,119	42	46,377	41,174	64
<b>Total</b>	33,028	26,422	100		64,963	100

- o Figures sourced from Longford County Council
- o In calculating the figures for 2007 it was agreed that a 500m<sup>2</sup> and 1000m<sup>2</sup> threshold for consideration would be used for comparison and convenience/bulky goods floorspace, respectively.
- o Net floorspace estimated as 80% of GFA for Convenience/Comparison and 90% of GFA for Bulky Goods.
- o Figures for 2007 include extant planning permissions which have not been appealed to An Bord Pleanála.
- o Motor Sales Showrooms are not included in figures as they are not reflective of 'normal' shopping patterns.

Comparative analysis illustrates that there whereas there has been a stable growth in the comparison and convenience retail offer of the county, there has been substantial growth in the retail warehousing sector. A review of the location of the new Retail Warehouse/Bulky Goods floorspace reveals that the majority of such new development is located in and around Longford Town. This is indicative of the position of Longford in terms of the regional and inter-regional retailing hierarchy.

Also, having regard to the CSO Household Budget Survey, it is estimated that approximately 20% of normal total comparison expenditure will be accounted for by bulky household goods in retail warehouse type premises.

<b>Table 5.8</b> <b>Longford Total Available Expenditure Projections for</b> <b>Comparison Goods for Key Dates; 2004 - 2020</b> <b>(Sub-Divided into General Comparison and Bulky Goods)</b>		
Year	Calculated Available Expenditure (General Comparison) €	Calculated Available Expenditure (Bulky Goods) €
2004	61,128,072	15,282,018
<b>2007</b>	<b>76,462,797</b>	<b>19,115,699</b>
<b>2009</b>	<b>88,666,648</b>	<b>22,166,662</b>
<b>2015</b>	<b>138,193,564</b>	<b>34,548,391</b>
2020	198,274,409	49,568,602

Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007

<b>Table 5.9</b> <b>Longford Net m<sup>2</sup> Turnover Projections for</b> <b>Convenience and Comparison Goods for 2007</b>			
	Convenience	Comparison	Bulky Goods
<b>Floorspace (m<sup>2</sup>)</b>	12,613	11,176	41,174
<b>Expenditure (€)</b>	106,368,886	76,462,797	19,115,699
<b>Turnover (€/m<sup>2</sup>)</b>	8,433	6,842	464

Source: Longford County Retail Strategy 2004-2009; CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007



An analysis of the net m<sup>2</sup> turnover projections for bulky goods in 2007 suggests that the market is currently operating at capacity with regard to this form of retailing. Thus, this update will focus on conventional convenience and comparison additional floorspace requirements. Nevertheless, having regard to the CSO Household Budget Survey, and experience elsewhere in this respect, it is estimated that approximately 20% of future comparison expenditure may be accounted for by bulky household goods in retail warehouse type premises.

It is also noted that these figures show the 'average turnover per m<sup>2</sup>' of overall existing floor space in the county in the base year. Thus, they effectively disguise significant differences in turnover for different shops. In general, it can be assumed that multiple branches of national and international multiple shops are located within purpose built shopping centres or at other prime locations. Purpose built shopping centres or high street town centre shop units will invariably have substantially greater turnover per m<sup>2</sup> than shops which are less well located or situated in older, inefficient premises and/or are operated as independents. In particular, it is likely that smaller non-shopping centre units and units outside the high street of the town centre have substantially lower turnover per m<sup>2</sup> than these averages.

Furthermore, it is generally held that over time the turnover efficiency of a comparison retail unit increases by 1% per annum. However, convenience floorspace is conventionally assumed to be operating efficiently and there is thus no additional scope for increased efficiency.

<b>Table 5.10 Longford Total Available Expenditure Projections for Comparison Goods With a Turnover Efficiency of 1% Per Annum for Key Dates; 2009 -2020</b>	
<b>Year</b>	<b>Calculated Available Comparison Expenditure €</b>
<b>2009</b>	110,833,311
<b>2015</b>	172,741,956
<b>2020</b>	247,843,012

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

### 5.1.3 Additional Floorspace Requirements

In order to establish the future floorspace requirements of the county, it is necessary to determine a projection of the future available expenditure in the county and then divide that by the current floorspace turnover ratios for the convenience and comparison retailing sectors. The current (2007) available floorspace figures are then subtracted from these projections to give floorspace requirements up to the desired dates (2009, 2015 and 2020).

Table 5.11 Longford Total Available Expenditure Projections for Convenience and Comparison Goods for Key Dates; 2004 -2020		
Year	Calculated Available Convenience Expenditure €	Calculated Available Comparison Expenditure €
2009	116,390,302	110,833,311
2015	152,456,509	172,741,956
2020	189,204,794	247,843,012

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

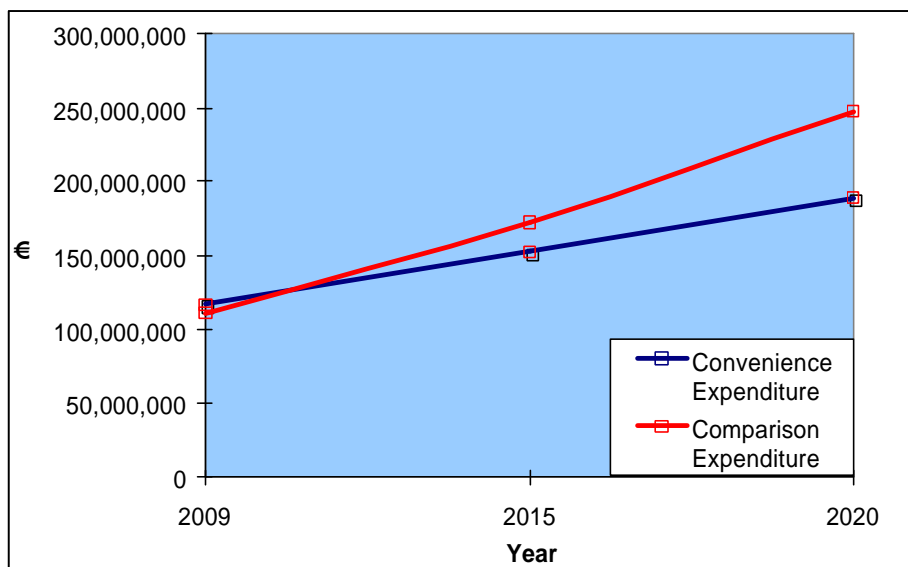


Figure 5.3  
Projected Convenience and Comparison Expenditure

In summary, the convenience and comparison expenditure estimates over the 2009 to 2020 period predict a trend emerging in 2010 for comparison expenditure to overtake that of convenience. It is projected that comparison expenditure will outstrip convenience expenditure by €20,285,447 or 13% by 2015 and €58,638,218 or 31% by 2020.

<b>Table 5.12 Capacity Projections for Key Dates</b>		
<b>Year</b>	<b>Convenience (m<sup>2</sup>)</b>	<b>Comparison (m<sup>2</sup>)</b>
<b>2009</b>	13,802	16,199
<b>2015</b>	18,079	25,247
<b>2020</b>	22,436	36,224

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

By subtracting the current (2007) available floorspace figures from the above projections, the additional floorspace requirements for the county can be estimated.

<b>Table 5.13 Additional Floorspace Requirement Projections for Key Dates</b>		
<b>Year</b>	<b>Convenience (m<sup>2</sup>)</b>	<b>Comparison (m<sup>2</sup>)</b>
<b>2009</b>	1,189	5,023
<b>2015</b>	5,466	14,071
<b>2020</b>	9,823	25,048

*Source: CSO Censuses 1996, 2002 and 2006 Preliminary Census Results; CSO February 07 Revised Regional Population Calculations; MRPGs; CSO ASI 2003; CSO Retail Sales Index 2004-2007; CSO County Incomes & Regional GDP 2004, published 27 February 2007; CSR Research 2007*

#### **5.1.4 Adjustments for Non-Quantifiably Determined Criteria**

However, the above quantifiably ascertained figures do not take into account a number of future qualitative probabilities which may have an influence on additional floorspace requirements during the life of the existing County Retail Strategy (2009), onto 2015 and beyond to 2020. Such factors include, but are not limited to the following:

- i. Actual and projected levels of Foreign Direct Investment (FDI) in the county. The success in securing Abbot Ireland in Longford Town is evidence of the ability of the Irish Industrial Authority to attract FDI into the Midlands Region. It is probably that the successes of the IDA in attracting FDI to the county will be repeated over the next number of years.
- ii. Government decentralisation policies, particularly the fact that Longford Town has been selected as the location for the decentralisation of the Irish Prison Service (IPS) bringing an estimated 158 civil servants to the area. This move is well underway with construction on site nearing completion. It is likely that the current government policy to promote the decentralisation of state services will continue into the future, thereby presenting opportunities for strategically located settlements, such as Longford Town, to capitalise on forthcoming prospects for further state generated employment.

- iii. Infrastructure improvements, specifically the completion of the N4 Kilcock/Kinnegad motorway/bypass in December 2005 and improvements in the rail infrastructure servicing the county. The latter in particular has greatly reduced travel times to Longford and increased the attractiveness of the county to those priced out of the residential market in the Greater Dublin Area.
- iv. The continued steady growth in GDP per capita with a paralleling increase in disposable incomes. With convenience retailing needs now relatively easily met in domestic budgets, it is most likely that any significant additional expenditure will be channelled into comparison products such as clothing, footwear, and electrical goods. The result of this would be to increase demand for comparison retail units above that projected into the future based upon current quantifiably determined criteria.
- v. The retail planning guidelines indicate that only a 'broad needs assessment' is required for areas outside of the Greater Dublin Area, Cork, the Greater Waterford Area, Galway, Limerick, Drogheda/Dundalk and Athlone. Notwithstanding its crucial function as a retail anchor in a relatively sparsely populated region currently experiencing rapid social, economic and demographic changes, Longford Town is defined as a third tier settlement in the retail hierarchy outlined by the Retail Planning Guidelines. In view of this position, Paragraph 46 of the Guidelines facilitates a general statement of strategic intentions and future policy.

In line with the methodology adopted in the 2004-2009 County Retail Strategy it is therefore recommended that the additional retailing floorspace requirements calculated above be revised to provide a minimum and maximum requirement over the next six years. These minimum and maximum requirements account for non-quantifiably determined criteria and will provide guidance on retail floorspace requirements for the life of the forthcoming county development plan.

<b>Table 5.14</b>		
<b>Recommended Minimum and Maximum</b>		
<b>Additional Floorspace Requirements for County Longford 2007-2015</b>		
	<b>Convenience</b>	<b>Comparison</b>
	In the range of:	In the range of
<b>Additional Floorspace Requirements (m<sup>2</sup>)</b>	<b>3,000 to 7,000</b>	<b>7,000 to 16,000</b>

It is recommended that these figures be updated and reviewed when necessary so as to ensure the validity of the strategy. The additional retail floorspace requirements determined in this chapter directly inform the update and review of the policy provisions of the strategy.