

Ryden

in association with

Roderick MacLean Associates Ltd

City Of Edinburgh Council

**Edinburgh City Plan 2030
Commercial Needs Study:**

Retail and Leisure

April 2019

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EXECUTIVE SUMMARY

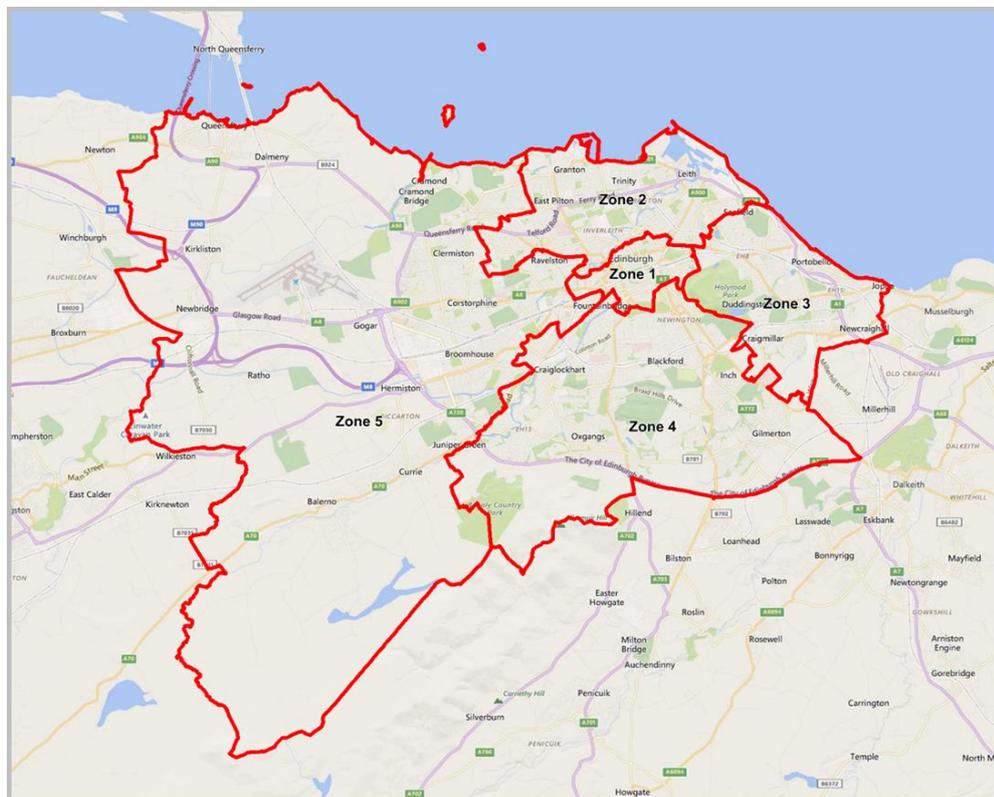
1. City of Edinburgh Council commissioned a land and property **commercial needs** study to inform the preparation of **City Plan 2030**, which is currently programmed for adoption in May 2021.
2. This phase of the commercial needs study provides a detailed assessment of Edinburgh's **retail and leisure markets**. Office, industrial and visitor accommodation studies are reported separately.
3. **Core retail planning policy** at all levels focuses on a sequential *town centre first* approach to all uses that generate significant footfall, including retail and commercial leisure. A mix of uses is encouraged by policy. City centres in particular are seen as key national assets for attracting investment and providing services. Flexibility and realism are required in applying the sequential approach. The Edinburgh Local Development Plan (LDP) (2016) policies refine this policy approach at a spatial level, and applies different specific policy responses and criteria for different areas and frontages.
4. Planning policy also sets out that Development Plans should identify a **network of centres** and explain how these can complement each other. Plans should additionally identify commercial centres which have a more specific focus on retailing and/or leisure uses. Edinburgh's LDP defines its network of centres as:
 - City Centre: The retail core is the largest shopping centre in the Edinburgh City Region;
 - Eight further traditional Town Centres;
 - Commercial Centres: Seven shopping malls and retail parks of varying size and character.
 - 61 Local Centres (with four more proposed) located across the city.

Prioritising the city centre remains a key objective. The Council aims to strengthen the position of the city to maintain its shopping role within the region and to attract more investment. Retailing is a dynamic sector and prescriptive policies need to ensure they remain relevant to changing market conditions, including the mix of uses and a variety of different centres within the hierarchy.

5. Within this planning policy framework, the retail sector is being disrupted by ultra-long term shifts:-
 - 5.1 The market is concentrating into **dominant centres** offering an increasing range of goods and services. Retail and leisure operators and investors target those dominant locations, while disinvesting from others.
 - 5.2 The rise of **online shopping** includes both online-only and mixed format retailers (offering click-and-collect and/or delivery of purchases).
 - 5.3 **Diversification** away from shopping is in part a response to the above two challenges, but is also a trend in its own right as landlords and developers seek alternative operators and uses such as leisure.

As Scotland's capital city with a significant population catchment as well as worker, visitors and students, **Edinburgh is a net beneficiary** of these market trends. The city has recently gained numerous retailers, cafes, restaurants and hotels, although it is not immune to the challenges of individual retailers and has also lost major department / variety store retailers such as House of Fraser and BHS.

6. A number of national retail analysts **rank** Edinburgh within the UK. The city achieves higher rankings on qualitative measures such as the mix of shops (ranging from 5th to 9th place in the UK) than on turnover (13th place). Edinburgh St James, now under construction comprising 55,000 sq.m. of retailing plus two hotels, aims to elevate the city further in the UK hierarchy to 8th place measured by turnover. Edinburgh St James is also expected to continue to shift the city centre's retail and leisure focus eastward.
7. **Market trends** in Edinburgh are generally positive:-
 - 7.1 The city centre vacancy rate has fallen to a very low 4.2%. Edinburgh's town centres also have comparatively low vacancy rates and appear to be adapting to market concentration into purpose-built commercial centres.
 - 7.2 Princes Street's prime retail rent is currently £240 per sq.ft. Zone A. Some analysts suggest latent growth in this figure. Town centre rents across Edinburgh are much lower at £15 - £30 per sq.ft.
 - 7.3 The city's long run retail property investment performance is positive but has however been lower than investment returns in comparable UK regional centres.
 - 7.4 In line with national market trends, leisure has expanded to become a notable proportion of Edinburgh city centre's commercial activity, rising from 35% of all units in 2006 to reach 44% in 2018.
8. To determine shopping patterns and potential, the study divides Edinburgh into five zones. A **telephone survey** interviewed 1,600 households across these zones. This was supplemented by face-to-face **street interviews** with a sample of 500 shoppers and visitors in the City Centre.



9. Visitor survey respondents overwhelmingly (94%) reported that the **city centre** is 'good' or 'very good' place to visit. Eighty-six percent of visitors found the city centre environment good/ very good, and 86% also found the bars/ restaurants/ cafes good/ very good. The comparable score for range and choice of shops was 80% and for quality of shops 83%. Among residents surveyed, a lower 57% rated city centre shops good/very good while 28% rated the shops as 'average'. The most common city centre leisure activities for residents were restaurants and cafes (57%), cinemas or theatres (45%) and pubs / wine bars (44%). Questions about potential improvements to the city centre attracted very low proportions, with the highest for visitors being less traffic congestion (12%) and for residents more/ better shops.
10. UK **household expenditure** has (in real terms after inflation) only recently recovered to the levels seen before the 2008 Global Financial Crisis. Retail's share of UK households' expenditure is around 24% and leisure's share is around 22% (with housing, transport, et cetera account for the balance).
11. The **convenience goods** analysis presented in this report forecasts overall expenditure growth, as strong population growth is expected to offset a decline in expenditure per capita. The survey shows that City Centre Zone residents shop in a range of locations for convenience goods, reflecting the limited supermarket provision in the city centre. The North, East and South Zones each retain around three-quarters of their residents' convenience expenditure. In the West Zone convenience expenditure retention is lower (57%). Most shoppers are using a wide variety of stores, with no dominant supermarkets emerging from the survey. Only in Zone 3 (East) is some dominance evident, with ASDA and Morrisons' shares at nearly 25% each.
12. Overall the city **retains** 96% of its convenience goods expenditure, meaning that leakage from Zones within the city is largely to adjacent Zones. This means that convenience expenditure outflows are only 4%, while expenditure inflows from visitors and surrounding areas equate to 16% of resident's expenditure potential.
13. The study allocates this current expenditure to the city's convenience retail **floorspace**. A number of major supermarkets are either stand-alone stores, or are located in commercial centres, meaning that these two categories of centre – as opposed to traditional town centres – contribute around 55% of total convenience turnover in Edinburgh. *Under-trading* is recorded across the city as whole, where actual turnover is less than turnover at average company levels, meaning more floorspace than supporting expenditure. However, this is mostly concentrated in Zone 2 (North) (-20%), so the overall percentage under-trading of -6.6% is not very meaningful.
14. In order to assess spare convenience expenditure capacity to support further new development, **forecast future expenditure** is allocated to existing floorspace as above, and also to proposed floorspace which has planning consent ("commitments"). A range of spare capacity can be identified using this method:
 - 14.1 Under the **low** forecast, there would be no spare convenience expenditure over the next ten years. The main reason relates to the level of current under-trading below average levels, which is mostly concentrated in Zone 2 (North). Forecast convenience expenditure growth is quite low, with additional expenditure not really materialising until the period 2023-28.
 - 14.2 The **high estimate** includes the potential to claw back leakage and attract new trade into the City. The proportion of convenience expenditure leakage is already low (4%), so there are limits to the scope for claw back of leakage to new store developments. Also, the potential to attract new convenience expenditure will be limited, especially as the market for large supermarkets and superstores (which

draw trade from wide areas) is no longer active. Even under the high scenario there would still be no spare convenience expenditure capacity over the next ten years.

15. This convenience retail capacity analysis suggests that **Edinburgh is currently well-endowed with supermarkets and discount foodstores**. The scope for servicing additional new convenience floorspace over and above the current planning consents will mostly be in the form of trade diversion from existing stores, rather than reliance on spare capacity. This situation still presents opportunities to improve the **quality, range and choice** of convenience stores generally.
16. Areas of the city with planned major residential expansion offer the most potential for the development of **additional convenience floorspace**. It can however take years to build up these catchment populations. Within Edinburgh, future planned residential expansion in Zone 2 (Granton Harbour et cetera) would add additional expenditure to reduce the current level of under-trading there in the longer term.
17. **Comparison goods** expenditure growth per capita, together with the aforementioned population growth, leads to predictions of substantial additional available expenditure. However, special forms of trading (SFT, which is almost entirely internet shopping) accounts for a significant proportion of comparison shopping and is forecast to increase to 33% by 2028.
18. The method of allocating comparison expenditure to **floorspace** using the shopper surveys and retail turnover is the same as for convenience shopping. Additionally, the study draws upon comparable retail surveys previously undertaken in neighbouring local authority areas. Furthermore, comparison expenditure inflows from visitors to Edinburgh - beyond the neighbouring local authority areas - is also very substantial. Together these estimated inflows add nearly two-thirds over-and-above Edinburgh residents' expenditure potential.
19. Meanwhile, comparison expenditure **retention** in Edinburgh is high at 89%, meaning that only 11% is lost to other locations while inflows add nearly two-thirds to expenditure.
20. In terms of the **roles of centres**, the surveys show that:
 - 20.1 The City Centre is a key destination for shopping for clothing, shoes and fashion. It is also an important destination for items of a mainly personal nature, but faces strong competition from the internet in that category and across the range of categories among the zones.
 - 20.2 Notably in Zone 2 (North), Ocean Terminal does not feature at all as a popular destination among the range of comparison goods.
 - 20.3 Fort Kinnaird is the dominant attraction in Zone 3 (East) across the categories of goods.
 - 20.4 In Zone 4 (South), the City Centre features as a major destination for clothing, fashion, shoes, furniture, large domestic appliances and items of a personal nature.
 - 20.5 In Zone 5 (West), the City Centre is the main destination for clothing, fashion and shoes, followed by The Gyle. It is not a key destination for furniture, domestic appliances and DIY and well behind the internet as a destination for purchasing items of a personal nature.

21. **Turnover/floorspace** ratios confirm that the City Centre, the Gyle Centre and Fort Kinnaird are trading very strongly. The City Centre attracts 52% of the total comparison turnover of Edinburgh. The commercial centres also account for a high proportion of turnover (34%). At 6%, the proportion of turnover relating to the town centres is low. The main strength of the town centres are their other uses, including convenience (where there are supermarkets in the town centres), plus leisure, service, other uses.
22. As with convenience shopping, forecasts of the total **comparison expenditure potential** are allocated both to existing floorspace and to additional floorspace which has planning consent. By far the largest current project is the ongoing redevelopment of Edinburgh St James noted at paragraph 6 above. Other major proposals include expansion of the Gyle Centre, at Fort Kinnaird and redevelopment of the former BHS store at 64 Princes Street. All these consents have potential to increase the attraction of shopping expenditure to Edinburgh.
23. A range of **forecast spare comparison good expenditure capacity** for Edinburgh as a whole is provided:
 - 23.1 The **low estimate** includes forecast growth in expenditure in the City over the target periods. There would be no spare comparison expenditure over the next ten years after allowing for development of the planning commitments. It could be regarded as a 'poor case' scenario.
 - 23.2 The **high estimate** also includes the potential to claw back leakage and attract new trade into Edinburgh. It is reasonable to consider that some of the major consents will reduce leakage of comparison expenditure from Edinburgh and attract new expenditure into the City, particularly the Edinburgh St James scheme. It is estimated that up to around 50% of the current proportion of comparison expenditure leakage from the City could be clawed- back by new retail developments and inflows increased by up to 20%. If realised, there would be a significant surplus level by 2028, over and above the existing consents.

The low forecast should be regarded as a less likely scenario.
24. The forecast range of spare comparison retail expenditure indicates that there will be **spare capacity** to support the current major retail planning consents after 2023, with considerable additional expenditure capacity to support **more new retail floorspace by 2028** under the high forecast. Under the low forecast, there would be minimal spare capacity after servicing the consents.
25. The **City Centre** is the most relevant location capable of generating the additional attraction of expenditure into Edinburgh and reducing leakage. The commercial centres at the Gyle and Fort Kinnaird would also be capable of attracting more expenditure into Edinburgh, but mostly from the surrounding local authority areas of East/Mid/ West Lothian and Fife, rather than from visitors. However, if the commercial centres were to be expanded significantly beyond their existing committed planning consents, there would be an increased risk of deflecting trade away from the City Centre, to its detriment.

1.0 Introduction

Retail and Leisure Study

- 1.1 City of Edinburgh Council commissioned lead consultant Ryden to deliver the Edinburgh City Plan 2030 Commercial Needs Study. The Study covers four topics: *office market, industrial property market, the retail and leisure sector, and the hotels market.*
- 1.2 The overall objective of the Commercial Needs Study is to provide robust evidence on current and emerging market trends to inform Edinburgh's City Plan 2030, to meet the sectoral requirements of Scottish Planning Policy and to assist the planning function under the current Local Development Plan (LDP). The research will also inform the Council's Edinburgh Economic Strategy and the City Centre Transformation programme.
- 1.3 This report covers the *retail and leisure sector*, with analysis by Ryden and Roderick MacLean Associates Ltd. It includes a new retail capacity study for Edinburgh with forecasts of spare convenience and comparison expenditure capacity for the city up to 2022 and 2028. All values are expressed in constant 2017 prices, with expenditure data provided by Pitney Bowes.
- 1.4 The last retail capacity study for Edinburgh was the Edinburgh Area Retail Needs Study (EARNs) in 2005, which was confined to comparison retailing.

Interview Surveys

- 1.5 As part of the research, two interview surveys were undertaken by NEMS Market Research. A telephone interview survey was conducted on a sample of 1,600 households throughout the City Council area, using a structured questionnaire. The purpose was to identify the shopping patterns of residents and to collect information on their use of the City Centre for shopping and leisure, plus more limited questions on the eight town centres within Edinburgh. A list of the questions asked in the household survey is provided in Appendix 1 and the detailed outputs by NEMS are available as a separate document to this report.
- 1.6 Face-to-face street interviews were also undertaken in the City Centre with a sample of 500 shoppers and visitors distributed between Princes Street, George Street and the Royal Mile. The main purpose was to provide a basis for estimating the contribution of visitor spending to the City Centre turnover to inform the retail capacity study. Information was also gathered on the origin of visitors and their reasons for visiting and rating of the City Centre, mostly in relation to shopping. A list of the questions asked in the City Centre street survey is provided in Appendix 2 and the detailed outputs by NEMS are available as a separate document to this report.

- 1.7 For the purposes of this study, '*visitors*' to the City Centre are considered as people who do not live in Edinburgh and the Lothians and Fife. Separate retail studies in the rest of the Lothians and Fife indicate that they form part of the secondary catchment of Edinburgh, including the City Centre.

2.0 Retail Zones and Population

Retail Zones

- 2.1 The study divides Edinburgh into five zones in order to identify the shopping patterns of residents between different parts of the City and the relationship to the City Centre. The zones are illustrated on Map 2.1. Each zone is composed of wards; 17 in total, based on the most recent 2016 boundaries, as shown in the map and table in Appendix 3. While the zones are not strictly retail catchment areas, the survey findings show that the turnover in any zone is mainly contributed by residents of that zone, apart from the City Centre (Zone 1).
- 2.2 These five zones formed the basis for distributing the 1,600-sample household interview survey into quotas covering Edinburgh.

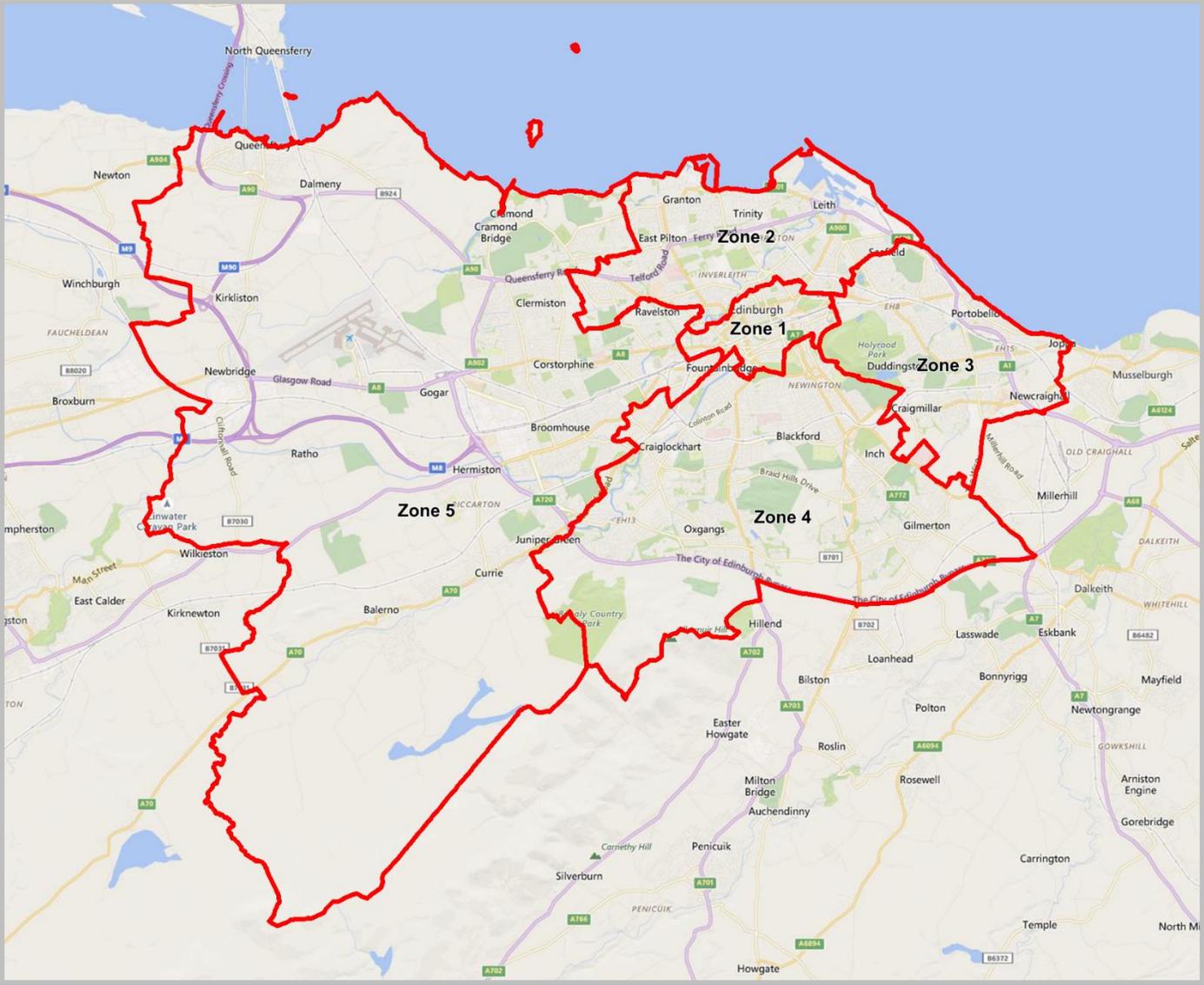
Population Projections

- 2.3 The current and projected populations of the five zones and the Edinburgh total from 2018 to 2028 are shown in Table 2.1.

Table 2.1 Edinburgh population projections

	NRS Mid-year 2017	2018	2023	2028
Zone 1 City Centre	31,634	31,935	33,102	34,055
Zone 2 North	122,031	123,194	127,692	131,371
Zone 3 East	60,108	60,681	62,896	64,709
Zone 4 South	151,893	153,340	158,939	163,519
Zone 5 West	147,544	148,950	154,389	158,837
Total- City of Edinburgh	513,210	518,100	537,018	552,490
Note				
The zones comprise groups of wards. The Mid-year population estimates for 2017 derive from National Records Scotland (NRS)				
The populations in 2018, 2023 and 2028 derive from the NRS 2016 based population projections for the City of Edinburgh, apportioned to the zones.				

Map 2.1 Edinburgh Retail Zones



3.0 Retail Planning Policy Context

Introduction

3.1 This section presents Edinburgh's retail planning policy context. It considers national, regional and local planning policy, in the context that the data from this study is to inform a review of local planning policy for City Plan 2030.

National Planning Policy

3.2 National planning policy is set out within the National Planning Framework (NPF3) 2014 and Scottish Planning Policy (SPP) 2014.

3.3 **NPF** recognises that city centres are key assets for attracting investment and providing services. Quality of place is fundamental to the success of Scotland's cities, in particular city centres. NPF wishes to see ambitious, up-to-date frameworks for city centre development.

3.4 **SPP** supports promoting town centres and reflects the importance of these as a key element of the economic and social fabric of Scotland. It states that planning should support the role of town centres to thrive and meet the needs of their residents, businesses and visitors for the 21st century.

3.5 SPP embeds the *town centre first* principle, and that planning for town centres should be flexible and proactive, enabling a wide range of uses which bring people into town centres. The planning system is directed to:

- apply a town centre first policy when planning for uses which attract significant numbers of people, including retail and commercial leisure, offices, community and cultural facilities;
- encourage a mix of uses in town centres to support their vibrancy, vitality and viability throughout the day and into the evening;
- ensure that development plans, decision-making and monitoring support successful town centres; and
- consider opportunities for promoting residential use within town centres where this fits with local need and demand.

3.6 Development Plans should identify a network of centres and explain how they can complement each other. Plans should also identify commercial centres which have a more specific focus on retailing and/or leisure uses.

- 3.7 Local planning authorities, working with community planning partners, businesses and community groups as appropriate, should prepare a town centre health check to assess a town centre's strengths, vitality and viability, weaknesses and resilience to inform development plans and decisions on planning applications.
- 3.8 Spatial elements of town centre strategies should be included in the development plan or supplementary guidance. Plans should address any significant changes in the roles and functions of centres over time, where change is supported by the results of a health check. Plans should assess how centres can accommodate development and identify opportunities.
- 3.9 Where a town centre strategy indicates that further provision of particular activities would undermine the character and amenity of centres or the well-being of communities, plans should include policies to prevent such over-provision and clustering.
- 3.10 Development plans should adopt a sequential town centre first approach when planning for uses which generate significant footfall, including retail and commercial leisure uses, offices, community and cultural facilities and, where appropriate, other public buildings such as libraries, and education and healthcare facilities. Planning authorities, developers, owners and occupiers should be flexible and realistic in applying the sequential approach.

Regional Planning Policy

- 3.11 SESplan (2013) Strategic Development Plan sets out a vision to 2032 for the development of the south-east Scotland region, taking account of both SPP and NPF3.

- 3.12 The SDP vision is that:

'By 2032, the Edinburgh City Region is a healthier, more prosperous and sustainable place which continues to be internationally recognised as an outstanding area in which to live, work and do business'.

It includes eight aims and a spatial strategy aimed at meeting three key challenges - climate change, demographic change and sustainable economic growth.

- 3.13 Policy 3 Town Centres and Retail states that Local Development Plans will:
- a. Identify town centres and commercial centres clearly defining their roles;
 - b. Support and promote the defined network of centres; and

c. Promote a sequential approach to the selection of locations for retail and commercial leisure proposals.

3.14 The second Proposed Strategic Development Plan for the South East of Scotland (2016) was submitted to Scottish Ministers for examination on 26 June 2017.

Local Planning Policy

3.15 The adopted Edinburgh Local Development Plan (2016) reflects the national and strategic economic priorities set out within the NPF and SESplan. The LDP recognises that shopping and leisure uses are major providers of jobs and have strong links with other economic activities, particularly tourism. These uses are mainly provided in a network of centres distributed across the city.

- City Centre: The retail core is the largest shopping centre in the Edinburgh City Region;
- Eight other traditional Town Centres:
- Commercial Centres: Seven shopping malls and retail parks of varying size and character.
- 61 Local Centres (with four more proposed) located across the city.

3.16 Prioritising the city centre remains a key objective. The Council aims to strengthen the position of the city to maintain its shopping role within the region and to attract more investment.

3.17 A significant change in policy from previous plans aims to improve the overall shopping experience in the city centre by allowing uses other than shops in ground floor units in defined circumstances.

3.18 The core policy objectives also seek to maintain the existing and proposed broad distribution of centres and sustain their vitality and viability.

3.19 A further significant spatial policy shift is to ensure that some basic convenience provision is made or retained within walking distance of all homes.

3.20 In line with national and strategic planning policy, Policies Ret 1 – Ret 6 apply a sequential approach to the identification of preferred locations for new retail development:-

- 3.20.1 **Policy Ret 1 Town Centres First** states that planning permission will be granted for retail and other uses which generate a significant footfall including commercial leisure use, offices, community and cultural facilities and where appropriate libraries, education and healthcare facilities following a town centre first sequential approach.
- 3.20.2 **Policy Ret 2 City Centre Retail Core** supports proposals for additional retailing floorspace in or adjacent to the city centre retail core.
- 3.20.3 **Policy Ret 3 Town Centres** supports retail development within or adjoining a town centre or that can form an effective extension to the centre, and if it is clear that no suitable sites are available within the town centre itself.
- 3.20.4 **Policy Ret 4 Commercial Centres** is negatively worded and states that proposals for additional retail floorspace in a Commercial Centre will **not** be supported **unless** it meets specified criteria relating to retail deficiencies, sequential site options, retail impacts, the role of the centre and sustainability.
- 3.20.5 **Policy Ret 5 Local Centres** permits retail development in or on the edge of a local centre (subject to detailed criteria).
- 3.20.6 **Policy Ret 6** only permits Out-of-Centre retail development if it is demonstrated that it meets specified criteria relating to retail deficiencies or an expanding catchment, sequential site options, retail impacts and transport sustainability.
- 3.21 **Policy Ret 7** directs well-designed entertainment and leisure developments to preferred locations in the City Centre, at Leith and Granton Waterfront and in a town centre, provided that the development can be integrated satisfactorily, is compatible with surrounding use and will be easily accessible by public transport, foot and cycle.
- 3.22 **Policy Ret 8** states that entertainment and leisure developments will be granted in other locations provided that specified criteria are met relating to sequential sites, a choice of means of transport, satisfactory integration and compatibility with surrounding uses.
- 3.23 **Policy Ret 9** covers alternative uses of shops in Defined Centres. In the City Centre Retail Core, town centres and local centres, change of use proposals which would undermine the retailing function of the centre will not be permitted.

- 3.24 The City Centre Retail Core Supplementary guidance contains specific spatial policies relating to defined frontages that provides a hierarchy where different specific rules apply. The approach is prescriptive and defines specific properties and threshold that limit non-retail uses. The policy is spatially defined but essentially fixes the retail to non-retail proportions based on the frontages as defined.
- 3.25 There are a number of specific retail Supplementary Guidance notes for individual Town Centres that define Primary Frontages and set specific thresholds of retail to non-retail uses. This approach is tailored to individual centres and defined frontages and also defines the spatial extent of a centre as a whole.

Summary

- 3.26 Core policy at all levels focuses on a sequential town centre first approach to all uses that generate significant footfall, including retail and commercial leisure uses. Planning authorities, developers, owners and occupiers should be flexible and realistic in applying the sequential approach. Local development plan policies refine this policy approach at a spatial level and apply different specific policy responses and criteria for different areas and frontages.
- 3.27 Retailing is a dynamic sector and prescriptive policies need to ensure they remain relevant to changing market conditions including the mix of uses and a variety of different centres within the hierarchy.

4.0 National Trends In Retailing and Leisure

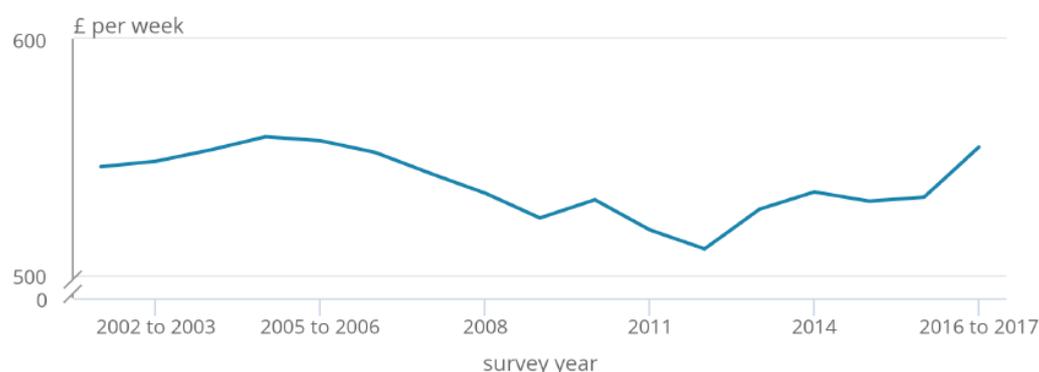
Introduction

4.1 This section considers some of the national trends driving activity in the UK retail and leisure sectors. It provides a high level context for the city and local market trends and projections later in the report.

UK Household Expenditure (long term)

4.2 Figure 4.1 shows UK household weekly average spending since 2002. The chart is in real terms (with price inflation removed) and shows that only recently has spending recovered to the levels seen before the 2008 Global Financial Crisis.

Figure 4.1 Total household spending (2017 prices)



Source: Office for National Statistics

4.3 UK average weekly expenditure per household was £554 in 2016/17. This is inflated by higher spending in London and the South-East. The Scottish average is lower at £492 per week.

4.4 Aggregating the household expenditure categories from the underlying data tables shows ¹:

- £258 per week (46%) is spent on retail and leisure. Of this, £134 (24%) is broadly retail spending and £124 (22%) is broadly leisure spending.

¹ There are around 800 expenditure classifications in total, within 14 major categories. The major categories used here are:

- Retail: Food and non-alcoholic beverages; Household goods and services; Clothing and footwear; Alcohol, tobacco and narcotics.
- Leisure: Restaurants and hotels; Recreation and culture.

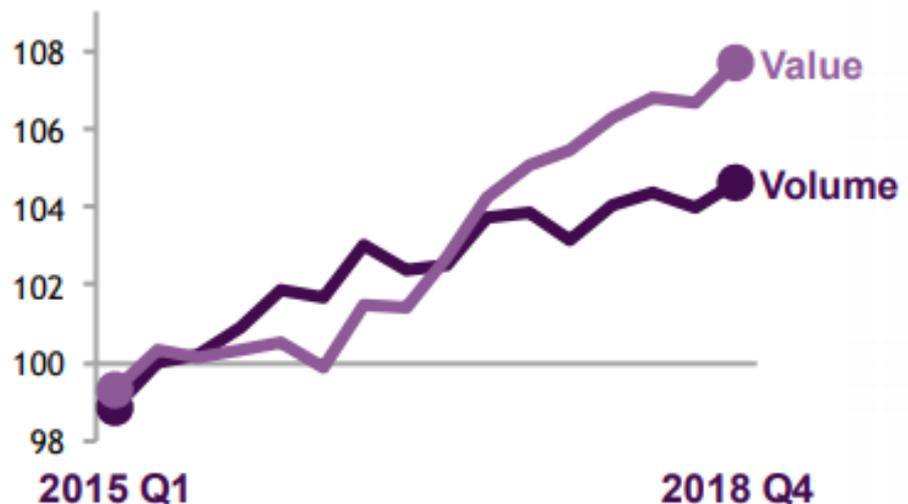
- The balance of £296 per week (54%) is spent on transport, housing and other / miscellaneous (eg. insurance, health, education) categories.

The data shows that ‘shopping’, whether in physical shops or online, accounts for nearly one-quarter of all household expenditure. Leisure activity in its broadest sense accounts for only a little less expenditure than retail. Some of this leisure expenditure will find its way into the physical market via hotels, restaurants, cafes, bars, cinemas and activities such as bowling, bingo and other entertainment venues, and this will be reflected in the mix of uses in local town, commercial and city centres.

Retail Sales in Scotland (medium term)

4.5 Consumer expenditure on retail goods in Scotland has grown modestly since 2015 (Figure 4.2). Sales value grew by 1.0% between Q3 and Q4 2018. The equivalent figure for Great Britain was -0.1%. As shown on the chart, the volume of sales has been growing more slowly than the value, reflecting price inflation. The slow sales volume growth has added to retailer challenges as they face property, staff and supply chain cost pressures.

Figure 4.2: Volume and Value of Scottish Retail Sales



2015=100
Source: Scottish Government

Market Trends

4.6 The retail sector is complex and dynamic. There are three major, secular trends driving the sector:-

4.6.1 Concentration into **dominant centres**. Long run evidence shows consumers are willing to travel for an increasing range of goods and services. Retailers, leisure operators and service providers are investing in those dominant centres (and disinvesting from a long tail of other centres).

To meet these markets, developers and investors in turn focus on centres where they can anticipate that these national occupiers are likely to take high value and often larger premises. Edinburgh is among those dominant centres, which include not only major city centres but also regional malls and major retail parks such as Fort Kinnaird.

4.6.2 The rise of **online shopping**. This includes both online-only and mixed formats retailers (click-and-collect, or delivery). The process is exacerbating the costs and market concentration challenges facing some retailers. Online shopping's impact upon physical retail floorspace is modelled later in this study. Retail services such as banks, estates and travel agents are already well through a process of rationalisation as their service delivery has moved online; again though some operators are focusing on their shopfronts in dominant centres while closing elsewhere.

4.6.3 **Diversification** away from shopping. In part this is a response to the above two challenges. It also a trend in its own right as landlords and developers seek, initially, alternative sources of spending and footfall through introducing leisure (cafes, bars, restaurants, cinemas), then other active uses such as hotels, offices and potentially residential uses. Diversification is also evident within supermarkets as they seek alternative uses within very large stores.

In many formerly strong retail locations the desire of the early 2000s to avoid "clone towns" with the same retailers and promote mixed-use "vitality and viability" is now happening. Unfortunately the main driver has been market dislocation rather than positive intervention.

These trends are not strictly separable and taken together contribute to the dynamism of and challenges facing the retail sector.

- 4.7 These market trends are manifesting themselves in continuing **closures** of chain outlets across Scotland, whether through administration, company voluntary agreements (CVAs) with landlords to reduce floorspace and costs, or closing outlets at lease breaks or expiries. Department and variety stores such as House of Fraser and Mothercare are notable examples, although the steady pruning of branch networks extends across many retailers and formats as well as services such as traditional pubs and banks.
- 4.8 **Expanding** retailers are in the discount foodstore sector (Lidl and Aldi), budget mixed goods retailing (B&M and Home Bargains for example) and food and beverage sectors although the casual dining market has peaked. These operators tend to focus on high footfall/ traffic locations and where available modern, purpose-built premises. Personal services including beauty and healthcare have also proved more enduring than other sectors.

Summary

- 4.9 The retail sector nationally is being disrupted by ultra-long term trends. The most notable of these are the shift towards larger, destination centres, the growth of online shopping, and the diversification of uses particularly to include a wide range of leisure activities.

5.0 Edinburgh Retail and Leisure Market

Introduction

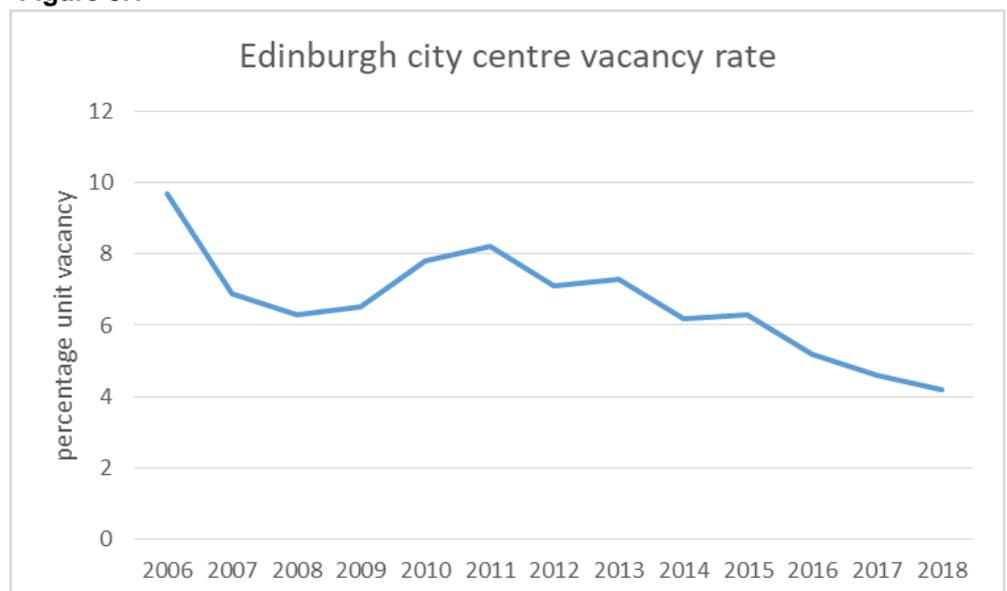
5.1 This section provides an overview and analysis of Edinburgh’s retail and leisure markets. It considers the city as a whole followed by the city centre and then town centres. The commentary includes the responses to specific questions used within the household and visitor survey undertaken for this study.

Edinburgh

5.2 Edinburgh is ranked among the UK’s principal shopping destinations. The city is not immune from the major trends noted in Section 4 – online shopping, concentration into larger centres and diversification – although the latter two trends are largely favourable for Edinburgh. While recently gaining numerous cafes, restaurants and hotels, Edinburgh has nonetheless lost major department / variety store retailers such as House of Fraser and BHS.

5.3 Figure 5.1 depicts the city centre vacancy rate² over time. From a high point of 9.7% in 2006, the vacancy fell sharply then rose again in the aftermath of the 2008/09 recession. Since 2011 the vacancy rate has tracked steadily downwards to reach a very low 4.2% during 2018 (the current Scottish vacancy rate is 12% according to Scottish Retail Consortium/ Springboard).

Figure 5.1



Source: City of Edinburgh Council / Ryden

² number of units vacant at annual survey, as a percentage of all convenience, comparison and services units in the city centre

5.4 On a retail turnover basis, analysts CACI rank Edinburgh 13th in the UK. However on rankings that include a qualitative element rather than simply turnover, the city already scores higher:-

5.4.1 PMA ranks Edinburgh 5th outside of Central London, based upon high scores for anchor stores, fashion and non-food retail. Over the long term Edinburgh has ranged between 3rd and 6th outside of London according to PMA's rankings. In the foodstore sector, PMA ranks Edinburgh 3rd in the UK.

5.4.2 Javelin's VenueScore uses a wide range of indicators to place Edinburgh 9th in the UK outside of London overall for retailing, and 6th for dominance of its shopping catchment. This is a fall of one place from 8th in 2015/16. In the retail park sector, Fort Kinnaird is ranked 2nd in the UK. At the other end of the scale, Leith is ranked as the UK's 6th most downmarket retail venue.

5.5 Table 5.1 lists notable recent investment and dis-investments in Edinburgh by retail and leisure brands. These highlight the dynamic and varied nature of the city's retail and leisure offer, as well as specific trends such as the rise of casual dining and the challenges facing department/ variety stores.

Table 5.1: Retail and Leisure Gains and Closures

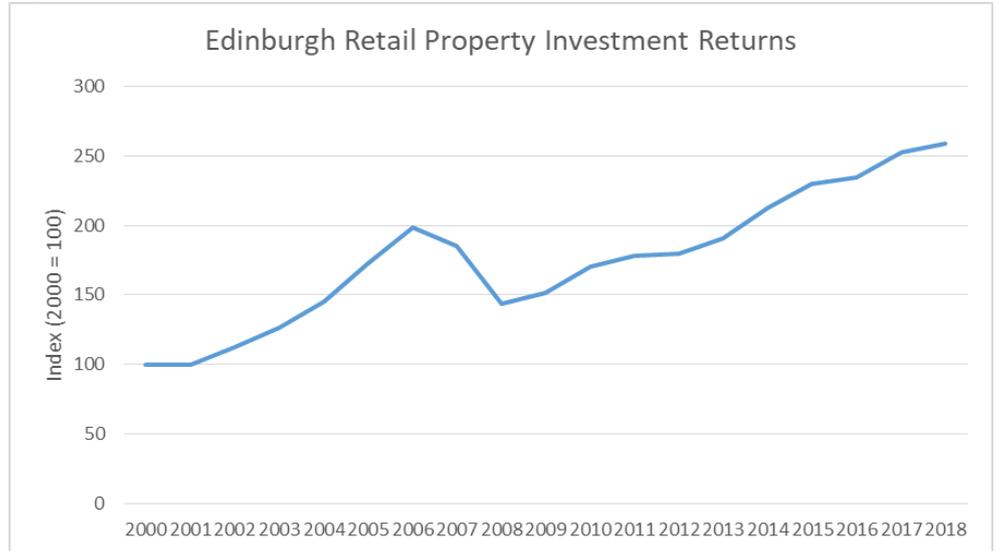
Retail gains		Retail closures	
Coach	Holland Cooper	House of Fraser	HMV
Johnston's of Elgin	Smiggle	French Connection	Gant
Chisholm Hunter	Sports Direct	Miss Selfridge	Rieker
Aspinal of London	Xile Clothing	Jaeger	Gap
Bo Concept	Fly London	Poundworld	Poundstrecher
Homestore & More	Miller & Carter	Bargain Buys	Toys R Us
Five Guys	Hawksmoor	Mothercare	Belted Burgers
Burger King	The Ivy	Vin Caffè	CAU Steakhouse

- 5.6 TH Real Estate's Edinburgh St James is planned to open in 2020. This major development will comprise 55,000 sq.m. of retail floorspace³ plus leisure uses including two hotels. It is already clearly shifting the city centre's commercial centre of gravity eastwards to east Princes Street and St Andrew Square. The centre aims to elevate the city from 13th to 8th position in CACI's rankings.
- 5.7 In addition to Edinburgh St James, further notable redevelopments are underway and proposed in the city centre. A £20 million mixed-use scheme in the former BHS unit which is due to complete in Spring 2020 will comprise a 137-bedroom Premier Inn, 3,720 sq.m. flagship retail store on Princes Street and two new restaurants on Rose Street. At Waverley Mall, significant redevelopment of the shopping centre is to include a new entrance, redesigned roof terrace and a piazza. At the west end of Princes Street, Diageo is in discussions to create a Johnnie Walker whisky visitor experience in the recently closed House of Fraser department store.
- 5.8 Edinburgh's prime city centre retail rents⁴ indicate trends within the city centre. The prime retail rent on Princes Street is currently £240 per sq.ft. Zone A. This the second-highest rent in Scotland, behind Glasgow's Buchanan Street at £317. Over the 20 years since 1999 Edinburgh's prime retail rents did not grow, but instead dipped to £180 then recovered again. Some analysts suggest that rents above £250 are now demonstrating further growth, however there is flux with store changes and the emerging Edinburgh St James, therefore Ryden has not yet adopted these figures.
- 5.9 Investment performance for Edinburgh retail property is shown on Figure 5.2. The long run average investment return since 2000 is 5.3% per annum. The growth to 2008 then the property market crash are evident. The return shown on the chart is almost entirely the income (rent) from retail properties, as capital growth over the period is only 4% in total.
- 5.10 Edinburgh's long run retail investment performance is the weakest among the UK's largest regional cities, with Glasgow, Manchester, Birmingham and Leeds all recording between 5.6% to 6.3% annual returns. The Consensus Forecast for UK retail property returns to 2022 is only 2.9% per annum, reflecting the challenges facing the sector set out in Section 4.

³ The demolished St James Centre had 41,800 sq.m. of retail floorspace, so the new Edinburgh St James will provide a net addition of 32% (13,200 sq.m.)

⁴ Prime retail rents are expressed in £ per sq.ft. per annum for the first 30 feet of floorspace back from the shopfront (other areas of a shop behind the Zone A or on different floors pay lower rents).

Figure 5.2



Source: MSCI / Ryden

5.11 Figure 5.3 shows the number of retail investment transactions larger than £1 million, by year in Scotland and in Edinburgh. Over the eleven years since 2008, Edinburgh has accounted for 24% of Scotland’s retail investment deals by number. This is slightly behind Glasgow’s 26%, which is a reasonably strong performance given that Glasgow is a larger retail centre.

Figure 5.3

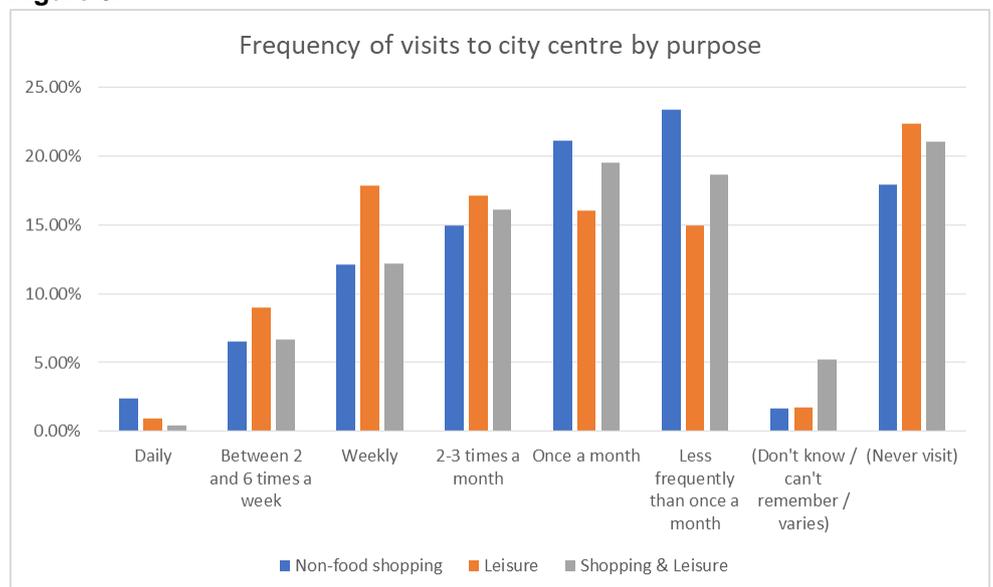


Source: Ryden

Edinburgh City Centre

5.12 Sections 6 to 9 of this report use major new household and visitor surveys to understand and model retail spending in Edinburgh city centre. The large majority (c.80%) of **Edinburgh households** surveyed use the city centre for shopping and leisure (Figure 5.4), visiting from multiple times per week through to less than once a month. Visits for leisure purposes are reported as slightly more frequent than visits for shopping. A total of 32% of the respondents work in or commute through the city centre, so are already making a journey there.

Figure 5.4



Source: NEMS / Ryden

5.13 City centre shops were rated 'good' by the largest number of respondents (38%) to the survey. 'Average' (28%) and 'very good' (19%) also scored highly (Figure 5.5).

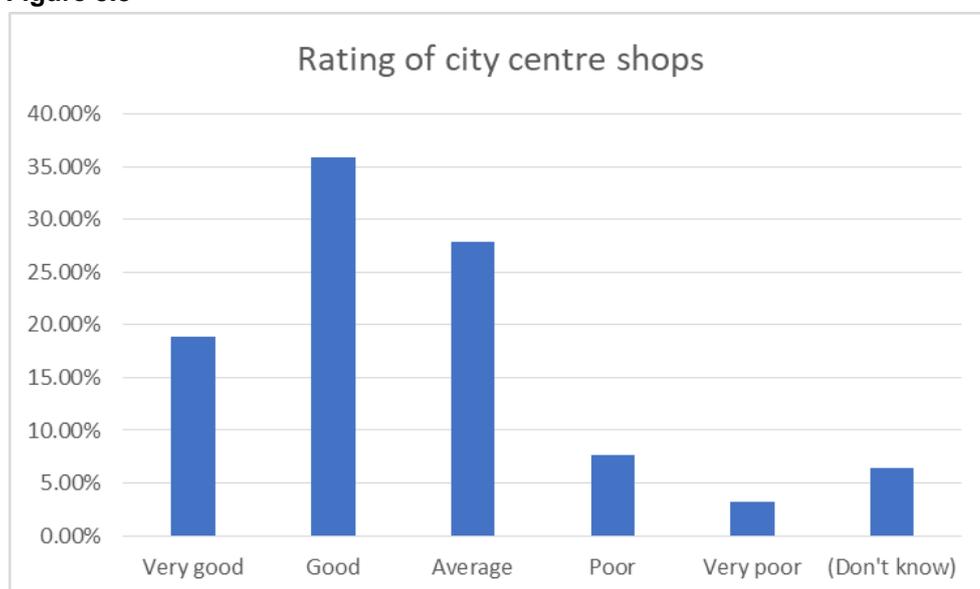
5.14 The survey also asked respondents about evening leisure-related activities in the city centre. This is in the context that leisure uses in the city centre have increased from 35% of all units in 2006 to reach 44% in 2018:

- The highest responses were for restaurants and cafes (57%), cinemas or theatres (45%) and pubs / wine bars (44%). These responses indicate that around half of city centre users also visit leisure outlets.
- Events (including live music, 33%) and exhibitions (29%) were the next most popular leisure uses.

- Notably, the next highest response was simply walking about / strolling (26%) in the city centre.
- Take-away food is purchased by 15% of respondents.
- Less than 10% of respondents use the city centre for sports and recreation (bowling, swimming, gyms, et cetera) or for community activities.
- Twenty-seven percent of respondents stated that they do not visit the city centre in the evenings⁵.

5.15 Respondents provide a wide range of improvements to the city centre that would encourage them to visit more often; forty-five suggestions were made, most by only 1-2% of respondents. Thematically, transport and movement improvements attracted the highest response rates, in the forms of better public transport (5%), less traffic congestion (8%), more/cheaper parking (12%) and more pedestrianised streets (6%). More / better shops (13%) also attracted a high response. Thirty-six percent of respondents replied nothing/ no change and 7% didn't know.

Figure 5.5



Source: NEMS / Ryden

⁵ The hotels & visitor accommodation sector is not included as part of the leisure sector here. Ryden and GVA have prepared a separate report for City of Edinburgh Council, the *Edinburgh Visitor Accommodation Needs Study (January 2019)*. The only place that hotels appear in this retail and leisure report are where they have ground floor entrances on retail pitches (for example on Princes Street) and are thus part of the occupancy and vacancy data for those streets.

- 5.16 A separate, on-street survey of **visitors** to the city centre also asked what would make respondents visit more often. Almost half (49%) replied 'nothing' and 8% did not know. The most common suggestions were less traffic congestion (12%) and cheaper parking (11%) (although at a later question 65% answered 'don't know' to cost of parking, suggesting a minority of visitors travel by car). More/better shops (7%), lower prices (6%) and better signposting (5%) also attracted significant levels of visitor responses.
- 5.17 The strongest response on the visitor survey was the 94% who found the city centre 'good' or 'very good' when asked if it is a nice place to visit. Eighty-six percent found the city centre environment good or very good, and 86% also found the bars/ restaurants/ cafes good or very good. The comparable score for range and choice of shops was 80% and for quality of shops 83%.
- 5.18 Overall, the large majority of residents and visitors are satisfied with Edinburgh city centre.

Edinburgh's Town Centres

- 5.19 In addition to the city centre, the wider Edinburgh city area has eight town centres⁶ and seven commercial centres⁷ (as well as sixty-one much smaller local centres). One emerging aspect of the market changes described in Section 4 is the increasing profile of local centres which are well-suited to their immediate local catchments, focused around groceries and other staple items but now also including a more diverse range of services.
- 5.20 Figure 5.6 indicates the total numbers of retail units⁸ in each of Edinburgh's eight town centres. The centres contain a total of 1,770 units. Leith / Leith Walk is the largest town centre by number of units (408), accounting for 23% of the total. The smallest centre is Portobello with 7% (130 units).
- 5.21 The vacancy rate by town centre is shown on Figure 5.7. The average unit vacancy rate across the eight centres was 4.9% in 2018. Vacancies rates in Edinburgh's town centres range widely from an exceptionally low 0.8% in Portobello to a higher but normal rate of 7.4% in Leith / Leith Walk.

⁶ Corstorphine, Gorgie/ Dalry, Leith/ Leith Walk, Morningside/ Bruntsfield, Nicholson Street/ Clerk Street, Portobello, Stockbridge and Tollcross.

⁷ Cameron Toll, Craighleith, Hermiston Gait, Meadowbank, Newcraighall/ The Jewel, Ocean Terminal and The Gyle

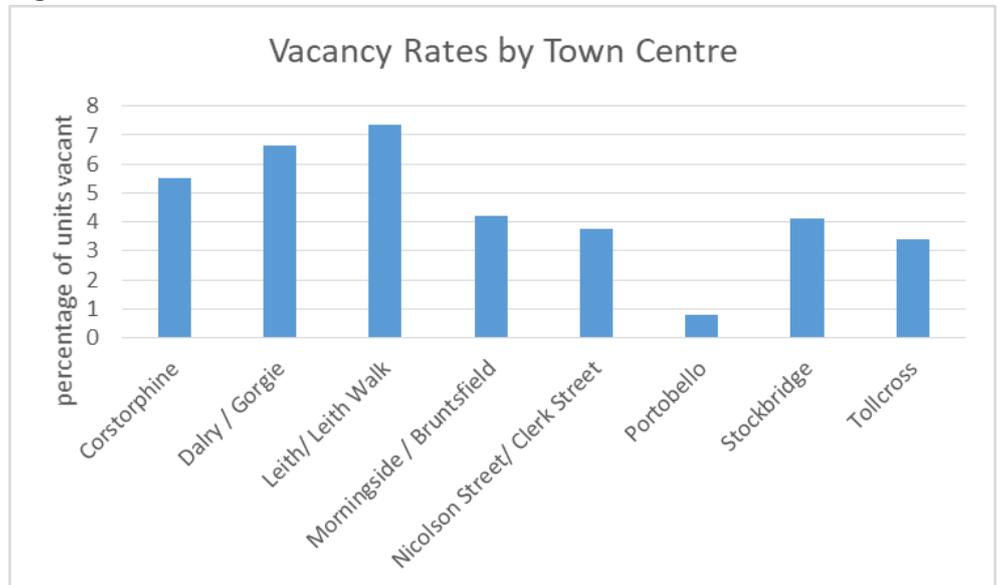
⁸ Based upon two surveys where each centre was surveyed in either 2017 or 2018

Figure 5.6



Source: City of Edinburgh Council/ Ryden

Figure 5.7



Source: City of Edinburgh Council/ Ryden

5.22 Figure 5.8 indicates rents by town centre. In comparison with the £240 per sq.ft. or above highlighted for the city centre, rents of around £15 to £30 per sq.ft. in Edinburgh’s town centres reflect a much lower level of turnover. The highest-rented town centres are Morningside/ Bruntsfield and Stockbridge.

Figure 5.8



Source: CoStar / Ryden

Summary

- 5.23 Edinburgh's retail and leisure sector is ranked higher in the UK on qualitative measures such as the mix of shops than on turnover. The city is not immune to the ultra-long term retailing shifts which were summarised in Section 4, but on balance continues to be a net beneficiary of these trends.
- 5.24 Edinburgh St James, now under construction aims to elevate the city further in the UK hierarchy, and is expected to continue to shift the city centre's commercial focus eastward. Leisure activities have expanded to a notable proportion of city centre commercial activity.
- 5.25 Edinburgh's town centres have comparatively low vacancy rates and appear to be adapting to market concentration into the city's purpose-built commercial centres (this is analysed further below).

6.0 Convenience Expenditure and Turnover

Introduction

- 6.1 This section examines the relationships between convenience expenditure⁹ and turnover for each of the five zones in Edinburgh, and for the City as a whole. It incorporates the shopping patterns of residents from the NEMS household survey, together with estimates of convenience expenditure inflows to the City by shoppers from beyond the Council area.
- 6.2 The total turnover in each zone derives from the residents' expenditure potential, plus inflows, less outflows. The distribution of the turnover among the various centres and supermarkets is then controlled to the total deduced turnover for each zone from the shopping patterns from the household survey.

Convenience Goods-Definition

- 6.3 Convenience goods include:
- *Food and non- alcoholic drinks*
 - *Alcoholic drinks*
 - *Tobacco*
 - *Non-durable household goods and*
 - *Newspapers and magazines.*

This definition is provided in the Pitney Bowes *Retail Expenditure Guide 2018/19*, based on ONS classifications.

Forecast Convenience Expenditure Potential

- 6.4 Table 6.1 shows the forecast convenience expenditure per capita data for the City of Edinburgh Council area, based on data commissioned from Pitney Bowes for this study. There is a small decline forecast from 2018-23, followed by a small increase from 2023-28. Overall, the forecast change is minus 0.19% per annum over the ten-year period.
- 6.5 Special Special forms of trading (SFT) include internet shopping, mail order and other forms of retailing which are not wholly dependent on retail floorspace. In fact, internet shopping comprises almost all SFT. For retail planning purposes, it is removed from the expenditure per capita data, so that the expenditure relates to conventional store floorspace, as shown in Table 6.1.

⁹ Comparison expenditure is analysed in Sections 8 and 9. Leisure expenditure is not modelled. The Pitney Bowes expenditure data show it as a steady 37% of all expenditure to 2029, ie. it is projected to rise in line with overall spending. The expenditure-based definitions of leisure and property-based definitions overlap to a large extent, but are not an exact match (for example hotels are in the expenditure data, but not in the property data other than ground floor entrances). The leisure forecast is thus a guide to trends rather than volumes.

- 6.6 The proportion of SFT, or non-store sales, is forecast to increase up to 2028. It should be noted that the proportions of SFT shown in this table are mostly non-store sales and the proportions are low (3.4% currently). Not included are internet related SFT sales with home delivery or click and collect for example, because the goods mainly come off existing supermarket shelves and that proportion is much larger but excluded here. The national proportions are applied in Table 6.1, based on data from Pitney Bowes, which are consistent with the household survey findings.

Table 6.1 Edinburgh convenience expenditure per capita per annum (in 2017 prices)

Edinburgh convenience expenditure per capita per annum (in 2017 prices)																
2018 £	2023 £	2028 £														
2,318	2,242	2,275														
<i>*excluding special forms of trading</i>																
2,239	2,155	2,179														
<p>Note</p> <p>Original expenditure per capita data in the top row provided by Pitney Bowes in their Geolnsight report 2018 for this study, including projections as shown.</p> <p>Convenience expenditure growth rates <i>per annum</i> for Edinburgh are:</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">2018-2023</th> <th style="text-align: center;">2023-2028</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">-0.7%</td> <td style="text-align: center;">0.3%</td> </tr> </tbody> </table> <p>The proportion of convenience goods expenditure relating to Special Forms of Trading (SFT- mainly internet spend)- is small when store-based internet spending is removed, such as items picked off supermarket shelves by staff for delivery or click and collect. Pitney Bowes publish their estimates of non-store based internet spending on convenience goods for the UK in their Retail Expenditure Guide 2018/19-Table 3.5</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="width: 33%;"></th> <th style="text-align: center;">-3.4%</th> <th style="text-align: center;">-3.9%</th> <th style="text-align: center;">-4.2%</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>The Edinburgh household survey findings include store based internet spending on convenience goods, so it appropriate to apply the Pitney Bowes estimates of non-store based internet spending for this study instead of drawing on the survey.</p>				2018-2023	2023-2028		-0.7%	0.3%		-3.4%	-3.9%	-4.2%				
	2018-2023	2023-2028														
	-0.7%	0.3%														
	-3.4%	-3.9%	-4.2%													

6.7 Forecasts of the total convenience expenditure potential of the residents of each zone are shown in Table 6.2, excluding SFT. The expenditure growth is driven by the forecast of strong population increase to 2028, even though expenditure per capita declines.

Table 6.2 Edinburgh residents' convenience expenditure potential (in 2017 prices)

Excluding SFT (special forms of trading)

	2018 £ million	<i>growth</i> <i>2018-23</i> <i>£ million</i>	2023 £ million	<i>growth</i> <i>2023-28</i> <i>£ million</i>	2028 £ million
Zone 1 City Centre	71.5	-0.2	71.3	2.9	74.2
Zone 2 North	275.8	-0.6	275.2	11.1	286.3
Zone 3 East	135.8	-0.3	135.5	5.5	141.0
Zone 4 South	343.3	-0.8	342.5	13.8	356.3
Zone 5 West	333.5	-0.8	332.7	13.4	346.1
Total- City of Edinburgh	1,159.9	-2.6	1,157.2	46.7	1,204.0
Note From Tables 2.1 and 6.1. Figures are rounded.					

Convenience Shopping Patterns- Market Shares

6.8 In the NEMS household shopping interview survey, the respondents were asked where *they last visited for their main food shopping (Q1)*, and *the time before that (Q2)*. They were also asked where *they last visited for their top-up shopping (Q3)*. The findings were weighted and combined (Appendix 4) to provide estimates of shopping patterns for all convenience goods relating to each of the zones, as shown in Table 6.3. The five zones were indicated on Map 2.1 on page 9.

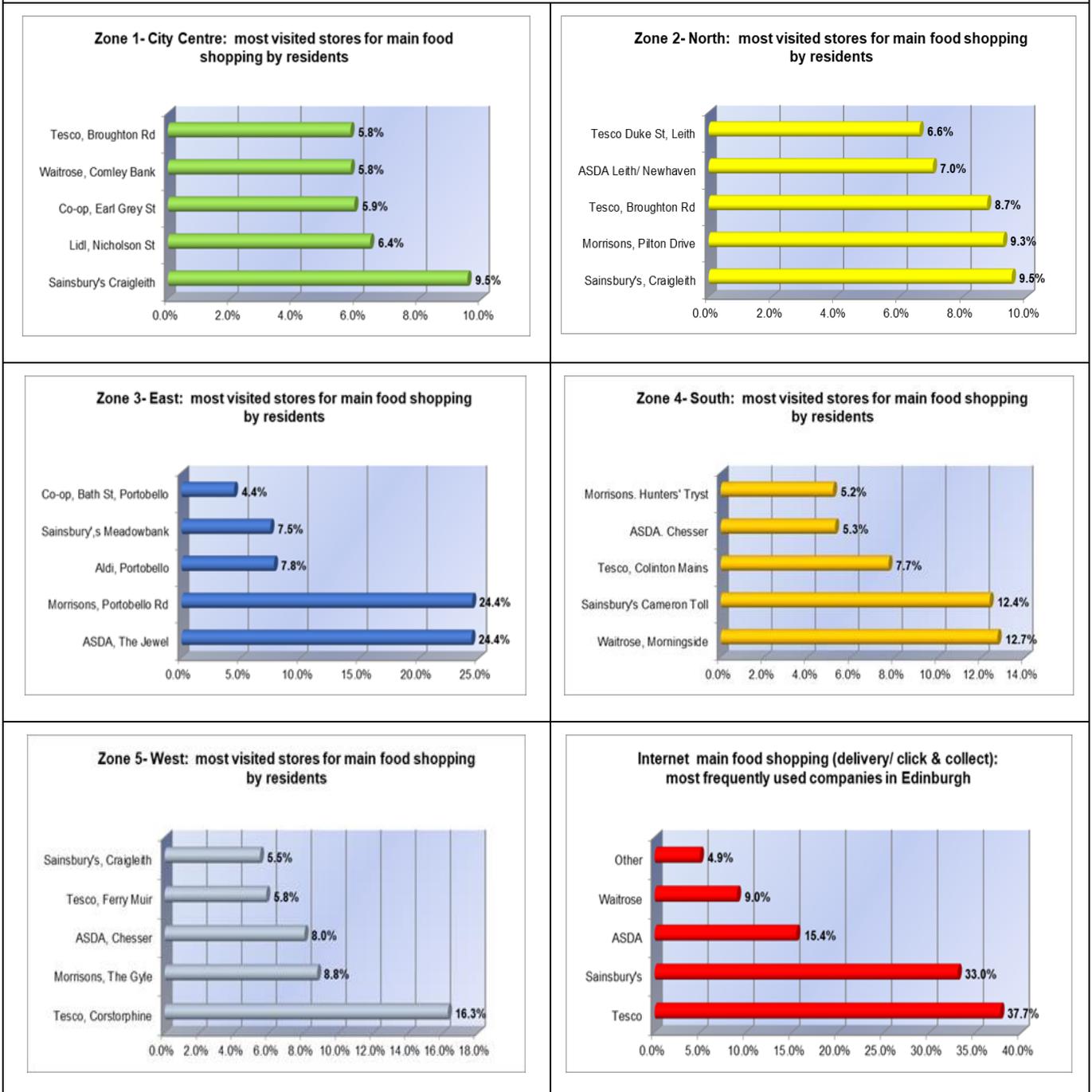
Table 6.3 Shopping patterns for convenience goods by Edinburgh residents

	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	34%	4%	3%	2%	4%	5%
Zone 2- North	27%	74%	9%	4%	13%	26%
Zone 3- East	2%	9%	76%	2%	1%	11%
Zone 4- South	24%	6%	2%	78%	21%	32%
Zone 5- West	11%	6%	2%	10%	57%	22%
Outside Council area	2%	1%	8%	4%	4%	4%
Total	100%	100%	100%	100%	100%	100%
Note						
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order- see Appendices						

- 6.9 Market shares refer to the proportions of expenditure from residents of a defined area which are spent in that area and in other areas. Table 6.3 shows the convenience market shares for each zone, based on the shopping patterns identified from the household survey mentioned in paragraph 6.8.
- 6.10 Among the City Centre residents of Zone 1, only about a third of convenience shopping is done in the City Centre, with 27% going to stores in Zone 2 (North) and 24% to Zone 4 (South). This reflects the limited supermarket provision in the City Centre. In Zone 2 (North), 74% of convenience spending is retained, with limited proportions going to other zones. The pattern is similar for residents of Zone 3 (East) with 76% retention and Zone 4 (South) with 78% retention. In Zone 5 (West), there is a wider spread (57% retention) and 21% in Zone 4 (South). Convenience expenditure leakage to stores outside Edinburgh is low, with 96% retention within the City as a whole. The proportions of retention within each zone are lower (34%-78%), which reflects the number of internal, cross-zone trips.
- 6.11 The graphs in Figure 6.1 show the most frequently visited supermarkets by the respondents in each of the five zones. Apart from in Zone 3 (East), the graphs reveal that most shoppers are using a wide variety of stores, with no dominant supermarkets emerging from the survey. This is consistent with market and anecdotal evidence on changing lifestyles, where people now prefer multiple choice, including small stores nearby, rather than one big shop at a superstore for example. Only in Zone 3 (East) is dominance evident, with ASDA and Morrisons' shares at nearly 25% each. Figure 6.1 also shows the most frequently used companies for **online grocery shopping** from the household survey.

Figure 6.1 Main food shopping patterns- most frequently visited stores (household survey)

Q1 & Q2 combined, excluding don't knows, varies, internet



Convenience Expenditure Inflows to Edinburgh

6.12 The approach draws on estimates of convenience expenditure made in Edinburgh by residents of neighbouring areas, taken from interview survey-based retail capacity studies held by those local authorities. These are East Lothian, Midlothian, West Lothian, Fife, Perth & Kinross and Scottish Borders. For the City Centre, the analysis draws on the results of the NEMS street interview surveys, which includes both locals and visitors. The calculations are shown in Appendix 5, and the inflows to Edinburgh incorporated into the following tables in this section. By nature, the estimates are broad-brush, as there is no precise way of assessment.

Convenience Expenditure and Turnover in Edinburgh

6.13 Tables 6.4 to 6.8 show the survey-based convenience expenditure and turnover relationships for each zone for 2018, 2023 and 2028. Table 6.9 combines the zones to show convenience expenditure and turnover for the city as a whole. The information derives from the 2018 expenditure potential in Table 6.2, the shopping patterns in Table 6.3 and the expenditure inflows in Appendix 5.

Table 6.4 Zone 1 City Centre- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 1 residents' expenditure potential		71.5	71.3	74.2
Add: inflows from rest of Edinburgh	46%	33.1	33.1	34.4
inflows from outside Edinburgh	116%	83.0	82.8	86.1
Less: outflows from Zone 1	-66%	-47.3	-47.2	-49.1
Retained expenditure (turnover)		140.3	140.0	145.6

Table 6.5 Zone 2 North- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 2 residents' expenditure potential		275.8	275.2	286.3
Add: inflows from rest of Edinburgh	32%	88.2	88.0	91.5
inflows from outside Edinburgh	2%	5.0	5.0	5.2
Less: outflows from Zone 2	-26%	-71.6	-71.5	-74.4
Retained expenditure (turnover)		297.3	296.6	308.6

Table 6.6 Zone 3 East- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 3 residents' expenditure potential		135.8	135.5	141.0
Add: inflows from rest of Edinburgh	27%	36.2	36.1	37.6
inflows from outside Edinburgh	37%	50.0	49.9	51.9
Less: outflows from Zone 3	-24%	-33.2	-33.2	-34.5
Retained expenditure (turnover)		188.9	188.4	196.1

Table 6.7 Zone 4 South- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 4 residents' expenditure potential		343.3	342.5	356.3
Add: inflows from rest of Edinburgh	31%	106.0	105.8	110.1
inflows from outside Edinburgh	5%	17.1	17.0	17.7
Less: outflows from Zone 4	-22%	-74.7	-74.5	-77.5
Retained expenditure (turnover)		391.7	390.8	406.6

Table 6.8 Zone 5 West- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 5 residents' expenditure potential		333.5	332.7	346.1
Add: inflows from rest of Edinburgh	19%	64.0	63.9	66.5
inflows from outside Edinburgh	10%	35.0	34.9	36.3
Less: outflows from Zone 5	-43%	-143.1	-142.8	-148.5
Retained expenditure (turnover)		289.4	288.7	300.4

Table 6.9 City of Edinburgh- convenience expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Residents' expenditure potential		1,159.9	1,157.2	1,204.0
Add: inflows from outside Edinburgh	16%	190.1	189.6	197.3
Less: outflows from Edinburgh	-4%	-42.4	-42.3	-44.0
Retained expenditure (turnover)		1,307.5	1,304.6	1,357.2

- 6.14 In Zone 1 (City Centre), the high proportion of convenience expenditure inflows from outside Edinburgh is based on the NEMS street interview survey, where the proportion of visitors, plus those from the rest of the Lothians and Fife, was much higher than the proportion of Edinburgh residents. The City Centre is not a main destination for convenience shopping but is ancillary to other reasons for being in the City Centre. The average spend from the survey findings was quite low, indicating that much of the spend is probably on the purchase of snacks, drinks, sandwiches, confectionary etc. from shops, by both visitors and those working there.
- 6.15 In Zone 2 (North), the attraction of customers from outside Edinburgh appears low, despite the presence of superstores. The proportion could well be higher, but there is no survey-based evidence - see Appendix 5, based on retail studies in the surrounding local authority areas.
- 6.16 Zone 3 (East) attracts very substantial convenience expenditure from East Lothian, based on the survey-based East Lothian Retail Capacity Study. Much of this is associated with ASDA at the Jewel. Zone 3 also attracts significant convenience expenditure from Midlothian, based on the Midlothian Retail Study.
- 6.17 Convenience expenditure inflows from outside Edinburgh to Zone 4 (South) were low, and mostly from Midlothian.
- 6.18 Zone 5 (West) was estimated to attract expenditure from West Lothian equating to about 10% of the Zone 5 residents' expenditure total, but the *amount* is only slightly lower than expenditure inflows from East Lothian and Midlothian (see Appendix 5).
- 6.19 Table 6.9 for the whole city indicates that estimated convenience expenditure inflows to Edinburgh in total equate to 16% of the residents' expenditure potential, and outflows only 4%.

Convenience Floorspace and Turnover 2018

- 6.20 The current distribution of convenience floorspace in the five zones is shown in Table 6.10, based on retail floorspace data provided by the Council for 2015-2018, Assessor data and other sources. All sources were matched and updated by Ryden to reflect known changes. As agreed with the Council, the presentation of retail floorspace reflects the network of centres.

Table 6.10 Edinburgh convenience floorspace and turnover, 2018 (in 2017 prices)

	Floorspace sq m		Av. turnover ratio £/sq m	Turnover £million
	gross	net		
Zone 1 City Centre				
City Centre				
Sainsbury's St Andrew Square	2,135	1,495	11,470	17.1
Sainsbury's Local, Shandwick Pl	1,888	1,322	11,470	15.2
M&S-Foodhall	2,800	1,820	10,145	18.5
Other City Centre shops-ward 11	14,023	9,115	8,000	72.9
Town Centres				
Town Centre (<i>Tollcross-ward 11</i>)	3,267	2,123	3,650	7.8
Commercial Centres- none				
Local Centres	3,289	2,138	3,500	7.5
Neighbourhood & isolated stores	734	477	3,000	1.4
Total Zone 1	28,136	18,489		140.3
Zone 2 North				
Town Centres				
<i>Leith/ Leith Walk-wards 12&13</i>				
Lidl, Newkirkgate, Leith TC	1,514	1,136	9,419	10.7
Tesco Superstore, Duke Street, Leith TC	4,814	2,888	10,765	31.1
Leith/ Leith Walk TC-Other shops	9,780	6,357	3,500	22.2
<i>Stockbridge-ward 5</i>	4,710	3,062	4,000	12.2
Commercial Centres				
<i>Craigleith-ward 5</i>				
Sainsbury's, Craigleith (total 11,712 sq m gross -70%conv)	8,198	4,099	11,470	47.0
Add: M&S, Craigleith RP-(total 4,881 sq m gross-50% conv)	2,441	1,586	10,145	16.1
<i>Ocean Terminal-ward 13</i>				
M&S, Ocean Terminal	952	619	10,145	6.3
Ocean Terminal-Other shops	209	136	4,000	0.5
Local Centres				
Morrisons, Waterfront Broadway, Granton 80% conv- <i>wd 4</i>	6,796	3,398	11,042	37.5
Local Centres- Other shops	8,320	5,408	3,000	16.2
Neighbourhood & isolated stores				
Asda, Sandpiper Drive (total 8,287 sq m gross-70%conv) <i>wd13</i>	5,801	3,481	13,710	47.7
Morrisons, Pilton Drive, Ferry Road- <i>ward 4</i>	5,475	2,738	11,042	30.2
Tesco, Broughton Road- <i>ward 12</i>	4,073	2,444	10,765	26.3
Waitrose, Comely Bank Road- <i>ward 5</i>	4,516	2,710	11,062	30.0
Lidl, West Granton Rd- <i>ward 4</i>	1,653	1,240	9,419	11.7
Other neighbourhood & isolated stores	12,657	8,227	3,000	24.7
Total turnover at average levels				370.5
<i>Under- trading below average levels</i>	-20%			-73.2
Total Zone 2	81,909	49,527		297.3

Table 6.10 continued

	Floorspace sq m		Av. turnover ratio £/sq m	Turnover £million
	gross	net		
Zone 3 East				
Town Centres				
<i>Portobello-ward 17</i>	3,602	2,342	3,500	8.2
Commercial Centres				
<i>Meadowbank - ward 14</i>				
Sainsbury's, Meadowbank	5,046	3,028	11,470	34.7
<i>Fort Kinnaird - ward 17</i>				
Asda, The Jewel (total 14,576 sq m gross- 60%conv)	8,746	4,373	13,710	60.0
part M&S Fort Kinnaird (total 5,911 sq m gross -25% conv)	1,478	961	10,145	9.7
Other Fort Kinnaird shops	599	479	5,000	2.4
Local Centres				
Morrisons, Piershill (total 6,770 sq m gross- 80% conv) <i>wd14</i>	5,416	2,708	11,042	29.9
Lidl, Niddrie- <i>ward 17</i>	1,220	915	9,419	8.6
Local Centres- Other shops	2,433	1,582	3,000	4.7
Neighbourhood & isolated stores				
Aldi, Main St Street, Portobello - <i>ward 17</i> (post 2015)	1,650	1,238	11,934	14.8
Other neighbourhood & isolated stores	5,857	3,807	3,000	11.4
Total turnover at average levels				184.5
<i>Over- trading above average levels</i>	2%			4.4
Total Zone 3	36,048	21,431		188.9
Zone 4 South				
Town Centres				
<i>Nicholston St/ Clerk St-ward 15</i>				
Tesco Metro, Nicolson Street-TC	1,634	1,144	10,765	12.3
Other Nicholston St/ Clerk St TC shops	7,281	4,733	3,500	16.6
<i>Morningside/ Bruntsfield-ward 10</i>				
Waitrose, Morningside Road-TC	3,702	2,221	11,062	24.6
Tesco Metro, Colinton Road-TC	1,785	1,250	10,765	13.5
Other Morningside/ Bruntsfield TC shops	3,998	2,599	4,000	10.4
Commercial Centres				
<i>Cameron Toll -ward15</i>				
Sainsbury's (total 16,037 sq m gross-60% conv)	9,622	4,811	11,470	55.2
Aldi, Cameron Toll	1,858	1,394	11,934	16.6
Other Cameron Toll shops	1,139	740	5,000	3.7
Local Centres				
Asda, Chesser (total 10,100 sq m gross-70 conv)- <i>ward 9</i>	7,070	3,535	13,710	48.5
Local Centres- Other shops	9,830	6,389	3,000	19.2
Neighbourhood & isolated stores				
Morrisons, Gilmerton Road, Moredun- <i>ward 16</i>	4,959	2,480	11,042	27.4
Morrisons, Hunters' Tryst, New Swanston- <i>ward 8</i>	4,148	2,074	11,042	22.9
Sainsbury's, Ingl Green Rd (total 8,906 sq m gross-75% conv) <i>wd9</i>	6,680	4,008	11,470	46.0
Tesco Superstore, Colinton Mains Drive	4,558	2,735	10,765	29.4
Aldi, Gilmerton Rd	1,422	1,067	11,934	12.7
Aldi, Fruitmarket Place, Edinburgh	1,650	1,238	11,934	14.8
Aldi, Oxgangs Road North, Edinburgh	1,650	1,238	11,934	14.8
Other neighbourhood & isolated stores	6,044	3,929	3,000	11.8
Total turnover at average levels				400.2
<i>Under- trading below average levels</i>	-2%			-8.5
Total Zone 4	79,029	47,581		391.7

Table 6.10 continued

	Floorspace sq m		Av. turnover ratio £/sq m	Turnover £million
	gross	net		
Zone 5 West				
Town Centres				
<i>Corstorphine -ward 6</i>				
Tesco Extra, Meadow Place Rd (total 8,976-70% conv)	6,283	3,770	10,765	40.6
Other Corstorphine TC shops	1,158	753	4,000	3.0
<i>Gorgie/ Dalry-ward 7</i>				
Sainsbury's, Westfield Rd (total 11,675 sq m gross-70% conv)	8,173	4,086	11,470	46.9
Co-op, Dalry Road-TC	2,476	1,609	8,426	13.6
Aldi, Gorgie Park Road-TC	1,513	1,135	11,934	13.5
Other Gorgie/Dalry TC shops	3,652	2,374	3,500	8.3
Commercial Centres				
<i>Hermiston Gait-ward 7</i>				
Tesco Superstore, Cultins Road (total 7,441 sq m-75% conv)	5,581	3,348	10,765	36.0
<i>The Gyle- ward 3</i>				
Morrisons, S Gyle Broadway (total 8,117 sq m gross-80%conv)	6,494	3,247	11,042	35.9
M&S The Gyle- clothing & food (total 3,025-30% conv)	908	590	10,145	6.0
Other Gyle Centre shops	466	303	5,000	1.5
Local Centres				
Tesco, Davidsons Mains-ward 1	1,578	947	10,765	10.2
Lidl, Wester Hailes-ward 2	1,252	939	9,419	8.8
Local Centres- Other shops	8,865	5,762	3,000	17.3
Neighbourhood & isolated stores				
Tesco, Ferrymuir	4,668	2,801	10,765	30.2
Lidl, Dalry Road	1,456	1,092	9,419	10.3
Other neighbourhood & isolated stores	11,542	7,502	3,000	22.5
Total turnover at average levels				304.5
<i>Under- trading below average levels</i>	-5%			-15.2
Total Zone 5	66,064	40,258		289.4

6.21 For the purposes of this study, all of the retail floorspace was assigned to each of the 17 wards and 5 zones, based on the latest (2016) ward boundaries. This meant making minor changes in the Council's 2015-based data which relates to the 2007 ward definitions. For example, Cameron Toll is now in ward 15 (previously ward 16) and so on.

6.22 One important addition was to assign the split of convenience and comparison floorspace in the larger supermarkets and superstores to the two sectors respectively. While some smaller supermarkets will also have an element of comparison floorspace, such detail is not essential for the retail capacity study.

- 6.23 In Table 6.10, average company turnover/ floorspace ratios from the Retail Rankings 2018 are applied to the main supermarkets and discount foodstores, with adjustments to include VAT and remove petrol/ non-retail sales. These ratios also embrace recent research published by Mintel on the split of convenience and comparison floorspace among the various operators and the associated division of turnover. Estimated average ratios are applied to the smaller stores in all centres and other shops.
- 6.24 The total turnover at average levels in each zone is controlled to the expenditure based survey totals in Tables 6.4 to 6.8. Any differences reflect under or over-trading in each zone. The exception is Zone 1, which is shown at actual levels because the City Centre cannot readily be compared to other, smaller centres, as its role for convenience shopping is substantially subsidiary to its role as the largest comparison shopping centre in the Lothians. In the view of the consultants, household surveys generally can provide fairly representative turnover estimates at the study area level (zones in this case), but not for individual centres, supermarkets and stores-hence the approach adopted.
- 6.25 Household surveys tend to overstate the turnover of the most popular stores and understate the rest, if used alone for this purpose. Where more detail is required, such as for a retail impact assessment, it is appropriate to reference any estimate of turnover for individual stores (based on the household survey-say) against the zone total, taking account of any over or under-trading at the zone level. The concept of over/ under-trading against average company levels is valid in the convenience sector, where relatively few operators dominate.
- 6.26 Table 6.10 indicates that Zones 3 to 5 are trading at about average levels as the match between the expenditure based totals and the average totals in each of those zones is very close. Slight under-trading or over-trading is of no consequence for this broad brush exercise. However, Zone 2 is estimated to be under-trading by around 20%. An explanation may be that it has limited expenditure inflows and quite a lot of convenience floorspace in relation to its population. For example, it has a similar level of floorspace to Zone 4, but a much lower population. Planned housing expansion in Zone 2 would increase potential expenditure support in the long term.

Convenience Turnover by Network of Centres

6.27 Table 6.11 shows the distribution of convenience turnover by the network of centres in Edinburgh. It reveals the contribution of each category of centre. The number of major supermarkets which are stand-alone stores or located in commercial centres makes these two categories of centre contribute around 55% of the total convenience turnover in Edinburgh. The under-trading is mostly concentrated in Zone 2 (-20%), so the overall percentage under-trading of -6.6% is not very meaningful.

Table 6.11 Distribution of convenience turnover among the Network of Centres in Edinburgh

Summary from Table 6.10

Network of Centres	Convenience Turnover	
	%	£million
City Centre	9%	123.7
Town Centres (8)	21%	295.4
Commercial Centres (7)	24%	331.7
Local Centres	15%	208.4
Neighbourhood & isolated stores	31%	440.9
Edinburgh total at average levels	100%	1,400.1
Overall under-trading	-6.6%	-92.5
Edinburgh total at actual levels (Table 6.9)	100%	1,307.5
Note		
The collective under/ over trading cannot readily be assigned to specific centres in the network- just to the zones.		

Convenience retail planning consents

6.28 Table 6.12 is a list of the current outstanding major convenience retail planning consents in Edinburgh. There are not many, and they are mainly supermarket development applications including a proposed mixed retail development. One of the proposals has recently been completed and has opened (Lidl). By convention, the estimated turnover of the planning consents requires to be deducted from forecasts of spare capacity, as will be shown in Section 7.

Table 6.12 Edinburgh: convenience retail planning consents 2018 (in 2017 prices)

Table 6.12 Edinburgh: convenience retail planning consents 2018 (in 2017 prices)					
		Floorspace sq m		Turnover ratio £/sq m	Turnover £million
		gross	net		
Planning consents included in the capacity study					
15/04194/FUL new build, ward 12	234-246 Easter Road- Lidl (recently opened) Total 2,811 sq m, 15% conv	2,389	1,434	9,419	13.5
14/02814/PPP new build, ward 9	Fountainbridge-EDI- Total 4,476 sq m gross Convenience (turnover/ floorspace ratio provided by applicants) Comparison	2,141 2,335	1,606 1,868	9,500	15.3
14/03416/PPP new build, ward 17	Niddrie Mains Rd(foodstore)- Parc Craigmillar Total 4,000sq m, 85% conv	3,400	2,040	8,500	17.3
16/01273/AMC new build, ward 4	West Harbour Rd, Granton- Total 8,920 Convenience Comparison	4,460 4,460	3,248 3,248	8,500	27.6
Total convenience consents					73.7
Note					
Gross floorspace from the Council. Estimated turnover of the consents are based on company averages from the 2018 Retail Rankings, where the retailer is named. For other consents, a nominal turnover ratio has been applied. Includes consents over 1,000 sq m gross only					

7.0 Convenience Expenditure Capacity

Introduction

7.1 This section provides estimates of the spare convenience retail expenditure capacity that could service new retail floorspace in Edinburgh as a whole. The forecasts of spare capacity are for the periods 2018-23, 2023-28 and for the total ten-year period 2018-28, after deducting the existing planning commitments noted in Table 6.12 above.

Definition

7.2 The planning context for defining spare capacity is the level of new retail development that can be accommodated without threatening the vitality and viability of established town centres. Spare retail capacity can exist in the following forms:

- Any current over-trading
- Growth in retained expenditure (turnover) in Edinburgh
- Potential to claw back expenditure leakage from Edinburgh
- Potential to attract new trade into Edinburgh
- 'Acceptable' levels of impact

7.3 A range of spare capacity can be prepared from these components, showing a low and high estimate. The **low estimate** includes any over-trading and the forecast growth in turnover in the City over the target periods. The **high estimate** also includes the potential to claw back leakage and attract new trade into the City. Provision of a range of spare capacity normally reduces the need for sensitivity tests.

7.4 'Acceptable' levels of retail impact refer to the situation where new developments would not threaten the vitality and viability of established centres. By convention, this aspect is not usually embraced into capacity studies, because it is normally addressed by retail impact assessments in support of specific retail planning applications. The Council would then assess whether the retail impacts are 'acceptable' in terms of their effects on the vitality and viability of town centres.

7.5 In practice, new convenience store developments are largely serviced by trade diversion from existing stores, rather from generating entirely new trade relating to local catchments, especially with the trend towards new smaller and discount stores rather than new superstores.

Spare convenience expenditure capacity

7.6 Table 7.1 shows the forecast spare convenience expenditure for the City of Edinburgh as a whole. Under the **low** forecast, there would be no spare convenience expenditure over the next ten years. The main reason relates to the level of current under-trading below average levels, which is mostly concentrated in Zone 2 (North). Forecast convenience expenditure growth is quite low, with additional expenditure not really materialising until the period 2023-28.

Table 7.1 Edinburgh: forecast spare convenience expenditure capacity (in 2017 prices)

	2018-23 £million	2023-28 £million	2018-28 £million
(a) Current under-trading (Table 6.11)	-92.5		-92.5
(b) Growth in retained expenditure (turnover)- Table 6.9	-3.0	52.7	49.7
(c) Less planning commitments: (selected consents- Table 6.12)	-73.7		-73.7
Low estimate (a+b-c)	-169.2	52.7	-116.5
(d) Add: potential to reduce outflow			
2023			
2028			
Outflow from Edinburgh £million- Table 6.9	-42.3		-44.0
Potential to claw back up to 30% of leakage-estimate	12.7	0.5	13.2
(e) Add: potential to increase inflow- Table 6.9			
189.6			
197.3			
Potential to increase inflow to Edinburgh by 20%- estimate	37.9	1.5	39.5
High estimate (a+b-c+d+e)	-118.6	54.7	-63.8
Note			
Gross retail floorspace equivalents are not shown in this table because the forecasts are for negative capacity			

7.7 Under the **high** forecast, it is estimated that there is potential to claw back convenience expenditure leakage from Edinburgh and attract some new inflows to Edinburgh, but at modest levels as shown in Table 7.1. The proportion of convenience expenditure leakage from Edinburgh is already low, as shown in Table 6.9, so there are limits to the scope for claw back of leakage to new store developments. Also, the potential to attract new convenience expenditure into Edinburgh will be limited, especially as the market for large supermarkets and superstores (which draw trade from wide areas) is no longer active. Even under the high scenario there would still be no spare convenience expenditure capacity over the next ten years.

7.8 It is important to recognise that forecasts for 2023-28 will carry more uncertainty than those for 2018-23.

Interpretation

- 7.9 The convenience retail capacity study suggests that Edinburgh is currently well endowed with supermarkets and discount foodstores generally. The scope for servicing additional new convenience floorspace over and above the current consents will mostly be in the form of trade diversion from existing stores, rather than reliance on spare capacity. This situation still presents opportunities to improve the quality, range and choice of existing convenience stores generally.
- 7.10 While areas with planned major residential expansion offer the most potential for the development of additional convenience floorspace, it can take years to build up the associated catchment populations. Within Edinburgh, future planned residential expansion in Zone 2 (Granton Harbour et cetera) would add additional expenditure to reduce the current level of under-trading there in the longer term.

8.0 Comparison Expenditure And Turnover

Introduction

8.1 This section examines the relationships between comparison expenditure and turnover for each of the five zones in Edinburgh (as shown on Map 2.1 on page 9), and for the City as a whole. It incorporates the shopping patterns of residents from the NEMS household survey, together with estimates of convenience expenditure inflows to the City by shoppers from beyond the Council area. As explained in section 6, the total turnover in each zone derives from the residents' expenditure potential, plus inflows, less outflows. The distribution of the turnover among the various centres, retail parks and stores is then controlled to the total deduced turnover for each zone from the shopping patterns.

Comparison Goods-Definition

8.2 Comparison goods include:

- Books
- Clothing and footwear
- Furniture, floorcoverings & household textiles
- Audio visual equipment and other durable goods (domestic appliances and phones)
- Hardware and DIY supplies (repair and maintenance materials)
- Chemists' goods
- Jewellery, watches and clocks
- Bicycles
- Recreational and other miscellaneous goods

This definition is provided in the Pitney Bowes *Retail Expenditure Guide 2018/19*, based on ONS classifications.

8.3 '*Bulky goods*' is a collective sub-category of comparison goods. These include at least furniture/ floorcoverings and household textiles, large domestic appliances and some audio visuals and DIY/hardware. Definitions vary and there is no precise way of comprehensively identifying all bulky goods retail floorspace. While bulky goods are normally found in retail parks, they are also still important to many town centres. The main benefit of the category is to assist planning authority development management to identify any restrictions on the range of goods to be sold on retail parks.

Comparison expenditure potential and the internet

- 8.4 Table 8.1 shows the forecast comparison expenditure per capita data for the City of Edinburgh Council area, based on data commissioned from Pitney Bowes for this study. The overall forecast growth rate from 2018-28 is 2.4% per annum (1.8% to 2023, thereafter 2.9% to 2028), which is substantially higher than the forecast growth rate for convenience expenditure.
- 8.5 As explained in section 6, special forms of trading (SFT), which is almost entirely internet shopping but includes a very small proportion of mail order, are removed from the expenditure per capita data, so that it relates to conventional shop floorspace. The proportion of SFT, or mainly non-store sales, is forecast to increase up to 2028.
- 8.6 In Table 8.1, estimates and forecasts based on the proportions of SFT by Pitney Bowes are applied. These range from 24.8% of comparison expenditure in 2018, rising to 33% by 2028. Findings of the household survey in Edinburgh indicate that the current proportion is higher at 27.9%. However, a reduction needs to be made to allow for the overlap between non-store-based sales and store related internet sales, so the lower Pitney Bowes estimate for 2018 appears as a good representation. Explanation of how the survey findings on the proportions of SFT are compiled is provided in Appendix 6.
- 8.7 The proportions of SFT are not surprising, as internet retail spending is now very high compared to the past. When the respondents to the household survey were asked how often they used the internet for non-food shopping (Q12), just over 50% said *very/ quite frequently* and a further 28% said *occasionally*. When asked how frequently they intend to use the internet for non-food shopping in the future (Q15), nearly 62% said *about the same* and 16% said *more often*.
- 8.8 Forecasts of the total comparison expenditure potential of the residents of each zone are shown in Table 8.2, excluding SFT. The growth rate to 2028 is the result of combining projected population growth with the forecast growth in expenditure per capita.

Comparison Shopping Patterns- Market Shares

- 8.9 Information on comparison shopping patterns by residents of the five zones was collected by the household survey. The method is the same as for convenience shopping. Market shares refer to the proportions of expenditure from residents of a defined area which are spent in that area and in other areas. Table 8.3 shows the comparison goods market shares for each zone, based on the shopping patterns identified from the household survey.

Table 8.1 Edinburgh comparison expenditure per capita per annum (in 2017 prices)

2018 £	2023 £	2028 £									
3,821	4,175	4,823									
<i>*excluding special forms of trading</i>											
2,874	2,923	3,231									
<p>Note</p> <p>Original expenditure per capita data in the top row provided by Pitney Bowes in their Geolnsight report 2018 for this study, including projections as shown.</p> <p>Comparison expenditure growth rates <i>per annum</i> for Edinburgh are:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td>2018-2023</td> <td>2023-2028</td> </tr> <tr> <td></td> <td>1.8%</td> <td>2.9%</td> </tr> </table> <p>The proportion of comparison goods expenditure relating to Special Forms of Trading (SFT- mainly internet spend)-from the NEMS household interview survey in Edinburgh in 2018 was 27.9%</p> <p>Pitney Bowes has also published estimates of the proportions of SFT for the UK in their Retail Expenditure Guide 2018/19:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>-24.8%</td> <td>-30.0%</td> <td>-33.0%</td> </tr> </table> <p>Pitney Bowes also advise that not all this allowance for SFT should be deducted from expenditure, as there is some overlap between non-store based sales and store-related internet sales, which cannot be precisely defined. Since the proportion of SFT from the Edinburgh household survey is higher, application of the lower Pitney Bowes UK estimates effectively provides this reduced deduction allowance for Edinburgh</p>				2018-2023	2023-2028		1.8%	2.9%	-24.8%	-30.0%	-33.0%
	2018-2023	2023-2028									
	1.8%	2.9%									
-24.8%	-30.0%	-33.0%									

Table 8.2 Edinburgh residents' comparison expenditure potential (in 2017 prices)

Excluding SFT (special forms of trading)

	2018 £ million	<i>growth</i> 2018-23 £ million	2023 £ million	<i>growth</i> 2023-28 £ million	2028 £ million
Zone 1 City Centre	91.8	5.0	96.7	13.3	110.0
Zone 2 North	354.0	19.2	373.2	51.3	424.5
Zone 3 East	174.4	9.5	183.8	25.3	209.1
Zone 4 South	440.6	23.9	464.5	63.9	528.4
Zone 5 West	428.0	23.2	451.2	62.1	513.3
Total- City of Edinburgh	1,488.8	80.7	1,569.5	215.8	1,785.4
<p>Note</p> <p>From Tables 2.1 and 8.1. Figures are rounded.</p>					

- 8.10 The list of questions is provided in Appendix 1. For each of the five categories of comparison goods in the questionnaire, the respondents were asked to identify where *they visited most often* to buy these goods (Q7-Q11). Respondents could identify up to two destinations (or internet) for each category. The results were weighted and combined to reveal the shopping patterns for all comparison goods by Edinburgh residents - see Appendix 7.

8.11 The proportions in Table 8.3 exclude SFT (mainly internet but also mail order), to show physical shopping destinations only and to achieve compatibility with the expenditure per capita data, which also excludes SFT. Thus, Table 8.3 highlights the shopping patterns between the five zones and visits to centres outside Edinburgh.

Table 8.3 Shopping patterns for all comparison goods by Edinburgh residents

	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	72%	44%	34%	43%	34%	41%
Zone 2- North	9%	29%	4%	3%	8%	11%
Zone 3- East	5%	13%	54%	14%	5%	15%
Zone 4- South	5%	1%	1%	12%	0%	5%
Zone 5- West	5%	4%	1%	14%	39%	17%
Outside Council area	4%	8%	6%	15%	14%	11%
Total	100%	100%	100%	100%	100%	100%
Note The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order- see Appendix 7						

8.12 Among the City Centre residents, 72% of comparison shopping is done in the City Centre, with 9% going to stores in Zone 2 and small proportions elsewhere. Apart from Zones 2 and 4, the proportions of comparison spend retained in the other zones are higher than the proportions made in the City Centre by residents of each zone.

8.13 In Zone 2, 29% of comparison spending is retained, with 44% going to the City Centre and limited proportions going to other zones. In Zone 3, 54% of comparison shopping is done there, and 34% in the City Centre. In Zone 4, the pattern of destinations is more spread out, with 12% of comparison spend retained, 43% going to the City Centre, 15% to stores outside Edinburgh, 14% to Zone 3 and 14% to Zone 5. Among shoppers from Zone 5, 39% of comparison shopping is done there, and 34% in the City Centre. Comparison expenditure leakage to stores outside Edinburgh is mostly low, apart from among residents of Zones 4 and 5. For Edinburgh as a whole, retention of comparison expenditure is high at 89%.

8.14 More detail on the most frequently visited centres, retail parks and stores, including internet is provided by the graphs in Figure 8.1, based on the household survey. The internet is included where respondents mentioned it among the most frequent 'destinations.

Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2018

Goods categories graphs exclude *don't know, don't buy, varies*

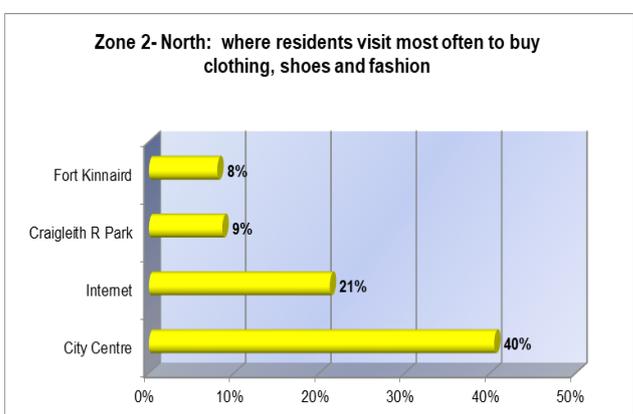
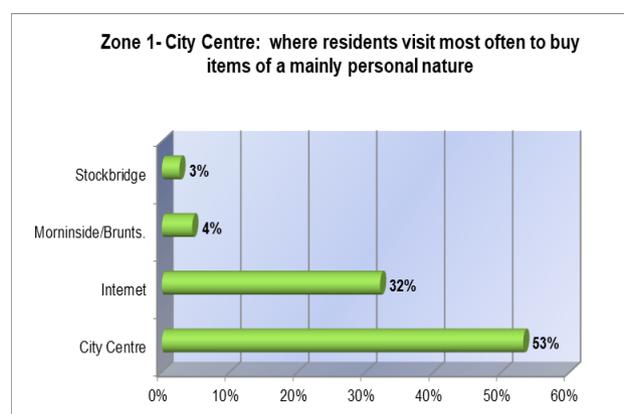
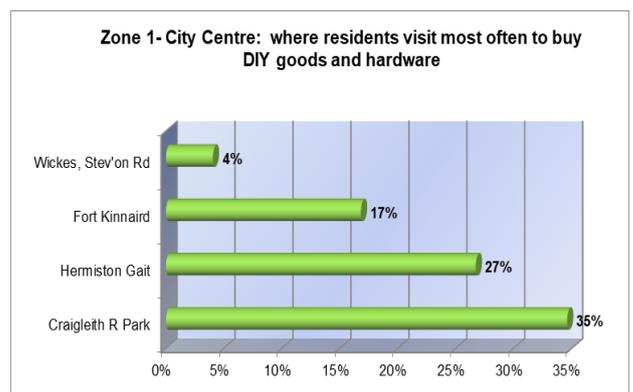
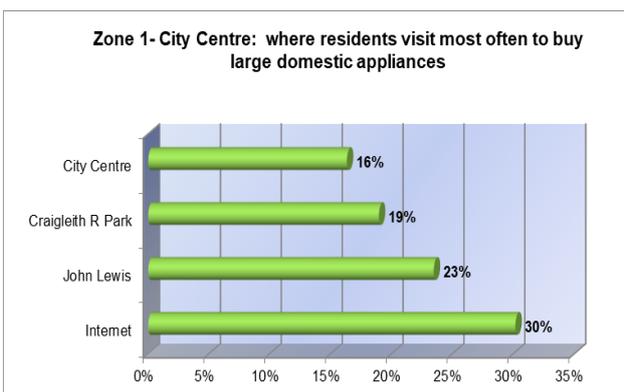
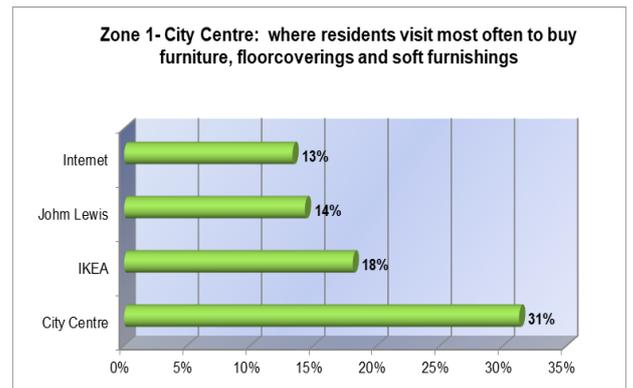
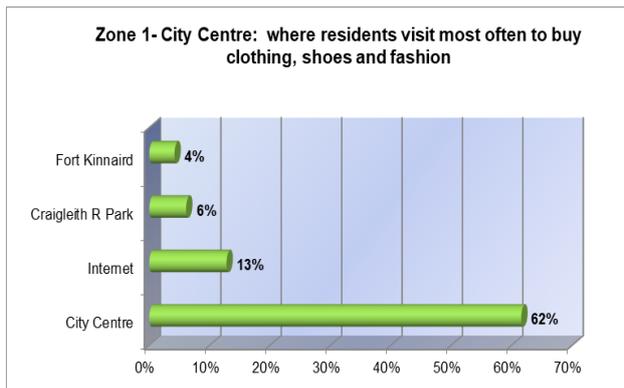


Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2018

Goods categories graphs exclude *don't know's, don't buy, varies*

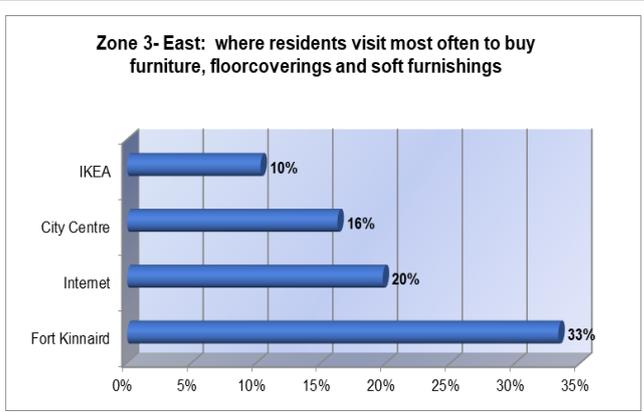
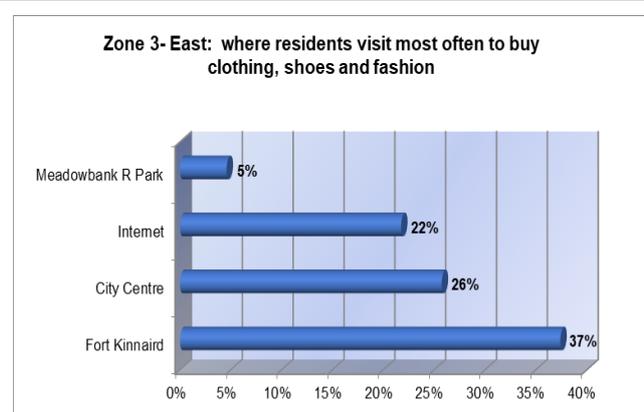
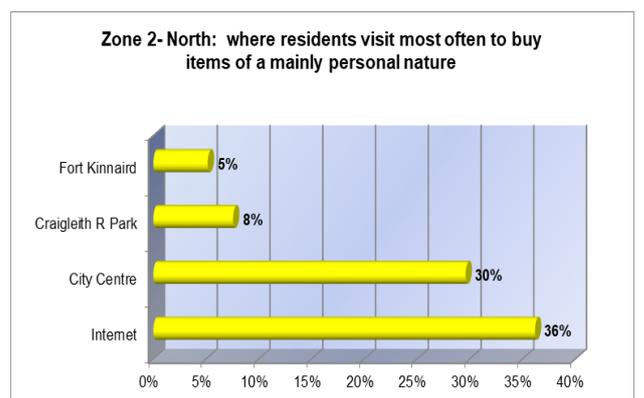
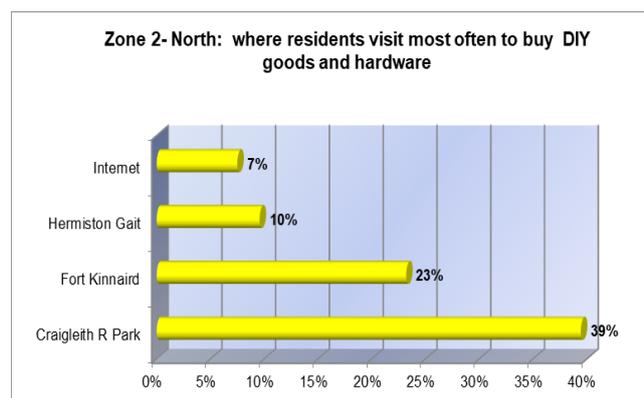
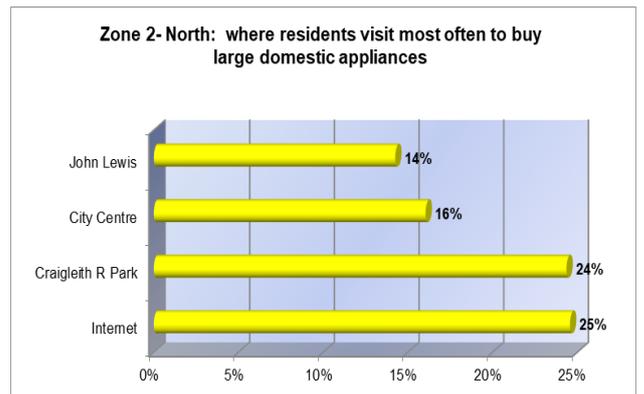
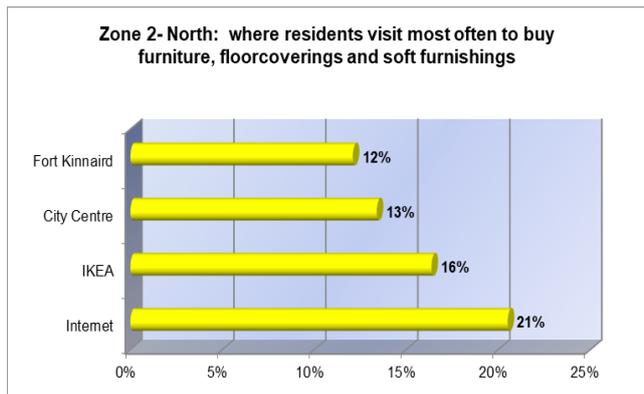


Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2018

Goods categories graphs exclude *don't know, don't buy, varies*

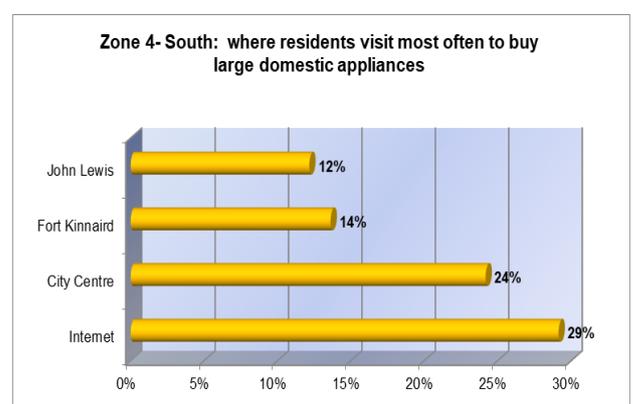
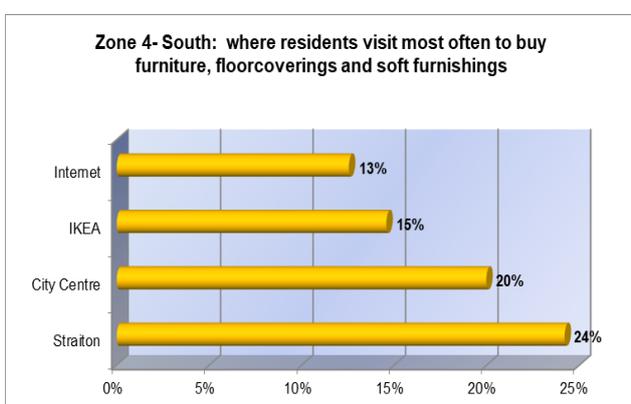
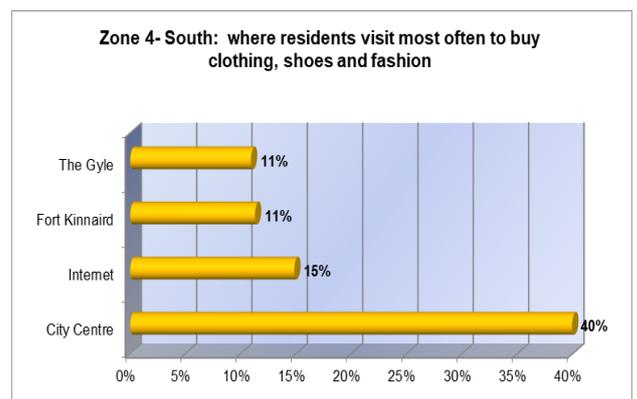
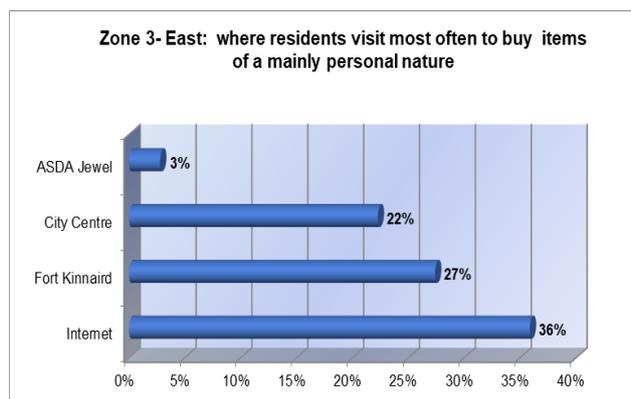
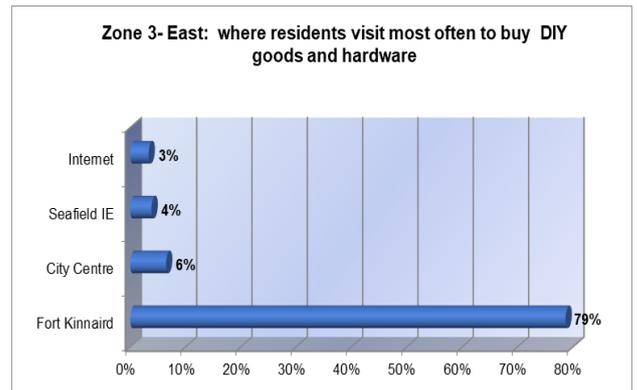
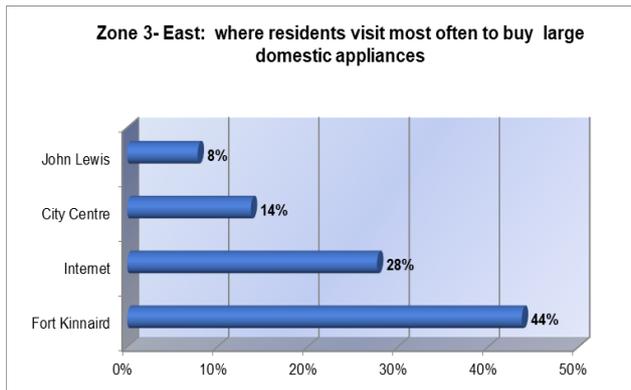


Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2018

Goods categories graphs exclude *don't know's, don't buy, varies*

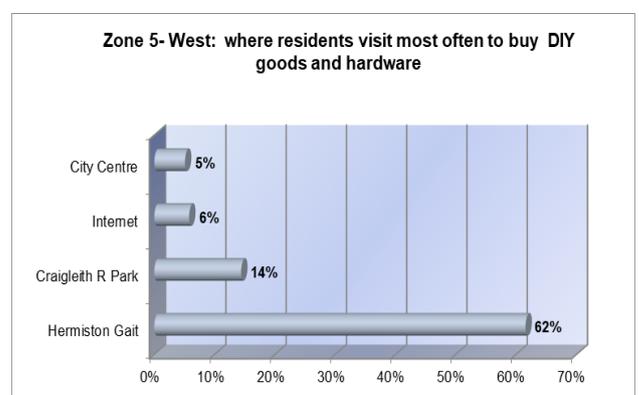
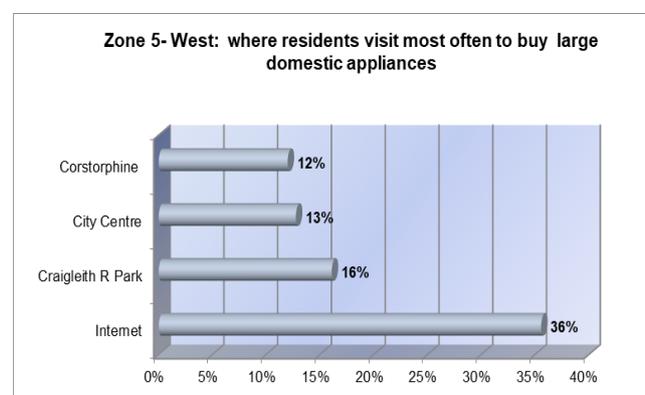
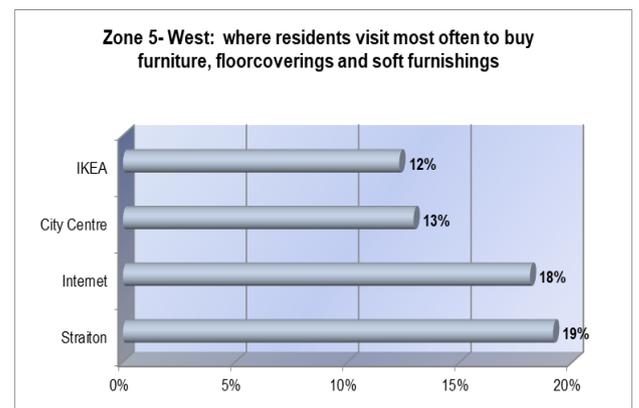
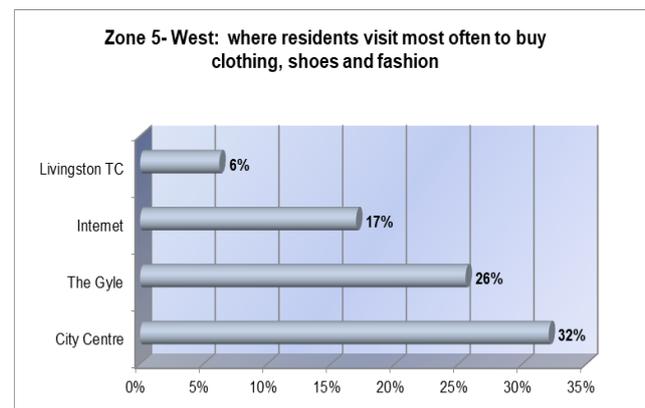
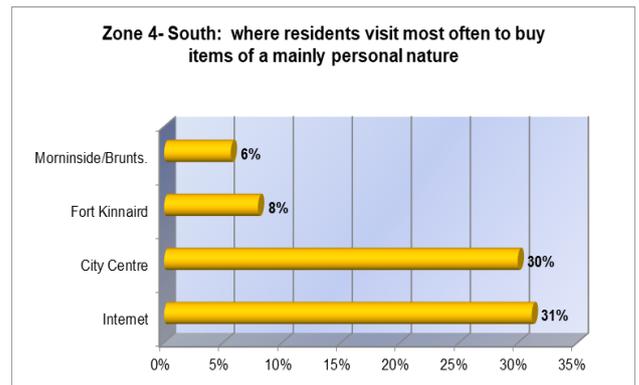
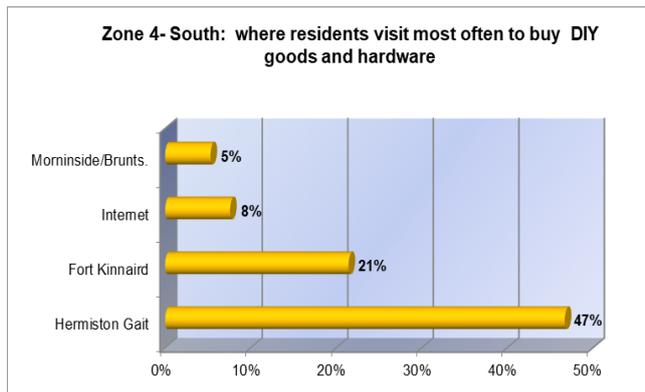
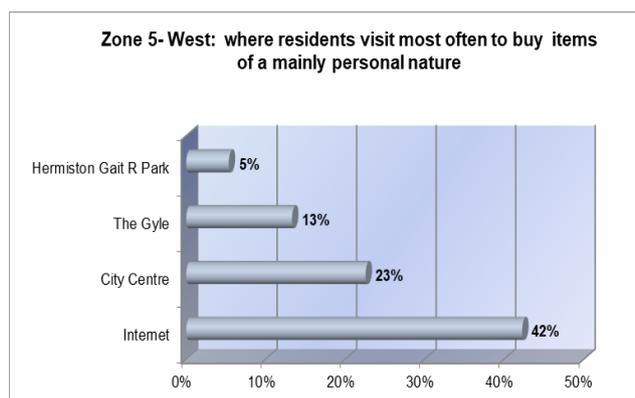


Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2018

Goods categories graphs exclude *don't know, don't buy, varies*



- 8.15 The graphs in Figure 8.1 reveal that the City Centre is a key destination for shopping for clothing shoes and fashion. It is also an important destination for items of a mainly personal nature but faces strong competition from the internet in that category and across the range of categories among the zones.
- 8.16 Notably in Zone 2 (North), Ocean Terminal does not feature at all as a popular destination among the range of comparison goods.
- 8.17 Fort Kinnaird is the dominant attraction in Zone 3 (East) across the categories of goods.
- 8.18 In Zone 4 (South), the City Centre features as a major destination for clothing, fashion, shoes, furniture, large domestic appliances and items of a personal nature.
- 8.19 In Zone 5 (West), the City Centre is the main destination for clothing, fashion and shoes, followed by The Gyle. It is not a key destination for furniture, domestic appliances and DIY and well behind the internet as a destination for purchasing items of a personal nature.

Comparison Expenditure Inflows to Edinburgh

- 8.20 The approach draws on estimates of comparison expenditure made in Edinburgh by residents of neighbouring local authority areas from interview survey-based retail capacity studies held by those local authorities. These

include East Lothian, Midlothian, West Lothian, Fife, Perth & Kinross and Scottish Borders. As explained in section 1, all those who do not live in Edinburgh and the Lothians and Fife are considered as visitors. This includes those from Perth & Kinross and the Scottish Borders and anywhere else. For the City Centre, the results draw on the NEMS street interview surveys, which includes non-visitors and visitors. The number of visitors in the City Centre street survey was much higher than the combined number from Edinburgh and the other local authority areas mentioned. The related comparison expenditure inflow is very substantial as the volume of visitors has grown to a high level in recent years, which is evident from simply viewing the crowds. The calculations are shown in Appendix 8, and the inflows to Edinburgh incorporated into the following tables in this section. By nature, the estimates are broad-brush, as there is no precise way of assessment.

Comparison Expenditure and Turnover in Edinburgh

8.21 Tables 8.4 to 8.8 show the survey-based comparison expenditure and turnover relationships for each zone for 2018, 2023 and 2028. Table 8.9 shows the totals for the whole city. The information derives from the 2018 expenditure potential in Table 8.2, the shopping patterns in Table 8.3 and the estimated comparison expenditure inflows in Appendix 8.

Table 8.4 Zone 1 City Centre- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 1 residents' expenditure potential		91.8	96.7	110.0
Add: inflows from rest of Edinburgh	600%	550.9	580.7	660.6
inflows from outside Edinburgh	681%	625.1	659.0	749.6
Less: outflows from Zone 1	-28%	-26.1	-27.5	-31.3
Retained expenditure (turnover)		1,241.6	1,308.9	1,488.9

Table 8.5 Zone 2 North- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 2 residents' expenditure potential		354.0	373.2	424.5
Add: inflows from rest of Edinburgh	18%	62.7	66.2	75.2
inflows from outside Edinburgh	5%	17.0	17.9	20.4
Less: outflows from Zone 2	-71%	-249.8	-263.3	-299.6
Retained expenditure (turnover)		183.9	193.9	220.6

- 8.22 In Zone 1 (City Centre), the high proportion of comparison expenditure inflows from outside Edinburgh is based on mainly survey based information on comparison spending from the surrounding/ near local authority areas and the NEMS street interview survey, where the proportion of visitors was much higher than locals. The City Centre is a major destination for comparison shopping in Scotland.
- 8.23 In Zone 2 (North), the attraction of customers from outside Edinburgh is low. The proportion could well be higher, but there is no survey based evidence. Outflows from the zone are high.

Table 8.6 Zone 3 East- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 3 residents' expenditure potential		174.4	183.8	209.1
Add: inflows from rest of Edinburgh	75%	130.7	137.7	156.7
inflows from outside Edinburgh	159%	276.6	291.6	331.7
Less: outflows from Zone 3	-46%	-79.6	-84.0	-95.5
Retained expenditure (turnover)		502.0	529.3	602.0

Table 8.7 Zone 4 South- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 4 residents' expenditure potential		440.6	464.5	528.4
Add: inflows from rest of Edinburgh	2%	10.8	11.4	12.9
inflows from outside Edinburgh	5%	22.7	23.9	27.2
Less: outflows from Zone 4	-88%	-388.5	-409.5	-465.9
Retained expenditure (turnover)		85.7	90.3	102.7

- 8.24 Zone 3 (East) attracts very substantial comparison expenditure from East Lothian and Midlothian, based on the East Lothian and Midlothian Retail Capacity Studies.
- 8.25 Comparison expenditure inflows from within and outside Edinburgh to Zone 4 (South) were very low, but the outflows are very large indeed.
- 8.26 Zone 5 (West) is estimated to attract considerable expenditure from West Lothian, and also from Fife.

8.27 Table 8.9 reveals the powerful attraction to Edinburgh from a wide area, including visitors, for comparison shopping. Estimated inflows equate to nearly two-thirds of residents' expenditure potential, and outflows only 11%.

Table 8.8 Zone 5 West- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Zone 5 residents' expenditure potential		428.0	451.2	513.3
Add: inflows from rest of Edinburgh	19%	82.0	86.5	98.4
inflows from outside Edinburgh	20%	83.9	88.5	100.6
Less: outflows from Zone 5	-61%	-261.2	-275.3	-313.2
Retained expenditure (turnover)		332.8	350.8	399.1

Table 8.9 City of Edinburgh- comparison expenditure and turnover (in 2017 prices)

	%	2018 £million	2023 £million	2028 £million
Residents' expenditure potential		1,488.8	1,569.5	1,785.4
Add: inflows from outside Edinburgh	69%	1025.3	1080.9	1229.6
Less: outflows from Edinburgh	-11.3%	-168.1	-177.2	-201.6
Retained expenditure (turnover)		2,346.0	2,473.2	2,813.3

Comparison Floorspace and Turnover 2018

8.28 The current distribution of comparison floorspace in the five zones is shown in Table 8.10, based on retail floorspace data provided by the Council, derived from the Assessor and other sources, updated by the study team. As agreed with the Council, the presentation of retail floorspace in the tables reflects the network of centres. Explanation of the distribution by wards and zones, is given in section 6 under the equivalent sub-heading. The comparison element of major supermarkets is included.

8.29 Unlike convenience retailing, there is no prevailing dominance by a few major operators, so the concept of over/ under-trading is less valid and not applied here. Otherwise, a similar approach to estimating the turnover of centres is applied as explained in section 6. In this case the turnover ratios of the smaller centres in each zone (town centres/local centres) are estimated proportions of the centre with the highest turnover ratio in each zone in which they are located. For Zone 1, it is the City Centre and in the other zones, it is the commercial centres which have the highest turnover ratios. This approach is essential to overcome the drawback to any household survey-based estimates of turnover alone, which would otherwise

exaggerate the turnover of the largest, most popular, centres and understate the contribution of smaller centres in a study area.

Table 8.10 Edinburgh comparison floorspace and turnover, 2018 (in 2017 prices)

	Floorspace sq m		Av. turnover ratio £/sq m	Turnover £million
	gross	net		
Zone 1 City Centre				
City Centre	185,796	120,767	10,071	1,216.3
Town Centre (Tollcross-ward 11)	6,924	4,501	3,021	13.6
Commercial Centres- none				
Local Centres	4,830	3,139	2,014	6.3
Neighbourhood & isolated stores	4,120	2,678	2,014	5.4
Total	201,670	131,085	9,472	1,241.6
Zone 2 North				
Town Centres				
Leith/ Leith Walk-wards 12&13	16,043	10,428	2,287	23.9
Stockbridge-ward 5	4,319	2,807	3,268	9.2
Commercial Centres				
Craigeith-ward 5				
Add: Sainsbury's, Craigeith (total 11,712 sq m gross -30% comp)	3,514	1,757	2,585	4.5
part M&S, Craigeith RP-(total 4,881 sq m gross-50% comp)	2,441	1,586	4,749	7.5
Other Craigeith Commercial Centre stores	18,772	15,018	3,268	49.1
Ocean Terminal-ward 13	17,552	11,409	3,268	37.3
Local Centres				
Add:Morrisons, Waterfront Broadway, Granton 20% comp-wd 4	1,699	850	3,626	3.1
Local Centres- Other shops	5,931	3,855	1,634	6.3
Neighbourhood & isolated stores				
Add:Asda, Sandpiper Drive (total 8,287 sq m gross-30%comp) wd13	2,486	1,492	5,347	8.0
Other neighbourhood & isolated stores	33,057	21,487	1,634	35.1
Total	105,813	70,688		183.9
Zone 3 East				
Town Centres				
Portobello-ward 17	3,023	1,965	3,314	6.5
Commercial Centres				
Meadowbank - ward 14	7,106	5,685	3,314	18.8
Fort Kinnaird - ward 17				
Add: Asda, The Jewel (total 14,576 sq m gross- 40%comp)	5,830	2,915	5,347	15.6
part M&S Fort Kinnaird (total 5,911 sq m gross -75% comp)	4,433	2,882	4,749	13.7
Other Fort Kinnaird stores	57,935	46,348	8,285	384.0
Local Centres				
Add:Morrisons, Piershill (total 6,770 sq m gross- 20% comp) wd14	1,354	677	3,626	2.5
Local Centres- Other shops	11,208	7,285	1,657	12.1
Neighbourhood & isolated stores	45,370	29,491	1,657	48.9
Total	136,260	97,247		502.0

Table 8.10 Edinburgh comparison floorspace and turnover, 2018 (in 2017 prices)

	Floorspace sq m		Av. turnover ratio £/sq m	Turnover £million
	gross	net		
Zone 4 South				
Town Centres				
<i>Nicholston St/ Clerk St-ward 15</i>	16,891	10,979	1,924	21.1
<i>Morningside/ Bruntsfield-ward 10</i>	8,923	5,800	2,199	12.8
Commercial Centres				
<i>Cameron Toll - ward 15</i>				
Add:Sainsbury's Cameron Toll (total 16,037 sq m gross-40% comp)	6,415	3,207	2,585	8.3
Other Cameron Toll stores	6,931	4,505	2,748	12.4
Local Centres				
Add:Asda, Chesser (total 10,100 sq m gross-30 comp)-ward 9	3,030	1,515	5,347	8.1
Local Centres- Other shops	5,847	3,800	1,099	4.2
Neighbourhood & isolated stores				
Add:Sainsbury's, Ingl Green Rd (total 8,906 sq m gross-25% comp) wd9	2,227	1,336	2,585	3.5
Other neighbourhood & isolated stores	21,524	13,991	1,099	15.4
Total	71,787	45,134		85.7
Zone 5 West				
Town Centres				
<i>Corstorphine -ward 6</i>				
Add:Tesco Extra, Meadow Place Rd (total 8,976-30% comp)	2,693	1,616	6,290	10.2
Other Corstorphine TC shops	8,894	5,781	3,617	20.9
<i>Gorgie/ Dalry-ward 7</i>				
Sainsbury's, Westfield Rd (total 11,675 sq m gross-30% comp)	3,503	1,751	2,585	4.5
Other Gorgie/ Dalry TC shops	6,573	4,273	2,713	11.6
Commercial Centres				
<i>Hermiston Gait-ward 7</i>				
Add:Tesco Superstore, Cultins Road (total 7,441 sq m-25% comp)	1,860	1,116	6,290	7.0
Other Hermiston Gait stores	21,995	17,596	4,522	79.6
<i>The Gyle- ward 3</i>				
Add: Morrisons, S Gyle Broadway (total 8117 sq m gross-20%comp)	1,623	812	3,626	2.9
part M&S The Gyle- clothing & food (total 3,025-70% comp)	2,118	1,376	4,749	6.5
Other Gyle Centre stores	23,810	15,476	9,043	140.0
Local Centres	6,973	5,578	1,809	10.1
Neighbourhood & isolated stores	27,284	21,827	1,809	39.5
Total	107,326	77,203		332.8

8.30 The turnover/floorspace ratios for each of the centres in the five zones confirm that the City Centre, the Gyle Centre and Fort Kinnaird are trading very strongly, which is to be expected, based on the household survey and the City Centre interview survey, among other factors.

Comparison Turnover by Network of Centres

8.31 Table 8.11 shows the distribution of comparison turnover by the network of centres in Edinburgh. It shows the contribution of each category of centre and reveals the major contribution of the City Centre at 52% of the total comparison turnover of Edinburgh. The commercial centres also account for a high proportion of turnover (34%). At 6%, the proportion of turnover relating to the town centres is low. The main strength of the town centres are their other uses, including convenience (where there are supermarkets in the town centres), plus leisure, service, other uses.

Table 8.11 Distribution of comparison turnover among the Network of Centres in Edinburgh

Summary from Table 8.10

Network of Centres	Comparison Turnover	
	%	£million
City Centre	52%	1,216.3
Town Centres (8)	6%	134.2
Commercial Centres (7)	34%	787.2
Local Centres	2%	52.6
Neighbourhood & isolated stores	7%	155.7
Edinburgh total at actual levels (Table 8.9)	100%	2,346.0

Comparison retail planning consents

8.32 Table 8.12 is a list of the current outstanding major comparison retail planning consents in Edinburgh. As explained in section 6, planning consents require to be deducted from forecasts spare capacity.

Table 8.12 Edinburgh: comparison retail planning consents 2018 (in 2017 prices)

		Floorspace sq m		Turnover ratio £/sq m	Turnover £million
		gross	net		
Planning consents included in the capacity study					
10/02373/FUL	189 Morrison Street- Tiger Haymarket Devts (u/c)	3,939	2,560	3,000	7.7
new build, ward 11					
15/02054/AMC	Edinburgh St James -retail element	54,815	35,630	10,071	358.8
new build, ward 11 TIAA Henderson Real Estate-u/c					
17/04190/AMC	Pennywell Rd-City Council	1,062	690	2,200	1.5
new build, ward 1					
16/05292/FUL	Princes Street-La Salle	4,535	2,948	10,071	29.7
redevt, ward 11					
14/03848/PPP	Fountainbridge- W Register Realisations Ltd	1,967	1,279	3,500	4.5
new build, ward 9					
14/02814/PPP	Fountainbridge-EDI- Total 4,476 sq m gross				
new build, ward 9 Convenience					
Comparison (turnover/ floorspace ratio provided by applicants)					
		2,141	1,606		
		2,335	1,868	4,840	9.0
03/01922/FUL	Granton Pier, Plot 4- Gregor Shore Ltd	3,000	1,950	2,200	4.3
new build, ward 4					
15/01724/FUL	Gyle Centre, Gyle Av-Gyle Shopping Centre Partner	5,575	3,624	9,043	32.8
new build, ward 3					
14/05101/AMC	Kinnaird Park, Lawhouse Toll (RW)- Gibraltar	7,479	5,983	8,285	49.6
new build, ward 17					
15/04405/FU	Loanhead Drive (RW)- Gilles & Premier Rooster	4,998	3,998	2,200	8.8
new build, ward 1					
13/03407/FUL	221 New Street- Atisan REI	1,429	929	2,200	2.0
new build, ward 11					
16/01273/AMC	West Harbour Rd, Granton- Total 8,920				
new build, ward 4 Convenience					
Comparison					
		4,460	3,248		
		4,460	3,248	2,500	8.1
Total comparison consents					516.8
Note					
Gross floorspace from the Council. Turnover of the consents are estimates relating to existing turnover ratios. Includes consents over 1,000 sq m gross only					

8.33 By far the largest project is the redevelopment of Edinburgh St James (under construction) to include a mixed leisure, commercial, cultural and retail uses with nearly 55,000 sq.m. gross of comparison retail floorspace. Other major proposals include expansion of the Gyle Centre, at Fort Kinnaird and a redevelopment on Princes Street. All these consents have potential to increase the attraction of shopping expenditure to Edinburgh, which will be addressed in the next section.

9.0 Spare Comparison Expenditure Capacity

Introduction

9.1 This section provides estimates of spare comparison retail expenditure capacity that could service new retail floorspace in Edinburgh. As explained at the beginning of section 7, the planning context for defining spare capacity is the level of new retail development that can be accommodated without threatening the vitality and viability of established town centres. Spare retail capacity can exist in the following forms, as previously explained:

- Any current over-trading
- Growth in retained expenditure (turnover) in Edinburgh
- Potential to claw back expenditure leakage from Edinburgh
- Potential to attract new trade into Edinburgh
- 'Acceptable' levels of impact (see section 7)

9.2 A range of forecast spare capacity for Edinburgh as a whole is provided, with a low and a high estimate, after deducting planning commitments. The **low estimate** includes forecast growth in expenditure in the City over the target periods. The **high estimate** also includes the potential to claw back leakage and attract new trade into Edinburgh.

Spare comparison expenditure capacity

9.3 Table 9.1 shows the forecast spare comparison expenditure for the City of Edinburgh as a whole. Under the **low** forecast, there would be no spare comparison expenditure over the next ten years after allowing for development of the planning commitments. In our view, it could be regarded as a 'poor case' scenario.

9.4 Under the **high** forecast, it is reasonable to consider that some of the major consents will reduce leakage of comparison expenditure from Edinburgh and attract new expenditure into the City. Indeed, the Edinburgh St James scheme was promoted as potentially raising the retail ranking of Edinburgh from 13th to 8th place in the UK hierarchy. Other consents identified at the end of the previous section can also expect to increase the attraction of the City for comparison shopping.

9.5 In Table 9.1, it is estimated that up to around 50% of the current proportion of comparison expenditure leakage from the City could be clawed- back by new retail developments and inflows increased by up to 20%. If realised, there would be a significant surplus level by 2028, over and above the existing consents.

Table 9.1 Edinburgh: forecast spare comparison expenditure capacity (in 2017 prices)

	2018-23 £million	2023-28 £million	2018-28 £million
(a) Growth in retained expenditure (turnover)- Table 8.9	127.2	340.1	467.3
(b) Less planning commitments: (selected consents- Table 8.12)	-449.0		-449.0
Low estimate (a-b)	-321.7	340.1	18.4
(c) Add: potential to reduce outflow	2023	2028	
Outflow from Edinburgh £million- Table 8.9	-177.2	-201.6	
Potential to claw back up to 50% of leakage-estimate	88.6	12.2	100.8
(d) Add: potential to increase inflow	2023	2028	
Inflow to Edinburgh £million- Table 8.9	1080.9	1229.6	
Potential to increase inflow by 20% -estimate	216.2	29.7	245.9
High estimate (a-b+c+d)	-17.0	382.0	365.1
Equivalent City Centre comparison floorspace	£ per sq m	£ per sq m	
* Turnover/ floorspace ratio	10,618	12,078	
	sq m net	sq m net	sq m net
Low	-30,300	28,200	-2,100
High	-1,600	31,600	30,000
Note			
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. <i>Figures are rounded.</i>			
* The turnover ratio derives from the current turnover ratio in the City Centre £ 10,071			
The ratio is increased to relate to 2023 and 2028, based on % turnover growth in Edinburgh -Table 8.9			

9.6 The table also shows equivalent net retail floorspace, based on the City Centre turnover/ floorspace ratio. The floorspace estimates are for broad guidance only, as the forecast comparison expenditure figures should be given most weight as the main reference on capacity. For future retail developments elsewhere in Edinburgh- outside the City Centre, the turnover ratios would be lower, therefore indicating that more floorspace could be supported in such locations.

9.7 The equivalent floorspace includes provision for increasing turnover ratios associated with growth. It is important to recognise that forecasts for 2023-28 will carry more uncertainty than those for 2018-28.

Interpretation

9.8 The forecast range of spare comparison retail expenditure for Edinburgh indicates that there will be spare capacity to support the current major retail planning consents after 2023, with considerable additional expenditure capacity to support more new retail floorspace by 2028 under the high forecast. The low forecast should be regarded as a less likely scenario in any case. The City Centre is the most relevant location capable of generating the additional attraction of expenditure into Edinburgh and reducing leakage.

- 9.9 The commercial centres at the Gyle and Fort Kinnaird would also be capable of attracting more expenditure into Edinburgh, but mostly from the surrounding local authority areas of East/Mid/ West Lothian and Fife, rather than from visitors. Looking to the future, any further planned expansion proposals at these commercial centres need to be carefully considered against the risk of competing with the City Centre as retail destinations. Although there is forecast surplus capacity later in the study period, significant expansion of the commercial centres could still threaten the City Centre by generating stronger competition with it. In Table 8.11, this study reveals the commercial centres taken together are already powerful attractions (34% market share), with total turnover below the City Centre's (52%), but ahead of all other town centres, local centres, neighbourhood store and isolated stores combined (14%).

10.0 Summary and Conclusions

- 10.1 City of Edinburgh Council commissioned Ryden to deliver the Edinburgh City Plan 2030 Commercial Needs Study. This study covers the retail and leisure sector. Retail market modelling was undertaken by analysts Roderick MacLean Associates. The study will also inform the Council's Edinburgh Economic Strategy and the City Centre Transformation programme.
- 10.2 Edinburgh's resident population is projected to grow by nearly 8% between 2017 and 2028. The city is also attracting rising visitor numbers. Both of these sectors are covered by new survey work presented in this report.
- 10.3 Core retail policy at all levels focuses on a sequential *town centre first* approach to all uses that generate significant footfall, including retail and commercial leisure. Flexible and realism is required in applying this sequential approach. Current local development plan policies refine this policy approach at a spatial level and apply different specific policy responses and criteria for different areas and frontages.
- 10.4 Within this policy framework, the retail sector is being disrupted by ultra-long term shifts towards destination centres, online shopping and diversification of uses, in particular to include a wide range of leisure activities (forecast to continue at a steady share of expenditure).
- 10.5 As a capital city with a significant population catchment as well as worker, visitors and students, Edinburgh is a net beneficiary of these market trends and is an investment target for the majority of retail and leisure operators, developers and investors.
- 10.6 Edinburgh's retail and leisure sector is ranked higher in the UK on qualitative measures such as the mix of shops than on turnover. Edinburgh St James, now under construction aims to elevate the city further in the UK hierarchy, and is expected to continue to shift the city centre's commercial focus eastward. The city's town centres have comparatively low vacancy rates and appear to be adapting to market concentration into purpose-built commercial centres.
- 10.7 Edinburgh is well-endowed with supermarkets and discount foodstores. The forecasts indicate no spare convenience expenditure capacity up to 2028, under both the low and high scenarios.
- 10.8 Planned residential expansion in Zone 2 (North Edinburgh) would help to reduce the significant under-trading of convenience stores in that local market area. Across Edinburgh as whole, the scope for further new convenience floorspace will mostly be in the form of trade diversion from existing stores, and in opportunities to improve the quality, range and choice of convenience shopping.

- 10.9 Comparison expenditure potential in Edinburgh is forecast to grow. Although internet-only sales potentially may take around one-quarter of all expenditure, this is projected to be more than offset by Edinburgh's forecast population growth and rising expenditure per head.
- 10.10 The forecast range of spare comparison retail expenditure indicates that there will be spare capacity to support the current major retail planning consents after 2023, with considerable additional expenditure capacity to support more new retail floorspace by 2028 under the high forecast. Under the low forecast, there would be minimal spare capacity after servicing the consents. The low forecast should be regarded as a less likely scenario.
- 10.11 The City Centre is the most relevant location capable of generating the additional attraction of expenditure into Edinburgh and reducing leakage. The commercial centres at the Gyle and Fort Kinnaird would also be capable of attracting more expenditure into Edinburgh, but mostly from the surrounding local authority areas of East/Mid/ West Lothian and Fife, rather than from visitors. However, if the commercial centres were to be expanded significantly beyond the existing committed planning consents, there would be an increased risk of deflecting trade away from the City Centre, to its detriment. This study reveals the commercial centres taken together are already powerful attractions (34% market share), with combined turnover which remains below the City Centre's (52%) but ahead of all other town centres, local centres, neighbourhood store and isolated stores combined (14%).

Appendix 1

NEMS Edinburgh household interview survey – list of questions

- Q01 Where did you last do your MAIN FOOD shopping for the household?
- Q01A Which internet retailer did you use for your main food shopping (Q01)?
- Q02 Where did you last go the time before that to do your MAIN FOOD shopping?
- Q02A Which internet retailer did you use for your main food shopping, the time before last (Q02)?
- Q03 Where did you last go to do small, day-to-day TOP-UP food shopping?
- Q03A Which internet retailer did you use for your top- up shopping (Q03)?
- Q04 On average, how often do you do your MAIN food shopping?
- Q05 On average, how often do you do your TOP UP food shopping?
- Q06 Could you tell me what other things you usually combine with doing your MAIN food shopping? [MR]
- Q07 Moving on to NON-FOOD shopping, where do you most often buy clothes, shoes and other fashion items? You can mention up to two answers. [MR]
- Q08 Where do you most often buy furniture, floor coverings and soft furnishings? You can mention up to two answers. [MR]
- Q09 Where do you most often buy large domestic electrical appliances (such as fridges, washing machines, vacuum cleaners etc.)? You can mention up to two answers. [MR]
- Q10 Where do you most often buy DIY and hardware goods? You can mention up to two answers. [MR]
- Q11 Where do you most often buy other items of a mainly personal nature, such as sports goods, jewellery, books, toys, computers, mobiles, cameras, electronic games etc.? You can mention up to two answers. [MR]
- Q12 How often do you use the Internet for buying non-food goods such as personal itmes and household goods?
- Q13 Thinking about Internet shopping for non-food items such as personal items and household goods, what do you like most about shopping on the Internet? [MR] *Those who use the Internet for non-food shopping in Q12*
- Q14 What is the main reason why do you don't use the internet to buy non-food goods ? [MR]
Those who never use the Internet for non-food shopping at Q12:
- Q15 Looking to the future, how frequently do you intend to use the Internet for non-food shopping? [PR]
- Q16A How often, on average, do you visit Edinburgh City Centre for non-food shopping?
- Q16B How often, on average, do you visit Edinburgh City Centre for leisure, such as visiting cafes, bars, restaurants, cinemas etc ?
- Q16C How often, on average, do you visit Edinburgh City Centre for combined shopping and leisure trips?
- Q17 Thinking about shopping for clothing and fashion in the City Centre, do you: [PR]
Visit stores selling designer clothing, shoes and accessories, whether buying or just browsing?
Visit stores selling mid-range fashion items, typically found in some department stores and less expensive chains, whether buying / browsing
Visit stores selling clothing, shoes and accessories for special occasions, such as a party or celebration?
Typically use the Internet as well as the City Centre shops for buying clothing and shoes?

Q18	Thinking about shopping for beauty products for women and grooming products for men in the City Centre, do you normally: [PR] Include the City Centre shops in your search, whether buying or just browsing? Typically use the Internet in combination with visiting the City Centre shops in your search? Include visiting other centres in combination with the City Centre in your search?
Q19	Thinking about shopping for gifts and presents, including for Christmas, birthdays and weddings for example, do you normally: [PR] Include the City Centre shops in your search, whether buying or just browsing? Typically use the Internet in combination with visiting the City Centre shops in your search? Include visiting other centres in combination with the City Centre in your search?
Q20	Overall, how do you rate the range and quality of the shops in the City Centre generally? [PR] <i>Very good</i> <i>Good</i> <i>Average</i> <i>Poor</i> <i>Very poor</i> <i>(Don't know)</i>
Q21	Do you undertake any of the following leisure- related activities when you visit the City Centre in the evenings (after 6pm)? [MR/PR] Visit restaurants or cafés Visit pubs / wine bars Buy take-aways Visit cinema or theatre Visit clubs Walking about / strolling Indoor bowling Use sports halls or gyms Swimming Community hall activities / meetings Late shopping Attending events, including live music Attending exhibitions Other Never visit in the evenings
Q22	Do you work in, or commute through Edinburgh City Centre?
Q23	How often, do you go shopping or eat out / visit bars etc, in Edinburgh City Centre as part of you being there for work or commuting ?
Q24	Have you participated in any organised nights out / parties in the City Centre over the last 12 months, whether related to work/social groups?
Q25	What improvements to Edinburgh City Centre would make you visit there more often? [MR] The respondents were asked about the town centre in the zone in which they live : (names of town centres below) <i>Tollcross, Leith/Leith Walk, Stockbridg, Portobello, Nicholson St/Clerk St, Morningside/ Bruntsfield, Corstorphine and Gorgie/ Dalry TCs</i>
Q26	Thinking aboutTown Centre, how often do you visit it, on average?
Q27	What typically, are your main reasons for visitingTown Centre - i.e. what range of things do you do when you get there? [MR]
Q28	Overall, how do you rate the range and quality of shops in Town Centre? [PR] <i>Very good</i> <i>Good</i> <i>Average</i> <i>Poor</i> <i>Very poor</i> <i>(Don't know)</i>
Q29	What improvements toTown Centre would make you visit there more often? [MR]
<i>Note: MR means multiple responses allowed. PR means prepared response (choice form specified options)</i>	

Appendix 2

NEMS City Centre street interview survey – list of questions

- Q01 Which country do you come from?
- Q02 If from Scotland, in which local authority area do you live?
- Q04 How did you travel to the City Centre today?
- Q03 For those resident in Scotland- what is your postcode?
- Q05 What is the main reason for your visit to the City Centre today?
- Q06 What is your second reason for your visit to the City Centre today?
- Q07 How much have you spent or intend to spend on, each of the following categories of goods in the City Centre today?
Food and groceries
Clothing and footwear
Gifts and personal items
Household goods
Pubs / cafes / restaurants
- Q08 How often do you visit Edinburgh City Centre?
- Q09 How long do you intend to spend in the City Centre today?
- Q10 In which town or shopping centre do you do most of your household's NON- FOOD shopping? [MR]
- Q11 What improvements to Edinburgh City Centre would make you visit there more often, for shopping, leisure or in the evenings? [MR]
- Q12 How often do you use the Internet for buying non-food goods such as personal itmes and household goods?
- Q13 Comparing (STUDY CENTRE) with other surrounding centres, how does it compare on the following aspects?
Very good; good; average; poor; very poor; don't know
Range & choice of shops generally
Quality of shops generally
Range & choice of designer and branded clothes shops
Quality of restaurants / pubs / cafes
City Centre environment
Parking spaces / availability
Cost of parking
Entertainment facilities generally (e.g. cinemas/ theatres/ venues)
As a nice place to visit

Interviews held on:

Princes Street
 George Street
 Royal Mile

Appendix 3

Household survey zones & wards - map and populations

NEMS household telephone interview shopping survey in Edinburgh: 5 zones and 17 wards-sample quotas (based on groups of electoral wards, showing the 2017 population estimates by National Records Scotland)							
Survey Zones (5)	Council shop survey Ward No.	2017 Mid-year population	Sub zone interview areas (Wards)	Population distribution %	1,600 sample	distribution *rounded	Related town centres
City Centre- Zone 1	11	31,634		6%	99	100	City Centre & Tollcross TC
North- Zone 2							
Forth	4	31,414	2a Forth Ward	6%	98	100	Leith/Leith Walk TC
Leith	13	23,163	2b Leith & Leith Walk	11%	176	180	
Leith Walk	12	33,355	Wards combined				
Inverleith	5	34,099	2c Inverleith Ward	7%	106	100	Stockbridge TC
		122,031		24%	380	380	
East- Zone 3							
Craigentinny / Duddingston	14	29,870	3a Craigentinny /Duddingston Ward	6%	93	100	Portobello TC
Portobello / Craigmillar	17	30,238	3b Portobello/ Craigmillar Ward	6%	94	100	
		60,108		12%	187	200	
South- Zone 4							
Southside / Newington	15	36,028	4a Southside / Newington Ward	7%	112	115	Nicolson St/ Clerk St TC Morningside/Bruntsfield TC and Tollcross TC for interviews only
Meadows / Morningside	10	32,932	**4b Meadows / Morningside Ward	6%	103	105	
Fountainbridge / Craiglockhart	9	23,280	4c				
Liberton / Gilmerton	16	34,397	4c				
Colinton / Fairmilehead	8	25,256	4c				
		151,893	Sub total 4c (82,933)	16%	259	250	
				30%	474	470	
West- Zone 5							
Corstorphine / Murrayfield	6	23,905	5a Corstorphine / Murrayfield	5%	75	80	Corstorphine TC Gorgie/Dalry TC
Sighthill / Gorgie	7	33,207	5b Sighthill / Gorgie	6%	104	100	
Almond	1	35,056	5c				
Pentland Hills	2	32,189	5c				
Drum Brae / Gyle	3	23,187	5c				
		147,544	Sub total 5c (90,432)	18%	282	270	
				29%	460	450	
City of Edinburgh Total		513,210		100%	1,600	1,600	

Note

* Rounding here refers to raising the sample sizes in the smallest zones to improve representation, which means minor reductions in the larger zones. Ideally, a sample size should not be less than 100.

Zone totals are rounded up to the nearest decimal place, so ward figures sum to the actual totals

** For the Meadows/ Ward sample, NEMS asked the questions on use and perceptions of town centres for Morningside/ Bruntsfield TC, followed by Tollcross TC

Appendix 4

Convenience shopping patterns - household survey

Main food shopping destinations- based on last visited store/centre and the one prior to that. Combined Q1 & Q2 from the questionnaire						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	28%	3%	1%	1%	2%	3%
Zone 2- North	30%	75%	9%	4%	14%	27%
Zone 3- East	2%	10%	77%	2%	1%	12%
Zone 4- South	25%	6%	2%	77%	23%	32%
Zone 5- West	12%	6%	3%	11%	55%	22%
Outside Council area	2%	1%	9%	4%	5%	4%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Top-up food shopping destinations- based on last visited store/centre. Q3 from the questionnaire						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	58%	10%	10%	3%	11%	10%
Zone 2- North	13%	70%	10%	3%	8%	23%
Zone 3- East	2%	7%	68%	1%	0%	9%
Zone 4- South	19%	5%	4%	81%	14%	33%
Zone 5- West	9%	6%	1%	10%	65%	23%
Outside Council area	0%	1%	7%	2%	2%	2%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Edinburgh City Council area residents- all convenience shopping (Q1-Q3) combined, from the questionnaire						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	34%	4%	3%	2%	4%	5%
Zone 2- North	27%	74%	9%	4%	13%	26%
Zone 3- East	2%	9%	76%	2%	1%	11%
Zone 4- South	24%	6%	2%	78%	21%	32%
Zone 5- West	11%	6%	2%	10%	57%	22%
Outside Council area	2%	1%	8%	4%	4%	4%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order
The weighting in this table assumes 80%:20% main food: top shopping

Appendix 5

Convenience expenditure inflows to Edinburgh

Convenience expenditure inflows to Edinburgh from other local authority areas						
	Zone 1 City Centre £million	Zone 2 North £million	Zone 3 East £million	Zone 4 South £million	Zone 5 West £million	Total City £million
from Perth & Kinross- <i>negligible</i>						
from East Lothian		1	35			36
from West Lothian		1			30	31
from Midlothian		1	14	16	1	32
from Fife estimate		2			4	6
from Borders- <i>negligible say 1</i>			1	1		2
Total		5	50	17	35	107

Sources: derived from household survey based local authority retail capacity studies, including some interpretation
The exception is West Lothian, where the historic convenience capacity study appears incompatible with the current times. The inflows from West Lothian in the above table are rough estimates.

Visitor convenience expenditure in the City Centre

There is no way of estimating the contribution of visitor convenience expenditure to the City Centre turnover with any precision for the purposes of retail capacity assessment. The approach in this study is to provide broad indications based on the City Centre street interview survey by NEMS for the Edinburgh Retail Capacity Study. Our method is based on simple apportionments from the 512 sample of interviewees, between those from Edinburgh and those from beyond.

Calculation of convenience inflows to the City Centre (NEMS street survey)			
Total sample	512		
From:			
Edinburgh	132	Outside Edinburgh 380	Total 512
		sample	Related City Centre turnover £ million
Edinburgh residents	132		57.3
Those from outside Edinburgh	380		165.0
			83.0

Appendix 6

Internet and mail order spending (SFT) on
comparison goods - household survey

Special forms of trading (SFT)- internet and mail order from the household survey	
Clothing, shoes and fashion	18.5%
Furniture, floorcoverings & furnishings	17.2%
Large domestic appliances	30.0%
DIY and hardware	6.4%
Personal goods	36.7%
All comparison goods	27.9%

Weighting- from Pitney Bowes expenditure per capita data for City of Edinburgh 2018 in 2017 prices		
All comparison shopping		%
Clothing, shoes and fashion	£1,040	27%
Furniture, floorcoverings & furnishings	£429	11%
Large domestic appliances	£274	7%
DIY and hardware	£151	4%
Personal goods	£1,927	50%
Total comparison expenditure	£3,821	100%

Appendix 7

Comparison shopping patterns - household survey

Q7: Where do you most often buy clothes, shoes and fashion items?						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	79%	55%	35%	48%	38%	47%
Zone 2- North	5%	25%	1%	1%	5%	9%
Zone 3- East	8%	12%	57%	14%	4%	15%
Zone 4- South	1%	0%	0%	7%	0%	2%
Zone 5- West	3%	3%	0%	17%	37%	17%
Outside Council area	4%	4%	5%	11%	15%	10%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Q8: Where do you most often buy furniture, floorcoverings and soft furnishings?						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	53%	25%	24%	30%	16%	26%
Zone 2- North	8%	18%	4%	2%	2%	6%
Zone 3- East	11%	20%	46%	12%	8%	16%
Zone 4- South	0%	2%	0%	4%	1%	2%
Zone 5- West	9%	2%	1%	7%	24%	10%
Outside Council area	19%	32%	24%	46%	49%	40%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Q9: Where do you most often buy large domestic appliances, such as fridges, washing machines and vaccum cleaners?						
	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	58%	41%	30%	51%	29%	40%
Zone 2- North	26%	35%	3%	3%	25%	19%
Zone 3- East	8%	12%	64%	19%	6%	18%
Zone 4- South	1%	0%	0%	3%	1%	1%
Zone 5- West	0%	6%	0%	10%	33%	13%
Outside Council area	6%	6%	2%	14%	6%	8%
Total	100%	100%	100%	100%	100%	100%

Note
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Q10: Where do you most often buy DIY and hardware?

	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	5%	8%	7%	5%	7%	7%
Zone 2- North	39%	49%	2%	4%	16%	20%
Zone 3- East	22%	28%	87%	24%	2%	25%
Zone 4- South	1%	1%	1%	7%	1%	2%
Zone 5- West	32%	11%	2%	55%	73%	43%
Outside Council area	1%	4%	2%	5%	1%	3%
Total	100%	100%	100%	100%	100%	100%

Note

The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Q11: Where do you most often buy other items of a mainly personal nature?

	Origin of shoppers					
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	Total
Destination						
Zone 1- City Centre	79%	46%	37%	45%	39%	45%
Zone 2- North	6%	32%	6%	4%	8%	12%
Zone 3- East	0%	10%	50%	12%	5%	13%
Zone 4- South	10%	1%	1%	18%	0%	7%
Zone 5- West	4%	5%	1%	11%	42%	16%
Outside Council area	1%	6%	4%	10%	7%	7%
Total	100%	100%	100%	100%	100%	100%

Note

The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Weighting- from Pitney Bowes expenditure per capita data for City of Edinburgh Council area 2018 in 2017 prices

All comparison shopping		%
Clothing, shoes and fashion	£1,040	27%
Furniture, floorcoverings & furnishings	£429	11%
Large domestic appliances	£274	7%
DIY and hardware	£151	4%
Personal goods	£1,927	50%
Total comparison expenditure per capita	£3,821	100%

Note

Under large domestic appliances, allowance for 50% of expenditure on audio visual goods is added, to cover items such as TVs etc.

Under the DIY and hardware category, china, glass and cutlery has not been included

Q7-Q11 combined: Shopping patterns for all comparison goods by Council area residents
Weighting applied by category as shown in the previous Appendix)

	Origin of shoppers					Total
	Zone 1 City Centre	Zone 2 North	Zone 3 East	Zone 4 South	Zone 5 West	
Destination						
Zone 1- City Centre	72%	44%	34%	43%	34%	41%
Zone 2- North	9%	29%	4%	3%	8%	11%
Zone 3- East	5%	13%	54%	14%	5%	15%
Zone 4- South	5%	1%	1%	12%	0%	5%
Zone 5- West	5%	4%	1%	14%	39%	17%
Outside Council area	4%	8%	6%	15%	14%	11%
Total	100%	100%	100%	100%	100%	100%

Note

The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order

Appendix 8

Comparison expenditure inflows to Edinburgh

VisitScotland data on visitor spending in Edinburgh

VisitScotland published statistics on visitor spend in their report *Visitors to Edinburgh & the Lothians, November 2018*. They estimate that international and UK domestic overnight visitors spent £1.85 billion in Edinburgh in 2017. Expenditure in Edinburgh and the Lothians grew by around 23% per annum between 2015 and 2017. On that basis, the overnight visitor spending in Edinburgh itself would be £2.28 billion in 2018.

The report by ETAG (Edinburgh Tourist Action Group) *Tourism in Edinburgh*, estimates that 17.9% of total visitor spending relates to shopping, from surveys in 2015. From that information, the visitor spending of £2.28 billion in 2018 would include some £408 million on shopping in Edinburgh.

From the report presented above (Tables 6.4 and 8.4), spending on convenience goods in the City Centre by people from outside Edinburgh was some £83 million (Table 6.4) and on comparison goods £625.1 million (Table 8.4). Thus, it can be estimated that 88% of the £408 million overnight visitor spend on shopping in the City Centre would be £359 million. This compares with the estimate of £304 million relating to visitor spend in the City Centre (£625.1 million less £321.1 million) in the table in this Appendix.

The VisitScotland report also has a table showing estimated day visitor spending in Edinburgh, but a lot of it is covered by the analysis here of comparison expenditure inflows to Edinburgh from the surrounding Council areas and beyond, which also relates to other centres in Edinburgh. While it is not possible to match the different data sets, the estimate of visitor spend on comparison goods in the City Centre deduced from the VisitScotland is not inconsistent with the estimate made in this study.

Comparison expenditure inflows to Edinburgh from other local authority areas						
	Zone 1 City Centre £million	Zone 2 North £million	Zone 3 East £million	Zone 4 South £million	Zone 5 West £million	Total City £million
from East Lothian	63.0		131.0			194.0
from West Lothian	85.3	7	14.2	7	28.4	142.2
from Midlothian	58.0	5	100.6	9	14.0	186.6
from Fife	74.0	5	5.0		25.0	109.0
Perth & Kinross	15.0				10.0	25.0
from Borders	25.8		25.8	6	6.5	64.5
Total	321.1	17	276.6	23	83.9	721.3

Sources: derived from household survey based local authority retail capacity studies, including some interpretation
The exception is West Lothian, where there is no local authority comparison retail capacity study. Therefore, the figures for West Lothian in this table are rough estimates, assuming about 30% leakage to Edinburgh

Visitor comparison expenditure in the City Centre

There is no way of estimating the contribution of visitor comparison expenditure to the City Centre turnover with any precision for the purposes of retail capacity assessment. The approach in this study is to provide broad indications based on the City Centre street interview survey by NEMS for the Edinburgh Retail Capacity Study. Our method is based on simple apportionments from the 512 sample of interviewees, between those from Edinburgh and those from beyond.

Calculation of comparison inflows to the City Centre (NEM S street survey)					
Total sample	512				
From:	Lothians/ Fife/ Borders/P&K	Rest of Scotland	Rest of UK	Other Countries	Total
Edinburgh	132	60	90	101	129
					512
	sample	Related City Centre turnover £ million	Zone 1 residents expenditure potential	£million	
Edinburgh plus	192	937.6		91.8	
Lothians/ Fife/Borders/P&K			Retained in City Centre	65.6	
*Total excluding the above	320	1,562.7	Inflows from rest of Edinburgh	550.9	
			Inflows from Council areas	321.1	
Around 60% do not buy clothing or gifts- apply (among those outside study area)		625.1	Total excl visitors	937.6	
Note					
* In the above table, it is considered that the information from the household survey and other data presents fairly 'hard' information on expenditure patterns to the City Centre, excluding visitors (£937.6 m) . In the above table, information including the visitor element is less robust and probably exaggerates the contribution of visitor spending. Therefore, for the purposes of this study, it is estimated that visitor spending, plus spending from the Council areas around Edinburgh, amount to some £625.1 million, as inflows to the City Centre. If the £625.1 million was all visitor spending, the turnover/floorspace ratio of the City Centre would seem unrealistically high.					