CITY GROWTH AND REGENERATION COMMITTEE

Subject:	City Centre Retail Positioning Study
Date:	12 August 2015
Reporting Officer:	Suzanne Wylie, Chief Executive
Contact Officer:	Christopher McCracken, Programme Manager

Is this report restricted?	**Yes**		**No**	X
Is the decision eligible for Call-in?	**Yes**	X	**No**	

1.0	**Purpose of Report**
1.1	Javelin Group, a retail consultancy owned by Accenture, has recently completed a retail positioning study for Belfast City Centre. The study was commissioned by the BCC City Centre Development Team, to help inform the approach to the proposed retail development in the North-East Quarter and other potential developments.
1.2	Andrew Leung, Associate Director at Javelin Group, will present key findings to the Committee. This report summarises the main points.
2.0	**Recommendations**
2.1	The Javelin Group report concludes that Belfast in terms of retail is currently under performing and is not attracting sufficient spend from some of the more affluent people living outside the City. It suggests that Belfast should focus on attracting more aspirational retailers; and concludes that the entry of John Lewis Partnership or equivalent into the City Centre would help galvanise this approach. The Committee are asked to note this conclusion.

3.0	**Main report**
	Key Issues
3.1	The Javelin study highlights that Belfast has an extensive catchment area, with primary and secondary catchment totalling 602,000 people. This ranks Belfast 13th out of 22 major cities, and shows that in terms of catchment it is comparable to Nottingham and Edinburgh.
3.2	The catchment covers a higher than average proportion of affluent consumers (22.1% compared to 20.8% UK average). However some affluent consumers will shop elsewhere (London, Dublin, on-line). This fact, combined with a large number of less affluent consumers, results in an overall retail spend per capita 21% in the City Centre below the UK average.
3.3	There are currently a number of challenges to retail in Belfast City Centre. There are too many variances at present and increasing challenge from on-line retail, with store based spend due to decline from 86% (2015) to 82% (2020).
3.4	Another key challenge is the quality of the current retail mix. In 2009, after the opening of Victoria Square, Belfast was ranked 14th but it has now fallen to 18th out of 22 Major Cities. Also, since 2009, the sales productivity (£/sqft) performance of Belfast city centre retailers has fallen below the average for Major Cities where, previously, they had performed at above Major City average levels.
3.5	Only 1.1% of Belfast's offer is luxury or upper market, compared to 4.7% across the UK. Considering the relative affluence of a proportion of the population within Belfast's catchment, it is significantly behind the curve in terms of the quality of its retail offer. It is recommended that any future strategy should focus on developing more aspirational retail whilst maintaining and improving the value market to provide a healthy mixed retail use.
3.6	There is since the re-evaluation of property rates, an improved operating cost base in most of the prime retail areas which Belfast could capitalise on.
3.7	Javelin Group have identified 212 leading retail operators who are present in at least 5 major cities, or Dublin, which are not represented in Belfast. Of these 212, three-quarters are of a midmarket or higher market position. They have also identified that Belfast has

	below average Department store provision in relation to other UK cities.
3.8	Belfast has a long standing aspiration to attract John Lewis or equivalent, as an anchor to the city centre. The Javelin Group research confirms the validity of this approach. Not only would John Lewis or equivalent fill a gap in aspirational retail, but it will play a significant role in attracting further upper / upper middle retailers that are currently lacking from the city's mix.
3.9	At the same time, the City Centre Strategy and Development team are working on improvements to the value end of the retail sector and improvement of various streets and areas such as Queen Street, Castle Street, etc. <u>Equality or Good Relations Implications</u> None
4.0	**Appendices – Documents Attached**
4.1	Appendix 1 - Javelin Group presentation.