Capacity Assessment for Retail and Non-Retail Floorspace in Kiltiernan

Prepared on behalf of
Dùn Laoghaire-Rathdown County Council

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1.0 Introduction

This report assesses the capacity for retail and non-retail development at Kiltiernan Neighbourhood Centre, with a view to guiding the evaluation of proposals in the centre and to informing policy making. It is prepared by Braniff Associates on behalf of Dùn Laoghaire-Rathdown County Council in order to provide an independent, evidence-based understanding of the potential of the area for such uses.

2.0 Scope of Report – Retail uses, Service uses and Non-residential uses

The findings of this Capacity Assessment are advisory in nature and are intended to inform the plan-led approach to the development of Kiltiernan.

The retail and service uses that are the subject of calculations in this Assessment are described in subsections 2.1 and 2.2 below. There are other non-residential uses that are considered in this assessment, such as health, community and educational uses, but it is important to note that no standard technique is available by which to quantify floorspace requirements for them. Their provision relates less to levels of disposable income and is largely determined by the specific requirements of the respective organisational bodies involved.

2.1 Retail uses

Retail uses are commonly defined as convenience goods and comparison goods.

Convenience goods

Convenience goods are mainly groceries and other consumable commodities that are purchased regularly and usually locally. They include food, drinks (including take home alcoholic drinks), tobacco, newspapers, magazines, cleaning materials and toiletries. Shopping for convenience goods is often simply referred to as food shopping.

Comparison goods

Comparison goods are durable items for which customers are prepared to travel some distance to compare prices and quality. They include clothes, footwear, household durables (both bulky and non-bulky) and leisure goods.

2.2 Service uses

Service uses include retail services, food & beverage services, leisure services and financial and professional services. Each of these uses is described in further detail below.

Retail services

Retail services are businesses which focus on selling a service rather than selling goods. This category includes hairdressing and personal care outlets, dry cleaners, travel agents, repair shops, post offices, opticians, tattooists and clothes hire shops.

Food & beverage services
Food & beverage services cater for the needs of people in terms of eating and drinking out (non-alcohol) and include restaurants, cafes, coffee shops and fast food takeaways.

Leisure services
Leisure service uses refer to outlets that cater for the needs of people in terms of socialising, entertainment and recreation. It includes the following: public houses/bars/clubs; betting offices, gaming centres, bingo establishments; places of entertainment such as cinemas; and places of recreation such as gyms (including those available to the public in hotels) and leisure centres.

Financial and professional services
Financial and professional services include professional offices, bank branches, building society branches, solicitor's offices, financial advisors, auctioneers, etc. They typically form part of the high street profile of shopping/commercial areas and interact with the public via own-door premises.

This category excludes office development that does not provide a direct service to the public by actively engaging with customers on the high street. Such offices are usually larger in size, more back-room in profile and less reliant on the need for commercial visibility.

2.3 Other non-residential uses

These uses primarily relate to: community buildings; educational facilities such as libraries and creches; and health sector outlets such as primary care centres, GP surgeries, etc.

3.0 The approach to assessment

The capacity to develop retail and other uses in Kiltiernan is assessed in accordance with the following 3-step methodology.

1st Step – Calculate Retail Floorspace requirement

This involves undertaking a quantitative supply and demand analysis for retail floorspace. This analysis is largely based on the interplay of projections relating to: population growth, retail expenditure by resident shoppers; and the turnover of shops.

A number of information sources can be consulted to assist in calculating retail floorspace requirements. These include:

- National figures on retail expenditure, sales growth and population growth. These include Central Statistics Office (CSO) publications such as the National Income and Expenditure Report 2020, Central Bank Quarterly Bulletins and Population and Labour Force Projections 2017-2051.

- UK figures in the cases where Irish ones do not exist, namely on retail turnover, online shopping and floorspace mix in Centres. Sources include Experian's Retail Planner Briefing Note 19, Jan 2022 relating to turnover and online shopping and GOAD's Retail Centre Report 2022 on floorspace mix. UK Turnover figures are converted to Irish figures by factoring in the currency differential and the difference in the cost of living.

2nd Step – Calculate Services Floorspace requirement

Building upon the projected retail floorspace figures calculated above the proportional floorspace breakdown of service uses can then be estimated on a pro rata basis, based on the percentage mix of such uses typically found in other settlement centres.

3rd Step – Estimate Other Non-residential Floorspace requirement

As noted ealrier, the floorspace requirements for other non-residential uses pertaining to health, community and educational use are governed by the respective organisational bodies in charge of them. For the purposes of this assessment, the floorspace stated in recent proposals in Kiltiernan will be included in the floorspace analysis.

The above steps are explained in greater detail in subsequent sections of this report.

4.0 Planning and Retail Context

Within the County of Dún Laoghaire-Rathdown, Kiltiernan is a village which is designated as a New Residential Community in the Metropolitan Area Strategic Plan (MASP) of the Regional Spatial & Economic Strategy for the Eastern and Midland Regional Assembly and in the Core Strategy of the Dun Laoghaire Rathdown County Development Plan 2022-2028.

As a village and a designated New Residential Community Kiltiernan has the status of a Neighbourhood Centre in the retail hierarchy. In this respect, it is on the lowest tier of the retail hierarchy below designated Town/District Centres and Major Town Centres. Dun Laoghaire and Dundrum are both designated Major Town Centres, while designated Town/District Centres in the county include the nearby Cherrywood, as well as Cornelscourt, Stillorgan, Blackrock and Nutgrove.

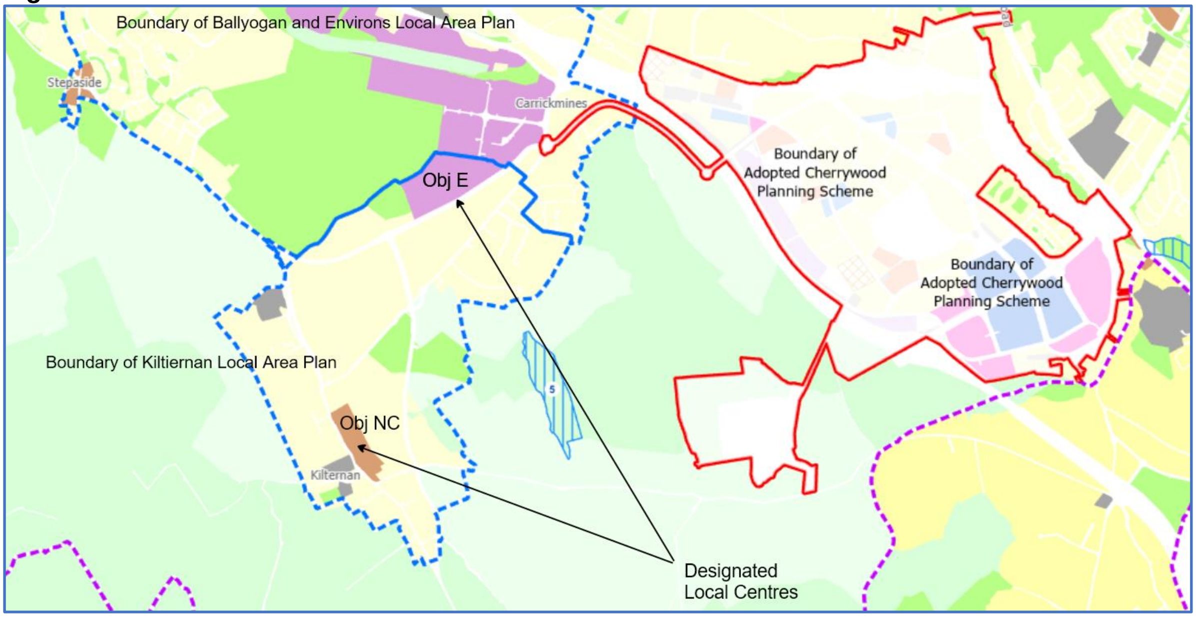
The Dún Laoghaire-Rathdown County Development Plan 2022-2028 (CDP) recognises that the vitality of centres, including Neighbourhood Centres, is linked to their wider multi-functional role and is not solely dependent on retailing. Some of the objectives of the CDP have a relevance for catchment estimation and these are referred to later in Section 6.0 of this report. In addition, Table 13.1.12 of the CDP outlines permissible and uses open for consideration on 'NC' zoned lands and these are considered in Section 10 of this report.

4.1 Kiltiernan Local Area Plan 2013

The Kiltiernan Local Area Plan 2013 (LAP), extended until September 2023, provides for the establishment of local centre provision in two separate parts of the LAP. The primary centre is earmarked

for land zoned as Objective 'NC' - to protect, provide for and/or improve mixed-use neighbourhood centre facilities. The other centre is targeted for lands zoned Objective 'E' - to provide for economic development and employment (Figure 1).

Figure 1: Kiltiernan in its Local Area Plan context



The LAP states that "*The two proposed 'Neighbourhood Centres' should function as 'Local Centres' – comprising a mix of local retail and retail services with associated community facilities*."[1]

It continues:

"It is envisaged that this Primary Neighbourhood Centre (Land Parcel No. 22) would include a large convenience store/small supermarket anchor tenant. This store would be designed into the integrated overall design for the centre. Other units suitable as individual shops and retail service outlets, such as newsagent, pharmacy, video store, doctor's surgery or estate agency uses should be provided. Each Local Centre could also include a public house.

With regard to the provision of community facilities, it is required that accommodation for community meeting facilities and accommodation for youth activities be provided at the neighbourhood centre nodes. Additionally at or in the immediate vicinity of these Neighbourhood Centres, provision shall be made for the development of a playground area and Multi Use Games Area (M.U.G.A.) facility."[2]

The uses outlined in the LAP are considered later in Section 10 of this report.

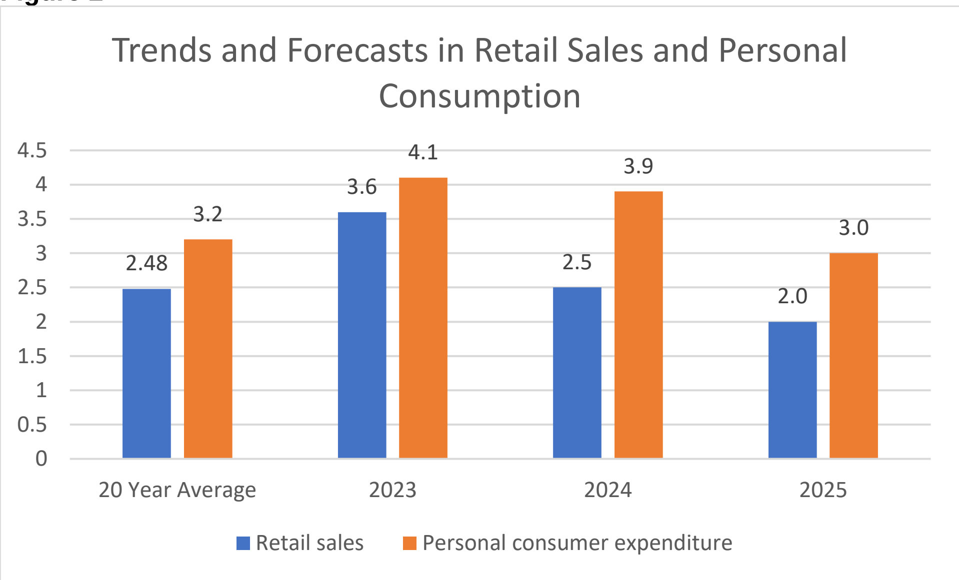
[1] s9.1, p54, The Kiltiernan Local Area Plan 2013 (LAP)
[2] ibid

5.0 Economic Outlook

The Covid pandemic cast a light on the vagaries of the marketplace and its susceptibility to unforeseen shocks. Accordingly, it is imperative that economic forecasting is based on long term historical trends that reflect the upturns and downturns in retail and non-retail activity.

Figure 2 below has been formulated from a number of economic sources including from the Central Bank Quarterly Bulletin, Sep 2023, in respect of information on personal consumer expenditure and from Trading Economics for retail sales forecasts. This information was then benchmarked against the National Income and Expenditure Report 2020. Given the uncertainty surrounding future economic predictions it should be noted that most economic forecasts are only made for the next few years. Figure 2 indicates that real change in retail sales is projected to be 2.0% in 2025. The corresponding rate for the service industry, as reflected in the personal consumption figures, is 3.0%.

Figure 2



6.0 Capacity assessment for retail floorspace

The ensuing analysis is predicated on the understanding that the development of Kiltiernan is guided by a number of objectives in the Dún Laoghaire-Rathdown County Development Plan 2022-2028 (DLR CDP). These include Policy Objective RET7 for Neighbourhood Centres and Policy Objective MFC1: Multifunctional Centres, including the strategic objective to achieve the ten-minute village. The latter refers to the desire to promote retail self-sufficiency in the village for everyday items and services by providing adequate retail and non-retail provision for residents within a 10 minute walk or cycle from the centre.

6.1 The catchment population

The catchment population consists of the population within the boundary of the Kiltiernan LAP, as identified in Figure 1 earlier. The capacity for additional retail and non-retail floorspace is assessed on the basis of the projected catchment population up to 2034. This amounts to approximately 6,300 persons. In 2019, it was estimated that there were approximately 1,300 people living in the LAP. This figure was extrapolated from 2012 and 2022 Council surveys, as well as small area statistics recorded in the 2022 census. It is anticipated that the catchment population could increase by another 5,000 people. This population figure is derived from the application of a household size of 2.5 persons to the potential development of 2000 residential units on 59 hectares of land, surveyed in 2019.

Latest census results for 2022 reveal that average household size (AHS) in the County, as with the State as a whole, has remained fairly constant at 2.7, which is in contrast to decreasing trends of previous years. This is largely due to family members remaining at home longer due to housing availability/affordability issues. If these trends continue average household size in the Kiltiernan LAP for the year 2034 could be higher than the predicted 2.5 county average. This view is also underscored by the fact that the AHS in the Glencullen District Electoral Division, within which Kiltiernan is located, was 2.96 in 2022, which was even higher than the 2.7 State average.

6.2 Retail expenditure

Information at the national level exists for various categories of consumer expenditure; however there is no standard breakdown for expenditure on convenience goods and comparison goods.

Despite this shortcoming, the regularity of expenditure on groceries means that a reasonable estimate can often be made for convenience goods shopping. However, the irregular, leisure-based dimension to comparison goods shopping, together with the blurring of the lines between providing a service and selling products, means that estimating the amount of money spent on these items is more difficult. It is often subject to varying interpretations. This notwithstanding, the following estimates of expenditure can be provided.

6.21 Expenditure on Convenience goods

One of the most up to date sources of consumer expenditure in the Republic of Ireland is the 2016 Household Budget Survey (HBS). It provides a detailed list of expenditure on items per household, which can then be classified into categories of convenience goods and comparison goods. Based on this classification and taking into account the average household size recorded in the HBS (2.78 for the State in 2016) it is estimated that the average person spent €2,459 on convenience goods in 2016. This equates to €47 per week. Figures extrapolated from the Retail Strategy for the GDA point to a similar annual expenditure on convenience goods in 2016 of €2,463. Accordingly, this latter figure will be used as the base value for projections to the target year of 2034.

6.22 Expenditure on Comparison goods

The level of expenditure on comparison goods is likewise based on a figure extrapolated from the Household Budget Survey. It recorded expenditure at €1,938 per head in 2016, which is inclusive of online spend. This is well below the per capita figure recorded in the Retail Strategy for the GDA (€3,240 in 2007). However, this difference can be explained by the fact that the HBS figure has been stripped down to exclude expenditure on retail services and leisure services, the floorspace requirements for which are considered separately in this report.

6.23 Annual growth in expenditure on retail goods

When projecting the above expenditure per capita figures for the foreseeable future it is necessary to consider published growth forecasts.

Latest indicators from the National Income and Expenditure Report 2020 (Table 1) reveal that during the years 2015 and 2020 expenditure on convenience goods grew by 2.5% per annum, while expenditure on comparison goods such as clothing, footwear and household durables grew between 3.9 and 4.5% per annum.

Table 1

Expenditure category	Annual change 2015-2020*	Annual real change excluding population increase (1% p.a) #
Food & Non-Alcoholic Beverages (Convenience goods)	3.5	2.5
Clothing and footwear (Comparison)	5.5	4.5
Furnishings, household equipment & household maintenance (Comparison goods)	4.9	3.9

** Extrapolated from Table 14.1 of National Income & Expenditure Report 2020*
 # based on annual growth recorded in Population and Labour Force Projections 2017 - 2051, Moderate population projection scenario M2F2

Based on the above trends, real growth in comparison goods expenditure up to the year 2034 is projected at 4.5% per annum. However, a lower projection of 1% per annum for real growth in convenience goods is adopted to take on board up-to-date expenditure predictions outlined in the Experian Retail Planner Briefing Note 19, Jan 2022. This is more conservative than the 2.5% figure in Table 1 and is preferred for adopton in this assessment from a precautionary perspective, given the marked downturn in retail investment since Covid.

6.3 Turnover

The Retail Strategy for the GDA estimates turnover rates achieved by shops at circa €12,000 per net sqm for convenience goods and circa €9,000 per net sqm for comparison goods. Based on latest figures for the UK[3] average turnover rates can be estimated for the Republic of Ireland at circa €12,941 and €8,803 per net sqm, after adjustments are made for currency and cost of living differentials. The latter

[3] Figures 4a and 4b, Experian's Retail Planner Briefing Note 19, Jan 2022

turnover figures, aka sales densities, are more up to date and have been adopted for forecasting purposes in this report.

6.4 Impact from internet shopping

Provisional data from the CSO dated Jan 2023 indicates that 5.6% of all retail sales excluding motor trades, automotive fuel and bars were conducted online. It had reached a peak of 22.7% during the pandemic.

In theory, the growth of online shopping would imply that the need for the physical development of retail floorspace on the ground should decline at a concomitant rate.

However, latest projections from Britain suggest that most online shopping for convenience goods will still involve deliveries from existing retail stores as opposed to direct dispatch from distribution warehouses. In relation to comparison goods shopping, the reverse will be the case, in that most online comparison goods shopping will be sourced directly from the warehouse.

Viewed in the context of the above, Experian estimate that the proportion of retail sales conducted online in the year 2034 will be 7.4% for convenience goods and 29.3% for comparison goods.[4]

6.5 Projection of retail floorspace need

Taking into account the above considerations it is possible to estimate the capacity of Kiltiernan to accommodate retail development up to the year 2034 for both convenience goods and comparison goods.

6.51 Convenience Goods

As explained above the following assumptions are adopted for this assessment in Table 2.

- The expenditure per capita figure in 2034 for convenience goods shopping will be €2941.33. This is reduced to €2723.67 once online spend (7.4%) is discounted.
- The number of persons in the Kiltiernan LAP will amount to a minimum of 6,300 persons by the year 2034.
- Assuming that the LAP will function as the primary catchment for convenience goods shopping in Kiltiernan it is estimated that 70% of the available expenditure in the LAP (€12m) will be spent in convenience stores in Kiltiernan.

[4] Figure 5, Appendix 3, Experian's Retail Planner Briefing Note 19, Jan 2022

– When the above expenditure figure is divided by the turnover rate for convenience goods floorspace (€12,941 per net sqm) a convenience goods floorspace requirement of 928 net sqm is estimated. This equates to 1,238 gross sqm.

Based upon the above gross floorspace projection of 1,238 gross sqm, Kiltiernan could, in theory, accommodate a reasonably sized convenience store.

Table 2

	Projected retail floorspace requirement for Kiltiernan LAP 2034		
		Convenience goods	Comparison goods
A	Expenditure per capita	€2,941.33	€4,280.03
B	% spent online	7.4%	29.3%
C=A-((100-B)/100)	Expenditure per capita less % spent online	€2,723.67	€3,025.98
D	Projected resident population	6,300	6,300
E=C*D	Total expenditure available	€17,159,111	€19,063,690
F	Proportion of expenditure spent in LAP	70%	30%
G=E*F	Total expenditure spent in LAP	€12,011,378	€5,719,107
H	Turnover per net sqm	€12,941	€8,803
I=G/H	Net retail sqm required	928	650
J=I*(100/75)	Gross sqm capacity (75% net to gross)	**1,238**	**866**

6.52 Comparison goods
The same forecasting approach to the assessment of floorspace need can equally be undertaken in Table 2 for comparison goods shopping in Kiltiernan. It is important to note that this form of shopping involves comparing prices and quality of durable goods such as clothes, footwear, household items, etc. By implication, therefore, the majority of it takes place in larger centres and not Neighbourhood Centres like Kiltiernan.

Viewed in the context of the above the following assumptions are made in this assessment:

– The expenditure per capita figure in 2034 for comparison goods shopping will be €3,025.98. This figure has been adjusted to omit the proportion of expenditure spent online (29.3% of total).

– It is assumed that the majority of shopping for comparison goods will be undertaken outside the LAP area in the larger centres of Dundrum Town Centre and elsewhere. Accordingly, it is estimated that 30% of LAP expenditure on comparison goods will be captured by shops in Kiltiernan (€5.7m).

– When the above expenditure figure is divided by the turnover rate for comparison goods floorspace (€8,803 per net sqm) a retail floorspace requirement of 650 net sqm is estimated. This equates to 866 gross sqm.

In total, therefore, it is estimated that there will be a retail floorspace requirement for 2,104 gross sqm in Kiltiernan (1,238 convenience gsm + 866 comparison gsm) by the year 2034.

7.0 Capacity assessment for services floorspace

The capacity to develop services floorspace is estimated on the basis of the percentage mix of uses typically found in a settlement centre, as provided by Experian GOAD. While the GOAD data strictly applies to town and district centres the envisaged size of Kiltiernan (c.6,300-6,700) tends to underpin its relevance in this instance.

Latest GOAD data for 2022 indicates that the typical percentage breakdown of floorspace in a settlement centre accords with the figures in Table 3. Again, it must be reiterated that these figures exclude other non-residential floorspace devoted to community, educational, health and public institutional uses. They have also been adjusted to exclude vacant floorspace.

Table 3

Percentage mix of retail & services in a typical settlement centre	
Use category	**% Floorspace***
Convenience retail	18.0%
Comparison retail	35.6%
Retail services	8.4%
Food and Beverage services	15.0%
Leisure services	15.0%
Financial & professional service	8.0%
Total	**100%**
Source: GOAD Centre Report 2022	
** Adjusted to exclude vacant floorspace*	

Armed with the floorspace figures for retailing in Table 2 and the percentage mix in Table 3, the percentage balance of non-retail floorspace in Kiltiernan Centre can be estimated on a pro rata basis. Accordingly, Table 4 indicates a floorspace requirement of 1,823 gross sqm for service uses. Overall, in conjunction with the retail floorspace, there is an estimated capacity for 3,927 gross sqm of retail and service use floorspace in Kiltiernan by the year 2034.

Table 4

Minimum Projected Floorspace Capacity for Retail and Service Uses in Kiltiernan 2034			
	Use category	**Floorspace (gross sqm)**	**%**
Retail	Convenience retail	1,238	18.0%
	Comparison retail	866	35.6%
	Retail subtotal	**2,104**	**54%**
Services	Retail services	331	8.4%
	Food and Beverage services	590	15.0%
	Leisure services	590	15.0%
	Financial & professional services	312	8.0%
	Services subtotal	**1,823**	**46%**
	Total	**3,927**	**100%**

8.0 Minimum and Maximum Floorspace Capacity for Retail and Service Uses

Having regard to latest census results and the probability that many of the new homes will largely appeal to young families it is necessary to factor in the possibility of a higher resident population due to a higher average household size (AHS) in the LAP area (2.7 v 2.5 persons). Incorporation of a higher AHS gives a population of 6,700 persons. When the above tables are rerun on the basis of this population figure it provides for a minimum and maximum floorspace range in terms of capacity. The findings are distilled in Table 5 and a detailed breakdown of the maximum figure is outlined in Appendix 1.

Table 5

Estimated Min-Max Range of Retail and Services Floorspace Requirements in Kiltiernan 2034		
	Min gross sqm	**Max gross sqm**
Retail	2,104	2,237
Services	1,823	1,914
Total	**3,927**	**4,151**

9.0 Other Non-Residential floorspace

Other non-residential uses primarily relate to community, educational and health facilities. As stated earlier there is no standard technique by which to quantify their floorspace need due to the fact that their provision is determined by the requirements of the respective organisational bodies involved. For the purposes of this capacity assessment the corresponding figures tabled in recent proposals will be incorporated into the analysis in order to inform the overall floorspace capacity.

10.0 Overall Floorspace Capacity & Potential Uses

Taking into account the above analysis Table 6 outlines the overall non-residential floorspace capacity and potential uses for Kiltiernan. The potential uses are based on those recommended in the LAP and those permitted in principle and open to consideration in the CDP [5].

Table 6

Projected Non-Residential Floorspace Capacity in Kiltiernan 2034			
	Gross sqm range		**Indicative**
Land use	**Minimum**	**Maximum**	**Potential uses**
Retail	2,104	2,237	Convenience store #
			Newsagent #
			Pharmacy #
			Garden Centre/Nursery ~
			Service garage/station ~
			Shop Neighbourhood ~
			Shop-Specialist ~
			Shop District ~
Services	1,823	1,914	Estate agency #
			Public houses #
			Betting office ~
			Funeral home ~
			Offices < 300 sqm
			Restaurant ~
			Tea Room/Café ~
			Nightclub ~
			Off-licence ~
Subtotal	**3,927**	**4,151**	
Other*	873	873	Doctor's surgey #
			Community & Youth Hub #
			Health Centre ~
			Public Services ~
			Veterinary Surgery ~
			Cash and Carry/Wholesale Outlet ~
			Aparthotel/Hotel/Motel ~
			Household Fuel Depot ~
			Motor Sales Outlet ~
			Office-based industry ~
			Offices > 300sqm
Total	**4,800**	**5,024**	
** Floorspace based on recent proposals (ABP-31386022 & D23A/0616)*			
# Based on Kiltiernan LAP			
~ Based on CDP Zoning Objective NC (Permitted in Principle & Open to Consideration)			

[5] Table 13.1.12 of the County Development Plan 2022-2028

It is important to note that the floorspace for the "other" uses category is based on proposals to date and is included for indicative purposes only. As noted throughout this report, the floor areas for these "other" uses cannot be statistically estimated and are subject to the specific requirements of the providers involved. Floor areas for these "other" uses therefore vary and, in this regard, the final figure cited in Table 6 could be larger.

11. Conclusion

In summary, the main conclusions of this capacity assessment can be discerned as follows:

- By the year 2034 there is potential to develop in the region of 3,927 and 4,151 gross sqm of retail and service uses in the local centres of Kiltiernan. The development of other non-residential uses could conceivably increase this level of floorspace to between 4,800 and 5,024 gross sqm.

- Based upon the maximum retail floorspace capacity projection of 2,237 gross sqm, Kiltiernan has scope to accommodate a fairly large convenience store.

Overall, having regard to the foregoing, it is considered that the findings of this assessment can serve as broad guidance for the development of local centres in Kiltiernan.

Braniff Associates
November 2023

Appendix 1

Maximum Projected Floorspace Capacity for Kiltiernan 2034		
	Use category	**Floorspace (gross sqm)**
Retail	Convenience retail	1,316
	Comparison retail	921
	Retail subtotal	**2,237**
Services	Retail services	344
	Food and Beverage services	615
	Leisure services	615
	Financial & professional services	340
	Services subtotal	**1,914**
	Total	**4,151**