

Aberdeen Local Development Plan Review

Proposal for a site to be included in the Main Issues Report

The Proposed Strategic Development Plan does not require us to allocate extra housing or employment land in the next Local Development Plan (LDP). Because the 2012 LDP identified a significant number of greenfield sites to accommodate these requirements, we are not looking to allocate any more greenfield housing or employment land in this plan. It is for this reason that we are not asking for greenfield development options this time around. However, we are always keen to identify new brownfield sites for housing or for other uses. Please use this form to provide details of the site that you wish to have included in the Main Issues Report for consideration as a proposal in the next Aberdeen Local Development Plan.

One of the purposes of this form is to inform a public debate on the merits of the different sites being proposed. All information submitted will therefore be made available to the public to promote a transparent and open process.

Please feel free to provide any further information you feel appropriate to support your submission. The City Council has produced a Sustainability Checklist which provides guidance on the issues which will be used to help us judge the merits of competing development options. This can be found on www.aberdeencity.gov.uk/localdevelopmentplan

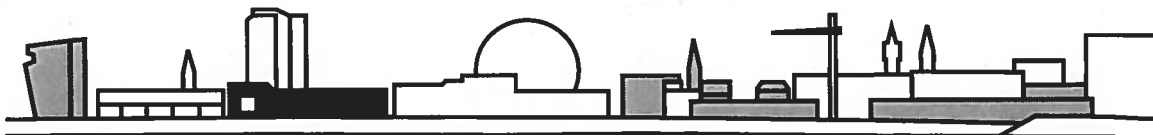
Please ensure your proposal is with us by 14th June 2013.

Using your personal information

Information you supply to Aberdeen City Council (ACC) in this form will be used to prepare the Local Development Plan. The information provided will be made public and will be placed on the Council's website. This will include the name and address of the proposer and landowner.

The Local Development Plan team may also use your contact details to contact you about the information you have provided.

For further information on how your information is used, how ACC maintain the security of your information, and your rights to access information ACC holds about you, please contact Andrew Brownrigg, Team Leader, Local Development Plan Team, Enterprise Planning and Infrastructure, Aberdeen City Council, Business Hub 4 Marischal College, Broad Street, Aberdeen AB10 1AB.



1

Name of proposer: European Development Holdings Limited

Date: 14 June 2013

Address:

C/O Ryden LLP, 25 Albyn Place

Postcode: AB15 8UG

Telephone:

Email:

2

Name of landowner: Aberdeen City Council

Address:

Marischal College, Aberdeen

The site and your proposal

3 What name would you like the site to be known as?

[The site name could be descriptive or an address]

Denmore Road, Aberdeen

Have you any information for the site on the internet? If so please provide the web address:

N/A

4 Please provide a map showing the exact boundaries of the site you would like considered.

Map Provided

5 Please provide the National Grid reference of the site.

NJ 946 116

6 What is the current use of the site?

Football pitches with associated car parking and open space.

Has there been any previous development on the site?

Yes

No

If so, what was it?

N/A

7 What do you propose using the site for?

Class 1 Retail Use.

- 8 If you are proposing housing on the site please provide details of what you think would be appropriate, both in terms of the number of dwellings, and their forms (flats, detached houses, terraces etc).

N/A

- 9 It is likely that there will be a requirement for 25% of the housing within the development to be affordable. If applicable, are you considering more or less than this figure?

25% More Less

- 10 If you are proposing business uses please provide details of what you would market the land for?
[Please make sure the area of land proposed for business use is shown on the site plan]

Business and offices (Use Class 4)

General industrial land (Use Class 5)

Storage and distribution (Use Class 6)

Do you have a specific occupier in mind for the site? Yes No

- 11 If you are proposing uses other than housing or business please provide as much detail as possible on what you propose.
[Examples could include retailing, tourism, renewable energy, sports, leisure and recreation, institutions and education.]

Please refer to attached bid submission.

- 12 Will the proposed development be phased? Yes No

If yes, then please provide details of what is anticipated to be built and when.

N/A

- 13 Has the local community been given the opportunity to influence/partake in the development proposal?

Yes No Not Yet

If there has been any community engagement please provide details of the way in which it was carried out and how it has influenced your proposals. **If no consultation has yet taken place, please detail how you will do so in the future.**

Public consultation was undertaken as part of the 2012 LDP process. The public were generally supportive and subsequent meetings were held with the Community Council and local Councillors. Should the proposal be preferred for development further consultation will be undertaken in accordance with major application procedures.

Sustainable Development and Design

14 Have you applied principles of sustainable siting and design to your site? The City Council has produced a Sustainability Checklist which provides guidance on the principles of sustainable siting and design and other issues which can be found on www.aberdeencity.gov.uk/localdevelopmentplan

Please provide the following information:

A) Exposure – does the site currently have

- Little shelter from northerly winds
- Some shelter from northerly winds
- Good shelter to northerly winds

B) Aspect – is the site mainly

- North facing
- East or west facing
- South, south west or south east facing

C) Slope – do any parts of the site have a gradient greater than 1 in 12?

- Yes

If yes, approximately how much (hectares or %)

- No

D) Flooding – are any parts of the site at risk of flooding?

- Yes

If yes, approximately how much (hectares or %)

- No

E) Drainage – do any parts of the site currently suffer from poor drainage or waterlogging?

- Yes

If yes, approximately how much (hectares or %)

- No

F) Built and Cultural Heritage – would the development of the site lead to the loss or disturbance of archaeological sites or vernacular or listed buildings?

- Significant loss or disturbance
- Some potential loss or disturbance
- No loss or disturbance

G) Natural conservation – would the development of the site lead to the loss or disturbance of wildlife habitats or species?

- Significant loss or disturbance
- Some potential loss or disturbance
- No loss or disturbance

H) Landscape features – would the development of the site lead to the loss or disturbance of linear and group features of woods, tree belts, hedges and stone walls?

- Significant loss or disturbance
- Some potential loss or disturbance
- No loss or disturbance

I) Landscape fit – would the development be intrusive into the surrounding landscape?

- Significant intrusion
- Slight intrusion
- No intrusion

J) Relationship to existing settlements – how well related will the development be to existing settlements?

- Unrelated (essentially a new settlement)
- Partially related
- Well related to existing settlement

K) Land use mix – will the development contribute to a balance of land uses, or provide the impetus for attracting new facilities?

- No contribution
- Some contribution
- Significant contribution

L) Accessibility – is the site currently accessible to bus, rail, or major road networks?

	Bus Route	Rail Station	Major Road
Access more than 800m away	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Access between 400-800m	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access within 400m	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

M) Proximity to services and facilities – How close are any of the following?

	400m	400m-800m	>800m
Community facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local shops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sports facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public transport networks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

N) Footpath and cycle connections – are there any existing direct footpath and cycle connections to community and recreation facilities or employment?

- No available connections
- Limited range of connections
- Good range of connections

O) Proximity to employment opportunities – are there any existing employment opportunities within 1.6km for people using or living in the development you propose?

- None
- Limited
- Significant

P) Contamination – are there any contamination or waste tipping issues with the site?

- Significant contamination or tipping present
- Some potential contamination or tipping present
- No contamination or tipping present

Q) Land use conflict – would the development conflict with adjoining land uses or have any air quality or noise issues?

- Significant conflict
- Some potential conflict
- No conflict

If there are significant conflicts, what mitigation measures are proposed?

N/A

R) Physical Infrastructure – does the site have connections to the following utilities?

- Electricity
- Gas
- Water and Sewage

If you are proposing housing, is there existing school capacity in the area?

Secondary Capacity

Primary Capacity

Are there any further physical or service infrastructure issues affecting the site?

None.

15 No site is going to be perfect and the checklist above will inevitably raise some potential negative impacts from any development. Where negative impacts are identified, please provide details of their nature and extent and of any mitigation that may be undertaken. Listed below are examples of further information that may be included in your submission;

	Included	Not applicable
Contamination Report	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Flood Risk Assessment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Drainage Impact Assessment	<input type="checkbox"/>	<input type="checkbox"/>
Habitat/biodiversity Assessment	<input type="checkbox"/>	<input type="checkbox"/>
Landscape Assessment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transport Assessment	<input type="checkbox"/>	<input type="checkbox"/>
Other as applicable (e.g. trees, noise, dust, smell, retail impact assessment etc please state)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

16 Does the development proposal give any benefits to the community? If so what benefits does the development bring, and how would they likely be delivered?

Community benefits can include new community facilities (such as local shops, health, education, leisure and community facilities), affordable housing, green transport links and open spaces. Include elements which you anticipate may be required as developer contributions from the development. (Please note, specific contributions will have to be negotiated with the Council on the basis of the proposal.)

Please refer to attached bid submission.

17 If you have prepared a framework or masterplan showing a possible layout for the site, please include it with this form.

Masterplan/ Framework attached

If you need help reading this document
(for example if you need it in a different
format or in another language), please
phone us on 01224 523317.

ভাষা/ইন্টারপ্রেটিং এবং অন্যান্য ফরমেটের
যোগাযোগ সাহায্যের জন্য দয়া করে
: 01224 523317
নম্বরে যোগাযোগ করবেন।

如果需要語言/傳譯及其他形式的傳訊支援服務，
請聯絡：01224 523317。

Если требуется помощь при выборе
языка /переводчика или других
способов общения, звоните по
телефону :01224 523317

للحصول على مساعدة بخصوص اللغة/ الترجمة
و وسائل الاتصال الأخرى، الرجاء الاتصال
بالرقم التالي: 01224 523317

Lai saņemtu palīdzību sakarā ar
valodu/tulkošanu un citiem iespējamiem
komunikāciju atbalsta formātiem, lūdzu
zvanīt 01224 523317

Jej jus turite sunkumu su kalba/ vertimu
ar kitomis bendravimo formomis,
skambinkite 01224 523317

Jeśli potrzebujesz pomocy **językowej /
tłumacza** lub innej pomocy w
porozumiewaniu się, proszę zadzwonić
pod numer: 01224 523317



Thank you for taking the time to complete this form.
Please return completed forms to:

Local Development Plan Team
Enterprise, Planning and Infrastructure
Aberdeen City Council
Business Hub 4
Ground Floor North
Marischal College
Broad Street
Aberdeen
AB10 1AB

Or email it to: ldp@aberdeencity.gov.uk

March 2013
www.aberdeencity.gov.uk

EUROPEAN DEVELOPMENT HOLDINGS LIMITED

Development Bid for Land at
Denmore Road, Bridge of Don,
Aberdeen



June 2013

Ryden Property Consultants
25 Albyn Place
Aberdeen
AB10 1YL
Tel; 01224 588866
Fax; 01224 589669

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Appendix A; Indicative Layout

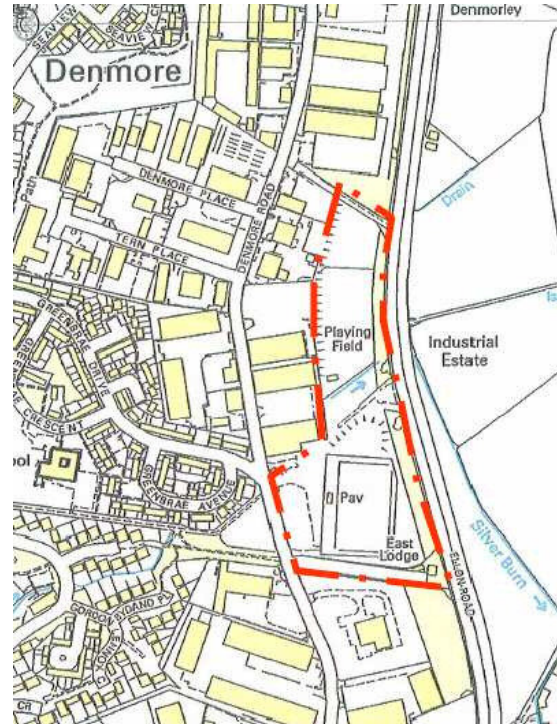
Appendix B; Retail Capacity Assessment

1.0 INTRODUCTION

- 1.1 This development bid is submitted on behalf of European Development Holdings Limited. It relates to land extending to approximately 4.56 hectares or thereby lying between Denmore Road and the A90 dual carriageway. The land is in the ownership of Aberdeen City Council and is currently leased to Hall Russell United and Hermes amateur football clubs. European Development Holdings Limited consider it to have potential to accommodate Class 1 Retail Use.
- 1.2 The site was previously promoted for retail use through the 2012 Aberdeen Local Development Plan. Further work has been undertaken subsequent to that process which now justifies inclusion of the site for retail use in the Local Development Plan Review.
- 1.3 European Development Holdings Limited are headquartered in the City of Aberdeen and have undertaken numerous development projects throughout the city and indeed throughout Scotland as a whole. Examples include the Queens Links Leisure Park, Talisman Energy Headquarters, and the Haudigan Retail Park, all in Aberdeen. The Company also own and operate various hotels under licence from the Intercontinental Hotel Group including the Holiday Inn Express, Chapel Street, Aberdeen, the Holiday Inn, Westhill and the Holiday Inn and Holiday Inn Express at the Aberdeen Exhibition and Conference Centre. They also own the Holiday Inn Express in Picardy Place, Edinburgh.
- 1.4 European Development Holdings Limited wish the proposals to be considered for inclusion within the review of the Aberdeen City Local Development Plan. The proposals involve the relocation of the existing leaseholders to enhanced facilities elsewhere in the City on land presently controlled by the Company.

2.0 DESCRIPTION OF SITE AND PROPOSALS

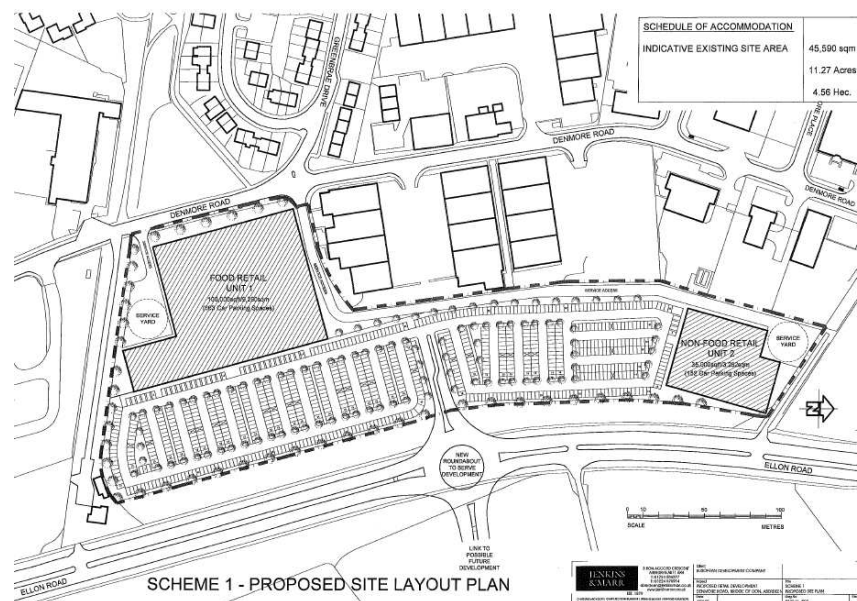
- 2.1 The bid site extends to approximately 4.56 hectares. Its entire frontage to the east is bound by the A90 whilst part of the western frontage is bound by Denmore Road. The remaining western boundary is formed by the existing business and industrial uses lying off Denmore Road. Further business and industrial uses lie to the north and south. Denmore Industrial Estate is characterised by mixed use development with business and industrial uses dispersed with Class 1 Retail Uses. These retail uses predominantly lie to the north and south of the bid site.

Figure 1: Site Location Plan

- 2.2 The extant Local Development Plan, adopted on 29 February 2013, identifies part of the site as an opportunity for the provision of a civic amenity recycling centre (OP5). The remainder of the site is designated as Urban Green Space and part of the Green Space Network. However, there is no public access to that land. It is occupied by two football pitches with an associated area of parking on an unmade surface and is retained for their sole use under the terms of a long lease. The site is landscaped along its eastern boundary with the A90. The land to the east of the A90 is identified in the extant Local Development Plan for business and industrial development. A development framework has been prepared for that area.
- 2.3 In topographic terms the area is relatively flat with a gradual fall across the site towards the A90. Access to the site is presently taken from Denmore Road to the west. Historical maps indicate that the site previously benefited from an access direct from the A90.
- 2.4 The proposal involves the relocation and enhancement of the playing fields and the redevelopment of the site for Class 1 Retail Uses to provide a District Centre serving the community to the east of Bridge of Don. It is envisaged that this could include a food superstore of circa 10,000 sq m and non food retail units extending to circa 3,500 sq m, or such other combination of Class 1 retail uses

as dictated by demand, with associated car parking. A new vehicular access would be formed from the A90, Ellon Road with service access taken from Denmore Road. The proposed junction could also provide a new access to the proposed business and industrial development to the east enabling the phasing of that development. A copy of the indicative layout at a larger scale is attached at Appendix A.

Figure 2: Indicative Layout



3.0 PLANNING BACKGROUND

3.1 Following a call for sites by Aberdeen City Council to be considered for inclusion in their proposed Local Development Plan, European Development Holdings Limited submitted a Development Bid in March 2009 for the land at Denmore Road. That Bid was allocated ref: 2/15. It proposed the relocation and enhancement of the playing fields and the redevelopment of the site for Class 1 Retail Uses to provide a District Centre serving the community to the east of the Bridge of Don.

3.2 The Main Issues Report (MIR), published by Aberdeen City Council in October 2009 identified the area to the north east of Bridge of Don as one of eight areas for growth. The MIR noted that at the consultation events there was a strong feeling that extensive infrastructure improvements and more facilities are required if developments are to proceed in the Bridge of Don area. To the north east of Bridge of Don, it identified two sites as preferred for development. A site at Dubford was identified to accommodate the 550 units

in the period 2007 – 2016. To the east of the A90 a further 20 hectare expansion of the business and industrial land identified in the extant Plan was proposed. The MIR failed to identify the Denmore site as a preferred site for development. It considered the loss of the existing green space in the urban area to be inappropriate given the scale of greenfield development that is required. The MIR took no cognisance of the fact that the playing fields were being relocated to provide enhanced facilities.

- 3.3 Representations submitted on behalf of the objector to the MIR sought to address the issues raised by the Council. They contended that the allocation of the land would satisfy an unmet demand for retail facilities in the existing community. Furthermore, it would also address the needs of the proposed residential and industrial expansion areas proposed immediately to the north. Regarding the loss of the playing fields, it advised that European Development Holdings Limited had agreed to provide replacement facilities for the clubs and that the site would not be redeveloped until these facilities were in place. It highlighted that these would provide enhanced facilities with new pitches, training areas and changing facilities. They would also be available to the wider public which, the Council acknowledged, was not the case with the existing playing fields.
- 3.4 The officer's response to the representations submitted on the MIR was considered by the Council's Enterprise, Planning and Infrastructure Committee on 31 May 2010. They maintained their contention that the bulk of the site should be retained for use as playing fields. However, they highlighted a requirement for a new recycling centre on part of the site to serve the wider Bridge of Don area.
- 3.5 As a consequence, the site was identified in the proposed Plan as an area of Urban Green Space and Green Space Network. That part of the site adjoining Denmore Road was identified as an opportunity site for new community facilities comprising a civic amenity/recycling centre. Objections were submitted in response to the proposed Plan and these were subsequently considered at an Examination in Public into the Plan.
- 3.6 Following the Examination in Public the Reporter concluded that **“given the lack of evidence with regard to other possible sites and my concerns about the suitability of alternative sports provision, I find that the loss of this area of green space has not been sufficiently justified”**. Accordingly, no change was proposed to the Local Development Plan to provide for retail use on this site.

- 3.7 A subsequent meeting was held with planning officers and attended by local Councillors on 26 April 2012. At that meeting the Reporters findings were reviewed and Councillors expressed the concerns of the local community regarding the potential loss of B & Q should it be replaced by a convenience store. They considered that this site could accommodate either a food use or a non-food use depending upon the eventual redevelopment of the B & Q site.
- 3.8 It was agreed that the Aberdeen Area Shopping Study, on which the Local Development Plan was based, was significantly dated and to address the issues raised by the Reporter, a Retail Capacity Assessment would be undertaken, including a review of alternative sites. This was completed in September 2012 and is attached as Appendix 2 to inform consideration of this bid.

4.0 DEVELOPMENT PLAN CONSIDERATIONS

- 4.1 Scottish Planning Policy requires that Development Plans should identify a network of centres and explain the role of each centre on the network. The Plan should enable gaps and deficiencies in provision of shopping, leisure and other services to be remedied by identifying appropriate locations for new development and regeneration. All retail, leisure and related developments should be accessible by walking, cycling and public transport.
- 4.2 A sequential approach is advocated for selecting sites for retail and commercial uses. The policy recognises that the sequential approach requires flexibility and realism and encourages stakeholders to work together to take account of commercial realities in the preparation of the Development Plan.
- 4.3 The extant Development Plan comprises the City and Shire Structure Plan approved by Scottish Ministers in August 2009 and the Aberdeen Local Development Plan adopted in February 2012. More recently, a proposed Strategic Development Plan was the subject of public consultation and will ultimately replace the City and Shire Structure Plan. The Local Development Plan Review will require to conform with that Plan.
- 4.4 The Aberdeen City and Shire Structure Plan seeks to guide strategic growth in the area over the period to 2030. Its vision is for a successful and sustainable future and to achieve this seeks to promote population growth and to provide opportunities which encourage economic development and create new employment in a range of areas that are both appropriate for, and attractive to,

the needs of different industries, while at the same time improving the essential strategic infrastructure necessary to allow the economy to grow over the long term.

- 4.5 The Plan identified a requirement for around 72,000 houses within the Structure Plan area over the period and the City was identified as one of three Strategic Growth Areas which would be the main focus of development in that period. Around half of all new development was to be located in Aberdeen City. Of those 36,000 houses required in the City it envisaged that 21,000 would be provided on greenfield sites with a further 15,000 split between brownfield sites and identified regeneration areas within the City.
- 4.6 The plan advocated sustainable mixed communities with new housing and developments for employment and commercial use well related to each other to improve people's quality of life and opportunity. It recognised that a strong service sector was important and in particular, retail and all forms of tourism, including business tourism, will have a role to play. It emphasised the importance of promoting retail services throughout the region to guarantee the vitality and viability of town centres, while creating opportunities for growth in the economy. It further reaffirmed the sequential approach in identifying sites for new retail development across the Structure Plan area. Importantly it specified a target for Aberdeen to be one of the top 25 retail areas in the UK by 2030.
- 4.7 The Bridge of Don occupies a key location falling within the City Strategic Growth Area and also lying on the fringe of the Aberdeen to Peterhead Strategic Growth Area. The Structure Plan recognised that this area has significant potential with important strategic assets including the Donald Trump Golf Project on the Menie Estate a short distance to the north of the City. The Energetica initiative seeks to capitalise on these assets and the focus is on developing and diversifying the economy by delivering vital infrastructure projects in the first plan period to help create growth.
- 4.8 The proposed Strategic Development Plan maintains the spatial strategy of the extant Structure Plan and 'rolls forward' the housing and employment land allocations to 2035. The adopted Local Development Plan identified sites to accommodate these allocations and, in the absence of further allocations emerging through the proposed Strategic Development Plan, few additional housing and employment sites are likely to be identified through the Local Development Plan review.

4.9 Notwithstanding, scope exists to identify additional retail provision. Both the extant Structure Plan and the Local Development Plan were guided on retail requirements by the Aberdeen and Aberdeenshire Shopping Study prepared in 2004. This is currently under review and the Local Development Plan review will require to address any shortfalls arising. As highlighted by the Retail Capacity Assessment appended to this Bid scope exists to accommodate additional retail provision in the Bridge of Don area.

5.0 SERVICES

5.1 Mains water and drainage are available nearby to service the site as are gas and electricity connections. It is likely that additional drainage capacity will be required within the site to accommodate the overall scale of development envisaged. Nevertheless, the site is well placed to take advantage of nearby connections.

5.2 The site benefits from an existing access from Denmore Road. It is proposed however, that a new access be created from the A90. This would provide the main vehicular access with the existing access from Denmore Road reserved for service vehicle access. Public transport services currently utilise the A90 passing the frontage of the site.

5.3 Reference to SEPAs Flood Risk Maps demonstrate that there is no flood risk associated with the site.

6.0 DEVELOPMENT JUSTIFICATION

6.1 The suburb of Bridge of Don lies to the north of the City, some distance from the City Centre. It has grown substantially over the last 30 years to become the largest suburb in Europe with a population of over 22,000. It is linked to the remainder of the City by two crossing points over the River Don, at the Bridge of Don to the east and Persley Bridge to the west. It houses the Aberdeen Exhibition and Conference Centre and has a significant employment base lying predominantly to the north east of the suburb. It is currently served by two District Centres at Danestone, anchored by Tesco, and at Middleton Park anchored by a small first generation Asda. Non food retailing units are interspersed throughout the business and industrial area to the north east. The existing District Centres are located to the extreme west of the suburb with

Middleton Park slightly to the west of the centre. There is no District Centre serving the residential or business and industrial areas to the east of the suburb or the City hinterland to the north.

- 6.2 The Aberdeen and Aberdeenshire Shopping Study published in September 2004 raised a number of issues in respect of the Bridge of Don area. In terms of retail capacity, it highlighted a significant shortfall in bulky goods provision at 2004 and this was maintained through to 2011, the equivalent to 15% of available expenditure. More specifically, it made two recommendations relative to the Bridge of Don area. In the Denmore / Murcar area it recommended that investigations should be undertaken to achieve the practical consolidation of dispersed bulky goods units including the potential for relinquishing old consents for new consents. In respect of Middleton Park, where Asda is presently located, it recommended that studies be undertaken to improve the range of retail offer in the area. Neither of these recommendations have been acted upon and the promotion of the bid site for retail development presents an opportunity to address these issues.
- 6.3 More recent work undertaken following the Reporters findings indicates that there are no sequentially preferable sites within the Bridge of Don area. B & Q, Site 4 at Denmore Road occupies a similar position and benefits from permission for Class 1 retail use. However, the timing of such development is constrained by existing leases and is unlikely to proceed in the near future, if at all. Should it be implemented, the displaced uses could be accommodated on the Denmore Road site, thereby continuing to serve the Bridge of Don area.
- 6.4 Retail capacity assessment¹ demonstrates that the proposed superstore at Denmore Road would not undermine existing retail locations. Trade diversion would be marginal across all locations, except for ASDA at Middleton Park which shows a tolerable -10% trade loss, and Tesco at Danestone which experiences a -25% trade loss but would continue to over-trade given its current exceptional performance. Comparison goods expenditure at the proposed superstore would cause only marginal trade diversion from a dispersed catchment, and would reverse some of the very high expenditure leakage from northern Aberdeen.
- 6.5 The cumulative impact taking account of a possible superstore at Site 4 Denmore Road would not threaten the viability of Tesco at Danestone, but could

¹ Keith Hargest Planning Ltd kindly provided Ryden with access to extracts of Version 1.6 of the Aberdeen and Aberdeenshire strategic retail model (AASRM). This update is not publicly available.

raise concerns about the health of ASDA and by implication Middleton Park shopping centre. However, both are unlikely to proceed and one or other could continue to provide for non-food retailing.

- 6.6 It is clear from this capacity assessment that the Aberdeen superstore sector has produced only a limited response to a strong city economy and a growing population. Updated shopping model data demonstrates high levels of over-trading at many of the city's established superstores. Current proposals to the west of the city may partially alleviate over-trading across the wider city. However these stores will still leave northern Aberdeen around Bridge of Don under-served both in quantitative terms, and also in qualitative terms due to the absence of a modern, full format superstore as Tesco at Danestone is too far east to service the expanding Bridge of Don.
- 6.7 The formation of a new District Centre anchored by a food superstore would provide a facility to serve the substantial pre-existing residential and employment uses to the east of the area, also those very substantial areas currently identified for development through the extant Local Development Plan and others which may emerge through this development bid process. In particular, it would provide an even distribution of retail facilities serving the community in the Bridge of Don. It would also be strategically located to take advantage of its position on a main arterial route into the City which is well served by public transport and which itself will experience development pressure as a Strategic Growth Area.
- 6.8 The development of the bid site for retail purposes would also consolidate the existing bulky goods retail provision on the Denmore Industrial Estate. Presently this is primarily focused on two areas to the extreme north of the Denmore Industrial Estate and secondly to the immediate south of the bid site. The identification of the bid site and adjoining bulky goods units as a district centre would encourage the relocation of the more remote retail units. Consolidation would also encourage single trip shopping rather than the current multi trips generated as a consequence of the dispersed nature of retail units on the business and industrial estate.
- 6.9 The Structure Plan highlighted a significant requirement for additional housing within the City in the period to 2030. The extant Local Development Plan allocates a substantial element of this to the Bridge of Don area thereby requiring additional retail provision to service that development. The bid site is well placed to service further expansion to the east of Bridge of Don whilst

creating limited trade diversion from the existing centres at Middleton Park and Danestone. It is also well placed to serve the Aberdeen to Peterhead Strategic Growth Area and in particular Donald Trump Golf Resort which itself will accommodate 500 houses and 950 holiday homes. The development of a District Centre at this location would deliver a further service to assist the creation of growth in the Energetica corridor.

- 6.10 A Traffic Impact Assessment will be undertaken to demonstrate that the existing and proposed road network can accommodate the scale of development proposed with suitable mitigation measures. A new vehicular access will be required from the A90 which currently enjoys trunk road status. However, following completion of the Aberdeen Western Peripheral Route in 2018, this section of road will be de-trunked thereby removing any obstacle to the creation of new access points. A new access could also benefit the development of the land to the east of the A90 presently identified for business and industrial development and benefiting from outline planning permission.
- 6.11 The requirement specified by SPP to provide replacement facilities for the playing fields has been fully recognised by European Development Holdings Limited. New, significantly enhanced facilities will be provided elsewhere within the City on land presently under the control of the developer and designated for such use. That site extends to 5.6 ha or thereby and will accommodate two football pitches with their own covered stands, two multi-purpose flood-lit training pitches with associated changing facilities and car parking. Also attached to the scheme, notwithstanding the fact that the current facilities are not accessible to the general public, is an indoor sporting facility available for use by the general public and capable of accommodating indoor football, badminton and tennis. This re-provision would also address current Local Development Plan Policy relative to Urban Green Space.
- 6.12 The development of this site for retail purposes would not result in any significant loss to the landscape character and amenity of the site or the adjoining areas. The site has no significant wildlife value as it is in effect an isolated pocket of open space bound by a dual carriageway to the east. This is compounded by the removal of the land to the east of the A90 from the Green Belt and Green Space Network and its designation for business and industrial development. The remainder of the site is entirely surrounded by business and industrial and residential uses. As a consequence, it currently makes no contribution to the Green Space Network which the extant Local Development Plan also considers it to form part.

- 6.13 Significantly greater benefit will accrue to the local residential and business community through the identification of the site for retail purposes thereby satisfying a demand to the east of Bridge of Don. The site is also accessible by cycle and pedestrian links to the main residential and business and industrial areas within Bridge of Don making it readily accessible by means other than the private car.
- 6.14 The development of the site for retail use would contribute to a better mix of land uses thereby ensuring a sustainable community which has access to a range of services and facilities within the 1.6km threshold distance for walking and cycling specified within Planning Advice Note 75. Designating the site as a district centre would ensure that a significant portion of the Bridge of Don suburb fell within 1.6km of an existing or proposed District Centre.
- 6.15 The identification of the site for retail purposes would not conflict with the adjoining land uses. Indeed, it would be complimentary to the existing non food retail uses immediately to the south and, as highlighted above, would encourage the consolidation of the non food retail uses into a recognised District Centre for the benefit of the wider community.

7.0 CONCLUSIONS

- 7.1 European Development Holdings Limited believe that the bid site at Denmore Road is capable of accommodating a range of retail uses anchored by a food superstore. Alternatively, should the existing B & Q at Site 4, Denmore Road be redeveloped for food retailing this site could accommodate non food retail use for which there is continuing demand in the area
- 7.2 Its designation as a District Centre would consolidate existing non food uses in the Denmore Business and Industrial Estate and provide enhanced services to the east of Bridge of Don. The existing District Centres at Middleton Park and Danestone fail to provide that service and encourage multiple car trips from the east of Bridge of Don to access their services.
- 7.3 The development of the bid site for retail purposes would not adversely affect the vitality and viability of the existing District Centres. It would provide a facility within walking and cycling distance of the residential and business and industrial

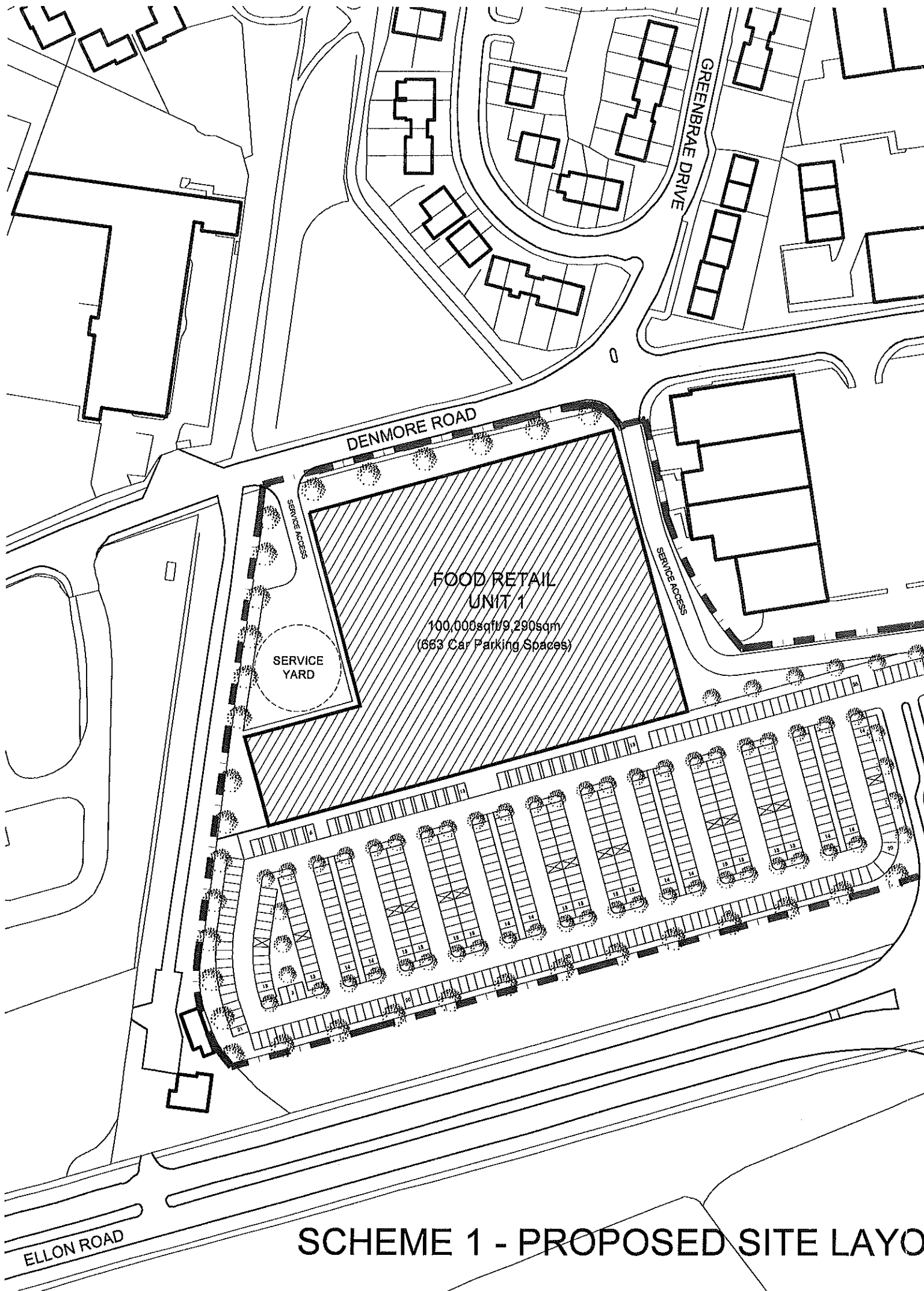
areas lying to the east of the Bridge of Don, including the significant areas to the east of the A90 identified for further business and industrial development.

7.4 The loss of the playing fields and urban greenspace will be adequately compensated elsewhere with the provision of enhanced facilities. Furthermore, given current zonings in the extant Local Development Plan, the site contributes little to the Green Space Network given that it is entirely surrounded by development.

7.5 On the basis of all of the above it is respectfully requested that consideration be given to the allocation of this site as a District Centre within the Local Development Plan review.

Appendix A

Indicative Layout



SCHEME 1 - PROPOSED SITE LAYO

Appendix B

Retail Capacity Assessment



Denmore Road, Aberdeen: Retail Capacity Assessment

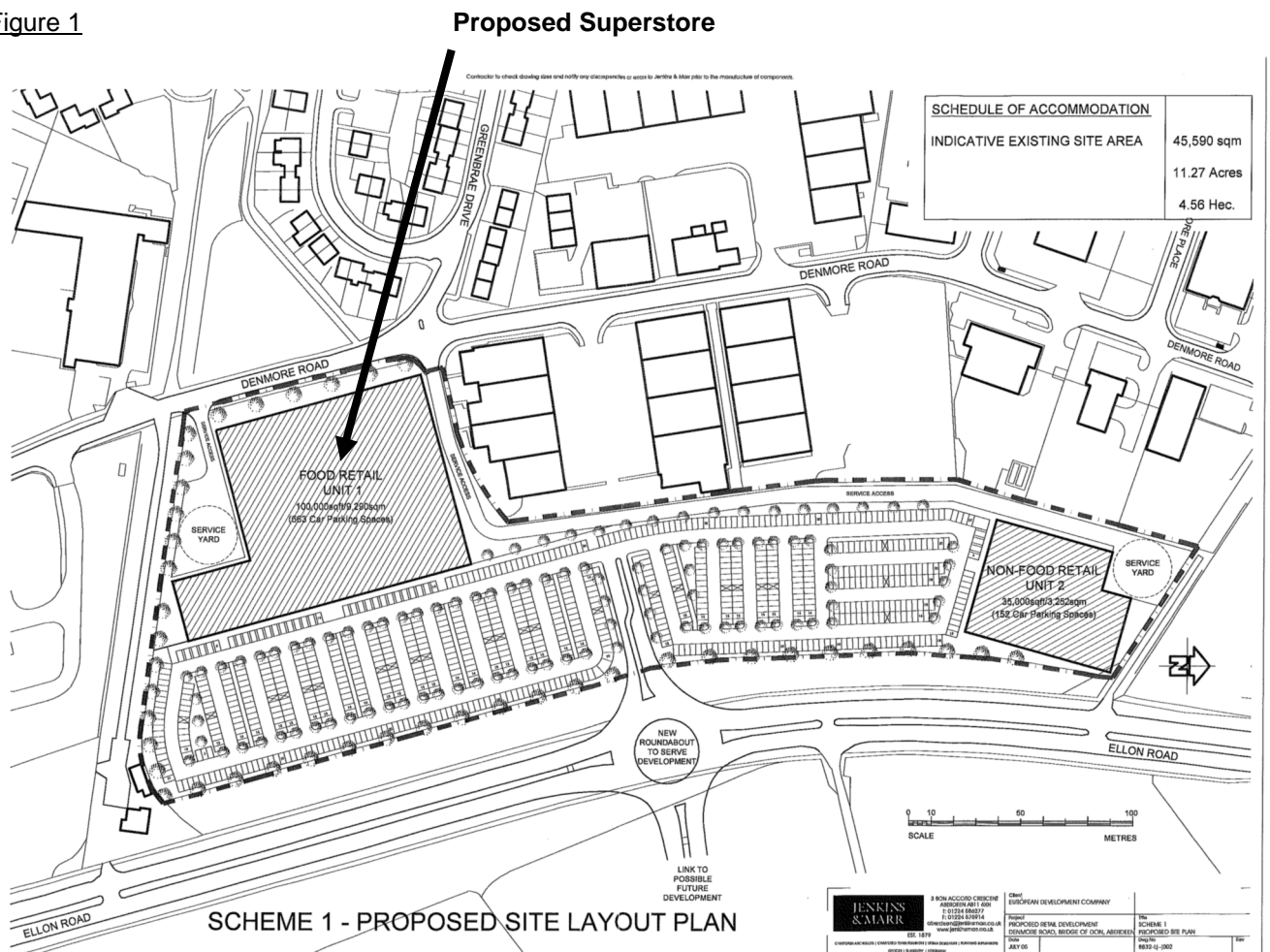
A report to
European Development Holdings Ltd.

September 2012

1. Introduction

1.1 Ryden was instructed by European Development Holdings Ltd. to provide a strategic retail capacity assessment for a potential superstore site at Denmore Road, Bridge of Don, Aberdeen. The plan (Figure 1) below illustrates the subject site, which extends to around 4.56 ha., is currently in recreational use as football pitches.

Figure 1



1.2 The purpose of this report is to assess whether there is retail capacity for a new superstore in this location, without at this stage having to undertake a time-consuming and expensive full retail impact assessment.

- 1.3 The most recent strategic retail capacity model for the region is the *Aberdeen and Aberdeenshire Retail Study*. The study was published in September 2004 and is now eight years old. It is understood from the planning authority that an update may be commissioned in around two to three years time. This report for the Denmore Road site uses a partial update of the underlying retail data which has kindly been provided by the Council's consultant, Keith Hargest Planning Ltd.
- 1.4 The Denmore Road site was promoted through the Aberdeen Local Development process for retail use. Following an Examination in Public into the Plan, the Reporter concluded that insufficient evidence had been provided regarding potential alternative sites and the shortfall in retail provision serving the Bridge of Don area. In subsequent meetings with Planning Officers it was agreed to address these issues.
- 1.5 The remainder of this report therefore provides:

A market review (Section 2)

Sequential assessment of alternative sites (Section 3)

Retail capacity assessment (Section 4)

Summary and conclusions (Section 5)

2. Market Review

Scotland

- 2.1 Consumer expenditure growth has weakened as high price inflation and low wage growth have been compounded by weak employment growth and an overhang of personal debt from pre-2008. The prospect of unemployment peaking in 2012/13 and inflation now easing should improve household finances, but retail expenditure growth is still expected to remain subdued. Total retail sales in Scotland fell by 0.9% in June 2012 compared with 12 months previously¹. Like-for-like sales decreased by 2.7%. Food sales grew fastest, although price inflation rather than increasing volumes is likely to be the main reason for this.
- 2.2 In response to these expenditure trends and shopping patterns favouring larger destinations, the retail market is polarising between prime locations and weaker locations, and also between staple (food, groceries) goods which continue to grow and discretionary (comparison and leisure) goods which are showing weaker performance.
- 2.3 Consequently, activity in the Scottish retail property market is currently restricted to value/ discount retail, selected opportunities in the convenience sector and prime city locations/ dominant shopping centres. Risk aversion in the aftermath of the bank funding crisis is also constraining property development and there are very few projects in the pipeline.
- 2.4 The Denmore Road site is a convenience-led retail opportunity which could meet the selective requirements of superstore operators. The main superstore operators in the UK are ASDA, Morrisons, Sainsbury's, Tesco and Waitrose:-

ASDA's superstores average 4100 sq.m. sales area and provide "an anchor for high street redevelopment and to facilitate the regeneration of brownfield sites". ASDA supercentres are much larger with average sales areas of 7900 sq.m. and a high proportion of non-food items.

Sainsbury's supermarkets average 2925 sq.m. and are designed to suit the location and customer market. Stores can be significantly larger than this average and a recent new Sainsbury's at Westfield in Edinburgh

¹ Source: SRC/KPMG Scottish Retail Sales Monitor

extends to 6800 sq.m. gross internal area, of which up to 30% can be used to retail comparison goods.

Morrisons supermarkets range from 2300 sq.m. to 7200 sq.m. gross internal areas. Larger stores includes full grocery lines and 15-20% non-food.

Tesco's Superstore format is 1860 sq.m. to 4650 sq.m. and offers main food shopping with limited additional lines such as dvds and books. Tesco Extra stores are 5575 sq.m. or larger and include a wide range of grocery and non-food goods.

Waitrose has only four stores and is currently expanding very selectively in Central Scotland only.

Aberdeen

- 2.5 Aberdeen's retail sector reflects the wider strengths of the city's economy. It is a strong location for retailers supported by economic resilience due to the ongoing success of the oil and gas industry. These strengths are evident in the city centre, out-of-centre retail parks and local centres.
- 2.6 Union Square, Aberdeen's newest shopping centre, opened in 2009. It comprises 70 shops and restaurants, a 10-screen cinema and a 203-bedroom hotel. Retailers here include Hollister, Marks & Spencer, Mamas & Papas, Superdry, Clarks, H & M and Zara. Recent openings include Hugo Boss, Dune, Cath Kidston and Saks Hair. With Cosmo, River Island, Joules, Las Iguanas and Hotel Chocolat due to open soon.
- 2.7 The Bon Accord & St Nicholas Centre is owned by Scottish Retail Property Limited Partnership (a joint venture between Land Securities and British Land). The centre totals 39,855 sq.m. and has undergone an £8million refurbishment. It has 65 shops with retailers including John Lewis, Boots, River Island, H Samuel, Monsoon, Kurt Geiger, Next and New Look. With Currys & PC World, Internacional and The Card Factory all due to open later in 2012.
- 2.8 The Academy Shopping Centre provides a range of niche upmarket shops including Attic Clothing, Concept Boutique and Imported Instruments. A Nando's restaurant opened here recently.

- 2.9 At the Trinity Centre there are 20 stores and retailers include Argos, Primark, Debenhams, Superdrug and a recent letting to The Card Factory.
- 2.10 Retailers have also been active on Union Street : Poundstretcher renewed its lease; Pret A Manger opened in May 2012; Jamies Italian is due to open in the former Esslemont & MacIntosh building; Hotter shoes opened in the former USC store following its relocation to Union Square. There are currently talks to pedestrianise parts of Union Street.
- 2.11 There are four retail parks in Aberdeen :

Boulevard Retail Park is on Links Road on the seafront to the north east of the city centre. Occupiers here include Asda, Iceland, Home Bargains, Poundworld, Aldi and Dunelm Mill

Kittybrewster Retail Park is on Bedford Road to the north of the city centre. Owned by Threadneedle it comprises 13 retail units totalling 13,147 sq.m. Occupiers include DFS, Sports Direct, Comet and TK Maxx

Garthdee Retail Park totals 10,665 sq.m. and is owned by Prupim. Occupiers are B & Q, Boots and Currys/PC World. Adjacent to the retail park are Asda and Sainsbury's stores

Centrepoint Retail Park, Berryden Road is located north west of the city centre. The park is owned by Orchard Street Investment Management and occupiers include Next, Argos, Sainsbury's, with a recent letting to Poundland.

- 2.12 Aberdeen's network of superstores is reviewed later in this report as part of the retail capacity assessment.

Bridge of Don

- 2.13 Bridge of Don's nearest neighbourhood centre is in Middleton Park. The centre comprises a first generation ASDA alongside six units owned by West Coast Estates, totalling 650 sq.m.; occupiers include Baguette Express, Dominos Pizza, Blockbuster, Fantasy Wok and Curves.

2.14 Bridge of Don Retail Park is owned by Standard Life Investments and is located south of the subject site on Denmore Road. The retail park totals 7,490 sq.m. Retailers include B&Q and Carpetright. Also situated in Bridge of Don are both Sterling and Harveys (Reid Furniture) who have stores on Denmore Road, Denmore Industrial Estate. Homebase has a store at Bridge of Don Industrial Estate.

Summary

2.15 National retail market conditions remain difficult. Retailers are only investing selectively and development is constrained by lack of funding. Aberdeen's strong economic performance is however helping it to achieve stronger retail trading performance and greater investment interest than in the wider national market. Activity in the superstore sector is reducing from peak levels but the main market operators continue to progress new opportunities.

3. Sequential Assessment of Alternative Sites

- 3.1 This section seeks to determine whether there are any sequentially preferable sites which could accommodate the proposal. Planning policy guides retail developments firstly to town centres, then sequentially to edge of centre, other commercial centres and finally out of centre sites.
- 3.2 The Aberdeen Local Development Plan, adopted in February 2012, advises that a sequential approach to assessing retail proposals will be taken in accordance with the hierarchy set out in the Local Development Plan, and in line with Scottish Planning Policy. A sequential approach to site selection forms the principal consideration in determining the location of retail development once a quantitative requirement for additional floor space has been established.
- 3.3 The Denmore Road site lies out of centre, accordingly development must be assessed against Local Development Plan Policy RT2. This requires such development to be assessed against a number of criteria, including a sequential assessment, provided that no other suitable site in a location that is acceptable in terms of Policy RT1 is available, or is likely to become available, in a reasonable time. Policy RT1 establishes a hierarchy and sequential approach to retail development in regional centres, town centres, district centres, and in neighbourhood centres.
- 3.4 A sequential assessment carried out in support of an application for the redevelopment of existing retail units to form a single Class 1 retail unit at Site 4, Denmore Road, concluded that there were no sequentially preferable sites available. Planning Permission was subsequently granted for that development on 10 June 2011. That Permission has yet to be implemented.

Methodology

- 3.5 The Aberdeen Local Development Plan identifies two district centres serving the Bridge of Don area. Danestone, anchored by Tesco, lies on the western boundary of Bridge of Don. Middleton Park, anchored by a first generation Asda, lies more central to Bridge of Don. There is no provision to the east or south of Bridge of Don.
- 3.6 When carrying out the sequential assessment, the following have been used to identify potential alternative sites closer to the defined district centres:

Aberdeen Local Development Plan;
Local knowledge and site survey;
Extant Planning Permissions.

Aberdeen Local Development Plan

- 3.7 The recently adopted Aberdeen Local Development Plan identifies a number of development opportunity sites in the Bridge of Don. None of the identified sites are specifically allocated for retail use.
- 3.8 Sites OP2, OP3 and OP4 all lie to the east of the Bridge of Don, separated from the main residential areas by the A90 dual carriageway. OP2 is allocated for employment use in the period 2024-2030. OP3, Berryhill, is identified for business and industrial use, whilst OP4, Findlay Farm, is identified as a specialist employment area. All three sites lie further from Middleton Park district centre than the proposal site at Denmore Road.
- 3.9 Site OP10, East Woodcroft, lies to the north east of Middleton Park. In Council ownership, it is identified to accommodate 60 homes in the period 2007-2016. This site has a constrained access through an existing residential area and, as such, would not be appropriate for Class 1 retail use of the scale proposed.
- 3.10 Site OP11, Jesmond Drive, lies immediately to the north of Middleton Park. Identified for mixed use development, it was previously marketed for local retail facilities, but now has an extant Planning Permission for 82 residential units. Barratt are presently developing this site.
- 3.11 Site OP12, Grandhome, is a major land release emerging from the Aberdeen Local Development Plan. The site is identified to accommodate 7,000 homes in the period to 2030, with the release of 2,600 homes in the period 2016 and a further 2,100 between 2017 and 2023. It also makes provision for 5 hectares of employment land.
- 3.12 Whilst a Masterplan has yet to be prepared for this site, there will inevitably be provision for an element of Class 1 retail use to serve the area. However, the site occupies a wedge between the existing Middleton Park and Danestone district centres and will not address the shortfall in retail provision to the east of the Bridge of Don area.

- 3.13 Site OP25, Dubford, is allocated to accommodate 550 homes in the period to 2016. It lies to the north east of Middleton Park, directly to the north of Denmore. The site is in the hands of a housebuilder and a Development Framework has been prepared for the site. The Development Framework makes provision for a local shop serving the immediate area, but does not address the currently identified shortfall.
- 3.14 Three smaller sites, OP7, Balgownie Centre, OP8, Balgownie Primary School, and OP9, Aberdeen College Gordon Centre, all lie within predominantly residential areas to the south of the Bridge of Don. All three sites are identified in the Plan for residential development. Sites OP8 and OP9 are accessed through existing residential areas and would be unsuitable for Class 1 retail use of the scale proposed. Site OP7 has recently secured Planning Permission for residential development and is now understood to be in the hands of a housebuilder.

Site Search

- 3.15 Beyond those sites highlighted above, an additional site has been identified, lying to the south of Middleton Park beyond the Parkway. Lying to the west of Balgownie Road, it is identified in the Local Development Plan for mixed use development. The site is in two parts, the northern portion accommodated the now vacant Balgownie Bowling Centre, whilst the southern portion, comprising Balgownie Home Farm and walled garden, is owned by the University of Aberdeen and was previously associated with the adjoining Balgownie Playing Fields.
- 3.16 The northern portion of the site is in the hands of a housebuilder and a Planning Application is pending for residential development on that part of the site. The southern portion is currently being marketed by the University. A large part of the southern site is occupied by a former walled garden; a feature which would require to be retained in any future development, thereby restricting the scope for the development of a superstore on the site.

Extant Planning Permissions

- 3.17 As highlighted above, Site 4 at Denmore Road benefits from an Open Class 1 retail consent and is capable of accommodating a superstore development. However, it is understood that the existing retail units occupying that site are leased until at least 2016. Also, whilst outline

Planning Permission was granted in 2010, there is no evidence, as yet, of matters specified in conditions being addressed.

3.18 In any event, it is acknowledged that that site is also out of centre and the proposal would be in direct competition with Denmore Road. Commercial competition is not a material planning consideration.

3.19 Should that Permission be implemented, it will displace a range of non-food retail uses which currently serve the Bridge of Don area. The allocation of the proposal site for retail use could therefore accommodate those non- food uses, rather than competing directly with the development at Site 4.

Summary

3.20 On the basis of the above assessment, there are no sequentially preferable sites within the Bridge of Don area. Site 4 at Denmore Road occupies a similar position and benefits from Permission for Class 1 retail use. However, the timing of such development is constrained by existing leases and is unlikely to proceed in the near future, if at all.

3.21 Should it be implemented, the displaced uses could be accommodated on the Denmore Road site, thereby continuing to serve the Bridge of Don area.

4. Retail Capacity Assessment

Introduction

- 4.1 The most recent full retail capacity assessment covering the Denmore Road site and likely shopper catchment is the *Aberdeen and Aberdeenshire Retail Capacity Study* (September 2004).
- 4.2 The process of securing a planning consent and developing a superstore on the Denmore Road site is likely to take around three years. The design year (the first full year of trading with the store established in the marketplace) is therefore likely to be around 2015 or 2016. This means that eleven or twelve years will have elapsed since the publication of the 2004 capacity study.
- 4.3 The assessment in this section therefore describes the original findings of the 2004 study and provides an indicative update of what a revised capacity study looking forward to the design year would be expected to show.
- 4.4 The target operator for the Denmore Road site is likely to be one of the major superstores, as described in Section 2. The superstore would be grocery-led therefore the main expenditure type to consider is convenience goods. Comparison goods would form part of the ancillary uses within a typical superstore therefore this type of expenditure is also discussed later. Bulky goods would not form part of a superstore's typical offer (except perhaps for larger electronic goods such as television sets).

2004 Capacity Study

- 4.5 Ryden has used the 2004 AASRM capacity study for a number of client projects over the past eight years and is fully familiar with the methodology, series of reports and the detailed data appendices which indicate how retail expenditure flows around the region. For the Denmore Road site the relevant shopping zones are illustrated on Figure 2. These zones are referred to in the 2004 capacity study as:

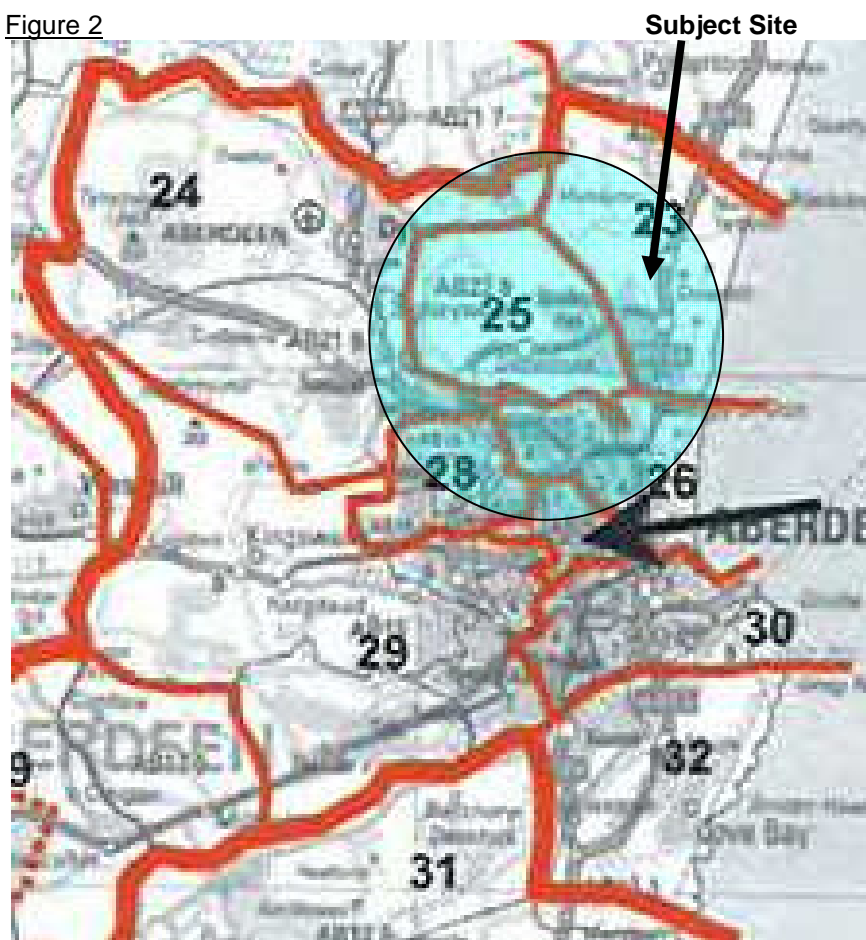
23: Bridge of Don

25: Middleton Park and Danestone

26: Old Aberdeen

These are the areas where the bulk of expenditure would be expected to originate from – termed the primary catchment area. The primary catchment area is not an exact match for the proposal site. Other stores within and outside these three zones will continue to draw expenditure while additional expenditure from other locations would also flow to the proposal site.

Figure 2



- 4.6 Danestone centre (within expenditure Zone 25) is dominated by a Tesco Extra superstore. The store has been trading since 1989 and is understood to be the largest in Aberdeen, drawing customers from both Aberdeen and Aberdeenshire. At the time of the 2004 capacity study this Tesco was estimated to be turning over £62.8 million² convenience goods expenditure from 4078 sq.m. net floorspace. This equated to a very high turnover ratio of £15,401 per sq.m. For comparison Tesco's most recently published average UK turnover – known as "benchmark" turnover – was only £12,912 per sq.m.³ Tesco Danestone could therefore withstand a reasonably high trade diversion to an alternative superstore.

² 2001 prices

³ Mintel UK Retail Rankings 2011

- 4.7 Middleton Park also lies within expenditure Zone 25. It has a first generation ASDA superstore (originally a Finefare) which turned over an estimated £22.1 million from 3290 sq.m. of net convenience floorspace, indicating a turnover ratio in 2004 of £12,225 per sq.m. Although this turnover ratio is described as average by the 2004 capacity study, it is not far below the most recent ASDA benchmark of £12,589 per sq.m. The ASDA at Middleton Park also takes some expenditure from Aberdeenshire, but not nearly to the same extent as Tesco Danestone.
- 4.8 Zones 23 (Bridge of Don) and 26 (Old Aberdeen) generate expenditure but neither has a superstore, meaning that expenditure flows out to other locations.
- 4.9 Table 1 shows the destinations of convenience expenditure from each of the three zones within the primary catchment area in 2004.

Table 1: Origins and Destinations of Convenience Expenditure in Primary Catchment Area (2004)

Origins		Destinations (percentages)						
Zone	Expenditure (2004)	City centre	Danestone	Dyce	Middleton Park	Berryden	Local centres	
23	£12 million	5%	35%	10%	43%	-	8%	
25	£32 million	5%	45%	5%	38%	4%	2%	
26	£57.5million	32%	10%	5%	-	26%	23%	

Note: Zone 26's 5% expenditure flow to Rosemount has been added to "local centres"

- 4.10 The retail geographies of Zones 23 and 25 in the north of city show similar characteristics. Both spend around 80% of their convenience goods expenditure between Tesco at Danestone and ASDA at Middleton Park. Aberdeen city centre, Dyce and smaller local shops attract the balance of expenditure from each of Zones 23 and 25. A superstore at Denmore Road would be expected to significantly influence these expenditure flows, particularly towards the east and around the A90.
- 4.11 Zone 26 has a very different retail geography. Expenditure is split between the city centre (Morrisons in King Street and metro-format stores), Berryden (Sainsbury's) and also the extensive range of smaller local shops and centres within the urban area of Old Aberdeen. A superstore at Denmore Road would be expected to influence expenditure patterns in the northern sector of Old Aberdeen, particularly around the A90.

4.12 The secondary catchments in Aberdeenshire have not been examined. Tesco at Danestone and to a lesser extent ASDA at Middleton Park draw expenditure from this area, achieving market penetration of 10-30% according to the 2004 study. A superstore in the very north of Aberdeen on the A90 would be expected to have a significant influence on expenditure flows within this part of Aberdeenshire.

Competing Locations

4.13 Table 2 on the next page lists convenience outlets in Aberdeen north, central and west⁴ operated by the major grocery chains as at September 2012. Retailers are listed by brand. The table highlights those which potentially sit within the primary catchment – Zones 23, 25 and 26 as above - of a new store at the Denmore Road site. These existing stores would share catchment expenditure with the proposal site.

4.14 For the purposes of this capacity assessment the principal competitors for the Denmore Road site will be other superstores. In the retail sector, like competes with like and superstores take a very high proportion of available convenience expenditure, as demonstrated in paragraphs 4.6 and 4.7 above. A full retail impact assessment would however take account of the range of other stores – notably small Co-operative Food, Sainsbury's Local, Lidl and Tesco Express outlets in the northern half of Aberdeen – as well as making an allowance for neighbourhood shops too.

4.15 The relevant superstores in the primary catchment are:

ASDA at Middleton Park as discussed in paragraph 4.7. This superstore is approximately 1 mile from the Denmore Road site. This is an older, first generation ASDA store and is less accessible to the wider catchment than Denmore Road, which is also likely to draw successfully on the intermediate catchment between each site. ASDA also has a superstore in the north of Aberdeen at Dyce, however this is further away and would not directly compete with the subject site other than possibly at the margins of each superstore's catchment.

⁴ Superstores to the south such as ASDA and Sainsbury's at Garthdee operate in a different market area and are not listed

Table 2: Existing and Proposed Convenience Stores (national operators)

Operator	Location	Format	Distance	Status
Existing Stores				
ASDA	Middleton Park	Superstore	1 mile	
ASDA	Riverview Drive, Dyce	Superstore	5 miles	
ASDA	Boulevard Retail Park, Links Rd	Superstore	4 miles	
Tesco	King Street	Express	1 mile	
Tesco	Laurel Drive, Danestone	Tesco Extra	2 miles	
Tesco	Union Street	Express	3 miles	
Tesco	Aberdeen South	Superstore	3.5 miles	
Tesco	Victoria Street, Dyce	Express	5 miles	
Sainsbury's	Berryden Road	Superstore	2 miles	
Sainsbury's	George Street	Local	2 miles	
Sainsbury's	Rosemount Place	Local	2 miles	
Sainsbury's	St Nicholas Centre	Local	2.4 miles	
Sainsbury's	Union Street	Local	2.6 miles	
Morrisons	King Street, Aberdeen		2 miles	
Aldi	Boulevard Retail Park, Links Rd		4 miles	
Lidl	King Street		1 mile	
Lidl	Inverurie Road		3 miles	
Lidl	Lang Stracht		3.3 miles	
Lidl	Wellington Road		3.6 miles	
Farmfoods	160 Great Northern Road		3.3 miles	
Farmfoods	783 Great Northern Road		3.4 miles	
Farmfoods	George Street		4 miles	
Farmfoods	Lang Stracht		4.8 miles	
Iceland	Great Northern Road		3.3 miles	
Iceland	Boulevard Retail Park		4 miles	
Iceland	Holburn Street		4 miles	
Co-operative Food	Scotstown Road, Bridge of Don		0.5 miles	
Co-operative Food	The Arcade, Hayton Road		1 mile	
Co-operative Food	85 Back Hilton Road		2 miles	
Co-operative Food	466 George Street		2 miles	
Co-operative Food	107 George Street		2.1 miles	
Co-operative Food	104 Rosemount Place		2.4 miles	
Co-operative Food	204 Union Street		2.6 miles	
Co-operative Food	10 Cornhill Shopping Arcade		2.7 miles	
M&S Food	St Nicholas Street		3 miles	
M&S Food	Union Square		4 miles	
Proposals				
Standard Life Investments	Site 4, Denmore Road, Bridge of Don	6970 sq.m.	1 mile	Planning Permission in Principle
Tesco	Former Woodend Hospital Annex, Rousay Drive	5576 sq.m.	4.5 miles	Construction underway
Morrisons	Former Summerhill Academy, Lang Stracht	6320 sq.m.	4.5 miles	Detailed consent. Legal challenge by Tesco

Tesco Extra at Danestone as discussed in paragraph 4.6. Although slightly further away from the subject site, this is a dominant store which previous studies have estimated to significantly over-trade, creating potential for clawback of expenditure to Bridge of Don and from the shared catchment in between the two sites.

Morrisons outlet in King Street will attract some trade at the southern end of Old Aberdeen. Some trade diversion may be anticipated to a new, large, accessible superstore further up the A90 at Denmore Road.

A retail proposal by Standard Life Investments at Site 4, Denmore Road within Murcar Industrial Estate secured Planning Permission in Principle in June 2011. The site already benefits from retail consent due to the presence of bulky goods retail warehouses occupied by General George, Carpetright, B&Q and one vacant unit. The proposal is not specific about the type of retailing envisaged and has no retailer(s) associated with the potential redevelopment of the site. The supporting retail impact assessment tests the effects of bulky goods, comparison goods and convenience goods.

2016 Projection

- 4.16 The *Aberdeen and Aberdeenshire Retail Study* is now eight years old and any formal update may be two to three years away. Ryden has a good working relationship with the Councils' consultant, Keith Hargest Planning Ltd., and has obtained a copy of 2012's Version 1.6 of the model.
- 4.17 Version 1.6 projects expenditure patterns forwards as far as 2030. The relevant year for the Denmore Road proposal is 2016. Primary catchment population forecasts⁵ to 2016 are provided in Table 3 on the next page.
- 4.18 The resident population of the primary catchment is projected to grow by just under 1.2% annually to the design year of 2016. Population growth is also expected to continue well beyond this date throughout the forecast period to 2030.
- 4.19 Table 4 (next page) indicates available convenience expenditure in each zone of the primary catchment at the forecast dates. Available expenditure is in 2008 prices.

⁵ based upon GROS 2010 projections

Table 3: Primary Catchment Population Forecasts

Zone	Area	2012	2014	2016
23	Bridge of Don	6612	6767	6926
25	Middleton Park, Danestone	17852	18271	18700
26	Old Aberdeen	31784	32530	33294
	Totals	56248	57568	58920

Table 4: Primary Catchment Convenience Expenditure Forecasts

Zone	Area	2012	2014	2016
23	Bridge of Don	£13.32m	£13.91m	£14.52m
25	Middleton Park, Danestone	£35.37m	£36.96m	£38.62m
26	Old Aberdeen	£62.71m	£65.54m	£68.49m
	Totals	£111.40m	£116.41m	£121.63m

Source: AASRM Version 1.6 (Keith Hargest Planning Ltd)

- 4.20 Available convenience expenditure in the primary catchment is projected to rise by 2.2% annually, as population growth is compounded by expenditure growth.
- 4.21 Retail turnover at each zone in 2016 from Version 1.6 of the model is shown in Table 5 (next page). Zone 23 and 25 are shown independently. The model wraps Zone 26 (Old Aberdeen) into Aberdeen City Centre rather than showing it separately, therefore for simplicity that Zone will be treated as a source of “imported” expenditure rather than as part of the primary catchment.

Table 5: Convenience Turnover at 2016 by Zone

Zone	Area	Turnover	Turnover ratio
23	Bridge of Don	£0.58m	£2103 per sq.m. pa.
25	Middleton Park (ASDA)	£25.62m	£12,977 per sq.m. pa.
	Danestone (Tesco)	£78.63m	£22,348 per sq.m. pa.

Source: AASRM Version 1.6 (Keith Hargest Planning Ltd)

Tesco turnover will include 102 sq.m. added post-2004 due to mezzanine

4.22 Bridge of Don (Zone 23) exports more than 96% of its £14.52 million expenditure to other locations at 2016, due to the absence of a convenience retail outlet of any scale or market profile.

4.23 Zone 25 is projected to attract £104.25 million convenience expenditure at 2016. This is 170% higher than the convenience expenditure generated within the Zone. ASDA at Middleton Park is projected to achieve turnover at a rate 3% above its current UK benchmark figure. Tesco at Danestone is projected to increase its turnover substantially even from the high position in 2004 to reach a rate 73% above its UK benchmark. This exceptional turnover reflects the lack of large, modern competition in the north of the city.

Trade Diversion to Denmore Road Superstore

4.24 A new superstore at Denmore Road, trading at 2016, will divert expenditure from existing locations identified above. Table 6 (next page) estimates the required turnover of the proposed store. Notwithstanding plans showing the unit as 9290 sq.m., a smaller gross floor area of 7000 sq.m. is adopted as this fits with a wider range of operators formats (paragraph 2.4) and with recent Aberdeen superstore proposals (Table 2) which are between 5574 sq.m. and 6970 sq.m.

4.25 The proposed store requires an estimated turnover of £43.68 million. Of this, £38.22 million is convenience goods turnover based upon an assumed⁶

⁶ The current average UK benchmark turnover ratio for the top five superstore operators – Tesco, ASDA, Sainsbury's, Wm Morrison and Waitrose – is £11,870 per sq.m.

turnover ratio of £12,000 per sq.m. per annum. For comparison, this scale of turnover lies somewhere between the first generation ASDA at Middleton Park and the substantially over-trading Tesco at Danestone.

Table 6: Proposed Superstore Turnover

Size	Net floorspace (65%)	Convenience goods (70%)	Comparison goods (30%)	Total turnover
7000 sq.m.	4550 sq.m.	3185 sq.m. @ £12,000 = £38.22m	1365 sq.m. @ £4,000 = £5.46m	£43.68m

Convenience goods: food & drink, tobacco, non-durable household goods, newspapers and magazines

Comparison goods: books, clothing & footwear, furniture and furnishings, audio-visual, hardware & DIY, chemists' goods, jewellery etc, recreational and miscellaneous goods

4.26 The trade diversion required to support this turnover at the proposal site is estimated in Table 7 (next page). This lists retail locations and their turnover before and after the introduction of the new Denmore Road superstore.

4.27 The figures in Table 7 are based upon assumptions, retail modelling experience and familiarity with the Aberdeen and Aberdeenshire shopping model. To provide a definitive assessment of trade diversion would require full spreadsheet modelling of all affected retail locations, possibly supported by updated household and shopper surveys given that the extant capacity model is now eight years old.

4.28 Clearly the Bridge of Don Zone (23) is the beneficiary of trade diversion. From the current position of not having a large, modern convenience retail destination, the suburb gains all of the additional expenditure associated with the new superstore. Around one-third of this "new" turnover is expenditure clawed back to Bridge of Don from other locations.

Table 7: Trade Diversion to New Superstore

Zone	Location	Turnover at 2016 without new store	Turnover diversion (+ or -)	Turnover at 2016 with new store
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Zone 23	Bridge of Don and new superstore	£0.58m	+ £38.22m	£38.80m
Zone 25	Middleton Park (ASDA)	£25.62m	- £2.56m (- 10%)	£23.06m
	Danestone (Tesco)	£78.63m	- £19.4m (- 25%)	£59.23m
Zone 26	Old Aberdeen	£59.3m (2011)	- £8.90m (< 15%)	> £50.4m
Northern Zones (secondary catchment)	Aberdeenshire	-	-£5.73m	-
Local shops	Across primary and secondary catchment	-	-£1.63m	-

Zone 26 expenditure is a forecast for 2011 made in 2004, as model Version 1.6 does not show this Zone separately

4.29 ASDA at Middleton Park is a first generation superstore within a housing area rather than lying on an arterial transport route; comparatively slow expenditure growth in recent years reflects this dominant position in its local market but weaker position in the north of Aberdeen as a whole. With Denmore Road trading, ASDA will continue to service its localised catchment but some intervening custom will be lost. Trade diversion in Table 7 is -10%, leaving the store still trading at 93% of its current UK benchmark.

4.30 Tesco at Danestone is an over-trading, dominant superstore from which a new, full-format and highly-accessible superstore at Denmore Road would clawback or attract substantial expenditure. This is assessed as £19.4 million, or approximately half of the new superstore's required turnover. On a stand-alone basis this -25% trade diversion would leave Tesco still trading at 30% above its current UK benchmark.

4.31 Two planning consents on the west side of Aberdeen (Tesco and Morrisons, Table 2) will also draw trade away from existing stores. However, these proposals will serve a different catchment. Furthermore, Version 1.6 of the

shopping model indicates that over-trading is widespread in Aberdeen. Sainsbury's at Berryden and Garthdee, and ASDA at Boulevard Retail Park and Garthdee, all significantly over-trade. Current activity in Aberdeen's superstore sector may therefore lead to a re-ordering of under-served areas and over-trading superstores, rather than any overall adverse impact.

- 4.32 Old Aberdeen donates 15% of its forecast convenience expenditure at 2011 to the new superstore, although in reality this would be less than 15% of 2016's available expenditure. The principal locations experiencing marginal levels of trade diversion would be Sainsbury's at Berryden (which over-trades considerably), Morrisons at King Street (which under-trades) and the numerous local, metro and express convenience formats.
- 4.33 The location on the northern edge of Aberdeen with direct access to the A90 would make the superstore well-positioned to act as an intervening opportunity between the city and Aberdeenshire, which has only patchy coverage of superstores across its principal towns. Tesco at Danestone and to a lesser extent ASDA at Middleton Park already have market penetration into Aberdeenshire. A total of 15% of the superstore's turnover is shown in Table 7 as being drawn from Aberdeenshire.
- 4.34 Finally, a residual 4.26% of the new superstore's turnover is drawn from other smaller stores around the primary and secondary catchments.

Cumulative Trade Diversion

- 4.35 A cumulative impact scenario with Site 4 Denmore Road (Table 2) should also be considered. Although that site is currently occupied by bulky goods retailers, it has an open consent for Class 1 retailing which could in theory attract a rival superstore operator. The superstore scenario in the RIA submitted for Site 4 has a convenience turnover requirement of £31.27 million⁷. This turnover is drawn from expenditure import (10%), repatriation of leakage from other locations (48%) and impact upon existing stores (42%).
- 4.36 The impact of Site 4 upon existing stores is shown in the RIA as -17% trade diversion from Tesco at Danestone and -10% from ASDA at Middleton Park. Table 7 demonstrates that Tesco could withstand this additional impact and still trade above benchmark. However, the cumulative impact upon ASDA of around -20% taking into consideration both the proposal site (-10%) and Site

⁷ 7400 sq.m. gross @ 65% net and 60% convenience floorspace @ £10,836 = £31.27 million per annum.

4 (also -10%) would raise concerns about the health of that store; and in turn the Middleton Park shopping centre. The presence of two new, major new superstores offering a wide range of goods in Bridge of Don would curtail Middleton Park's catchment to a much more localised geography based upon pedestrian, local bus and short car-based shopping trips.

Comparison Goods

4.37 The proposed superstore at Denmore Road would also sell a range of comparison goods. The goods to be sold, the extent of floorspace and anticipated turnover are highly dependent upon the foodstore operator and format. Assumptions made in Table 6 yielded a comparison goods turnover requirement of £5.46 million.

4.38 The Bridge of Don catchment is currently poorly served by comparison shops. Zones 23 and 25 combined (ignoring Old Aberdeen which is closer to the city centre and to modern retail parks) generate £79.28 million comparison goods expenditure at 2016 but retain only £9.13 million. The proposed superstore would require only 7% of the available expenditure and could achieve this through reversal of expenditure leakage to other locations.

4.39 Trade diversion from individual shops and centres would therefore be marginal, particularly as comparison shopping at the new superstore would tend to take the form of linked trips with grocery shopping rather than being a destination in its own right.

Summary

4.40 The proposed superstore at Denmore Road would not cause unacceptable levels of trade diversion from existing retail locations. Trade diversion would be marginal across all locations, except for ASDA at Middleton Park which shows a tolerable -10% trade loss, and Tesco at Danestone which experiences a -25% trade loss which would reduce (but not eliminate) its extreme levels of over-trading.

4.41 The cumulative impact taking account of a possible superstore at Site 4 Denmore Road would not be detrimental to Tesco at Danestone, but could raise concerns about the health of ASDA and by implication Middleton Park shopping centre.

5. Summary and Conclusions

- 5.1 Ryden was instructed by European Development Holdings Ltd. to provide a strategic retail capacity assessment for a potential superstore site at Denmore Road, Bridge of Don, Aberdeen.
- 5.2 National retail market conditions remain difficult and investment is highly selective. Convenience retailing is one of the few active markets and Aberdeen's strong economy makes it a target location for new investment.
- 5.3 The sequential assessment demonstrates that there are no sequentially preferable sites within the Bridge of Don area. Site 4 at Denmore Road occupies a similar position and benefits from Permission for Class 1 retail use. However, the timing of such development is constrained by existing leases and is unlikely to proceed in the near future, if at all.
- 5.4 Should it be implemented, the displaced uses could be accommodated on the Denmore Road site, thereby continuing to serve the Bridge of Don area.
- 5.5 Retail capacity assessment⁸ demonstrates that the proposed superstore at Denmore Road would not undermine existing retail locations. Trade diversion would be marginal across all locations, except for ASDA at Middleton Park which shows a tolerable -10% trade loss, and Tesco at Danestone which experiences a -25% trade loss but would continue to over-trade given its current exceptional performance. Comparison goods expenditure at the proposed superstore would cause only marginal trade diversion from a dispersed catchment, and would reverse some of the very high expenditure leakage from northern Aberdeen.
- 5.6 The cumulative impact taking account of a possible superstore at Site 4 Denmore Road would not threaten the viability of Tesco at Danestone, but could raise concerns about the health of ASDA and by implication Middleton Park shopping centre. However, both are unlikely to proceed and one or other could continue to provide for non-food retailing.
- 5.7 It is clear from this capacity assessment that the Aberdeen superstore sector has produced only a limited response to a strong city economy and a

⁸ Keith Hargest Planning Ltd kindly provided Ryden with access to extracts of Version 1.6 of the Aberdeen and Aberdeenshire strategic retail model (AASRM). This update is not publicly available.

growing population. Updated shopping model data demonstrates high levels of over-trading at many of the city's established superstores. Current proposals to the west of the city may partially alleviate over-trading across the wider city. However these stores will still leave northern Aberdeen around Bridge of Don under-served both in quantitative terms, and also in qualitative terms due to the absence of a modern, full format superstore as Tesco at Danestone is too far east to service the expanding Bridge of Don.

- 5.8 This report has produced a strategic assessment of retail capacity to support a proposed new superstore at Denmore Road, Bridge of Don. The work required to extend this to provide a full retail impact assessment would be:
- agree retail expenditure and floorspace datasets with the planning authority Aberdeen City Council; if AASRM Version 1.6 can be used it may not be necessary to commission a household survey
 - agree sequential town centres and neighbourhood centres and sites with planning authority (this may also involve Aberdeenshire Council)
 - assess the implications of planned additional house-building over-and-above the currently forecast population growth in the primary catchment
 - conduct full spreadsheet modelling of expenditure flows across primary and secondary shopper catchments; add small convenience stores and neighbourhood shops; and develop the comparison goods assessment
 - for those centres which the planning authority advises are protected by policy (potentially including centres in Aberdeenshire), assess the impacts of trade diversion for convenience turnover, all turnover and indicators of vitality and viability (eg. vacancy rates, property values)
 - provide RIA conclusions

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