THE REAL COST ECONOMICS OF RETAIL DEVELOPMENT IN TOWN CENTRES

An exploration of shifts in real property values following major retail development

---

V O L U M E 2

of three volumes

RONALD BARHAM

Doctor of Philosophy

UNIVERSITY OF ASTON IN BIRMINGHAM

JULY 1987

TABLE OF CONTENTS

page

VOLUME 2

VOLUME 3

TABLE OF CONTENTS

APPENDICES continued

A P P E N D I C E S

C O N C E P T S O F

L A T E N T V A L U E

A N D

T R A N S L A T E D V A L U E

1 Latent Value

1.1 In the early stages of this research consideration was given to an abstract concept of 'latent value' and the question was raised, "What is meant by latent value?" The valuer's traditional explanation has been included in this thesis (in Chapter 1) as a point from which to commence an attempt at an explanation. This appendix contains a general discussion of the concept and an alternative view.

1.2 By 'latent value' the valuer does not really mean a surplus, nor even a summation of surpluses, of economic rent. Because the yield from land resources may extend far into the future, and land being a fixed factor of production, the returns will be dependent upon demand. Thus the return has traditionally been seen as being largely in the nature of an economic rent. For example, land owned before an increase in demand will have a high economic rent whereas land acquired prior to a slump will have a negative economic rent. Being the difference between transfer earnings (i.e. opportunity cost) and the market price determined by demand, the concept of economic rent relies upon the difference between two determined values, or one determined and one

anticipated value - existing use value and proposed use value. However, in relation to a potential development site to be acquired at 'value' one must assume the transaction to be at a point in time. About this point there is no change in the level of demand but, by the developer's action, there may be a shift in the location of demand. It should be noted, however, that the existing use value of the site and existing buildings might well be above or below the price that a specific developer might be prepared to bid.

1.3 Therefore, to find what is meant by 'latent value' it is necessary to look more deeply into the generally accepted proposition that: the Gross Development Value of a completed project minus the Gross Development Costs and Required (normal) Profit will leave the maximum amount that the developer could afford to pay for the site or property as a residual figure.

i.e. GDV - (GDC + NP) = RDV

If Gross Development Value for a specific scheme represents the expected 'market' value of the completed proposed development based on anticipated future income and productivity and Gross Development Cost represents the total

development costs as envisaged by the entrepreneur/developer, then it is necessary to consider whether, when properly identified, the true costs and profit requirements confirm that either or both the 'profit' or the 'bid price' contain an element of 'released latent value'.

1.4 However, as yet we do not have a clear definition of 'latent value'. Latent value has traditionally been stated to be the extra value which is released by a new development over and above the combination of site value in existing use and the cost of either a new superstructure, or a refurbishment of the existing superstructure, plus a reasonable entrepreneurial profit. The concept of the marginal efficiency of capital, when compared with this implied rate of return, would enable the identification of an upper limit to the capital injection - given current market, general economic and technological conditions.

2.5 However, whilst this description of latent value may appear to be satisfactory in relation to the property being developed, it ignores the fact that, in some instances, a development of one site releases latent value in another as well as

in itself; or, conversely, that a development releasing latent value in a site adversely affects the value of surrounding sites.

2.5 It is necessary, at this stage, therefore, to clarify the professional's view of 'latent value'. There appears to be a difference in the acceptance or acknowledgment of the economist's theoretical view of value and the professional's operation in practice. However, it is conceded that even in practice there is a strongly developed concept of latent value in the economic sense and reference is made to this in the main body of the thesis.

2 An Alternative

2.1 The assertion of the landed professions that latent value, when added to current site, or property, value is the maximum that can be obtained out of a site at a particular moment in time, cannot be substantiated by either empirical research nor by existing economic theory. In considering the assertion, however, one is drawn towards a possibility that latent value may well be the ceiling value in the very long run, i.e.

the sum of all other values in a world, developed, that can be developed no further. However, the time horizon for such a proposition must, of necessity, be infinite and, therefore, latent value would be incapable of measurement. Could it be that 'latent value' (as the term is used by the landed professions) is incapable of existing in its own right? Perhaps it does not exist at all in the sense that it is not intrinsic to the site nor is it latent and waiting to be released. An alternative thesis is that the 'magical' additional increase in value which often appears to manifest itself when development is carried out is a part of the ordinary stock of value, derived by the interaction of supply and demand and the rent function of productivity, translated from some other group of properties to the new development as a result of the entrepreneurial activity. The property professional's 'latent value' therefore, may exist, but in a conceptually different form from that envisaged - a large part of the value 'released' by development should, more properly, be called Translated Value.

2.2 Although there will always be some further

potential value in a property that is not released due to the limitations of the existing state of technology, for the sake of clarity the term 'latent value' should no longer be used other than as a reference to that portion of demand-related property value realised as a result of the development or redevelopment, or a change in the use, of a site or of existing premises by means of applications of enterprise and/or capital and labour. In order for such an increment in value to be available for realisation, and for it to be truly classed as being latent, there has to be an element of unsatisfied, effective demand available in the market.

3 Changes in Demand

3.1 Such demand can be either i/ an existing unsatisfied surplus resulting from the imperfections of the market or ii/ it can arise out of an increase in demand due to changes in tastes, lowering of supply price due to changes in efficiency or in the state of technology, removal of institutional interferences, etc. In the former case, the returns for effort (the

successive applications of enterprise and/or capital and labour to land in relatively fixed supply) must be subject to the law of diminishing returns in the form of a limit to the amount of increased value or 'realised latent value' available given the state of technology, level of demand and effects of legislation, etc., at any point in time.

3.2 However, in the latter situation a change in the intensity of demand, i.e. a down shift in the supply curve caused by a change in technology, or an uplift in the demand curve caused by a change in legislation, tastes or moral attitudes, will operate in the accepted Ricardian manner to raise the limit for all properties, thereby increasing the amount of 'latent value' it is possible to realise in the manner described or, in existing properties, it may be possible to realise without further expenditure. Latent value has, therefore, two components: a value derived from frustrated (unsatisfied) existing demand and a value derived from an increase in the intensity of demand which may be due to a change in locational advantage.

3.3 One situation which can arise when considering

the translation of value is where the change creates greater locational efficiency thereby additionally releasing resources to generate, subsequently, a further increase in the level of demand which then restores or uplifts property values. A typical example of this phenomenon is a locational change which results in reduced delivery costs, thereby reducing the price at which a good can be supplied. This, in turn, may well result in a reduction in supply price and, therefore, an increase in demand for that good. This apparent paradox does not nullify the propositions of latent value and translated value theory; it merely combines them and allows the phenomena to operate conjointly to varying degrees. It does, however, raise the question of whether these phenomena are demand based or supply based. It would appear, from the above arguments that, in the main, latent value is demand based, whilst translated value is a phenomenon created by the fixity of location of the supply of landed property and this explains why the two can operate together in a situation such as that described in the opening sentence of this paragraph.

4 Examples

4.1 Returning now to the concept of a translation of part of the existing stock of Real Property Values, a concept on which the hypothesis presented in this work relies; this can be better explained by use of a series of simplified examples. Imagine, for simplicity, a flat featureless island with an evenly distributed, self sufficient, property owning population and homogeneous productive capacity. It may be argued that in such a situation there will be a pattern of evenly distributed property values having a finite value. If, however, a market place were to develop at the centre of the island (c.f. Von Thunen) then eventually there would be (ceteris paribus) a system of rents which would be minimised at the edges of the island and would peak at the central market place. The values at the edge will be determined by the action of supply and demand. It is not unrealistic to assume, therefore, that the original stock of value has been redistributed or 'translated' to reflect the disutility involved in travel to the market place, i.e. friction cost results in values being lower the further the land is away

from the market place - provided, of course, that there has been no general growth in demand, etc.

4.2 Taking the simplified island argument a stage further and introducing a heterogeneous land quality, a single place of consumption, A, and a single place of agricultural production, B, located in a fertile valley served by a freshwater stream which originates in an infertile rocky area of the island, consider the consequences of the discovery of mineral 'wealth' in the rocky area of the island. If, for example, the minerals could only be extracted using an investment of capital and equipment and by using, polluting or diverting the stream, it could be argued that the increase in land value of the rocky region is partly a realisation by the application of capital, etc., of a latent value in the site and is also, to some extent, an increase in value at the expense of region B whose productivity is adversely affected by the new production of the mineral. In the case of only a diversion of the stream, some other part of the island (which would become more fertile) would also benefit from the reduced value of region B in addition to the mineralised area, but

it could be argued that the shift in value from B to these other points will be the amount by which the capital value of the completed project and its 'spin off' exceeds the capital cost plus 'normal' profits, these latter being only a release of further increments of latent value.

4.3 True latent value, the concept of releasing additional demand-derived value from a site or a property, holds good only as long as an application of capital or technological advancement enables the more productive utilisation of the property without affecting existing properties.

4.4 Translated value, however, results from an increase in the productivity of some parts of the property surface at the expense of others - as some parts grow richer, other parts must grow poorer.

4.5 The example of the river diversion on the imaginary island provides an excellent analogy for the flow of pedestrians through a town's shopping area. If the pedestrian flow is diverted, the productivity of retailing units is affected and a redistribution of access to

purchasing power is effected. Thus the Constant Stock of Revealed Real Property Values is redistributed by a re-assessment of rent bids related to the new productivity levels of the retailing units in relation to the constant, but redistributed, purchasing power available. In other words, value has been translated from one group of properties to another.

5 Review

5.1 From these discussions of 'latent value' it can be seen that, in relation to a development scheme, the term can properly be used to describe only that part of the increase in value released by the satisfying of a previously unsatisfied demand by a change in use, or a change in the intensity of use, of a given piece of land or property by the application of enterprise and/or capital and labour.

5.2 Any other increase in the value of a property which occurs not as a result of a change in the intensity of demand but as a result of a change in its locational distribution should be

regarded as Translated Value. This is also true of additional or disproportionate increases in value resulting from applications of capital. As a result, it must be accepted that where the total demand is already fully satisfied and the development, itself, causes no change, i.e. where demand remains at a constant level, the amount of real property value available for distribution is constant in real terms and the effect of a successful major retail development in a town centre can only be to reduce the values of some existing retail properties whose catchment areas are in the surrounding area of its influence. In such (unlikely) ceteris paribus circumstances translated values should sum to zero.

APPENDIX 2

R E P O R T

O N

R E N T S A N D G R O S S V A L U E

F O R R A T I N G

-

A S U R V E Y A N D R E G R E S S I O N

A N A L Y S I S

1 Rent/Rates Survey

1.1 Clearly it was necessarily fundamental to this research to establish some measure of value at a point in time. If individual values are to be estimated from sampled rents or capital values, a distribution factor of suitable consistency must be found. The Gross Value for rating purposes appeared to be such a factor and so a survey and analysis of rent and rate data was carried out to test the strength of the mandatory requirement of the General Rate Act for the Gross Value to be 'the rent which a hypothetical tenant would pay for the premises'. Demonstration of this required consistency would support the use of Gross Values as a distributive ratio for application to obtained sample rental values to provide a complete, but estimated, rental surface for the whole of a centre's shopping facilities.

1.2 Two approaches were taken to the testing of the relationship between rent and Gross Value for rating. The first of the approaches required an analysis of rent and rate information to be obtained by questionnaire of a randomly selected sample of retail premises in the Preston area,

and the second called for an analysis of rent/rate data for Central London (available from the evidence of a recent case before the Lands Tribunal) obtained, non selectively, from the files of London Estate Agents.

2 Preston Survey and Analysis

2.1 Preston has a total of 2162 shops and of these approximately 700 are within the area defined by Preston Borough Council as the 'town centre'. No information was available on the numbers in different sectors of the area outside the centre. In order to keep the survey to manageable proportions it was decided that around 100 samples should be enough to be able to obtain a satisfactory result and a short computer program was written which would generate six figure map references in random order within the designated study area ensuring, of course, that all possible map references were available and that no reference was duplicated.

2.2 An arbitrary decision was taken to zone Preston adopting a circular central area approximating to the Council's defined 'town centre' and three

concentric outer zones containing 4, 8 and 16 areal units, each of which was the same size as the central zone. When this pattern of zones was plotted onto a map of the Preston area a major problem was revealed - Preston is asymmetrical. The Borough of Preston lies predominantly north of the River Ribble and the shopping centre is very close to the river. However, very little residential property lies south of the river and so little was lost by omitting those areas lying south of ordnance survey grid line 280 (the bottom edge of the maps supplied by the Borough Council).

2.3 Having defined the areal unit boundaries it was necessary to introduce stratification; most of the retail units in a town being located at, or close to, its centre. It was decided, therefore, that 33% of the sample would be drawn from the central zone (zone 1) and that the remainder would be distributed over the outer zones (2, 3 and 4) on the basis of six samples per areal unit in zone 2, four samples per areal unit in zone 3 and two samples per areal unit in zone 4 (the outer ring).

2.4 The total sample population would therefore have been

Zone	Areal Units	No. of Sample Points
1	1	40
2	4	24
3	8	28
4	16	24
		116

2.5 Working from the list of random map references these sample points were identified and plotted onto a map of the Borough taking each reference strictly in the order in which the computer had generated it. When sufficient sample points had been obtained for any areal unit additional random map references falling within that satisfied unit were discarded. This process was continued until sufficient sample points had been obtained to satisfy the survey requirement of an approximately 5% sample.

2.6 The next stage of the identification process was to select the retail premises that were radially the nearest to the randomly generated map reference points. This procedure, although theoretically sound, raised some practical problems: i/ the Borough Council's land use maps used to identify retail use of properties

had not been updated since 1974 and therefore were not entirely reliable; in addition, several of the questionnaires returned revealed that the Council's classification of 'retail use (or its survey staff's) included, perhaps erroneously, other types of business premises such as offices and warehouses and an occasional light industrial unit, and ii/ some of the areal units did not contain sufficient retail premises to satisfy the survey requirement.

2.7 Although the former of these is a general problem which indicates a requirement for a cautious approach to local authority land use maps in the use of any predictive model resulting from this research, the latter problem is one which is probably peculiar to Preston, containing as it does a large area of dock land and a largely undeveloped land area south of the river.

2.8 Following on from the identification of retail properties from the land use map, the Borough Council's permission was obtained to extract the occupier's name and address from the rating records in order to mail out a suitable questionnaire. Again a problem was identified: some of the sample properties were unoccupied and some had even been demolished. It was decided

that those which were unoccupied would still be included in the survey by addressing the questionnaire to 'The New Occupier' rather than deliberately trying to select a nearby occupied unit.

2.9 These various problems of identification resulted in the number of sampled properties being reduced to 92. The occupiers of these sample properties were sent a questionnaire and covering letter, Annexure 1.1, designed to obtain sufficient information to enable the rent (or rental equivalent of purchase price) to be calculated in terms of the statutory definition of Gross Value for rating purposes. Of the 92 questionnaires sent out, two were returned by the Post Office as undeliverable, and after personal contact with a large number of the occupiers of the sampled properties, twenty eight questionnaires were returned. A postal reminder, Annexure 1.2, together with a further copy of the questionnaire was forwarded after two months had elapsed and this resulted in a further eight questionnaires being returned. In total, thirty six questionnaires were returned of which six were in respect of non retail premises, four were returned uncompleted, and the remaining twenty six consisted of nine in respect of tenanted

property (giving genuine rental evidence) and seventeen in respect of owner occupied property (requiring the calculation of rental equivalents of purchase price).

2.10 In view of this poor response, the fact that analysis of purchase prices to find rental equivalents would only have been acceptable if it was in respect of only a very few cases, and the return of very few questionnaires from the central (prime shopping) zone, it was decided to concentrate on the analysis of the Central London Data.

3 Central London Data Analysis

3.1 Unlike the Preston Survey, the data for a large (numerical) sample of Central London retail premises was available in convenient form.

3.2 In a rating case before the Lands Tribunal[1], statistical evidence had been presented to support the argument that the valuation date indicated by 'tone of the list' (s.20 of the General Rate Act 1967) was 1970 and not the statutorily required April 1973. A copy of that

original 'Tonogram', containing the demonstration that rents fixed in 1970 relate most directly to the Gross Value of the property concerned, is appended (Annexure 2.2) and it is the 182 pairs of rent/rate data contained in the updated version of the Tonogram document (corrected to include all Gross Values agreed and listed at the date of the hearing) that form the basic data used in this analysis: only one pair of data has been omitted - based on a rent of £750,000 - as it is fifteen times greater than the highest of the remaining rents and would, if included in the analysis, cause an artificially high correlation to result.

3.4 Before proceeding with a description of the method used and its results, it is necessary to describe the variables available:

RENT ITGV	the rent for the premises agreed between landlord and tenant during the year specified (between 1967 and 1972) adjusted to reflect the statutory terms of letting specified in the General Rate Act 1967
Proposed GV	the Gross Value for rating purposes proposed by the

	Inland Revenue Valuation Office in accordance with the statutory definition
Agreed GV (GV in list)	the Gross Value for rating purposes finally entered in the Valuation List after negotiation between the Ratepayer and the Inland Revenue or after an appeal hearing

It was possible to perform a regression analysis on this data, regressing the rent against both the proposed G.V. and the agreed G.V. using an SPSS scattergram program. The analysis of the unadjusted data indicated that, although there was a fairly strong correlation between the variables, the result did not demonstrate a conformity of either the proposed or the agreed G.V. to the statutory definition. This would require a correlation factor of 1, a slope of 1 and an intercept at 0.

3.6 From this first analysis of the crude data it was not possible to confirm, nor to contradict, the assertion that the G.V.s had been fixed, at the 1973 revaluation, in relation to 1970 rent

levels. It was, however, suspected that a more relevant interpretation of the initial results would indicate that G.V.s were fixed at a level which was less than 100% of the 1973 rental level.

3.7 In order to test this concept it was necessary to adjust all the rents, originally fixed during any of the years 1967-1972, to the rent which would probably have been passing at the required statutory assessment date: April 1973[2]. There are many methods available to make this rental adjustment but all except index linking contain subjective requirements which would detract from the consistency required of the results.

3.8 However, in deciding on index linking, the question of which index to use became very relevant. Three options seemed to be available:

	RPI	The Retail Prices Index (all goods)
	HPRI	The Investors Chronicle/Hillier Parker Rent Index
and	CIRI	The Department of Environment Commercial and Industrial Rent Index

3.9 Of these three indices the HPRI seemed to be the most promising. It is concerned only with rents of properties; index numbers are available for different property types, one of which is shops, and the types are split down by location - London (Inner and Outer) and the Provinces. In the event, however, a major problem was discovered when trying to make use of this index. Although the index is currently published at six monthly intervals and has a base year of 1965 it was originally published only on an ad hoc basis. During the period in question figures are only available for 1965, 1969, 1972 and 1974 and so, in order to adjust the rent data, the index numbers had to be interpolated to find figures for the intermediate years. This obviously contributed to the inaccuracies revealed during the analysis, although it may well be that with future rating assessments the biannual HPRI will give consistently better results.

3.10 Of the remaining two indices, the CIRI also proved to be unreliable. The information on which this index is based comes from lettings of new accommodation only and there is no distinction between areas. The RPI, as a result of these considerations, was the only

comprehensive index which adequately covered the years in question; but is it reliable as a guide to rents - being calculated on an 'all goods' basis? The results of the various analyses indicated that this was more reliable than the other two indices but it is still felt that the now regularly published HPRI may be more useful in future rating work.

3.11 For the purposes of this research it was necessary to not only find the adjusted rent for comparison with the GV but also to see if the correlation coefficient was markedly different for rents adjusted from different base years, whether the coefficient differed for (say) rents under £10,000 p.a. from that for rents over £10,000 p.a. or whether combining rent data from groups of years (of rent fixing) made any significant change to the results.

3.12 In order to test all these variations, some sixty-one computer runs were made, using different permutations of the data, resulting in 488 scattergrams and statistical analyses. The basis of each computer run was to regress, for each rent fixing year, the unadjusted rent, the RPI rent, the HPRI rent and the CIRI rent against

each of the proposed GV and agreed GV for the property. This set of eight regressions was made for each year's rent data as a composite set and again as two separate sets: one composed of only those rents which, before adjustment, had been £10,000 p.a. or below and the other consisting of rents which had been over £10,000 p.a.

3.13 As a further test, regression analyses were also carried out on combined data from adjoining pairs of years, sets of three years, four years, five years and eventually for the whole of the data set. The results are set out in the attached tabulations, Annexure 2.4, Tables B1 to B24, and summarised in Annexure 2.3, Table A1. A summary of the plots against proposed GV has not been included in Annexure 2.3 as proposed GVs may not be available to any future researchers testing this relationship; only agreed GVs are shown in the publicly available Valuation List, and these are the finalised figures after negotiation and appeal (in effect the result of 'the higgling of the market' (sic)).

3.14 The composite results, using all available data, demonstrate a remarkably high correlation between the inflation adjusted rents and the finally

agreed GVs - each correlation being over 0.95 and having, therefore, an R^2 value of over 0.9.

3.15 An analysis of the linear relationships reveals that, of the adjusted rents used, the RPI adjusted rents produce the best approximation of the Agreed GV. Considering the overall range of rents, the resultant formula:

Agreed GV= 177 + 0.80522 RPI Rent

has an intercept sufficiently close to zero for it to be stated that, overall, for Central London shops, the GVs entered into the Valuation List at the 1973 revaluation were determined at approximately 80% of the rental value of the property predicted by adjusting the agreed lease rental from its year of agreement to the 1973 valuation base date in accordance with the change in the Retail Prices Index.

3.16 Further analyses of the data, split into the 'up to £10,000' and 'Over £10,000' categories demonstrate some slight variation to the overall situation. Whilst, of the adjusted rents, the RPI adjusted rents still give the best all-round result, it will be noted that the 'up to £10,000' data has the higher correlation coefficient and a stronger relationship (slope) between the two

variables. Conversely, the 'over £10,000' data produces a correlation coefficient lower than that for the HPRI adjusted rents but, nevertheless, the slope is much better for the RPI adjusted rents (at 0.7), all indicating that the results are much more reliable for data produced from unadjusted rents up to £10,000 p.a. than for rents over £10,000 p.a.

3.17 Indeed, it can be generally concluded that the higher the rental value of the premises the less reliable (and less predictable) is the Gross Value, i.e. the further the Gross Value may depart from not only the statutory definition but also from the predicted 80% level.

3.18 It is interesting to note, however, that when all the data is used there is a significant increase in the correlation coefficient (from 0.83 and 0.7 to 0.95) whilst at the same time there is a lowering of the slope factor to 0.8.

3.19 Graph plots of the two sets of data and the combined results are attached in Annexure 2.3 as Tables A2, A3 and A4. On these graphs the regression line is printed as a solid line and the broken lines indicate the 95% confidence levels.

3.20 Table A2 is the plot of the regression of the RPI adjusted rents (originally up to £10,000) against Agreed GV; Table A3 is the plot of the regression of the RPI adjusted rents (originally over £10,000) against Agreed GV; and Table A4 shows the plot of the combined data sets against Agreed GV.

3.21 From Table A4 it can be seen that the majority of the plotted GVs are contained within a very tight area at the lower end of the rent axis. However, over one third of the plotted GVs in the higher rent ranges fall outside the 95% confidence lines. Although the reasons for these outlying values cannot be specifically determined without access to the confidential files of both the individual property occupier and the Inland Revenue Valuation Office and/or inspection of the property, it would appear, from a superficial examination of the raw data, that two explanations are possible.

3.22 Firstly, the actual lease rents passing on the properties under consideration were fixed during a period of six consecutive years and, as a result, significant changes may have taken place in neighbourhood quality or individual structural

condition during the intervening years prior to the inspection for assessment to Gross Value immediately prior to the 1973 Revaluation.

3.23 Secondly, the basis of the inflation adjusting, being index linked is, of necessity, a generalisation. Where the trend is one of increasing prices (as it was during the period under consideration) it follows that all rents will be increased.

3,24 This, of itself, is a factor contributing errors to the analysis because it is quite obvious that, as mentioned above, some rents may have decreased and some may have risen only by a proportion of the indexed increase. A more significant disturbance factor resulting from the use of index linking is that any minor discrepancies or deviations from the relationship will be implied by the application of index adjustment and, quite naturally, these deviations from predictable values will be more noticeable in higher values of rent than in the lower. This is borne out by the scatter shown on the three graphs and is obviously a factor to keep in mind when generalising the results.

4 Conclusion

4.1 The objective of both the proposed survey and the analyses was to test the validity of the statutory basis of valuation for rating in connection with retail premises. The main concern was that there should be a demonstrable consistancy in the relationship between the rental value of premises and the assessed Gross Value for rating purposes.

4.2 The analyses of the results of the various regressions indicated some slight variations in the results for the different sets of data, the majority of which could be explained with a general knowledge of the rating system and the statistical techniques used. A graph plot of the final results of the regression of the RPI adjusted data showing the regression line and the 95% confidence lines also supported the conclusions that i/ the results were consistent with the requirements of the statutory definition subject, only, to the level of assessment of Gross Value being approximately 80% of the rental value and not 100% as prescribed, and ii/ it was, therefore, safe to proceed to the main research in the knowledge that Gross Values can be

utilised as a method of estimating rental values for all shops in a town centre by proportionate calculation from sampled rents; all properties having a listed Gross Value.

4.3 A critical review of the results of the regression analysis was made in an attempt to explain the data lying outside the 95% confidence line. No single factor (size, condition, value or geographic location) was consistently present in any explanation of an individual relationship differing from that predicted. Autocorrelation did not appear to be present in any of the results lying within the 95% confidence limits and the R^2 values were, therefore, deemed acceptable.

References

1. K Shoe Shops Ltd. v Hardy (V.O.), Saxone Shoe Co. Ltd. v Hardy (V.O.), 1983 H.L.

2. General Rate Act, 1967, Section 20

ANNEXURE 2.1

CONTENTS

Your ref :

Our ref : 8011 RB.ab

Date : As postmark

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone . 0772. 51831

Head of School :
T M Ryan BSc(EstMan), FRICS, FIQS

Dear Sir/Madam,

I am writing to you to request your assistance in a small piece of research which is in progress in the Preston area and which is the fore-runner of a major national research project on the effect of large scale shopping redevelopment schemes on the value of existing shops.

This primary research is to test whether the relationship between Rateable Value and rentals actually passing really exists. Rateable Value is supposedly the rent which a hypothetical tenant might pay for the premises and this survey proposes to test the validity of this relationship.

In order to do this, a completely random selection of retail premises in the Preston area has been made and as the occupier of one of the sample properties I hope that you will be prepared to give up a few moments of your valuable time to complete and return the attached questionnaire. A stamped addressed envelope is enclosed for your convenience.

If you have any queries regarding its completion please do not hesitate to contact me and may I assure you that any information that you might give will be treated in the strictest confidence and will only be used in the form of a statistical summary; the questionnaire forms will be destroyed after abstraction of the relevant statistics.

Thanking you in anticipation of your co-operation in this matter, I remain

Yours faithfully,

Ronald Barham. A.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.)
Senior Lecturer in Valuation Techniques

Enc.

CONFIDENTIAL

RENT/RATING VALUES QUESTIONNAIRE

PROPERTY _____ PRESTON

SECTION 1

NOTES on Completion and Definitions

1. Please circle or tick answers where alternatives are given

   e.g. Yes / ~~No~~ or Yes / (No) = No

2. If you are an owner occupier please ignore all questions relating to rent, i.e. Section 3, but complete the remainder.

3. The term "owner" includes the owner of a long leasehold interest.

4. An "interest" in a property includes a freehold or a leasehold or a tenancy.

5. A tenant or leaseholder acquiring an 'interest' in a property is sometimes asked to pay a premium (a cash payment) at the beginning of the term in addition to agreeing to pay rent. Such payments should be treated as "acquisition price" (See question 3a in Section 2).

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone : 0772. 51831

SECTION 2

1 a. Is this property used solely for the sale of goods by retail? Yes / No

b. If not, please state other uses carried on at the premises and the approximate percentage of total floorspace given over to such uses.

Use	% Floorspace

2 a. Are you the owner of the property or a tenant? Owner / Tenant

b. Are you the occupier of the premises Yes / No

c. If so, please state the approximate date that you took possession of the premises. Month / Year

3 a. What price (if any) did you pay to acquire your interest in this property? £

b. What was the approximate date of your acquisition? Month / Year

c. Did the price include the cost of any items other than the purchase of the interest in the property? If so, please indicate what the other items were included and their approximate value.

	£
	£
	£

4 a. Have you carried out any improvements or extensions to the premises? Yes / No

b. If yes, please indicate the nature of the improvements and the approximate cost and the year.

Year	Cost
	£
	£
	£

SECTION 3

1 a. What was the rent at the date you acquired your interest in the premises? (per annum)

Rent £ _____ Rates incl.

b. Has the rent of the premises been increased at any time since you acquired your interest in the premises?

Yes / No

c. If yes, please indicate the year and the amount to which the rent was increased.

Year	Rent	
_____	£	incl.
_____	£	incl.
_____	£	incl.

If any of these rents include rates please indicate which by ticking 'inc.' next to the rental amount.

2 a. What are the repairing terms of the tenancy or lease?

Please tick one

i tenant carrying out all repairs — i

ii landlord carrying out all repairs — ii

iii landlord doing external repairs and tenant doing internal repairs — iii

iv other terms (please state) _____ — iv

_____

_____

_____

b. Who is responsible for the fire insurance of the building (not contents)?

Landlord / Tenant

3 a. Have the repairing or insuring provisions been changed during the period that you have held an interest in the property? (e.g. on the grant of a new tenancy)

Yes / No

b. If yes, please state when and in what respect:

_____

_____

_____

SECTION 4

1 Did the premises exist as a retail shop in 1955? Yes / No

2 If yes, and you have not held an interest in the premises during the period 1955 to date please indicate the name and current address (if known) of the previous owner or occupier.

_____

_____

_____

3 If the information requested in Question 2 is not available would you please indicate the name and address of the estate agent or solicitor involved in the transaction and through whom you acquired your interest in the property.

_____

_____

_____

THANK YOU VERY MUCH FOR TAKING THE TIME AND TROUBLE TO COMPLETE THIS QUESTIONNAIRE.

THE INFORMATION GIVEN WILL BE TREATED IN THE STRICTEST CONFIDENCE AND WILL ONLY BE USED IN STATISTICAL SUMMARY FORM.

::::::::::

Your ref :

Our ref : 8011 RB.ab

Date : As postmark

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone : 0772. 51831

Head of School :
T M Ryan BSc(EstMan), FRICS, FIQS

Dear Sir(s)/Madam.

You may recall that, early in January this year, a questionnaire was forwarded to you together with a request for your assistance in a research project intended, nationally, to assist the occupier of retail premises.

As no return has been received in respect of your premises, and on the assumption that the original questionnaire has been mislaid, I am taking the liberty of enclosing a duplicate. Might I, once again, ask for your assistance in giving the information requested; it will only take a few minutes of your time and the information on rent and rates will enable an informed appraisal of the present system of valuation to be put forward.

The Polytechnic relies heavily upon the co-operation of local businesses in such matters and, as this is a very important topic, please help us to help you. Please return the completed questionnaire at the earliest opportunity.

In conclusion, might I once again assure you of complete confidentiality and of the destruction of the forms once the numerical content has been statistically analysed.

I thank you in anticipation of your co-operation in this matter.

Yours faithfully,

Ronald Barham, A.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.)
Senior Lecturer in Valuation Techniques

Encl.

CONTENTS

ORIGINAL TONOGRAM

(COURTESY OF MESSRS. GERALD EVE & CO.)

CONTENTS

Regression of Rents Fixed During 1967 to 1972 Against Agreed GV's (GV in List)

Description	Intercept	Slope	Std. Error	Correlation Factor (R)	R^2
Original Rents up to £10,000					
Unadjusted Rents	91	1.00201	1432	0.85757	0.73543
RPI Adjusted Rents	-120	0.83305	1274	0.88903	0.79038
HPRI Adjusted Rents	94	0.53774	1375	0.86936	0.75578
CIRI Adjusted Rents	-98	0.77036	1294	0.85535	0.78384
Original Rents Over £10,000					
Unadjusted Rents	5374	0.72542	5658	0.78995	0.62401
RPI Adjusted Rents	3057	0.70847	4760	0.85667	0.73389
HPRI Adjusted Rents	3405	0.54961	4544	0.87036	0.75752
CIRI Adjusted Rents	2977	0.65587	4826	0.85235	0.72649
All Rents (All Data)					
Unadjusted Rents	725	0.90755	3159	0.93100	0.86677
RPI Adjusted Rents	177	0.80522	2606	0.95358	0.90932
HPRI Adjusted Rents	-249	0.63651	2647	0.95206	0.90641
CIRI Adjusted Rents	199	0.74237	2635	0.95252	0.90729

All with Zero Significance of R

TABLE A1

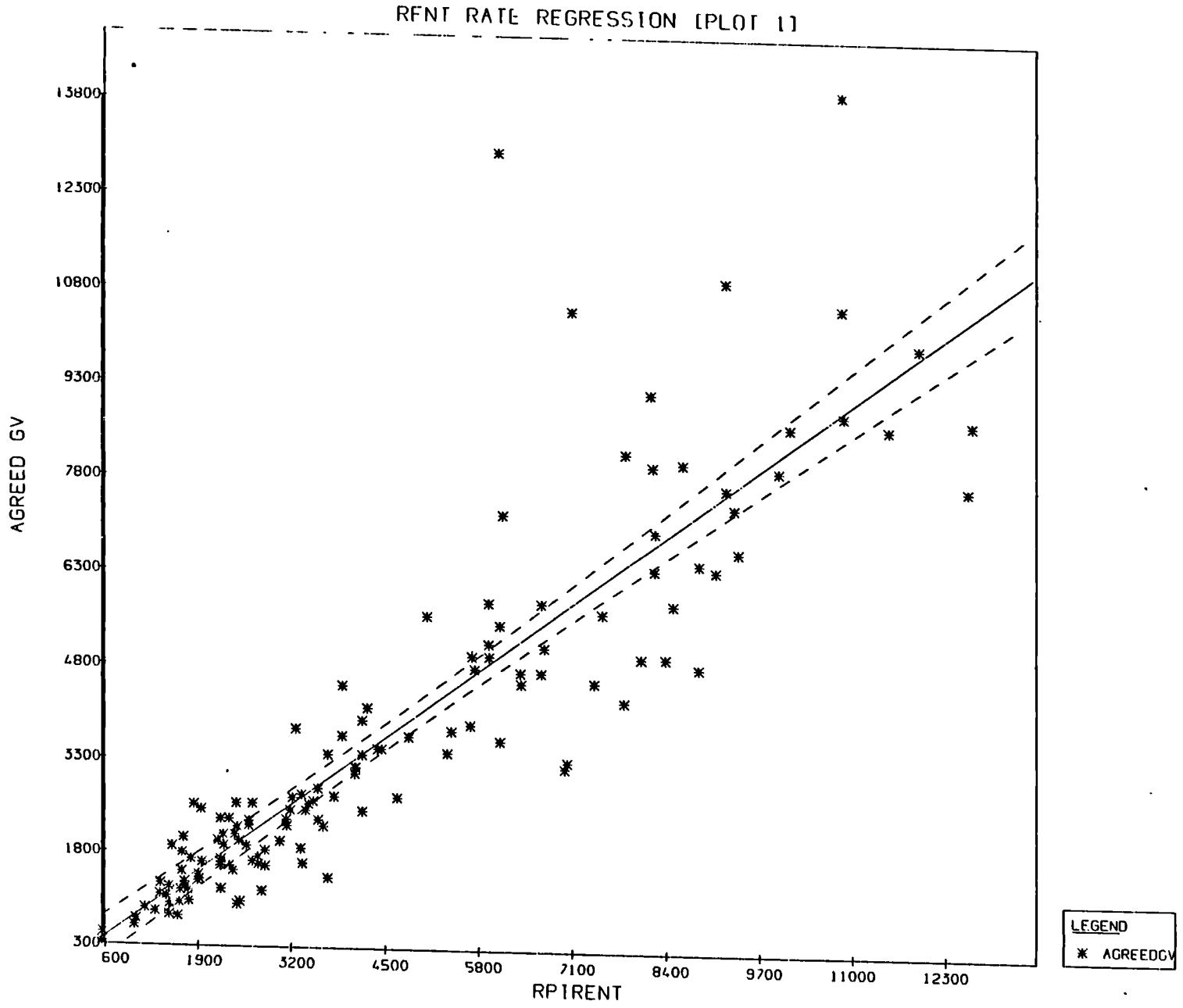

RENT RATE REGRESSION (PLOT 1)
AGREED GV
13800
12300
10800
9300
7800
6300
4800
3300
1800
300
600
1900
3200
4500
5800
7100
8400
9700
11000
12300
RPIRENT
LEGEND
AGREEDGV

TABLE A2

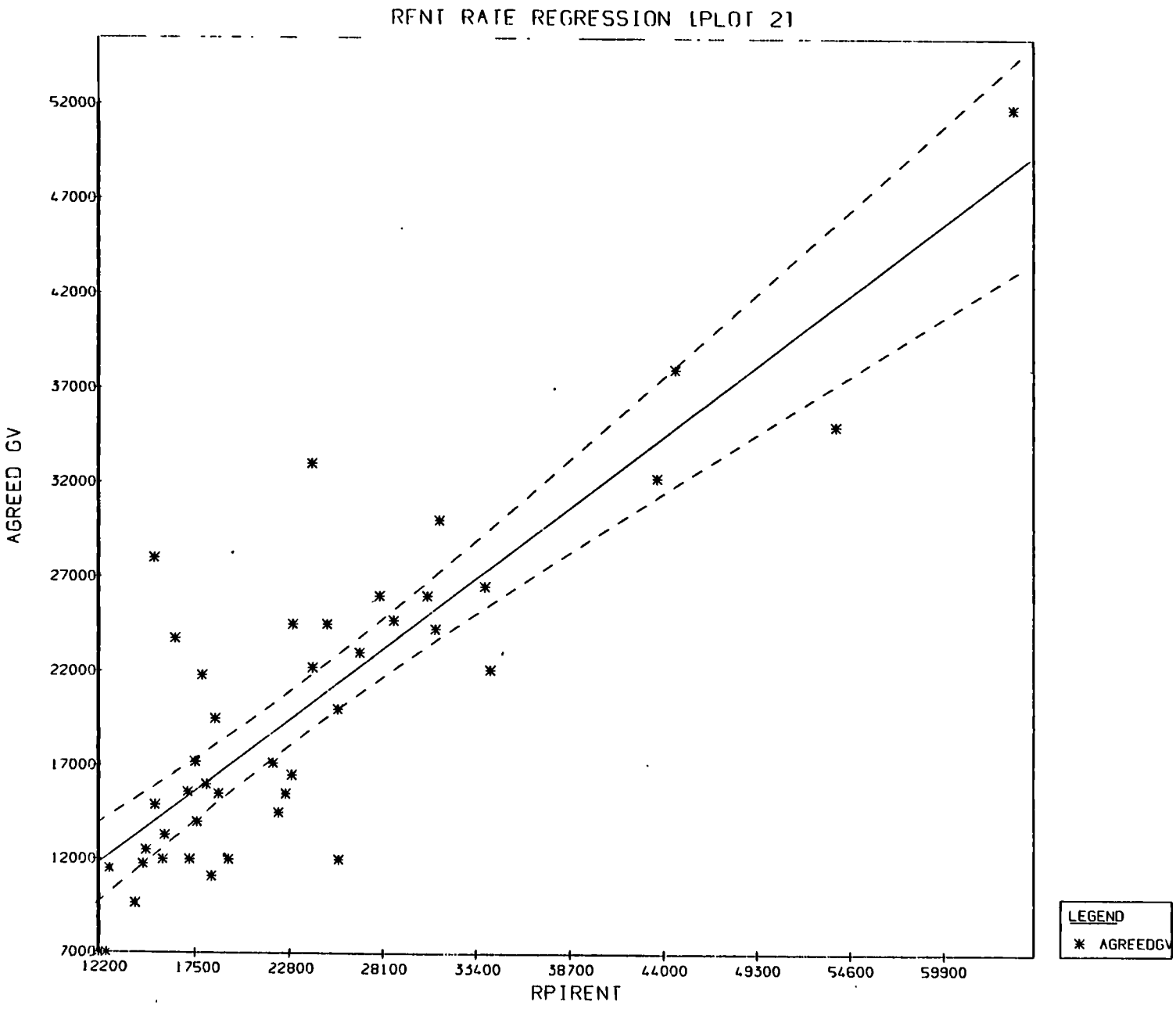

RENT RATE REGRESSION (PLOT 21
AGREED GV
52000
47000
42000
37000
32000
27000
22000
17000
12000
7000
12200
17500
22800
28100
33400
38700
44000
49300
54600
59900
RPIRENT
LEGEND
AGREEDGV

TABLE A3

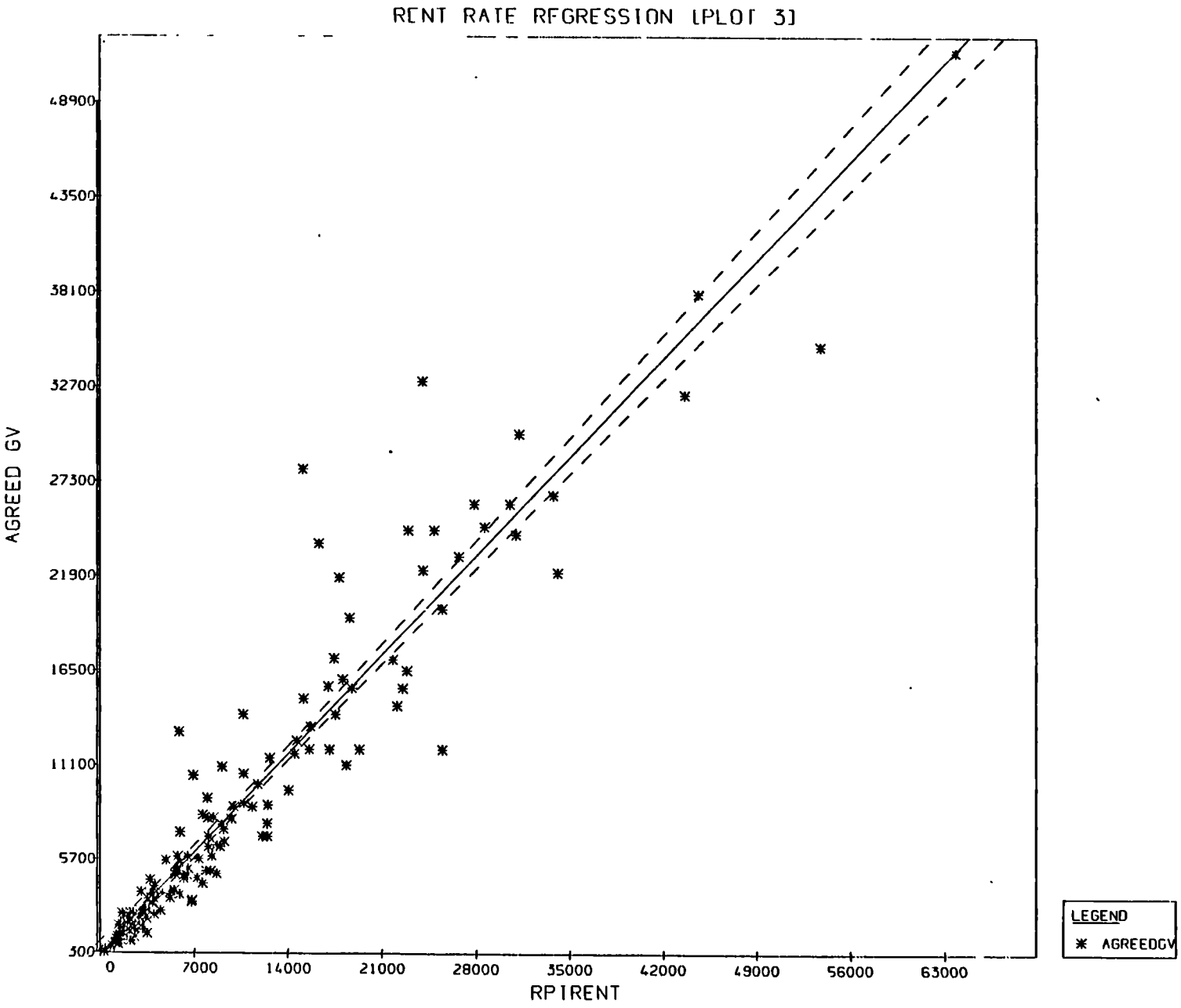

RENT RATE REGRESSION (PLOT 3)
AGREED GV
48900
43500
38100
32700
27300
21900
16500
11100
5700
300
0
7000
14000
21000
28000
35000
42000
49000
56000
63000
RPIRENT
LEGEND
AGREEDGV

TABLE A4

CONTENTS

Regression Analysis of Unadjusted Rents/Proposed GV's

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-1156	1.99942	1215	0.93074	0.86628
68	-798	1.63216	2692	0.96388	0.92906
69	-1081	1.57747	2286	0.97298	0.94669
70	401	1.15386	2360	0.95653	0.91494
71	-111	1.06303	3242	0.93304	0.87056
72	-111	0.97428	3189	0.96173	0.92492
67/68	-570	1.62542	2174	0.96617	0.93349
68/69	-989	1.60150	2407	0.96990	0.94070
69/70	-258	1.33719	2675	0.95362	0.90940
70/71	259	1.07832	2889	0.94223	0.88780
71/72	68	1.00112	3232	0.94799	0.89869
67 to 69	-805	1.59416	2234	0.96925	0.93945
68 to 70	-298	1.39637	2790	0.95204	0.90638
69 to 71	-34	1.17424	3140	0.93698	0.87793
70 to 72	366	1.01201	3052	0.94825	0.89918
67 to 70	-230	1.39578	2651	0.95205	0.90639
68 to 71	-1	1.21675	3296	0.93205	0.86872
69 to 72	272	1.06549	3336	0.93868	0.88113
67 to 71	66	1.21502	3175	0.93287	0.87024
68 to 72	375	1.09085	3527	0.93111	0.86696
67 to 72 All Data	421	1.09003	3421	0.93197	0.86856

TABLE B1

Regression Analysis of RPI
Rent/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-1156	1.33071	1215	0.93073	0.86626
68	-772	1.13618	2699	0.96368	0.92869
69	-1081	1.15888	2287	0.97297	0.94668
70	400	0.90174	2360	0.95653	0.91494
71	-111	0.90897	3242	0.93304	0.87056
72	-110	0.89227	3189	0.96173	0.92492
67/68	-657	1.13604	2160	0.96661	0.93434
68/69	-992	1.15186	2390	0.97034	0.94157
69/70	-305	1.02211	2533	0.95852	0.91876
70/71	191	0.90006	2824	0.94489	0.89282
71/72	-79	0.89819	3175	0.94984	0.90219
67 to 69	-886	1.14984	2198	0.97024	0.94137
68 to 70	-378	1.04847	2575	0.95929	0.92024
69 to 71	-211	0.96573	2848	0.94847	0.89960
70 to 72	136	0.89367	2914	0.95294	0.90811
67 to 70	-365	1.05002	2440	0.95952	0.92068
68 to 71	-261	0.98880	2871	0.94887	0.90036
69 to 72	-96	0.93316	2941	0.95269	0.90762
67 to 71	-240	0.98934	2760	0.94968	0.90189
68 to 72	-112	0.94960	2974	0.95153	0.90541
67 to 72 All Data	-97	0.95000	2880	0.95226	0.90680

TABLE B2

Regression Analysis of HPRI Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-1156	0.66889	1215	0.93075	0.86630
68	-773	0.62271	2696	0.96376	0.92883
69	-1081	0.67714	2286	0.97298	0.94669
70	399	0.66689	2360	0.95651	0.91492
71	-111	0.76987	3242	0.93304	0.87056
72	-110	0.85045	3189	0.96173	0.92492
67/68	-847	0.62613	2139	0.96726	0.93559
68/69	-976	0.65333	2428	0.96936	0.93966
69/70	-279	0.66849	2395	0.96299	0.92736
70/71	206	0.72217	2892	0.94214	0.88762
71/72	-210	0.81431	3253	0.94727	0.89733
67 to 69	-1001	0.65415	2217	0.96971	0.94034
68 to 70	-316	0.64930	2490	0.96197	0.92539
69 to 71	-140	0.70311	2838	0.94883	0.90028
70 to 72	22	0.77279	3101	0.94653	0.89591
67 to 70	-443	0.65225	2364	0.96204	0.92553
68 to 71	-129	0.67861	2905	0.94765	0.89805
69 to 72	-174	0.74454	3112	0.94688	0.89658
67 to 71	-275	0.68208	2800	0.94820	0.89908
68 to 72	-135	0.71678	3209	0.94331	0.88984
67 to 72 All Data	-280	0.72006	3117	0.94387	0.89089

TABLE B3

Regression Analysis of CIRI Rents/Proposed GVs

Year(s)	Intercept	Slope	Std. Error	Correlation (R)	R^2
67	-1165	1.25279	1227	0.92930	0.86360
68	-773	1.05928	2696	0.96376	0.92883
69	-1081	1.09387	2286	0.97298	0.94669
70	400	0.84223	2360	0.95652	0.91494
71	-92	0.82173	3242	0.93305	0.87058
72	-110	0.82494	3189	0.96173	0.92492
67/68	-641	1.05861	2163	0.96649	0.93410
68/69	-992	1.08142	2390	0.97032	0.94152
69/70	-299	0.95856	2554	0.95780	0.91737
70/71	216	0.82196	2837	0.94437	0.89183
71/72	-105	0.82369	3172	0.94993	0.90236
67 to 69	-886	1.07920	2200	0.97018	0.94125
68 to 70	-374	0.98195	2586	0.95893	0.91955
69 to 71	-167	0.88635	2913	0.94600	0.89491
70 to 72	138	0.82129	2920	0.95275	0.90773
67 to 70	-361	0.98338	2451	0.95913	0.91994
68 to 71	-216	0.90910	2939	0.94637	0.89562
69 to 72	-69	0.85903	2985	0.95122	0.90482
67 to 71	-192	0.90952	2826	0.94720	0.89719
68 to 72	-81	0.87480	3021	0.94992	0.90234
67 to 72 All Data	-63	0.87506	2927	0.95065	0.90373

TABLE B4

Regression Analysis of Unadjusted Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-453	1.46694	739	0.95082	0.90406
68	-534	1.48771	2523	0.96191	0.92527
69	-428	1.30242	2328	0.95979	0.92112
70	202	1.06178	2162	0.95690	0.91565
71	-213	0.97002	2848	0.93644	0.87692
72	-143	0.80535	2356	0.97872	0.95790
67/68	-509	1.48544	1899	0.96803	0.93708
68/69	-433	1.37335	2454	0.95824	0.91822
69/70	-65	1.16520	2358	0.95260	0.90744
70/71	91	0.98751	2586	0.94399	0.8911
71/72	301	0.83804	2843	0.95586	0.91366
67 to 69	-379	1.37112	2189	0.96009	0.92177
68 to 70	-87	1.23054	2564	0.94816	0.89900
69 to 71	30	1.04446	2713	0.93973	0.88309
70 to 72	515	0.85537	2798	0.95146	0.90528
67 to 70	-60	1.23046	2391	0.94955	0.90164
68 to 71	85	1.08552	2935	0.93183	0.86831
69 to 72	563	0.88652	3013	0.94106	0.88559
67 to 71	130	1.08414	2795	0.93369	0.87177
68 to 72	716	0.90710	3284	0.92939	0.86376
67 to 72 All Data	725	0.90755	3159	0.93100	0.86677

TABLE B5

Regression Analysis of RPI
Rents/Agreed GVs (GV in list)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-459	0.97925	732	0.95186	0.90604
68	-509	1.03558	2531	0.96167	0.92481
69	-428	0.95682	2328	0.95975	0.92112
70	202	0.82978	2162	0.95690	0.91565
71	-213	0.82943	2848	0.93644	0.87692
72	-143	0.73756	2356	0.97872	0.95790
67/68	-588	1.03756	1906	0.96777	0.93659
68/69	-450	0.98960	2389	0.96046	0.92249
69/70	-96	0.88914	2277	0.95588	0.91370
70/71	31	0.82435	2521	0.94685	0.89652
71/72	93	0.75970	2701	0.96024	0.92206
67 to 69	-463	0.98998	2129	0.96227	0.92596
68 to 70	-157	0.92404	2381	0.95546	0.91291
69 to 71	-104	0.85668	2507	0.94879	0.90021
70 to 72	218	0.7662	2553	0.95973	0.92108
67 to 70	-182	0.92547	2218	0.95671	0.91530
68 to 71	-133	0.88118	2581	0.94771	0.89816
69 to 72	159	0.78824	2602	0.95641	0.91471
67 to 71	-135	0.88173	2455	0.94928	0.90114
68 to 72	187	0.80443	2712	0.95241	0.90708
67 to 72 All Data	177	0.80522	2606	0.95358	0.90932

TABLE B6

Regression Analysis of HPRI
Rents/Agreed GVs (GV in list)

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-453	0.49074	739	0.95082	0.90406
68	-510	0.56760	2528	0.96177	0.92501
69	-427	0.55907	2328	0.95975	0.92113
70	201	0.61367	2162	0.95689	0.91563
71	-213	0.70250	2848	0.93644	0.87692
72	-143	0.70299	2356	0.97872	0.95790
67/68	-766	0.57110	1930	0.96693	0.93496
68/69	-453	0.56260	2352	0.96170	0.92487
69/70	-34	0.57783	2318	0.95423	0.91055
70/71	46	0.66153	2577	0.94439	0.89188
71/72	-186	0.70305	2601	0.96318	0.92771
67 to 69	-581	0.56410	2113	0.96285	0.92709
68 to 70	-93	0.57138	2349	0.95668	0.91524
69 to 71	21	0.61871	2669	0.94175	0.88690
70 to 72	-82	0.68248	2510	0.96112	0.92375
67 to 70	-247	0.57348	2216	0.95680	0.91546
68 to 71	17	0.60255	2684	0.94334	0.88988
69 to 72	-117	0.65089	2669	0.95408	0.91026
67 to 71	-140	0.60519	2584	0.94364	0.89046
68 to 72	-110	0.63426	2724	0.95198	0.90628
67 to 72 All Data	-249	0.63651	2647	0.95206	0.90641

TABLE B7

Regression Analysis of CIRI
Rents/ Agreed GVs (GV in list)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-464	0.92054	743	0.95036	0.90318
68	-510	0.96552	2528	0.96177	0.92501
69	-428	0.90314	2328	0.95975	0.92113
70	202	0.77502	2162	0.95689	0.91565
71	-195	0.74980	2849	0.93639	0.87682
72	-143	0.68190	2356	0.97872	0.95790
67/68	-575	0.96702	1904	0.96783	0.93669
68/69	-453	0.92951	2377	0.96088	0.92328
69/70	-92	0.83409	2288	0.95542	0.91284
70/71	54	0.75276	2536	0.94621	0.89532
71/72	42	0.69917	2669	0.96121	0.92393
67 to 69	-466	0.92987	2119	0.96263	0.92665
68 to 70	-157	0.86571	2382	0.95543	0.91285
69 to 71	-71	0.78680	2551	0.94694	0.89669
70 to 72	206	0.70586	2546	0.95997	0.92155
67 to 70	-181	0.86704	2220	0.95666	0.91520
68 to 71	-98	0.81055	2630	0.94565	0.89425
69 to 72	172	0.72653	2625	0.95561	0.91318
67 to 71	-97	0.81099	2501	0.94727	0.89732
68 to 72	206	0.74173	2742	0.95133	0.90503
67 to 72 All Data	199	0.74237	2635	0.95252	0.90729

TABLE B8

(Original Rents Up To £10,000)

Regression Analysis of Unadjusted Rents/Proposed GV's

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-1156	1.99942	1215	0.93074	0.86628
68	-240	1.36406	1061	0.91764	0.84206
69	-474	1.35311	1575	0.89808	0.80654
70	-429	1.35093	1849	0.88480	0.78287
71	19	0.91015	1085	0.92189	0.84988
72	166	0.89640	810	0.93694	0.87785
67/68	-575	1.59320	1262	0.90163	0.81294
68/69	-384	1.34918	1426	0.90095	0.81172
69/70	-453	1.35328	1695	0.89101	0.79390
70/71	-152	1.13588	1785	0.86067	0.74075
71/72	83	0.90441	952	0.92696	0.85925
67 to 69	-353	1.39155	1462	0.89352	0.79838
68 to 70	-401	1.34927	1599	0.89331	0.79801
69 to 71	-214	1.19332	1728	0.86891	0.75500
70 to 72	-116	1.08791	1632	0.86357	0.74575
67 to 70	-350	1.36561	1598	0.89030	0.79264
68 to 71	-163	1.19614	1662	0.87074	0.75818
69 to 72	-172	1.14634	1649	0.86677	0.75128
67 to 71	-113	1.20918	1676	0.86655	0.75090
68 to 72	-121	1.16947	1605	0.86759	0.75272
67 to 72 All Data	-70	1.16013	1632	0.86228	0.74353

TABLE B9

(Original Rents Up To £10,000)

Regression Analysis of RPI Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-1156	1.33071	1215	0.93073	0.86626
68	-218	0.94966	1084	0.91386	0.83514
69	-473	0.99383	1575	0.89804	0.80648
70	-429	1.05574	1849	0.88480	0.78288
71	19	0.77825	1085	0.92190	0.84990
72	166	0.82096	810	0.93693	0.87784
67/68	-639	1.10696	1222	0.90819	0.82480
68/69	-413	0.98485	1427	0.90088	0.81159
69/70	-458	1.02761	1707	0.88940	0.79103
70/71	-253	0.94310	1679	0.87788	0.77067
71/72	126	0.78673	968	0.92442	0.85455
67 to 69	-467	1.02053	1416	0.90050	0.81090
68 to 70	-441	1.02071	1611	0.89162	0.79449
69 to 71	-330	0.96054	1627	0.88489	0.78303
70 to 72	-189	0.92409	1509	0.88472	0.78274
67 to 70	-472	1.03851	1572	0.89412	0.79945
68 to 71	-316	0.95933	1560	0.88710	0.78696
69 to 72	-276	0.94530	1517	0.88860	0.78961
67 to 71	-340	0.97518	1544	0.88801	0.78856
68 to 72	-267	0.94523	1470	0.89030	0.79264
67 to 72 All Data	-295	0.96046	1467	0.89038	0.79278

TABLE B10

(Original Rents Up To £10,000)

Regression Analysis of HPRI
Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-1156	0.66889	1215	0.93075	0.86630
68	-218	0.52052	1085	0.91384	0.83511
69	-474	0.58084	1575	0.89807	0.80653
70	-431	0.78091	1850	0.88476	0.78280
71	19	0.65915	1085	0.92188	0.84986
72	166	0.78249	810	0.93695	0.87788
67/68	-727	0.59473	1158	0.91791	0.84257
68/69	-440	0.56881	1435	0.89972	0.80950
69/70	-206	0.63979	1915	0.85845	0.73694
70/71	-294	0.74251	1580	0.89268	0.79688
71/72	255	0.67350	1038	0.91251	0.83268
67 to 69	-592	0.58714	1379	0.90595	0.82074
68 to 70	-225	0.62146	1838	0.85624	0.73315
69 to 71	-106	0.63833	1728	0.86899	0.75515
70 to 72	-83	0.73342	1447	0.89454	0.80021
67 to 70	-378	0.62975	1763	0.86473	0.74775
68 to 71	-113	0.62079	1696	0.86500	0.74823
69 to 72	101	0.63114	1646	0.86738	0.75235
67 to 71	-242	0.62695	1655	0.87009	0.75706
68 to 72	96	0.61287	1636	0.86200	0.74305
67 to 72 All Data	-27	0.61794	1615	0.86543	0.74897

TABLE B11

(Original Rents Up To £10,000)

Regression Analysis of CIRI Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-1165	1.25279	1227	0.92930	0.86360
68	-218	0.88545	1085	0.91384	0.83510
69	-474	0.93825	1575	0.89807	0.80653
70	-429	0.98608	1849	0.88479	0.78286
71	41	0.70282	1090	0.92121	0.84863
72	166	0.75892	810	0.93693	0.87784
67/68	-631	1.03365	1236	0.90598	0.82081
68/69	-420	0.92805	1427	0.90086	0.81155
69/70	-459	0.96496	1703	0.88988	0.79188
70/71	-216	0.86353	1712	0.87259	0.76141
71/72	155	0.71395	978	0.92270	0.85138
67 to 69	-475	0.96157	1418	0.90023	0.81042
68 to 70	-444	0.95794	1609	0.89197	0.79561
69 to 71	-300	0.88791	1652	0.88096	0.77610
70 to 72	-159	0.84743	1535	0.88028	0.77490
67 to 70	-474	0.97457	1572	0.89416	0.79953
68 to 71	-288	0.88732	1584	0.88346	0.78050
69 to 72	-252	0.87388	1540	0.88496	0.78316
67 to 71	-310	0.90217	1569	0.88417	0.78176
68 to 72	-244	0.87425	1491	0.88689	0.78657
67 to 72 All Data	-269	0.88842	1490	0.88673	0.78630

TABLE B12

(Original Rents Up To £10,000)

Regression Analysis of Unadjusted Rents/Agreed GVs (GV in list)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-453	1.46694	739	0.95082	0.90406
68	-429	1.37693	889	0.94110	0.88567
69	-285	1.20608	1309	0.90966	0.82748
70	-184	1.13971	1868	0.84588	0.71552
71	121	0.81605	789	0.94462	0.89232
72	321	0.72329	568	0.95120	0.90477
67/68	-402	1.40481	790	0.94571	0.89437
68/69	-249	1.22734	1203	0.91303	0.83362
69/70	-220	1.16700	1600	0.87352	0.76304
70/71	7	0.97907	1624	0.84653	0.71662
71/72	179	0.78457	702	0.94667	0.89239
67 to 69	-202	1.24096	1119	0.91719	0.84124
68 to 70	-188	1.17749	1512	0.87810	0.77105
69 to 71	-39	1.03769	1550	0.86142	0.74204
70 to 72	39	0.92846	1487	0.84743	0.71814
67 to 70	-141	1.18324	1429	0.88342	0.78042
68 to 71	0	1.04799	1505	0.86302	0.74481
69 to 72	-2	0.98828	1489	0.85580	0.73239
67 to 71	48	1.05342	1454	0.86618	0.75027
68 to 72	41	0.99771	1465	0.85580	0.73239
67 to 72 All Data	91	1.00201	1432	0.85757	0.73543

TABLE B13

(Original Rents Up To £10,000)

Regression Analysis of RPI
Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-459	0.97925	732	0.95186	0.90604
68	-408	0.95903	914	0.93764	0.87916
69	-284	0.88587	1309	0.90965	0.82746
70	-184	0.89067	1868	0.84589	0.71552
71	121	0.69778	789	0.94463	0.89232
72	321	0.66242	568	0.95119	0.90476
67/68	-432	0.96794	788	0.94596	0.89485
68/69	-283	0.89746	1193	0.91454	0.83638
69/70	-235	0.88876	1597	0.87392	0.76374
70/71	-68	0.81129	1552	0.86110	0.74149
71/72	199	0.68544	689	0.94675	0.89633
67 to 69	-295	0.90666	1089	0.92171	0.84954
68 to 70	-241	0.89465	1499	0.88027	0.77487
69 to 71	-142	0.83654	1462	0.87779	0.77051
70 to 72	-26	0.78969	1386	0.86906	0.75526
67 to 70	-254	0.90031	1401	0.88822	0.78893
68 to 71	-144	0.84391	1404	0.88191	0.77776
69 to 72	-107	0.81889	1361	0.88107	0.77629
67 to 71	-153	0.85203	1339	0.88778	0.78815
68 to 72	-111	0.82663	1323	0.88424	0.78188
67 to 72 All Data	-120	0.83305	1274	0.88903	0.79038

TABLE B14

(Original Rents Up To £10,000)

Regression Analysis of HPRI
Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-473	0.49074	739	0.95082	0.90406
68	-408	0.52567	914	0.93762	0.87914
69	-285	0.51772	1309	0.90966	0.82747
70	-186	0.65880	1868	0.84584	0.71545
71	121	0.59100	789	0.94461	0.89229
72	321	0.63138	568	0.95122	0.90482
67/68	-450	0.51031	811	0.94277	0.88882
68/69	-317	0.51953	1187	0.91545	0.83805
69/70	-52	0.55820	1726	0.85091	0.72405
70/71	-83	0.63662	1494	0.87199	0.76036
71/72	287	0.59090	717	0.94216	0.88766
67 to 69	-380	0.51673	1092	0.92117	0.84855
68 to 70	-108	0.55218	1628	0.85693	0.73432
69 to 71	44	0.55871	1528	0.86555	0.74918
70 to 72	60	0.62785	1331	0.87981	0.77407
67 to 70	-187	0.54605	1546	0.86197	0.74299
68 to 71	3	0.55184	1478	0.86816	0.75370
69 to 72	187	0.55266	1426	0.86864	0.75453
67 to 71	-61	0.54520	1436	0.86965	0.75629
68 to 72	153	0.54496	1398	0.86975	0.75646
67 to 72 All Data	94	0.53774	1375	0.86936	0.75578

TABLE B15

(Original Rents Up To £10,000)

Regression Analysis of CIRI Rents/Agreed GVs (GV in List

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-464	0.92054	743	0.95036	0.90318
68	-408	0.89419	914	0.93761	0.87912
69	-285	0.83630	1309	0.90966	0.82747
70	-184	0.83190	1868	0.84587	0.71550
71	143	0.62966	798	0.94328	0.88977
72	321	0.61237	568	0.95120	0.90478
67/68	-430	0.90507	794	0.94513	0.89326
68/69	-291	0.84605	1191	0.91489	0.83703
69/70	-234	0.83425	1597	0.87404	0.76394
70/71	-39	0.74311	1575	0.85645	0.73351
71/72	222	0.62242	695	0.94581	0.89455
67 to 69	-304	0.85449	1088	0.92179	0.84970
68 to 70	-244	0.83949	1498	0.88046	0.77521
69 to 71	-116	0.77299	1484	0.87378	0.76349
70 to 72	-3	0.72442	1404	0.86519	0.74856
67 to 70	-256	0.84482	1401	0.88823	0.78896
68 to 71	-120	0.78024	1425	0.87815	0.77115
69 to 72	-85	0.75665	1382	0.87724	0.76956
67 to 71	-128	0.78648	1359	0.88404	0.78152
68 to 72	-90	0.76415	1342	0.88059	0.77545
67 to 72 All Data	-98	0.77036	1294	0.85535	0.78384

TABLE B16

(Original Rents Over £10,000)

Regression Analysis of Unadjusted Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-	-	-	-	-
68	4276	1.30658	4934	0.76124	0.57948
69	5788	1.33700	7975	0.93497	0.87418
70	18798	0.44935	1939	0.94036	0.88428
71	5590	0.78125	4751	0.69333	0.48071
72	-25	0.97225	5029	0.88987	0.79186
67/68	4276	1.30658	4934	0.76124	0.57948
68/69	3572	1.39410	4887	0.91062	0.82922
69/70	11256	0.89887	7448	0.77559	0.60154
70/71	5284	0.83959	4822	0.75750	0.57380
71/72	3025	0.87934	4851	0.82963	0.68828
67 to 69	3572	1.39410	4887	0.91062	0.82922
68 to 70	8935	0.99007	5756	0.82618	0.68257
69 to 71	3390	1.01713	6289	0.75487	0.56984
70 to 72	3412	0.88315	4951	0.82593	0.68216
67 to 70	8935	0.99007	5756	0.82618	0.68257
68 to 71	5833	0.93959	6208	0.71841	0.51611
69 to 72	3298	0.93703	6062	0.78851	0.62175
67 to 71	5833	0.93959	6208	0.71841	0.51611
68 to 72	5448	0.87143	6204	0.75130	0.56445
67 to 72 All Data	5448	0.87143	6204	0.75130	0.56445

TABLE B17

(Original Rents Over £10,000)

Regression Analysis of RPI Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-	-	-	-	-
68	4298	0.90947	4938	0.76080	0.57881
69	5787	0.98227	7974	0.93498	0.87419
70	18798	0.35117	1939	0.94036	0.88427
71	5590	0.66803	4751	0.69334	0.48072
72	-25	0.89042	5029	0.88987	0.79186
67/68	4298	0.90947	4938	0.76080	0.57881
68/69	2722	1.03067	5037	0.90476	0.81860
69/70	10062	0.72247	6826	0.81567	0.66531
70/71	5801	0.68083	4652	0.77671	0.60328
71/72	2314	0.81097	4803	0.83331	0.69440
67 to 69	2722	1.03067	5037	0.90476	0.81860
68 to 70	7111	0.80006	5429	0.84708	0.71754
69 to 71	3431	0.83355	5563	0.81450	0.66341
70 to 72	2993	0.78912	4777	0.83913	0.70414
67 to 70	7111	0.80006	5429	0.84708	0.71754
68 to 71	4199	0.82212	5349	0.80043	0.64069
69 to 72	2208	0.85135	5320	0.84180	0.70863
67 to 71	4199	0.82212	5349	0.80043	0.64069
68 to 72	3018	0.83643	5278	0.82573	0.68481
67 to 72 All Data	3018	0.83643	5278	0.82573	0.68481

TABLE B18

(Original Rents Over £10,000)

Regression Analysis of CIRI Rents/Proposed GVs

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-	-	-	-	-
68	4277	0.84878	4934	0.76123	0.57948
69	5787	0.92714	7974	0.93498	0.87419
70	18798	0.32799	1939	0.94037	0.88429
71	5590	0.60447	4751	0.69333	0.48070
72	-25	0.82322	5029	0.88987	0.79186
67/68	4277	0.84878	4934	0.76123	0.57948
68/69	2529	0.97365	5080	0.90301	0.81543
69/70	10243	0.67247	6931	0.80927	0.65492
70/71	5575	0.62965	4703	0.77115	0.59468
71/72	2139	0.74904	4805	0.83316	0.69415
67 to 69	2529	0.97365	5080	0.90301	0.81543
68 to 70	7104	0.74916	5494	0.84309	0.71081
69 to 71	3245	0.77136	5744	0.80070	0.64112
70 to 72	2770	0.73254	4792	0.83804	0.70231
67 to 70	7104	0.74916	5494	0.84309	0.71081
68 to 71	4183	0.75657	5520	0.78577	0.61743
69 to 72	2044	0.78939	5416	0.83548	0.69803
67 to 71	4183	0.75657	5520	0.78577	0.61743
68 to 72	2960	0.77287	5380	0.82006	0.67250
67 to 72 All Data	2960	0.77287	5380	0.82006	0.67250

TABLE B20

(Original Rents Over £10,000)

Regression Analysis Unadjusted Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Corre-lation (R)	R^2
67	-	-	-	-	-
68	5005	1.12588	4656	0.73125	0.53473
69	9228	0.93624	8872	0.85646	0.73353
70	15503	0.48675	271	0.99891	0.99782
71	3075	0.81037	4467	0.72790	0.52985
72	-984	0.83188	3604	0.95364	0.90943
67/68	5005	1.12588	4656	0.73125	0.53473
68/69	6767	1.02314	4929	0.84851	0.71998
69/70	11945	0.70976	5522	0.79454	0.63130
70/71	2910	0.85631	4482	0.78643	0.61848
71/72	2300	0.76625	4311	0.88589	0.78480
67 to 69	6767	1.02314	4929	0.84851	0.71998
68 to 70	9791	0.79618	4698	0.82223	0.67606
69 to 71	2842	0.91724	5398	0.77063	0.59387
70 to 72	2708	0.77302	4532	0.87309	0.76228
67 to 70	9791	0.79618	4698	0.82223	0.67606
68 to 71	5463	0.83151	5496	0.71827	0.51592
69 to 72	3391	0.77862	5379	0.83263	0.69328
67 to 71	5463	0.83151	5496	0.71827	0.51592
68 to 72	5374	0.72542	5658	0.78995	0.62401
67 to 72 All Data	5374	0.72542	5658	0.78995	0.62401

TABLE B21

(Original Rents Over £10,000)

Regression Analysis of RPI
Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-	-	-	-	-
68	5028	0.78345	4660	0.73061	0.53379
69	9227	0.68784	8872	0.85647	0.73354
70	15503	0.38040	271	0.99891	0.99782
71	3074	0.69293	4466	0.72791	0.52985
72	-985	0.76186	3604	0.95364	0.90943
67/68	5028	0.78345	4660	0.73061	0.53379
68/69	6106	0.75805	4983	0.84489	0.71383
69/70	11292	0.56082	5186	0.82146	0.67479
70/71	3502	0.69147	4325	0.80300	0.64480
71/72	1479	0.71556	4140	0.89528	0.80153
67 to 69	6106	0.75805	4983	0.84489	0.71383
68 to 70	8461	0.63789	4531	0.83584	0.69863
69 to 71	3157	0.73960	4871	0.81813	0.66933
70 to 72	1800	0.71463	4163	0.89413	0.79946
67 to 70	8461	0.63789	4531	0.83584	0.69863
68 to 71	4122	0.72284	4791	0.79509	0.63217
69 to 72	2049	0.72642	4646	0.87817	0.77119
67 to 71	4122	0.72284	4791	0.79509	0.63217
68 to 72	3057	0.70847	4760	0.85667	0.73389
67 to 72 All Data	3057	0.70847	4760	0.85667	0.73389

TABLE B22

(Original Rents Over £10,000)

Regression Analysis of HPRI
Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-	-	-	-	-
68	5005	0.42996	4656	0.73125	0.53473
69	9227	0.40189	8871	0.85647	0.73355
70	15503	0.28131	271	0.99891	0.99782
71	3075	0.58688	4467	0.72790	0.52984
72	-984	0.72615	3604	0.95364	0.90942
67/68	5005	0.42996	4656	0.73125	0.53473
68/69	5402	0.44377	5106	0.83637	0.69952
69/70	11293	0.36865	4604	0.86240	0.74373
70/71	4956	0.51364	4259	0.80960	0.65545
71/72	292	0.69103	4001	0.90256	0.81461
67 to 69	5402	0.44377	5106	0.83637	0.69952
68 to 70	7000	0.42388	4634	0.82756	0.68485
69 to 71	6150	0.46885	4459	0.85021	0.72285
70 to 72	1522	0.63917	4095	0.89773	0.80591
67 to 70	7000	0.42388	4634	0.82756	0.68485
68 to 71	6171	0.45069	4448	0.82639	0.68291
69 to 72	3180	0.57251	4454	0.88866	0.78972
67 to 71	6171	0.45069	4448	0.82639	0.68291
68 to 72	3405	0.54961	4544	0.87036	0.75752
67 to 72 All Data	3405	0.54961	4544	0.87036	0.75752

TABLE B23

(Original Rents Over £10,000)

Regression Analysis of CIRI Rents/Agreed GVs (GV in List)

Year(s)	Inter-cept	Slope	Std. Error	Correlation (R)	R^2
67	-	-	-	-	-
68	5005	0.73139	4656	0.73124	0.53472
69	9227	0.64924	8871	0.85648	0.73355
70	15503	0.35529	271	0.99891	0.99781
71	3075	0.62700	4467	0.72970	0.52984
72	-984	0.70436	3604	0.95364	0.90943
67/68	5005	0.73139	4656	0.73124	0.53472
68/69	5954	0.71656	4999	0.84378	0.71196
69/70	11386	0.52348	5240	0.81732	0.66801
70/71	3250	0.64041	4369	0.79839	0.63743
71/72	1237	0.66455	4097	0.89755	0.80560
67 to 69	5954	0.71656	4999	0.84378	0.71196
68 to 70	8428	0.59834	4563	0.83335	0.69447
69 to 71	2928	0.68694	4999	0.80723	0.65162
70 to 72	1567	0.66459	4150	0.89485	0.80075
67 to 70	8428	0.59834	4563	0.83335	0.69447
68 to 71	4071	0.66675	4920	0.78234	0.61205
69 to 72	1877	0.67476	4697	0.87530	0.76616
67 to 71	4071	0.66675	4920	0.78234	0.61205
68 to 72	2977	0.65587	4826	0.85235	0.72649
67 to 72 All Data	2977	0.65587	4826	0.85235	0.72649

TABLE B24

R E T A I L P R O P E R T Y

E X P E C T A T I O N S A N D R E N T S

RETAIL PROPERTY EXPECTATIONS AND RENTS

1 The Landlord's Rent Requirement

1.1 During work on the development of the value derivation model it became necessary to attempt to find out, in reality, how a landlord (investor) or a developer of property determines the rent required for a particular property. The specific questions that needed to be answered were:-

i (a) What criteria a developer/landlord used to determine the lowest rent at which a lease would be granted to a tenant on first letting, i.e. the lowest rent, or highest negative rent (i.e. no income but a liability to normal expenditure) acceptable to the landlord and for how long?

(b) What criteria would be applied to a similar calculation of the rent required on review or renewal? More particularly how does a landlord calculate the absolute minimum rent acceptable on review or renewal, bearing in mind

Landlord and Tenant legislation and lease provisions for the determination of review rents by arbitration or similar means?

ii When the economist would define a market rent as an equilibrium rent, how does the valuer, and the landlord, define 'market' rent?

1.2 These questions were put to a randomly selected set of 12 London based practices of commercial estate agents, chartered surveyors and valuers, each of which was known to be active in the retail development/investment market. Only two out of the four firms which responded in writing had any constructive comment to make; one other practice telephoned to discuss the research generally but did not feel inclined to commit its comments to paper. The following paragraphs are a composite of the responses, both written and verbal.

1.3 There is a very wide range of criteria affecting the landlord's decisions on rents, and particularly shop rents. The assessment of rent starts a long way before any first letting is contemplated. The exact procedure depends upon who is the landlord/developer. However, what is common to all developers is that there is at some

stage a study of the demand and of the need for shopping and an assessment of the number of shops or the total floor space that can be supported and the trades that are contemplated. What the developer basically seeks to equate is:

i his costs and a reasonable profit;

ii the traders' margins;

iii the traders' alternatives;

the last of these alternatives reflecting the fact that the trader sometimes has the opportunity of ignoring a site but on other occasions is prepared to make a premium bid for representation.

1.4 An individual shop is normally let in the open market at the 'market' rental value and the property owner, in assessing the rent required, will attach his own weights to his requirements for speed of income production, level of rental, strength of covenant, and the type of trade. In a major shopping development, particular importance is attached to the nature of the proposed tenant's trade in an endeavour to secure a 'balance of trades' in the development.

1.5 However, in the pre-letting of an 'anchor' or 'magnet' store a developer may be willing to

accept a level of rental which only covers the building cost, and not the site cost, in the expectation that the anchor store will result in a higher level of rentals being achieved in the other units of the development. This 'anchor' rental may continue during only the first rent period, i.e. until review or, in extreme cases, throughout the period of the occupation lease.

1.6 Where an organisation whose price motive is not profit acts as the developer of a major shopping 'centre' it is not unusual for retail units to be let at initial rents which do not even cover building costs. Typical of such organisations are Local Authorities and New Town Corporations which have as much a social function as an economic function. In the assessment of 'appropriate' rent levels in such circumstances there will be some consideration, by the developer, of the economic viability of the trader. The trader's ability to pay a given rental will be weighed against the social or planning desirability of having that retail trade within the development and the landlord's rent requirement adjusted accordingly. There is, however, a hope that the newly developed centre will have become established by the date of the

first or second rent review and that, on review, some of the 'lost' rent can be recouped, i.e. the rent can be increased to an economic 'market' rent.

1.7 Whereas, prior to entering into a commitment to develop, the private sector developer typically will want to be assured of a rental return that in real terms will provide a yield of about $1^{1}/_{2}\%$ above his long term finance rate, the type of organisation mentioned in paragraph 7 may well sacrifice land value in order to launch a particular scheme for the common good.

1.8 The rent required by a landlord at a rent review is, in the main stated as being the current 'open market' rental value. However, whilst the open market, unrestricted (by the landlord) user, rental value may be the target, it is very rarely achieved - mainly because it is not known. Direct comparison being the basis of the negotiations, evidence of rental value tends to have arisen before the review date. As a result rents on review are almost invariably settled, after negotiation, some 5% to 10% below what the landlord 'knows', or considers, to be the open market rental value. The exceptions to this

process arise, usually, where the current open market value can be established from a current open market letting of a nearby, identical shop unit; but this is a very rare occurrence.

1.9 The only non-market factors taken into account in assessing rental value on review are the covenants in the occupation lease, although, typically, the basis of the reviewed rent is what any other trade would pay for the same accommodation, i.e. the concept of highest and best use. There are instances where restrictive user clauses require rent to be assessed, on review, in relation to the profitability of a given trade (but not a particular trader) but these are very rare. The general situation is that the landlord demands what he considers to be the most that the market place would offer, without any regard to his 'book cost' or performance criteria.

1.10 This latter point, when considered in relation to required yields (vide paragraph 1.9) may, of course, lead to a revisionof the landlord's future development/investment strategy or of the particular property holding and may, in this latter case, result in a decision to dispose of

his interest in the property and to re-invest the proceeds of sale; by this means obtaining the return that he requires.

1.11 The situation on the renewal of an expiring lease is different: the ultimate arbiter is the Court and, as a result, rentals are probably fixed at 5% to 15% below what the landlord considers to be open market rental value. The reasons for this anomally is considered to be i/ because of the lack of 'property' knowledge and expertise of the Judiciary when compared with arbitrators or independent experts drawn from members of the property professions and appointed by the President of the Royal Institution of Chartered Surveyors, and ii/ because of the difficulties of strictly proving evidence of rentals, etc., of comparable properties.

1.12 In preparing evidence to support the landlord's required rent on review or renewal it is normal to try to support the highest rent possible. There is no question of there being an absolute lowest rent acceptable as both the landlord and tenant in the majority of cases are contractually or statutorily bound to continue with the letting and, if necessary, the rent will be fixed by some

independent third party. The valuer will not be looking for the average or mean rent obtained in the preceding 12 months; rather he will be using comparative evidence to substantiate the highest rent possible. He will, most likely reject any evidence more than 12 months old but the apparent averaging will result from the fact that, in normal circumstances, the rent negotiations will commence some 6 to 9 months before the review or renewal date. This means that any inflationary growth or real rental change which occurs during the negotiating period, tends to be ignored and that review or renewal rents are very often below the maximum rents obtained in the open market.

1.13 Although the respondents to the survey thought that the traditional definition of open market rent was the right one, i.e. a rent that would be paid by a willing tenant to a willing landlord, etc., they acknowledged that in practice it was not what was obtained. The main explanation put forward for this dichotomy was the different criteria utilised by the landlord and the tenant.

1.14 It has been suggested that in the same way that retailers' estimates of future turnover tend to be only 80% accurate, so the estimation of rents,

as demonstrated by the extremities of the rental valuation evidence available, also lacks accuracy; and that as a result there are inherent difficulties in trying to mathematically model the relatively imperfect retail property market.

2 The Tenant's Rent Bid

2.1 In response to any proposal of rent by a a developer or a landlord, a prospective tenant or an occupying tenant will need to consider whether that rent proposal is acceptable.

2.2 The research up to the date of this enquiry had rested on the hypothesis that the tenant's rent bid is related to the predicted profits to be earned from the retail business to be operated from the premises. It was necessary, therefore, to consider building into the rent derivation model some reflection of the way in which retailing organisations attempt to predict their future profits from an operation in a particular location. Moreover, it was important that the model should attempt to replicate the way in which a retailer's predictions for future years are affected by the inaccuracies (either

under-achievement or over-achievement) of the previous year's prediction when compared with the profit actually produced.

2.3 More particularly, it was important to try to discover whether, in respect of a totally new location, the retailer relied solely on market research as the primary basis of prediction and how the gross profit percentage, or mark-up, is pre-determined or predicted. The answers to these queries would provide the basis for the construction of a rent bid model, in which the rent bid related to expected profits would allow for the proper adaptation of expectations should it be confirmed that retailers use such methods in profit estimation and in the formulation of rent bids.

2.4 As with the investigation of the landlords' rent requirements, these questions were put to a randomly selected set of 12 nationally operating multiple stores representing a cross-section of retail trades. Of the 12 enquires made, 6 retailers responded and meetings took place with two of these. These two provided samples of their evaluation forms and were willing to explain in detail the way in which a rent bid for

a new store location, or a rent review on an existing store, would be handled.

2.5 From the retailers' responses an interesting pattern emerged: the obvious primary concern was profit and its prediction, and in this area there was a consistency of approach. However, in the approach to rentals, rent bids and rent review obligations there was a diversity of method. Two approaches were apparent:

i/ Rent is the price that must be paid for a retail unit . Rent is taken as fixed (an externality). Estimates of the turnover or potential profit determine whether the retailer can afford the rent; alternatively:

ii/ Rent is fixed externally by landlord / prospective tenant negotiations prior to the lease being taken. Again, the test is whether the estimated profit remaining after payment of rent is sufficient to warrant taking the lease, but in this approach the profit prediction is measured annually against an internally estimated current open market rental for the shop, not the actual rent being paid. The open market rental is determined by comparison with other recently agreed rentals in the area.

2.6 Both of these techniques use the forecast and residual profit to decide whether or not to continue trading. The latter approach is the more realistic and, by implication, is measuring rental value against profit/turnover by setting a minimum acceptable level of profitability. Only this latter approach attempts to anticipate the rent increase that usually occurs at the review/renewal date as a result of inflationary or supply/demand effects. However, neither approach considers that the lease is a contract for a fixed period carrying with it an obligation to pay rent whether the retailer continues to trade or not. The cost of surrendering a lease, in adverse market conditions, can be extremely high.

2.7 Most large retailers update their turnover targets annually, to bring each trading location in line with changes of population and to allow, for example, for the effects of improvements in shopfitting and/or structural alterations which may have been carried out during the year, etc. Here again, however, there is a difference in approach, with some organisations updating all expected costs for each unit and producing an estimated profit/loss prediction, and others

predicting only turnover rather than profit. The reason for this latter approach is that profit is reliant on expenses, some of which are thought to be uncontrollable and therefore unpredictable.

2.8 The unpredictable elements are stated to be such items as rent and rates and this is the approach taken by the advocates of approach i/ described earlier, in paragraph 2.5.

2.9 In most retail trades competition ensures that mark-up or profit margin is consistent amongst all reasonably efficient firms. Within multiple trading organisation, the same mark-ups are generally applicable to all members of the group and do not vary from location to location. It is not the practice to try to achieve greater profits by increasing mark-ups; increased profit comes from increased turnover. For new locations, therefore, the retailer's normal trade gross profit will be anticipated, the retailer will only attempt to predict turnover and expenses. To this latter item will be added a proportion of Head Office expenditure, where appropriate.

2.10 Where turnover targets (estimates) for the

preceding year are found to have been inaccurate, and in diagnosing the inaccuracy it is found that it is due to errors in estimation, the retailers canvassed all stated that they would re-align the targets for the next year. This is an adaptive expectation approach to turnover prediction.

2.11 The approach to controllable expenses was also consistent among the retailers consulted. Gross profit results from turnover, or sales, and is determined by mark-ups. It is, therefore, consistent. Net profit is the residue after all deductable expenses have been removed. All the retailers consulted used some form of monitoring system, the most frequent being in the form of monthly turnover and profit returns, and cash and stock flow statements. With the exception of the hypermarket/supermarket type of retailer, none was particularly interested in future net profit predictions being realised by increased turnover but all were concerned about maintaining, or increasing, efficiency in all aspects of trading: pricing, merchandising, display, staff, etc., and thereby maintaining profitability.

2.12 When a rent bid needed to be made, whichever internal monitoring system was in use, the

tenant's rent bid would be one of current open market rental value based on comparative evidence available. If the rent on this basis was not sustainable, based on anticipated turnover, without reducing estimated profits (both assessed on a current basis, i.e. the current financial year) either no bid would be made on a new unit or the firm would withdraw from its trading position and attempt to dispose of its lease. Estimated profits would be based on experience of similar units scattered throughout the country.

2.13 In view of the consistency of approach in all areas, except annual rent estimation and net profit prediction, amongst the national multiples a check was made with a random selection of regional multiples and local sole traders to see if the same approach was used. Three recently constructed shopping centres were selected, two of which were small town/large village centres and the other a neighbourhood shopping centre.

2.14 The occupiers of the shop units were questioned on what prior estimates of future profits or future rent obligations had been made prior to their taking up occupation in the new precinct. The multiple traders all reflected the national situation: they had estimated potential

turnover, expected profit and their ability to pay the rent required by the landlord, by analogy with other shop units within their small group of outlets. They had, however, given no consideration to future rental increases and none during their occupation had tested normal profits against the estimated current open market rental of the shop unit. This may cause problems at rent review/lease renewal.

2.15 The majority of the local traders occupying units within these small shopping centres had made no real estimate or prediction of future profits nor carried out any market research. The basic approach appeared to be one of "I'm making enough in my present shop to be able to pay the asking rent in the new precinct; my custom will follow me if I move (and will probably increase). Therefore I will take a chance and move into the precinct." There may have been some kind of subjective forward prediction of profitability but no evidence of any objective analysis was forthcoming. Again, none of the small traders had made any provisions for rental increases.

ANNEXURE 3.1

CONTENTS

COMMERCIAL ESTATE AGENTS

Jones Lang Wootton, Chartered Surveyors, Kent House, Telegraph Street, Moorgate, London. EC2R 7JL

Sinclair Goldsmith, Chartered Surveyors, 9/10 Fenchurch Street, London. EC3M 3BE /West End Office, 39/41 Queen Anne Street, London. W1M OAD

Healey & Baker, 118 Old Bond Street, London. EC2N 1AR

Knight Frank & Rutley, 20 Hanover Square, London W1R OAH

King & Co, 1 Snow Hill, London. EC1A 2DL

Hillier Parker, May & Rowden, 39 King Street, London. EC2V 8BSA

Reiff Diner & Co., 179 New Bond Street, London. W1Y 9PD

St. Quintin, 39 Dover Street, London. W1X 3RD

D. E. & J. Levy, Estate House, 130 Jermyn Street, London. SW1Y 4UL

Drivers Jonas, 16 Suffolk Street, London. W1M 6AA

Conrad Ritblat & Co., 14 Manchester Square, London. W1M 6AA

Donaldsons, 70 Jermyn Street, London. SW1Y 6PE

RB/ab

As Postmark

Dear Sir,

Planning/Valuation - Research Project

I am currently involved in a Ph.D. research project into the effects of new town centre retail development on the values of other retail premises within the town centre and in the surrounding areas of its influence. The project is being carried out at the University of Aston and is supported, inter alia, by the Royal Institution of Chartered Surveyors' Education Trust.

In my recent attempts to develop a mathematical model which would predict such value changes, my supervisor (an econometrician) has required confirmation of my assertions of 'valuation' methodology and my further 'investigation' of two basic problems.

I write, therefore, to enquire whether you, or any of your colleagues, are able to clarify:

1a. What criteria your developer clients (landlords) would use to determine the lowest rent at which they would be prepared to grant a lease to a tenant (on first letting). i.e. What is the lowest rent (or highest negative rent - no income/normal expenditure) acceptable to the landlord, and for how long?

1b. What criteria would be applied to a similar calculation of the rent on a review or renewal? More particularly, how do they determine the absolute lowest rent acceptable on review or renewal? (Bearing in mind Landlord and Tenant legislation)

2. From the economist's point of view a 'market' rent is an equilibrium rent; how do you see the valuer's (and the landlord's) review to market rental? It has been suggested to me that it is the average or mean rent obtained in the preceding 12 months. This is an oversimplification - your observations on the definition of market rent would, therefore, be appreciated.

/Over

Whilst I appreciate that we valuers normally take such matters in our stride, you will, I hope realize that in order to mathematically model such decisions it is necessary to rationalise them to the point where, in an academic sense, the economist or statistician can see the logic behind the decision.

I look forward to receiving the benefit of your experience in these matters and to receiving your observations at an early date.

May I also take the opportunity of thanking you in anticipation of your co-operation in this attempt at applied valuation research.

Yours sincerely,

Ronald Barham, F.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.)
Senior Lecturer

A pre-paid envelope is enclosed for your reply.

ANNEXURE 3.2

CONTENTS

STORES

E. H. Booth & Co., Ltd., 4 Fishergate, Preston

H. Samuel Limited, Hunters Road, Birmingham. B19 1DS

Dixons Photographic Ltd., 18-24 High Street, Edgeware, Middlesex

Currys Limited, Head Office, 46-50 Uxbridge Road, Ealing. W5 2SU

Boots the Chemist, Nottingham. NG2 3AA

C & A Modes, Head Office, North Row, London. W1A 2AX

Asda Stores, Asda House, Britannia Road, Morley, Leeds

Tesco Stores Limited, Tesco House, P.O. Box 18, Delamere Road, Cheshunt, Waltham Cross, Herts. EN8 9SL

British Home Stores, Marylebone House, 129-137 Marylebone Road, London. SW1 5QD

Marks & Spencer PLC, Michael House, 47 Baker Street, London. W1A 1DN

F. W. Woolworth & Co. PLC, Executive Centre, Marylebone Road, London. NW1

Halfords Limited, Ickneild Street Drive, Washford West, Redditch, Worcestershire. B98 ODE

Your ref: RB/ab

Our ref: As Postmark

Date:

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone: 0772. 51831

Head of School:
T M Ryan BSc(EstMan), FRICS, FIQS

Dear Sir,

Planning/Valuation - Research Project

I am currently involved in a Ph.D. research project into the effects of new town centre retail development on the values of other retail premises within the town centre and in the surrounding areas of its influence. The project is being carried out at the University of Aston and is supported, inter alia, by the Royal Institution of Chartered Surveyors' Education Trust.

In my recent attempts to develop a mathematical model which would predict such value changes I am faced with a minor problem on which I would like to seek your assistance. I need to clarify, in my own mind, the way in which large retailing organisations like yours attempt to predict their future profits from an operation in a particular location. Moreover, I would be very interested to learn how your predictions for future years are affected by the inaccuracy (under achievement or over achievement) of your previous year's prediction when compared with the profit actually produced. I appreciate that market research provides the primary basis for your prediction but what I am most interested to learn is how the % mark up is pre-determined for (say) a new location and how the future profit predictions are 'adapted' in the light of trading experience.

My reason for wanting to clarify this matter is, of course, to make sure that rent bids related to 'profits' are properly related to 'adapted expected profits' should that prove to be the correct basis of profit prediction.

I look forward to receiving the benefit of your experience in this matter and to receiving your observations at an early date. May I also take this opportunity of thanking you in anticipation of your co-operation in this attempt at applied valuation research.

Yours sincerely,

Ronald Barham, F.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.)
Senior Lecturer

... A pre-paid envelope is enclosed for your reply.

CONTENTS

POULTON LE FYLDE SHOPPING CENTRE

LANCASHIRE

Poulton-Le-Fylde

Occupier	Trade	Multiple or Sole Trader	National, Regional or Local
Cobweb Records	Records, Tapes, Music	ST	L
Marshall Haydock Ltd.	Chemist	ST	L
Streets	Snack Bar	M	L
Multi Broadcasts	TV Rentals	M	R
Bradford & Bingley Building Society	Building Society	M	N
Boots & Racquets	Sports Retailer	ST	L
Ardex Carpet Warehouse	Carpet Retailer	ST	L
VACANT Double Unit	Previously Toy Retailer	ST	L
Windmill Shoes	Shoe Retailer	ST	L
Bagatelle	Leather Goods	ST	L
Baxters	Butchers	M	R

Continued/

Easywear Part II	Gents Clothing Retailer	M	R
Dewhurst	Butchers	M	R
Burtons	Bread & Confectionery	M	R
The Tithebarn	Public House/ Social Club	-	-
National & Provincial Building Society	Building Society	M	N
The Fruit Shop	Fruiterer	ST	L
Poulton House	Furnishers	ST	L
Teanlowe Gallery	Ornamental Glass & Electrical	ST	L
Kiddie Kare	Clothing Retailer	ST	L
Home Care	DIY and Hardware	ST	L
Martins	Bookseller/ Newsagent	ST	L
Post Office			

CONTENTS

RAWTENSTALL SHOPPING CENTRE

LANCASHIRE

Shopping Centre - Rawtenstall

Occupier	Trade	Multiple or Sole Trader	National, Regional or Local
Trustee Savings Bank		M	N
Mannings	Confectioners	M	L
Reeds House	Clothing	ST	L
Mortons	Carpets	ST	L
Masons	Butchers	M	L
Nobut Lads	Menswear	ST	L
Dry Wear	Launderette & Dry Cleaners	ST	L
Liptons	Food Supermarket	M	N
Gas Showrooms		M	N
Rumbelows	Electrical Goods	M	N
Boardmans	Furnishers	M	N

Continued/

Freemans	Shoes	M	N
Job Centre		-	-
Card Drop Inn	Stationers	ST	L
Greenwoods	Menswear	M	R
Kettles On	Cafe	ST	L
Fosters	Menswear	M	N
Hardmans	Menswear	ST	L
Supa-Snap	Photographs	M	R
Shaws	Fruit & Vegetables	M	L
Marslands Optician		ST	L
Ladbrookes	Bookmakers	M	N
Ian's Veg.	Fruiterer	ST	L

CONTENTS

FULWOOD (PRESTON) NEIGHBOURHOOD SHOPPING CENTRE

LANCASHIRE

Booths Shopping Centre - Fulwood, Preston

Occupier	Trade	Multiple or Sole Trader	National, Regional or Local
Fiesto	Ladies Outfitters	ST	L
MacIntyres	Florists	ST	L
Pretty Smart	Children's Outfitters	ST	L
BC Decor	Paint, Wallpaper & Soft Furnishings	ST	L
Walter Heap, Hirst & Co	Solicitors	-	-
D. E. M. Thomson	Opthalmic Optician	ST	L
NSS Newsagents	Newsagent/Fancy Goods, Toys	M	R
Clancy's Confectioners	Confectioner & Coffee Lounge	ST	L
E. H. Booth & Co. Ltd.	Food Supermarket	M	R

THE DEVLOPER'S EXPECTED PROFITS

THE DEVELOPER'S PROFIT REQUIREMENTS

1 A Report of Enquiries Made

1.1 In considering the overall form of the residual type of development appraisal model, the level of profit expected by the developer (the entrepreneur) needed to be quantified in terms of either capital profit as a percentage of construction costs, or as a percentage of the anticipated capital value of the proposed development or annual profit in the form of a yield (expected net rental income) derived from anticipated investment cost of the proposed development.

1.2 Published sources show a marked scarcity of actual figures and, in order to be sure that the percentage figures normally applied in development appraisal calculations were of the right order, the property development and investment companies listed in Annexure 4.1 were circulated with a request for confirmation of their normal individual project profit requirements in respect of a retail development scheme.

1.3 The summary of the information provided is given in the main text (Chapter 4) and is a combination of the responses given by the various companies; their individual identities are not disclosed in compliance with the assurance of strict confidentiality given to the companies circulated.

CONTENTS

PROPERTY DEVELOPMENT AND INVESTMENT COMPANIES

Abbeygate Securities Ltd., Woodcock House, 37/38 High Street, Wimbledon. SW19 5BY

Abingville Developments Holdings Limited, 39/43 High Street, New Malden, Surrey. KT3 4BY

Alexander Pearce & Son Ltd., 21 Brown street, Salisbury, Wilts. SP1 2AT

Allied Freehold Property Trust Ltd., 6 Welbeck Street, London. W1M 8BS

Altbarn Properties Limited, Beacontree House, 82 Romford Road, Stratford. E15 4EE

AMEC Properties Limited, 14 South Street, London. W1Y 5DP

Anglo-City Property Group, Anglo-City House, Southgate Street, Winchester. SO23 9EH

Anglo Metropolitan Holdings Plc, 53 Upper Brook Street, Grosvenor Square, London. W1Y 1PG

Arundell House Securities Limited, Arundell House, Farnham, Surrey. GU9 7ES

ASCo Properties Limited, PO Box 167 Regent Centre, Regent Road, Aberdeen. AB9 8UQ

Ashville Group, Ashville House, The Broadway, Wimbledon. SW19 1QJ

Avenue Property Holdings, 4 Durweston Mews, Crawford Street, London. W1H 1PB

Avocat Estates Limited, Suite 4, 52 Haymarket, London. SW1Y 4RP

Baird Investments, 114 Brompton Road, Knightsbridge, London. SW3 1JJ

Balfour Beatty Homes, Randolph House, 46/48 Wellesley Road, Croydon, Surrey. CR9 3QD

Barnsfold Ltd., 66 Waterpark Road, Salford, Manchester. M7 0J2

Baverstock Securities Ltd., Token House, Token Yard, Putney High Street, London. SW15 1SR

Benson Kayley Limited, 25 Elystan Place, London. SW3 3JY

Berkeley Homes Limited, The Old House, 4 Heath Road, Weybridge, Surrey. KT13 8TB

Bishop Developments Ltd., 239A Finchley Road London. NW3 6LS

Boot (Henry) Developments Limited, Storforth Lane, Chesterfield. S40 2TX

Bordergate Properties, The Merchant's House, 5 Mosley Street, Newcastle upon Tyne. NE1 1YE

Brixton Estate plc, 22-24 Ely Place, London. EC1N 6TQ

Bryant Properties Limited, Cranmore Boulevard, Solibull. B90 4SD

Bullock Developments Ltd., Northgate, Aldridge, West Midlands. WS9 8TU

Capital & City Holdings Ltd., Brookfield House, 62/64 Brook Street, London. W1Y 1YB

Capital & Regional Holdings Limited, 1-5 Bath Street, London. EC1V 9QQ

Cardiff Property Plc, The White House, 53-55 High Street, Egham, Surrey. TW20 9EX

Cartwright Developments Ltd., Cartwright House, 39/43 Monument Hill, Weybridge, Surrey. KT13 8SA

Central & City Investments Ltd., 55 Park Lane, London. W1Y 3DH

Centric Securities Limited, 89 Marylebone High Street, London. W1M 3DE

Centros Properties Limit:ed, Stratton House, Stratton Street, London. W1X 6NJ

Chantry-Keys Group, Chantry House, High street, Coleshill, Birmingham. B46 3AX

Charlecote Estates Limited, Chantry House, High Street, Coleshill, Birmingham. B46 3AX

Charterhouse Land Limited, 10 Whitchurch Road, Pangbourne, Berkshire. RG8 7BP

Charville Estates Limited, Broadbent House, 64/65 Grosvenor Street, London. W1X 9DB

Chesterfield Properties Plc, 38 Curzon Street, London. W1Y 8EY

City and Northern Ltd., Standbrook House, 2/5 Old Bond Street, London. W1X 3TB

City Estates Commercial Development Ltd., Georgian House, 5 Bartholomews, Brighton, East Sussex. BN1 1HG

City of London Real Property Co. Ltd., Landsac House, 21 New Fetter Lane, London. EC4P 4PY

Citygrove Developments Ltd., 16/17 College Place, Southampton, Hampshire. SO1 2FE

Citygrove European Holdings Ltd., 24 Cadogan Place, London. SW1X 9DX

Citywide Properties Limited, 38-40 St. John Street, London. EC1M 4AY

Clark and Terry Ltd., Lissadel House, Lissadel Street, Salford. M6 6QP

Clemence Property Developments Limited, Riverbank House, Uphall Road, Ilford, Essex. IG1 2JH

Cobden Developments Ltd., 13 Tabor Grove, Wimbledon. SW19 4EB

Commercial & Industrial Properties Ltd., 34 Great Smith Street, Westminster, London. SW1P 3BU

Concord Holdings Limited, 81 Wimpole Street, London. W1M 7DB

Corob Holdings Limited, 7 Hill Street, London. W1X 7FB

Corrie Properties Limited, Rodwell House, Middlesex Street, London. E1 7HJ

Costain Property Developments Ltd., 46 Green Street, London. W1Y 3FJ

County and District Properties Ltd., 46 Green Street, London. W1Y 3FJ

Crownpoint Securities Ltd., six Gloucester Place Mews, London. W1H 3PN

Crystalmoor Properties Ltd., Hattingley House, Medstead, Nr. Alton, Hants. GU34 5NQ

Delbourne Securities Limited, Vine House, 11 Balfour Mews, London. W1Y 5RJ

Developments Commercial & Industrial (Holdings) Ltd., Ingram House, 227 Ingram Street, Glasgow. G1 1DA .

Dominion Estates Ltd., Sackville House, 40 Piccadilly, London. W1V OHR

Earledene Ltd., 105 Park Street, London. W1

Eden Park Estate Limited, Farringdon House, East Grinstead, West Sussex. RH19 1EW

Allis Campbell Group, Arundell House, Arundell Place, Farnham, Surrey.

English & Overseas Properties, 2 Grosvenor Gardens London. SW1W ODH

Estates & General Investments Ltd., 51 Green St., Mayfair, London. W1Y 3RH

Estate Property Investment Company plc, Epic House, 81 East Street, Epsom, Surrey. KT17 1EB

Finlinson Properties Ltd., Blue Court, Church Lane, Kings Langley, Herts. WD4 8JP

First City Estates Ltd., 29 Waterloo Road, Wolverhampton WV1 4DJ

First State Holdings Ltd., 9/10 The Broadway, Beaconsfield, Bucks. HP9 2HL

Five Oaks Investments Plc, York House, Clarendon Avenue, Leamington Spa, Warwicks. CV32 5PP

French Kier Developments Limited, 50 Epping New Road, Buckhurst Hill, Essex. IG9 5TH

Gallagher Developments Limited, Armoury Cl., Little Green Lane, Bordesley Green, Birmingham. B9 5BH

Galliford Brindley Properties Limited, Wolvey, Hinckley, Leicestershire. LE10 3HL

Gardpoint Estates Limited, 10 Great Marlborough Street, London. W1V 2HH

Gifford Securities Limited, 85a Duke Street, London. W1

Greater London Estates, 39 Bruton Place, Berkeley Square, London. W1X 7AB

Great Portland Estates Plc:, Knighton House, 56 Mortimer Street, London. W1N 8BD

Greengarden Investments Limited, Greengarden House, St. Christopher's Place, London. W1M 5HD

Greytown Properties Limited, 2 Kelso Place, Victoria Road, London. W8 5QD

Grosvenor Estate Commercial Developments Ltd., 28 Grosvenor Street, London. W1X OHH

Grosvenor Square Properties Group plc, 59 New Cavandish Street, London. W1M 7RD

Hanover Property Developments Limited, 16 Hans Road, London. SW3 1RS

H & H Holman Properties Ltd., Britannia House, 50 Great Charles Street, Birmingham. B3 2LP

Hardaker Estates Ltd., 9 Cromwell Place, London. SW7 2JN

Harlech Estates, Porthill Lodge, High Street, Porthill, Newcastle, Staffs.

Hartley Industrial Trust Ltd., 12A Garden Square, London. W1R 3AF

Herchex Limited, 30a Sackville Street, Piccadilly, London. W1Y 1DB

Higgs & Hill Properties Ltd., Crown House, Kingston Road, New Malden, Surrey. KT3 3ST

Highcliffe Estates Ltd., 91 Regents Park Road, London. NW1

Hollins Murray Group Ltd., Hollins House, Cottesmore Gardens, Haale Barns, Altrincham. WA15 8TS

Holtwood Estate Company, 35 North Audley Street, London. W1Y 2HT

Holwell Securities Ltd., 57 Blandford Street, London. W1

Hull Hampshire Estates Ltd., 62 High Street, West End, Southampton. SO3 3DT

Hunting Gate Developments Ltd. (Hitchen Office), PO Box 4444, Hitchin Herts. SG4 OTB

IDC Property Investments Limited, 23 St. James's Square, London. SW1Y 4JH

Industrial & Commercial Securities Limited, 52 High Street, Harrow-on-the-Hill, Middlesex. HA1 3LL

Jarvis Developments Ltd., 239 Vauxhall Bridge Road, London. SW1

Laing Properties plc, 34 Clarendon Road, Watford, Herts. WD1 1JL

Land Securities Plc, Devonshire House, Piccadilly, London. W1X 6BT

Latchmore Properties Ltd., 112 Richmond Hill, Richmond. TW10 6RJ

Leasehold and Reversionary Estates Ltd., 14 Kendall Place, Baker Street, London. W1H 3AH

Leigh Developments Ltd., Leigh House, 61 Grosvenor Street, London. W1X 9DA

Liskin Investments, 118B London Road, St. Albans, Herts.

London City & Westcliffe Properties Limited, PO Box No. 55, 11/13 Holborn Viaduct, London. EC1P 1EL

London & Chester (Holdings) Limited, Halecroft, 253 Hale Road, Hale, Altrincham, Cheshire. WA15 8RE

London & Manchester Securities Plc, 31-33 Grosvenor Hill, London. W1X 9HG

London & Metropolitan Estates Ltd., 2 The Green, Richmond, Surrey. TW9 1PL

London & Paris Properties Ltd., Number Seven, 27 St. James 's Street, London. SW1A 1HA

Longbarr Developments Ltd., 17 Hill Street, London. W1X 7FB

LIMCO Group Plc, Talbot House, 92 Park Lane, Croydon. CR9 1YH

Lovell Developments Limited, Marsham House, Gerrards Cross, Bucks. SL9 8ER

Markheath Securities Public Limited Company, Markheath House, 1238 High Road, Whetstone. N20 0LH

Markvale Group Ltd., 248 Old Birmingham Road, Bromsgrove, Worcestershire. B60 1NU

Maybrook Properties Plc, 199 Piccadilly, London. W1V 0JJ

Masonbrook Ltd., 17-18 Dryden Court, Parkleys, Ham Common, Richmond, Surrey. TW10 5LH

McCarthy & Stone Plc, Queensway, New Milton, Hampshire. BN25 5NR

Mellswood Properties Ltd., 31 London End, Beaconsfield, Bucks. HP9 2HW

MEPC Plc, Brook House, 113 Park Lane, London. W1Y 4AY

Metropolitan Cattlemens Property Company Ltd., 114 Brompton Road, Knightsbridge, London. SW3 1JJ

Metropolitan & County Holdings Limited, 4 Paddington Street, London. W1M 3LA

Mid-Century Trust Ltd., Second Floor Palladium House, 1-4 Argyll Street, London. W1V 1AD

Mogul Securities Ltd., 41 Lowndes Street, London. SW1

Morrison Developments Ltd., Morrison House, PO Box 29, 39 High Street, Inverness. IV1 1UG

Morrison Developments Ltd., Shand House, Matlock, Derbyshire. DE4 3AF

Moss Group of Companies, 13 Park Square Mews, Upper Harley Street, London. NW1

Moss (Wm) Property Development Co., 46 Doughty Street, London. WC1N 2ND

Multi Construction Developments Ltd., Roberts House, 59 Durnsford Road, London. SW19 8HX

New England Properties plc, New England House, 10 Ridley Place, Newcastle-upon-Tyne. NE1 8JW

Nightingale Property Company Ltd., 35 North Audley Street, Grosvenor Square, London. W1Y 2HT

Owen Investments Ltd., Second Floor, Palladium House, 1-4 Argyll Street, London. W1V 1AD

Pelham Estate Ltd., 14 Beauchamp Place, London. SW3 1NQ

Pengap Estates Ltd., 60 Brook Street, London. W1Y 1YB

Perseus Property Company Ltd., 12 Cardigan House, Waterloo Road, Winton, Bournemouth.

Pine Development (UK) Ltd., 25 York Road, Maidenhead, Berks.

Power Securities (UK) Ltd., Royal Exchange Building, Exchange Street, Manchester. M2 7DR

Property & Reversionary Investments Plc, Albany House, Petty France, London. SW1H 9EE

Property Security Investment Trust Plc, 7 The Parade, Epsom, Surrey. KT18 5DG

Ravensoft Industrial Estates Ltd., Landsoc House, 21 New Fetter Lane, London. EC4P 4PY

Ravensoft Properties Ltd., Landsoc House, 21 New Fetter Lane, London. EC4P 4PY

Rohen Developments Ltd., 33 Cork Street, London. W1X 1HB

Rover Estates Limited, 185 Kilburn High Road, London. NW6, 7HY

Rowan Limited, 98 High Road, East Finchley, London. N2 9PL

Royal Properties Limited, 2 Barrie House, St. Edmunds Terrace, London. NW8

Rush & Tompkins Developments Ltd., 14 Park Street, London. W1Y 4AL

S. G. Whitaker Group, Hope House, Great Peter Street, London. SW1P 3LT

Seaward Properties Limited, Drayton House, Chichester, West Sussex. PO20 6EW

Sedley Properties Limited, 6 Welbeck Street, London. W1

Sibec Developments Limited, The Atrium, 8/10 Booth Street, Manchester. M2 4AW

Sibec Developments Limited, 15 Old Bond Street, London. W1

Simand Investments Ltd., 111 Junction Road, Archway, London. N19 5PX

Site Improvements (Developments) Ltd., 3 Church Row, Wandsworth Plain, Wandsworth, London. SW18 1ES

Slough Estates plc, 234 Bath Road, Slough. SL1 4EE

Southwestern Shop and Office Investments Limited, Number Six, 27 St. James's Street, London. SW1 1HA

Speyhawk Land and Estates Limited, Osprey House, Lower Square, Old Isleworth, Middlesex. TW7 6BN

St. James's Street Group, Number Four, 27 St. James's Street, London. SW1A 1HA

St. John's Wood Estate Ltd., 39 Bruton Place, Berkeley Square, London. W1X 7AB

Starpeak Property Group, 10 Clifford Street, London. W1X 1RF

Stewart Nairn Group plc, 52 Conduit Street, London. W1R 9FD

Taylor Woodrow Property Co. Ltd., 4 Dunraven Street, London. W1Y 3FG

Teesland Developament Company Limited, The Manor, Great Smeaton, Northallerton, North Yorks.

Teesland Development Company Limited, 49 Old Bond Street, London. W1X 3AF

The Edwards Estates Ltd., 68 Long Lane, London. EC1A 9EJ

Townsend Thoresen Properties Ltd., 79 Grosvenor Street, London. W1

Trehaven Trust Limited, 20-24 Kirby Street, Hatton Garden, London. EC1N 8TU

Unex Investment Properties Ltd., 29 Charles Street, Mayfair, London. W1X 7PN

Urban & City Properties Limited, Greenfield House, 69-73 Manor Road, Wallington, Surrey. SM6 0DE

Vectis Group of Property Companies, 58 St. James's Street, London. SW1A 1LD

Victory Land Ltd., 11 St. James Place, London. SW1

Vivian Linacre Estates Limited, 17 Chester Street, Edinburgh. EH3 7RF

Warnford Investments Plc, 1 Salisbury House, Finsbury Circus, London. EC2M 5RQ

Waterglade International Holdings Group, Waterglade House, 22 College Hill, London. EC4R 2RP

Wates Developments Ltd., 5 Philpot Lane, London. EC3M 8AQ

Wellingshire Limited, 35 North Audley Street, London. W1Y 2HT

Westminster and Country Properties Plc, Norden House, Basing View, Basingstoke, Hampshire. RG21 2QF

Whittingham Property, 23 Mount Street, London. W1Y 6HR

Whyatt Securites Limited, 11 Suffolk Street, London. SW1Y 4HG

Wiggins Group Plc, 21 Bentinck Street, London. W1M 5RL

The Wilky Group Ltd, Land & Investment Division, Pembroke House, Mary Road, Guildford, Surrey. GU1 4OA

Wilson (UK) Developments Ltd., Gate Lane, Boldmere, Sutton Coldfield, W. Midlands. B73 5UR

Wilson (Connolly) Properties Ltd., Interchange Hse, 6 Cheyne Walk, Northampton. NN1 5PT

Wilson (Connolly) Properties Ltd., 24 Old Burlington Street, London. W1X 1RL

Your ref:

Our ref:

Date: As Postmark

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone: 0772. 51831

Head of School:
T M Ryan BSc(EstMan), FRICS

Dear Sir,

PROPERTY VALUATION RESEARCH PROJECT

I am currently involved in a research project at the University of Aston in Birmingham which has been funded, inter alia, by the Royal Institution of Chartered Surveyors. The research is now in its final stages and has been looking at the phenomenon of 'latent value' in an attempt to develop a predictive model.

In examining the theoretical model and running tests on the relatively easily identifiable area of retail development schemes, it has become necessary to attempt to quantify the developer's normal profit requirement, i.e. the minimum profit acceptable to cover the entrepreneurial risk involved in undertaking a specific property development scheme.

It would be of considerable help to me if you could assist me in the final stage of experimental tests of my theoretical model. I would be pleased if you could let me know, in strictest confidence, the normally acceptable 'expected or predicted' profit margins which your company would require in relation to the several major areas of property development in which you are involved (including refurbishment, if applicable).

The information would be perfectly acceptable in the form of a simple statement indicating the minimum acceptable capital profit as a percentage of capital value or construction cost or, alternatively, the minimum acceptable development yield in the case of investment property.

e.g.	Retail Development	min. X% of Capital Value
	Industrial Development	min. Y% on Construction Cost
	Office Refurbishment	min. of Z% Development Yield

If your company's minimum scheme-profit requirements have been modified or changed in recent years could you please also indicate, in general terms, in what respect.

Please be assured that any information that you might give will be treated in the very strictest confidence and that no individual company's figures will be disclosed in any identifiable form in any subsequently published thesis.

I enclose, herewith, a reply paid envelope for your convenience in replying and look forward to hearing from you.

Yours faithfully,

Ronald Barham, FRICS, FCIArb, FRVA, MSE(Civ), PEng.
Senior Lecturer

THE RESEARCH LOCATION

IDENTIFICATION

SURVEY

ANNEXURE 5.1

CONTENTS

Aberconwy Borough Council
Adur District Council
Afan Welsh Borough Council
Allerdale District Council
Ainwick District Council
Alyn and Deeside Borough Council
Amber Valley District Council
Arfon Borough Council
Arun District Council
Ashfield District Council
Ashford Borough Council
Aylesbury Vale District Council
Babergh District Council
Barnsley Metropolitan Borough Council
Barrow-in-Furness Borough Council
Basildon District Council
Basingstoke & Deane Borough Council
Bassetlaw District Council
Bath City District Council
Berwick-upon-Tweed Borough Council
Beverley Borough Council
Blaby District Council
Blackburn Borough Council
Blackpool Borough Council
Blaenau Gwent Borough Council
Blyth Valley Borough Council
Bolsover District Council
Boothferry Borough Council
Boston Borough Council
Bracknell Borough Council
Braintree District Council
Breckland District Council
Brecknock Borough Council
Brentwood District Council
Bridgnorth District Council
Broadland District Council
Bromsgrove District Council
Broxbourne Borough Council
Broxtowe Borough Council
Burnley Borough Council
Bury Metropolitan Borough Council
Calderdale Metropolitan Borough Council
Cambridge City Council
Cannock Chase District Council
Canterbury City Council
Carsdon District Council
Cardiff City Council
Carlisle City District Council
Carmarthen District Council
Carrick District Counil
Castle Morpeth Borough Council
Castle Point District Council

Ceredigion District Council
Charnwood Borough Council
Chelmsford Borough Council
Cheltenham Borough Council
Charwell District Council
Chester City Council
Chesterfield Borough Council
Chester-le-Street District Council
Chichester District Council
Chiltern District Council
Chorley Borough Council
Christchurch Borough Council
Cleethorpes Borough Council
Colchester Borough Council
Colwyn Borough Council
Congleton Borough Council
Copeland Borough Council
Corby District Council
Cotswold District Council
Coventry Metropolitan City Council
Craven District Council
Crawley Borough Council
Crewe and Nantwich Borough Council
Cynon Valley District Council
Decorum District Council
Darlington Borough Council
Daventry District Council
Delyn Borough Council
Derby City District Council
Derwentside District Council
Dinefwr Borough Council
Doncaster Metropolitan Borough Council
Dover District Council
Durham City Council
Dwyfor District Council
Easington District Council
Eastbourne Borough Council
East Cambridgeshire District Council
East Devon District Council
East Hampshire District Council
East Hertfordshire District Council
Eastleigh Borough Council
East Lindsey District Council
East Northamptonshire District Council
East Staffordshire District Council
East Yorkshire Borough Council
Eden District Council
Ellesmere Port and Neston Borough Council
Elmbridge Borough Council
Epping Forest District Council
Epsom and Ewell Borough Council
Erewash Borough Council

Exeter City Council
Fareham Borough Council
Fenland District Council
Forest Heath District Council
Forest of Dean District Council
Fylde Borough Council
Gedling Borough Council
Gillington Borough Council
Glanford Borough Council
Gloucester City Council
Glyndwr District Council
Gosport Borough Council
Gravesham Borough Council
Great Grimsby Borough Council
Great Yarmouth Borough Council
Guildford Borough Council
Halton Borough Council
Hambleton District Council
Harborough District Council
Harlow District Council
Harrowgate Borough Council
Hart District Council
Hartlepool Borough Council
Hastings Borough Council
Havant Borough Council
Hereford City Council
Hertsmere Borough Council
High Peak Borough Council
Hinckley and Bosworth Borough Council
Holderness Borough Council
Horsham District Council
Huntingdon District Council
Hyndburn Borough Council
Ipswich Borough Counil
Islwyn Borough Council
Kennet District Council
Kerrier District Council
Kettering Borough Council
King's Lynn and West Norfolk Borough Council
Kingston upon Hull City Council
Kirklees Metropolitan Borough Council
Knowsley Metropolitan Borough Council
Lancaster City Council
Leeds Metropolitan City Council
Leicester City Council
Leominster District Council
Lewes District Council
Lichfield District Council
Lincoln City Council
Llanelli Borough Council
Lliw Valley Borough Council
Luton Borough Council

Macclesfield Borough Council
Maidon District Council
Malvern Hills District Council
Mansfield District Council
Medina Borough Council
Melrionnydd District Council
Melton Borough Council
Mendip District Council
Merthyr Tydfil Borough Council
Mid Bedfordshire District Council
Mid Devon District Council
Mid Suffolk District Council
Mid Sussex District Council
Mole Valley District Council
Monmouth District Council
Montgomery District Council
Neath Borough Council
Newark District Council
Newbury District Council
New Forest District Council
Newport Borough Council
Northampton Borough Council
Northavon District Council
North Bedfordshire Borough Council
North Cornwall District Council
North Devon District Council
North Dorset District Council
North East Derbyshire District Council
North Hertfordshire District Council
North Kesteven District Council
North Norfolk District Council
North Shropshire District Council
North Warwickshire Borough Council
North West Leicestershire District Council
North Wiltshire District Council
Norwich City Council
Nottingham City Council
Nuneston and Bedworth Borough Council
Nadby and Wigston Borough Council
Ogwr Borough Council
Oswestry Borough Council
Oxford City Council
Pendle District Council
Penwith District Council
Peterborough City Council
Plymouth City District Council
Portsmouth City Council
Preseli District Council
Preston Borough Council
Purbeck District Council
Radnor District Council
Reading Borough Council

Redditch Borough Council
Reigate and Banstead Borough Council
Restormel Borough Council
Rhondda Borough Council
Rhuddlan Borough Council
Rhymney Valley District Council
Ribble Valley Borough Council
Richmondshire District Council
Rochester upon Medway Borough Council
Rochford District Council
Rossndale Borough Council
Rother District Council
Rugby Borough Council
Runnymede Borough Council
Rushcliffe Borough Council
Rushmoor Borough Council
Rutland District Council
Ryedale District Council
St. Albans City Council
St. Edmundsbury Borough Council
St. Helens Metropolitan Borough Council
Salisbury District Council
Scarborough Borough Council
Scunthorpe Borough Council
Sedgefield District Council
Sedgemoor District Council
Sefton Metropolitan Borough Council
Selby District Council
Sevenoaks District Council
Shepway District Council
Shrewsbury and Atcham Borough Council
Slough Borough Council
Southampton City Council
South Bedfordshire District Council
South Bucks District Council
South Cambridgeshire District Council
South Derbyshire District Council
Southend-on-Sea District Council
South Hams District Council
South Herefordshire District Council
South Holland District Council
South Kesteven District Council
South Lakeland District Council
South Norfolk District Council
South Northamptonshire District Council
South Oxfordshire District Council
South Pembrokeshire District Council
South Ribble Borough Council
South Shropshire District Council
South Staffordshire District Council
South Wight Borough Council
Spelthorne Borough Council

Stafford Borough Council
Staffordshire Moorlands District Council
Stevenage Borough Council
Stratford-on-Avon District Council
Stroud District Council
Suffolk Coastal District Council
Sunderland Metropolitan Borough Council
Surrey Heath Borough Council
Swale Borough Council
Swansea City Council
Taff-Ely Borough Council
Tamworth Borough Council
Tendridge District Council
Taunton Deane Borough Council
Teesdale District Council
Teignbridge District Council
Tendring District Council
Test Valley Borough Council
Tewkesbury Borough Council
Thamesdown Borough Council
Thanet District Council
Three Rivers District Council
Thurrock Borough Council
Tonbridge and Malling District Council
Torbay Borough Council
Torfaen Borough Council
Torridge District Council
Tunbridge Wells Borough Council
Tynedale District Council
Uttlesford District Council
Vale of Glamorgan Borough Council
Vale of White Horse District Council
Vale Royal District Council
Wakefield Metropolitan City Council
Wansbeck District Council
Wansdyke District Council
Warwick District Council
Watford Borough Council
Waveney District Council
Waverley District Council
Wealden District Council
Wear Valley District Council
Wellingborough Borough Council
Welwyn Hatfield District Council
West Derbyshire District Council
West Devon District Council
West Dorset District Council
West Lancashire District Council
West Lindsey District Council
West Oxfordshire District Council
West Somerset District Council
West Wiltshire District Council

Weymouth and Portland Borough Council
Wigan Metropolitan Borough Council
Wimbourne District Council
Winchester City Council
Windsor and Maidenhead Royal Borough Council
Wirral Metropolitan Borough Council
Woking Borough Council
Wokingham District Council
Woodspring District Council
Worcester City Council
Worthing Borough Council
The Wrekin District Council
Wrexham Maelor Borough Council
Wychavon District Council
Wycombe District Council
Wyre Borough Council
Wyre Forest District Council
Yeovil District Council
Ynys Mon - Isle of Anglesey Borough Council
York City Council
Aberdeen City (Grampian) Council
Angus (Tayside) District Council
Annandale and Askdale (Dumfries and Galloway) District Council
Argyll and Bute (Strathclyde) District Council
Badenoch and Strathspey (Highland) District Council
Banff and Buchan (Grampian) District Council
Bearsden and Milngavie (Strathclyde) District Council
Berwickshire (Borders) District Council
Caithness (Highland) District Council
Clackmannan (Central) District Council
Clydebank (Strathclyde) District Council
Clydesdale (Strathclyde) District Council
Cumbernauld and Kilsyth (Strathclyde) District Council
Cumnock and Doon Valley (Strathclyde) District Council
Cunninghame (Strathclyde) District Council
Dumbarton (Strathclyde) District Council
Dundee City (Tayside) Council
Dunfermline (Fife) District Council
East Kilbride (Strathclyde) District Council
East Lothian (Lothian) District Council
Eastwood (Strathclyde) District Council
Ettrick and Lauderdale (Borders) District Council
Falkirk (Central District Council
Gordon (Grampian) District Council
Hamilton (Strathclye) District Council
Inverclyde (Strathclyde) District ouncil
Inverness (Highland) District Council

Kilmarnock and Loudoun (Strathclyde) District Council
Kincardine and Deeside (Grampian) District Council
Kirkcaldy (Fife) District Council
Kyle and Carrick (Strathcluyde) District Council
Lochaber (Highland) District Council
Midlothian (Lothian) District Council
Monklands (Strathclyde) District Council
Moray (Grampian) District Council
Motherwell (Strathclyde) District Council
Nairn (Highland) District Council
Nithsdale (Dumfries and Galloway) District Council
North East Fife (Fife) District Council
Perth and Kinross (Tayside) District Council
Renfrew (Strathclyde) District Council
Ross and Cromarty (Highland) District Council
Roxburgh (Borders) District Council
Skye and Lochalsh (Highland) District Council
Stewartry (Dumfries and Galloway) District Council
Stirling (Central) District Council
Strathkelvin (Strathclyde) District Council
Sutherland (Highland) District Council
Tweeddale (Borders) District Council
West Lothian (Lothian) District Council
Wigtown (Dumfries and Galloway) District Council

Your ref :

Our ref :

Date :

As Postmark

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone : 0772. 51831

Head of School :
T M Ryan BSc(EstMan), FRICS, FIQS

The Chief Executive/Clerk to the Council
(Selected District Councils in England,
Wales and Scotland)

As from 21.9.81
Telephone: 22141

Dear Sir,

Planning/Valuation - Research Project

I am currently involved in a Ph.D. research project into the effects of new town centre retail development on the values of other retail premises within the town centre and in surrounding areas of influence. The project is being carried out at the University of Aston supported, inter alia, by the Royal Institution of Chartered Surveyors' Education Trust.

A mathematical model has been developed in an attempt to predict such value-changes and I write, therefore, to request your assistance with the identification of suitable urban areas within which to test the model's predictions against reality.

I should be grateful if you would ask your Town Planning Officer and your Estates Officer to complete the relevant sections of the attached questionnaire. Could you also indicate whether your authority would be prepared to give access to the records mentioned in the questionnaire, should an urban area within your authority be selected.

Would you wish to place any restrictions on the use of such information in statistical form in the research or on its eventual publication in a research thesis? 'Publication' could, in extreme cases, include (a) inferences drawn from the data, or (b) photocopies of original Local Authority records, but is more likely to fall somewhere between these two extremes.

I look forward to the receipt of the completed questionnaire at an early date and thank you in anticipation of your co-operation.

Yours sincerely,

Ronald Barham, F.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.)
Senior Lecturer

UNIVERSITY OF ASTON

in

BIRMINGHAM

-

R E S E A R C H Q U E S T I O N N A I R E

-

Town Centre Retail Developments in Mainland U.K.

during last 20 years

-

PLANNING INFORMATION

1.1 In any of the towns within your administrative area has there been within the last 20 years

(a) any redevelopment of the existing retail core, or

YES	NO

(b) major development of new shopping zones

YES	NO

Note:

i Major development should be taken to mean greater than 3000 m^2.

ii Redevelopment includes both (a) clearance and rebuilding and (b) major structural alteration/refurbishment of buildings, to improve capacity and quality of site, but not requiring clearance.

1.2 Do the new developments consist largely of

(a) ad hoc improvements, spread over the entire town centres, or

YES	NO

(b) general expansion of the retail core into the twilight zone surrounding the original town centres

YES	NO

OR

1.3 Does any of the new development in a town centre consist largely of one or more significant projects/improvement schemes on a single contiguous site?

YES	NO

* IF the answers to question 1.1 are negative or if the answer to question 1.3 is negative, please return the questionnaire without further completion.

LOCAL AUTHORITY: SECTION 2

Please complete FOR EACH TOWN CENTRE CONTAINING A NEW DEVELOPMENT as specified in 1.3.

IF MORE THAN FOUR please photocopy this form as necessary.

2.1 Please identify the town centre.

2.2 If there is more than one new retail project involved within the town centre new development

(a) did the projects take place sequentially as a result of phased, or separate, development decisions, or

(b) did the projects take place contemporaneously?

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

2.3 Indicate the approximate floorspace of the retail core of the town in which the new development has taken place. (m^2)

2.4 Please indicate

(a) the approximate size of the new development (m^2)

(b) the number of retail units in the new development

2.5 What was the year that the new development opened for trading?

2.6 Does your authority have the results of

(a) a pedestrian flow survey

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

(b) a carparking survey

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate Year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

(c) a public transportation (road/rail) survey

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

2.7 Is a land use plan available for the town centre

(a) prior to the new development (indicate year of survey)

(b) subsequent to the new development (indicate year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

2.8 Is the town centre in which the development is located constrained in any way?

Yes/No	Yes/No	Yes/No	Yes/No

Please indicate, by tick in appropriate column, if

(a) by an inner ring road

(b) by natural barriers (river, topography, etc.)

(c) by any other constraints (please describe)

2.9 Did your authority have any involvement in the development of any parts of the new retail development

(a) as sole developer	Yes/No	Yes/No	Yes/No	Yes/No
(b) as a joint venture	Yes/No	Yes/No	Yes/No	Yes/No

2.10 Specify nature of any joint venture:

ESTATES INFORMATION

3.1	Does your authority own any retail property in any of the town centres within its boundaries?	YES	NO
3.2	Can this retail property be easily identified in your management records?	YES	NO
3.3	Are your management records in such a form that the following information could be readily extracted for each property:		
	(a) floorspace	YES	NO
	(b) rent	YES	NO
	(c) main terms of letting	YES	NO

THANK YOU FOR TAKING THE TIME AND TROUBLE TO FILL IN THIS QUESTIONNAIRE.

PLEASE RETURN IT IN THE ENVELOPE PROVIDED, TO:

RONALD BARHAM, ESQ., F.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.),
SCHOOL OF CONSTRUCTION AND URBAN STUDIES,
PRESTON POLYTECHNIC,
CORPORATION STREET,
PRESTON,
LANCS.
PR1 7QT

ANNEXURE 5.2

CONTENTS

RESEARCH LOCATION SURVEY -

AN ANALYSIS OF THE RETURNS

SUMMARY OF QUESTIONNAIRES RETURNED

Responses		
Unuseable returns		
Refusal to participate	28	
Referral to alternate source	7	
Return promised in acknowledgment but non arrival	4	39
Useable returns		
No suitable development	64	
New development anticipated	4	
Development possibly researchable	120	188
TOTAL RESPONSES		227
No response		157
TOTAL QUESTIONNAIRES SENT OUT		384
Percentage response		59%
NUMBER OF POTENTIALLY RESEARCHABLE CENTRES IDENTIFIED		158

ANNEXURE 5.3

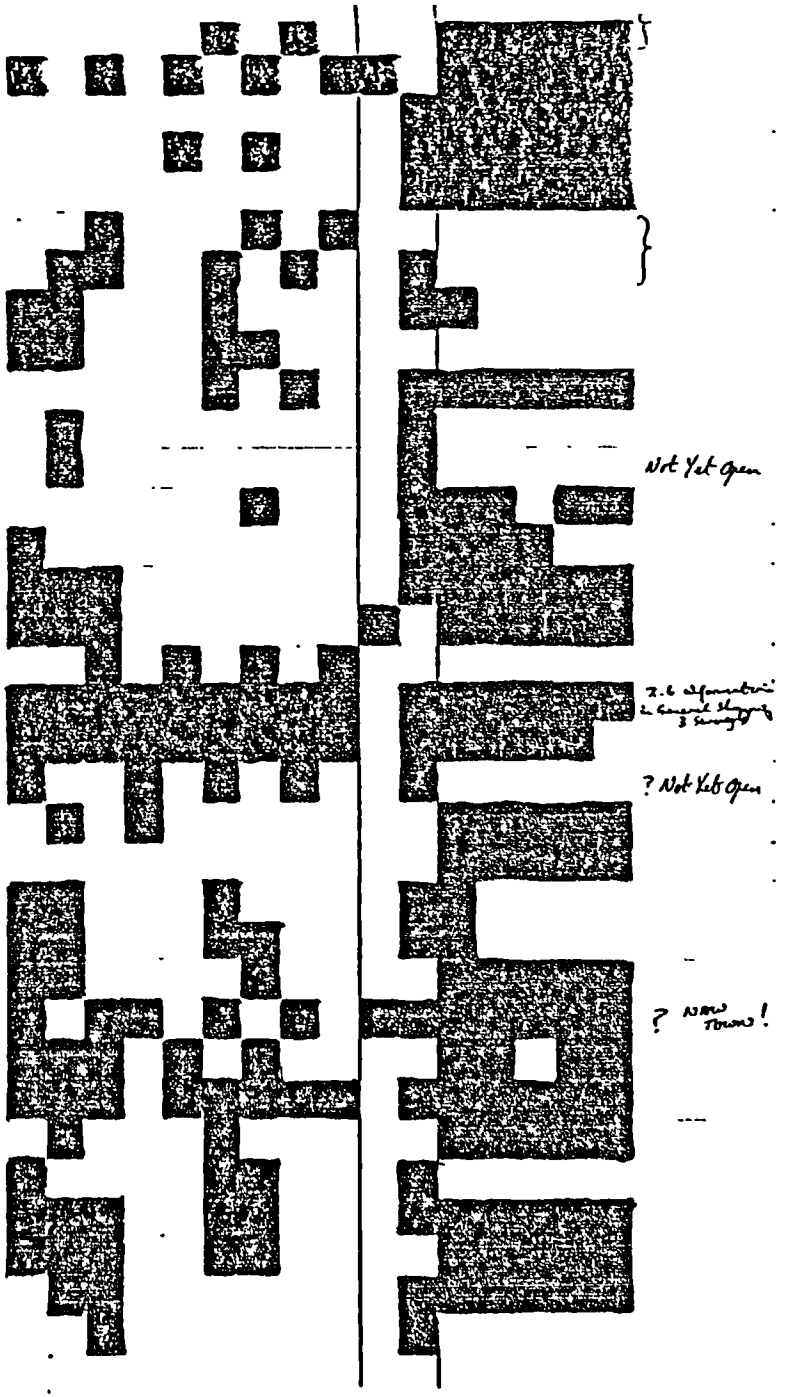
CONTENTS

A SUMMARY OF

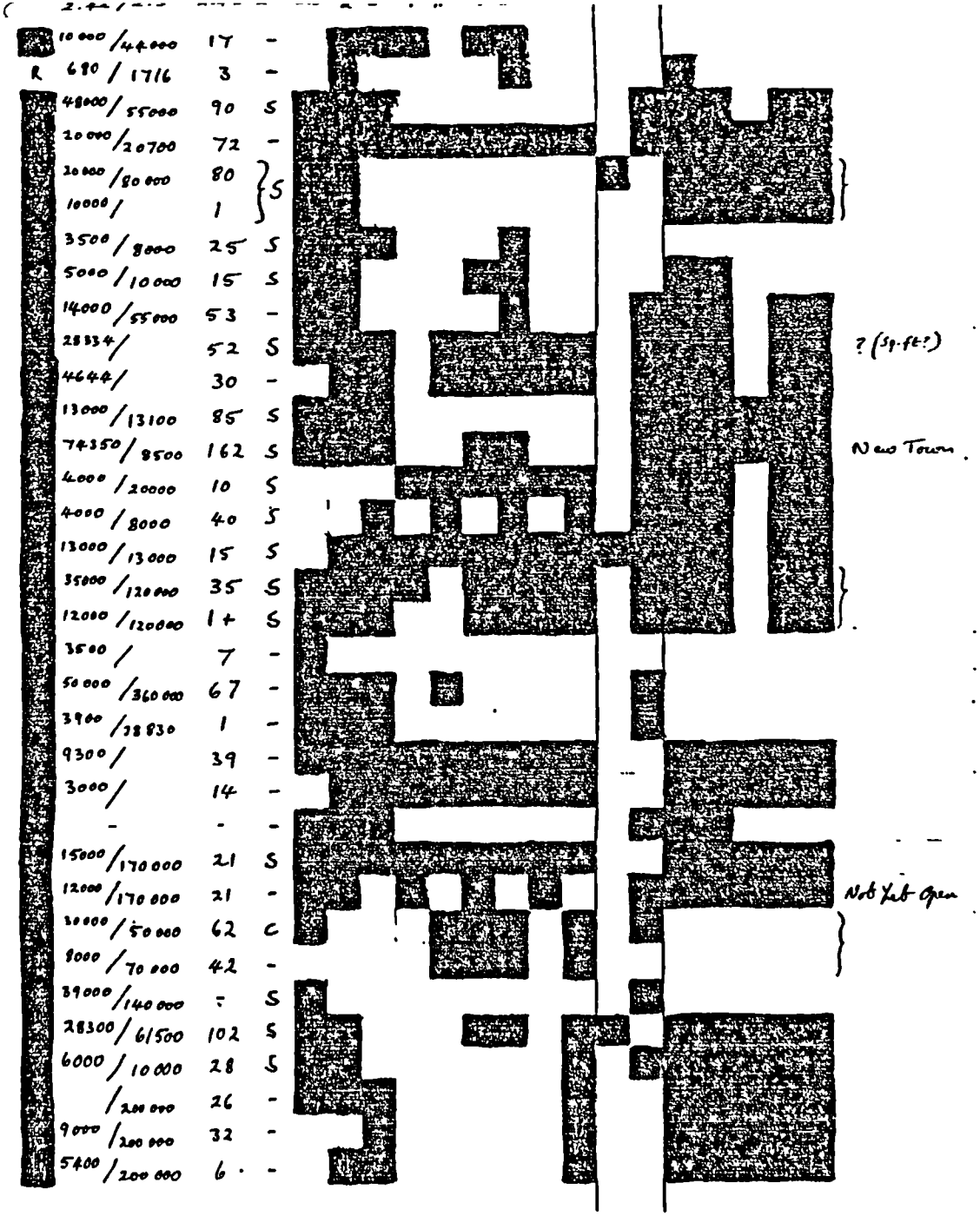
THE COMPLETED QUESTIONNAIRES

Local Authority	Town Centre					
Llanelli BC	Llanelli	R	-	-	S	
Thamesdown BC	Swindon i		50 000 / 168 000	50+	S	
	Swindon ii		20 000 / 164 000	30+	S	
Badenoch & Strathspey DC c/o Highland Regional Council	Aviemore		3500 /	15	-	
Three Rivers DC	Rickmansworth		20 000 /	15	S	
Stafford DC	Stafford		9500 / 31 000	-	S	
Clydesdale DC	Carluke		2000 / 10 000	5	-	
Wellingborough BC	Wellingborough		17 000 / 39 500	55	S/C	
North Norfolk DC	North Walsham		-	7	S/C	
	Fakenham		-	5	C	
	Wroxham/Hoveton		-	8	S	
Newbury DC	Newbury		13 000 / 48 500	26	-	
Wansbeck DC	Ashington		1000 / 18 000	5	-	
Inverness DC c/o Highland Regional Council	Inverness		8700 / 34 400	30	S	Not Yet Open.
Taunton DC	Taunton		5720 / 50 700	24	-	Not Yet Open
Mid Surrey DC	Burgess Hill		7246 / 14 120	46	-	
	Haywards Heath		8261 / 14 214	35	-	Not Yet Open
Kilmarnock & Loudoun DC	Kilmarnock		-	50	S	
Horsham DC	Horsham		-	40	-	
Bromsgrove DC	Bromsgrove		5000 /	1	-	
Merthyr Tydfil BC	Merthyr Tydfil		12 000 / 40 000	86	-	
Hart DC	Fleet		1000 / 1000	20	S	
Brentwood DC	Brentwood		7800 / 17 100	25	-	
Tewkesbury BC	Tewkesbury		4800 /	21	-	
Gravesham BC	Gravesend i		8500 / 86 000	20	S	Extra info. and Vale.
	Gravesend ii		19 000 / 86 000	40	S	
Easington DC	Peterlee		18180 / 18180	130	C	New Town
East Lothian DC	Haselburgh	R	2406 /	10	S	
Copeland BC	Whitehaven		3250 / 15 000	1	-	
Blyth Valley BC	Blyth i		2800 / 11 800	1	S	
	Blyth ii		1400 / 11 800	1		
Kirkaldy DC	Kirkaldy (Hayat I)		6800 / 42 020	21	S	
	Kirkaldy (The Postings)		7490 / 42 020	17	S	
	Glenrothes I & II		13 240 / 18 340	77	S	

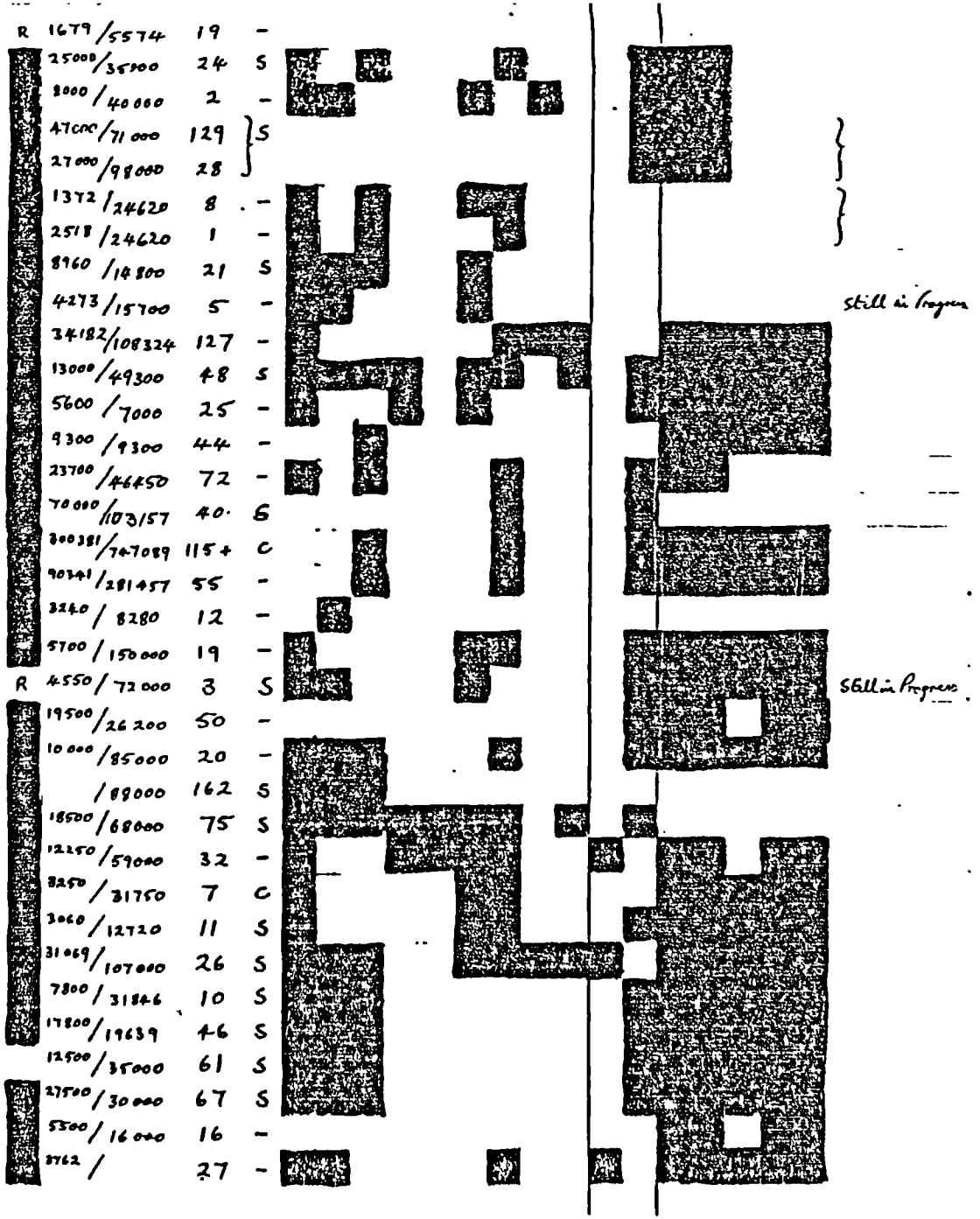
Local Authority	Town Centre					
Kirkaldy DC	Glenrothes III		5100 / 18340	18	S	
The Wrekin DC	The Wrekin		50000 / 50000	71	S	
	Dawley		500 /	2	-	
	Madeley		6000 /	19	S	
	Fadley		2000 /	3	S	
South Ribble BC	Leyland i		3000 / 30000	7	S	
	Leyland ii		5110 / 30000	7		
Guildford BC	Guildford		13500 / 176132	51	C	
Montgomery DC	Newtown	R	960 / 9400	12	-	
Teignbridge DC	Newton Abbot		3070 / 23600	25+	-	
Waveney DC	Lowestoft i		1485 / 25000	1	S	
	Lowestoft ii		2800 / 25000	1		
Rugby BC	Rugby		21360 / 21360	35	-	
Woking BC	Woking		22300 / 22300	52	S	
Dumberton DC	Dumberton		9000 / 24000	35	-	
	Alexandria		7600 / 10000	48	S	
Corby DC	Corby		23920 / 44960	49	S	
Exeter City Council	Exeter		16722 / 80823	28	-	
Mansfield DC	Mansfield		29000 / 52000	60	S/C	
Erewash DC	Ilkeston		9700 / 21600	17	-	
Oadby & Wigston BC	Wigston		3500 / 9000	1	-	
	Oadby (edge of centre)		9000 /	2	-	
East Hertfordshire DC	Hertford		4100 / 15000	14	-	
	Bishops Stortford		7900 / 30000	36	-	
Perth & Kinross DC	Perth	N	6000 / 87000	2	S	
East Kilbride DC	East Kilbride		53800 / 6766	102	S	
Wigan MBC	Wigan		9250 / 85500	39	-	
Fareham BC	Fareham		40000 / 70000	91	S	
East Cambridgeshire DC	Ely		8000 / 18000	24	S	
Havant BC	Waterlooville	N	600 / 24000	1	-	
Chesterfield BC	Chesterfield		22000 / 60000	40	S	
	Staveley		5200 / 5200	3	-	
Barrow in Furness BC	Barrow		4500 / 25000	30+	-	
Wyre BC	Poulton le Fylde		5000 /	22	-	



LOCAL AUTHORITY	TOWN CENTR				
Hinckley & Bosworth DC	Hinckley	10 000 / 44 000	17	-	
Bolsover DC	Bolsover	R 690 / 1716	3	-	
Clydebank DC	Clydebank	48000 / 55000	90	S	
Leicester City Council	Leicester	20 000 / 20700	72	-	
Wycombe DC	High Wycombe i	20000 / 80 000	80	S	
	High Wycombe ii	10000 /	1		
Blaenau Gwent BC	Tredegar	3500 / 8000	25	S	
	Ebbw Vale	5000 / 10 000	15	S	
Test Valley BC	Andover	14000 / 55 000	53	-	
East Staffordshire DC	Burton upon Trent	28334 /	52	S	? (sq. ft?)
	Uttoxeter	4644 /	30	-	
Northavon DC	Yate	13000 / 13100	85	S	
Redditch DC	Redditch	74350 / 8500	162	S	New Town
Wokingham DC	Wellingham	4000 / 20000	10	S	
	Woodley	4000 / 8000	40	S	
	Earley	13000 / 13 000	15	S	
Rochester City Council	Chatham i	35000 / 120 000	35	S	
	Chatham ii	12000 / 120000	1+	S	
Lochaber DC c/o Highland Regional Council	Fort William	3500 /	7	-	
Cardiff City Council	Cardiff	50 000 / 360 000	67	-	
Weymouth & Portland BC	Weymouth	3900 / 28 830	1	-	
Great Yarmouth BC	Great Yarmouth	9300 /	39	-	
	Gorleston	3000 /	14	-	
Preston BC	Preston	-	-	-	
York City Council	York i	15000 / 170 000	21	S	
	York ii	12000 / 170 000	21	-	Not Yet Open
Grimsby BC	Great Grimsby i	30000 / 50 000	62	C	
	Great Grimsby ii	9000 / 70 000	42	-	
Reading BC	Reading	39000 / 140 000	÷	S	
Inverclyde DC	Greenock	28300 / 61500	102	S	
	Port Glasgow	6000 / 10 000	28	S	
Plymouth City Council	Plymouth	/ 200 000	26	-	
	Plymstock	9000 / 200 000	32	-	
	Estover	5400 / 200 000	6	-	



Local Authority	Town Centre
West Devon DC	Okehampton
Carmarthen DC	Carmarthen
Tonbridge & Malling DC	Tonbridge
Basingstoke & Deane BC	Basingstoke i
	Basingstoke ii
Aberconwy BC	Llandudno i
	Llandudno ii
Huntingdon DC	Huntingdon
	St Neots
Maidstone BC	Maidstone
Stirling DC	Stirling
Mole Valley DC	Leatherhead
Eastwood DC	Newton Hearns
Burnley BC	Burnley
Blackpool BC	Blackpool
Wirral BC	Birkenhead
	Liscard
Congleton BC	Congleton
Southampton City Council	Southampton
Kyle & Carrick DC	Ayr
Pendle BC	Nelson
Newark DC	Newark
Stevenage BC	Stevenage
Scunthorpe BC	Scunthorpe
Tamworth BC	Tamworth
Lewes DC	Eastgate/Lewes
	Newhaven
Oxford City Council	Oxford
Monklands DC	Airdrie
	Coatbridge
Vale Royal DC	Northwich
	Winsford
East Devon DC	Exmouth
Cumnock & Doon Valley DC	Cumnock



Local Authority	Town Centre	1.1	2.4a/2.3	2.4b	2.2	2.8 a	b	f	k	l	i	ii	a	b	3.1	3.2	a	b	c
Renfrew DC	Paisley		10600/78500	23	–														
Norwich City Council	Norwich		23000/238000	36	S														
Harlow DC	Harlow		62600/96900	110	S														
Eastbourne BC	Eastbourne		37000/100000	69	–														
St. Helens MBC	St Helens		32990/66898	96	S														
Barnsley MBC	Barnsley		20438/39110	200+	S														
	Wombwell		1500/6100	7	S														
Shrewsbury & Atcham BC	Shrewsbury		7950/73530	21	–														
Glanford BC	Brigg		2000/7400	10	–														
	Barton upon Humber		400/4000	2	–														
Sevenoaks DC	Swanley		12800/15100	31	S														
Amber Valley DC	Alfreton		1100/7896	6	S														
	Belper		2694/5574	8	–														
	Ripley		2322/5574	2	–														
	Heanor		2200/7432	5	–														
Forest Heath DC	Newmarket		10451/	24	–														
	Mildenhall		1997/	18	–														
Motherwell DC	Motherwell		29700/40700	89	S														
Sunderland BC	Sunderland		22500/165000	78	–														
	Washington		46500/46500	119	S														
	Donford Park		5300/5300	11	C														
Bury MBC	Bury		20000/60000	140	S														
	Radcliffe		5458/16642	24	S														
	Prestwich		6749/16449	24	S														
	Whitefield		6065/10501	21	S														
West Lancashire DC	Skelmersdale		24636/	100	S														
Delyn DC	Mold		2380/13240	25	S														
Winchester City Council	Winchester		2886/58500	28	S														
Ogwr BC	Bridgend		12050/22000	46	S														
	Pyle		4000/	6	–														
Surrey Heath BC			26000/50000		C														
Chelmsford BC	East Springfield		4050/4050	8	C														
	Chelmsford		27580/66408	82	S														
	South Woodham Ferrers		13600/13600	15	C														

Not yet Completed

ANNEXURE 5.4

CONTENTS

CITY OF EXETER

THE RETURNED QUESTIONNAIRE

UNIVERSITY OF ASTON

in

BIRMINGHAM

-

R E S E A R C H Q U E S T I O N N A I R E

-

Town Centre Retail Developments in Mainland U.K.

during last 20 years

-

LOCAL AUTHORITY

EXETER CITY COUNCIL.

SECTION 1

PLANNING INFORMATION

1.1 In any of the towns within your administrative area has there been within the last 20 years

(a) any redevelopment of the existing retail core, or

YES	~~NO~~

(b) major development of new shopping zones

YES	~~NO~~

Note:

i Major development should be taken to mean greater than 3000 m^2.

ii Redevelopment includes both (a) clearance and rebuilding and (b) major structural alteration/refurbishment of buildings, to improve capacity and quality of site, but not requiring clearance.

1.2 Do the new developments consist largely of

(a) ad hoc improvements, spread over the entire town centres, or

YES	~~NO~~

(b) general expansion of the retail core into the twilight zone surrounding the original town centres

~~YES~~	NO

OR

1.3 Does any of the new development in a town centre consist largely of one or more significant projects/improvement schemes on a single contiguous site?

YES	~~NO~~

* IF the answers to question 1.1 are negative or if the answer to question 1.3 is negative, please return the questionnaire without further completion.

LOCAL AUTHORITY: EXETER CITY COUNCIL SECTION 2

Please complete FOR EACH TOWN CENTRE CONTAINING A NEW DEVELOPMENT as specified in 1.3.

IF MORE THAN FOUR please photocopy this form as necessary.

EXETER	–	–	–

2.1 Please identify the town centre.

2.2 If there is more than one new retail project involved within the town centre new development

(a) did the projects take place sequentially as a result of phased, or separate, development decisions, or

(b) did the projects take place contemporaneously?

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

2.3 Indicate the approximate floorspace of the retail core of the town in which the new development has taken place. ~~(m²) ft²~~ m²

80,823			

869,976 ft²

2.4 Please indicate

(a) the approximate size of the new development ~~(m²)~~ m² (Guildhall)

(b) the number of retail units in the new development

179,975 ft²

16,722			
28			

2.5 What was the year that the new development opened for trading?

1976			

2.6 Does your authority have the results of

(a) a pedestrian flow survey

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate year(s) of survey)

City Centre Shopping Survey 1971
Guildhall survey 1977
Guildhall survey 1979 (related to Structure Plan)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

all the above surveys contain general information on pedestrian flow, car parking etc

(b) a carparking survey see (a)

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate Year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

(c) a public transportation (road/rail) survey see (a)

(i) prior to the new development (indicate year of survey)

(ii) subsequent to the new development (indicate year(s) of survey)

Yes/No	Yes/No	Yes/No	Yes/No
Yes/No	Yes/No	Yes/No	Yes/No

2.7 Is a land use plan available for the ~~town centre~~ CITY CENTRE SHOPPING AREA

(a) prior to the new development (indicate year of survey) 1973/1976

(b) subsequent to the new development (indicate year(s) of survey) 1979

Yes/~~No~~	Yes/No	Yes/No	Yes/No
Yes/~~No~~	Yes/No	Yes/No	Yes/No

2.8 Is the town centre in which the development is located constrained in any way?

Yes/No	Yes/No	Yes/No	Yes/No

Please indicate, by tick in appropriate column, if

(a) by an inner ring road

(b) by natural barriers (river, topography, etc.)

(c) by any other constraints (please describe)

Very difficult to answer. Policy directs shopping to the City Centre which is located within an area bounded by the River Derwent and an inner ring road.

2.9 Did your authority have any involvement in the development of any parts of the new retail development

(a) as sole developer	~~Yes/No~~	Yes/No	Yes/No	Yes/No
(b) as a joint venture	~~Yes/No~~	Yes/No	Yes/No	Yes/No

2.10 Specify nature of any joint venture:

Ground Landlord (freeholder) and partnership arrangement.

JOINT.

LOCAL AUTHORITY: EXETER CITY COUNCIL SECTION 3

ESTATES INFORMATION

3.1 Does your authority own any retail property in any of the town centres within its boundaries?

YES	~~NO~~

3.2 Can this retail property be easily identified in your management records?

YES	~~NO~~

3.3 Are your management records in such a form that the following information could be readily extracted for each property:

(a) floorspace – available on file	~~YES~~	NO
(b) rent	YES	~~NO~~
(c) main terms of letting	YES	~~NO~~

THANK YOU FOR TAKING THE TIME AND TROUBLE TO FILL IN THIS QUESTIONNAIRE.

PLEASE RETURN IT IN THE ENVELOPE PROVIDED, TO:

RONALD BARHAM, ESQ., F.R.I.C.S., F.R.V.A., A.C.I.Arb., M.S.E.(Civ.),
SCHOOL OF CONSTRUCTION AND URBAN STUDIES,
PRESTON POLYTECHNIC,
CORPORATION STREET,
PRESTON,
LANCS.
PR1 7QT

E X E T E R -

T H E R E S E A R C H L O C A T I O N

EXETER - THE RESEARCH LOCATION

1 Historical Background

1.1 The City of Exeter is an ancient cathedral town situated on the River Exe in the county of Devon, some thirty seven miles north east of Plymouth on the River Exe. It is approximately ten miles from the sea and has been continuously settled since Roman times or even earlier. The original site of the city was a bluff (known as Rougement) from which surveillance could be kept over the river to the west and over the Iknield Way to the east. The city, itself, was originally a Roman walled town and several medieval civic buildings still remain intact. Predominant amongst these is the Guildhall which dates from the twelfth century, although it was extensively re-built in the fourteenth and fifteenth centuries.

2 Early Development

2.1 The dominant feature within the city is the Cathedral which dates from the twelfth century although its construction was spread over several

centuries. During the fifteenth century, the city of Exeter was a prominent centre for the woollen trade although it never became fully industrialised as did many similar cities. However, during the eighteenth century, Exeter did begin to expand gradually towards the south and the east and, although it has long since ceased to be predominantly concerned with the woollen trade, it is still a regional commercial centre and market town. It has a large residential community and its present industrial base includes paper making, metal working and light engineering.

2.2 During the early 1940s the city was subjected to intensive bombing which resulted in the devastation of much of the town centre and major reconstruction of much of the city's retail core was carried out in the early 1950s.

3 Geographical Background

3.1 The cathedral and university city of Exeter is the county town of Devon and, currently, a main communication centre for the south west. It is situated on the main routes to the holiday

regions of Devon and Cornwall and is presently served by a motorway connection to the north.

3.2 Two major trunk roads intersect at Exeter; the A30 from London to Penzance and the A38 from the midlands to Plymouth. Other principal roads connect Exeter with Lyme Regis, Barnstable, Tiverton, Dunster, Dawlish, Teignmouth and Torbay. There are also adequate road connections with the majority of north Devon and north west Somerset.

3.3 Exeter also lies on the main railway line from London Paddington to Penzance and has good rail connections to the north, via Bristol. Exeter Airport, five miles east of the city, provides scheduled services to the Channel Islands, Dublin, Belfast and to Europe as well as a local charter flight facility.

3.4 The nearest large town to Exeter is Plymouth which lies some forty two miles to the south west. Smaller connurbations in the immediate vicinity include Torbay, twenty five miles south west, and Taunton, thirty two miles to the north east.

3.5 The communications network centred on Exeter results in the city providing a range of services, including employment, shopping, social services and entertainment for the population of a considerable catchment area.

4 Topography and Geology

4.1 The city of Exeter is bounded to the north by the Stoke Hill Ridge, to the north west by the Exwick/Haldon range of hills and to the north east by the Pinhoe Ridge. The majority of the terrain to the south and south east is fairly level and this large area of low lying land comprises the site of the main urban development expansion.

4.2 The flood plain of the River Exe runs north - south. The town centre contains a sharply-cut river face broken by two steep sided valleys running at right angles to the river. These steep slopes, however, fade away to gentler slopes about half a mile to the south of the Exe Bridge.

4.3 Exeter is on a line, running approximately east-

west, where carboniferous grits and shales dip below newer surface gravels and sandstones to the south. There is, therefore, a marked widening of the aluvium flood plain of the river at this point, together with a number of basaltic intrusions.

5 Climate

5.1 Exeter enjoys fairly mild climatic conditions with temperatures which are reputed to be the warmest in the British Isles. As a result, there has been an increase in the numbers of retired people settling in the area. In addition, the higher temperatures, combined with a fairly high average rainfall provides its hinterland with an extended growing season for fruit, vegetables and flowers. However, this advantage is offset by large areas of surrounding country which is open, windy and wet and, therefore, unsuitable for arable farming, etc.

6 Landscape Features

6.1 As a result of the climatic and geological conditions, the landscape of the inner areas of

Exeter contains several sharply incised valleys draining into the River Exe. These are covered with lush vegetation and large trees and have caused some limitation of the urban growth of the town.

6.2 The steep slopes immediately to the north of the town centre have been fairly sparsely developed and the major expansion has been in the east and south east of the town. Expansion to the west is limited by poor communications and the danger of flooding.

6.3 The asymmetrical growth of the town has, therefore, allowed the original centre to remain comparatively close-knit.

7 The Central Area

7.1 The medieval walled town originally occupied an elevated site on the east side of the river. The castle mound, some 160 feet above the river's floor plain, is the highest point. The early residential part of the town was on the south facing slopes above the river with the cathedral behind on a plateau which extended north eastwards.

7.2 The north western edge of the town was considerably modified in the nineteenth century by the construction of the railway but, for the most part, the original central area street pattern remains undisturbed.

7.3 High Street and its continuation, Sidwell Street, run north east-south west and, at the western end of High Street, is the original cross-roads of the town to which the other roads climb comparatively steeply from the Exe Bridge. As mentioned earlier, the town centre still retains the majority of its medieval street plan to which most of the post war re-building in the eastern half of the town centre has conformed.

7.4 The result of the post war central area reconstruction has resulted in Exeter having developed as a particularly concentrated monocentric shopping area with, in the early 1960s, almost seventy percent of retail sales passing through city centre shops. There are, however, two main district centres operating outside the central retail area. These are at Heavitree and at St. Thomas, see sketch map 3 (Annexure 6.1). However, Exeter is a sub regional shopping centre with a very large

catchment area. The city centre has, to some extent, expanded since the High Street was re-built after its war damage and the most recent major addition to the retail stock is the 250,000 sq.ft. (approx.) of shopping floorspace in the Guildhall Centre constructed in 1975/76.

7.5 Since the contruction of the Guildhall Centre it has been noted by both planners and other casual observers that the focus of the central area shopping has moved southwards along High Street towards Queen Street. This has had a harmful effect on the north eastern end of Sidwell Street, the northern extremity of the shopping centre, and there have been several proposals to construct additional shopping and/or a new bus and coach station together with associated carparking at the opposite end of the town to the Guildhall Shopping Centre, in order to try to redress the balance.

7.6 Notwithstanding the change within the town centre, small groups of shops and single corner shops continue to serve local communities throughout the city. However, these have suffered from a steady decline in recent years. The community shopping facilities at St. Thomas

and at Heavitree, however, continue to be fully utilised although they do not form major attractors of themselves.

7.7 In 1969, when the redevelopment of the Guildhall area was originally proposed, it was noted that the floorspace in the existing buildings on the site on which the development was proposed amounted to approximately 450,000 sq.ft. of which about 53% was used for retail trade. Notably at that time, about 24% of the floorspace was vacant and 35% of the total site area was cleared of buildings and used for carparking with accommodation for some 200 cars.

7.8 Other buildings within the High Street were described as being generally in good condition but, again, the planners noted that High Street, whilst having a great deal of character, suffered environmentally from the excessive amount of traffic using the street.

7.9 With the exception of some buses, the central section of High Street has now been closed to vehicular traffic and has become Exeter's prime retailing location. Notably, Marks & Spencers, C & A Modes, and Laura Ashley, all major

retailers, have re-sited on High Street in close proximity to the Guildhall Shopping Centre during the period 1976 to 1984, despite the fact that all three of these retailers were originally located at the north eastern end of High Street close to the original crossroads focus of the retail centre. W. H. Smith, a major retail stationers, relocated from its crossroads position to new premises within the Guildhall centre itself.

7.10 During discussions with members of the valuation profession operating within the Exeter area, it became apparent that there was still considerable optimism regarding the potential for further development within the town centre. It was stated that, in Exeter, there are never enough shops to go around and prospective tenants were having to pay substantial premiums in order to find prime locations. This statement was not, however, borne out by the evidence as, during the several years of investigation carried out in the centre, it was noted that certain retail premises had stood vacant throughout that period of three years. Furthermore, no consideration appeared to have been given to the general effects of inflation when discussing levels of rentals, etc.

It was stated that the retail property in Exeter centre had seen considerable activity during the period running up to 1976 and that retail property values in Exeter along with those in the remainder of the country had increased rapidly and frequently. This seems to be a strange statement when coupled with other statements made by the same agents that the general effect on rents in Exeter was somewhat confused. Remembering, of course, that a major market collapse had occurred during 1974, at which time many shops ceased to trade, it seems strange that in 1975/1976 the Guildhall Shopping Centre, promoted by Exeter City Council, should be created with some 250,000 sq.ft. of shopping accommodation. What is even more strange is that a large proportion of the new development was pre-let and that the final letting was completed within 12 months of the centre opening.

8 Further Developments and Proposals

8.1 During 1985/86 a further 70,000 sq.ft. retail scheme has been constructed at the junction of Queen Street and Paul Street, behind the Guildhall Scheme, into which it will link. In

addition to this, a new 13,000 sq.ft. store for a major fashion furnishers has also been constructed on an adjoining site. Further proposals to redevelop the bus and coach station at the north eastern end of the High Street, adjoining Paris Street and Sidwell Street, are now put forward in the local plan together with the provision of a further 70,000 sq.ft. of shopping. The intention is that this should 'drag' the prime pitch towards the northern end of the High Street, presumably to counteract the drift towards the southern end following the construction of the Guildhall Centre.

8.2 The Council of the City of Exeter is stoically resisting the construction of out of town shopping centres on the basis that they do not conform with its local plan provision but work has already started on a £10,000,000 shopping and leisure complex on a 7 acre site close to the St. Thomas station to the south west of the town centre and a new store for Sainsburys, providing 26,000 sq.ft, of retail space will be included.

8.3 The construction of out of town superstores and other district centres will, in all probability, have very large effects on the central area of

Exeter and will act to substantially weaken the trading base of stores selling similar products within the traditional retail core. In addition, major out of town shopping facilities would probably draw substantial numbers of customers away from the existing superstores in Exeter and the surrounding settlements.

CONTENTS

COUNTY OF DEVON -

GENERAL MAPS

1. URBAN SETTLEMENT PATTERN
2. ADMINISTRATIVE AREAS AND DISTRICTS
3. FUNCTIONAL ROUTE NETWORK
4. AVERAGE TRAFFIC FLOWS
5. BUS ROUTES
6. EXPRESS COACH SERVICES
7. THE RAIL NETWORK - 1966
   1975/76
   1983
8. FERRY SERVICES

D A T A C O L L E C T I O N

CONTENTS

HOUSEHOLD EXPENDITURE SURVEY

- EXETER CENTRE SURVEY

(UNUSED)

UNIVERSITY OF ASTON

Shopping Survey 1983 (Exeter Central area)

1. Location of Interview .....

2. Date ..... Time .....

Interviewer No. .....

3. Did you come here to the Town Centre from

Home

Place of Work

Other (please specify) .....

In what town/village/neighbourhood is this? .....

.....

4. Male/Female

5. Age Group 15-19 20-29 30-39 40-49 50-60 60+

6. How did you arrive here today?

foot/bus/coach/car/motor cycle/cycle/train/

other (specify) .....

Is this your usual means of travel? Yes/No

IF public transport

Where did you alight on arrival?

.....

IF car

Were you the driver of a passenger? .....

Where did you park on arrival?

.....

7. What was the main purpose of your trip today?

Shopping	Work	Recreation	Business
Window Shopping	Visiting People	Use of Community Facilities	Holiday Visit

Other (specify) .....

IF Work or business

Is your work premanently based within Exeter

Yes/No

OR is this visit in the course of your work?

Yes/No

How far from here is your place of work? .....

8. IF primary purpose not shopping:

Have you bought anything from the shops during today's visit to Exeter?

Yes/No

If so, what have you bought?

.....

Did you set out intending to buy this/these?

Yes/No

OR Do you intend to make any purchases during the rest of your time in Exeter today?

Yes/No

If so, what .....

9. IF primary purpose is shopping

Did you come to purchase a particular item?

Yes/No

OR to visit a particular shop Yes/No

OR both Yes/No

10. Which shops have you visited today? (In order)

.....

.....

.....

.....

Which of the above (if any) was for your main intended intended purchase on this trip?

.....

11. Which shops do you intend to visit?

.....

12. Is any of your intended visits for your main purchase?

Yes/No

13. Roughly how much do you anticipate you will spend on shopping in Exeter Centre today?

(a) ON FOOD for consumption during trip

£1 £1-3 £3-5 £5-10 £10-20 £20+

(b) ON OTHER FOOD PURCHASES (for home)

£1 £1-3 £3-5 £5-10 £10-20 £20+

(c) ON OTHER GOODS

£1 £1-3 £3-5 £5-10 £10-20 £20+

(d) ON SERVICES (banks, hairdressers, etc.)

£1 £1-3 £3-5 £5-10 £10-20 £20+

14. Are you shopping in Exeter Centre because the vast bulk of your shopping is done here?

Yes/No

How often do you normally visit Exeter Centre for a shopping trip?

Daily Several times a week Weekly Fortnightly
Monthly Monthly or less First visit

On what day do you normally do your main shopping?

Mon Tues Wed Thus Fri Sat

15. Are you intending visiting any other shopping centre today/ this week? (which?)

.....

IF so, what do you intend to buy there, rather than in Exeter?

.....

16. In the course of the last month, how many times have you visited Exeter Centre on a shopping trip?

1 or 2 3 or 4 5 - 10 more than 10

17. In the last 7 days how many other shopping centres have you visited?

.....

18. How many people are there in your household? .....

19. What is the occupation of the chief wage earner in your household?

.....

CONTENTS

Lee Wrights, 9 Palace Gate, Exeter, Devon

Whitton & Laing, 20 Queen Street, Exeter, Devon

Western & Partners, Northernhay House East, Northernhay Place, Exeter, Devon

Richard Webber & Co., Berkeley House, Dix's Field, Exeter, Devon.

R. B. Taylor & Sons, 16 Cathedral Yard, Exeter, Devon

Lester Smith Partnership, 101 South Street, Exeter, Devon

Rickeard, Green & Michelmore, 89a Queen Street, Exeter, Devon

Redferns, 37 Southernhay East, Exeter, Devon

Gerald Probert Esq., 26 Paris Street, Exeter, Devon

Phillips & Husseys, Alphin Brook Road, Exeter, Devon

Pepper Commercial, 35 Southernhay East, Exeter, Devon

Murrays, Estate Agents, 15 Castle Street, Exeter, Devon

Morgan & Co., 44 Bedford Street, Exeter, Devon

Michelmore Hughes in association with Messrs. Strutt & Parker, 24 Southernhay West, Exeter, Devon

C. J. Menhenitt, Esq., 17 Candy Street, Exeter, Devon

Daniel Maher & Co., 5 Northernhay Place, Exeter, Devon

Charles Head & Son, Central Station Buildings, Exeter, Devon

Alan Haskell, Esq., 33 Southernhay East, Exeter, Devon

Frank Gerry, Esq., 38 Longbrook Street, Exeter, Devon

Hamilton's, 13 North Street, Exeter, Devon

Force & Sons, 18 Sidwell Street, Exeter, Devon

Fleury Manico, 16 Southernhay West, Exeter, Devon

Fulfords, 6 Paris Street, Exeter, Devon

Drew, Pearce, Cuthbert & Lake, 14 Cathedral Close, Exeter, Devon

Cooksleys, 86 South Street, Exeter, Devon

Cherry & Cherry Limited, 13 Southernhay West, Exeter, Devon

R. W. Chapman & Co., Little Castle Street, Exeter, Devon

Chamberlain Brothers & Michelmore, 1 Barnfield Crescent, Exeter, Devon

Devon Surveys Limited, 10 East Richards Road North, Exeter, Devon

Devon & Exeter Auction Galleries, 32 Okehampton Street, Exeter, Devon

Cox & Co., 13 South Street, Exeter, Devon

Body, Son & Fleury, 16 Southernhay West, Exeter. Devon

Bower & Bower, 26 Cowick Street, St. Thomas, Exeter, Devon

Bower & Bower, 67 Fore Street, Heavitree, Exeter, Devon

Bentley, 28 Candy Street, Exeter, Devon
John Barter, Esq., 13 Castle Street, Exeter, Devon

Mudge & Baxter, 44 Bedford Street, Exeter, Devon

Haarer & Goss, 33-39 Princess Hay, Exeter, Devon

Fox & Sons, 22 Cathedral Yard, Exeter, Devon

chartered surveyor

lease Quote Reference:

our Reference:

)ate: 15th November, 1983.

For the attention of the Senior Partner

SEE OVER

Dear Sir,

VALUATION RESEARCH PROJECT

I am currently involved in a valuation research project at the University of Aston which is investigating the possibility of quantifying the predicted effects of major development schemes on existing property values. The research has been sponsored, inter alia, by the Royal Institution of Chartered Surveyors.

The majority of the theoretical research has now been concluded and a field test is underway in the Exeter area, where the valuation effects of the redevelopment of the Guildhall site in 1976 are being studied. It is in this respect that I now write to you requesting your assistance in the providing of any evidence of rental or capital values of retail properties that you might have in your files. If you could spare a few moments to complete the attached proforma in respect of any retail premises with which your practice has dealt (either prior to the Guildhall development or since the Guildhall development) I would be most obliged. I would also welcome details on any retail properties well outside the traditional town centre as it is in the outer areas that evidence is likely to be sparse.

The success of this research project is highly dependent upon the co-operation of local practitioners. If, therefore, each practice returns only one or two sets of information, a worthwhile field test can be carried out. Your co-operation in this matter, as you will appreciate, is vital to the success of the project.

Please photocopy the proforma should you be in a position to make a return in respect of several properties. In respect of a property where you do not have sufficient information to be able to answer all the questions, please complete the form as far as possible - every little helps! If you experience any difficulty in filling in the form or have any queries, do not hesitate to contact me.

In conclusion, may I take this opportunity of thanking you in anticipation of your co-operation in this matter. All information will be kept confidential and will only be used in non-identifiable aggregated statistics.

Yours sincerely,

RONALD BARHAM FRICS
1 WINDERMERE DRIVE
DARWEN LANCS BB3 3BQ
TELEPHONE 0254 76267

Ronald Barham,
FRICS, FCIArb, FRVA, MSE(Civ), PEng.

CONFIDENTIAL

UNIVERSITY OF ASTON IN BIRMINGHAM

EXETER AREA - RETAIL PROPERTY VALUES QUESTIONNAIRE

1. Name and Address of Practice returning Questionnaire	1.
2. Address of subject retail premises	2.
3. Date of transaction/valuation	3.
4. Retail Trade Use at date of Valuation	4.

5. PROPERTY DETAILS

5.1 Retail Use (Floor Area)	5.2 Ancilliary Use (Floor Area)
5.3 No. of Floors	5.4 Basement Yes/No

6. TENURE OF PREMISES

6.1 Freehold OR Leasehold years from (year) subject to annual rent of £ Rent Reviews every years	6.2 Any Sub-Tenancies?

7. VALUE

7.1 Rent £ per annum Amount of any premium? £ Date of premium	OR	7.2 Capital Value £ Date of Valuation	

8. ANALYSIS (if available)

8.1	Frontage	8.3	Zone A Depth
8.2	Depth	8.4	Zone A Rent
8.5	Investment Return (Initial Yield)		%

9. IF the transaction was one which included the business carried on at the premises, please state, if available:

	Year of transaction	Previous Year
The annual turnover	£	£
The net profit per accounts	£	£

THANK YOU FOR TAKING THE TIME AND TROUBLE TO FILL IN THE QUESTIONNAIRE.

PLEASE RETURN IT TO:

-

RONALD BARHAM, ESQ., FRICS, FCIArb, FRVA, MSE(Civ), PEng.
1 WINDERMERE DRIVE
DARWEN
LANCS
BB3 3BQ

-

chartered surveyor

Please Quote Reference:

Your Reference:

Date: 16th January, 1984.

Dear Sir,

VALUATION RESEARCH PROJECT

You may recall that I wrote to you in November last concerning a research project which was looking at the valuation effects of the redevelopment of the Guildhall Centre.

The success of the research project is highly dependent upon the acquisition of evidence of rental or capital values of specific retail premises during the ten years prior to the opening of the Guildhall Centre and in the seven years since. It would also be most helpful if information on shops in the outer areas of Exeter, as well as within the accepted town centre, could be obtained and your co-operation in this matter would be most appreciated.

If you can, therefore, spare the time to dig into your files and find one or two sets of relevant information it would be a worthwhile contribution to the field test of the theoretical models; to assist you I enclose a further copy of the proforma.

In conclusion may I take this opportunity of thanking you in anticipation of your co-operation in this investigation and once more assure you that all information will be kept confidential and will only be used in non-identifiable aggregated statistics.

If you have any queries regarding the form, please do not hesitate to contact me. Alternatively, I shall be making frequent visits to the Exeter area during the next few months and I could call on you to collect the information personally.

Yours sincerely,

Ronald Barham, FRICS, FCIArb, FRVA, MSE(Civ), PEng.

RONALD BARHAM FRICS
1 WINDERMERE DRIVE
DARWEN LANCS BB3 3BQ
TELEPHONE 0254 76267

CONTENTS

QUESTIONNAIRE AND COVERING LETTER

SENT TO OCCUPIERS OF

IDENTIFIED RETAIL LOCATIONS

IN CITY OF EXETER

Your ref

Our ref

Date As Postmark

PRESTON POLY TECHNIC

School of Construction and Urban Studies

Faculty of Science and Technology
Corporation Street, Preston PR1 2TQ
Telephone : 0772. 51831

Head of School :
T M Ryan BSc(EstMan), FRICS

STRICTLY PRIVATE AND CONFIDENTIAL

PROPERTY VALUATION RESEARCH PROJECT

I am currently carrying out research at the University of Aston which is seeking to develop a computerised model to predict the effect of major new retail development projects on the trade levels and property values at surrounding locations.

The majority of the theoretical work is completed and it is vital that the model's predictions are now tested against a real situation. In order to do this it was necessary to find a small town where one easily identifiable development had taken place, and after preliminary investigations the only town which proved to be suitable was Exeter.

To check the predictive capacity of the model I need to collect information on the turnovers, profits and rentals of local shops both before and after the development of the Guildhall Centre and it is in this respect that I am writing to you to request your help.

If you would be so kind as to complete the short questionnaire enclosed with this letter, the information will be of invaluable assistance in the checking of my theoretical work. Please be assured that any information that you give to me will be treated in the strictest confidence. Only aggregated statistical information will be included in the published thesis and the original questionnaires will be destroyed once the relevant figures have been extracted. It will not be possible, therefore, for any 'real' figures to be attributed to actual property locations from any material in the published thesis.

I trust that I can look forward to your co-operation in this enquiry and enclose, herewith, a pre-paid envelope for your reply.

Yours sincerely,

Ronald Barham, FRICS, FCIArb, FRVA, MSE(Civ), PEng.
Senior Lecturer

CONFIDENTIAL

UNIVERSITY OF ASTON IN BIRMINGHAM

EXETER AREA - RETAIL PROPERTY VALUES QUESTIONNAIRE

1. Name and Address of Practice returning Questionnaire	1.
2. Address of subject retail premises	2.
3. Date of transaction/valuation	3.
4. Retail Trade Use at date of Valuation	4.

5. PROPERTY DETAILS

5.1 Retail Use (Floor Area)	5.2 Ancilliary Use (Floor Area)
5.3 No. of Floors	5.4 Basement Yes/No

6. TENURE OF PREMISES

6.1 Freehold OR Leasehold years from (year) subject to annual rent of £ Rent Reviews every years	6.2 Any Sub-Tenancies?

7. VALUE

7.1 Rent £ per annum Amount of any premium? £ Date of premium	OR	7.2 Capital Value £ Date of Valuation	

8. ANALYSIS (if available)

8.1	Frontage	8.3	Zone A Depth
8.2	Depth	8.4	Zone A Rent
8.5	Investment Return (Initial Yield)		%

9. IF the transaction was one which included the business carried on at the premises, please state, if available:

	Year of transaction	Previous Year
The annual turnover	£	£
The net profit per accounts	£	£

THANK YOU FOR TAKING THE TIME AND TROUBLE TO FILL IN THE QUESTIONNAIRE.

PLEASE RETURN IT TO:

-

RONALD BARHAM, ESQ., FRICS, FCIArb, FRVA, MSE(Civ), PEng.
1 WINDERMERE DRIVE
DARWEN
LANCS
BB3 3BQ

-

PUBLISHED DATA USED IN THE TEST

1. EXTRACT - CENSUS OF DISTRIBUTION 1961

2. EXTRACT - CENSUS OF DISTRIBUTION 1971

3. DEVON COUNTY COUNCIL - SURVEY OF SHOPS 1981/82

1. EXTRACT FROM CENSUS OF DISTRIBUTION 1961

2. EXTRACT FROM CENSUS OF DISTRIBUTION 1971

3. DEVON COUNTY COUNCIL -

SURVEY OF SHOPS 1981/82

CONTENTS

BROCHURE DESCRIBING

THE NEW GUILDHALL

SHOPPING CENTRE

(1976)

COMPUTER GENERATED MAPS OF EXETER TOWN CENTRE - PREDICTED RENTS & CAPITAL VALUES

LIST OF MAPS

Continued/

KEY TO MAP PLOTS

ERROR MAP

Not Found/Matched	Black
Estimated to ± 10%	Green
Over Estimated	Blue
Under Estimated	Red
Not Found/Matched	Δ
Percentage Error	
up to 10%	*
10-25%	o
25-50%	x
50-100%	+
over 100%	∇

CV's MAP

Not Found/Matched	
or less than	
£10 p.s.f.	Black
£10-£20 p.s.f.	Red
£20-£30 p.s.f.	Green
£30-£50 p.s.f.	Blue
£50-£75 p.s.f.	Turquoise
£75-£100 p.s.f.	Orange
£100-£200 p.s.f.	Brown
over £200 p.s.f.	Violet

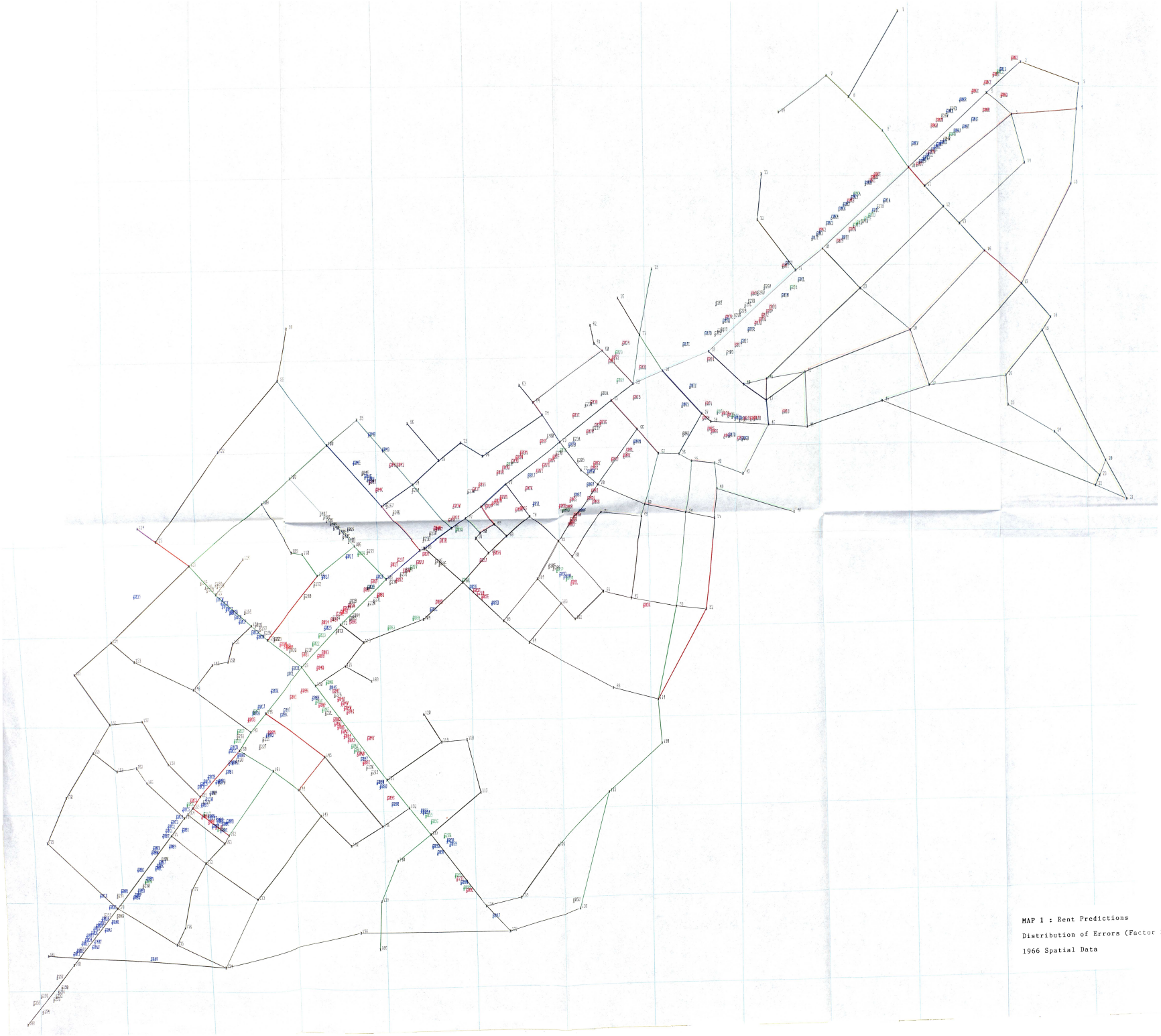
BOTH MAPS - STREET MATRIX

Simulated Flow	
under 10	Black
10-100	Red
100-1000	Green
1000-10000	Blue
over 10000	Turquoise

MAP 1 : Rent Predictions

Distribution of Errors (Factor 2)

1966 Spatial Data



MAP 1 : Rent Predictions

Distribution of Errors (Factor 3)

1966 Spatial Data

MAP 2 : Rent Predictions

Distribution of Errors (Factor 2)

1975 Spatial Data

MAP 2 : Rent Predictions
Distribution of Errors (Factor 3)
1975 Spatial Data

MAP 3 : Rent Predictions

Distribution of Errors (Factor 2)

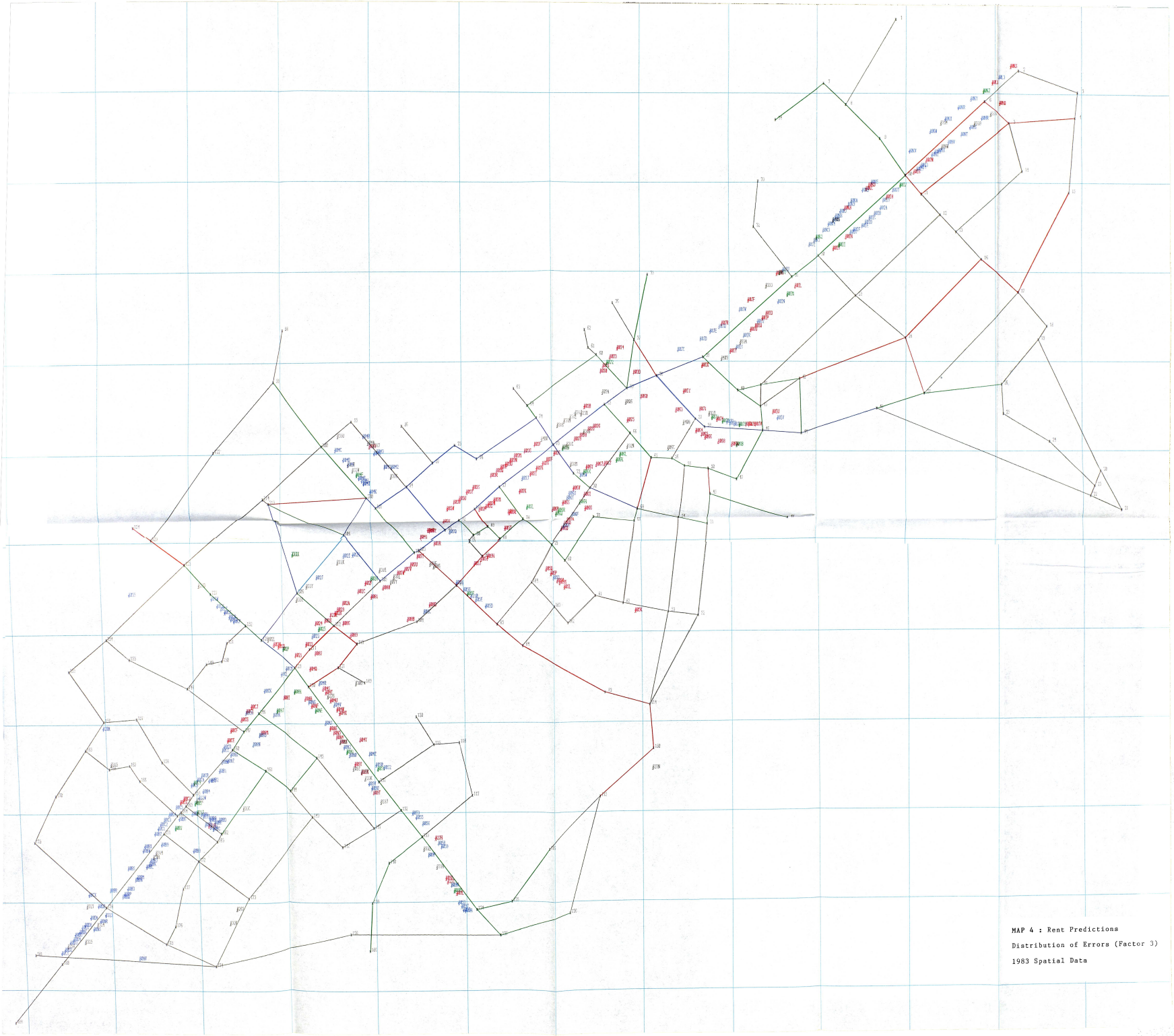
1976 Spatial Data

MAP 3 : Rent Predictions
Distribution of Errors (Factor 3)
1976 Spatial Data

MAP 4 : Rent Predictions

Distribution of Errors (Factor 2)

1983 Spatial Data

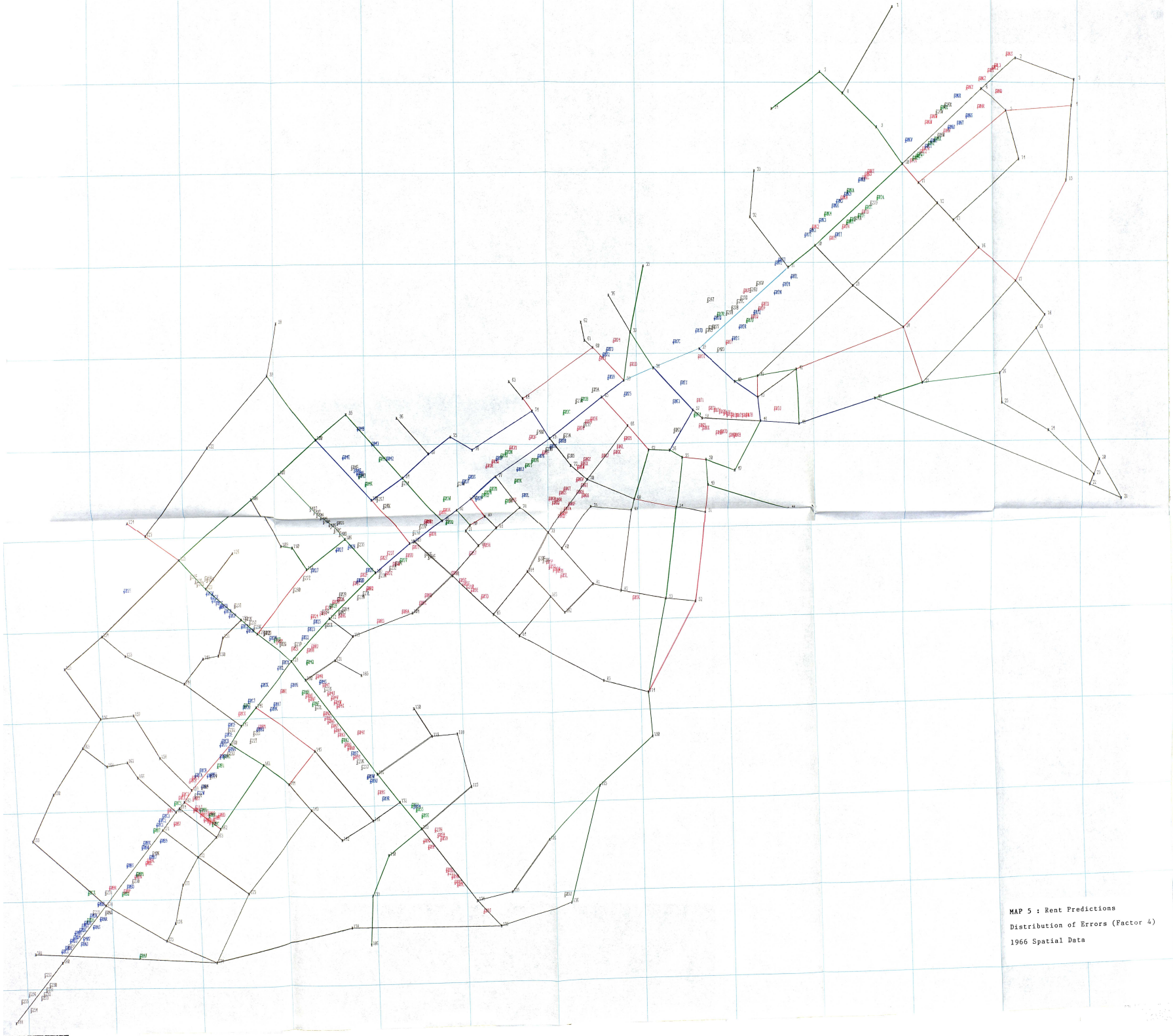


MAP 4 : Rent Predictions
Distribution of Errors (Factor 3)
1983 Spatial Data

MAP 5 : Rent Predictions

Distribution of Errors (Factor 3)

1966 Spatial Data



MAP 5 : Rent Predictions

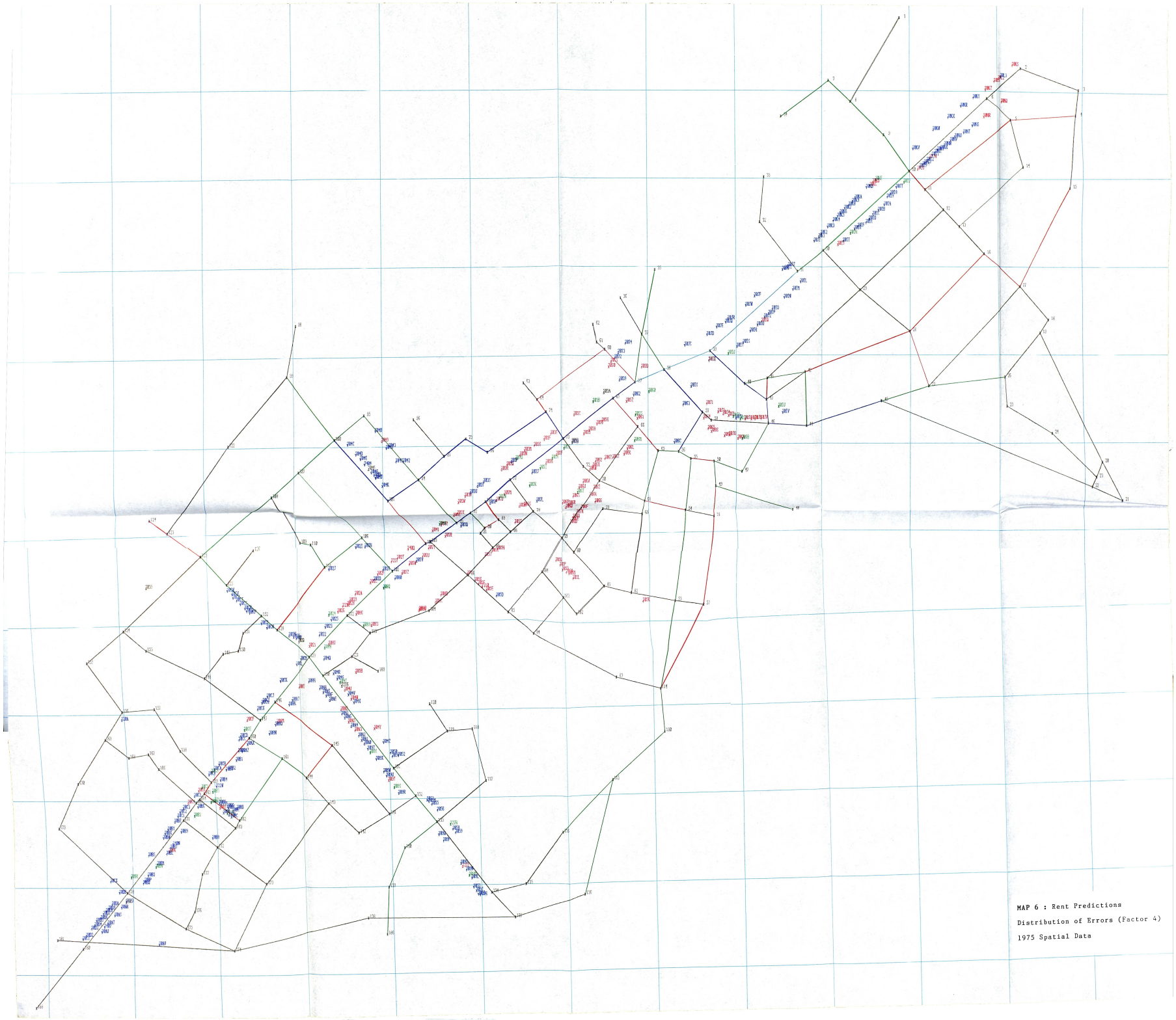
Distribution of Errors (Factor 4)

1966 Spatial Data

MAP 6 : Rent Predictions

Distribution of Errors (Factor 3)

1975 Spatial Data

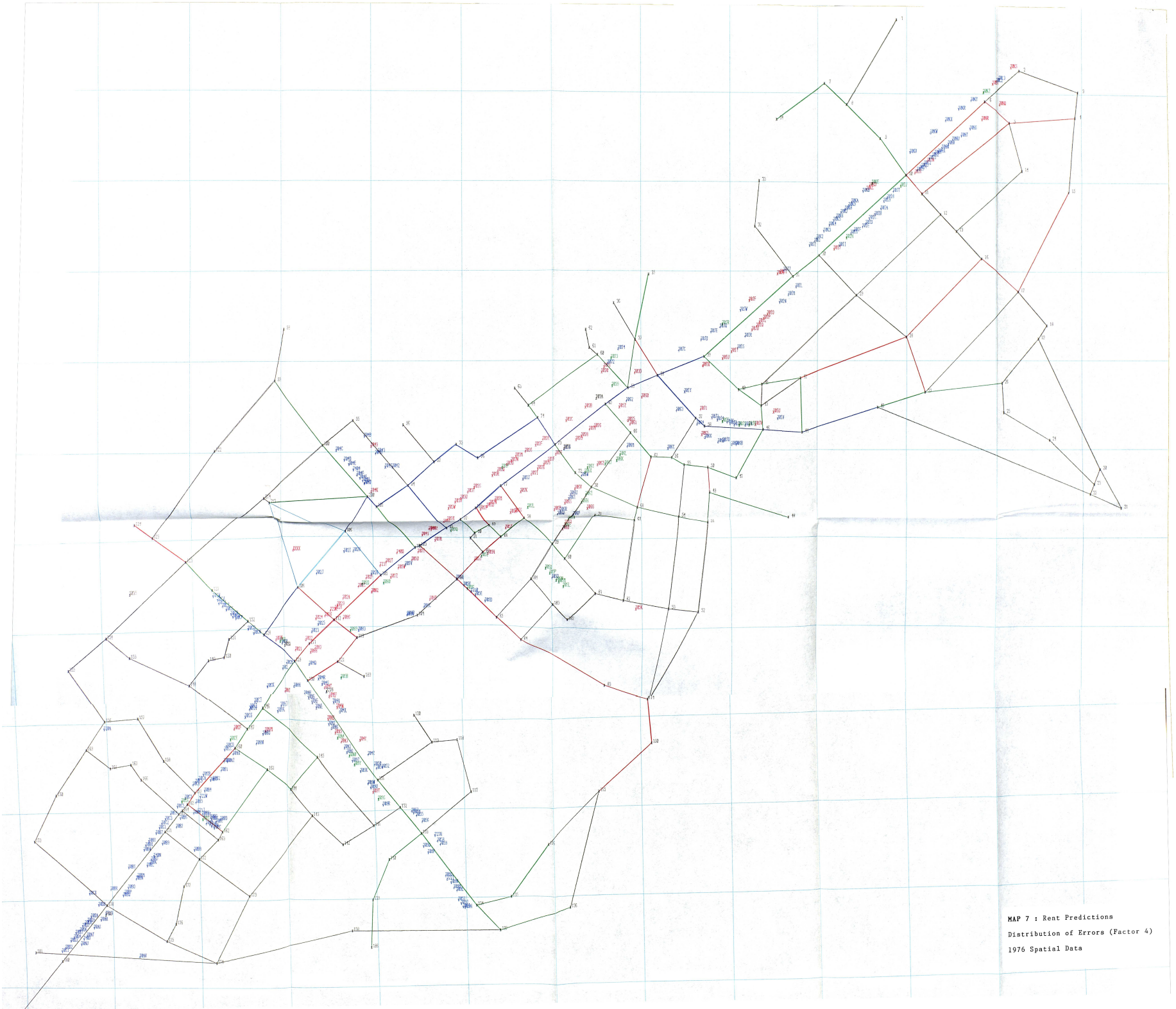


MAP 6 : Rent Predictions
Distribution of Errors (Factor 4)
1975 Spatial Data

MAP 7 : Rent Predictions

Distribution of Errors (Factor 3)

1976 Spatial Data



MAP 7 : Rent Predictions

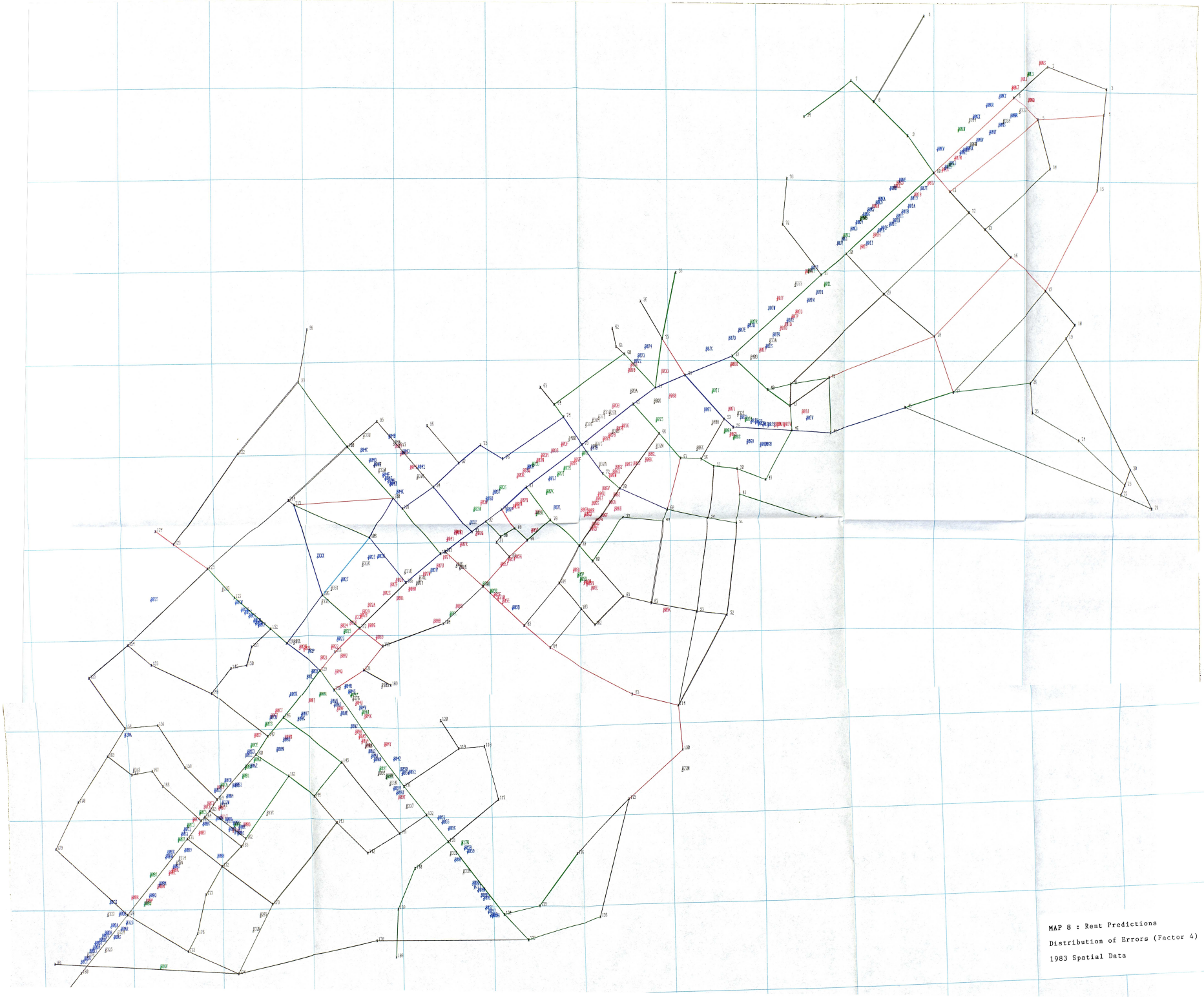
Distribution of Errors (Factor 4)

1976 Spatial Data

MAP 8 : Rent Predictions

Distribution of Errors (Factor 3)

1983 Spatial Data



MAP 8 : Rent Predictions
Distribution of Errors (Factor 4)
1983 Spatial Data

MAP 9 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 2)

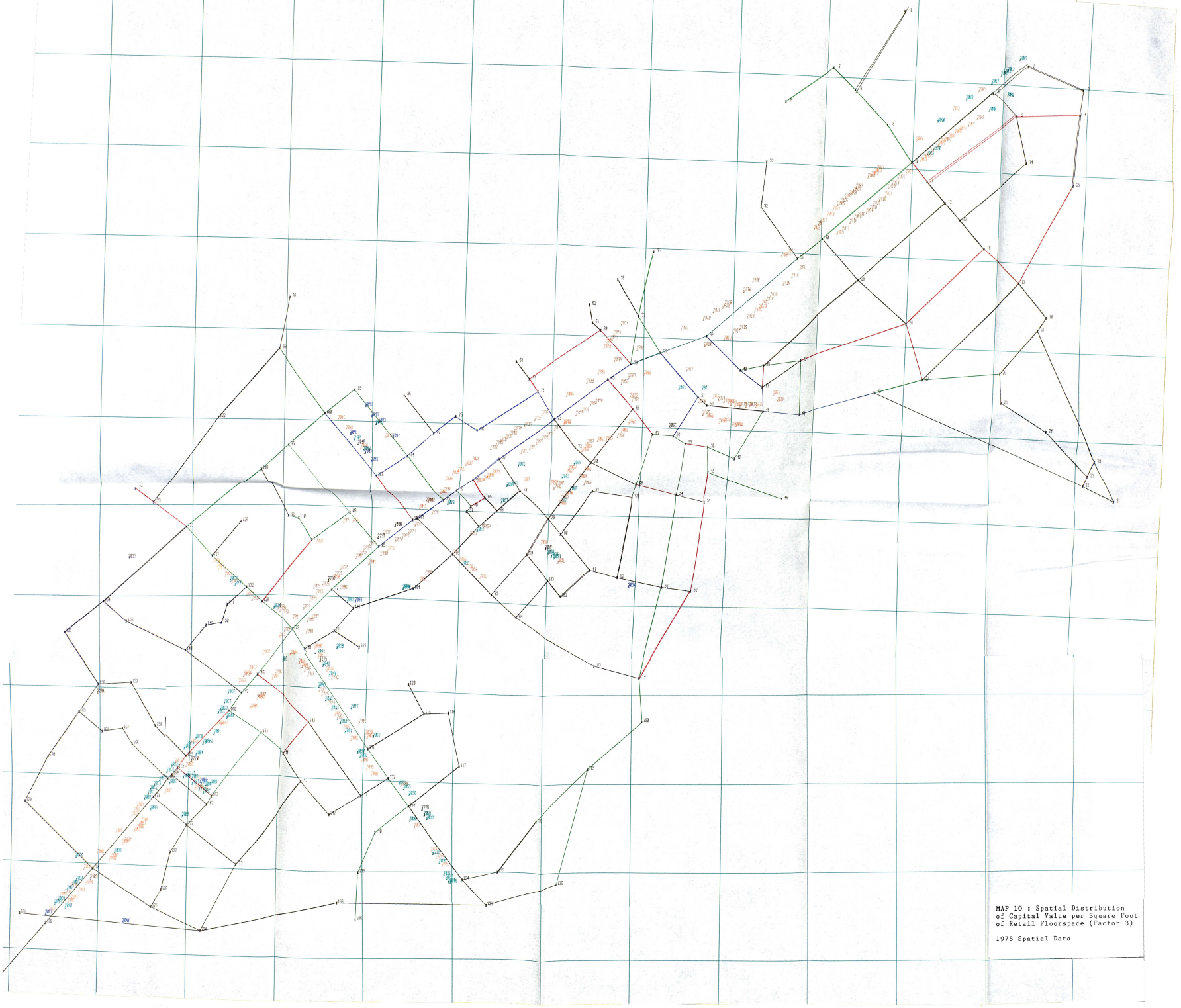
1966 Spatial Data

MAP 9 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

1966 Spatial Data

MAP 10 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 2)

1975 Spatial Data

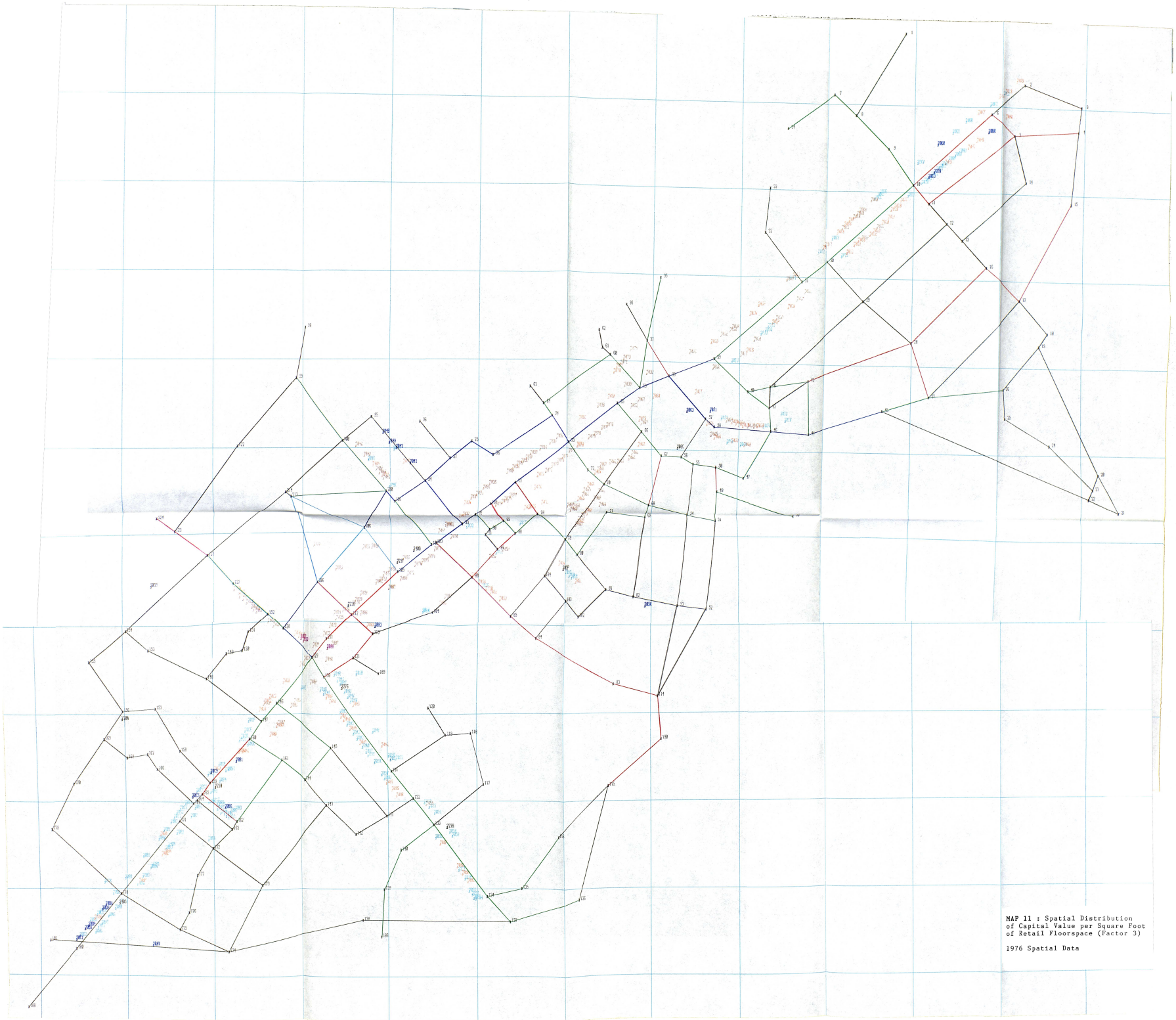


MAP 10 : Spatial Distribution of Capital Value per Square Foot of Retail Floorspace (Factor 3)

1975 Spatial Data

MAP 11 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 2)

1976 Spatial Data



MAP 11 : Spatial Distribution of Capital Value per Square Foot of Retail Floorspace (Factor 3)

1976 Spatial Data

MAP 12 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 2)

1983 Spatial Data

MAP 12 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

1983 Spatial Data

MAP 13 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

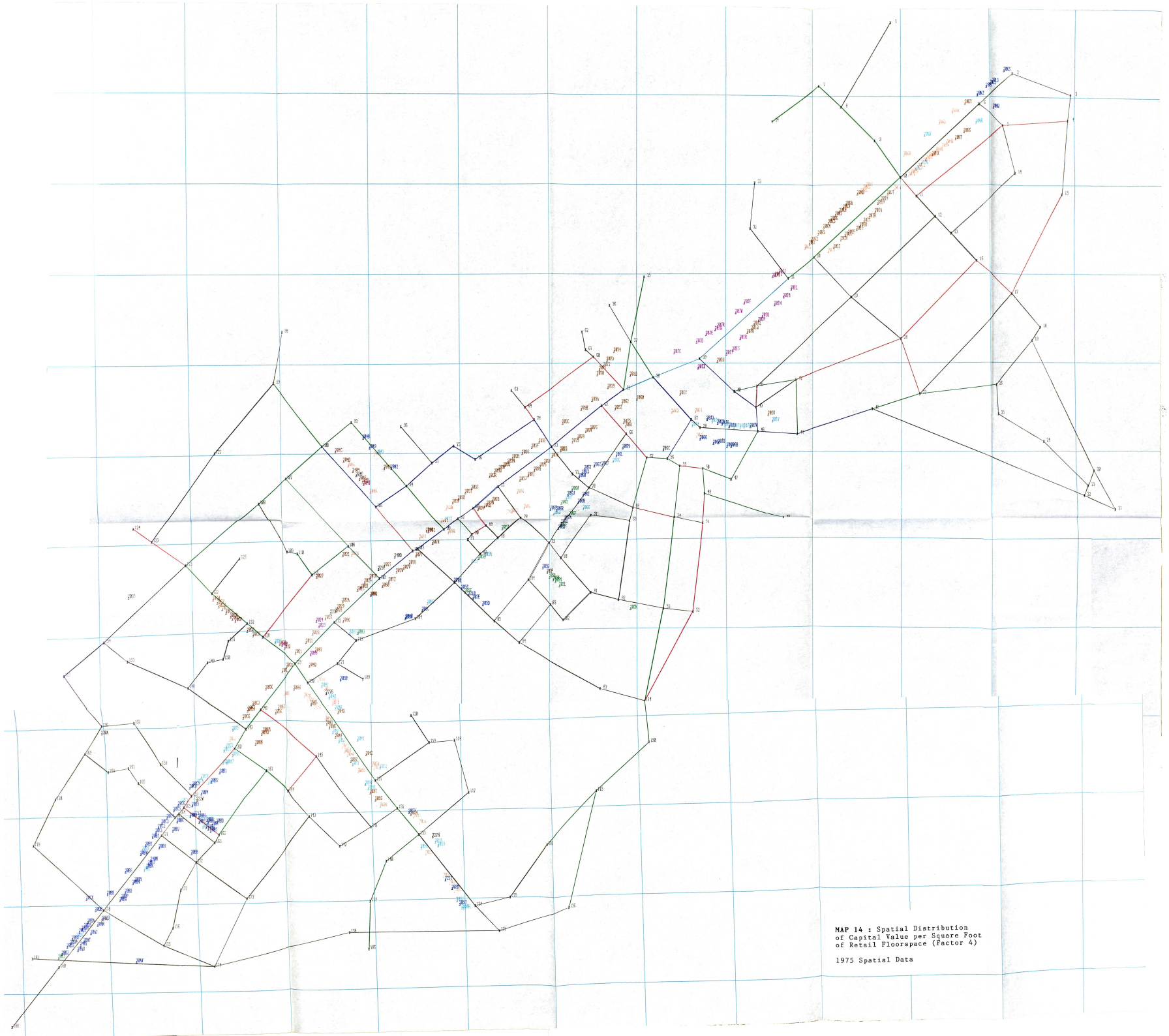
1966 Spatial Data

MAP 13 : Spatial Distribution of Capital Value per Square Foot of Retail Floorspace (Factor 4)

1966 Spatial Data

MAP 14 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

1975 Spatial Data

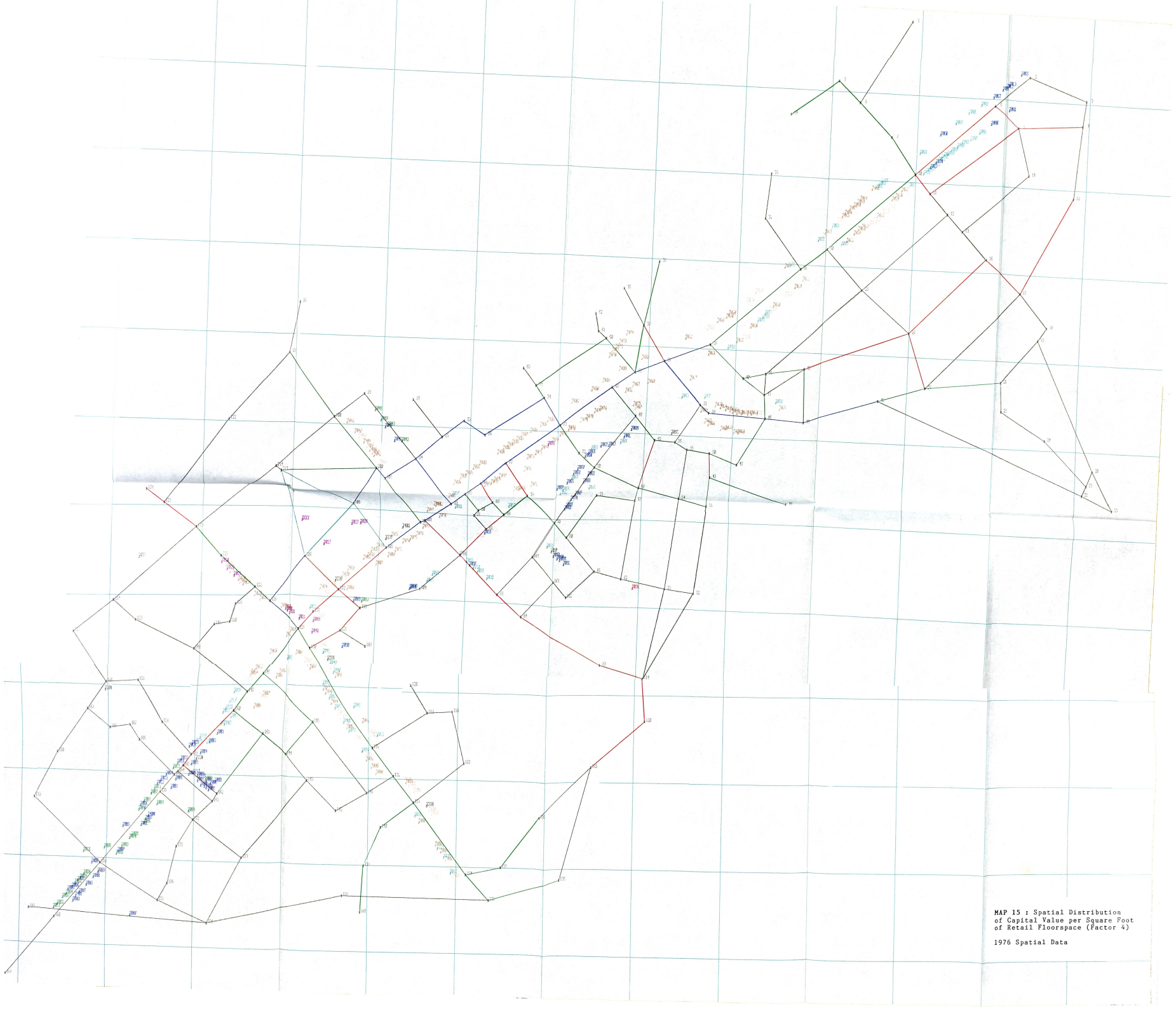


MAP 14 : Spatial Distribution of Capital Value per Square Foot of Retail Floorspace (Factor 4)

1975 Spatial Data

MAP 15 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

1976 Spatial Data

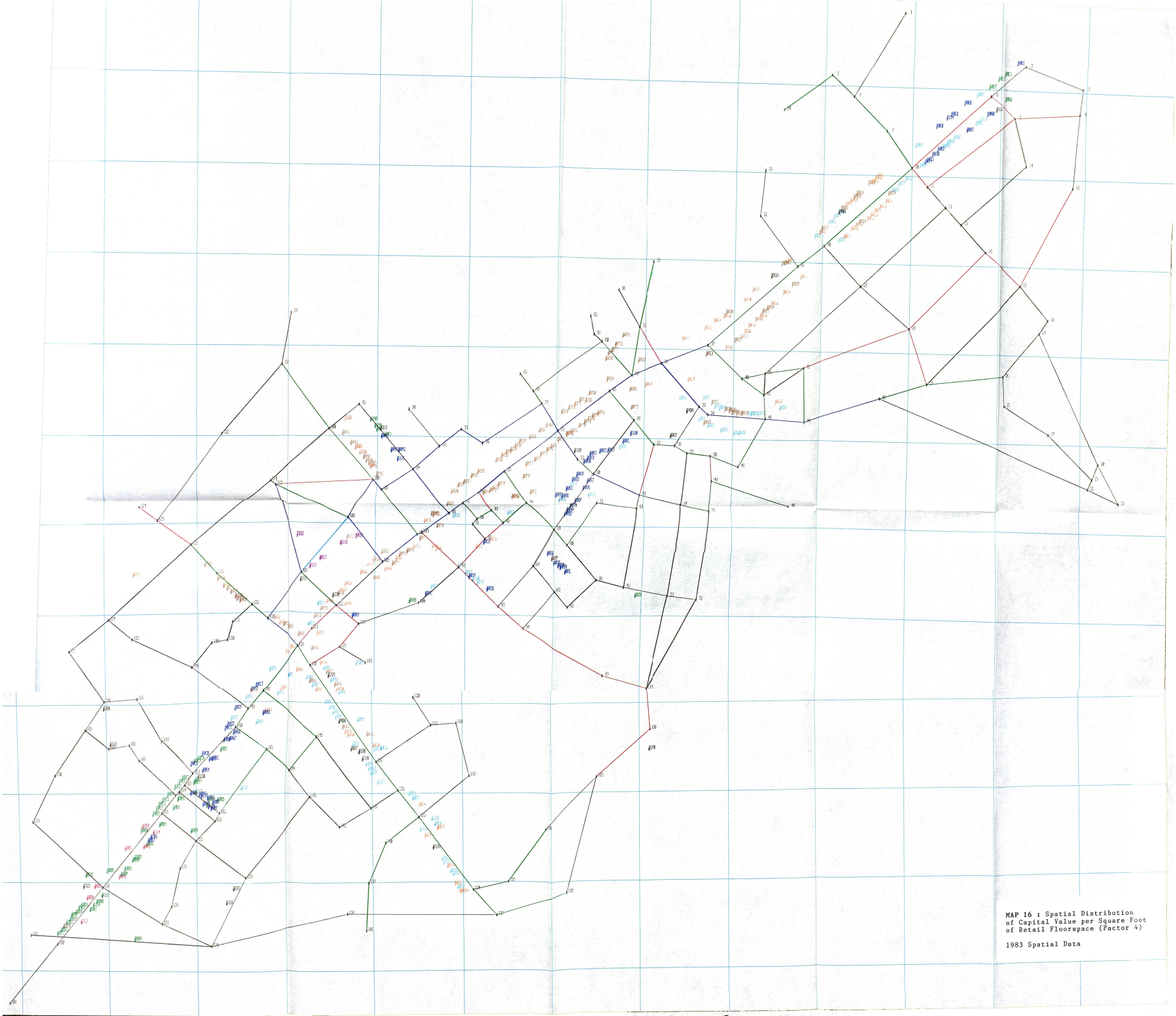


MAP 15 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 4)

1976 Spatial Data

MAP 16 : Spatial Distribution
of Capital Value per Square Foot
of Retail Floorspace (Factor 3)

1983 Spatial Data



MAP 16 : Spatial Distribution of Capital Value per Square Foot of Retail Floorspace (Factor 4)

1983 Spatial Data