Introduction

The purpose of this paper is to look at the urban structure in Ireland and population targets to 2022 handed down to Regional Planning Authorities by the Department of the Environment, Heritage and Local Government (now DECLG) and how these may apply to the structure of retailing in Ireland in the context of new Retail Planning Guidelines being prepared by DECLG.

National Spatial Strategy

The Government has a policy for a more urbanised Ireland by concentrating population growth into strategically located urban gateways and hubs across the Country. This urbanisation policy aims to create large urban areas with critical mass capable of sustaining high quality services infrastructure and quality of life parameters. Quality retail provision should one of the core parameters in large towns.

The 2011 Census recorded a population of 4,581,269 in the Republic of Ireland. The figure is an increase of 0.34 million (+8.1%) in 5 years, indicating a growing population even in a time of severe economic recession.

The national population is still targeted to grow, to 5.37 million (+ c.794,000) in the period 2011 to 2022, and will become increasingly urbanised. The thrust of policy in Ireland is towards urbanisation of the population in larger towns with critical mass to sustain high quality of life parameters on all fronts. In future approximately 50% of the population will be resident in towns of 10,000 populations and over.

Ireland has moved from having a largely rural population to a predominantly urban one as shown on the figure below. The population living in urban areas (i.e. towns with a population of 1,500 or more) has increased at every census since the foundation of the State.

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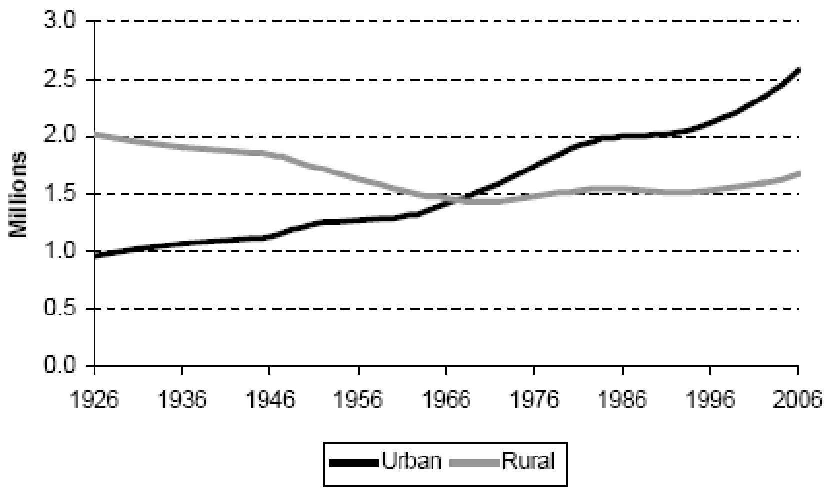
Figure 3 Urban/rural population, 1926-2006



Source: Census 2006 Principal Demographic Results March 2007

The urban share of the population has continued to grow with the result that by 2006, approximately 61% of the Irish population were living in urban areas. This is still low compared to the UK (90%) and mainland Europe. Strategic policy is to place emphasis on continued rapid urbanisation.

In the last 20 years due to urban improvement initiatives, increasing national population and increased wealth, the quality of towns throughout Ireland is noticeably better than it was in the early 1990s at the start of the recent economic boom.

Table B Population of Urban areas, 2002 and 2006

Area	Number of centres		Population		Proportion of total population	
	2002	2006	2002	2006	2002	2006
			Thousands		%	%
Greater Dublin Area*	1	1	1,004.6	1,045.8	25.6	24.7
Cork	1	1	186.2	190.4	4.8	4.5
Limerick	1	1	87.0	90.8	2.2	2.1
Galway	1	1	66.2	72.7	1.7	1.7
Waterford	1	1	46.7	49.2	1.2	1.2
Towns						
10,000 and over	28	34	496.2	615.9	12.7	14.5
5,000-9,999	33	39	233.9	272.7	6.0	6.4
3,000-4,999	25	29	99.5	108.6	2.5	2.6
1,500-2,999	53	63	114.0	128.3	2.9	3.0
Total	144	170	2,334.3	2,574.4	59.6	60.7

The Greater Dublin Area consists of Dublin City along with its suburbs in Fingal, South Dublin and Dún Laoghaire-Rathdown.

Source: Census 2006 Principal Demographic Results March 2007

The table above illustrates that the trend towards increasing urbanisation is most evident into the towns rather than into the cities. The share of population in cities fell marginally and the growth in urbanisation was taken up elsewhere.

Smaller towns with a population of 1,500 to 9,999 increased in population by 13.9%, well in excess of the national average population increase of 8.2%. There is also a greater concentration in towns in excess of 10,000 rising from 12.7 to 14.5% of total population.

This table of towns does not include the large urban centres located in the suburbs of the cities of Dublin, Cork, Waterford, Limerick or Galway, which all grew (the District Centres).

The DECLG has confirmed that the strongest growth between 2002 and 2006 took place within the commuter catchment areas of Dublin, at 5.2% per annum, Galway, at 3.6% per annum and Cork, at 3.5% per annum. 46% of total population growth during those four years took place within these three catchment areas, whereas the gateway cities only accounted for 4% of total growth.[1]

Regional Growth Targets

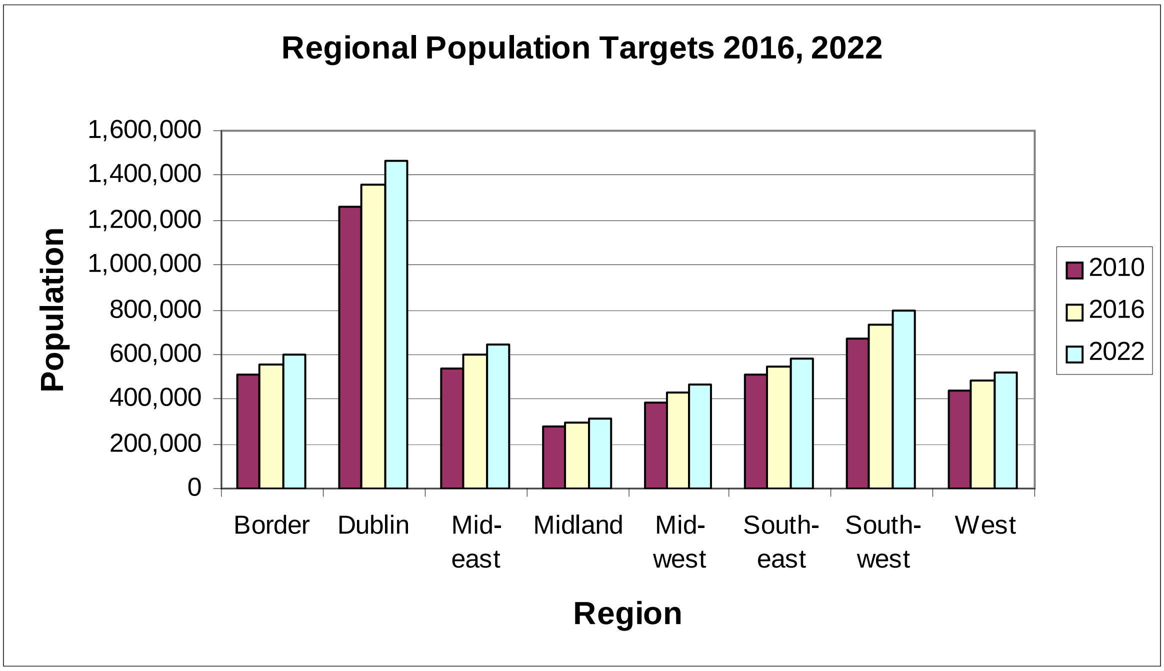
In October 2009 the DECLG issued revised figures, which were now to be considered as population targets for Gateways and Hubs for the years 2016 and 2022. Regional Authorities were required to incorporate these population targets into the Regional Planning Guidelines. The targets represent the minimum population numbers for these locations to be factored into estimates of future development land requirements, setting the context for future city and county development plans and local area plans.

Regional Targets 2010, 2016 and 2022

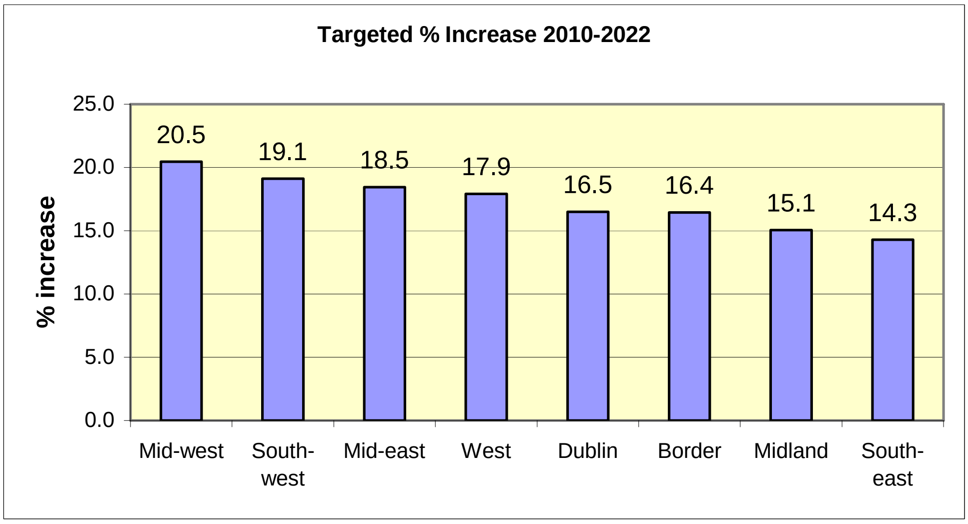
Population Targets				
	2010	2016	2022	Increase
Border	511,000	552,700	595,000	+84,000
Dublin	1,256,900	1,361,200	1,464,200	+207,300
Mid-east	540,000	594,600	639,700	+99,700
Midland	275,600	297,300	317,100	+41,500
Mid-west	383,800	427,200	462,300	+78,500
South-east	507,900	542,200	580,500	+72,600
South-west	667,500	737,100	795,000	+127,500
West	442,200	484,700	521,400	+79,200
State	**4,584,900**	**4,997,000**	**5,375,200**	**+790,300**

The Government is still planning for population growth and increased urbanisation. Overall, the population is targeted to grow by 790,300 to 2022

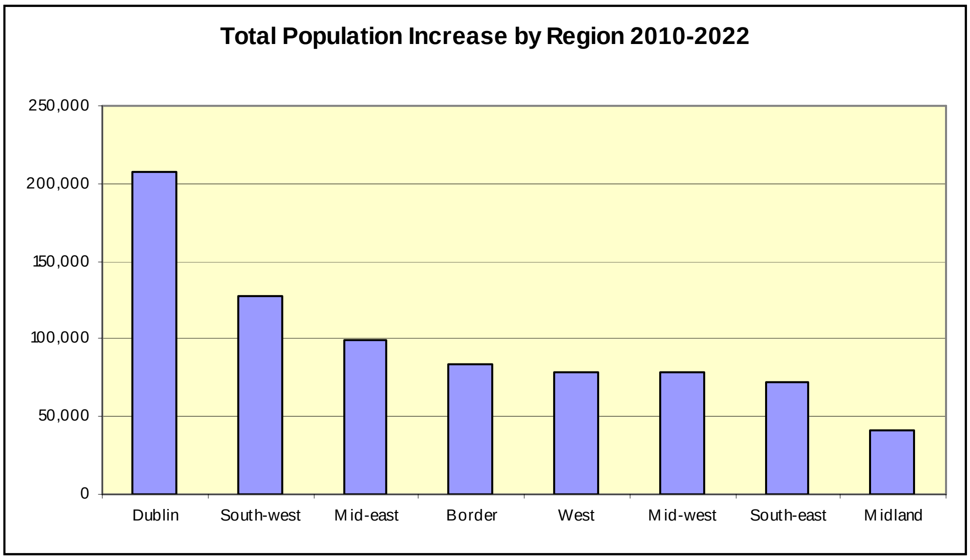
[1] Departmental submission to Oireachtas Joint Committee 09/06/10



It is targeted that the highest rate of growth between 2010 and 2022 will occur in the Mid-West (20.5%) and South-West (19.1%) regions. The Midlands and Southeast regions are targeted to experience the smallest growth rates.



The GDA is targeted to increase by 307,000 between 2010 and 2022 with the Dublin Region growing by 207,300. The South West Region is targeted to grow by 127,500, mostly in the Cork Metropolitan Area and towns within the Cork Area Strategic Plan (CASP) limits.



Population targets take into account anticipated trends as well as policy factors that will shape growth patterns in the future. The targets for the Gateways and Hub towns represent minimum population numbers at future dates, which would be desirable to plan for and exceed if possible.

Minimum Population Targets for Gateways for 2016 and 2022

GATEWAYS					
	Population				
	2002	**2006**	**2010 est.**	**2016**	**2022**
Letterkenny	15,231	17,586	20,300	23,000	25,700
Sligo	19,735	19,402	19,200	21,200	23,700
Dundalk	32,505	35,085	38,200	42,300	47,200
Dublin Metro	1,182,892	1,242,709	1,289,200	1,373,900	1,488,700
Midland[2]	42,655	48,887	54,800	66,000	85,000
Limerick/Shannon	95,559	99,979	104,700	118,400	133,200
Waterford	46,736	49,213	52,500	56,500	62,500
Cork Metro. (CASP)	257,355	272,645	296,600	336,600	381,500
Galway	66,163	72,729	78,400	88,500	98,700
TOTAL	**1,758,831**	**1,858,232**	**1,953,900**	**2,126,400**	**2,346,200**

Of a total national population of 5,375,200, in 2022 it is targeted that 2,346,200 (43.6%) will live within the influence of the Gateway towns. Sligo gateway actually lost population 2002 – 2010. It was the only gateway or hub town to lose population in that period.

[2] Athlone Tullamore and Mullingar

Minimum Population Targets for Hub Towns for 2016, 2022

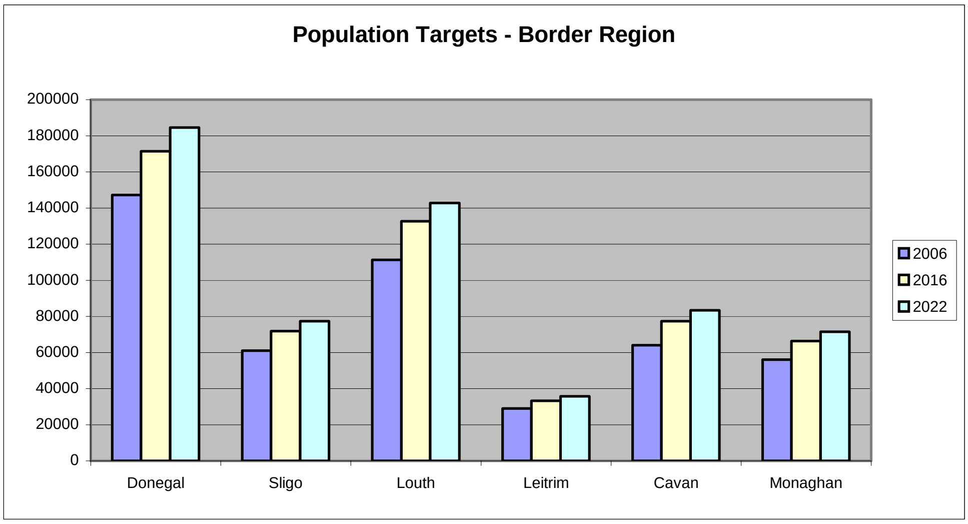
HUB TOWNS					
	Population				
	2002	**2006**	**2010 est.**	**2016**	**2022**
Cavan	6,098	7,883	10,000	11,600	12,800
Monaghan	5,936	6,710	7,600	8,400	9,300
Ennis	22,051	24,253	26,000	29,700	33,000
Wexford	17,235	18,163	19,400	20,800	22,800
Kilkenny	20,735	22,179	24,000	25,800	28,200
Mallow (CASP)	8,937	10,241	12,400	16,500	22,000
Tralee/Killarney	35,124	37,347	39,700	44,700	49,400
Tuam	5,947	6,885	7,600	8,600	9,500
Castlebar/Ballina	21,018	22,300	23,400	26,000	28,700
TOTAL					**215,700**

Adding Hubs to the Gateway towns (2,346,200 = 215,700) indicates that 2,561,900 (47.7%) will live in the main well-serviced urban centers with critical mass capable of sustaining good retail services.

Population Targets by Local Authority

The draft Regional Planning Guidelines for all regions were published by early 2010, allowing a further disaggregation to County levels, for the period to 2022.

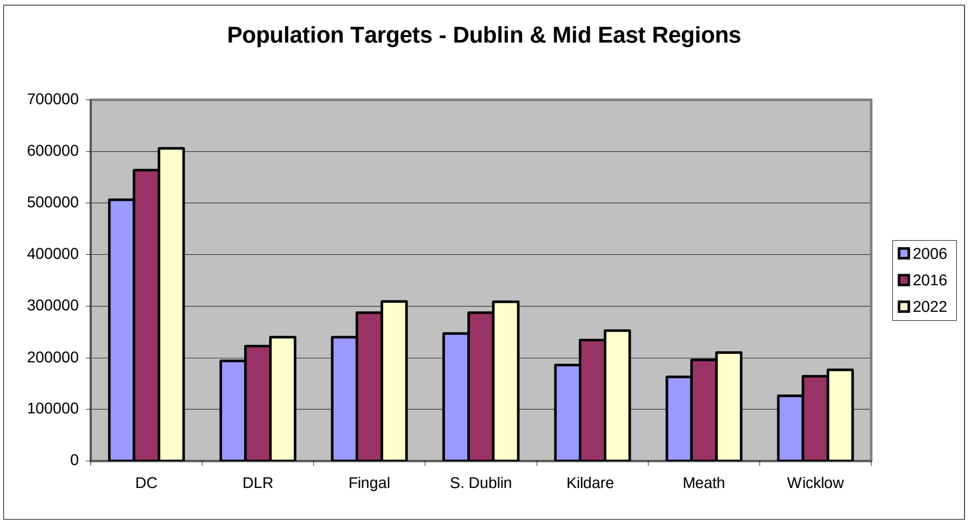
1. Border Region



The highest growth rate from 2006 to 2022 is targeted to occur in Co. Cavan, followed by Counties Louth and Monaghan. In terms of actual increase, the largest population growth is targeted for Co. Donegal (31,533).

Local Authority	% Increase 2006-2022	Actual Increase
Cavan	30.2	19,297
Louth	28.3	31,533
Monaghan	27.5	15,403
Sligo	27	16,456
Donegal	25.3	37,186
Leitrim	23.3	6,750

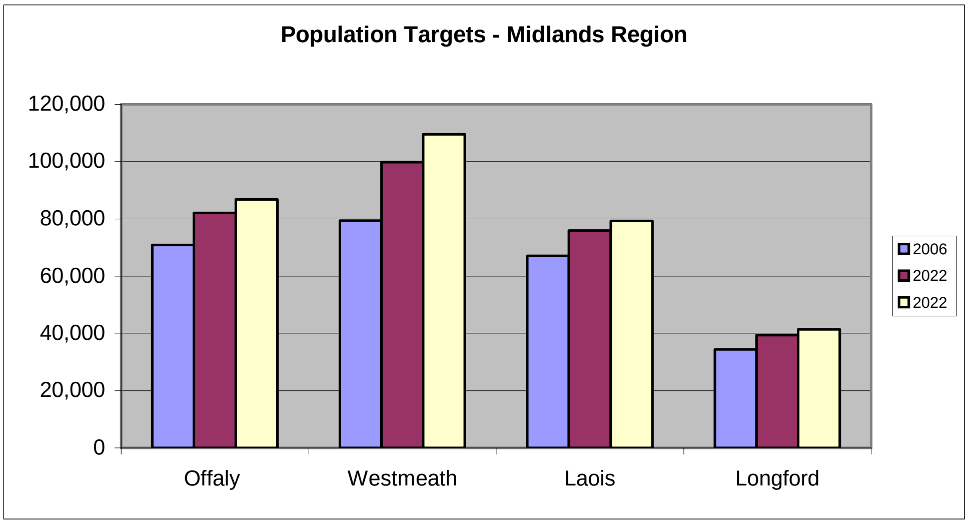
2. GDA



County Wicklow is targeted to experience the largest growth rate (40.1%) to 2022. Dublin City is targeted to have the lowest growth rate (19.7%) but the largest population increase in terms of actual persons with an additional 100,000.

Local Authority	% Increase 2006-2022	Actual Increase
Wicklow	40.1	50,606
Kildare	35.6	66,305
Meath	29.1	47,429
Fingal	28.9	69,293
South Dublin	24.9	61,532
Dun Laoghaire-Rathdown (DLR)	23.9	46,300
Dublin City (DC)	19.7	99,899

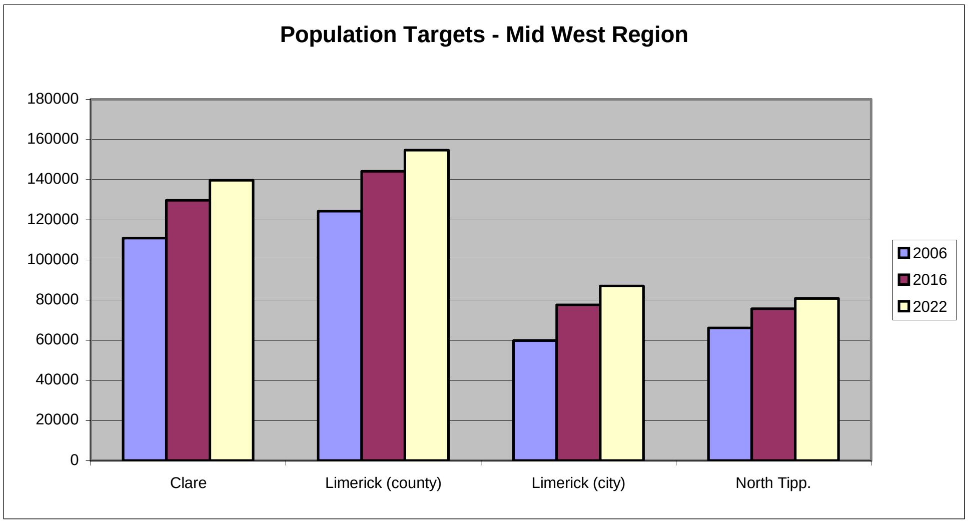
3. Midlands Region



The largest population increase is targeted to occur in Co. Westmeath with an additional 30,277 persons by 2022, equating to a 38.2% increase from 2006.

Local Authority	**% Increase 2006-2022**	**Actual Increase**
Westmeath	38.2	30,277
Offaly	22.4	15,903
Longford	20.4	7,001
Laois	18.3	12,255

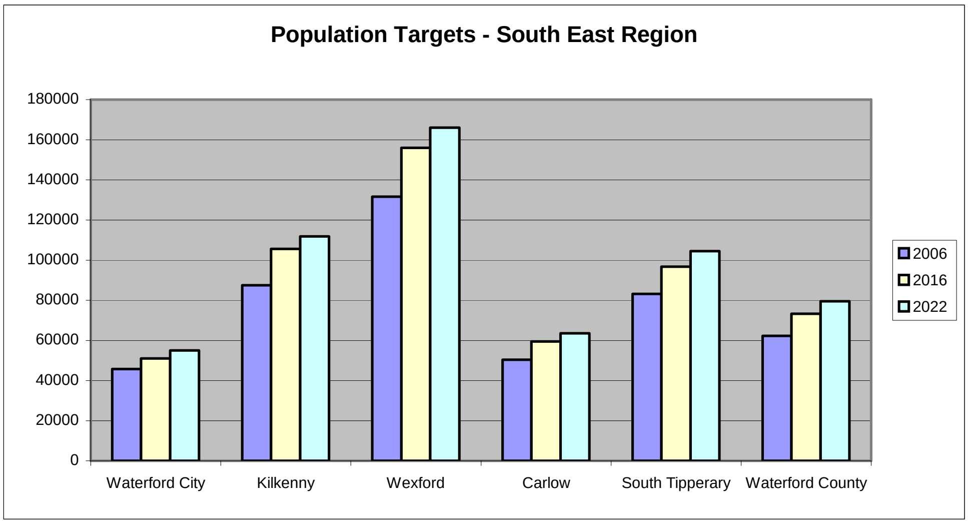
4. Mid West Region



The largest population growth rate is targeted to occur in Limerick City (45.5%) where the population is targeted to increase from 59,790 in 2006 to 86,990 in 2022.

Local Authority	% Increase 2006-2022	Actual Increase
Limerick City	45.5	27,200
Clare	25.9	28,700
Limerick County	24.5	30,400
North Tipperary	22.3	14,700

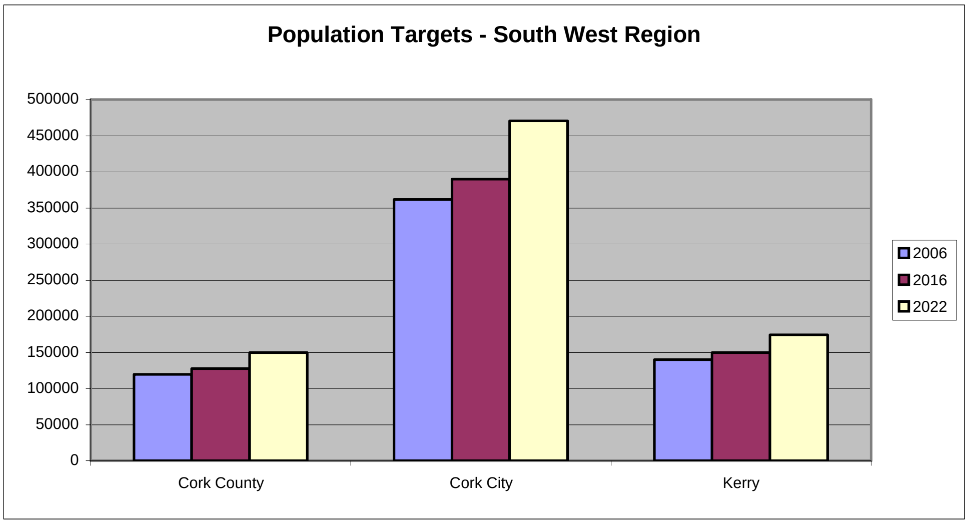
5. South East Region



The highest growth rate is targeted to occur in Counties Kilkenny and Waterford, while the largest actual increase is targeted for Co. Wexford.

Local Authority	% Increase 2006-2022	Actual Increase
Kilkenny	27.8	24,345
Waterford County	27.8	17,282
Carlow	26.2	13,187
Wexford	26.1	34,334
South Tipperary	25.5	21,262
Waterford City	20.2	9,252

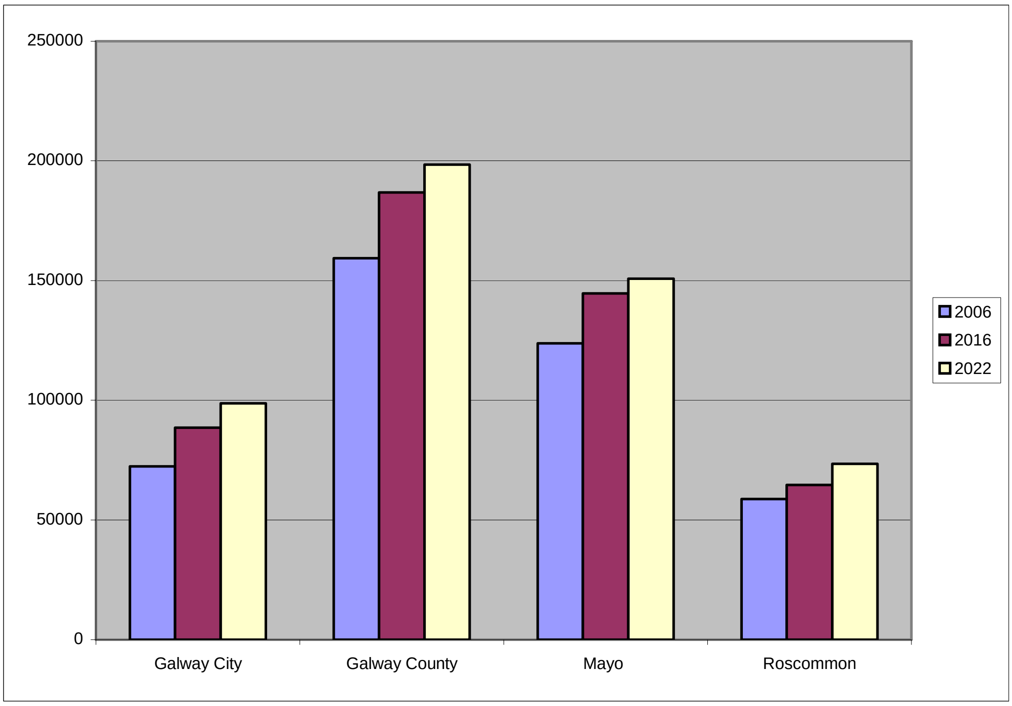
6. South West Region



The highest growth rate is targeted to occur in Cork City, where the population is targeted to increase by 30% to 2022. The actual population increase targeted for Cork City is the largest in the country, exceeding the 99,899 targeted for Dublin City.

Local Authority	% Increase 2006-2022	Actual Increase
Cork City	30	108,745
Cork County	25.6	17,282
Kerry	24.7	13,187

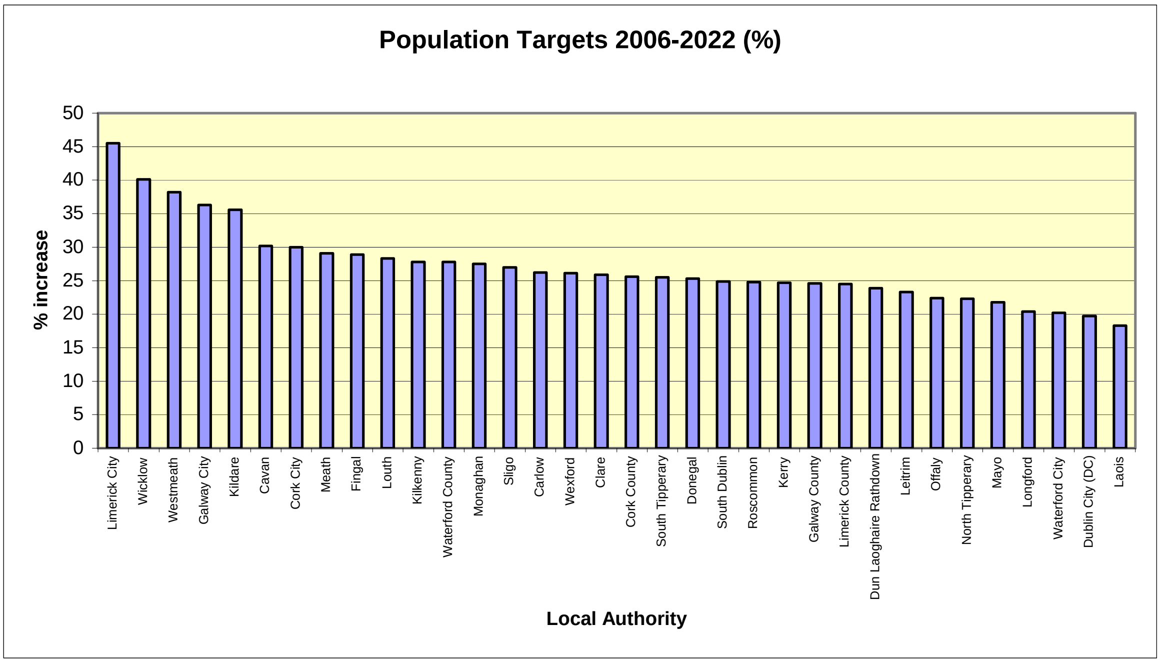
7. West Region



The highest growth rate is targeted to occur in Galway City (36.6%). The largest actual population increase is targeted for Galway County (39,244).

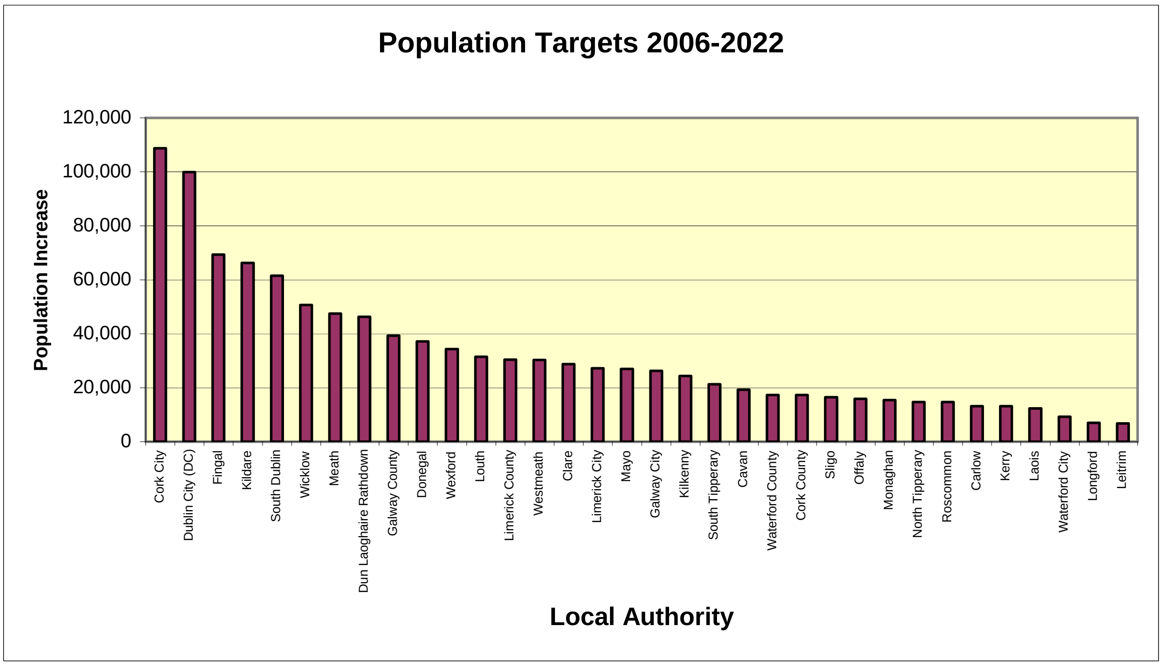
Local Authority	% Increase 2006-2022	Actual Increase
Galway City	36.3	26,286
Roscommon	24.8	14,632
Galway County	24.6	39,244
Mayo	21.8	26,961

The chart below represents the targeted population growth rate for each County and City Council from 2006 to 2022. The highest targeted growth rate is in Limerick City (45.5%) while the lowest in Co. Laois (18.3%).



Source SCA 2010

In terms of actual population increase, the chart below is dominated by local authorities in the GDA and CASP areas, centred around the largest and most vibrant cities.



Source SCA 2010

Regional Planning Guidelines 2010-2022 – Retail Content.
All of the regional authorities have produced Regional Planning Guidelines, reflecting instructions from DECLG regarding population targets and national spatial strategy compliance. The regional bodies have not established retail planning as a primary purpose in the preparation of Regional Planning Guidelines. All of the reports of the regional authorities have been reviewed and they rely substantially on the separate retail strategies, which have been prepared on a regional and sub-regional and county basis throughout the country.

Retail is recognised as important both from an employment perspective and also its key role in making attractive vibrant destinations facilitating strong urban centres, spaces for interaction and leisure activities as well as providing a range of shopping options and choice for consumers.

The authorities have confirmed a hierarchy based on the NSS and are adopting a "town centre first" approach, whilst recognising that Gateway and Hub Towns need to develop critical mass.

In the Border Region retail leakage to the Northern Ireland economy is having a significant effect on the local economy and threatens many local retail businesses and chains, with effects on employment levels. It is considered there is a need for a Border Regional Retail Strategy, taking into account the relaxation of retail planning policy within Northern Ireland.

Review of Regional/Sub-Regional Retail Strategies
Some of the regional retail strategies have been reviewed in recent years: -

- The Cork City and County Strategy Review predated the economic downturn;
- The Retail Strategy for the GDA was prepared as the economy started to turn. The initial report prepared by the Consultants indicated a nil requirement, which was not considered acceptable at that time (although it may have been prescient) and adjustments were made to create apparent capacity. This was done by reckoning on 20% of floorspace being dedicated to non-retail services and discounting some major schemes that appeared unlikely to be delivered;
- The Mid West Regional Authority, in conjunction with the constituent planning authorities but excluding North-Tipperary, produced a sub-regional retail strategy, prepared by Colliers CRE Jackson-Stops. This is the first retail strategy that reflects the retail condition post the downturn. The Mid West Region identified that the amount of large-scale retail development either built or permitted meets all reasonable requirements up to 2022.

The Colliers review in the Mid-West has indicated, in summary, that: -

- The retail economy has been badly affected with a major slowdown in retailer demand as a result of falling consumer retail expenditure;
- Previous retail strategies were over optimistic in retail expenditure growth assumptions;
- Estimated population growth estimates were excessive;
- There was an under-estimation in the growth of special forms of retailing (including internet shopping), resulting in less demand for high street presence.

Regional Retail Strategies and Development Plans

New legislation will require County Development Plans to be consistent with the RPG and in-turn that Local Area Plans be consistent with County Development Plans. In this way a consistency with Government spatial policy and infrastructure investment will be achieved throughout the country.

DECLG is preparing new Retail Planning Guidelines for planning authorities. There may be a change of direction in those new guidelines, towards requiring regional authorities to prepare retail strategies as opposed to individual Councils.

Throughout that time Ireland has had a substantial body of regulation on out-of-town development and as a result does not have a very significant problem with out-of-town development. The main out-of-town provision has been associated with Retail Park development, which was provided on an enormous scale and which quickly saturated that market.

Issues to consider

In future retail strategies should be prepared by the regional authorities setting out the hierarchy, the primary catchment, and the function of the particular urban centres, based on the population targets included in RPG to 2022. The county retail strategies incorporated into County Development Plans were prepared individually on the basis of eliminating leakage and 100% retention of retail capacity within each county, which was clearly inconsistent with the nature of the market.

Retail provision should be considered as strategic infrastructure and planning should proceed for retail provision to meet the strategic targets set for 2022.

A rule of thumb figure for retail provision in the region of up to $2m^2$ per head should be considered to simplify floor space projections. More research is required on this quantum and the subdivision between comparison (high-order; low-order and bulky) and convenience. The information is that the current rate of provision is c.$2m^2$ per head in the UK.

The ratio of distribution should reflect the hierarchy with a concentration of comparison/services in the core of major centres and a concentration on convenience in minor centres. Major centres are more efficient, have higher sales density (T.O. per m^2) and can survive on a lower ratio. Minor centres can have a greater area with lesser impact. Retail Park sales density can be about 33% of high street density.

In large towns with suburbs, convenience should be distributed away from the centre on a simplified geographical basis e.g. on either side of a river or major corridor that passes through a town centre. Concentration may exacerbate congestion in major town centres.

The current Guidelines recognise that the retail industry is dynamic. Greater consideration should be given to mixed trading formats that have emerged and facilitate industry innovation, which will increasingly gravitate towards mixed trading in future. Scale and range reduce costs for the operator and consumer.

Dublin City Council describes high order comparison as shopping for comparison goods that is infrequent and associated with other activities in a major urban centre.

There is no handy definition of low order comparison. There are goods that are purchased in hybrid stores that are currently defined as comparison, where no comparison decision is made by the shopper. It is not necessarily positive or sustainable that the shopping trip should be broken up requiring visits to separate stores.

"Bulky Goods" has been the area subject to most scrutiny by An Bord Pleanala and the Courts. The approach should be sensible. Portability is the issue – the current Guidelines refer to 'not manageable by customers travelling by foot, cycle or bus'. This has been lost sight of due to the emphasis on 'bulky'. A lot of items cannot be carried far by these modes in an easily manageable way and it should be specified that certain formats are acceptable in retail parks e.g.: -

- 'Mother and child' product shops should be allowed into retail parks. The mothers portability faculties are impaired during late pregnancy, when pushing a buggy, or trailing a child by the hand. Development management recognises this, requiring 'mother and child' parking spaces to be designated close to shop entrances. Why does this logic not extend to facilitating their specific needs in retail parks? Childcare products are bulky. Child seats/harnesses need expert fitting. Babygrows etc. go with cots. Why should the cot be bought in one place and the nightwear bought in another place?

- 'Catalogue Shops' are basically warehouses with 90% of floorspace dedicated to storage and 10% dedicated to brochures, small items display and pick-up. Very many of the goods are bulky. I know of an instance in Wexford where Argos wished to locate in the town. They were disallowed in a retail park and directed into town. They occupied a ground floor in a newly permitted mixed-use development with offices over ground floor retail. They started using one floor overhead for storage and later got permission for the next floor, eliminating any office use. Thereby they displaced potential daytime (office) customers from the town centre and replaced them with sterile storage use. That made no sense in terms of town centre vitality and viability.

- 'Toy Superstores'. There are two main types of toy purchases – pick and go on the day of an occasion, which is done in town; and seasonal purchases, which are bulky and done for children, who limit portability.

There is little point in officers from planning authorities trawling through retail park outlets to find a scattering of small items, particularly when these items go with the nature of the primary bulky product.

With the trend to larger towns having significant suburbs, the case for suburban convenience/household large format mixed-use stores should be addressed in town strategies. Properly structured internal town retail hierarchies should be developed, including town centres that are multi-faceted, district retail centres that are no longer multi-faceted and/or larger neighbourhood centre retail provision.

The trigger population for suburban retail centres should be assessed, perhaps commencing in the region of 10-12,000 populations in the particular town and a large population in the suburban/ex-urban hinterland.

In the planning context for retail in an economic downturn, the higher-order comparison per-capita expenditure is affected most as this form of expenditure relates to a significant extent to non-essential durable products. That is why town centres suffer most and operators there look enviously at suburban centres.

Lower-order comparison products are not affected to the same degree, as they include essentials. The level of convenience per-capita expenditure is relatively inelastic due to the essential nature of the product range.

Local Authorities are indicating a real concern relating to designating suburban district centres, even in large towns and gateways, such as Sligo. This is because of a concern that a 'District Centre' designation implies loss of comparison, retail services, Class 2 and Class 3 Offices from the town centres. Retail policy guidelines should concentrate on pure retail only. Investigating the case for stand-alone supermarkets (or allied only with small shops, non-comparison, no offices) in suburban areas may simplify matters.

Retail Employment

It has been said that retail employment is not sustainable employment, merely displacement employment drawn from existing operators.

The Competition Authority Grocery Monitor Report 3[3] indicates that over the period 2001-2007, overall grocery outlet numbers increased from 349 to 569 (+63%), while floorspace devoted to grocery retailing increased from 471,508m^2 to 835,647m^2 (+77%), i.e. outlet size is increasing. The average now is 1468m^2 (835,647/569).

The Issues Paper prepared in conjunction with the Review of the Retail Planning Guidelines has indicated that Independents closed 172,700m^2, in 3,454 units. This shows the closed units having an average floor area of 50m^2. These are not efficient sized stores. Young family members would not offer to inherit such businesses. Therefore, the fall-out has been due to unviability of many businesses, not new competition. It is in nobody's interest to protect inefficiency by government policy.

At a time of high unemployment, retailing is potentially a high provider of sustainable jobs, particular for younger people in society who are seeking to enter the jobs market for the first time. Retailing provides very flexible jobs, offering full time or part time opportunities with flexible working hours, which can suit new entrants, mature returnees, students, retired people, or those seeking to develop long term careers.

[3] Competition Authority Grocery Monitor Report 2008.

Source: Quarterly National Household Survey

Retail sector employment increased from 260,000 in 2004 to a peak of 314,200 in the first quarter of 2008 and has since reduced to 261,700 in the first quarter of 2011[4]. This indicates that there is a real employment response from the retail industry to economic growth (and recession).

Town Centre Management

With urbanisation and larger urban centres, Town Centre Management is a priority consideration. Specific local management is a driver of better towns and better towns provide the quality of life amenities that should go with urbanisation.

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8th September 2011

[4] CSO Quarterly National Household Survey.