TOUCHWOOD IMPACT SUMMARY

Version 1.0

Jina Won
Associate Consultant

John Platt
Principal Consultant

Dan Parr
Director

INTRODUCTION

- CACI have been instructed by Lend Lease to examine the changes to the catchment rendered by extending the Touchwood centre in Solihull. Scheduled to be complete in 2018, this will add c.115,000 sq ft of new space and up to 30 new shops, restaurants and cafés to the existing retail, catering and leisure offer at the centre.
- Analysis will be based on CACI's Retail Footprint and CentreFutures gravity models. Both the current and future scenarios use current year population and spend behaviour data. This ensures that they are directly comparable external of any macroeconomic changes such as inflation.

Retail Footprint models the flow of people and spend across the UK to define catchments for over 4,000 retail destinations. The model accounts for the retail attractiveness of a centre, the location of competing schemes, the accessibility of the centre and the level of demand in the area. The model is calibrated using real world transactional (credit & debit card) data.

CentreFutures is CACI's UK gravity model that accounts for future developments in the retail landscape. It enables a retail centre's development to be modelled within the context of the future retail environment within which it will operate. The model accounts for the retail attractiveness of the centre, the location of competing schemes, the accessibility of the centre and the level of demand in the area. The attractiveness of a centre is reflected in its RF score.

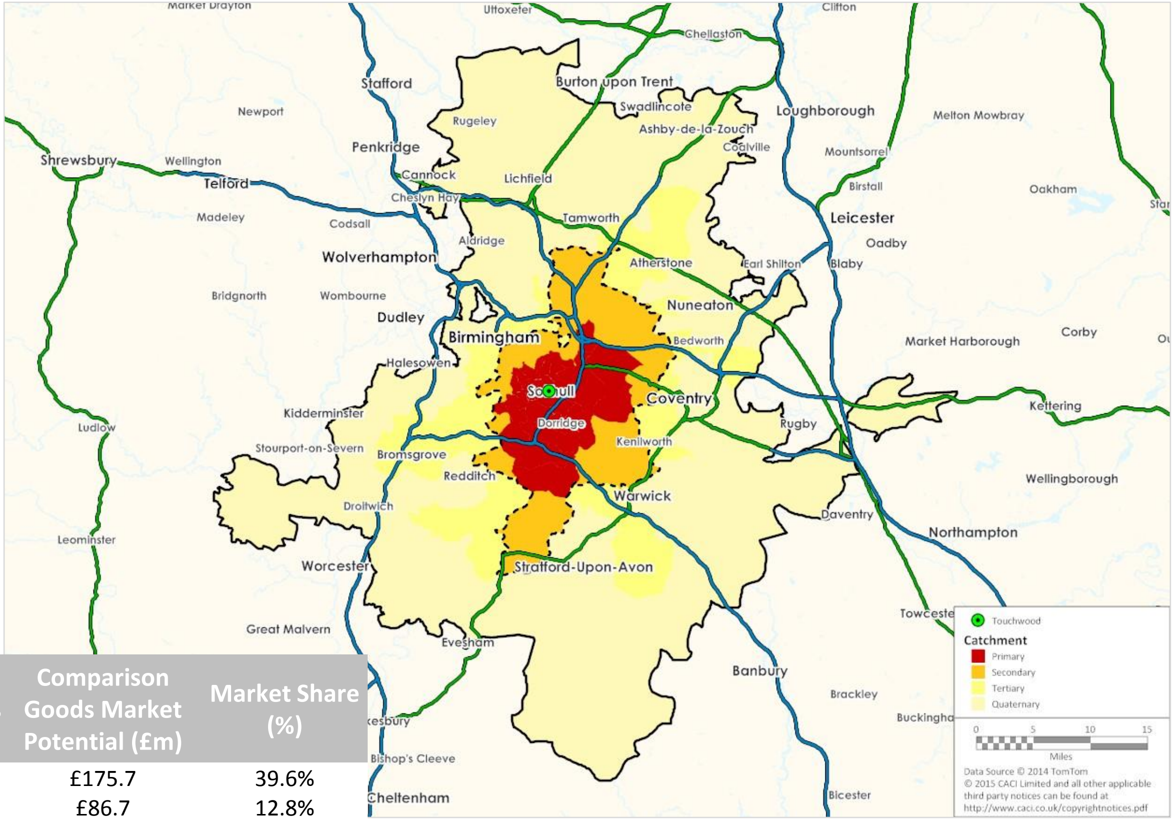
Source: Retail Footprint 2014

Solihull currently attains a 6.5% market share of its Total catchment which equates to a Residential Comparison Goods market potential of £346.9m. Solihull's expansive catchment reflects the strength of its offer and its attractiveness as a retail destination.

The map shows the catchment Retail Footprint 2014 expects of Solihull. The catchment is made up of four areas: the Primary, Secondary, Tertiary and Quaternary catchments.

The Core catchments refers to the area encompassed by the Primary and Secondary catchments. Combined this represents the area from which 75% of Solihull's Comparison Goods market potential is expected to arrive from.

The table below indicates the population, Total Comparison Goods expenditure, Comparison Goods market potential and market share* Solihull is expected to attain across each of its catchments.



Catchment	Total Population	Total Comparison Goods Expenditure by Residents (£m)	Comparison Goods Market Potential (£m)	Market Share (%)
Primary	224,454	£443.4	£175.7	39.6%
Secondary	388,494	£678.1	£86.7	12.8%
Core Catchment	**612,948**	**£1,121.5**	**£262.3**	**23.4%**
Tertiary	641,564	£1,146.3	£49.9	4.4%
Quaternary	1,646,596	£3,032.0	£34.7	1.1%
Total Catchment	**2,901,108**	**£5,299.8**	**£346.9**	**6.5%**

Source: Retail Footprint 2014

CACI

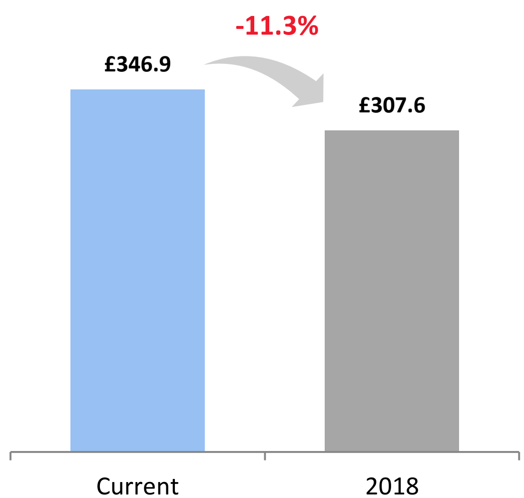
SOLIHULL CATCHMENT – 2018 DO NOTHING SCENARIO

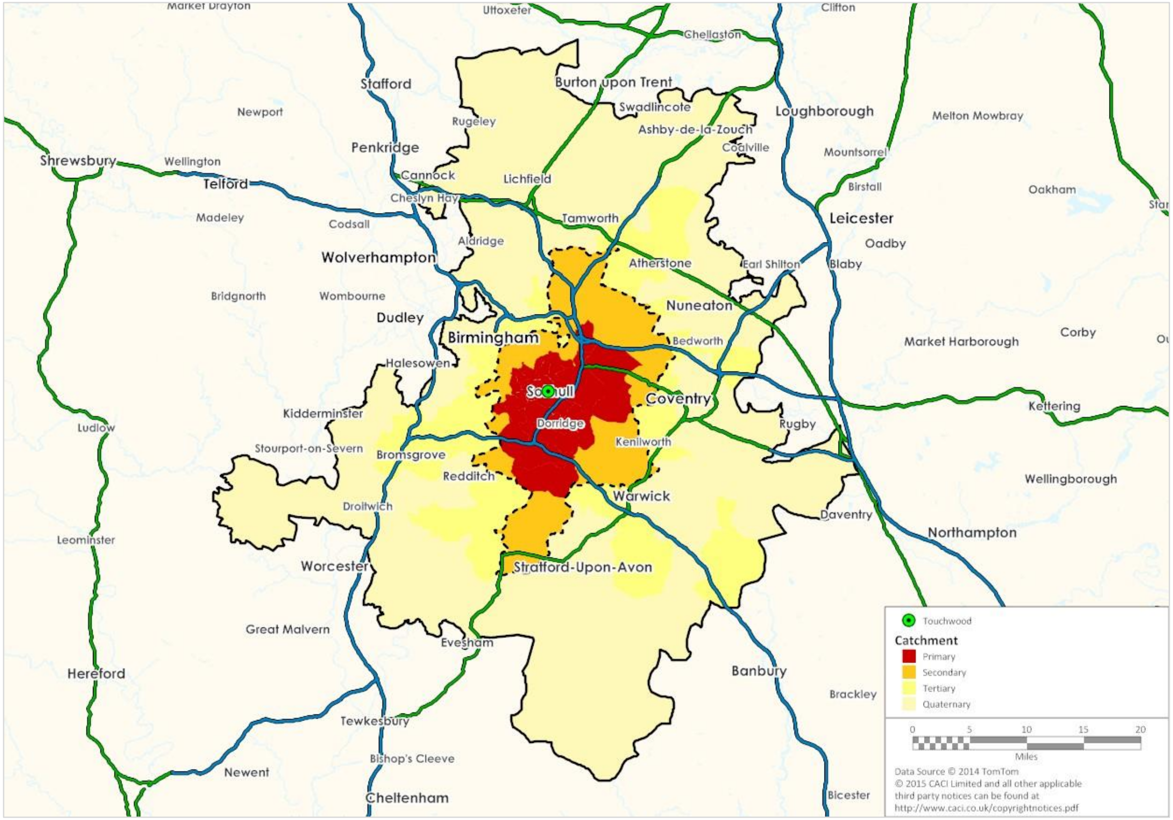
Solihull would lose £39.3m in market potential were Touchwood not to expand by 2018. However, there will be minimal impact on the physical extent of the catchment which will continue to serve a large geographical area.

The map shows the catchment expected of Solihull in 2018 if Touchwood does not undergo the proposed development.

Pipeline developments until 2018 are considered using CACI's CentreFutures gravity model. Particular focus is paid to the development of the Grand Central shopping centre in Birmingham, the Resorts World Designer Outlet and the impacts the two will have on Touchwood.

Comparison Goods Market Potential (£m)





Source: Retail Footprint 2014; CentreFutures 2018

CCI | Commercial in Confidence

CACI

2018 DO NOTHING - UK RANKING

Increased competition in 2018 sees Touchwood's national ranking fall to 55th place, 8 below its current rank. However, the strength of its offer means that Solihull retains its place within the top 1.5% of all UK centres, above White Rose in Leeds and Tunbridge Wells.

Rank	Retail Footprint Centre	Retail Footprint Class	Retail Footprint Score	Total Comparison Goods Market Potential (£m)
40	Plymouth	Average Regional Centres	1480	£398.9
41	Cheshire Oaks - McArthurGlen Outlet Centre	Major Outlet Centres Premium Dominated	978	£387.3
42	Cheltenham	Quality Regional Centres	1553	£365.2
43	Ipswich	Average Regional Centres	1046	£363.9
44	Coventry	Average Regional Centres	1651	£362.8
45	Knightsbridge	Larger London Non-Residential Centres	1931	£361.9
46	Hull	Average Regional Centres	1465	£351.0
47	Colchester	Quality Major Centres	1380	£346.3
47	**Solihull**	**Quality Regional Centres**	**1269**	**£346.9**
48	Peterborough	Quality Regional Centres	1231	£342.3
49	Huddersfield	Average Regional Centres	1030	£338.0
50	Oxford	Quality Regional Centres	1630	£337.9
51	Crawley	Mall-Dominated Town Centres	1500	£331.3
52	York	Principal Centres	1675	£324.6
53	Bradford	Major Centres	1106	£324.1
54	Bicester Village	Major Outlet Centres Premium Dominated	917	£311.6
55	**Solihull**	**Quality Regional Centres**	**1269**	**£307.6**
56	Leeds - White Rose	Small Regional Malls	752	£304.3
57	Tunbridge Wells	Quality Regional Centres	1307	£303.8
58	Chester	Quality Regional Centres	1838	£289.8
59	Doncaster	Major Centres	1133	£289.1

The table above shows the 2018 retail ranking of UK Retail Footprint centres. Ranking is based on the Total Comparison Goods market potential available.

Current rank

2018

Source: Retail Footprint 2014; CentreFutures 2018

LEAKAGE

Pipeline developments in Birmingham and Coventry will result in these centres attaining a higher proportion of spend. However this is only a -0.6pp decrease in total market share.

CURRENT

Retail Footprint Centre	Retail Footprint Class	Retail Footprint Score	Market Share (Core)	Market Share (Total)
Birmingham	National Centres	2,568	22.8%	16.7%
Solihull	**Quality Regional Centres**	**1,269**	**23.4%**	**6.5%**
Coventry	Average Regional Centres	1,179	4.2%	5.5%
Tamworth - Ventura Retail Park	Major Shopping Parks with Major Anchor	526	0.9%	4.4%
Leamington Spa	Premium Major Centres	1,055	1.9%	4.3%
Nuneaton	Lower Average Major Centres	840	0.4%	3.0%
Redditch	Mall-Dominated Town Centres	637	1.4%	2.9%
Sutton Coldfield	Medium Metropolitan Towns	588	0.4%	2.4%
Birmingham - Fort Shopping Park	Major Shopping Parks	326	3.2%	2.2%
Coventry - Arena Shopping Park	Shopping Parks	235	0.6%	1.9%

2018

Retail Footprint Centre	Retail Footprint Class	Retail Footprint Score	Market Share (Core)	Market Share (Total)
Birmingham	National Centres	2,949	23.2%	17.1%
Coventry	Average Regional Centres	1,651	4.9%	6.7%
Solihull	**Quality Regional Centres**	**1,269**	**20.7%**	**5.9%**
Tamworth - Ventura Retail Park	Major Shopping Parks with Major Anchor	526	0.8%	4.1%
Leamington Spa	Premium Major Centres	1,055	1.6%	4.1%
Nuneaton	Lower Average Major Centres	840	0.3%	2.8%
Redditch	Mall-Dominated Town Centres	637	1.3%	2.8%
Sutton Coldfield	Medium Metropolitan Towns	588	0.4%	2.3%
Birmingham - Resorts World	Major Urban Outlet Centres Premium Brands	267	4.6%	2.0%
Birmingham - Fort Shopping Park	Major Shopping Parks	326	2.8%	2.0%

Source: Retail Footprint 2014; CentreFutures 2018

CACI

KEY MESSAGES

Scheduled to be complete in 2018, the Touchwood extension will add c.115,000 sq ft of mixed used space to the existing centre in Solihull

Solihull currently attains a 6.5% market share of its Total catchment which equates to a Residential Comparison Goods market potential of £346.9m

Solihull's expansive catchment reflects the strength of its current offer and its attractiveness as a retail destination

The extension of Touchwood would protect market share in the face of increased competition from pipeline developments within the region

Were Touchwood not to expand by 2018, Solihull's market potential would decrease from £346.9m to £307.6m

The physical extent of the catchment would remain largely unchanged , yet Solihull would see lower market shares

There would be a 2.7pp decrease in Core market share and a 0.6pp decrease in Total market share

Pipeline developments in Birmingham and Coventry will result in these centres attaining a higher proportion of Solihull's market potential

As a result of these changes, Touchwood would see its national ranking fall to 55th place, from its current position of 47th

In this scenario, Solihull would retain its place within the top 1.5% of all UK centres, reflecting the strength of its offer and affluent catchment

CACI