

APPENDIX 3

Retail Strategy Quantitative Analysis

1. Introduction

This Appendix provides a quantitative analysis of the estimated amount of retail floorspace required in Dundalk for the period 2024-2031. This quantitative analysis is based on expenditure patterns, future growth projections, consumer spending and turnover potential. The estimates of future requirements for retail floor space provided by this strategy are only intended to provide broad guidance as to the additional quantum of convenience and comparison goods floor space provision. The reason for this is so healthy levels of trading can be sustained and should not be treated in an overly prescriptive manner, nor should they serve to inhibit competition - as per the requirements of the Retail Planning Guidelines 2012.

The following methodology has been used to inform the future retail floor space requirements:

- Estimate of population at base and design year;
- Estimate of expenditure per capita on convenience, comparison and bulky household goods at the base and design year;
- Compile a projection of the total available expenditure in the base year and design year for residents of County Louth to allow for assumed expenditure inflows and outflows;
- Estimates of likely increase in future expenditure available for the provision of additional floorspace;
- Estimates of the likely average turnover of new floorspace for convenience, comparison and bulky household;
- Estimate the amount of vacant retail floorspace; and
- Estimate the capacity of additional floorspace in County Louth.

1.1 Population

The assessment of future floorspace requirements requires projected population growth over the plan period. The population projections are also consistent with those used throughout the Louth County Development Plan 2021-2027 (as varied) and the draft Dundalk Local Area Plan 2024-2030.

Table 1: Dundalk Population Projections

	2016 ¹	2022 ²	2029	2030	2031
Population	39,004	43,112	46,664	49,166	50,000

* CSO Census 2016

1.2 Retail Expenditure Estimates

Expenditure per capita is calculated based on the data contained within the CSO's Annual Services Inquiry (ASI). The ASI is listed as the preferred source for expenditure per capita in the Roger Tym and Partners and Jonathan Blackwell and Associates Report on the Retail Planning Guidelines 2012.

The ASI, also now known as the Structural Business Statistics Release provides grossed estimates of the principal trading aggregates for all enterprises in the retail sectors. The relevant turnover aggregates as related to sectors specifically classed as either convenience, comparison or bulky goods sales are selected.

¹ CSO Census 2016

² CSO Census 2022

The 2021 national expenditure per capita figure for convenience goods is estimated at €4,226 and for comparison goods is estimated at €5,441. This is calculated by dividing the total national expenditure on convenience and comparison goods (as per ASI 2021) by the population of Ireland in 2021. An adjustment is made for County Louth to relate these national figures to local level. CSO publication County Incomes and Regional GDP (published 2021) indicates that the County Louth expenditure figures were approximately 1.023% of the national average in 2021. The expenditure figures are amended accordingly to more accurately reflect retail spend at a local level.

Expenditure growth rates on comparison goods have traditionally been significantly higher than expenditure growth rates on convenience goods. This is because most household's requirement in respect of convenience products have been largely satisfied and most surplus or discretionary spend has gone into products such as clothing, footwear, household goods, electrical goods, home furnishings etc. Growth rates for comparison expenditure are inclined to increase substantially within a strong national economy. However, for the purposes of this assessment more conservative annual growth rates have been assumed for expenditure per capita. Adjustments of 1% growth per annum for convenience expenditure and 2.5% for comparison expenditure are made in line with recorded economic growth statistics and forecasted levels of growth. The growth rates take cognisance of the CSO Retail Sales Index, the ESRI Quarterly Economic Commentary and the ESRI Ireland's Economic Outlook.

Table 2: Projected Per Capita Spend (€)

Year	Convenience	Comparison
2021	€4,323	€5,566
2022	€4,366	€5,705
2024	€4,454	€5,994
2027	€4,589	€6,454
2030	€4,727	€6,950
2031	€4,774	€7,123

1.3 Total Available Expenditure

Total available expenditure within County Louth is calculated by multiplying the population of the County by the expenditure per capita for each retail category, for each year. This is set out in Table 3.

For the purpose of this retail strategy, it is necessary to differentiate between comparison non-bulky goods and bulky household goods.

Considerably different levels of turnover will apply to comparison goods such as clothing and footwear and smaller household durables than would apply to bulky household goods, typically sold in retail warehouse parks. Therefore, having regard to the CSO Household Budget Survey and market research estimates, an 80:20 split is applied to the total available comparison spend.

Table 3: Total Available Spend (€)

Year	Expenditure / Capita		Population Projections	Total Available Expenditure	
	Convenience	Comparison		Convenience	Comparison
2022	€4,366	€5,705	43,112	€188,226,992	€245,953,960
2024	€4,454	€5,994	44,533	€198,349,982	€266,930,802
2030	€4,727	€6,950	49,166	€232,407,682	€341,703,700
2031	€4,774	€7,123	50,000	€238,700,000	€356,150,000

1.4 Adjusted Expenditure

The total comparison expenditure is further divided taking into account expenditure on bulky goods, this is at a ratio of 80/20, see Table 4 for details.

Table 5 illustrates the adjusted retail spend for County Louth from 2022- 2031. Given the limited changes in the retail landscape and that no new large scale retail development developments have come on stream within the County or wider region, the inflow and outflow rates were based on the 2014 data. However, the popularity of online shopping has increased since and as such a growth rate of 1% per annum for convenience expenditure and 2% per annum for comparison (bulky and non-bulky) expenditure, has been applied. This increases the projected outflow rates by 2031 to 3.3% for convenience spend, 9.9% for comparison (non-bulky) spend and 11.5% for bulky comparison spend.

Table 4 – Comparison and Comparison Bulky

	Total Comparison	Comparison (80%)	Comparison Bulky (20%)
2022	€245,953,960	€196,763,168	€49,190,792
2024	€266,930,802	€213,544,641	€53,386,160
2030	€341,703,700,	€273,362,960	€68,340,740
2031	€356,150,000	€284,920,000	€71,230,000

Table 5: Adjusted Retail Spend

	Convenience Total Available Spend	Convenience Outflow (%)	Convenience Inflow (%)	Adjusted Convenience Total Available Spend
2022	€188,226,992	3	3.8	€189,518,229
2024	€198,349,982	3	3.8	€199,710,662
2030	€232,407,682	3.3	3.8	€233,278,281
2031	€238,700,000	3.3	3.8	€239,594,170

	Comparison Total Available Spend	Comparison Outflow (%)	Comparison Inflow (%)	Adjusted Comparison Total Available Spend
2022	€196,763,168	8.4	8	€194,653,866
2024	€213,544,641	8.7	8	€210,563,557
2030	€273,362,960	9.7	8	€266,594,493
2031	€284,920,000	9.9	8	€277,249,953

	Comparison Bulky Total Available Spend	Comparison Bulky Outflow (%)	Comparison Bulky Inflow (%)	Adjusted Comparison Bulky Total Available Spend
2022	€49,190,792	9.8	1	€44,813,795
2024	€53,386,160	10	1	€48,528,019
2030	€68,340,740	11.3	1	€61,224,418
2031	€71,230,000	11.5	1	€63,668,936

1.5 Existing Retail Floorspace

A survey of existing retail floorspace in Dundalk was conducted in January 2024. The survey provides a breakdown of the total net retail floorspace trading and vacant floorspace within Dundalk. The amount of vacant comparison floorspace has been reduced by 10% (8,461m²), reflective of the Council's regeneration policies which encourages mixed uses in the town including residential, cafes restaurants and various businesses which contribute to the vitality and viability of Dundalk. A summary of the results are shown in Table 6.

Table 6: Existing Retail and Vacant Floorspace Dundalk

January 2024	Trading	Vacant	Adjusted Vacant Floorspace
Convenience	24,351m ²	1,363m ²	1,363m ²
Comparison	39,734m ²	9,401m ²	8,461m ²
Comparison Bulky	30,679m ²	2,850m ²	2,850m ²
TOTAL	94,764m²	13,614m²	12,674m²

1.6 Turnover of Existing Floorspace

The indicative turnover ratio of the existing floor space in Dundalk is calculated by dividing the available resident expenditure in 2024 by the existing floorspace in each category. The indicative turnover figures are an estimate of the amount of expenditure that is currently being sustained by the amount of floor space in Dundalk.

Table 7: Indicative Turnover per m2 2024

Type of Goods	Total Available expenditure taking into account Outflow and Inflow levels (€)	Total Net Floor Area (m ²)	Indicative Turnover Per m ² (€)
Convenience	€199,710,662	24,351m ²	€8,201
Comparison	€210,563,557	39,734m ²	€5,299
Bulky Household Goods	€48,528,019	30,679m ²	€1,582

Table 7 shows the indicative turnover ratio per square metre for retail floorspace within Dundalk. Stores located in newer shopping centres or in prime town centre locations are likely to have a greater turnover than those located in diminishing shopping centres or streets. It should also be noted that multi-national retailers or chains would expect to trade at a much higher intensity than independent retailers. The figures in Table 9 represent an average turnover across all retail formats.

The residual surplus for additional retail floorspace within the County is obtained by subtracting the total available expenditure of existing floor space for convenience, comparison and comparison bulky goods set out in Tables 3 and 4 by the total available expenditure for convenience, comparison and comparison bulky goods taking into account outflow and Inflow levels as set out in Table 5. This residual surplus is set out in Table 8 below.

Table 8: Total Available Expenditure

Year	Total Available expenditure taking into account Outflow and Inflow levels (€)	Total available expenditure of existing Floor space (€)	Residual Surplus (€)
Convenience			
2024	€199,710,662	€198,349,982	€1,360,680
2030	€233,278,281	€198,349,982	€34,928,299
2031	€239,594,170	€198,349,982	€41,244,188
Comparison			
2024	€210,563,557	€213,544,641	-€2,981,084
2030	€266,594,493	€213,544,641	€53,049,852
2031	€277,249,953	€213,544,641	€63,705,312
Bulky Household Goods			
2024	€48,528,019	€53,386,161	-€4,858,142
2030	€61,224,418	€53,386,161	€7,838,257
2031	€63,668,936	€53,386,161	€10,282,775

1.7 Floorspace Capacity

To allow for future efficiency gains by retailers and in consideration of the economic forecasts, it is reasonable to assume a 1% increase per annum for turnover across all three retail categories. The turnover rates for each of the respective years are shown in Table 9.

Table 9: Turnover Rates

Year	Convenience - Indicative Turnover Per m ² (€)	Comparison - Indicative Turnover Per m ² (€)	Bulky Comparison - Indicative Turnover Per m ² (€)
2024	€8,201	€5,299	€1,582
2030	€8,705	€5,625	€1,679
2031	€8,792	€5,681	€1,696

In order to calculate the requirements for additional retail floorspace within the County, the residual surplus as set out in Table 8 is divided by the turnover per m² of future retail floorspace as set out in Table 9.

Table 10: Floorspace Potential

Year	Residual Surplus (€)	Turnover Ratio (€)	Additional Floorspace Potential m ²
Convenience			
2024	€1,360,680	€8,201	166m ²
2030	€34,928,299	€8,705	4,012m ²
2031	€41,244,188	€8,792	4,691m ²
Comparison			
2024	-€2,981,084	€5,299	563m ²
2030	€53,049,852	€5,625	9,431m ²
2031	€63,705,312	€5,681	11,213m ²
Bulky Household Goods			
2024	-€4,858,142	€1,582	3,071m ²
2030	€7,838,257	€1,679	4,668m ²
2031	€10,282,775	€1,696	6,063m ²

When calculating the amount of additional floor space required for convenience, comparison, and bulky goods it is also necessary to deduct the amount of existing vacant floor space as detailed in Table 6 from the overall requirement. The floorspace potential of Dundalk is set out in Table 11.

Table 11: Indicative Floorspace Potential 2030

Year	Additional Floorspace Potential m ² - 2030	Vacant Floorspace m ² - 2024	Indicative Floorspace Potential m ² - 2030
Convenience	4,012m ²	1,363m ²	2,649m ²
Comparison	9,431m ²	8,461m ²	970m ²
Bulky Comparison	4,668m ²	2,850m ²	1,818m ²

1.8 Conclusion

Table 11 sets out the indicative potential for additional convenience, comparison and bulky comparison floorspace in Dundalk to 2030, this is in accordance with the retail hierarchy identified in the County Plan and in this LAP and has been proportioned in accordance with the population target of Dundalk for 2030.

In accordance with the Retail Planning Guidelines 2012, the indicative floorspace requirements set out in Table 10 is only intended to provide broad guidance as to the additional quantum of floorspace provision. The quantum of floorspace should not be considered as upper or lower limits, merely as indicative of the scale of new floor space required to meet the needs of existing and future population and expenditure within Dundalk.

Any additional new floorspace proposed could replace some existing, outdated or poorly located retail floorspace. In the event that a planning application is submitted for retail development which does not conform to the scale outlined in this retail strategy the onus is on the applicant to prove to the Planning Authority that the development will not detract from the vitality or viability of Dundalk town centre.