

Maidstone Economic Development Needs Study Stage One

Final Report

Maidstone Borough Council

May 2019

LICHFIELDS

LICHFIELDS

Lichfields is the pre-eminent planning and development consultancy in the UK

We've been helping create great places
for over 50 years.

lichfields.uk

© 2019 Nathaniel Lichfield & Partners Ltd, trading as Lichfields. All Rights Reserved. Registered in England, no. 2778116. 14 Regent's Wharf, All Saints Street, London N1 9RL
Formatted for double sided printing.
Plans based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office.
© Crown Copyright reserved. Licence number AL50684A

17331669v2

Contents

1.0	Introduction	1
	Scope of Study	1
	Study Methodology	2
	Structure of Report	3
2.0	Functional Economic Market Area	4
	Rationale	4
	Labour Market Areas	4
	Housing Market Areas	10
	Commercial Property Market Areas	11
	Transport and Connectivity	11
	Retail and Consumer Catchments	12
	Summary	13
3.0	Economic Context and Trends	15
	Spatial Overview	15
	Population	16
	Employment	17
	Workforce Productivity	21
	Business Base	23
	Labour Market	30
	Deprivation	32
	Wider Economic Drivers	33
	Summary	37
4.0	Retail Context and Trends	38
	Introduction	38
	Retail Trends	38
	Expenditure Growth	38
	Centres in Maidstone borough and the surrounding area	45
	Summary	50
5.0	Overview of Commercial Space	52
	Stock of Floorspace	52
	Historic Development Rates	57

	Permitted Development Rights	61
	Summary	63
6.0	Commercial Property Market Signals and Intelligence	65
	National Property Market Overview	65
	Market Geography	65
	Market Segments	66
	Summary	70
7.0	Centre Health Checks	71
	Maidstone Town Centre	71
	Rural Service Centres and Larger Village Centres	81
	Summary	88
8.0	Mixed Use Development Sites Review	89
	Introduction	89
	RMX1(2) Maidstone East and former Royal Mail Sorting Office, Sandling Road	89
	RMX1(3) King Street car park and former AMF Bowling Site	90
	RMX1(5) Powerhub building and Baltic Wharf, St Peter's Street	91
	RMX1(6) Mote Road	92
	Summary	92
9.0	Conclusions and Implications for the Emerging Strategy	94
	Employment	94
	Town centres	95

1.0

Introduction

1.1

Maidstone Borough Council (“the Council”) commissioned Lichfields to undertake an integrated Economic Development Needs Study (EDNS) for the Borough. The purpose of the EDNS is to provide an up-to-date, robust and comprehensive evidence base for employment, retail, leisure and town centre needs within the Borough during the period to 2037.

1.2

The EDNS will be used by the Council to inform a review of existing planning policies and to develop new spatial strategies for economic development, having regard to the revised National Planning Policy Framework (NPPF). The methodology used in the study also draws on guidance contained in the Planning Practice Guidance (PPG).

1.3

The study follows a two-stage integrated approach as follows:

- 1 Stage One - Taking Stock of the Current Position: The provision of a baseline report **demonstrating a holistic understanding of the current economic ‘state’ of the Borough and its centres**, encompassing all employment, retail, leisure and main town centre uses, and commercial sectors. This also includes commercial viewpoints regarding the current local market and providing **a narrative framing the key issues facing Maidstone’s commercial sector**; and
- 2 Stage Two - Future Needs Assessment: The completion of a substantive integrated EDNS in accordance with Government guidance and best practice for retail, leisure and employment needs. This will include the identification of potential policy approaches and spatial strategies for the forthcoming Maidstone Local Plan Review (LPR).

1.4

This baseline report presents the findings from the Stage One part of the study.

1.5

The council is currently in the process of preparing its next Local Plan (the LPR), which will identify the amount and distribution of employment and main town centre uses across the Borough up to the year 2037 (amongst other strategic issues). The EDNS will form an important evidence document for the LPR. The two-stage integrated approach to evidence base production has been followed to ensure that the required outcomes are available to support the various rounds of LPR consultation at the relevant time.

Scope of Study

1.6

The EDNS assessment focuses on a range of employment, retail, leisure and town centre uses, broadly defined by the following use classes:

- **B1 Business:** offices (B1a), research & development (B1b) and light industrial (B1c).
- **B2 General Industrial:** typically comprising factory and manufacturing space.
- **B8 Storage and Distribution:** warehouses, wholesale and distribution.
- **A1-A5 Retail:** shops (A1), financial and business services (A2), food and drink (A3), drinking establishments (A4) and takeaways (A5).
- **D2 Assembly and Leisure:** cinemas, theatres, gyms, sports facilities, ten-pin bowling, bingo, trampolining and other leisure uses.

1.7

References to ‘employment space’ refer to all B class elements noted above. In addition, the term ‘industrial space’ is used to refer to both manufacturing (B1c/B2) and warehouse and distribution (B8) uses.

1.8

It should be noted that there are a variety of factors and drivers to consider when objectively assessing the business context and needs for a local economy. The study uses a combination of

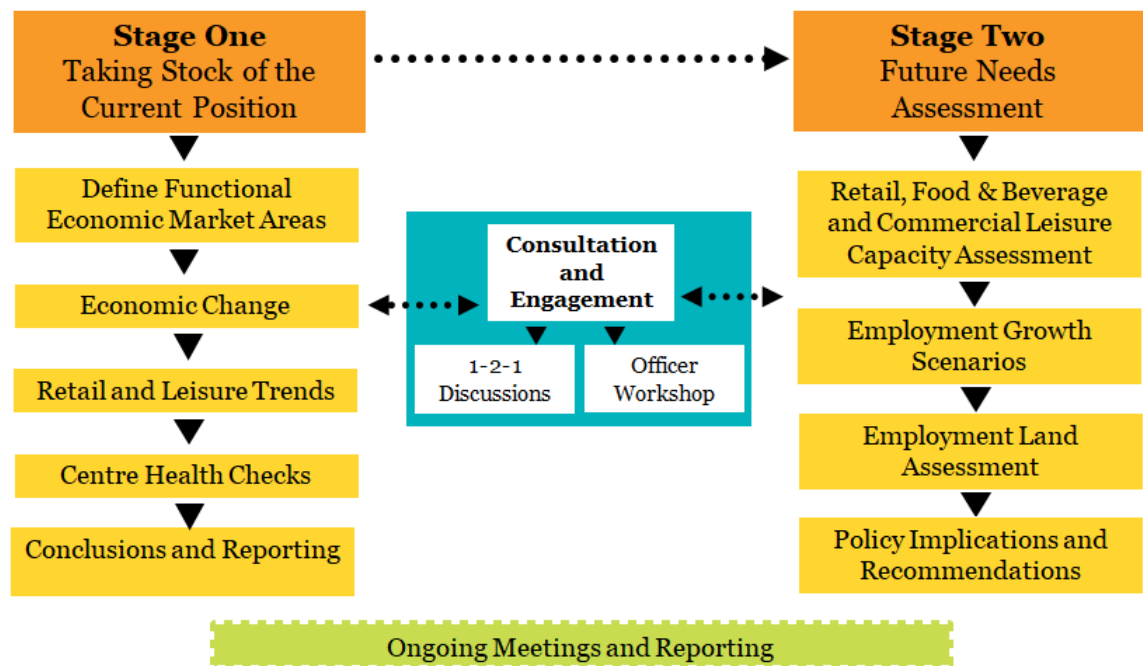
quantitative and qualitative analysis to examine these issues in the context of Maidstone, and synthesises this analysis to draw overall conclusions and policy implications for long-term planning in the Borough.

- 1.9 An important consideration for any technical work of this type is that the study is inevitably a point-in-time assessment. The study post-dates the outcome of the UK referendum on membership of the European Union (EU) in June 2016, but does not give specific consideration **for how the timing and basis for the UK’s future exit from the EU could impact national or local economic change** given current uncertainty regarding these arrangements. It may therefore be necessary to undertake future updates to the study once greater economic certainty and clarity is available through econometric forecasts and other indicators.
- 1.10 The study has used the latest available data and other evidence available at the time of reporting, while the accuracy of third party data has not been checked or verified by Lichfields.

Study Methodology

- 1.11 The methodology that has been applied for the EDNS conforms to the requirements of the NPPF and PPG. It draws upon Lichfields’ **Workspace methodological framework and is summarised in Figure 1.1 below**. As noted above, this baseline report presents the findings from the Stage One part of the study only.

Figure 1.1 Maidstone EDNS Methodological Framework



Source: Lichfields

Consultation

- 1.12 As part of the study, consultation has been undertaken with a range of local and sub-regional commercial property agents, to gather commercial viewpoints and up-to-date intelligence regarding the current local market in and around Maidstone. A list of consultees is provided in Appendix 1.

Structure of Report

1.13

The report is structured under the following sections:

- **Functional Economic Market Area (Section 2.0):** establishes the various functional economic market areas that operate across Maidstone and the wider sub-region, to provide an understanding of the various economic relationships, linkages and flows which characterise the sub-regional economy.
- **Economic Context and Trends (Section 3.0):** a review of economic conditions and recent trends in the Borough, and the key strengths and weaknesses of the local economy that may influence the future need for employment space.
- **Retail Context and Trends (Section 4.0):** a review of national trends that are likely to influence the need for retail and town centre facilities in Maidstone Borough and the prospects for attracting new investment. It also summarises current provision within the Borough, which provides the baseline for future projections.
- **Overview of Commercial Space (Section 5.0):** an analysis of the current stock and trends of employment, retail and leisure space in the Borough in terms of total stock, spatial distribution, past development rates, gains and losses.
- **Commercial Property Market Signals and Intelligence (Section 6.0):** a review of the local commercial property market including supply of and demand for different types of employment space, and the needs of particular market segments.
- **Centre Health Checks (Section 7.0):** a qualitative health check analysis of Maidstone town centre, the **Borough's** five rural service centres and the five larger villages.
- **Mixed Use Development Sites Review (Section 8.0):** a review of the allocated retail and mixed-use sites within Maidstone town centre (RMX1(2), RMX1(3), RMX1(5) and RMX1(6)) in terms of their ability to come forward for development in accordance with current planning policy.
- **Overarching conclusions and implications to inform the Council's emerging strategy** regarding employment and town centre uses are presented in Section 9.0.

2.0 Functional Economic Market Area

2.1 This section summarises the various Functional Economic Market Areas (FEMAs) that operate across Maidstone and the wider sub-region to provide an understanding of the various economic relationships, linkages and flows which characterise the sub-regional economy.

Rationale

- 2.2 **When planning for economic growth, the Government’s Planning Practice Guidance (PPG)** states that economic needs should be assessed in relation to the most appropriate geographies and relevant FEMAs, that is, the spatial level at which local economies and markets operate. In most cases, these will extend beyond existing administrative boundaries such as local authority boundaries.
- 2.3 The PPG recognises that no single source of data is comprehensive in identifying appropriate assessment areas, and highlights several factors to be considered when assessing and defining relevant FEMAs, including travel to work areas, housing market areas, service markets for consumers and transport networks¹. In order to define a FEMA for Maidstone, a number of these key market and catchment areas are considered, to allow the key drivers and dynamics that impact on the local economy to be identified and further assessed. These themes are considered in turn below.

Labour Market Areas

2.4 The latest commuting flows data from the 2011 Census can be used to define Travel to Work Areas (TTWAs) to consider the relationship between where people live and where they work.

Commuting Flows

- 2.5 Commuting patterns to and from Maidstone can be analysed using the latest travel-to-work flows data from the 2011 Census. Table 2.1 and Figure 2.1 overleaf summarise several key commuting indicators for Maidstone.
- 2.6 In 2011, a total of 31,180 working residents commuted outside of the Borough for their employment, mainly to the nearby areas of Tonbridge and Malling, Medway and Tunbridge Wells, and the London Boroughs of Westminster and the City of London. At the same time, 30,000 working people commuted into the Borough for their employment, mainly from the local authority areas of Medway, Tonbridge and Malling, Swale and Ashford.
- 2.7 On this basis, Maidstone is characterised as a slight net exporter of labour, with a net outflow of 1,180 workers at the time of the 2011 Census. The self-containment rate in Maidstone was just over 60% (Table 2.1).

¹ PPG Paragraph: 011 Reference ID: 61-011-20180913

Table 2.1 2011 Commuting Data for Maidstone

Indicator	Maidstone
Total working residents [†] (number of people living in the Borough that are in work, regardless of where they work)	78,510
Total workplace workers* (number of people working in jobs based in the Borough)	77,330
Live and work in authority*	47,330
Resident self-containment rate*	60.3%
Out-commuting workers [‡]	31,180
Top out-commuting destinations	Tonbridge and Malling, Medway, Tunbridge Wells, Westminster, City of London
In-commuting workers	30,000
Top in-commuting destinations	Medway, Tonbridge and Malling, Swale and Ashford
Net out-flow of workers	1,180

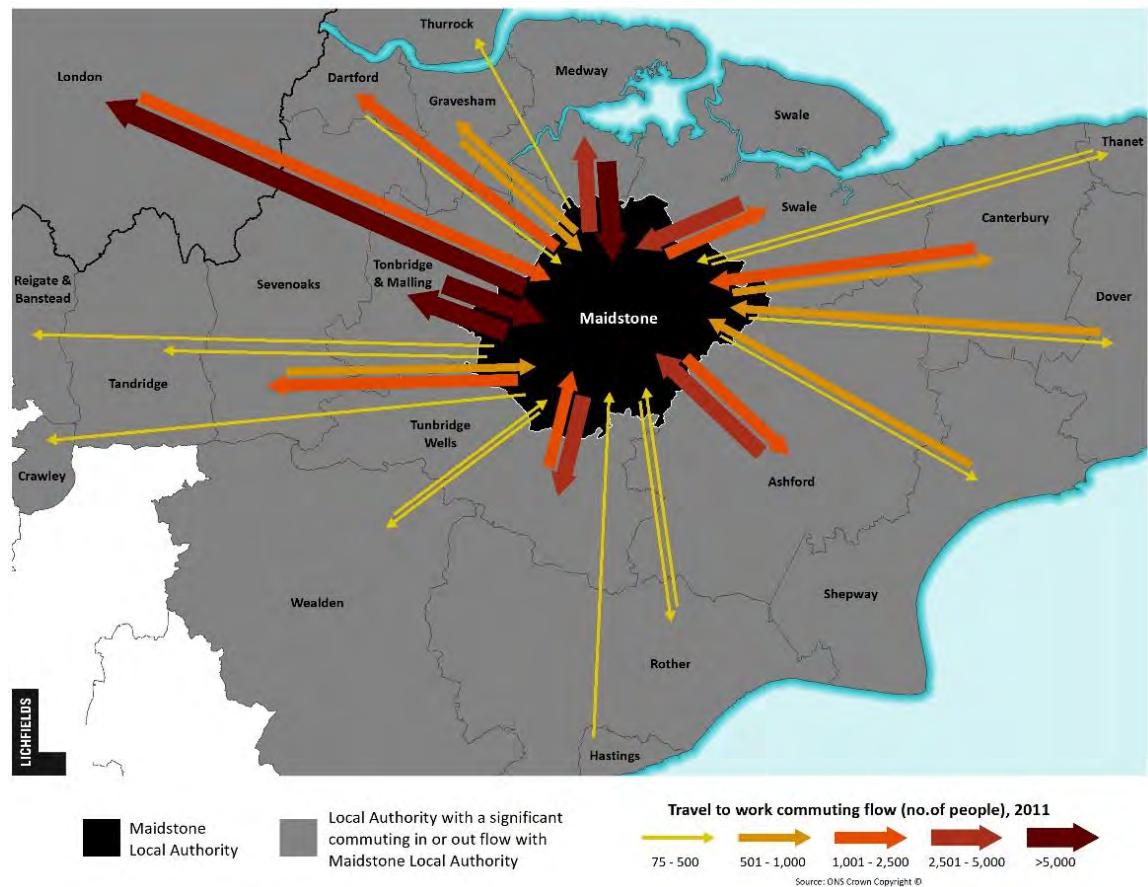
Source: ONS (2011 Census) / Lichfields analysis

[†] Includes those that work mainly at or from home, at an offshore installation, outside the UK, and with no fixed employment location (in line with ONS guidance on defining resident and workplace workforce).

* Includes those Maidstone residents that work mainly at or from home, at an offshore installation, and with no fixed employment location (in line with ONS guidance on defining resident and workplace workforce).

[‡] Includes those Maidstone residents that work outside the UK (in line with ONS guidance on defining resident and workplace workforce).

Figure 2.1 Travel-To-Work Flows for Maidstone, 2011

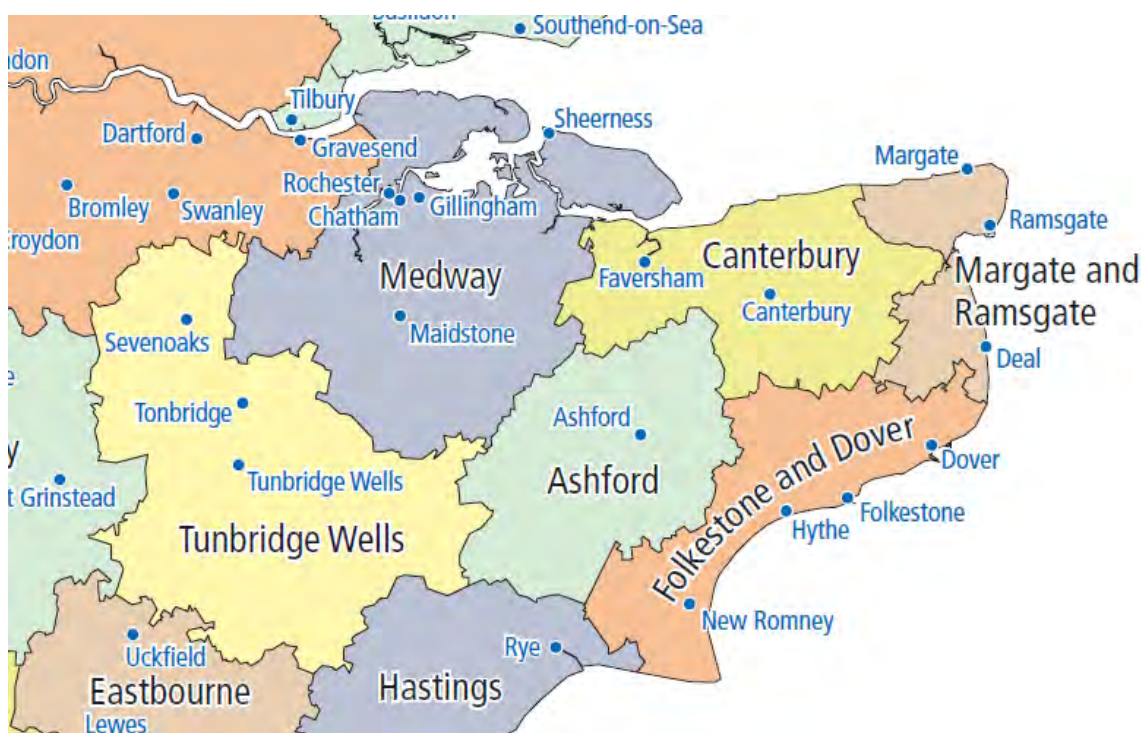


Source: ONS (2011 Census) / Lichfields analysis

ONS Travel to Work Areas

- 2.8 The Office for National Statistics (ONS) defines labour market areas as those areas where most of the resident population also work in the same area. Defining labour market areas requires analysis of commuting flows data to identify the Travel to Work Areas (TTWAs) of a local economy. The standard definition of TTWAs offered by the ONS is that they are the area from **which at least 75% of an area's resident workforce is employed, and at least 75% of the people** who work in the area also reside. The area must also have a working population of at least 3,500.
- 2.9 TTWAs represent the area from which local businesses are most likely to recruit their employees, while key strategic routes can extend these TTWAs well beyond the immediate sub-region.
- 2.10 In 2015, the ONS used 2011 Census data on home and work addresses to define 228 TTWAs that cover the whole of the UK. This analysis identifies a Medway TTWA that covers Maidstone Borough as well as the towns of Chatham, Rochester, Gillingham and Sheerness (as shown in Figure 2.2).

Figure 2.2 Medway Travel to Work Area, 2011



Source: ONS (2015) based on 2011 Census commuting data

- 2.11 In spatial terms, the Medway TTWA is one of the largest TTWAs in Kent. It is larger than the adjoining Canterbury and Ashford TTWAs and comparable with the Tunbridge Wells TTWA.
- 2.12 A comparison with the equivalent analysis prepared using the 2001 Census commuting data (as shown in Figure 2.3 overleaf) identifies some key changes to the spatial extent and reach of the Medway TTWA during this time.
- 2.13 Since 2001, the Maidstone and North Kent TTWA has contracted in overall size to become the Medway TTWA which extends less far south into Kent than previously. The northern reach of **Maidstone and North Kent's TTWA has broadly stayed the same. This suggests that the strength** of the labour market relationships between Maidstone and Medway has increased over the last

10 years at the expense of labour market linkages with more southern parts of Kent, albeit the difference in overall terms is not significant.

Figure 2.3 Maidstone & North Kent Travel to Work Area, 2001

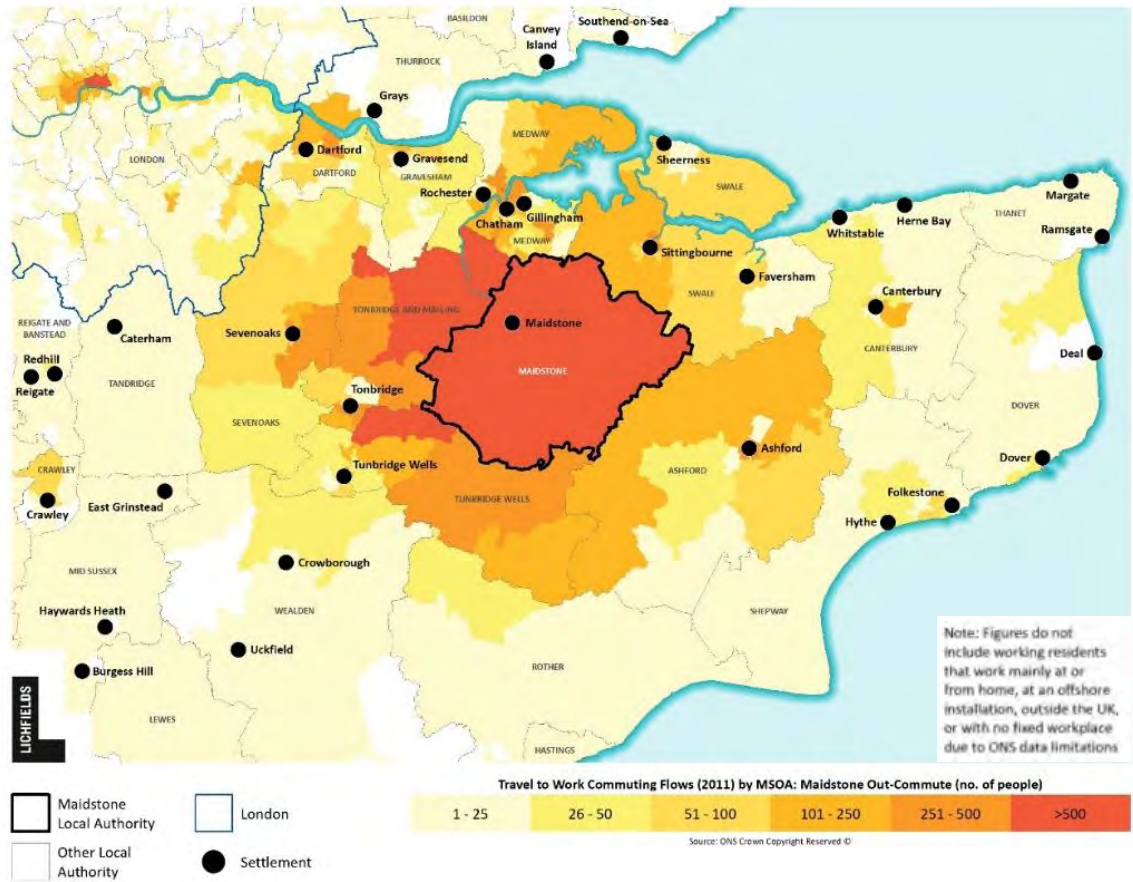


Source: ONS (2013) based on 2001 Census commuting data

Maidstone Local Travel to Work Area

- 2.14 Commuting data from the 2011 Census also allows travel-to-work patterns to be examined at a more detailed geographic scale, with travel-to-work flows provided at the Middle Super Output Area (MSOA) level. This level of analysis provides a much more detailed understanding of the travel-to-work linkages between Maidstone and other centres within the surrounding region.
- 2.15 The most significant destinations for out-commuting employed residents from Maidstone at the MSOA level are the eastern parts of Tonbridge and Malling and southern parts of Medway, as well as adjoining parts of Tunbridge Wells as shown in Figure 2.4.

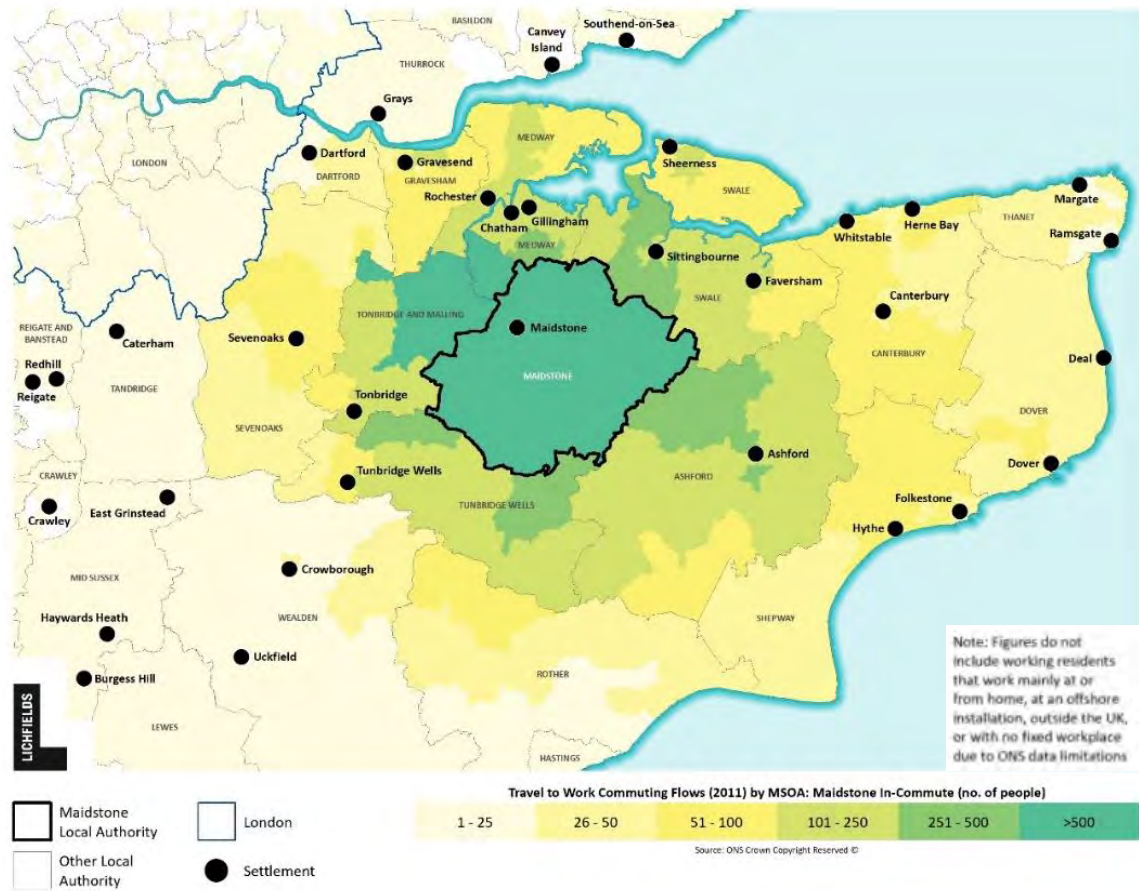
Figure 2.4 Out-Commuting Flows at MSOA Level for Maidstone, 2011



Source: ONS (2011) / Lichfields analysis

- 2.16 The origins of in-commuting workers to Maidstone are slightly more geographically dispersed, but with the greatest concentrations still evident adjoining the Borough boundary (Figure 2.5).
- 2.17 MSOA level commuting flows data, therefore, underlines the strong functional economic linkages in labour market terms between Maidstone and its surrounding districts, but especially Tonbridge & Malling and Medway.

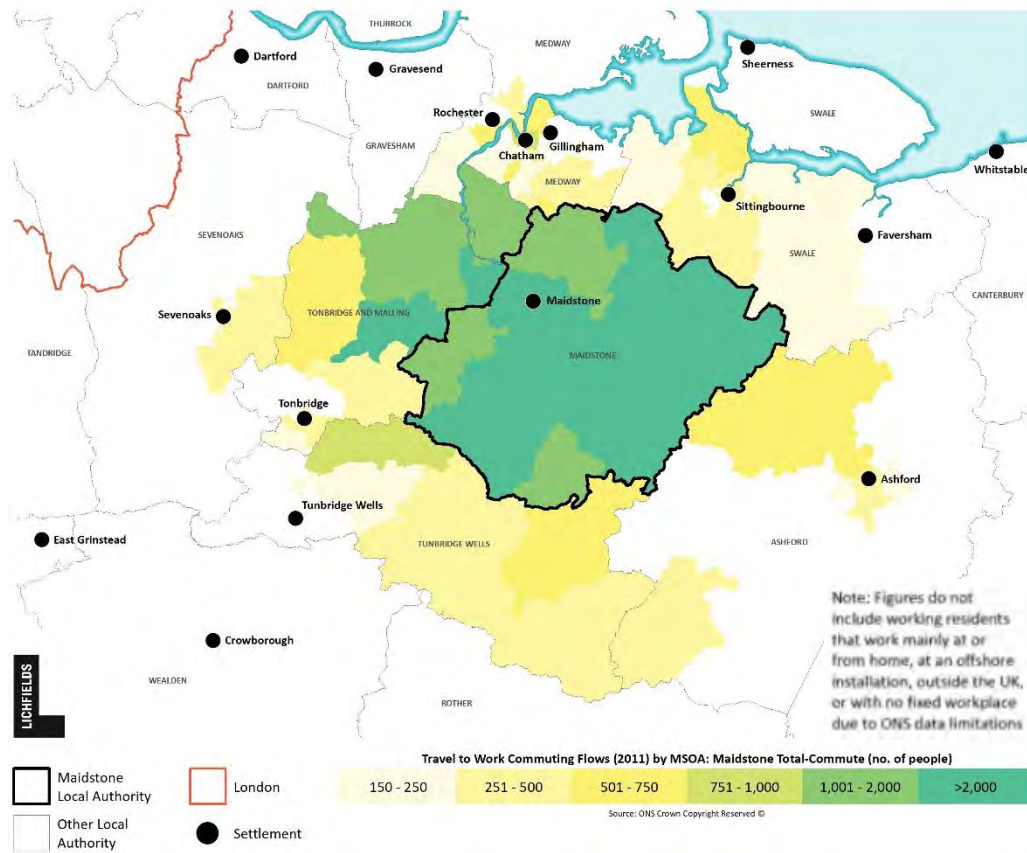
Figure 2.5 In-Commuting at MSOA Level for Maidstone 2011



Source: ONS (2011) / Lichfields analysis

- 2.18 It is also possible to use the Census 2011 commuting flows data for Maidstone to define a local travel to work area for the authority. This uses the ONS definition of a travel to work area, i.e. **the area from which at least 75% of the authority’s resident workforce is employed, and at least 75% of the people who work in the authority also reside.**
- 2.19 The local travel to work area for Maidstone is presented in Figure 2.6 overleaf; the MSOAs that **fall within the authority’s local travel to work area are shaded in green/yellow.** This suggests that **Maidstone’s local TTWA extends across the Borough’s administrative area into adjoining Tonbridge & Malling (in particular the north east part of the Borough) and to a lesser extent into Medway, Tunbridge Wells and Swale.** **Figure 2.6 also shows that Maidstone’s labour market relationship is much stronger with northern and western parts of Kent than with eastern parts of Kent including the adjoining Borough of Ashford.**

Figure 2.6 Local Travel to Work Area for Maidstone, 2011



Source: ONS (2011) / Lichfields analysis

Housing Market Areas

- 2.20 Housing market areas are a useful input to the process of considering the spatial extent of FEMAs due to the influence they have upon travel-to-work and labour market flows. Close relationships typically occur between the boundaries of sub-regional housing markets and sub-regional labour markets (generally referred to as Travel to Work Areas as explored above). Unless resident workers are taking a job in another location outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move to a new house.
- 2.21 The PPG defines a housing market area as:
- “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”* (PPG para 010)
- 2.22 In 2014, a Strategic Housing Market Assessment (SHMA) was undertaken for Maidstone². This analysed a range of economic and housing market indicators to define a Housing Market Area (HMA) for Maidstone. In identifying an HMA, the SHMA analyses house prices, migration and travel to work patterns amongst other indicators.
- 2.23 After considering a range of data, the SHMA considers Maidstone Borough to be part of an HMA that comprises the whole of Maidstone Borough as well as an adjoining Ashford HMA,

² Maidstone Strategic Housing Market Assessment, GL Hearn, 2014

although only two Maidstone wards fall within the Ashford HMA. This suggests that **Maidstone's HMA is relatively self-contained** to the Borough itself but also extending into the Malling part of adjoining Tonbridge & Malling.

- 2.24 In addition to these key HMA relationships, the SHMA also notes the inevitable overlaps with other housing markets; the analysis confirms a level of functional interaction between the northern parts of Maidstone and the North Kent area (in particular Medway and Swale), particularly in commuting terms, but it identifies a clear distinction regarding housing costs.

Commercial Property Market Areas

- 2.25 Commercial property market intelligence represents a key element to defining FEMAs as the geographical extent of markets can be defined by the location of customers, supply chains, competitors (including competing employment schemes) and enquiries, as well as the proximity to key transport infrastructure. Much of the activity occurring within a commercial property **market represents the gradual churn of occupiers, as a company's location can often be largely** dictated by the need to be easily accessible to where most of their staff reside.
- 2.26 The commercial property market in Kent is characterised by three broad sub-market areas: East Kent; Mid Kent; and West Kent (see section 6.0 for further details). Maidstone is located in the Mid Kent property market, which also includes the Medway towns and the M20 corridor leading down to Ashford.
- 2.27 Despite being situated on the M20, the industrial market in Maidstone is relatively localised due to the main industrial estates (e.g. Parkwood Industrial Estate) being located on the south side of Maidstone town, making access to the M20 a challenge due to vehicles having to travel through the town centre. **It's** industrial property market area does however expand to the west of its administrative boundary to incorporate the centre of Aylesford and parts of the Medway conurbation, based on consultations with local property agents.
- 2.28 **Maidstone's** office market is also relatively self-contained, with much of the Borough's office floorspace focused in and around Maidstone town. The office market expands outside of the Borough to nearby Kings Hill in Tonbridge and Malling Borough, where there is a large office park. Further **linkages outside of the Borough boundary are limited, with the Borough's smaller** settlements (e.g. Headcorn and Staplehurst) servicing their own needs and generally not overlapping with the property markets of other authorities that border Maidstone such as Tunbridge Wells.
- 2.29 **Overall, Maidstone's combined commercial property market** area, considering the industrial and office sub-markets, comprises Maidstone, Kings Hill, Aylesford and parts of the Medway conurbation. An indicative spatial extent or boundary for the commercial property market area can be found in Figure 2.8 below.

Transport and Connectivity

- 2.30 Transport accessibility is strongly linked with the geography of FEMAs, with the strategic transport network, in particular, playing a key role in shaping commercial property, labour and housing market flows.
- 2.31 Maidstone is currently served by the M20 Motorway which links Maidstone to Sevenoaks in the west, and Ashford to the east. The A229 provides links with Rochester and Chatham while the A249 connects Maidstone with Sittingbourne. All of the roads experience heavy traffic, in particular, **the singular river crossing point in Maidstone's town centre where the A20, A26 and A229** all meet. The town is served by rail, with the London Victoria to Ashford International line (where there is an interchange facility for rail services to continental Europe) being the principal

rail route. Other services include the Medway Valley line that connects with St Pancras International.

- 2.32 The Borough benefits from its strong strategic location, particularly from its proximity to the M20 motorway, with business locations near to the M20 generally attracting the most demand (particularly amongst industrial occupiers). This connects Maidstone with Ashford and Folkestone in the east and Sevenoaks and Greater London in the west, and to the M25 for connections to the wider South East and beyond. Property market dynamics are sufficiently different in these other locations to conclude that they operate as separate property market areas to Maidstone. The A249 and A229 link Maidstone to the Medway towns to the north, from which Maidstone draws much of its labour force.
- 2.33 **The Borough's latest** Integrated Transport Strategy³ (ITS) **notes that Maidstone's transport** network has come under increasing strain in recent years, principally because the configuration of its road and rail networks and the growing demand for travel generally. The geography of the Borough also means that sustainable modes are a more feasible option in some locations and for some journeys than for others. The Strategy identifies several interventions to enhance sustainable travel patterns to, from and within the Borough.

Retail and Consumer Catchments

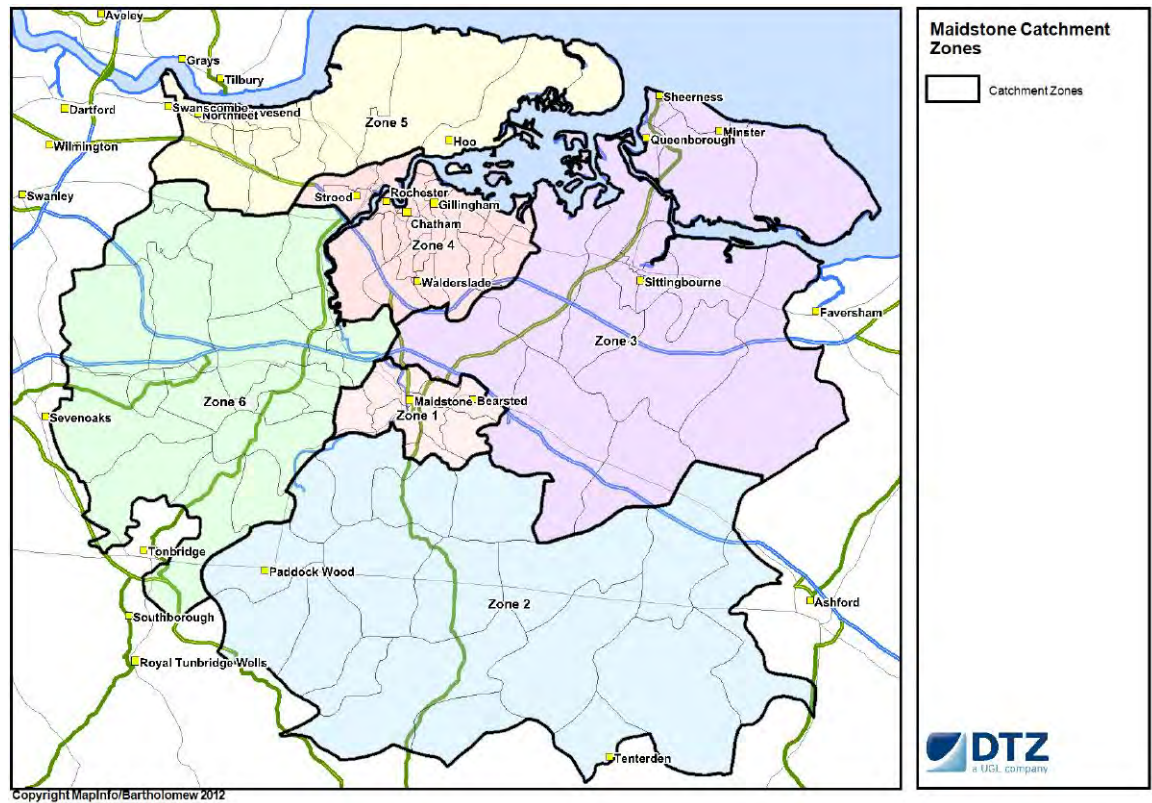
- 2.34 Within the context of identifying FEMAs, it is relevant to review existing retail and consumer market areas across the sub-region to consider the spatial area from which users of goods and services are drawn.
- 2.35 Using Venuescore retail ranking data (presented in further detail in Chapter 4.0), it is possible to identify a hierarchy of retail venues across Kent and the surrounding area to understand how different centres compete for spend and investment. Venuescore evaluates each venue in terms of their provision of multiple retailers, and the score attached to each operator is weighted to reflect their overall impact on shopping patterns.
- 2.36 This shows that Maidstone is a Major Regional Centre and only falls below Bluewater Shopping Centre in the regional hierarchy. In terms of market positioning, Bluewater Shopping Centre, Tunbridge Wells and Canterbury are all classified as **having an "Upper Middle" market position**, reflecting the relatively high levels of affluence within the sub-region. Ashford Designer Outlet is **classified as having an "Upscale" market position**.
- 2.37 By contrast, Maidstone town is classified as **having a "Middle" market position, which suggests** it does not offer the same level of luxury/high quality retailing. Likewise, **the Borough's smaller** centres of St Peter's Wharf Retail Park, Weaving, St Saviours Road/Sutton Road, Castle Road **and Fant are also classified as having a "Middle" market position**.
- 2.38 This data indicates that Maidstone is the most significant shopping destination in the Borough, and has the best prospects for attracting future growth, although investment is likely to be polarised in the largest centre i.e. Bluewater. Retail patterns and spend within the Borough will clearly be influenced by the wider offer available elsewhere across Kent, although the nature of **Maidstone's retail offer (at the 'middle' of the market positioning spectrum) suggests that it doesn't directly compete with locations such as Bluewater Shopping Centre and Canterbury**.
- 2.39 **The Borough's most recent Retail** Capacity Study⁴ (which will be updated through this EDNS) identifies catchment zones for Maidstone Borough that extend to Sevenoaks, Tonbridge, Swanscombe and Tenterden, and almost to Tunbridge Wells, Ashford and Faversham (see

³ Maidstone Borough Council & Kent County Council, Maidstone Borough Council Integrated Transport Strategy 2011-2031

⁴ DTZ Maidstone Retail Capacity Study, June 2013

Figure 2.7). Household shopper survey results within these zones suggest that the Borough has a relatively wide consumer market catchment area that extends well beyond the Borough boundary.

Figure 2.7 Maidstone Borough Catchment Zones

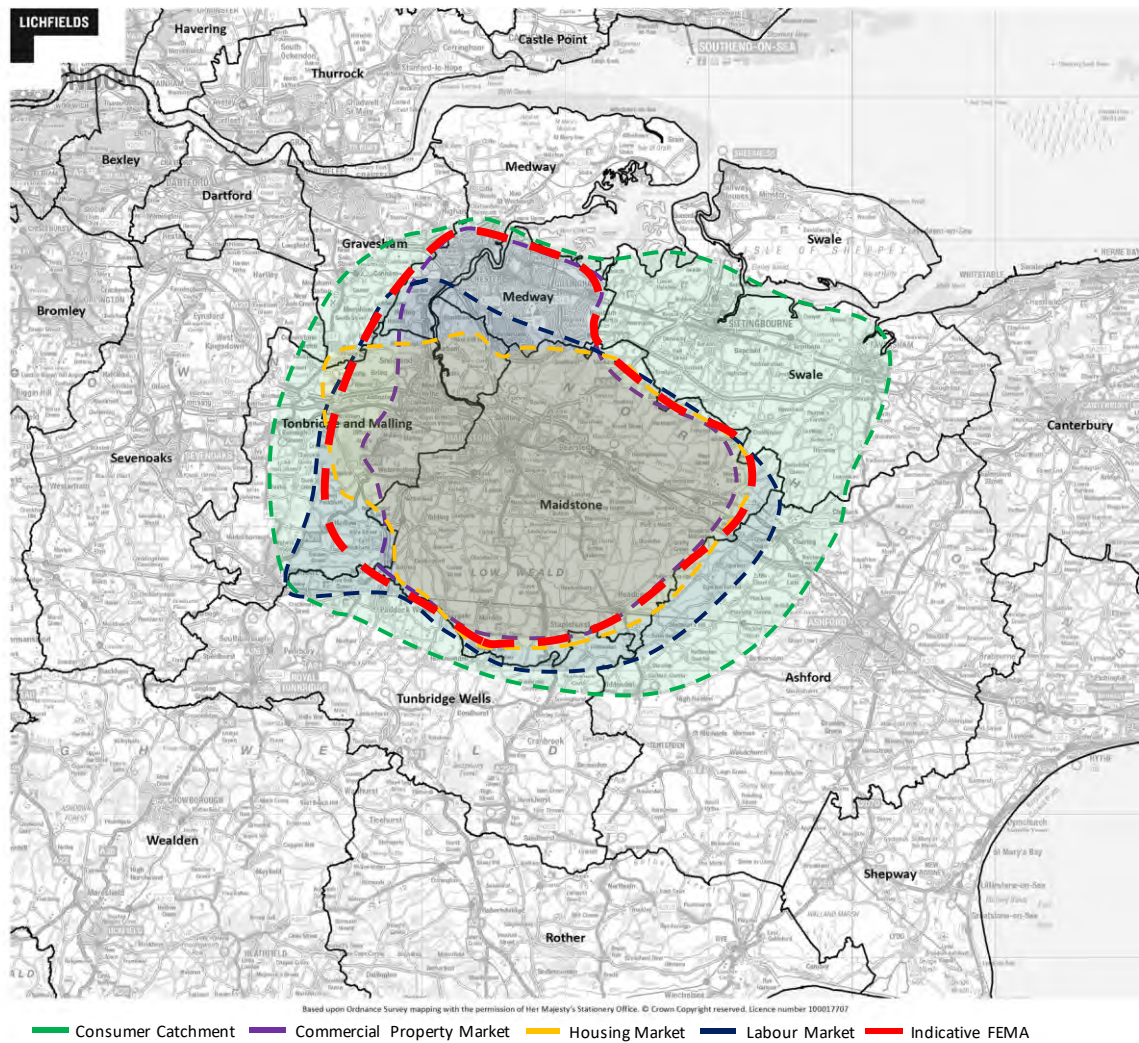


Source: DTZ 2013

Summary

- 2.40 Based on the assessment of various market areas in and around Maidstone (in terms of labour markets, housing markets, commercial property markets, consumer catchments and transport connectivity), it is possible to consider the spatial extent of the core FEMA for the authority. The core FEMA encompasses those local authority areas that the evidence indicates consistently have an inter-relationship with Maidstone.
- 2.41 This suggests that Maidstone’s FEMA is largely consistent with the Borough boundary, extending slightly into the neighbouring authorities of Tonbridge and Malling and Medway (see Figure 2.8 below). Maidstone has a particularly strong economic relationship with the Malling part of Tonbridge and Malling, considering that all the market areas layered on Figure 2.8 cover a considerable area of the authority. This is particularly significant in the case of the housing market, commercial property market and labour market areas, as these markets do not extend far into other adjoining authorities.
- 2.42 Economic linkages with Medway are comparatively weaker but still have an influence. The other adjoining authorities of Ashford, Swale and Tunbridge Wells are all **situated within Maidstone’s** consumer catchment area, but this alone is not considered to be significant enough to justify the extension of the FEMA boundary into these authority areas.

Figure 2.8 Maidstone’s Core FEMA



Source: Lichfields analysis

- 2.43 These conclusions are based on what existing data and evidence shows about the economic geographies and flows of labour, residents and businesses across Maidstone and the wider sub-region. It does not take account of policy positions or approaches that may or may not be adopted by local planning authorities across Kent and neighbouring areas; through the Duty to Cooperate process, local planning authorities will need to determine how the conclusions from this EDNS study are taken forward in practical planning policy terms. For instance, this might be used to inform the most appropriate study area for forthcoming technical evidence base work to help shape new/updated policies in the LPR.
- 2.44 The conclusions also underline the scope for a more holistic economic strategy to help guide the **‘planning for business’ approach across this central area of Kent; one which enables proposals and allocations for commercial development to be considered in the wider strategic context, to reflect the similar economic characteristics and challenges that are shared across administrative boundaries, and to encourage a complementary, supportive and co-ordinated approach to targeting investment opportunities.**

3.0

Economic Context and Trends

3.1

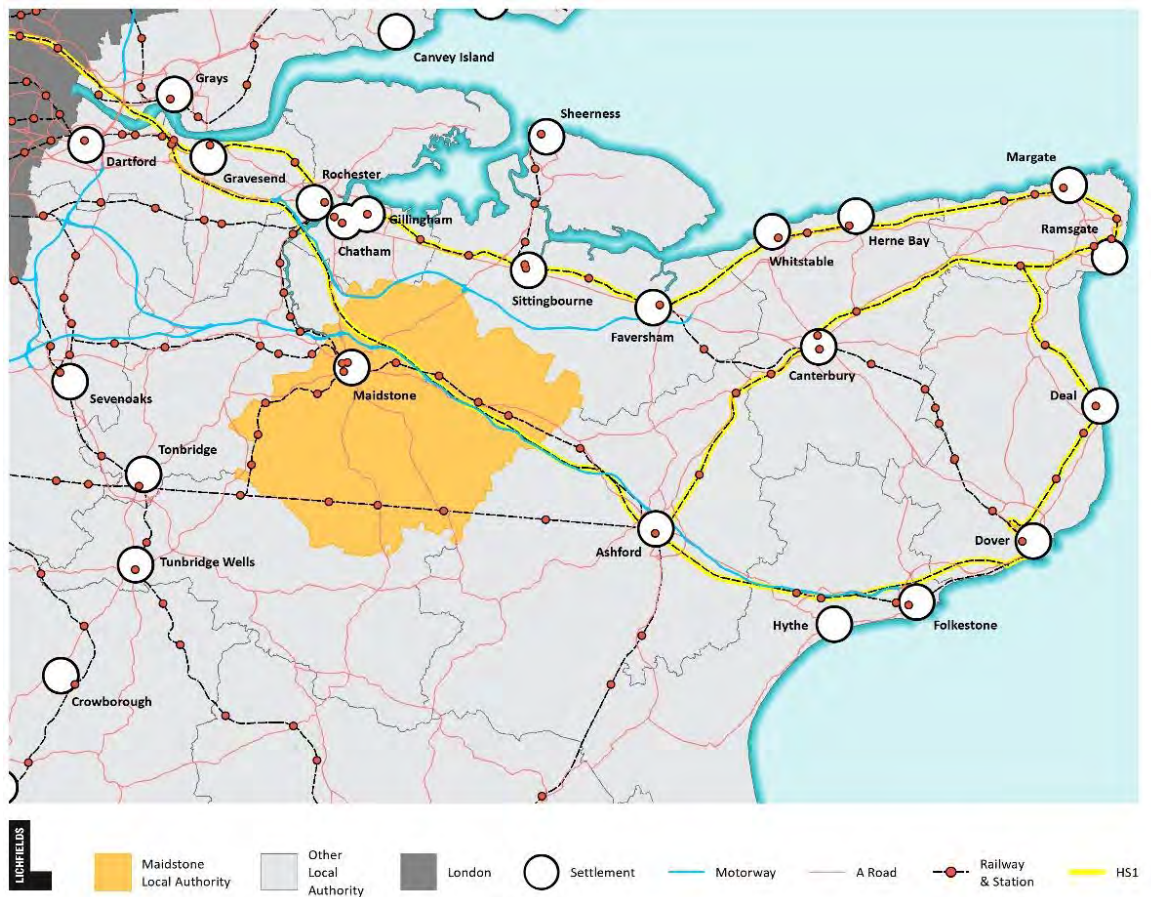
This section summarises recent economic conditions and trends in Maidstone. The analysis identifies the key strengths and weaknesses of the Maidstone economy and the factors that are likely to influence the future demand for employment, retail and leisure space in the Borough.

Spatial Overview

3.2

Maidstone is in the heart of Kent in the South East of England and covers a large area of 40,000 hectares. The Borough neighbours the authority areas of Tonbridge and Malling, Ashford, Tunbridge Wells, Swale and Medway. Other nearby centres include Sevenoaks to the west, and London to the north west, as shown in Figure 3.1.

Figure 3.1 Maidstone Context Map



Source: Lichfields

3.3

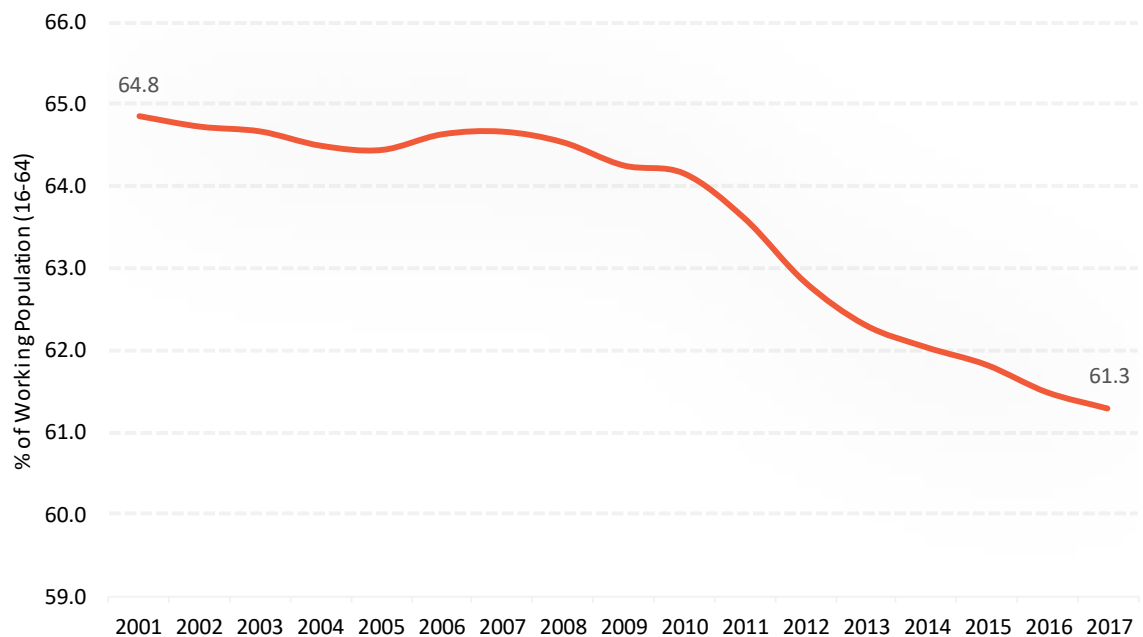
The strategic road network that serves Maidstone includes the M20, the M2 and the A229. Maidstone town is served by three rail stations – Maidstone East, Maidstone Barracks and Maidstone West, with the wider Borough served by considerably more. South Eastern Rail currently operates at these stations, with direct services to London Victoria, Ashford International and Tunbridge Wells. High Speed train services to London St Pancras International can also be accessed via Strood.

Population

3.4 In 2017, Maidstone had a resident population of 167,730, having increased by 13.5% over the previous 10 years since 2007.⁵ This population growth exceeded that recorded across the South East (8.7%) and the UK (7.7%) over the same period. **Maidstone’s recent population growth has also out-performed the Kent-wide average which was equivalent to 10.4% over the 10 years to 2017.**

3.5 The **proportion of Maidstone’s population that is of working age (i.e. 16 to 64) has decreased** slightly over recent years, from 64.8% in 2001 to 61.3% in 2017 as shown in Figure 3.2 and 3.3.⁶

Figure 3.2 Maidstone's Working Age Population (16-64)



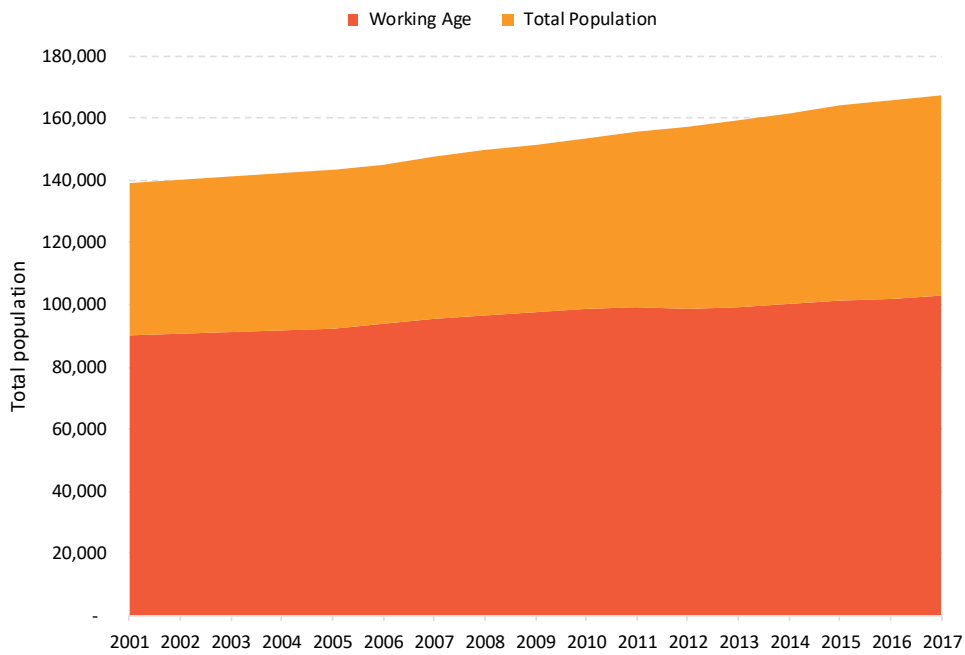
Source: ONS (2017) / Lichfields analysis

3.6 This decline in working age population reflects national trends and is not unique to Maidstone, but if this trend continues it is likely **to have implications in terms of the scale of the Borough’s** labour supply that could be available to take up locally based job opportunities in future.

⁵ ONS Mid-year population estimates, (2018).

⁶ ONS annual population survey, (2017).

Figure 3.3 Total and Working Age Population in Maidstone, 2001-2017



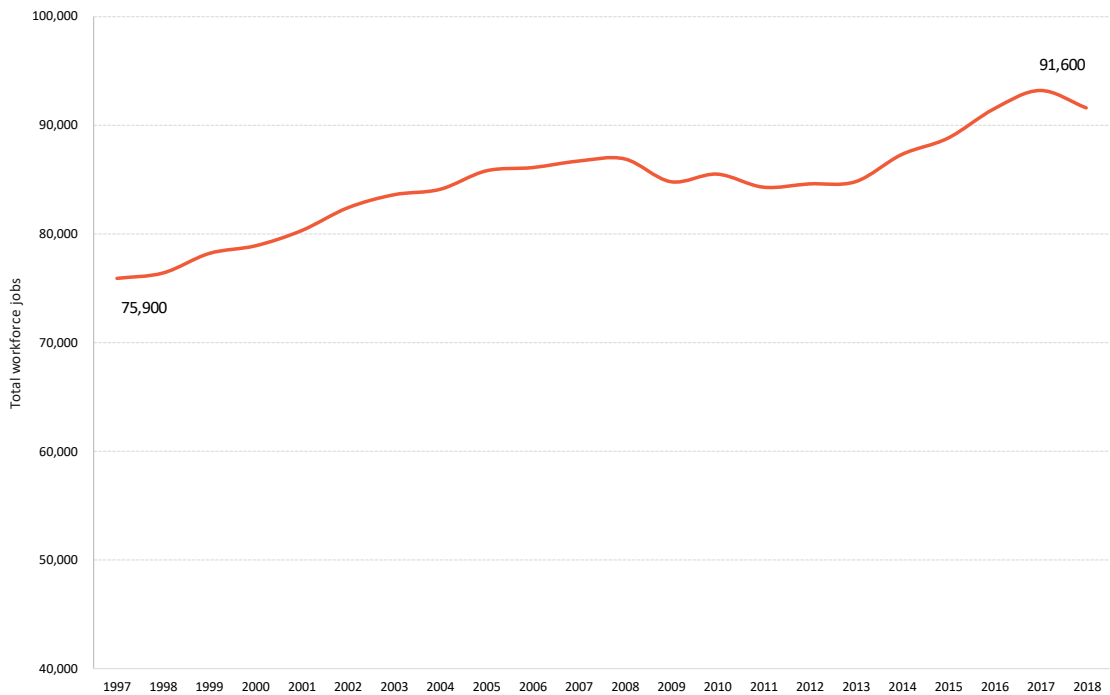
Source: ONS (2017) / Lichfields analysis

Employment

3.7

Based on the latest available Experian data, Maidstone accommodated 91,600 workforce jobs in 2018. As shown in Figure 3.4, the **Borough's** stock of jobs has increased by 15,700 since 1997, equivalent to a 20.7% increase over this time. Growth has been reasonably consistent over this time. In contrast to population growth, this rate of increase fell slightly behind the rate of job growth recorded across Kent (26.0%) and the South East (22.7%) over the 21-year period.

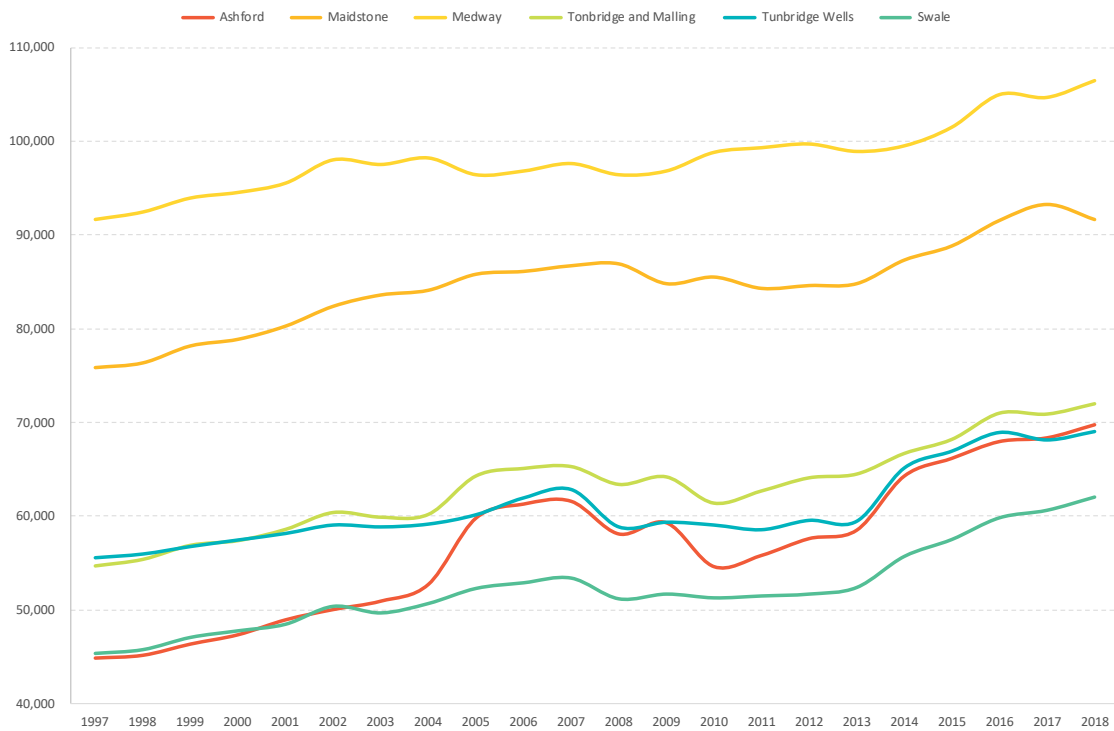
Figure 3.4 Maidstone Total Workforce Jobs (1997-2018)



Source: Experian (2018) / Lichfields analysis

3.8 Figure 3.5 below illustrates how the change in total workforce jobs across Maidstone compares with its neighbouring authorities of Ashford, Medway, Tonbridge and Malling, Swale and Tunbridge Wells over the period 1997 to 2018. Ashford experienced the largest increase in total workforce jobs of 23,600 over this time, equivalent to a growth rate of 52.7%. This was followed by Tonbridge and Malling (22.8% increase) and Tunbridge Wells (22.7%) both of which recorded very similar rates of job growth to Maidstone. Meanwhile, Medway’s employment growth rate was equivalent to just 14.3% over the period.

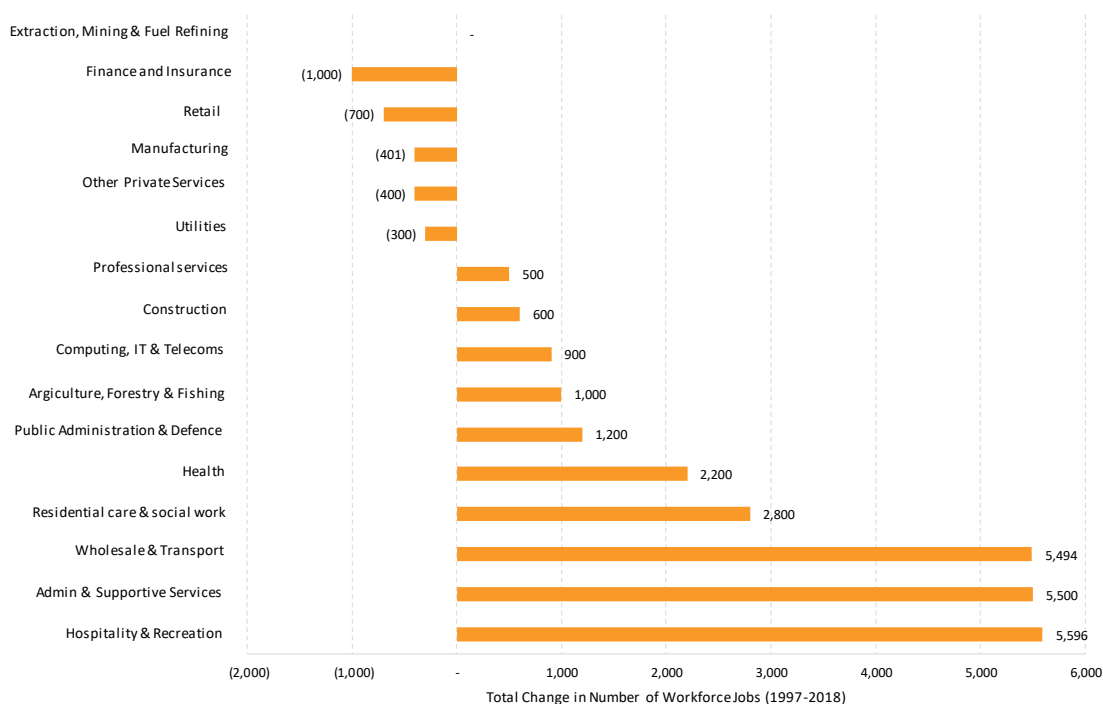
Figure 3.5 Total Workforce Jobs by Local Authority (1997-2018)



Source: Experian (2018) / Lichfields analysis

- 3.9 Figure 3.6 overleaf illustrates the percentage change in jobs by sector between 1997 and 2018 in Maidstone Borough. This shows that some sectors have seen a large proportional increase in employment including hospitality and recreation, administrative and support services; wholesale and transport; and social care.
- 3.10 Meanwhile, other sectors have recorded an overall decline in employment, namely, finance and insurance, retail; manufacturing; other private services and utilities. Some of these sectors such as finance and retail have traditionally provided key sources of employment for the Borough.

Figure 3.6 Workforce Job Change by Sector in Maidstone (1997-2018)



Source: Experian (2018) / Lichfields analysis

3.11 Among the sectors associated with B class land uses, between 1997 and 2018, employment increased significantly in sectors that typically occupy office space (B1a/b uses) (see Table 3.1).

Table 3.1 Workforce Employment by B Class

Land Use	Workforce Employment		Change (1997-2018)	
	1997	2018	Number of Jobs	%
B1a/b	12,867	17,310	4,444	34.5%
B1c/B2	11,511	9,881	-1,630	-14.2%
B8	7,975	7,678	-297	-3.7%
Total B	32,353	34,869	2,517	7.8%

Source: Experian (2018) / Lichfields analysis

3.12 By comparison, employment decreased in sectors that are associated with industrial (B1c/B2 uses) and warehouse (B8) space over the same period. The decline in industrial related jobs is likely to reflect ongoing macro level restructuring of the economy away from production towards service activity. Experian data suggests that warehouse related employment also fell in Maidstone over the last 21 years, albeit this decline was relatively small in absolute terms. Closer inspection of the data shows that this trend is largely driven by job losses within the wholesale sector leading up to 2009, with wholesale related employment in the Borough having increased since then.

Progress against Maidstone Borough Local Plan Targets

3.13 The Maidstone Borough Local Plan (adopted in October 2017) identifies a job creation forecast of 14,394 across all sectors of the economy over the 20-year plan period 2011-31, equivalent to approximately 720 jobs per annum on average. The latest employment data suggests that over the first 7 years of the plan period (i.e. 2011 to 2018), job growth in the Borough has comfortably exceeded target; workforce jobs have increased by 7,100 compared with a 7-year target of 5,040.

Workforce Productivity

- 3.14 During 2018, Maidstone's economy generated £38.2 billion of gross value added (GVA) over the course of the year. This represents an increase from £35.9 billion in 2010, equivalent to a 6.4% increase over the period.
- 3.15 On a per worker basis, workforce productivity in Maidstone falls below the UK average, as shown in Table 3.1 overleaf. In 2018, each job in Maidstone Borough was estimated to generate £41,700 GVA over the year, considerably lower than the UK average of £50,200 per annum. This gap increases when compared with the South East average of £53,300 GVA per annum, although Kent-wide GVA is more comparable with Maidstone.
- 3.16 **Average workforce productivity amongst Maidstone's labour force also falls behind most adjoining/neighbouring authorities in Kent such as Medway, Tonbridge & Malling and Swale.** The only adjoining authority with a lower average GVA per worker is Ashford, at £41,400 per worker. Further details are shown below in Table 3.1.

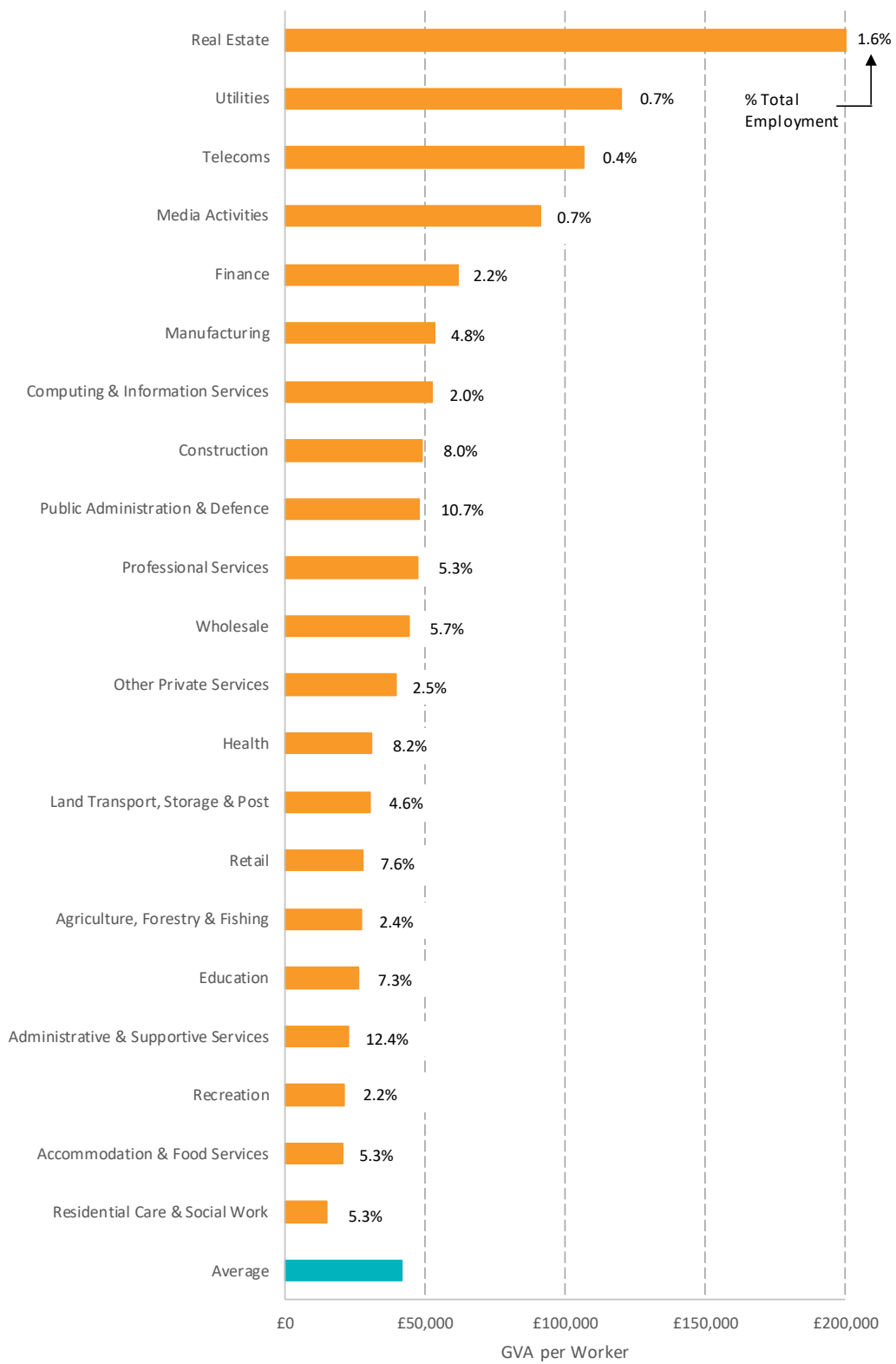
Table 3.2 GVA per Worker by Local Authority (2018)

Location	GVA per Worker (p.a.)
Maidstone	£41,700
Ashford	£41,400
Medway	£48,200
Tonbridge and Malling	£50,900
Tunbridge Wells	£54,400
Swale	£45,800
Kent	£45,600
South East	£53,300
UK	£50,200

Source: Source: Experian 2018 / Lichfields analysis

- 3.17 Workforce productivity within Maidstone's **economy** inevitably varies by sector, with sectors such as real estate, utilities, information and communication and financial and insurance activities generating the highest average levels of GVA per worker (see Figure 3.7). By comparison, the added economic value supported by sectors such as accommodation and food services, recreation and education is much less significant. These lower value sectors, as shown in Figure 3.7 overleaf, employ a significant proportion of the local workforce, leading to the average level of productivity in Maidstone falling below that of neighbouring authorities which tend to accommodate higher proportions of high value added sectors.

Figure 3.7 Maidstone Sector Productivity (2018)



Source: Experian 2018 / Lichfields analysis

Note: The percentage figures show the proportion of Maidstone’s workforce that is employed in each sector. In addition, real estate sector productivity equates to £353,500 per worker annually.

Business Base

3.18 Data from the Office for National Statistics (ONS) shows that the size profile of the local business base in Maidstone is very similar to the regional and national average, dominated by micro firms (0 to 9 workers) and to a lesser extent small sized (10 to 49 workers) firms (Table 3.2). The share of the working age population in Maidstone that is self-employed is higher than the regional and national average.

3.19 Maidstone performs well in relation to new business start-ups, with a higher proportion of the resident population setting up new businesses in the Borough than elsewhere across the South East and UK (Table 3.2). This provides a positive indicator of entrepreneurial culture.

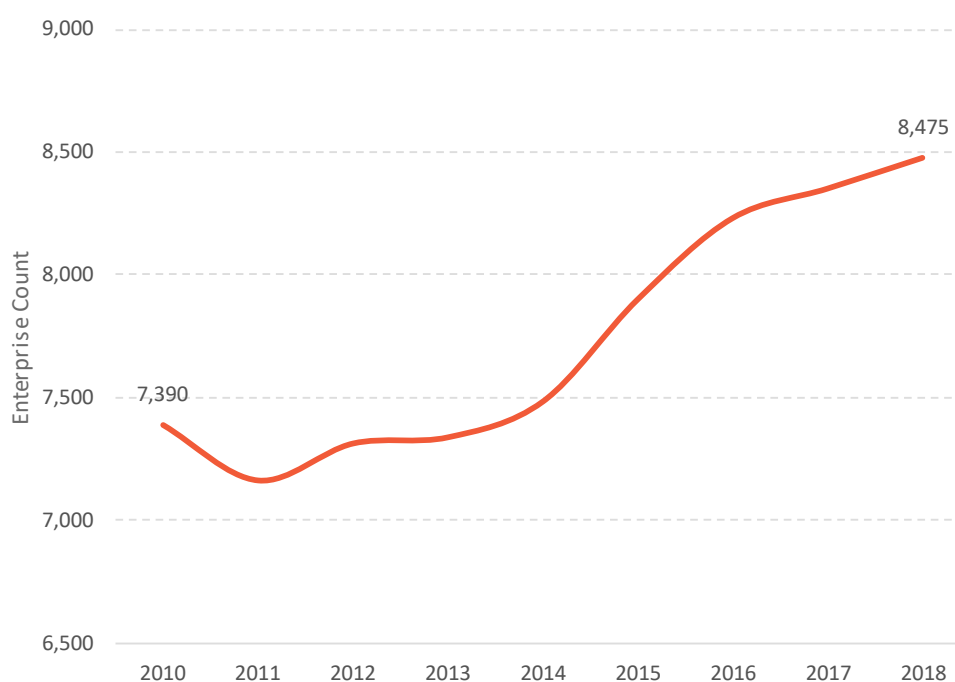
Table 3.3 Key Business Characteristics

Metric		Maidstone	South East	UK
Business Size	Micro (0 to 9)	89.2%	89.9%	89.3%
	Small (10 to 49)	8.7%	8.2%	8.7%
	Medium (50 to 249)	1.6%	1.5%	1.6%
	Large (250 +)	0.4%	0.4%	0.4%
Self-employment		14.5%	11.9%	10.6%
Start-ups per 10,000 working age residents		94.4	92.7	91.9

Source: ONS (2018) / Lichfields analysis

3.20 The number of recorded enterprises in Maidstone stood at 8,475 in 2018, having increased by **14.7% since 2010**. As shown in Figure 3.8 below, Maidstone’s business base has seen consistent growth over the last few years, following a slight decline between 2010 and 2011.

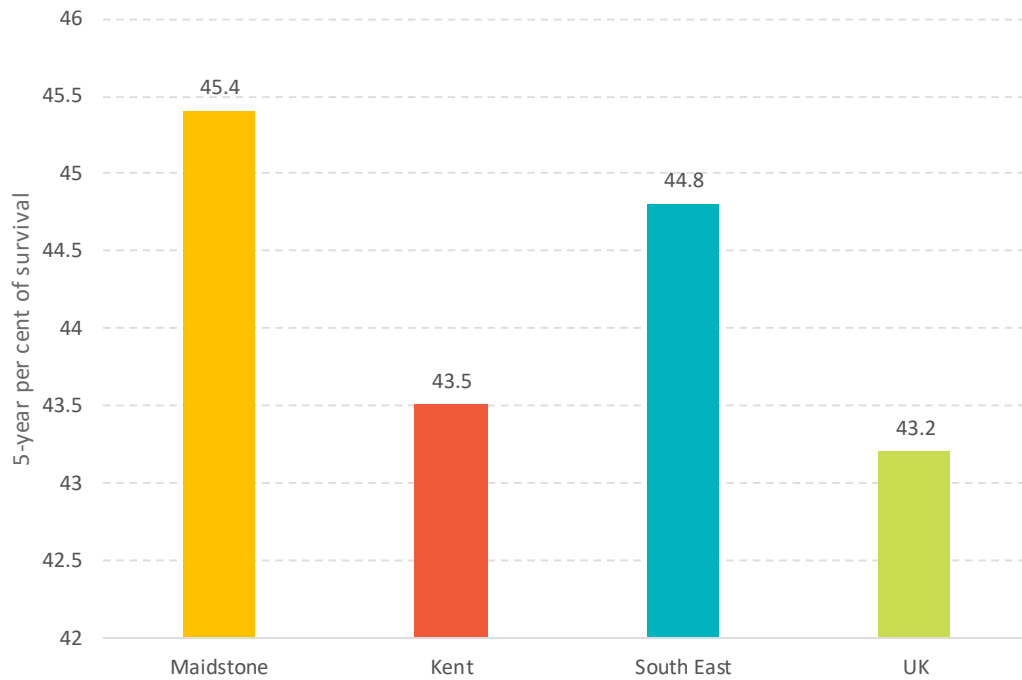
Figure 3.8 Maidstone Enterprise Count (2010-2018)



Source: ONS 2018 / Lichfields analysis

3.21 Following start-up, businesses based in Maidstone also experience healthy levels of survival over the first few years of trading. Latest ONS data (shown in Figure 3.9) shows that 5-year business survival rates in Maidstone (45.4%) exceed equivalents for Kent, the South East and UK as a whole.

Figure 3.9 Enterprise 5 Year Survival Rates (based on business births in 2012)



Source: ONS 2018 / Lichfields analysis

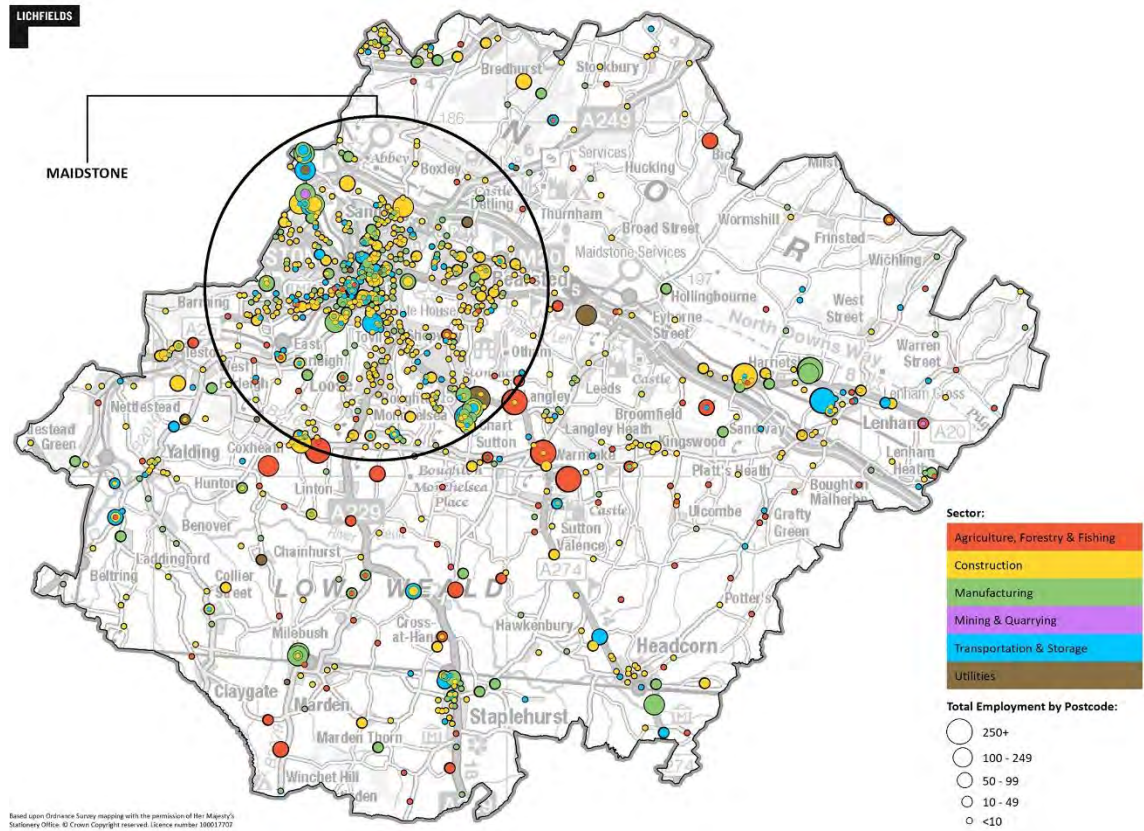
Spatial Distribution

3.22 Using Inter Departmental Business Register (IDBR) data from the ONS, it is possible to map where employers are located within Maidstone by sector and size.

3.23 Figure 3.10 below shows where employers operating in primary and secondary sectors of the economy are located across the Borough. ‘Primary’ sectors involve the production of raw materials and basic foods, while ‘secondary’ sectors comprise industries that produce a finished, usable product or are involved in construction.

3.24 The map highlights a high number of small scale construction firms located around Maidstone town, with some larger employers situated nearer to the outskirts. There are also a number of large agriculture, fishery and fishing employers located outside of Maidstone town on the B2163, which are likely the large glass house operations.

Figure 3.10 Maidstone Borough Sector Distribution

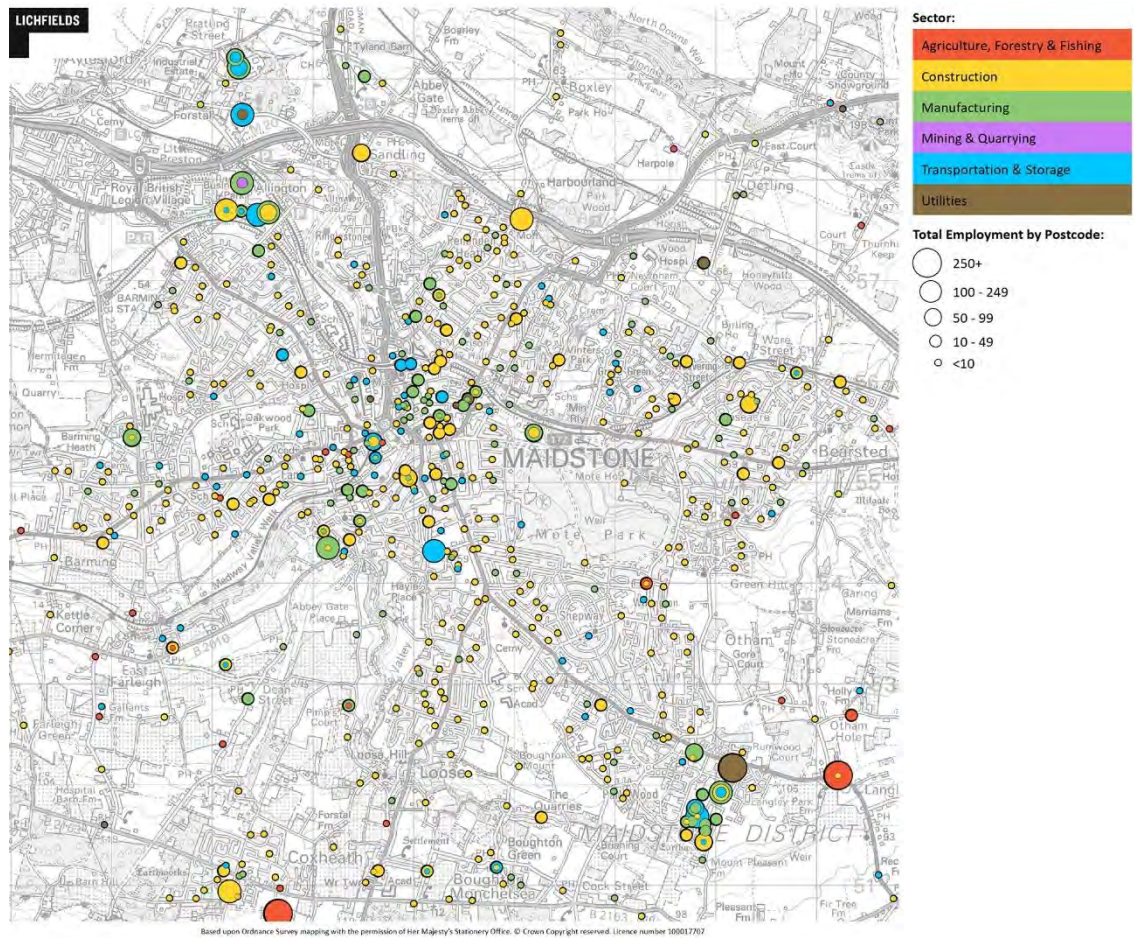


Source: ONS 2019 / Lichfields analysis

3.25

Figure 3.11 below shows that there are many small-scale manufacturing and transportation and storage employers near to Maidstone town centre. The larger employers in both sectors are located on the edges of the town, with particular clusters in Parkwood Industrial Estate, 20/20 Business Park and the industrial estates shared with Tonbridge and Malling located on the Forstal Road.

Figure 3.11 Maidstone Town Sector Distribution

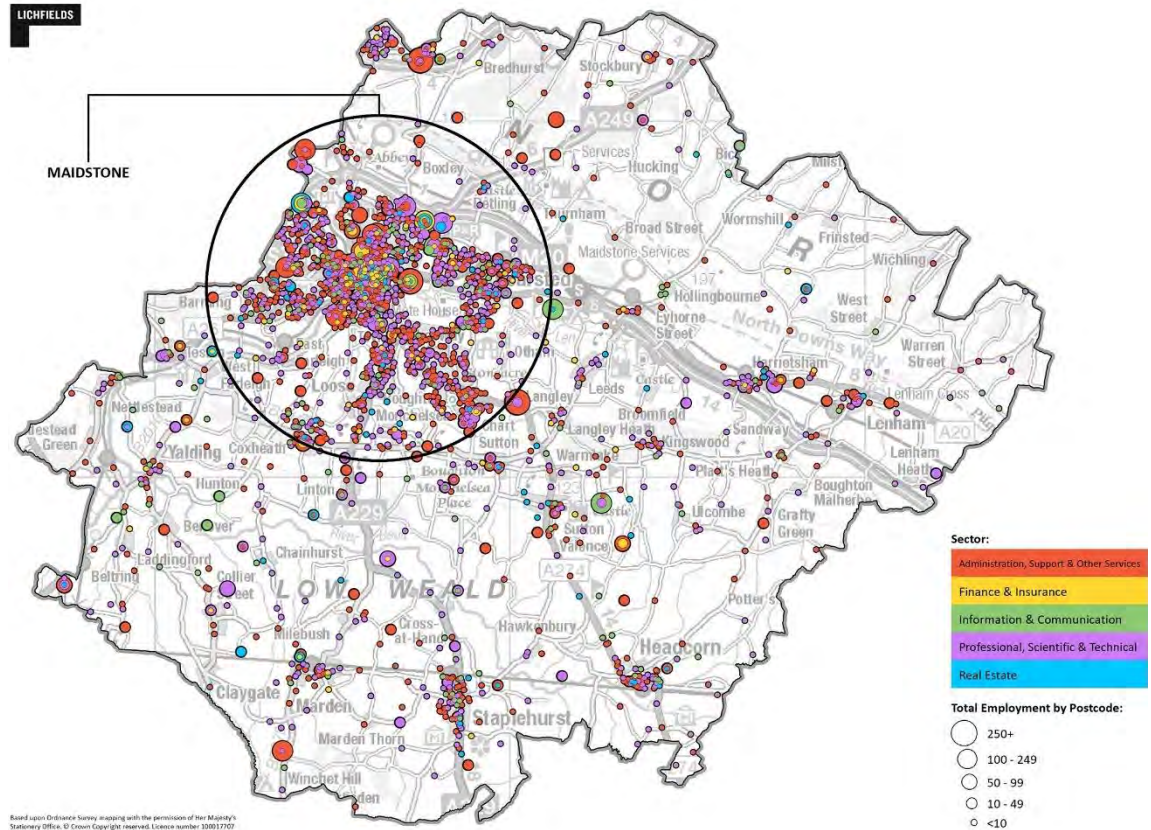


Source: ONS 2019 / Lichfields analysis

3.26

Figure 3.12 below maps the location of employers operating in sectors of the economy typically associated with private sector services and offices. The map highlights that there are a significant number of employers in these sectors based across the breadth of Maidstone Borough, with some smaller clusters found in secondary settlements such as Headcorn, Marden and Staplehurst. Out of the different sectors, there are particularly high numbers of administration, support and other service and professional, scientific and technical employers.

Figure 3.12 Maidstone Borough Sector Distribution

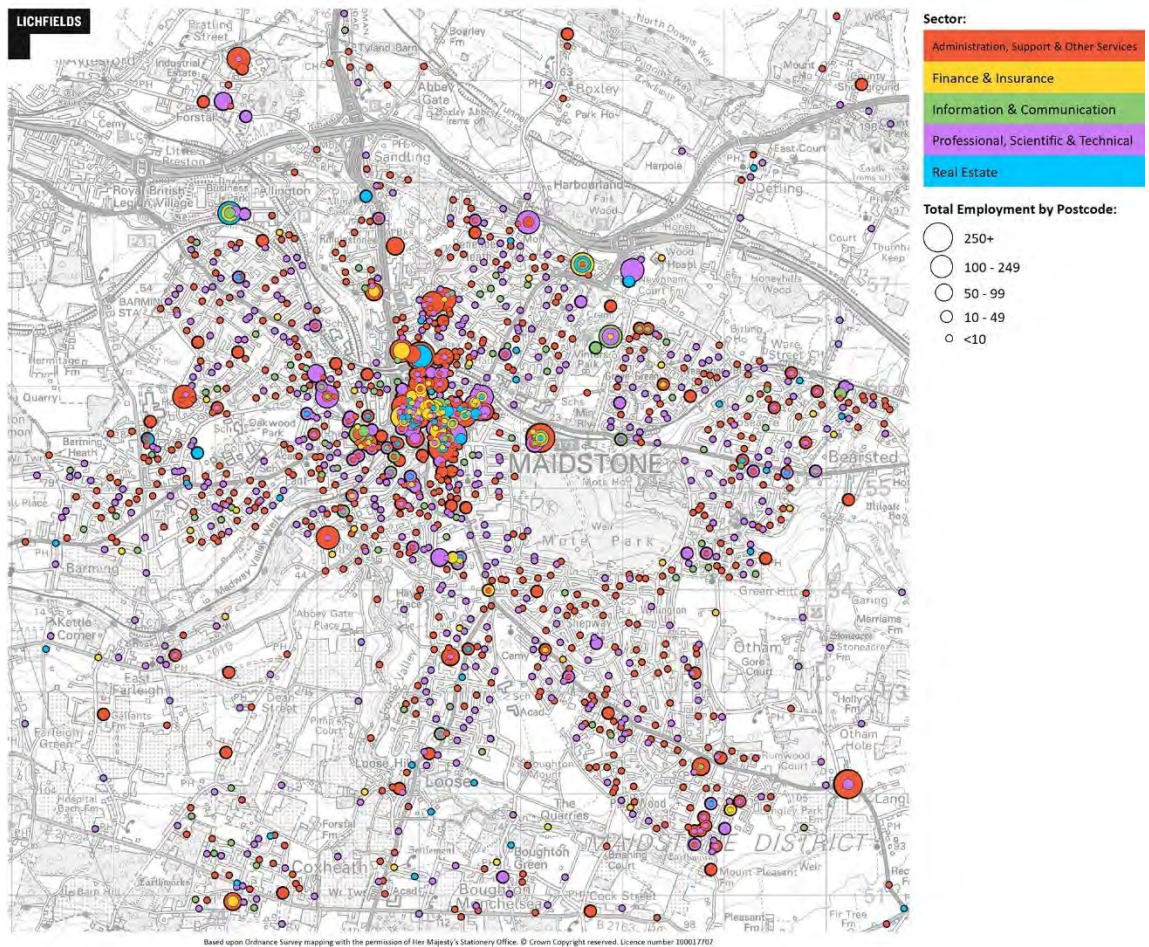


Source: ONS 2019 / Lichfields analysis

3.27

As shown in Figure 3.13, there is a concentration of finance and insurance employers in the **centre of Maidstone which correlates with the Borough's historic** strength in the sector. The finance and insurance employers are not typically as large as the professional, scientific and technical employers that are located around the town centre; however, as there are significantly fewer elsewhere in the Borough, Maidstone town centre can be considered as a finance and insurance cluster.

Figure 3.13 Maidstone Town Sector Distribution

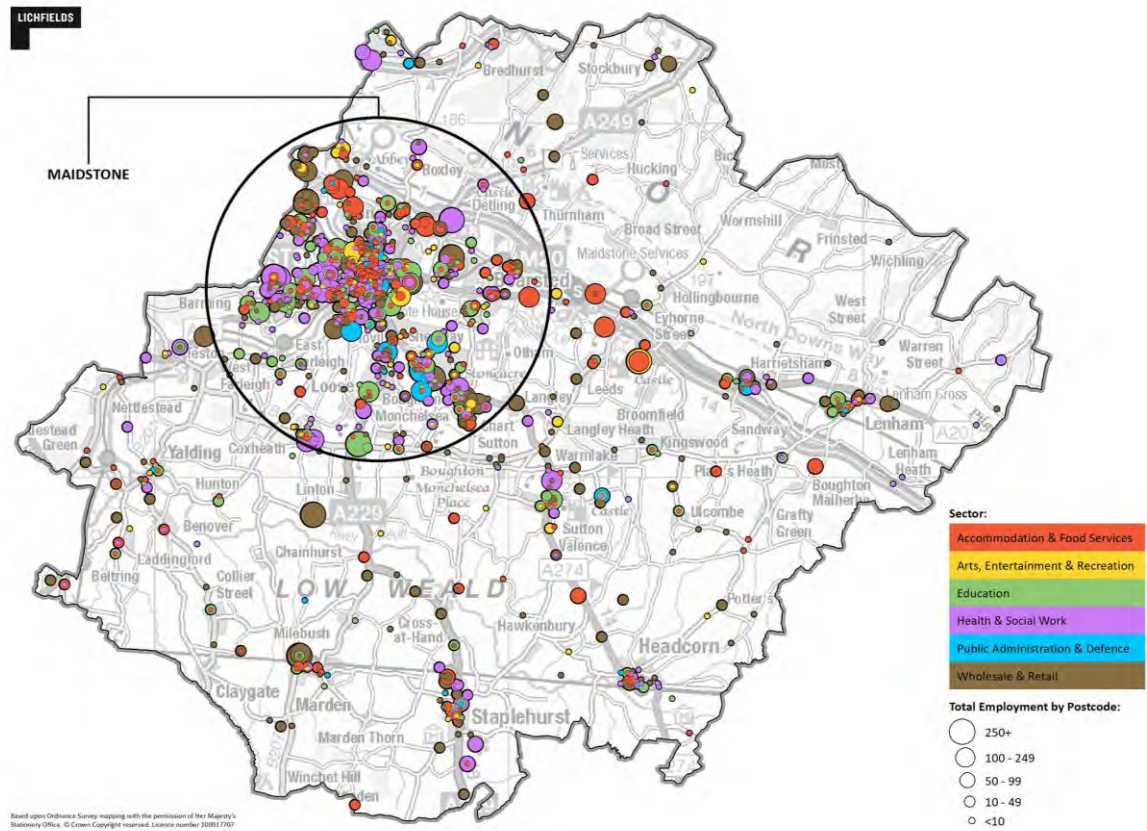


Source: ONS 2019 / Lichfields analysis

3.28

Figure 3.14 presents the locations of employers that operate in what are typically considered lower value service sectors (e.g. retail) and the public sector (including education). The largest concentration of employers in these sectors are located in Maidstone town, with smaller concentrations in secondary settlements such as Headcorn, Marden and Staplehurst. Notably, there are also many accommodation and food services employers located along the western half of the M20, which corresponds with the locations of hotels and eating establishments near to the motorway junctions.

Figure 3.14 Maidstone Borough Sector Distribution

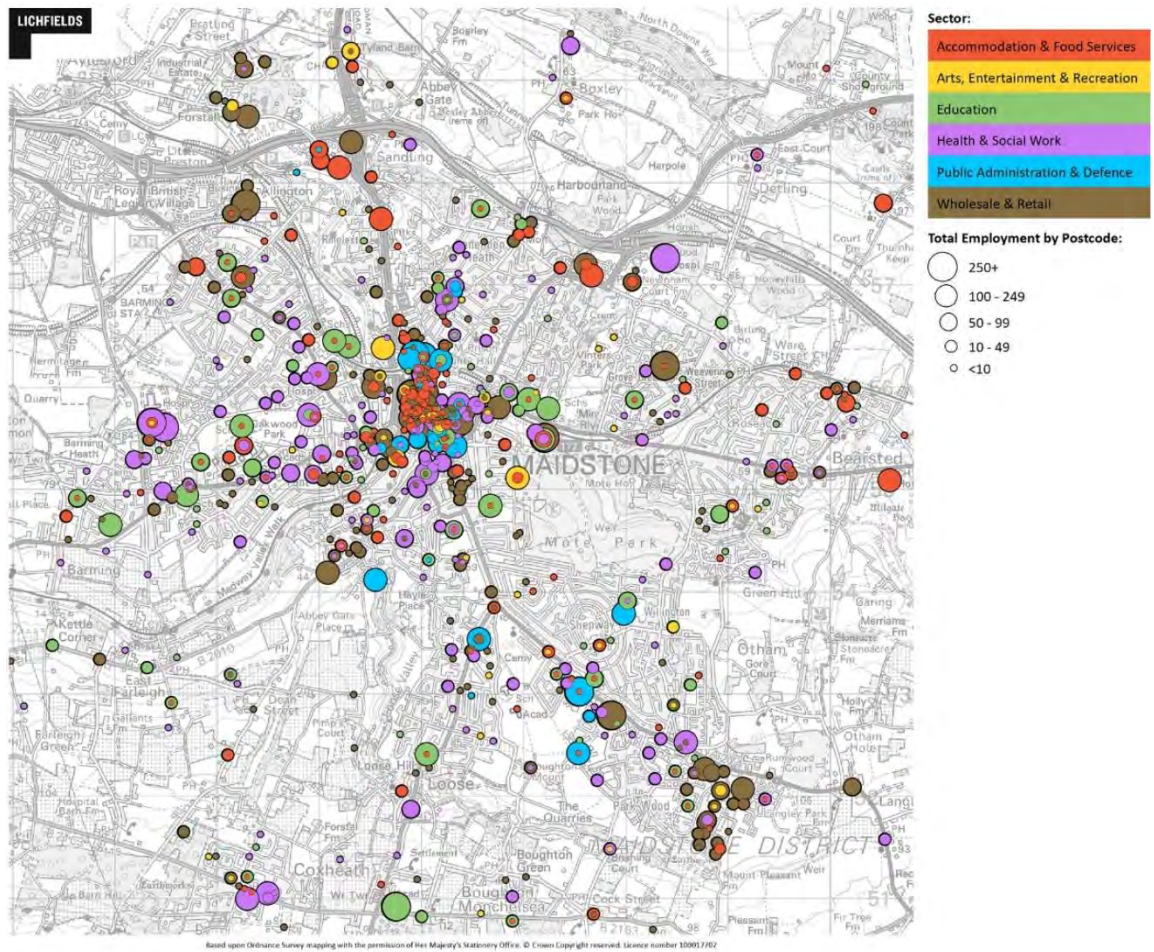


Source: ONS 2019 / Lichfields analysis

3.29

Figure 3.15 highlights there are a high number of accommodation and food services and wholesale and retail employers located in Maidstone town centre, while a number of large public administration and defence sector employers are situated on the southern and northern sides of the centre. Health and social work and education employers are typically located on the main roads that lead into the centre or in the suburban parts of Maidstone town such as Oakwood Park. There are also some wholesale and retail employers on the larger industrial estates (e.g. Parkwood Industrial Estate).

Figure 3.15 Maidstone Town Sector Distribution



Source: ONS 2019 / Lichfields analysis

Labour Market

- 3.30 Table 3.4 overleaf summarises a range of labour market metrics for Maidstone, the South East and Great Britain. This shows that the economic activity rate in Maidstone stands at 81.4%, which is higher than both the regional and national averages. The Borough also supports a lower level of out-of-work benefit claimants than other parts of the South East and Great Britain.
- 3.31 From a resident skills perspective, the proportion of the resident workforce in Maidstone holding higher level qualifications at NQ4 and above (34.5%) was lower than the South East (41.4%) and Great Britain (38.6%) averages. At the same time, **the proportion of the Borough's population holding 'other' or no qualifications is higher than the South East but lower than the UK.** This indicates that the resident labour force in the Borough is similarly skilled to the rest of the country, albeit slightly behind the South East average.

Table 3.4 Key Labour Market Characteristics

Metric	Maidstone	South East	Great Britain	
Economic activity rate age 16 to 64 (2018)	81.4%	80.0%	78.3%	
Out-of-work benefits claimants as a proportion of residents aged 16-64 (2017)	1.1%	1.5%	2.4%	
Resident qualification level age 16 to 64 (2017)	NVQ4 and Above	34.5%	41.4%	38.6%
	NVQ3 and Above	56.7%	61.1%	57.2%
	NVQ2 and Above	71.8%	78.6%	74.7%
	NVQ1 and Above	87.3%	89.5%	85.4%
	Other or No Qualification	12.8%	10.5%	14.6%
Resident occupation group (2017)	SOC Major Group 1 - 3	52.2%	49.9%	45.6%
	SOC Major Group 4 - 5	14.7%	20.5%	20.6%
	SOC Major Group 6 - 7	10.4%	15.6%	16.6%
	SOC Major Group 8 - 9	22.1%	13.5%	16.8%
Median gross weekly earnings by residence (2018)	£589.50	£614.50	£571.10	
Median gross weekly earnings by workplace (2018)	£541.10	£589.20	£570.90	

Source: ONS (2018) / Lichfields analysis

Note: SOC Major 2010 Group 1-3 includes managers, directors and senior officials; SOC 2010 Major Group 4-5 includes administrative and trade occupations; SOC 2010 Major Group 6-7 includes services and sales occupations; and SOC 2010 Major Group 8-9 includes machinery, part and process operatives and elementary occupations.

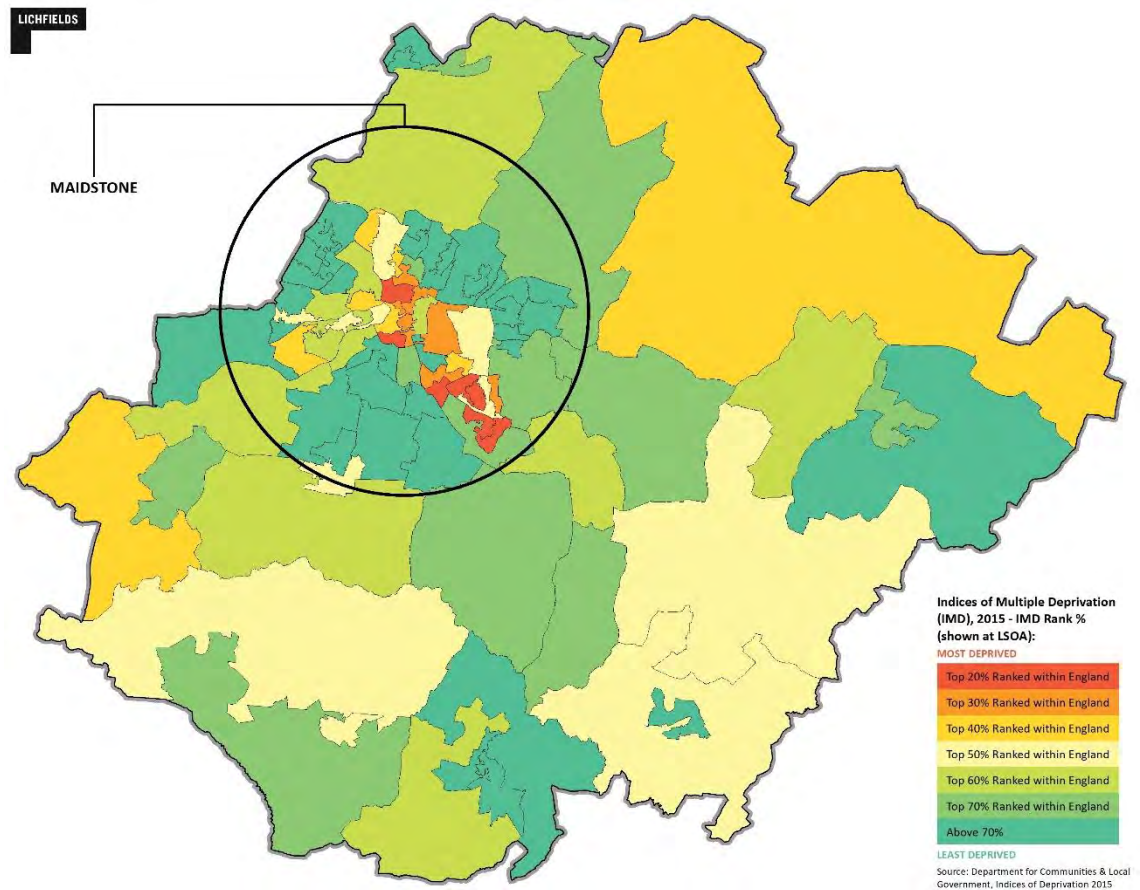
- 3.32 **A higher share of Maidstone's** resident population is employed in higher-skilled occupations represented by SOC Major Group 1-3 compared to the South East and Great Britain. Conversely, **the proportion of the Borough's resident base working in lower skilled occupations is also higher** than regional and national averages, indicating a relatively polarised occupation mix. It should be noted that **not all of the Borough's residents work within the Borough (as explored further in Chapter 2.0)**.
- 3.33 Average earnings in Maidstone are slightly higher for residents (£589 per week) compared to workplace workers (£541 per week), which suggests some Maidstone residents are accessing higher paid jobs outside of the Borough in locations such as Tunbridge Wells and London (commuting patterns are explored in further detail in Chapter 2.0). Resident and workplace earnings in Maidstone both fall below the regional and national averages (see Table 3.4).

Deprivation

3.34 **The Ministry of Housing, Communities and Local Government’s (MHCLG’s) Indices of Multiple Deprivation (IMD) (2015)** scores how deprived different local authorities and LSOAs in England are across several domains of deprivation to produce an overall score. This allows for different parts of the country to be ranked against each other in terms of relative deprivation levels⁷.

3.35 Figure 3.16 below illustrates how this relative level of deprivation varies across the Borough and identifies pockets and concentrations of socio-economic deprivation. Maidstone is characterised as having moderate levels of deprivation with an average ranking of 206th out of 326 local authorities in England on the Indices of Multiple Deprivation 2015, which places the Borough within the top 50% least deprived local authorities in England. However, the Borough wide profile does mask some significant variation within the Borough with more entrenched pockets of deprivation found in the urban area in and around Maidstone town. A few the Lower Super Output Areas (LSOAs) within the town are ranked in the top 20% most deprived in England (Figure 3.16).

Figure 3.16 Maidstone Deprivation by LSOA



Source: MHCLG (2015) / Lichfields analysis

⁷ MHCLG, (2015); Indices of Multiple Deprivation

Wider Economic Drivers

- 3.36 There are several wider economic development schemes and initiatives either already underway or planned to take place across the area surrounding Maidstone and the wider Kent area over the coming months and years. Some of these schemes and developments are ambitious in terms of scale and what they are seeking to achieve, so could influence the type and scale of growth and development that comes forward across Maidstone over the new Local Plan period. It is therefore important to consider how these wider developments could impact upon the Borough, to place Borough-specific trends and opportunities into context.
- 3.37 A summary of the more significant development schemes and initiatives is presented in Table 3.5 overleaf, with a synthesis provided below.
- 3.38 Future economic development prospects for Kent reside to a large part within the medical sciences industries, with the District of Dover claiming two illustrious assets, both of which claim to be a UK first; the Betteshanger Sustainable Parks project and Discovery Park in Sandwich. Additionally, the proposal for a new medical school in Canterbury will increase the number of skilled professionals in the area, thus helping to improve and diversify the local labour pool. This could positively impact upon Maidstone by increasing the critical mass of high skilled labour **on the Borough's doorstep**.
- 3.39 Within the Borough itself, plans are underway to develop a Kent Medical Campus on a 12ha site near Junction 7 of the M20. The site is allocated in the adopted Local Plan for a maximum of 100,000m² of specialist medical facilities set within an enhanced landscape structure of which 25,000m² will provide for associated offices and research and development. Plans for an associated Innovation Centre have also made significant progress and the centre could be open by April 2020. The **Council have secured £6.5m from the Government's National Productivity Investment Fund, working with the Campus's owners to upgrade the local road network to facilitate growth**.
- 3.40 Across the county there has been extensive development of B use class floorspace in recent years, most notably at the North Kent Enterprise Zone and Innovation Park Medway, which have delivered 282,000 sq.m and 100,000 sq.m of new employment space respectively. In Medway, the permitted development of London Medway Commercial Park is offering a further 186,000 sq.m of B1/B2/B8 floorspace. **Maidstone's proximity to these sizeable schemes could act to constrain new B class development in the Borough of any significant scale over the short term, at least until the nearby developments are fully taken up and occupiers start to seek new business accommodation elsewhere.** This is likely to be most of an issue in relation to schemes **that fall within Maidstone's wider FEMA** - most notably within Tonbridge and Malling - where there are already strong economic linkages. The neighbouring authority of Ashford is significantly expanding its retail floorspace, through the Ashford Designer Outlet extension of 9,290 sq.m offering a further 50 new stores and Elwick Place, which aims to act as a new Borough shopping destination.
- 3.41 In terms of residential development across Kent, there are several schemes in the pipeline that **could collectively help to deliver a step change in the county's population growth over the coming years.** A key location in this respect is the authority of Folkestone and Hythe which is set to experience the greatest increase in residential units through the proposed development of the Otterpool Park Garden Town which is expected to consist of 10,000 new homes. Kent-wide population growth provides the opportunity to increase demand for both retail and employment space to meet the needs associated with an expanding population. For Maidstone, this not only provides additional resident spending that could be attracted to and captured by the town **centre's regeneration, but also provides an expanded labour pool from which the Borough's**

business base could draw workers to help facilitate expansion and potentially inward investment.

- 3.42 Finally, **Kent's extensive transport links to both Central London and mainland Europe make it** an attractive destination for investment. Planned developments over the coming months and years to both existing transport links and the opening of further connections will further **enhance Kent's** attractiveness for future investment, especially with the increased importance in freight goods through the Port of Dover.

Table 3.5 Economic Development and Regeneration Projects in Kent

Local Authority	Summary of Key Development Projects
Dartford	<ul style="list-style-type: none"> • Crossrail 1 is set to open, and Dartford council is lobbying to build upon this with the proposed C2E rail project. The new lower Thames crossing will cross at Tilbury and Gravesend which will link the M25 near North Ockenden, Essex with the A2 near Shorne. • An opportunity has emerged from the Town Centre Framework to build 5,000 new homes. • A site on Hythe St/Westgate St is going to be redeveloped providing leisure and retail including; a six-screen cinema, 3,500m² of bars, restaurants and shops and a new public square, 140 new homes and a 109-bed hotel (possibly a 'health hub' as well). • Permission for an expansion at Bluewater shopping centre has been granted to provide additional 30,000m² of floorspace, which will help to maintain its status as one of the premier shopping centres.
Gravesham	<ul style="list-style-type: none"> • Cold Harbour Road South has permission for 5,200m² of enterprise space, as well as a new 61 bed hotel; amassing to a £5m investment. • The Gravesend Heritage Quarter (mixed use regeneration scheme); a new hotel, boutique cinema, homes, public realm, retail floor space, leisure and office space. Additionally, there was a £1.8m refurbishment of the Gravesend Borough Market transforming it into a thriving retail centre for local businesses. • The railway station (Gravesend Railway Station) has undergone a £23m upgrade • A world class entertainment resort is to be expected, creating 27,000 jobs & attract 40,000 visitors per day. • Ebbsfleet Garden City (see Ebbsfleet, Medway and Maidstone)
Medway	<ul style="list-style-type: none"> • London Medway Commercial Park is developing 45ha consisting of 186,000m² of B1, B2 and B8 space. • The Local growth fund has secured £3.5m to enhance flood defences (including a flood wall) which will allow for the development of +500 homes. • Re-development of Rochester airport as Innovation Park Medway, now with Enterprise Zone status, with the closure of the second runway to make room for an abundance of commercial development land. • Rochdale Riverside is set to be transformed by 1,400 new homes, a new school, nursery, hotel, restaurants, gym, office space, and retail units
Swale	<ul style="list-style-type: none"> • Spirit of Sittingbourne regeneration project aims to bring improved retail and leisure to Sittingbourne town centre, construction has started on the multi storey car park, which is the beginning of a new leisure space at Bourne Place including, restaurants, a 7-screen cinema and a hotel. • Recent completion of a new 61,316m² Aldi which has created 400 new jobs. • Perry Court, in Faversham, has begun construction of 310 homes and new commercial space adjacent to junction 6 of the M2. • The road network has seen improvement with the £6.6m scheme to improve the A2500 Lower Road on the Isle of Sheppey.
Sevenoaks	<ul style="list-style-type: none"> • An 83 bed Premier Inn recently opened, near the Sevenoaks railway station, and construction on a nearby multi-storey car park has begun. • Development of a 6,781m² business park has been started on Moor Road; bringing much needed modern warehousing to the area. • Edenbridge retail scheme has seen the completion of a new Lidl store.
Tonbridge and Malling	<ul style="list-style-type: none"> • The borough has seen high levels of development at key strategic sites, and is currently allocating new sites for development. • At Kings Hill 635 homes, a new primary school and parklands are being developed. • New flexible co-working space at Castle Lodge is being introduced to counter the shortage of small office accommodation. • New office accommodation to open at Kings Hill, which cost £3.6m provides space for 30 companies. <p>Work in the M20 corridor along a 6.5mile stretch is seeing an upgrade to a smart motorway at the expense of £100m</p>
Tunbridge Wells	<ul style="list-style-type: none"> • There is a joint effort between Tunbridge Wells council and Kent County Council to provide a new cultural and learning hub at the current site of the Museum, Library and Adult Education Centre.

Local Authority	Summary of Key Development Projects
	<ul style="list-style-type: none"> • Caverley Square development will see a new theatre, and office building in the centre of Royal Tunbridge Wells. • The borough has also seen drastic transport links improvements with the completion of the A21 dualling scheme
Ashford	<ul style="list-style-type: none"> • Nearly £670m is being invested across the borough with £520m helping to drastically change the skyline of the town. • New commercial quarter; when finished the Quarter will provide thousands of jobs, 54,800m² of office space and 150 homes. • The new £26m Ashford college campus is also present in the Quarter. One of the major developments in the Quarter is Elwick Place which is a new cinema and leisure complex which consists of 9,290m² of floorspace, 282 space car park and 200 apartments. • The Ashford Designer Outlet is experiencing a 9,290m² extension which will add 50 new stores, 6 new restaurants and create 700 new jobs. • A large scale 5,750 home development at Chilmington is well underway and is going to be modelled on garden city principles. • Near Junction 10a on the M20 a new international truck stop is underway, the first phase includes 400 new homes, and retail space creating around 1,000 jobs.
Canterbury	<ul style="list-style-type: none"> • Regeneration of the Kingsmead area alongside the delivery of the Canterbury Riverside mixed-use scheme will see the delivery of a new cinema, restaurants and retail units, residential housing and student accommodation • Whitefriars Shopping Centre has 47,000m² of retail space spread across 63 shops as well as a 530-space car park. • Whitstable has a 203-room care home scheme currently being developed, additionally the Lakeside Business park is expected to offer 2,242m² and 36 units of redeveloped warehousing units consisting of 2,625m² at Goose Farm in Broad Oak. • A new medical school is expected to be delivered to attract highly skilled medical professionals, offering an initial 100 places.
Dover	<ul style="list-style-type: none"> • A new £35m development at St James Development has opened in the heart of Dover town centre with 14,586m² of leisure and retail space. • The regeneration of Dover western docks is in process with the £120m new cargo terminal. • Discovery Park in Sandwich is a leading science and technology business park with 139,354m² of work class research facilities, with a further 6,503m² of high tech manufacturing space, and a UK first of its kind combined heat and power biomass plant. • Another UK first will be the £40m Betteshanger Sustainable Parks project, including a £9.5m visitor centre, and a new low carbon business park of 6,000m² for micro-businesses and start-ups. • The new £26m Dover District Leisure centre is expected to open early this year.
Folkestone and Hythe	<ul style="list-style-type: none"> • The Folkestone regeneration arc is expected to include a new seafront development. • Planning consent has been granted for a new 131-bedroom hotel at Park Farm. • The new Garden town at Otterpool is expected to deliver around 10,000 homes and 14ha of business space. • Redevelopment at Mountfield Industrial Estate has a target date of December 2020 and will provide a new business hub and skills centre.
Thanet	<ul style="list-style-type: none"> • Margate's Dreamland received significant investment in 2017, and a new 120-bedroom hotel will also add to its extensive regeneration. • Manston Business park has seen demand for +100 new units and Whl UK is expanding operations to a 9,011m² site.
Ebbsfleet, Medway and Maidstone	<ul style="list-style-type: none"> • North Kent Enterprise Zone; new business innovation hub. The schemes when fully developed will provide 282,000m² employment space supporting 9,900 jobs, including 100,000m² of medical related floorspace at the Kent Medical Campus adjoining Junction 7 of the M20 near Maidstone town • Ebbsfleet Garden City; it consists of 3 Enterprise Zones that offer varied business opportunities near Ebbsfleet International Railway Station. Recently, The Berkeley Group were granted permission for 14,000m² manufacturing facility and 1,500m² of Office floorspace which will provide 240 jobs. • Innovation Park Medway; IPM will offer up to 100,000m² of high quality, innovative commercial space in a prime location. Innovation Park Medway was awarded £4.4m from the Local Growth Fund in 2016 for improvements to airport infrastructure.

Source: Lichfields analysis, drawing on 2018 Kent Property Market Report

Summary

3.43

Based upon the analysis presented above, the key findings can be summarised in the form of a SWOT analysis set out in Table 3.5 below.

Table 3.5 Maidstone Economic Characteristics SWOT

Strengths	<ul style="list-style-type: none"> • Maidstone has exceeded the job creation target set out in the Local Plan for the first 7 years • Significant growth in enterprises recorded in recent years, coupled with healthy levels of business survival • Higher economic activity rate than regional and national averages • Proximity to key infrastructure assets within the Kent area including high speed one and Ashford International • Strong population growth in recent years, suggests Maidstone remains an attractive place to live
Weaknesses	<ul style="list-style-type: none"> • Declining working age population in recent years • Workforce productivity (measured by GVA) falls behind regional and national averages, and many of the Borough's surrounding authority areas • Less highly qualified workforce than the South East, particularly at NVQ level 4 and above • Lower than average earnings (workplace and resident based) • Pockets of deprivation continue to persist, particularly in and around Maidstone town urban area
Opportunities	<ul style="list-style-type: none"> • Maidstone has above average levels of workers employed in higher paid occupations (SOC major group 1-3) • Higher than average levels of self-employment and business start-up presents opportunity for increased entrepreneurial activity in the Borough • Significant scale of planned housing/population growth across Kent providing additional spending and diversified labour pool from which to draw
Threats	<ul style="list-style-type: none"> • Resident skills are insufficient to take advantage of potential advanced high value jobs • Recent job losses in sectors such as finance and retail that have traditionally provided key sources of employment for the Borough • Future job growth concentrates in lower value sectors, whereby failing to increase below-average workforce productivity levels • Significant quantum of commercial development taking place in surrounding area restricts market appetite to develop in Maidstone in the short term, most notably with regards to Tonbridge and Malling where there are particularly strong economic linkages with Maidstone

Source: Lichfields analysis

4.0 Retail Context and Trends

Introduction

- 4.1 This section outlines national trends that are likely to influence the need for retail and town centre facilities in Maidstone Borough and the prospects for attracting new investment. It also summarises current provision within the borough, which provides the baseline for future projections (to follow as part of the Stage Two report).

Retail Trends

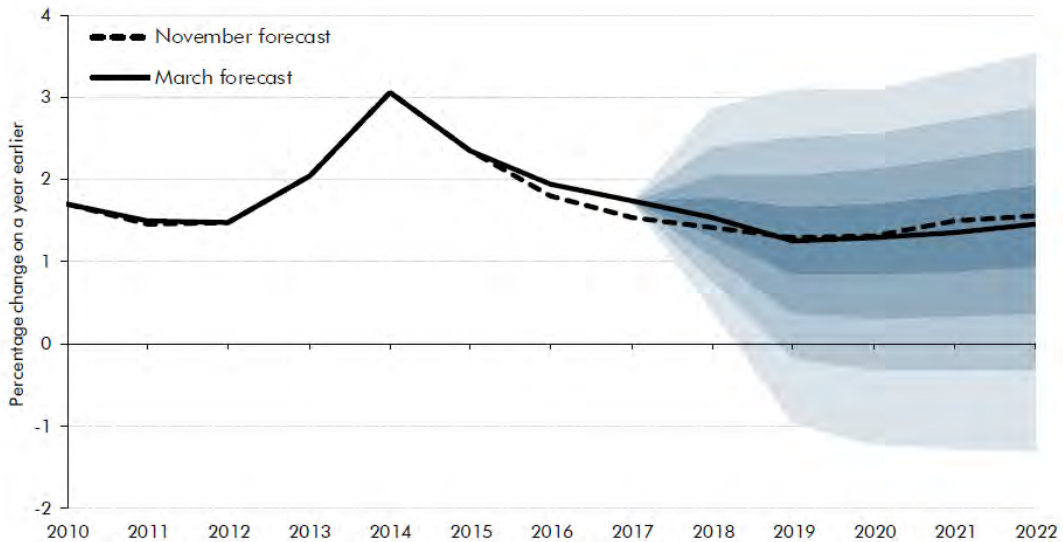
- 4.2 The economic downturn had a significant impact on the retail and leisure sectors, and continuing uncertainties are still having an effect. Many national operators failed (e.g. Austin Reed, BHS, Comet, HMV, JJB Sports, Jessops, Maplin, Clinton Cards, Woolworths, MFI, Toys R Us, Land of Leather, Borders, Game, Firetrap, La Senza, Past Times, Barratts and Habitat), leaving major voids within centres and retail parks. The latest operators to experience difficulties include Debenhams, House of Fraser, New Look, Carpetright, Prezzo, Chimichanga, Strada, Byron, Marks & Spencer and Jamie Oliver, which indicates current market conditions are challenging.
- 4.3 Many town centre development schemes have been delayed or cancelled and the demand for traditional bulky goods retail warehouse operators has also been affected. Even some of the main food store operators have seen a reduction in growth, with discount operators taking **market share from the main operators. To counteract the loss of market share from 'top 4' supermarket operators, Tesco has launched a new discount chain called 'Jack's'. Up to 60 stores could be launched with new stores being rolled out from September 2018.**
- 4.4 Assessing future expenditure levels needs to consider the likely pace of the economic growth, particularly in the short and medium term (2019 to 2022 and 2022 to 2027). Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the plan period. This study (Stages 1 and 2) will provide a long-term view for the plan period recognising the cyclical nature of expenditure growth. Growth trends in population, home shopping/internet sales and in turnover efficiency also need to be considered and a balanced approach taken. An overview of national trends within the retail sector is set out.

Expenditure Growth

- 4.5 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. However, the impact of the EU Referendum is expected to result in slower growth in the short term and home shopping/internet spending is expected to grow at a faster rate than traditional forms of shopping.
- 4.6 After the recession in 2008/2009, growth improved and from 2012 grew to a +3% high in 2014 and **+2% in 2015. The Office for Budget Responsibility's (OBR March 2018) figures for GDP show that real GDP growth slowed from +1.9% in 2016 to +1.7% in 2017 (and to +1.4% in the year to the fourth quarter of 2017). OBR expects growth of +1.5% in 2018, slowing a little more in 2019 to +1.3%, then picking up modestly over the subsequent three years. At +1.4% a year, the average growth rate over the forecast is unchanged from OBR's November 2017 figures.**
- 4.7 The future is, of course, uncertain. One way of illustrating the uncertainty around GDP growth is shown in Figure 4.1. This presents **OBR's** central forecast together with a fan showing the probability of different outcomes based on past errors on official forecasts. The solid black line

shows the median forecast, with successive pairs of lighter shaded areas around it representing 20% probability bands.

Figure 4.1 Real GDP fan chart



Source: OBR Economic and Fiscal Outlook – March 2018

4.8 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The speed of recovery from the last economic downturn has been slow. The high pre-recession growth rates are unlikely to be achieved in the short term, but the underlying trend over the medium and long term is expected to lead to a need for further modern retail floorspace, even allowing for continued growth in home shopping and turnover efficiencies. The growth in the demand for floorspace is expected to slow, particularly in the short term. These national trends are anticipated to be mirrored in Maidstone borough.

4.9 **For convenience goods, Experian’s forecasts (December 2018) anticipate limited growth** (0.2% per annum) to 2027. For comparison goods, higher levels of growth are expected in the future (3.1% per annum to 2027), still at a lower rate than previous pre-recession trends (8% per annum between 1997 and 2007). Historically comparison goods expenditure has grown **significantly more than convenience goods expenditure, and Experian’s latest national growth rate recommendations are consistent with these past trends.**

4.10 **Experian’s latest expenditure projections consider the implications of Brexit, indicating this has created major uncertainties regarding the long-term outlook for the UK economy.** Experian Retail Planner Briefing Note 16 (December 2018) states:

“The near-term outlook remains clouded by uncertainty around whether an EU withdrawal deal will be approved in time for the fast approaching March 2019 Brexit deadline and fears of a potential no-deal outcome. These concerns are likely to keep businesses and households cautious and hence, growth in both investment and consumer spending is set to remain lacklustre. The recent loosening in the government’s fiscal stance is unlikely to offset the drag on the domestic economy. Alongside this, gradual hikes in interest rates and modest tightening in credit supply may also limit the potential for credit to support demand. Given these conditions, GDP growth will remain capped at around 1.5% over 2019 and 2020.”

4.11 In the medium term, the Note sets out:

“We have revised down our projections for productivity and potential GDP growth, which in turn has capped the outlook over the medium/longer term. For the 2021-25 period overall, GDP growth is expected to average 1.8% per annum, compared with 2.1% during 2013 to 2018 and 2.6% from 1981 to 2007. This is a downgrade from the projections in last year’s Retail Planner Note, when GDP was forecast to average 2.4% between 2021-25. Alongside this, consumer spending growth is now forecast to average 1.8%, with retail sales growth averaging 2.6%.”

4.12 For the long term, the Note sets out that **“growth is now forecast to average 1.7% per annum, a 0.3% downgrade from the projections in last year’s Retail Planner Briefing Note, reflecting weaker population and productivity growth. This is below the historic long-term trend growth of 2.3%.”**

4.13 The Note goes on to confirm that: **“for comparison goods, per head growth remains little changed over the long term, averaging 3.2% to 2037. Key factors that boosted growth, notably the globalisation that subdued audio-visual prices significantly, will not be repeated to the same degree. Per head spending on convenience goods has enjoyed solid gains in recent years, increasing by 0.6% per annum between 2015-18. This trend contrasts markedly to the declines of 1% during 2010-2014 and 0.5% over the longer-term period of 1997-2017. In our central forecast, further gains are expected in the next few years before spending on convenience goods settles down to around 0.1% a year from 2020.”**

4.14 Low expenditure growth and deflationary pressures (i.e. price cutting) in the non-food sector have had an impact on the high street in the last few years. Because of these trends, the national average shop vacancy rate (based on Goad plan data) has increased from around 10% in 2005 to about 14% in 2012. Vacancy rates have gradually improved to 11.8% in 2018.

4.15 Data obtained from Experian Goad and during centre visits carried out in February 2019, demonstrates that there were 56 vacant Class A1-A5 shop units within Maidstone and only 5 vacant units in the Rural Service Centres and Larger Village Centres combined. In Maidstone, this equates to an overall vacancy rate of 10.6%, which is lower than the Goad national average of 11.8%. All other centres have comparable or lower than average vacancy rates. Overall, the vacancy figures suggest all centres in the Borough are performing well despite challenging market conditions.

4.16 **The future strategy for Maidstone borough’s designated centres should seek to reduce shop vacancy rates in order to maintain and enhance their vitality and viability.**

New Forms of Retailing

4.17 New forms of retailing (multi-channel and home shopping) have continued to grow. Home/electronic shopping has increased with the growth in the use of personal computers, smart phones and the internet. Click and collect / click and return shopping has become more popular. The future growth of multi-channel retailing including home computing, internet connections and interactive TV will continue to influence retailing in the high street and from traditional stores. National trends within this sector will have implications for retailing within Maidstone Borough, because they will affect the amount of expenditure growth that will be potentially available to support development and the strength of operator demand for new floorspace. **Recent trends suggest continued strong growth in this sector. Experian’s Retail Planner Briefing Note 16 (December 2018) states:**

“The strong increase in online shopping in the past decade has lifted the share of special forms of trading (SFT) to a level where it now accounts for close to 20% of total retail sales.

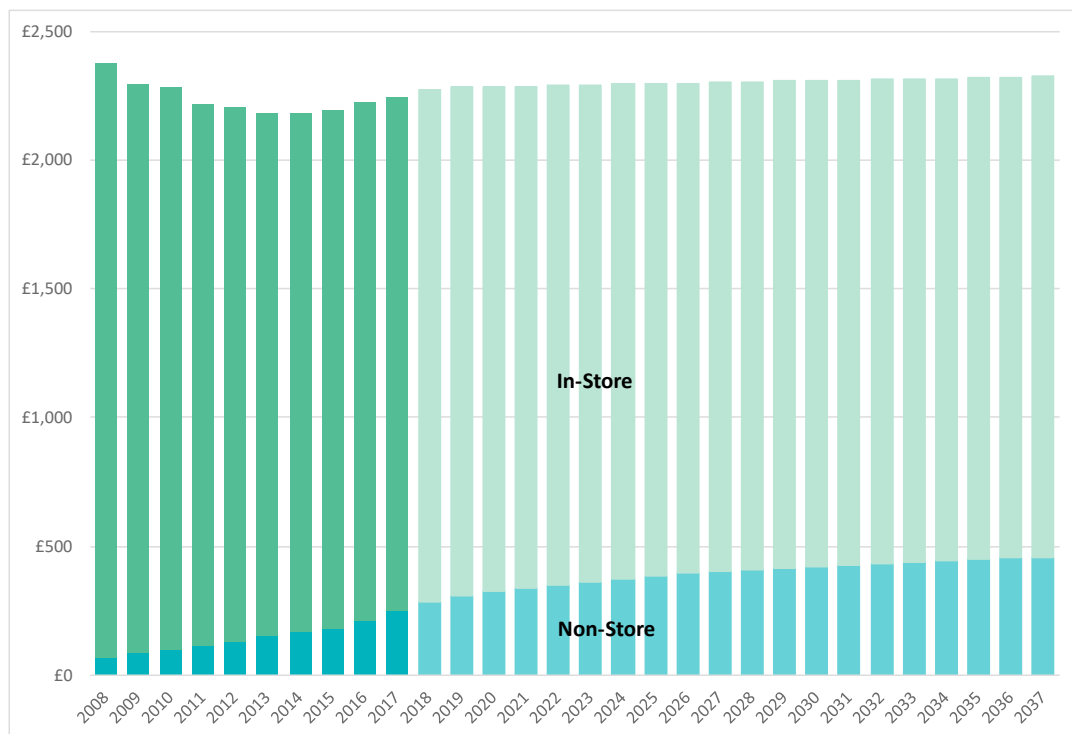
... *The rising share of internet sales in total retail transactions dominates the picture of SFT. Based on data for the first ten months of the year, internet sales' share of total retail is expected to come in at roughly 17% in 2017, against a little below 5% in 2008...*

...*Non- store retailing continues to grow rapidly, outpacing traditional forms of spending. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. According to Internet World Stats, as of December 31, 2017, there were an estimated 63.1 million internet users in the UK (representing 94.7% of the population). Growth of the internet user base will thus be less of a driver than in the past decade. But growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing. We expect the SFT market share to continue to increase over the forecast period, although the pace of e-commerce growth will moderate markedly after about 2022. Our forecast has the SFT share of total retail sales reaching almost 23% by 2022, rising to around 27% by the mid-2030s."*

4.18 Stage Two of this Study will make an allowance for future growth in e-tailing based on Experian projections and household shopper survey results. It will be necessary to monitor the amount of sales attributed to multi-channel shopping in the future to review future policies and allocations.

4.19 Figure 4.2 indicates that convenience goods expenditure per person decreased between 2008 and 2013, but recovered up to 2017. Experian expect slow growth in the future, but most of the growth will relate to non-store sales. Any need for new convenience goods retail floorspace in Maidstone borough is likely to relate to population growth, high current levels of trading and/or qualitative areas of deficiency. These issues will be explored in Stage 2.

Figure 4.2 UK average convenience goods retail expenditure per person (£ per annum)

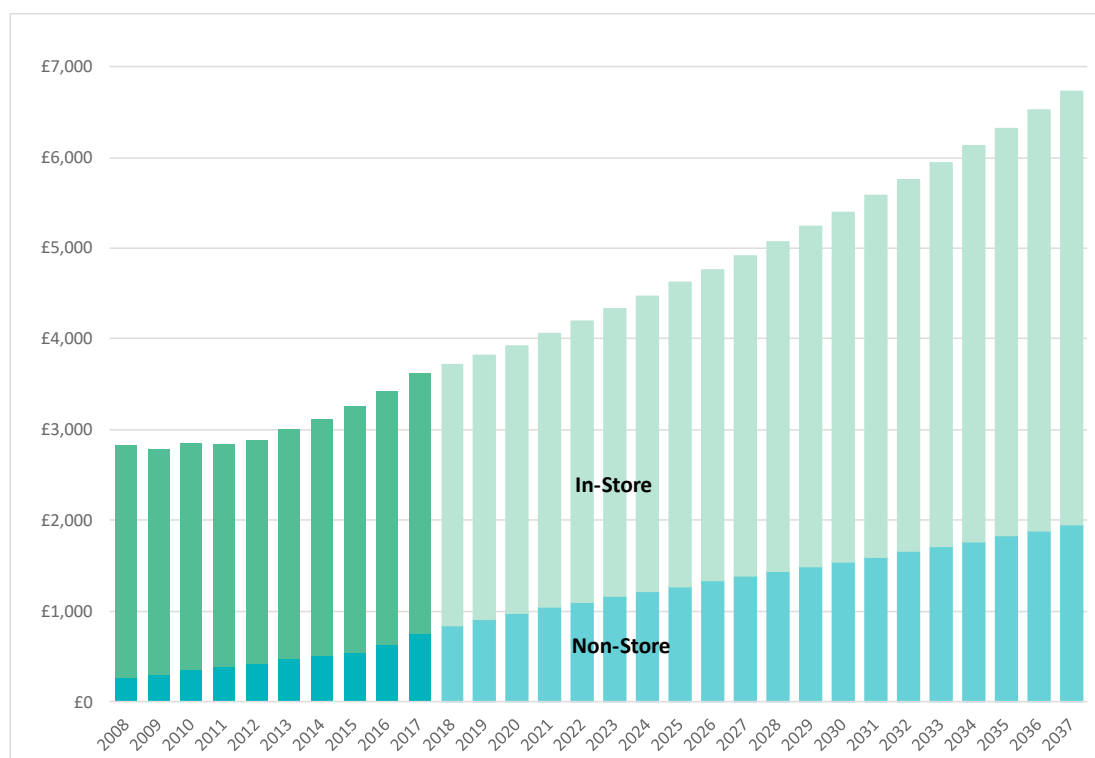


Source: Experian Briefing Note 15 (December 2018)

4.20 Figure 4.3 indicates that comparison goods expenditure per person grew slowly between 2008 and 2013, but higher growth was achieved up to 2017. Experian expect steady growth in the

future. Even allowing for disproportionately higher growth in non-store sales, comparison good expenditure available for traditional forms of retailing is still expected to grow in real terms.

Figure 4.3 UK average comparison goods retail expenditure per person (£ per annum)



Source: Experian Briefing Note 15 (December 2018)

- 4.21 The implications of these trends on the demand for retail space will be considered. Some retailers operate online sales from their traditional retail premises e.g. food store operators and click and collect operations, therefore growth in online sales may not always mean there is a reduction in the need for traditional retail floorspace.
- 4.22 Given the likelihood that multi-channel shopping will grow at a faster pace than other retail expenditure, the need assessment (to follow as part of Stage Two) will adopt relatively cautious growth projections for retail expenditure and an allowance will be made for retailers to increase their turnover density, due to growth in home shopping and click and collect.

Food Store Operators

- 4.23 **In addition to new forms of retailing, retail operators have responded to changes in customers' requirements.** Retailers have also changed their trading formats to include smaller store formats capable of being accommodated within town and local centres (such as the Tesco Express/Metro, Sainsbury's Local, Little Waitrose and Marks & Spencer's Simply Food formats).
- 4.24 **The number of Tesco Express, Sainsbury's Local and Little Waitrose stores has increased significantly during the last decade. Taking Sainsbury's as an example, data provided by Mintel indicates that the number of Sainsbury's Local stores increased by 88% between 2011 and 2015,** compared to the number of larger format stores which increased by 37% over the same period. The number of Little Waitrose trebled between 2011 and 2015.
- 4.25 Several proposed larger food stores have not been implemented across the country. There has **been a move away from larger stores to smaller formats, reflecting changes in customer's shopping habits.** The expansion of European discount food operators Aldi and Lidl has been

rapid during the last decade. There are Aldi stores to the edge of Maidstone town centre and at Langley Park Centre. There is a Lidl in Broadway Shopping Centre in Maidstone and a Lidl in Tovil. The discount **sector is actively expanding. Aldi, Lidl and possibly Tesco's 'Jacks' format** may look for further opportunities in Maidstone Borough in the future.

Comparison Retailers

- 4.26 Comparison retailers have also responded to market conditions. The bulky goods warehouse sector has rationalised, including mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Next and M&S at Junction 7. Matalan also opened numerous discount clothing stores across the UK. Sports clothing retail warehouses including Decathlon and Sports Direct expanded out-of-centre. These trends have slowed significantly and are unlikely to change in the short term.
- 4.27 The retail warehouse sector is reasonably well represented in Maidstone Borough. London Road Retail Park comprises Dreams, Dunelm, Home Bargains, Argos, Jolleys, and Iceland Food Warehouse. St Peters Wharf Retail Park comprises: Asda Living, Hobbycraft, TK Maxx/Home Sense and The Range. Nearby, there is a Wickes Extra. In addition, there is a B&Q on Barker Road. Outside of the Borough in Tonbridge and Malling is South Aylesford Retail Park, which is larger. Tenants in this location include: Homebase, M&S Foodhall, Currys PC World, Costa, Benson Beds, Halfords, Nandos, Natuzzi Italia, Oak Furnitureland, Tapi Carpets, Smyths Toys, Wren Kitchens, Aldi, Pets at Home, McDonalds, Halfords **and Sainsbury's**.
- 4.28 The demand for premises within the bulky goods sector, i.e. furniture, carpets, electrical and DIY goods, has been particularly weak in recent years. This has led to voids on retail warehouse parks and proposals to extend the range of goods sold to non-bulky goods. This can lead to the relocation of retailers creating more vacant units in town centres. The composition of the retail park should continue to be monitored and controlled if necessary.
- 4.29 Within centres, many high street multiple comparison retailers have changed their format. For over two decades, high street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation into the larger national, regional and sub-regional centres. Many multiple retailers now require representation in fewer locations to service catchment areas. Polarisation in the larger centres is likely to continue in the future.
- 4.30 In general operator demand for space has decreased since the last recession and, of those national multiples looking for space, many prefer to locate in larger or purpose-built centres, e.g. Bluewater Shopping Centre outside of the Borough. Maidstone, where operator demand is relatively good due to its position in the hierarchy, is a major regional centre, and has good prospects for attracting investment. Much of the occupier demand in smaller centres has come from the discount and charity sectors or non-retail services, rather than higher order comparison goods shopping.
- 4.31 The continuation of these trends will influence future operator requirements in Maidstone Borough with smaller vacant units becoming less attractive for new multiple occupiers, and retailers increasingly looking to relocate into larger units in the main centres. However, smaller vacant units could still be attractive to independent traders and non-retail services.
- 4.32 The potential expansion proposals at Bluewater, if implemented, could attract occupier demand and reduce the prospects for attracting investment in other parts of the sub-region including Maidstone.

Charity and Discount Shops

- 4.33 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will end. Planning policies cannot control the amount of charity shops because they fall within Class A1, the same category as other shops. In many centres, charity shops have occupied vacated shop premises during the recession. This trend is evident in Maidstone Borough, but charity shops do not dominate centres. Charity shops can often afford higher rents than small independent occupiers because of business rate discounts. It does not follow that these charity shops will be replaced by traditional shops when the market recovers, particularly in secondary retail frontages.

Non-retail Services

- 4.34 The growth of money lending/pay day loan shops, betting shops and hot food takeaways has raised concerns amongst many local planning authorities, and has resulted in a change to permitted development rights to control the growth of these uses in town centres. This trend has not been prevalent in Maidstone Borough. Recent changes to the GPDO has had an impact on some town centres. These measures allow for greater flexibility for changes of use from retail to non-retail uses e.g. Class A uses to C3 residential use and Class A1 uses to Class A2 uses. These measures can change the composition of town centres e.g. the amount of Class A1 space has reduced. However, these measures may lead to a reduction in vacant shop premises, particularly in peripheral shop frontages.

Food and Beverage

- 4.35 Service uses perform an important role in the overall offer of a centre, and encourage customers to shop locally. The service uses are categorised as follows:
- Class A1 services cover a range of uses, including hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as Class A3), funeral parlours and post offices.
 - Class A2 services include banks, building societies, financial services, betting offices, pawnbrokers, estate agents and employment agencies.
 - Class A3/A5 including restaurants, cafes (A3) and takeaways (A5).
 - Class A4 pubs/bars (Class A4).
- 4.36 Food and beverages is a fast moving and creative sector, with a steady flow of new concepts emerging. Within this sector there has been a significant increase in the number of national multiple chains which have sought to increase their geographical coverage. Recently some chains have experienced difficulties resulting in closures, which should operators may have over-stretched.
- 4.37 These types of food and drink operators (Class A3 and A4) i.e. restaurants, bars and pubs have supported other major leisure uses, e.g. cinema developments. Within town centres, the demand has increased, including a significant expansion in the number of coffee shops, such as Starbucks, Costa Coffee and Café Nero. National branded pub/restaurant chains have invested heavily and not exclusively in larger centres. Themed restaurants have also expanded rapidly.
- 4.38 The key categories for food and beverage offers are:
- Impulse: characterised by their produce range that is typically highly visual and hand-held so **that it can be eaten “on the go”**;
 - Speed eating fast food: food that can be purchased and consumed quickly, therefore price is low and ambience is less important. This sector is dominated by traditional high volume fast food offers such as burgers and fried chicken;

- Refuel and relax: a drink, snack and a short break in a pleasant environment rather than focusing on eating a main meal; and
- Casual dining/leisure dining: incorporating several food styles, types and ethnic origins. The ambience and environment of casual dining is as important as the food, drink and service provided. The style is informal but is normally table service.

4.39 Food and beverage establishments (Class A3, A4 and A5) including restaurants, bars, pubs and takeaways have supported other major leisure uses on leisure and retail parks and are important services within town centres. National information available from Experian Goad indicates that the proportion of non-retail uses within town centres across the country has increased significantly.

4.40 These trends including the growth of home shopping are not new and have been affecting the high street for many years. In response to these trends, town centres have changed and diversified. The food and beverage, leisure and non-retail service sectors have been successful in occupying space no longer attractive to retail tenants. There have been cyclical trends in vacancy rates reflecting the macro economic trends, but in most cases, town centres recovered during periods of stronger growth. The most recent trends suggest vacancy rates have been slow to recover in weaker centres, and many high street retailers are still experiencing difficulties. The Goad national shop vacancy rate increased to over 14% during the last recession, but has not returned to pre-recession levels (around 8%). The national vacancy rate remains over 11%, and therefore a cautious approach to future growth is required.

4.41 Shopping behaviour will continue to change and the high street will need to continue to respond. All centres will need to focus on their advantages over other forms of multi-channel shopping, for example using the internet as an extended shop window, click and collect facilities and providing a combined retail and leisure experience **for those looking for a “day out”**.

Centres in Maidstone borough and the surrounding area

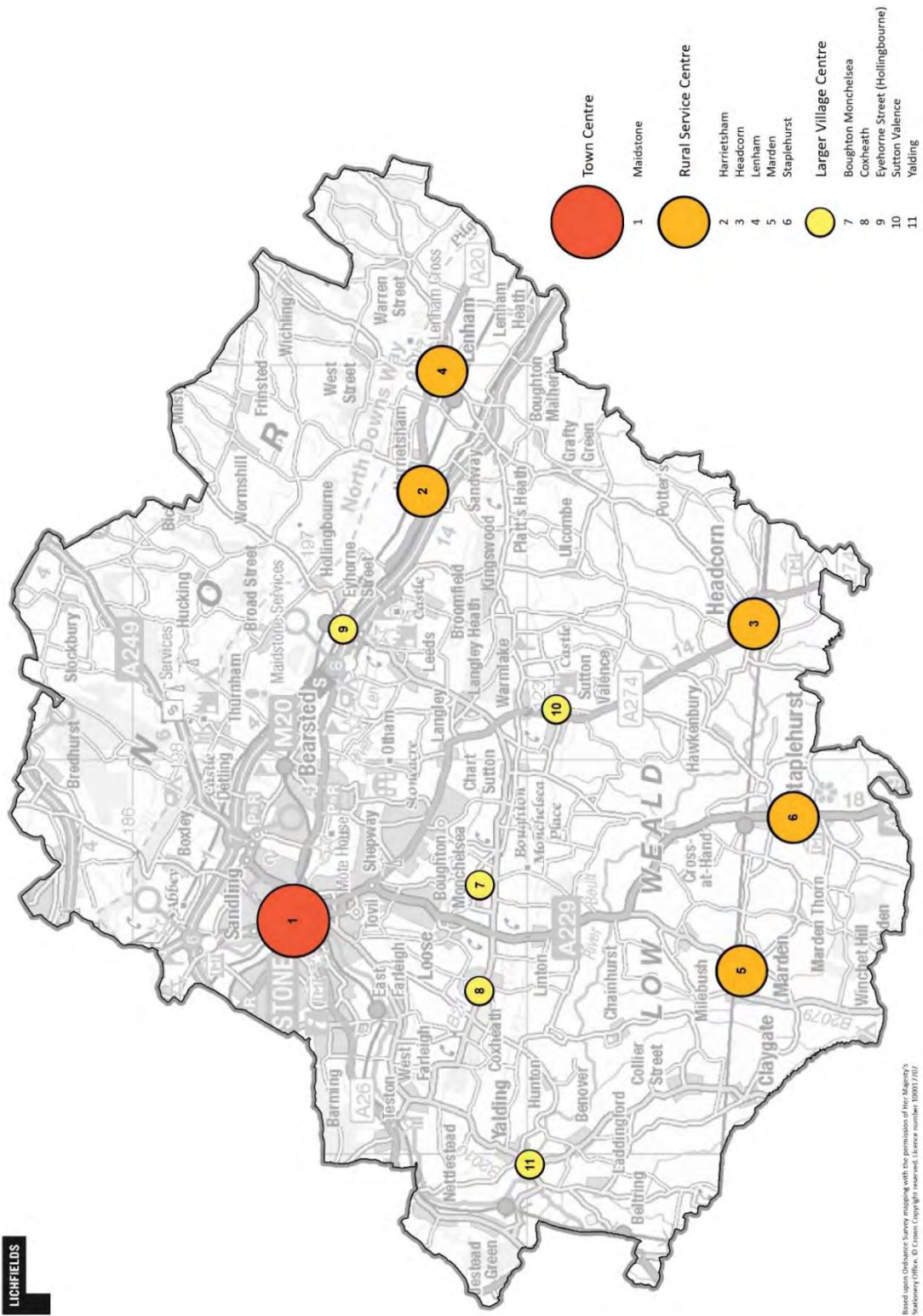
4.42 The Maidstone Borough is bounded by several local authority areas, namely Medway and Swale to the north, Ashford to the east, Tunbridge Wells to the south and Tonbridge and Malling to the west. The Maidstone Borough Local Plan sets out a settlement hierarchy in terms of town, rural service centres, larger village centres, district centres and local centres. This hierarchy is set out Table 4.1 below. The Maidstone borough boundary, and location of the main centres are shown in Figure 4.4 below.

Table 4.1 Centre Hierarchy

Hierarchy	Centre
Town Centre	Maidstone.
Rural Service Centre	Harrietsham; Headcorn; Lenham; Marden; and Staplehurst.
Larger Village Centre	Boughton Monchelsea; Coxheath; Eyehorne Street (Hollingbourne); Sutton Valence; and Yalding.
District Centre	Mid Kent Centre, Castle Road, Allington; Grovewood Drive, Grove Green; Heath Road, Coxheath; The Square, Lenham; High Street, Headcorn; High Street and Church Green, Marden; and High Street, Staplehurst.
Local Centre	Ashford Road, Bearsted; The Green/The Street, Bearsted; Marlborough Parade, Beverley Road, Barming; Cherry Tree, Tonbridge Road; Boughton Parade, Loose; Egremont Road, Madginford; Parkwood Parade; Sandling Lane, Penenden Heath; Senacre Square, Woolley Road; Northumberland Court, Shepway; Snowdon Parade, Vinters Park; Mangravet, Sutton Road/Mangravet Avenue; High Street/Benover Road, Yalding; and Hermitage Walk, Hermitage Lane.

Source: Maidstone Borough Local Plan

Figure 4.4 Main centres in Maidstone Borough



Source: Maidstone Borough Local Plan

Venuescore

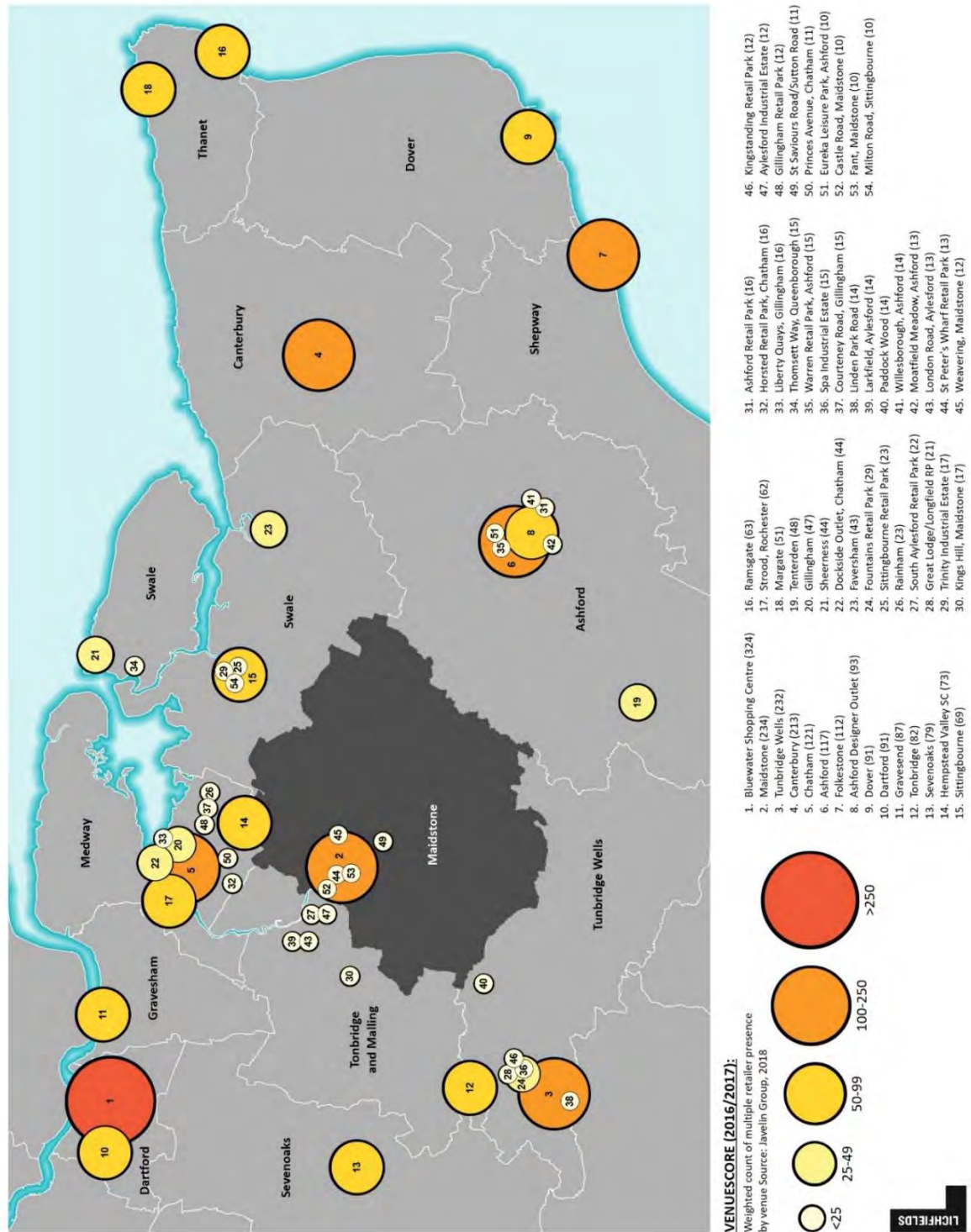
- 4.43 **The Javelin Group's Venuescore ranks over 3,500 retail destinations in the UK including town centres, malls, retail warehouse parks and factory outlet centres across the country.** Each destination is given a weighted score based on the number of multiple retailers present, including anchor stores, fashion operators and non-fashion multiples. The score attached to each retailer is weighted depending on their overall impact on shopping patterns, e.g. a department store will achieve a high score. The scores relate to each shopping destination and do not include out of centre stores.
- 4.44 This Javelin information is used in the retail industry to assess the relative strength of shopping destinations. The selected results for Maidstone Borough and other relevant centres outside of the Borough are shown in Table 4.2. The location of all Venuescore centres is shown in Figure 4.5, and this plan indicates that residents in Maidstone borough have good access to Maidstone town centre within the Borough and several large centres outside the Borough, as well as having a choice of smaller centres to meet their day to day shopping needs in the local area.
- 4.45 The region is dominated by Bluewater Shopping Centre (ranked 27th), Maidstone (ranked 52nd), Tunbridge Wells (ranked 55th) and Canterbury (ranked 67th). Following this is Chatham (ranked 200th), Ashford (ranked 205th), Folkestone (ranked 222nd), Ashford Designer Outlet (ranked 286th), Dover (ranked 292nd), Dartford (ranked 292nd), Gravesend (ranked 309th), Tonbridge (ranked 332nd) and Sevenoaks (ranked 350th).
- 4.46 Maidstone is a Major Regional Centre, and only falls below Bluewater Shopping Centre in the regional hierarchy. Maidstone is top of the hierarchy in the Maidstone borough. It has a Venuescore of 234 and is ranked 52nd in the UK. St Peter's Wharf Retail Park in Maidstone has a Venuescore of 13 and is ranked much lower at 2377th in the UK. Weaving has a Venuescore of 12 and is ranked 2566th in the UK. St Saviours Road/Sutton Road has a Venuescore of 11 and is ranked 2815th in the UK. Castle Road and Fant have a Venuescore of 10 and are ranked 3133rd in the UK.
- 4.47 Other centres in the Borough have few national multiple retailers and are therefore not included within the Venuescore analysis, including Harrietsham, Headcorn, Lenham, Marden, Staplehurst, Boughton Monchelsea, Coxheath, Eyehorne Street (Hollingbourne), Sutton Valence and Yalding. It should also be noted that the Venuescore data is weighted towards clothing and fashion retailing. Within the sub-region, clothing/fashion shopping facilities are primarily focused in the larger town centres. Consistent with this polarisation of clothing/fashion shopping in to larger centres, Maidstone, Tunbridge Wells and Canterbury all received similar scores for fashion orientation. Bluewater Shopping Centre and Ashford Designer Outlet received higher scores for fashion orientation than the previously mentioned centres. This is due to the purpose-built nature of the centres, acting as key shopping destinations with many national multiple fashion retailers.

Table 4.2 Venuescore UK Shopping Index and UK rank

Shopping Destination	Location Grade	Venuescore	UK Rank	Market Position
Bluewater Shopping Centre	Major Regional	324	27	Upper Middle
Maidstone	Major Regional	234	52	Middle
Tunbridge Wells	Major Regional	232	55	Upper Middle
Canterbury	Regional	213	67	Upper Middle
Chatham	Sub-Regional	121	200	Lower Middle
Ashford	Sub-Regional	117	205	Middle
Folkestone	Sub-Regional	112	222	Lower Middle
Ashford Designer Outlet	Sub-Regional	93	286	Upscale
Dover	Sub-Regional	91	292	Lower Middle
Dartford	Sub-Regional	91	292	Lower Middle
Gravesend	Sub-Regional	87	309	Lower Middle
Tonbridge	Sub-Regional	82	332	Middle
Sevenoaks	Sub-Regional	79	350	Upper Middle
Hempstead Valley Shopping Centre	Major District	73	382	Middle
Sittingbourne	Major District	69	408	Lower Middle
Ramsgate	Major District	63	463	Lower Middle
Strood, Rochester	Major District	62	473	Lower Middle
Margate	Major District	51	592	Lower Middle
Tenterden	District	48	633	Upper Middle
Gillingham	District	47	654	n/a
Sheerness	District	44	696	Lower Middle
Dockside Outlet, Chatham	District	44	696	Middle
Faversham	District	43	710	Middle
Rainham	Minor District	23	1368	Lower Middle
South Aylesford Retail Park, Aylesford	Minor District	22	1418	Middle
Kings Hill, Maidstone	Local	17	1775	Middle
Liberty Quays, Gillingham	Local	16	1888	Middle
Willesborough, Ashford	Local	14	2171	Middle
Paddock Wood	Local	14	2171	Middle
Linden Park Rd, Tunbridge Wells	Local	14	2171	Middle
Larkfield, Aylesford	Local	14	2171	Middle
St Peter's Wharf Retail Park, Maidstone	Local	13	2377	Middle
Moatfield Meadow, Ashford	Local	13	2377	Middle
London Rd, Aylesford	Local	13	2377	Middle
Weaving, Maidstone	Local	12	2566	Middle
Aylesford Industrial Estate, Aylesford	Local	12	2566	Middle
St Saviours Rd/Sutton Rd, Maidstone	Local	11	2815	Middle
Princes Ave, Chatham	Local	11	2815	Middle
Castle Rd, Maidstone	Local	10	3133	Middle
Fant, Maidstone	Local	10	3133	Middle
Milton Road, Sittingbourne	Local	10	3133	Middle

Source: Venuescore, Javelin Group 2016/17

Figure 4.5 Centre locations and Venuescore



Source: Venuescore, Javelin Group 2016/17

4.48

Javelin also assesses the market position of centres based on the retailers present and the centre's relative position along a spectrum running from discount (i.e. pound shops) to luxury (i.e. brands such as Chanel) or down-market to aspirational (i.e. lower, middle to upscale), as shown in Table 4.2. Again, this information is weighted towards clothing and fashion retailing. Each venue has an estimated average market position score based on the retailers present, with

the ‘market position index’ for each centre then calculated by comparing the venue’s market position score against the average for all venues.

- 4.49 The market position relates specifically to the fashion offer together with other easily classified operators, because the range and choice of clothing and fashion shopping is the key driver in the relative attraction of large comparison shopping destinations. Javelin also provides other measures of the strength of centres as outlined below.
- 4.50 Bluewater Shopping Centre, Tunbridge Wells and Canterbury are classified as **having an “Upper Middle” market position. Ashford Designer Outlet is classified as having an “Upscale” market position. The “Upper Middle” market position reflects the relatively high levels of affluence** within the sub-region.
- 4.51 Within the Maidstone Borough, Maidstone is classified as **having a “Middle” market position**, which suggests it does not offer the same level of luxury/high quality retailing. Likewise, St Peter’s Wharf Retail Park, Weaving, St Saviours Road/Sutton Road, Castle Road and Fant are **also classified as having a “Middle” market position**. The other centres are not included within the Venuescore analysis, as outlined above.
- 4.52 The Javelin information outlined above, indicates that Maidstone is the most significant shopping destination in the borough, and has good prospects for attracting future growth and **investment. Javelin’s information provides an insight into the existing hierarchy, but other** factors need to be considered, i.e. the specific role the smaller towns play needs to be considered in more detail.

Summary

- 4.53 The key retail trends and features of Maidstone Borough can be summarised as follows.
- 1 Slow growth and economic uncertainty have, and are still having, a significant impact on the retail and leisure sectors.
 - 2 The impact of the EU Referendum is expected to result in slower growth in the short term and home shopping/internet spending is expected to grow at a faster rate than traditional forms of shopping.
 - 3 The discount sector e.g. **Aldi, Lidl and possibly Tesco’s ‘Jacks’ format** may look for further opportunities in Maidstone Borough in the future.
 - 4 The retail warehouse sector is reasonably well represented in Maidstone Borough. London Road Retail Park comprises Dreams, Dunelm, Home Bargains, Argos, Jolleys, and Iceland Food Warehouse. St Peters Wharf Retail Park comprises Asda Living, Hobbycraft, TK Maxx and Homebase. Nearby, there is a Wickes Extra. In addition, there is a B&Q on Barker Road.
 - 5 Pressure to open new or relocate high street stores in out-of-centre locations with free car parking and lower cost larger units is likely to continue.
 - 6 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will end.
 - 7 Service uses perform an important role in the overall offer of a centre, and encourage customers to shop locally.
 - 8 Residents in Maidstone Borough have good access to Maidstone town centre in the Borough and several large centres outside the Borough, as well as having a choice of smaller centres to meet their day to day shopping needs in the local area.

- 9 In terms of Venuescore rankings (2016/17), Maidstone town centre is a Major Regional Centre, and only falls below Bluewater Shopping Centre in the regional hierarchy.
- 10 **Maidstone is classified as having a “Middle” market position, which suggests it does not offer the same level of luxury/high quality retailing. Bluewater Shopping Centre, Tunbridge Wells and Canterbury are classified as having an “Upper Middle” market position.**

5.0

Overview of Commercial Space

5.1

This section provides an overview of the existing stock of B class employment, retail and leisure space in Maidstone, as well as recent trends and changes to this stock of space. The assessment considers floorspace across the following use classes:

- offices (B1a/B1b);
- manufacturing (B1c/B2);
- warehousing and distribution (B8);
- retail (A1/A2/A5); and
- leisure (A3/A4/D2).

5.2

Analysis draws on data from the following sources:

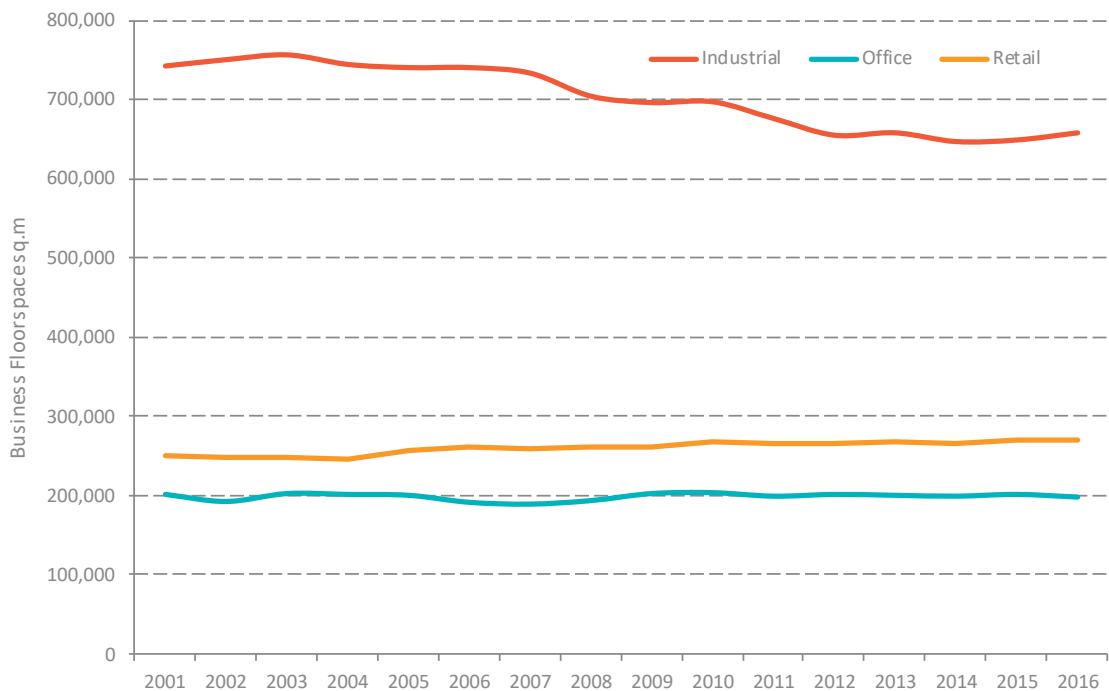
- commercial floorspace data from the Valuation Office Agency (VOA); and
- monitoring data on commercial floorspace gains and losses obtained from Maidstone Borough Council.

Stock of Floorspace

5.3

In 2016, Maidstone contained 856,000 sq.m of B class floorspace (i.e. industrial and office). The majority of the floorspace was industrial in nature (658,000 sq.m), with offices making up 198,000 sq.m, or 23%, of the total* (see Figure 5.1). From 2001 to 2016, the stock of industrial and office floorspace in Maidstone decreased by 84,000 sq.m and 3,000 sq.m respectively (-11.3% and -1.5% respectively). At the Kent level, the stock of industrial floorspace in the county decreased at a lower rate (-1.8%), while the total stock of office floorspace grew by 7.8%.

Figure 5.1 Change in Employment Floorspace in Maidstone (2001-2016)



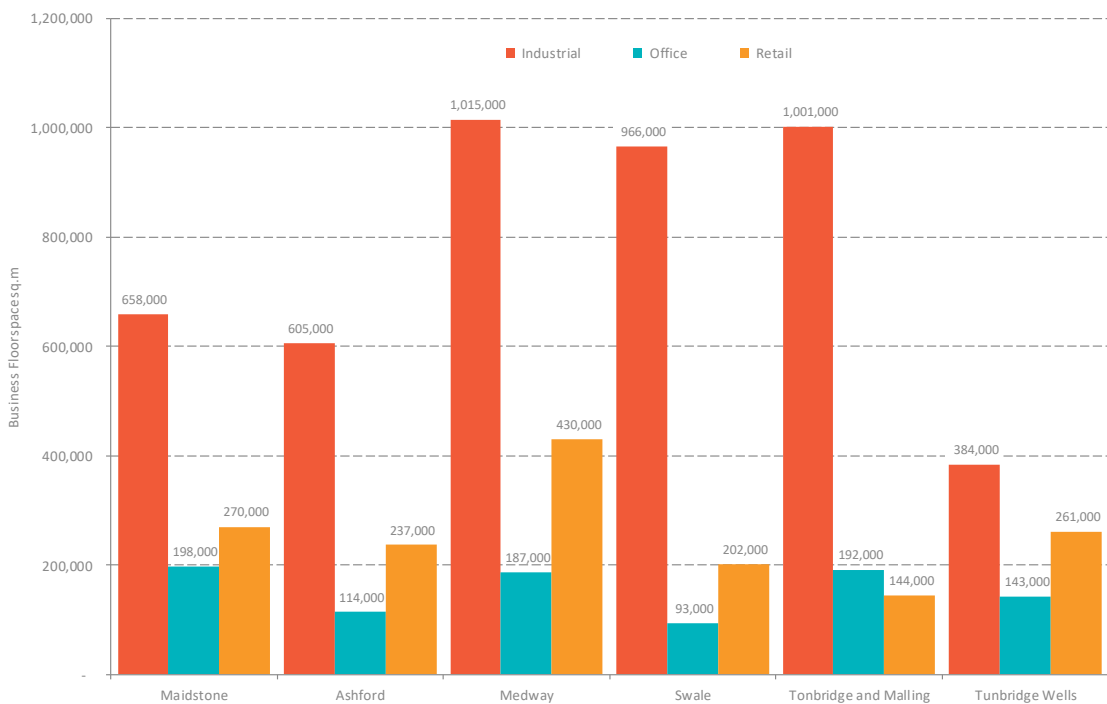
Source: VOA 2016 / Lichfields analysis

* Valuation Office Agency (VOA), Business Floorspace (2016)

5.4 **Maidstone’s stock of retail floorspace** grew from 251,000 sq.m to 270,000 sq.m from 2001 to 2016, representing a total net gain of 19,000 sq.m, or 7.6%. The growth in retail floorspace over the period echoed Kent-wide trends, which also saw an increase in retail floorspace of 10.4%.

5.5 Figure 5.2 below provides an overview of the total office, industrial and retail floorspace in Maidstone compared with the stock of floorspace in the local authorities adjacent to the Borough. The chart shows that Maidstone is the largest office centre among the six authorities, followed closely by Tonbridge and Malling and Medway (at 192,000 sq.m and 187,000 sq.m respectively). Among the six authorities, Medway, Swale and Tonbridge and Malling have by far the largest stocks of industrial floorspace. Maidstone has the fourth largest stock behind these three authorities, however, the area of industrial floorspace is over 300,000 sq.m below the other three authorities.

Figure 5.2 Overview of Employment Floorspace by Local Authority (2016)



Source: VOA 2016 / Lichfields analysis

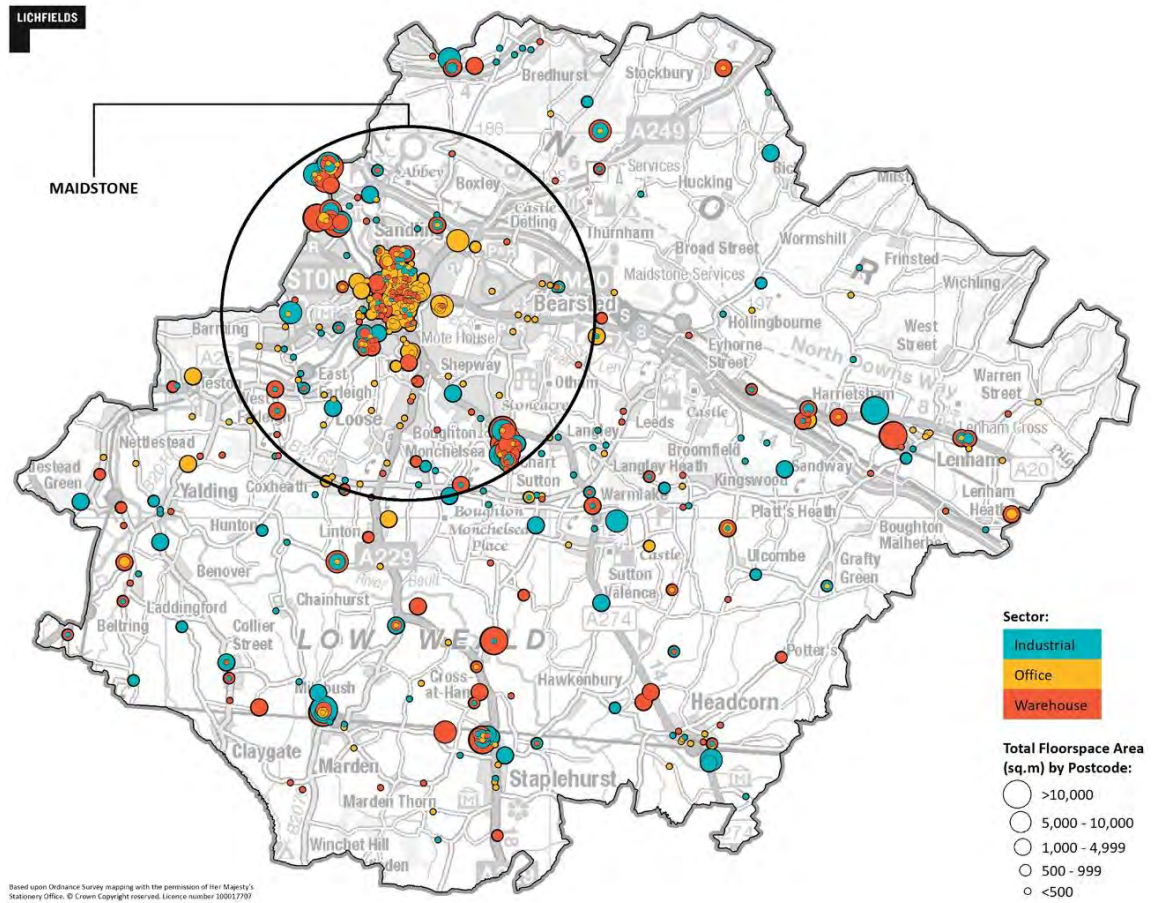
5.6 Maidstone has the second largest stock of retail floorspace (270,000 sq.m) out of the six authorities, with Medway having the largest stock (430,000 sq.m). This reflects the fact that Medway constitutes the largest urban area, with several centres and large retail parks located within the authority boundary.

Spatial Distribution of B Class Space

5.7 The spatial distribution of office and industrial floorspace in Maidstone is shown in Figure 5.3 and Figure 5.4 overleaf based on the latest available data from the VOA.

5.8 The maps indicate that office floorspace is focused within Maidstone town centre and around the periphery of the town centre. The VOA data suggests that there is 85,780 sqm of office floorspace located within Maidstone Town Centre (as defined by the policy boundary), equivalent to just over half of all office space in the Borough.

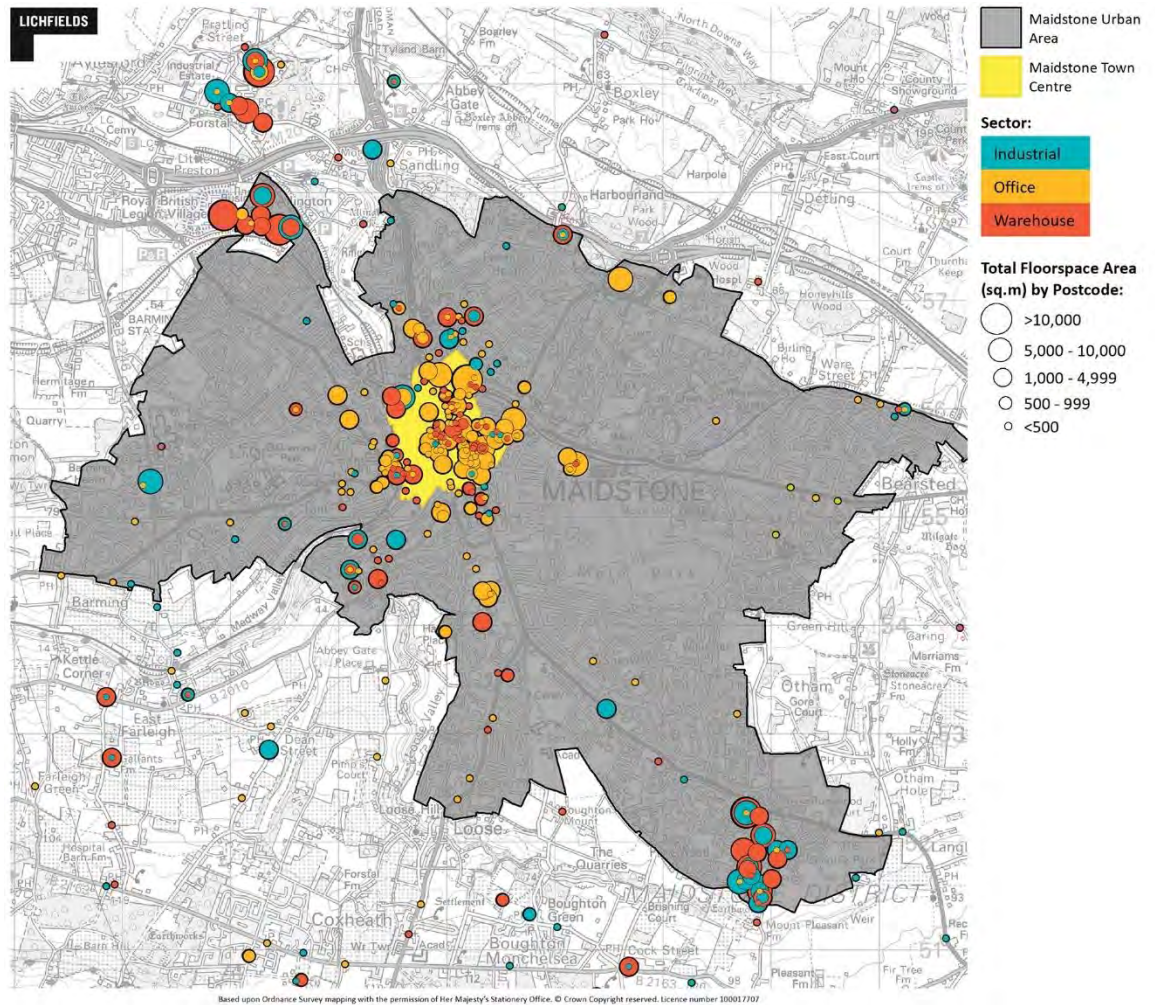
Figure 5.3 Industrial, Office and Warehouse Space in Maidstone Borough



Source: VOA 2019 / Lichfields analysis

- 5.9 There are also notable clusters of office space to the east of the town centre at Turkey Mill; around Maidstone West station; in South Park Business Village; and at Eclipse Park near to junction seven of the M20. Other offices are located outside of Maidstone town in the more rural parts of the Borough, but these are scattered and do not form clusters on a similar scale and critical mass to the main urban area.
- 5.10 The main industrial and warehouse locations in Maidstone town are Parkwood Industrial Estate, located in the southwesterly corner of the town, and in two estates situated between junctions five and six of the M20. There is further industrial and warehouse space on the main roads that lead into the town centre including the A20 and A229. Further clusters of industrial and warehouse space are found in the more rural parts of the Borough including at Marden, Staplehurst and Lenham (see Figure 5.3).

Figure 5.4 Industrial, Office and Warehouse Space in Maidstone Town

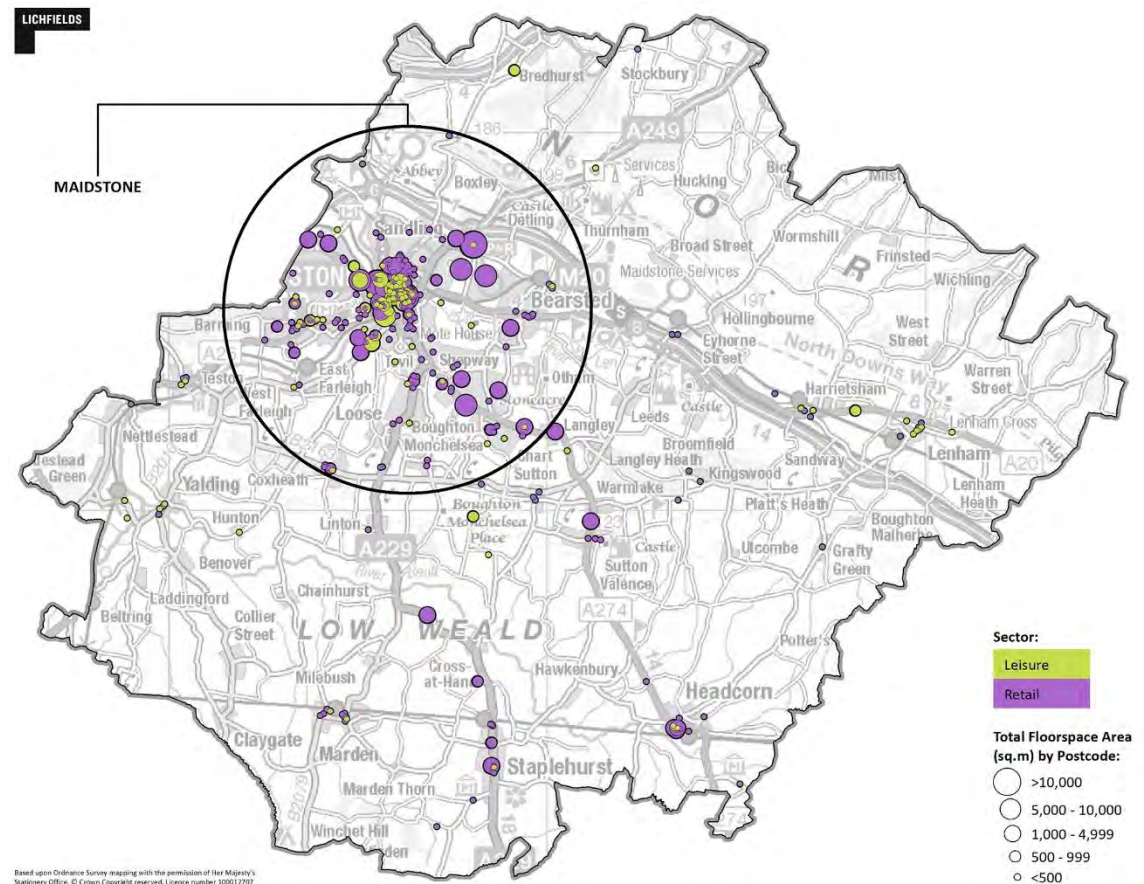


Source: VOA 2019 / Lichfields analysis

Spatial Distribution of Retail and Leisure Space

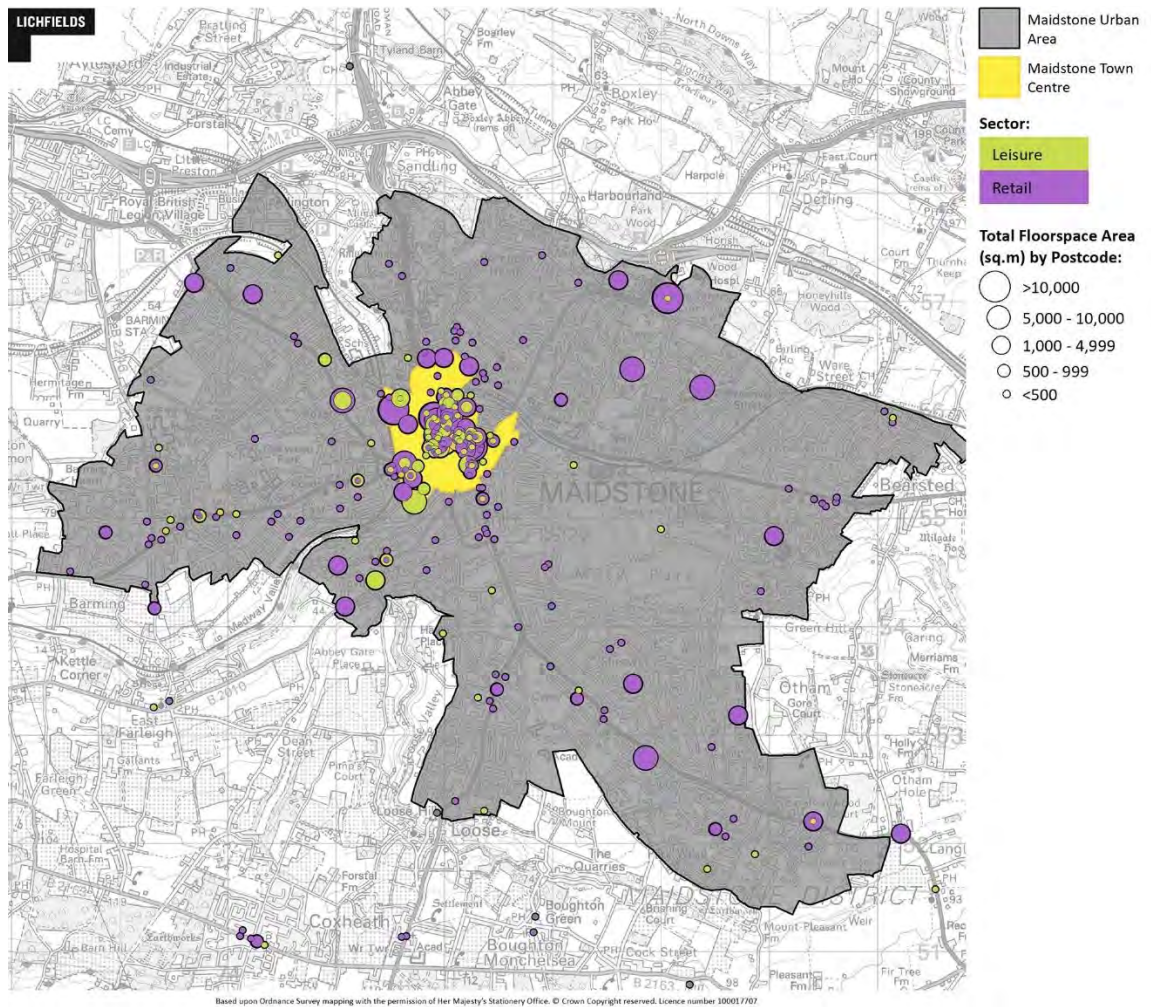
- 5.11 The spatial distribution of retail and leisure floorspace in Maidstone is shown in Figure 5.5 and Figure 5.6, based on the latest available data from the VOA. The leisure category includes a number of different property uses including restaurants and cafes, public houses, bowling alleys, cinemas, leisure centres and gyms.
- 5.12 The maps indicate that most of the retail and leisure floorspace is concentrated in Maidstone town centre, with some other smaller clusters found at Eclipse Park and Newnham Court. Additional retail and leisure space is recorded in the smaller centres of Staplehurst and Headcorn, though is much smaller in scale than Maidstone town.

Figure 5.5 Retail and Leisure Floorspace in Maidstone Borough



Source: VOA 2019 / Lichfields analysis

Figure 5.6 Retail and Leisure Floorspace in Maidstone Town



Source: VOA 2019 / Lichfields analysis

Historic Development Rates

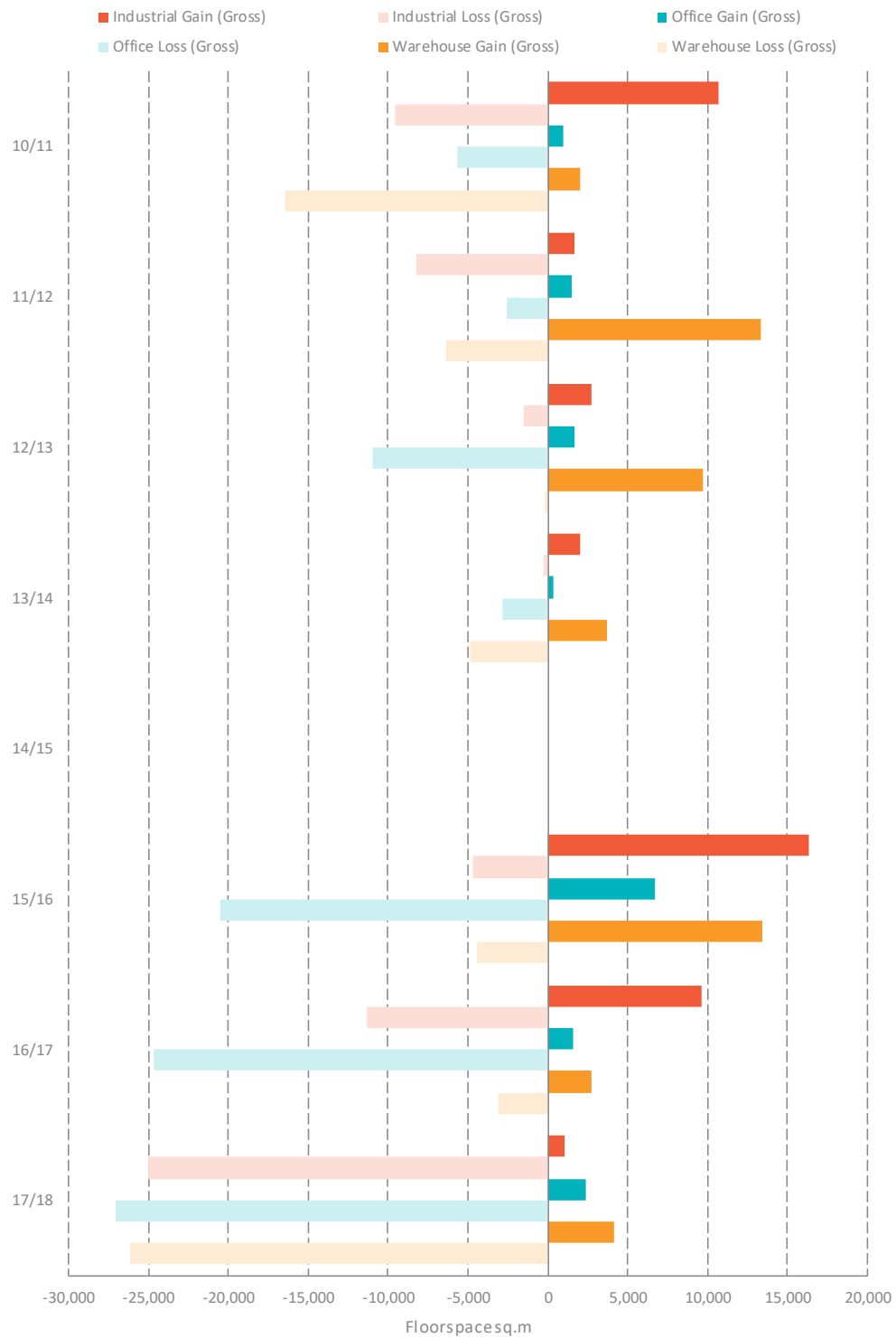
- 5.13 Monitoring data provided by Maidstone Borough Council covering the eight-year period from 2010/11 to 2017/18 can be used to provide an overview of the scale and nature of employment, retail and leisure development that has occurred within the Borough in recent years. It should be noted that the accuracy of the monitoring data has not been checked or verified by Lichfields.

Industrial, Office and Warehousing

- 5.14 Over the eight-year period from 2010/11 to 2017/18, the gross area of B class floorspace developed in Maidstone equated to 108,541 sq.m, which is equivalent to an annual completion rate of 13,568 sq.m. Most of this space comprised either industrial premises (B1c/B2) or warehousing (B8), which make up 40.6% and 45.2% of the total gross area gained respectively. In comparison, little office development occurred in the Borough, with the annual gross rate of completions equating to just 1,916 sq.m per annum.
- 5.15 The gross loss of B class floorspace in Maidstone equated to 216,541 sq.m over the eight-year period. A similar area of industrial and warehouse space was lost over the period (-60,741 sq.m and 61,558 sq.m respectively), while offices losses were significantly higher at 94,242 sq.m,

equating to an annual loss rate of 11,780 sq.m. An overview of these gross gains and losses is presented below in Figure 5.7 by year from 2010/11 to 2017/18⁹.

Figure 5.7 Historic Industrial, Office and Warehouse Development Rates in Maidstone Borough



Source: Maidstone Borough Council / Lichfields analysis

⁹ Note: Floorspace areas for 2014/15 are included within the 2015/16 results due to how the data has been supplied

- 5.16 Overall, losses of B class floorspace in Maidstone have significantly exceeded gains over the last few years. Offices have fared the least well out of the three premises types, with floorspace losses outweighing gains at a ratio of 6 to 1. The largest losses of office floorspace, as shown in Figure 5.7, occurred from 2014/15 to 2017/18, linked to the introduction of office to residential permitted development rights. During the four-year period, 72,181 sq.m of office floorspace was lost versus 10,706 sq.m of office floorspace gains.
- 5.17 Like offices, Maidstone in gross terms lost more industrial and warehouse space (-60,741 sq.m and -61,558 sq.m respectively) than it gained (44,098 sq.m and 49,114 sq.m respectively) over the period. The largest gains in industrial space occurred in 2010/11 and from 2014/15 to 2016/17, while warehouse gains spiked from 2011/12 to 2012/13 and from 2014/15 to 2015/16. The largest losses of industrial and warehouse space occurred during both 2010/11 and 2017/18. The loss of space in the last year was driven by the demolition of commercial buildings at Greentops, Headcorn (-9,720 sq.m industrial space) and the demolition of B8 space at Bentletts Scrapyard on Claygate Road (-19,000 sq.m warehouse space).
- 5.18 Table 5.1 below provides a summary of the annual average change in industrial, office and warehouse floorspace in Maidstone from 2010/11 to 2017/18.

Table 5.1 Annual Average Change in Industrial, Office and Warehouse Floorspace (2010/11 – 2017/18)

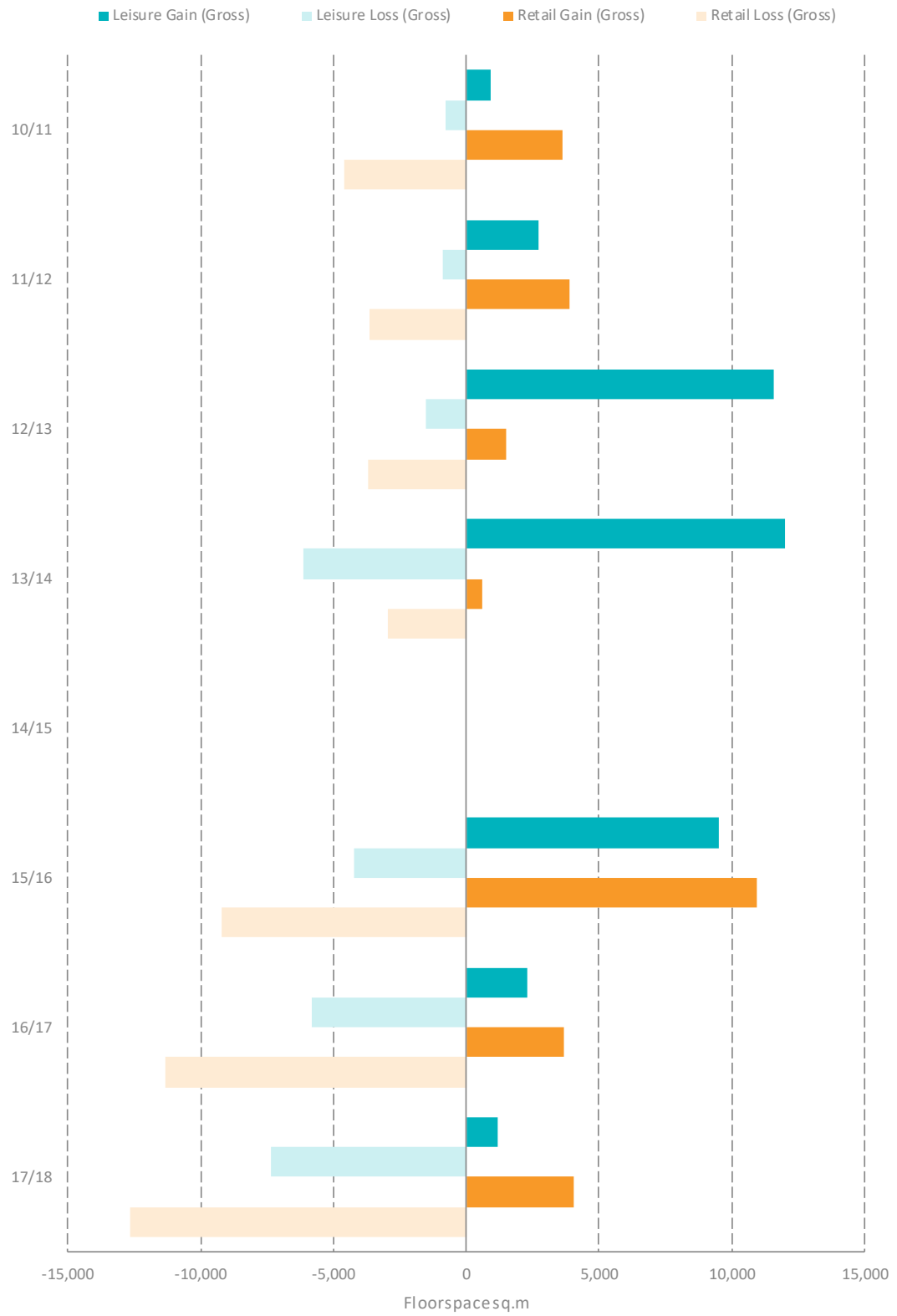
Land Use	Annual Gross Gain (sq.m)	Annual Gross Loss (sq.m)	Annual Residual Change (sq.m)
Industrial	5,512	7,593	-2,080
Office	1,916	11,780	-9,864
Warehouse	6,139	7,695	-1,556
Total	13,568	27,068	-13,500

Source: Maidstone Borough Council / Lichfields analysis

Retail and Leisure

- 5.19 The gross amount of retail floorspace development in Maidstone from 2010/11 to 2017/18 totalled 28,290 sq.m, equivalent to an annual average development rate of 3,536 sq.m. The gross area of leisure floorspace developed during the eight years totalled 40,271 sq.m (equivalent to 5,034 sq.m per annum).
- 5.20 **Over the same period, the Council's monitoring data suggests** that in gross terms 48,099 sq.m and 26,655 sq.m of retail and leisure floorspace was lost respectively. This equates to annual gross losses of retail and leisure floorspace of 6,012 sq.m and 3,332 sq.m respectively. An overview of gross gains and losses by year is provided in Figure 5.8 below.

Figure 5.8 Historic Retail and Leisure Development Rates in Maidstone Borough



Source: Maidstone Borough Council / Lichfields analysis

5.21 Overall, more retail floorspace in gross terms has been lost in the Borough than gained. Gains in retail floorspace have been relatively consistent over the eight years, with a spike in

development between 2014/15 and 2015/16. The losses of retail floorspace occurred more recently, with losses continuing to increase from 2014/15, reaching a peak of -12,647 sq.m in 2017/18. These losses were driven significantly by the demolition of the Grafty Green Garden Centre in Headcorn, while the spike in retail gains between 2014/15 and 2015/16 was mainly driven through the development of Plot 4 at Eclipse Park.

5.22 Unlike retail, more leisure floorspace has been gained than lost in Maidstone (40,271 sq.m versus -26,655 sq.m). The largest gains in leisure floorspace occurred between 2012/13 and 2015/16, while losses began to increase in the latter stages of the eight-year period. The gains in leisure floorspace have been driven by increases across all land uses incorporated in the category, with D2 providing a slightly higher proportion of the total gain. In comparison, the loss of D2 space has acted as the main driver for the gross losses in leisure space. One such example of a major D2 loss is the conversion of King Street Bowling Alley into sheltered apartments.

5.23 Table 5.2 below provides a summary of the annual average change in retail and leisure floorspace in Maidstone from 2010/11 to 2017/18.

Table 5.2 Annual Change in Retail and Leisure Floorspace (2010/11 - 2017/18)

Land Use	Annual Gross Gain (sq.m)	Annual Gross Loss (sq.m)	Annual Residual Change (sq.m)
Retail	3,536	6,012	-2,476
Leisure	5,034	3,332	1,702
Total	8,570	9,344	-774

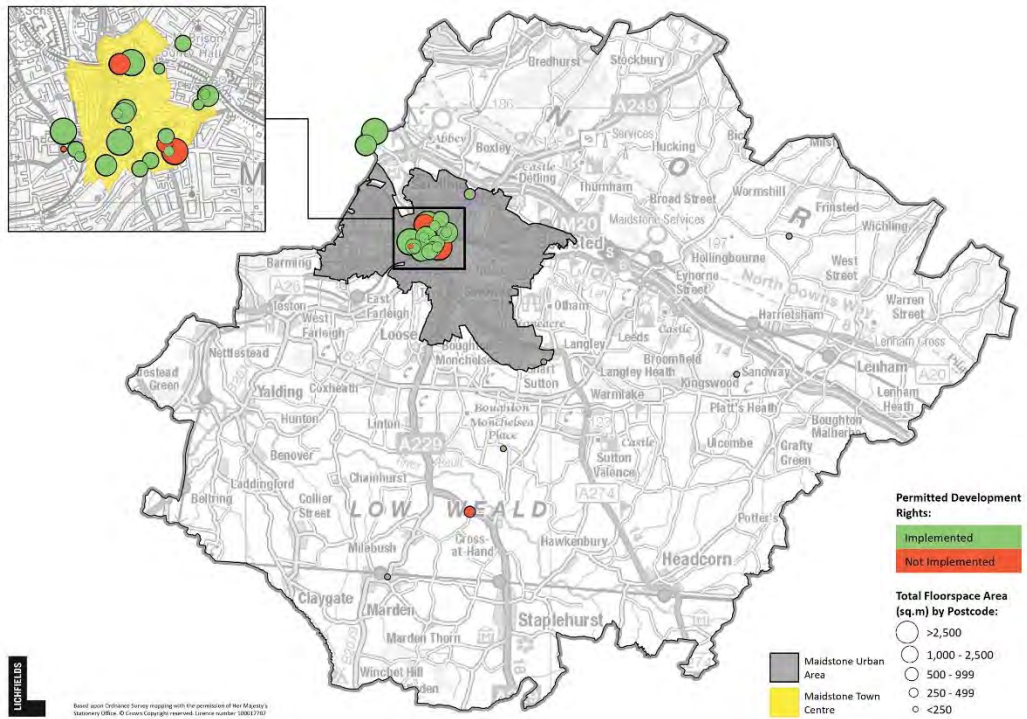
Source: Maidstone Borough Council / Lichfields analysis

Permitted Development Rights

5.24 In 2013, the Government announced the proposed introduction of Permitted Development Rights (PDR) to allow for the change of use from B1(a) offices to C3 residential uses through the prior approval process. In October 2015, the Government confirmed that temporary PDR will be made permanent. In many locations across the country, the effect of the PDR has been to increase the rate of losses of office floorspace, often above historic trends.

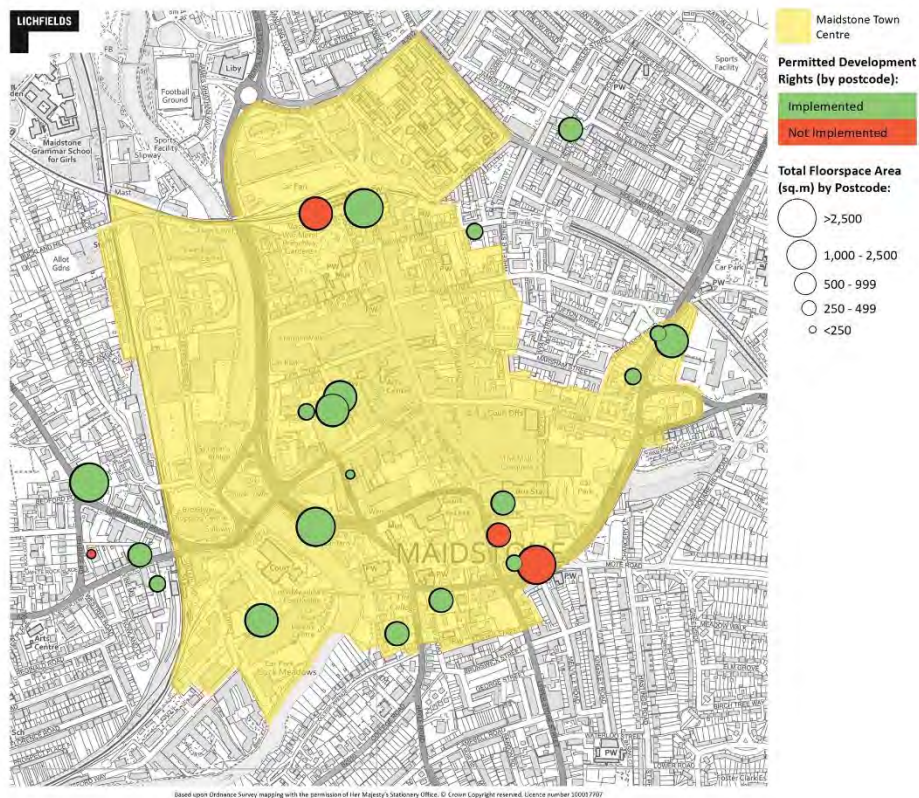
5.25 Analysis of monitoring data provided by Maidstone Borough Council indicates that 33 prior approval applications have been submitted and implemented since May 2013. In addition, a further five prior approvals as of 2018 remain unimplemented. The location of the prior approvals that have postcode information available is shown below in Figure 5.9 and Figure 5.10.

Figure 5.9 Office to Residential Prior Approvals in Maidstone Borough (2013-2018)



Source: Maidstone Borough Council / Lichfields analysis

Figure 5.10 Office to Residential Prior Approvals in Maidstone Town Centre (2013-2018)



Source: Maidstone Borough Council / Lichfields analysis

- 5.26 The total quantum of office floorspace associated with those sites with prior approvals that have been implemented is 51,980 sq.m. A further 7,000 sq.m of office floorspace with prior approval under PDR has not yet been implemented. This suggests that a total of 58,980 sq.m of office floorspace could be lost due to PDR in Maidstone, equivalent to 30% of the total 199,000 sq.m stock of office floorspace recorded in the Borough in 2014¹⁰.
- 5.27 Table 5.3 below provides further detail by showing the quantum of implemented prior approvals and the pipeline of unimplemented prior approvals in Maidstone over the period from 2014-2018.

Table 5.3 Maidstone Implemented and Unimplemented Prior Approvals (2014-2018)

	Floorspace (sq.m)			
	2014-2016	2017	2018	Total
Implemented	10,480	21,370	20,130	51,980
Unimplemented	30,240	9,850	7,000	-

Source: Maidstone Borough Council / Lichfields analysis

Note: Figures may not sum due to rounding

- 5.28 From a qualitative perspective, much of the office space that has been lost through PDR has been poorer quality and obsolete stock within the town centre, and generally not fit-for-purpose with regards to the type of **office space in demand from the town's occupiers**.
- 5.29 Nevertheless with PDR now confirmed as permanent, it will be important for Maidstone Borough Council to carefully monitor the future loss of office space to determine whether additional provision becomes necessary. In addition, the Council will need to be wary of the recently introduced possibility to use PDR to convert light industrial (use class B1c) to residential uses, which could lead to the loss of some light industrial floorspace.

Summary

- 5.30 The following key findings and conclusions can be drawn with respect to the stock of employment, retail and leisure space within Maidstone:
- 1 Maidstone experienced net reductions in office and industrial floorspace between 2000 and 2016, while the stock of retail floorspace grew by 7.6%;
 - 2 In quantitative terms, Maidstone has a similar stock of office and retail floorspace to Tunbridge Wells. The Borough has a smaller stock of industrial floorspace when compared to other neighbouring authorities including Medway, Swale and Tonbridge and Malling;
 - 3 Employment space in the Borough is clustered in Maidstone town centre and along the roads that lead into the centre. There are also smaller clusters of office and retail floorspace located on the outskirts of the town alongside the **Borough's main industrial and warehouse parks** (e.g. the Parkwood Estate);
 - 4 **The Council's monitoring data indicates that there have been larger gross losses of industrial, office and warehouse floorspace in Maidstone than gains**, with offices having a ratio of gross gains to losses of 6.1 to 1. Gross losses of retail floorspace have also exceeded gross gains, with leisure being the only floorspace class experiencing more gains than losses in recent years;
 - 5 Since 2013/14, approximately 30% of the **Borough's office stock has received** prior approval for change of use to residential use. The clear majority of this floorspace is located within

¹⁰ VOA, Business Floorspace (2016)

and around the town centre, with some smaller clusters found in other parts of the Borough.

- 5.31 **Based on the analysis of historical development rates using the Council’s monitoring data, work** is required to meet the forecasts for additional office, industrial, warehouse and retail floorspace set out within Policy SS1 of the Maidstone Borough Local Plan (24,600 sq.m office space, - 18,610 sq.m industrial space, 7,965 sq.m warehouse space and 29,800 sq.m retail floorspace (comparison and convenience cumulatively))¹¹. Each floorspace type recorded greater losses than gains of space over the last few years, resulting in an overall decline in levels of stock from the start of the plan period in 2011. This places greater pressure on the remaining years of the plan period to deliver net additional commercial development within the Borough.

¹¹ Maidstone Borough Council, Local Plan (October 2017)

6.0 Commercial Property Market Signals and Intelligence

6.1 This section provides an overview of the commercial property market in and around Maidstone, including recent trends in demand and supply. The findings are mainly based on discussions with several commercial property agents currently active in the Borough and wider sub-region (see Appendix 1) and where appropriate this has been supplemented with information derived from other sources including commercial property availability databases and published reports.

National Property Market Overview

6.2 The UK economic recovery, which began in 2013, has now become firmly entrenched, and sentiment in commercial property appears to be the most positive it has been for many years. While central London offices are still the outperforming market segment, some investors and developers are also looking further afield to access stock and achieve good returns. However, much of this activity is focusing on the best performing locations in the South East or major provincial cities. In more economically marginal locations (such as Maidstone and other Kent commercial centres), and those without a significant existing commercial property market, there is still uncertainty and lenders and developers are likely to remain cautious.

6.3 **The UK's forthcoming withdrawal from the European Union and associated economic** uncertainty is also anticipated to have an impact upon commercial property markets across the country with investor and developer confidence likely to be hit in the short term at least. Given the focus of the EDNS upon longer term needs as well as short term needs, it is important that any analysis of commercial property market signals takes a longer-term view.

Market Geography

6.4 Despite the ongoing economic uncertainties facing the UK and its property market, the outlook for Kent remains positive. It's stock of business and residential property is relatively more affordable than other parts of the South East and Kent is expected to remain a vital gateway to continental Europe, regardless of **the UK's withdrawal from the EU**.

6.5 Maidstone has always been strategically well located within Kent, and this continues to represent a key strength from a business perspective. Its long-established population base and an established critical mass of business space have enabled the Borough, and in particular Maidstone town, to remain resilient to macro-economic change, although other commercial centres across Kent (including Ashford, Dartford and Medway) have grown, developed and diversified in recent years to provide a broader range of competitor locations for Maidstone when it comes to attracting and retaining business occupiers.

6.6 In overall terms, Kent can be characterised as having three broad property market areas which tend to share similar property market characteristics and roughly correlate with a typical occupier 'area of search'. These are as follows:

- 1 West Kent: comprising the centres of Sevenoaks, Dartford, Tunbridge Wells and the Borough of Tonbridge & Malling, this area borders Greater London and commands the **county's** highest property values.
- 2 Mid Kent: including Maidstone, the Medway towns and along the M20 corridor as far as Ashford.
- 3 East Kent: comprising the eastern portion of the county and the centres of Ashford, Canterbury, Folkestone, Dover and Margate. This property market area is characterised by

comparatively poorer strategic connectivity and as a result, lower commercial property values.

- 6.7 **The Borough's** commercial property market is diverse and is mainly centred upon Maidstone as **Kent's county town**, with the smaller settlements of Staplehurst, Headcorn, Lenham and Marden playing a less significant role. The main focus in commercial property market terms tends to be industrial, facilitated by the presence of the M20 and links with the strategic road network that this provides.
- 6.8 **Maidstone's** commercial property market is generally quite self-contained but extends beyond the Borough boundary to nearby Aylesford (which straddles the administrative border with Tonbridge & Malling) from an industrial perspective, and to the sizeable business park at Kings Hill (also in Tonbridge & Malling Borough) from an office perspective.
- 6.9 Local property agents note that there is some overlap in property market terms between the **Borough's** settlements and other commercial centres in the sub-region, including the Medway towns, although the presence of Bluebell Hill tends to operate as a key separator. Relatively poor connectivity and road linkages south of Maidstone town mean that the **Borough's smaller** settlements tend to operate as their own self-contained, localised markets. Other centres within the wider sub-region such as Ashford, Sevenoaks and Tunbridge Wells provide very limited overlap with Maidstone from a commercial property market point of view, and tend to operate as distinct markets.
- 6.10 This means that the majority of demand for office and industrial space comes from the churn of existing firms, with comparatively few enquiries received by agents from firms located outside the immediate sub-region.

Market Segments

Industrial

- 6.11 Nationally, the industrial market has been the strongest performing commercial sector over the last few years and a shortage of stock combined with rental growth in many areas has combined to deliver both capital and income returns; Kent and Maidstone, in particular, reflects this trend. The weakening of sterling since the EU Referendum vote has provided a boost to the manufacturing sector, although uncertainty is impacting on investment. Meanwhile, online retailing has continued to gather pace, with implications for retailer distribution strategy.
- 6.12 The Borough of Maidstone is generally perceived as a good industrial location, benefiting from strong transport links (notably the M20 transport corridor), good supply of skilled local labour and historically a reasonable supply of land for new development.
- 6.13 Industrial uses (B1c, B2 and B8) account for most demand for business space within Maidstone, and demand is currently reported to be strong. Most demand tends to fall within a size range of between c.5,000sqft and 20,000sqft (460sqm – 1,900sqm), with smaller units generally sought for B1c/B2 uses and larger units typically accommodating B8 occupiers. At the smaller end of the market, there is also reported to be pent up demand for freehold units between 1,500 and 2,500sqft (140sqm – 230sqm) for flexible B1c/B2/B8 uses.
- 6.14 Demand for industrial space tends to increase with proximity to the M20 motorway and to centres of population, with the M20 corridor representing the prime location for demand within the Borough.
- 6.15 Most demand is reported to come from locally based firms, seeking new premises for expansion and/or to upgrade. For these firms, availability of staff is critical and Maidstone has always

benefited from a large pool of labour from which to draw, which extends to the nearby Medway towns which act as important labour market **'feeders' for Maidstone employers**. The Borough has never been a strategic distribution centre of any significance, and its relative location (despite its proximity to Europe) away from the key distribution and logistics hubs in the Midlands mean that this position is unlikely to change. Going forward, B8 demand is therefore likely to come from smaller scale occupiers seeking more modest sized accommodation.

- 6.16 As shown in the previous chapter, industrial space is dispersed right across the Borough, but with a concentration to the south of Maidstone town in and around the Park Wood industrial area. This represents one of **Maidstone's main industrial estates** and is popular amongst occupiers, particularly amongst motor trades and car dealerships etc. The industrial estate is **well occupied but suffers from the site's relative distance from the motorway network, with** occupiers having to travel through the town centre to reach the M20. This tends to make rents cheaper than other industrial locations such as Aylesford (some of which falls within adjoining Tonbridge & Malling) which accommodates the largest B8 floorplates in the area (at sites such as Larkfield Trading Estate) and offers a more strategic location. Elsewhere, 20/20 Business Park adjacent to the M20 and Deacon Industrial Estate on Forstal Road represent Maidstone **town's other industrial locations. The Borough's smaller** settlements also accommodate clusters of industrial space, for instance at Crest Industrial Estate in Marden.
- 6.17 Commercial development activity is reported to have been very limited in recent years, during which time demand has increased. As a result, industrial supply has continued to tighten, leading to high levels of occupation and low levels of vacancy across all locations in the Borough, despite occupiers often being restricted to poor quality built stock in need of refurbishment. There is a perception amongst local commercial agents that occupier activity is being constrained by a lack of industrial supply, and that latent, unsatisfied demand currently exists in the local market.
- 6.18 Resulting from the buoyant nature of the industrial property market and reasonably strong local occupier demand, market agents noted that the relative values between the cost of land and development and achievable rents/values have become sufficient for speculative industrial development to occur. Recent examples in and around Maidstone Borough include a 10-unit scheme at 2M Trade Park and schemes at Beddow Way and Forstall Road in Aylesford, an extension to Headcorn Business Park (c.30,000sqft / 2,800sqm) and Phase 2 of the Willows Business Park in Marden (1 x 43,000sqft / 4,000sqm building that can be sub-let). Some of these developments are occurring in comparatively secondary market locations due to lack of land availability in the more primary areas, for instance adjoining the M20 and A249 corridors, where property agents believe new allocations are needed. Together, this combination of new speculative industrial developments, as well as other industrial schemes in the development pipeline such as Woodcut Farm at Junction 8 of the M20, could help to satisfy most of the demand over the coming years.
- 6.19 Table 6.1 overleaf illustrates typical asking rents for industrial and office space within Maidstone and nearby locations. This shows that prime industrial locations in Maidstone tend to compete with nearby centres such as Aylesford and Tunbridge Wells on rents, but with secondary locations generally offering a slight cost advantage.
- 6.20 Typical asking rents have risen considerably within and around Maidstone Borough over the last 12 to 18 months as the available stock has reduced and demand continues. Property market data from agency Glenny¹² shows that Maidstone recorded the most significant increase in prime

¹² Glenny Databook Q1 2018

rents across South East London and Kent during the last year, with rental values reportedly increasing by over 25%.

Table 6.1 Industrial & Office Rents

Location	Industrial	Offices
	(£ / sqft)	(£ / sqft)
Maidstone – Prime	10-11	22-24
Maidstone – Secondary	7-8	15
Medway Towns	6-7	18-20
Aylesford	11-12	n/a
Kings Hill	n/a	24-26
Sevenoaks	13-14	30
Tunbridge Wells	10	25
Ashford	9-10	18-20
Herne Bay	8-9	18
Dartford	10-12	21-22

Source: Glenny Databook Q1 2018 / Kent Property Market Report 2018 / Discussions with local agents

Offices

- 6.21 At a macro level, the town centre office market has continued to perform well over recent months with steady demand from companies seeking to locate in quality town centre locations with the benefit of a high skilled catchment and transport infrastructure. Growing levels of freelancing and start-ups are adding to demand. The Kent market reflects these national trends although there are clear variations between locations, with vibrant towns with critical mass and good transport infrastructure generally performing better¹³.
- 6.22 The town centre office investment market continues to be influenced by residential conversion opportunities, particularly in towns such as Tunbridge Wells and Maidstone, although with the depletion of stock with conversion potential, the number of transactions has been more limited this year and this trend is likely to continue over the coming months and years. The second key **component of Kent’s office market is business parks, with strong levels of letting activity** recorded across Kent. In particular, the relatively footloose nature of life sciences companies **enhances Kent’s ability to compete for new and relocating businesses, and this has** been illustrated in a number of key lettings over the last 12 months.
- 6.23 The office market within Mid and West Kent is characterised by a small number of premier office locations at Kings Hill (which effectively functions as **‘Maidstone’s business park’ and has** proved to be successful in recent years) and at Crossways in Dartford (which has struggled to attract and retain occupiers recently due to ongoing Dartford crossing congestion). These premier locations are supported by a series of secondary office locations including Kent Science Park (near Sittingbourne), Gillingham Business Park, Eureka Park (in Ashford) and Eclipse Park (in Maidstone). Local property agents describe Kent as a ‘low demand low supply’ **market which** is generally in balance – demand amongst office occupiers is reported to be limited in the current climate and this is not anticipated to change significantly over the coming months.
- 6.24 The office market in Maidstone is weaker than the industrial market, with Maidstone town centre and Eclipse Park (near the M20) representing the only recognised office centres or notable concentrations of office stock. These two locations offer very different office products

¹³ Kent Property Market Report 2018

and cater to different segments of the office occupier market. The out-of-town office stock offers key benefits such as car parking provision, enhancing its appeal over the town centre which is reported to have seen a decrease in **demand in recent years due to the town's relatively poor** train connections (in terms of journey times to other destinations including London) and the gradually ageing stock of office accommodation on offer.

- 6.25 Eclipse Park represents the newest office stock in Maidstone Borough (c.10 years old) and the best quality stock available. Its four office buildings are all reported to be fully occupied and agents believe that additional equivalent provision is required to be able to attract and retain high quality office occupiers in future. Kings Hill provides an alternative to Eclipse Park but is located in adjoining Tonbridge & Malling Borough, and the two business parks compete with each other for high value office occupiers. Compared with Maidstone town centre, the two business parks provide a significant competitive advantage through car parking provision and accessibility. **Aside from Kings Hill, the Borough's** office market can generally be regarded as self-contained, with little overlap or movement of firms between settlements in the Borough, and with other commercial centres in the wider sub-region.
- 6.26 Turkey Mill on the edge of Maidstone town centre is another example of a good quality office development in the Borough, offering a reasonable location in the form of a campus style development. It also benefits from a good parking ratio and this helps to command a premium on rental values over other town centre accommodation.
- 6.27 The limited levels of demand are from a mix of office-based sectors but mainly driven by professional services firms and the wider service sector. Traditionally Maidstone has always been a strong financial and insurance hub and has attracted these types of occupiers. Financial sectors still drive local market demand but at a smaller scale than in previous years. Occupier requirements are changing, and whilst there is still demand for good quality office space in Maidstone, occupiers are increasingly looking for open plan flexible space in many cases on flexible terms. Springfield House (a Grade II listed mansion just north of the town centre) is an example of a recently refurbished office building that offers rents inclusive of all utilities and essential services, and is reported to be almost permanently full.
- 6.28 The key challenge in the current market is a reported lack of good quality office accommodation within the Borough (particularly within Maidstone town) coupled with a lack of recent office development. Viability remains a key barrier to new office development, with achievable rents currently lagging behind those required to enable new development. However, office rents have been rising over the last 6 months and are very close to what would be required to prompt speculative development, albeit this is most likely **to occur within the prime 'hot spot' market** areas, for instance adjoining the M20.
- 6.29 Table 6.1 above illustrates the typical range in asking rents for office space in Maidstone and comparator locations. This indicates a significant range in terms of quality of stock, with prime office space commanding similar rents to Kings Hill, Tunbridge Wells and Dartford, and secondary space offering a cost advantage over many other nearby locations.
- 6.30 The introduction of Permitted Development Rights (PDR) for change of use from office to residential has had a significant impact upon the office market in Maidstone since its introduction in 2013. Much of the office space that has been lost has been poorer quality and obsolete stock within the town centre, and generally not fit-for-purpose with regards to the type **of office space in demand from the town's occupiers. However**, the resulting increase in new residential space has reduced the scale of commercial activity in the town centre and as a result, the role of the town centre as an office location. Maidstone Borough Council will need to carefully monitor any future losses to consider whether measures should be put in place to

protect this space or plan for additional provision, particularly if better quality provision becomes at risk in future.

Summary

6.31 The key points in terms of commercial property market trends and dynamics in Maidstone can be summarised as follows:

- **The Borough operates within a ‘Mid Kent’ broad commercial property** market area, although its commercial property market is generally quite self-contained and extends just beyond the Borough boundary into adjoining Tonbridge & Malling Borough.
- **The Borough’s commercial property market is diverse and is mainly centred upon Maidstone as Kent’s county town, with the smaller settlements of Staplehurst, Headcorn,** Lenham and Marden playing a less significant role. The focus in commercial property market terms tends to be industrial, facilitated by the presence of the M20 and links with the strategic road network that this provides.
- Maidstone is generally perceived as a good industrial location, benefiting from strong transport links (notably the M20 transport corridor) good supply of skilled local labour and historically a reasonable supply of land for new development. Demand for industrial space tends to increase with proximity to the motorway (M20) and centres of population.
- Commercial development activity is reported to have been very limited in recent years, during which time demand has increased. There is a perception that occupier activity is being constrained by a lack of industrial supply, and that latent, unsatisfied demand exists in the local market. Rental values are now high enough to justify speculative industrial development with several current schemes underway in the Borough and wider area. Together, this combination of new speculative industrial developments could satisfy most of the demand over the coming years.
- The office market in Maidstone is weaker than the industrial market, with Maidstone town centre and Eclipse Park representing the only recognised office centres or notable concentrations of office stock. Out-of-town office stock tends to appeal over town centre stock which is reported to have seen a **decrease in demand in recent years due to the town’s** relatively poor train connections (in terms of journey times to other destinations including London) and the gradually ageing stock of office accommodation on offer.
- Office occupier requirements are changing, and whilst there is still demand for good quality office space in Maidstone, occupiers are increasingly looking for open plan flexible space, in many cases on flexible terms. The key challenge in the current market is a reported lack of good quality office accommodation within the Borough (particularly within Maidstone town) coupled with a lack of recent office development. However, viability remains a key barrier to new office development, with achievable rents currently lagging behind those required to enable new development to come forward.
- PDR has had a significant impact upon the office market in Maidstone, in particular within Maidstone town centre where a large quantum of office stock has been removed from the supply. Whilst much of this has comprised poorer quality, obsolete stock that is no longer fit-for-purpose, this trend has acted to undermine the role of Maidstone town as an office location, and should be monitored over the coming months and years.

7.0

Centre Health Checks

Maidstone Town Centre

- 7.1 The adopted Maidstone Local Plan identifies Maidstone as a town centre, and the main settlement in the Borough. It is the main shopping and employment destination in the borough. Maidstone also supports a range of leisure, tourist and cultural attractions, and has an active night time economy.
- 7.2 The Local Plan confirms that Town Centre Management is a long-standing initiative which acts to maximise the appeal of the town centre. One Maidstone will be delivering projects associated with marketing, events, regeneration and culture. The town centre vision states *“by 2031, a regenerated and sustainable Maidstone town centre will be a first class traditional town centre at the heart of the 21st Century County Town that has maintained its place as one of the premier town centres in Kent by creating a distinctive, safe and high quality place...”*
- 7.3 Local Plan Policy SP4 (Maidstone town centre) confirms that the regeneration of Maidstone town centre is a priority. This will be achieved through a variety of measures including (inter alia), retaining and enhancing a variety of well-integrated attractions for all ages including shopping, service sector-based businesses, leisure and cultural facilities; the retail-led redevelopment of Maidstone East/Royal Mail Sorting Office site; and for the medium to longer term, promoting a comprehensive retail redevelopment centred on The Mall shopping centre.
- 7.4 Maidstone has a good selection of retail and service uses and its key roles include:
- Convenience: within the town centre, there is reasonable convenience offer, comprising a Co-operative (450 sq.m), Tesco Express (350 sq.m) and Iceland (960 sq.m). There is also a **Sainsbury’s (3,700 sq.m) within the town centre boundary, but outside the Primary Shopping Area**. This provision is supplemented by a variety of newsagents, bakers, butchers, sandwich bars, off licences and other convenience stores.
 - Comparison: the main national multiple comparison units are located along the pedestrianised areas of Fremlin Walk, Week Street and within The Mall shopping centre. Fremlin Walk contains higher order national multiples and is anchored by House of Fraser. The Mall contains several lower order national multiples and has a range of anchor uses, **comprising Wilko’s, Iceland and T.J Hughes. Outside of the pedestrianised areas, High Street, King Street, Gabriel’s Hill and Pudding Lane generally contain lower order comparison units**, comprising many local retailers, financial services, restaurants, bars and public houses, with some national multiples. St Peters Wharf Retail Park is in the town centre boundary, but outside the primary shopping area and comprises Wickes, Asda Living, Hobbycraft, TK Maxx and The Range. There is a good range and choice of national multiples in the town centre.
 - Services: there are a range of service uses present in the town centre, including beauty salons, hairdressers, travel agents, banks, estate agents, betting offices and solicitors. The banks are represented by most of the national multiples.
 - Food and Beverage: there is a good range of food and beverage uses present in the town centre, comprising restaurants, cafés, bars, public houses and clubs. The centre has an active night time economy. Several national chains can be found, particularly along Earl Street. Chains comprise **Wagamama, Nando’s, Ask Italian, Zizzi, Pizza Express, Cote, Wildwood, Café Rouge and Prezzo**. King Street contains several national chain cafés, including Costa Coffee, Starbucks and Café Nero. There are many bars, public houses and clubs, predominately focussed along High Street and Bank Street.

- Entertainment/Leisure: The Hazlitt Arts Centre/Theatre is located along Earl Street, Maidstone Museum and Brenchley Gardens are located to the edge of the main shopping area, as is the Tyrwhitt-Drake Museum of Carriages and the River Medway (which offers river cruises). Mote Park is located about a 15-minute walk from the town centre. Lockmeadow Entertainment Centre is located within the town centre boundary, nearby to Maidstone West Railway Station. Here, there are a range of commercial leisure uses, including, Gravity Trampoline Park, Odeon Cinema and Hollywood Bowl.
- Other: the centre provides a range of other (non-class A) uses which provide valuable services to local residents and tourists. Such uses comprise hotels, churches and social clubs.

Venuescore

- 7.5 In terms of Venuescore ranking (2016/17), Maidstone town centre is second in the hierarchy in the region, ranked 52nd in the UK. It falls below Bluewater Shopping Centre, which is ranked 27th in the UK. Maidstone is ranked above centres such as Tunbridge Wells (ranked 55th) and Canterbury (ranked 67th).
- 7.6 By way of comparison, Maidstone town centre was ranked 49th in the UK in 2015/16, 52nd in 2013/14 and 48th in 2010/11. This suggests the centre has had a varied performance in relation to other centres nationally, decreasing in 2015/16 from its 2010/11 level, then increasing in 2015/16. The centre now sits at the same level as its 2015/16 ranking.
- 7.7 In terms of Bluewater shopping centre, the centre was ranked 25th in the UK in 2015/16, 21st in 2013/14 and 24th in 2010/11. This centre has therefore fallen in rankings, when compared to other centres nationally.

Mix of Uses

- 7.8 Within Maidstone town centre, there are many (529) Class A units. The diversity of Class A units within the centre (Goad Plan - October 2017, updated by Lichfields in February 2019), is set out in table 7.1 below, and the results are compared with the national average (2018).

Table 7.1 Maidstone - Mix of uses

Type of Unit	Number of Units	Percentage of Units (%)	National Average 2018 (%)
Class A1 – Comparison	193	36.5	33.0
Class A1 – Convenience	41	7.8	9.0
Class A1 – Service	85	16.1	13.9
Class A2 – Financial and Prof. Services	53	10.0	11.9
Class A3 – Restaurants and Cafés	60	11.3	9.8
Class A4 – Pubs and Bars	25	4.7	4.6
Class A5 – Takeaways	16	3.0	6.0
Vacant (Class A1-A5)	56	10.6	11.8
Total	529	100.0	100.0

Source: Experian Goad for Maidstone – October 2017, updated by Lichfields February 2019, Experian Goad 2018 national averages

- 7.9 In line with its role at the top of the shopping hierarchy in the Borough, Maidstone has a high proportion of Class A1 comparison units, above the national average, whilst the proportion of Class A1 convenience uses is below the national average. The convenience offer is dominated by **national multiples i.e. Sainsbury's, Iceland, Co-operative and Tesco**. The Class A1 service provision is higher than the national average, whilst the Class A2 service provision is lower than the national average. There is a low provision of Class A5 takeaways. The Class A4 pubs/bars

offer is in line with the national average, whilst the Class A3 restaurant/café offer is higher than the national average.

- 7.10 The vacancy rate (10.6%) is slightly below the national average of 11.8%, suggesting the town centre is reasonably healthy, with a good balance between the supply of shop premises and occupier demand. The 56 vacant units are generally spread throughout the centre, although there are some large vacant units in The Mall. Many of the vacant units are under-alteration and there appear to be few long-term vacancies. There is scope to reduce the vacancy rate in the future to accommodate growth.

Retailer Representation

- 7.11 Maidstone has a good selection of comparison shops (193 out of 529 Class A1-A5 units), significantly above the national average. Table 7.2 provides a breakdown of the comparison shop units by category and compares this to the Goad national average.

Table 7.2 Maidstone - Mix of comparison uses

	Number of Units	Percentage of Units (%)	National Average 2018 (%)
Clothing and footwear	55	28.5	23.3
Furniture, carpets and textiles	11	5.7	7.6
Booksellers, arts, crafts and stationers	11	5.7	8.5
Electrical, gas, music and photography	27	14.0	9.5
DIY, hardware and homeware	5	2.6	6.5
China, glass, gifts and fancy goods	10	5.2	5.2
Cars, motorcycles and motor accessories	0	0.0	0.5
Chemists, drug stores and opticians	12	6.2	10.9
Variety, department and catalogue	9	4.7	1.7
Florists, nurserymen and seedsmen	1	0.5	2.2
Toys, hobby, cycle and sports	8	4.1	5.3
Jewellers	16	8.3	5.0
Charity and second-hand shops	16	8.3	9.5
Other comparison retailers	12	6.2	4.3
Total	193	100.0	100.0

Source: Experian Goad for Maidstone – October 2017, updated by Lichfields February 2019, Experian Goad 2018 national averages

- 7.12 All the Goad plan categories are represented within the centre, apart from the cars, motorcycles and motor accessories, although there is a Peugeot car sales garage in the centre and an Avis Rent a Car. There is a good choice of outlets in most categories, particularly clothing and footwear; electrical, gas, music and photography; variety, department and catalogue; and jewellers. The choice in some of the other categories is more limited, such as florists and DIY, hardware and homeware. However, there are no obvious gaps in provision.
- 7.13 Despite the reasonable choice of comparison shops, there is a perception the retail offer has **declined and reduced in quality, including the loss of BHS and Clinton's Cards** and the increase in value retailing, temporary and non-retail uses. This is a national trend affecting many town centres. **The continuation of this trend is a threat to Maidstone's future vitality and viability.** The national multiple retailers are generally concentrated along the pedestrianised areas of Fremlin Walk, Week Street and within The Mall shopping centre. Consultation with a local commercial property agent (Harrisons) identified concerns that the announcement of the closure of a number of House of Fraser stores has led to increased shop vacancies in the Fremlin Walk area, particularly those units in close proximity to the House of Fraser unit, owing to the uncertainty surrounding the future of the anchor store.

- 7.14 The number of multiple comparison retailers is considered good, reflecting Maidstone's size and role. The multiple comparison retailers include:

Table 7.3 Maidstone - National Multiples

Primark	Mountain Warehouse	H&M	Trespass
Zara	Office	Clarks	Fat Face
Next	Superdry	River Island	New Look
Topshop	Laura Ashley	Oasis	Yours
Moss	Burton	Smiggle	Paperchase
Build a Bear	Card Factory	Clintons	Boots
Poundland	Sports Direct	House of Fraser	JD Sports
Pandora	Ernest Jones	H Samuel	Lush
The Body Shop	The Entertainer	Menkind	Argos
Superdrug	O2	Vodafone	Topman

Source: Experian Goad for Maidstone – October 2017, updated by Lichfields February 2019

Service Representation

- 7.15 Maidstone town centre has a good range of non-retail service uses, with a choice of facilities across all Goad categories, as shown in Table 7.4 below.

Table 7.4 Maidstone - Mix of Non-Retail Uses

	Number of Units	Percentage of Units (%)	National Average 2018 (%)
Restaurants/Cafés	60	28.6	23.8
Fast food/takeaways	16	7.6	14.7
Pubs/bars	25	11.9	11.3
Banks/other financial services	17	8.1	10.2
Betting shops/casinos	6	2.9	3.6
Estate agents/valuers	17	8.1	9.1
Travel agents	5	2.4	2.0
Hairdressers/beauty parlours	62	29.5	23.3
Laundrettes/dry cleaners	2	1.0	1.9
Total	210	100.0	100.0
Other	29	-	-
Total	239	-	-

Source: Experian Goad for Maidstone – October 2017, updated by Lichfields February 2019, Experian Goad 2018 national averages

- 7.16 Overall the range and choice of service uses in Maidstone is good, with several categories comparable or slightly better than with the national average. The choice of facilities in each sector is extensive. Notwithstanding this, the proportion of fast food takeaways; betting shops/casinos; banks and other financial services; estate agents/valuers; and laundrettes/dry cleaners is below the national average.
- 7.17 The restaurant/café offer in the centre is strong, and there are several national chains represented within the town centre, including Wagamama, Nando's, Ask Italian, Zizzi, Pizza Express, Cote, Wildwood, Café Rouge, Prezzo., Costa Coffee, Starbucks, Pret and Café Nero. These chain outlets are supplemented by a range of independent restaurants/café, which provides a good balance. The proportion of fast food/takeaways is significantly below the national average, but there is still a choice of outlets available.
- 7.18 The evening economy is supported by many bars, public houses, nightclubs, leisure and other entertainment attractions, which is considered good for a centre of its size. Lockmeadow

Entertainment Centre is located within the town centre boundary, nearby to Maidstone West Railway Station. Here, there are a range of commercial leisure uses, including, Gravity Trampoline Park, Odeon Cinema and Hollywood Bowl.

Maidstone Market

- 7.19 Maidstone has a market which takes place every Tuesday and Saturday at the Lockmeadow complex, around a 10-minute walk from the main shopping area. The Maidstone Boot Fair operates alongside the Saturday market, throughout the year. There is also the Kent Farmers Market operating from Jubilee Square one Friday every month.

Commercial Rents

- 7.20 According to the VOA, Zone A retail rents vary significantly throughout the centre. The variations are shown below:

- 1 Fremlin Walk: £950 – £1,050 per sq.m (with the exception of House of Fraser which is £73.50 per sq.m and a handful of other units which range from £150 to £220 per sq.m)
- 2 High Street: £60 - £1,000 per sq.m
- 3 King Street: £260 - £900 per sq.m
- 4 Earl Street: £260 - £350 per sq.m
- 5 Week Street: £120 - £1,600 per sq.m
- 6 **Gabriel's Hill: £400** - £475 per sq.m
- 7 Pudding Lane: £140 - £300 per sq.m

- 7.21 VOA prime rents in Maidstone compare with other centres in the region, as follows:

- | | | |
|----|-----------------|-----------------|
| 1 | Bluewater | £3,700 per sq.m |
| 2 | Maidstone | £1,600 per sq.m |
| 3 | Tunbridge Wells | £1,375 per sq.m |
| 4 | Canterbury | £1,350 per sq.m |
| 5 | Gravesend | £875 per sq.m |
| 6 | Ashford | £675 per sq.m |
| 7 | Chatham | £650 per sq.m |
| 8 | Sevenoaks | £625 per sq.m |
| 9 | Tonbridge | £525 per sq.m |
| 10 | Folkestone | £450 per sq.m |
| 11 | Dartford | £440 per sq.m |
| 12 | Dover | £350 per sq.m |

- 7.22 VOA data indicates Maidstone is a higher order centre, with relatively high rental values. Rental values are below those achieved in Bluewater Shopping Centre, but are significantly above those achieved in middle and lower tier centres. The rental values achieved in Maidstone are also above Tunbridge Wells and Canterbury.

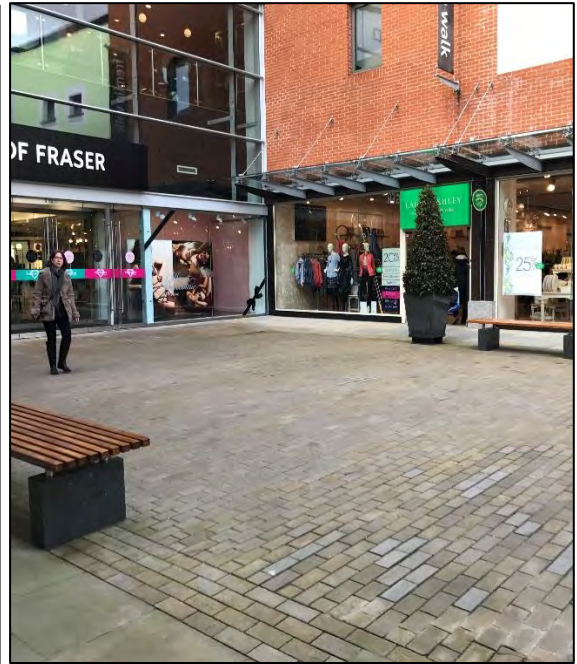
Characteristics of the Shopping Area

- 7.23 The main primary shopping area and primary shopping frontages of Maidstone are focussed around the pedestrianised areas of Fremlin Walk, Week Street and within The Mall shopping centre. **The Mall is the town centre's main indoor shopping centre. Whilst** several enhancement schemes have taken place to the external entrances, internally the building is slightly dated, and there are several vacancies. Fremlin Walk offers an outdoor purpose-built shopping area, with modern units suited to modern day retailers. It offers a high quality, attractive shopping environment. **High Street, Bank Street, Mill Street, King Street, Gabriel's Hill, Union Street, Earl's Street, Pudding Lane and Royal Star Arcade generally comprise secondary shopping frontages** and are characterised by narrow shop frontages. The primary shopping areas comprise mainly Class A1 national multiple retailers, whilst the secondary shopping areas contain smaller stores, mostly run by independent retailers. Earl Street has a high concentration of chain restaurants.
- 7.24 High Street, King Street, Week Street and Gabriel's Hill are intersected by Jubilee Square, which is a public square which has been created through a variety of high street improvement works. It offers an attractive, high quality environment, with good quality paving, planting and seating (see below).



- 7.25 Maidstone is a historic centre, with an attractive and distinctive shopping environment. It has several accessible green spaces and the River Medway is a key natural landscape feature within the town centre. Over recent years, the quality of the environment has been upgraded and enhanced through a variety of high street improvement works. This has included new paving, public realm and the expansion of pedestrian friendly areas.
- 7.26 The centre is largely pedestrianised and easy to navigate on foot, using Jubilee Square as a point of reference. Throughout the centre, amenities are provided for visitors, including car parks, seating, bins, cycle parking, planting and open green space. The vision for Maidstone is seeking to continue to improve the environment through further high street improvement works. At the time of our visit, further enhancement of the paving/expansion of pedestrian friendly areas was taking place towards the middle of Week Street/Union Street.





7.27 An extension to the upgraded paving should also be considered for other areas, particularly along Mill Street and Pudding Lane (see below).

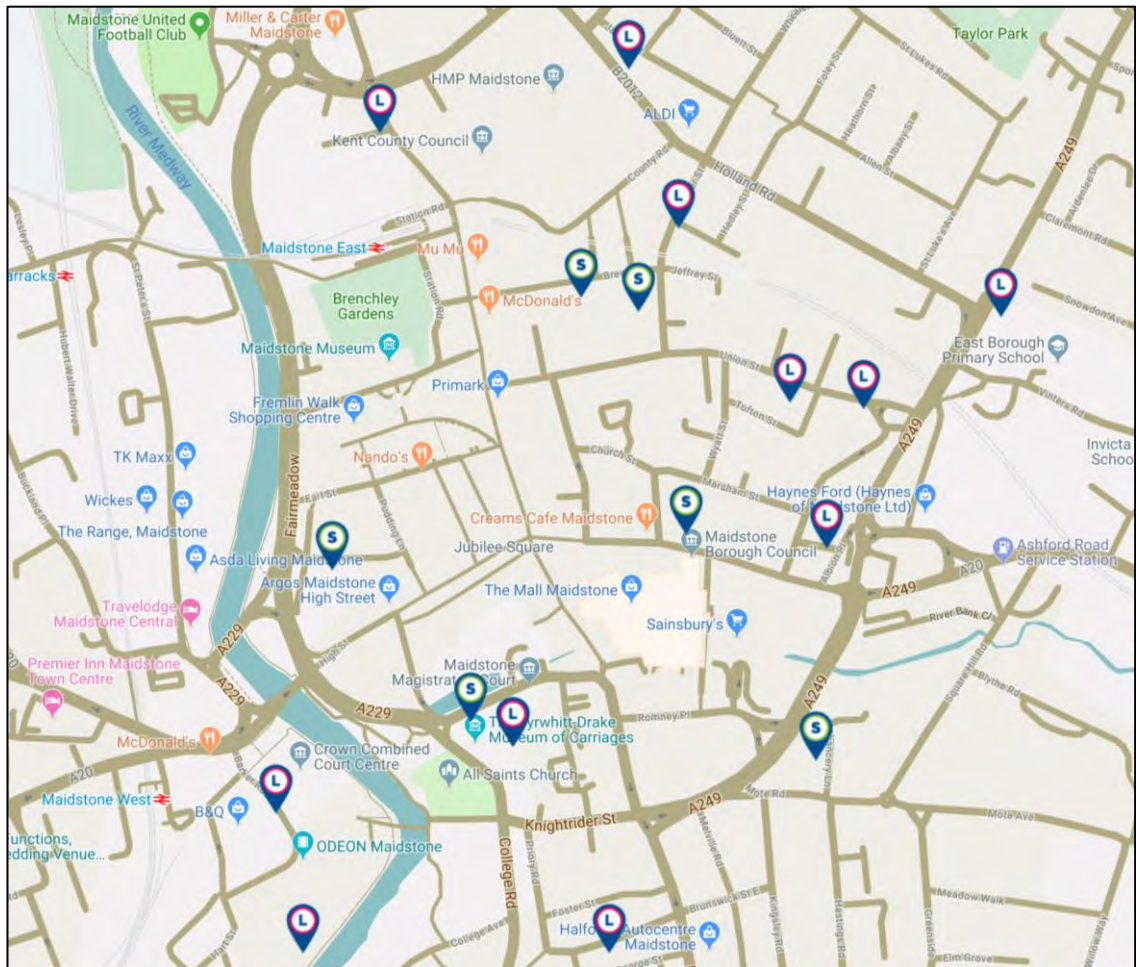


7.28 The sense of arrival from Maidstone West railway station is poor and therefore does not create a good first impression for visitors arriving in Maidstone from the west; there is no clear pedestrian route into the town centre and this area appears run down and congested with vehicular traffic. Measures to ease vehicular traffic, establish more prominent pedestrian linkages into the town centre and improve the first impression when arriving into Maidstone from the west should be considered. Once in the centre, the historic buildings and Jubilee Square create a positive impression.

Accessibility and Movement

- 7.29 There is a choice of short stay and long stay car parking in the town centre; these car parks are dispersed around the town centre and are conveniently located in proximity to the main shopping areas. A map showing the location of the car parks owned by Maidstone Borough Council are shown below. It should be noted, these car parks are supplemented by a range of privately-owned car parking and on-street parking bays, for example The Mall car park and Fremlin Walk car park. Prices range from around £2.20 -£3.75 for 2 hours.

Figure 7.1 Maidstone town centre car park locations



Source: Maidstone Borough Council

- 7.30 Maidstone town centre is well served by buses, with the main bus routes running along High Street/King Street. There are many services to local areas, as well as destinations further afield such as Tunbridge Wells, Tenterden and Ashford.
- 7.31 Maidstone town centre has three railway stations, Maidstone West and Maidstone Barracks to the west of the centre and Maidstone East to the north of the centre. These provide services to London, Ashford, Canterbury, Strood, Tonbridge and Paddock Wood, as well as local areas.
- 7.32 **Week Street, Fremlin Walk and Gabriel's Hill are predominantly pedestrianised which creates ease of movement for shoppers.** The High Street and King Street have several pedestrian crossing points and wide pavements which again creates ease of movement for shoppers. However, as detailed above, the area around Maidstone West railway station is poor with no clear links to, or views of, the town centre. As well, the roads to the west of the centre are often

dominated by vehicles and the A229 road creates a barrier to entry, although the pedestrian crossing points do ease this. The routes across the river for pedestrians and cyclists are indirect and are therefore act as barrier to entry to the main shopping areas of the centre.

Operator Requirements

The Requirements List is a published source of information, providing known requirements for **retail and leisure operators' space in towns across the country. For Maidstone, there are 30** known retail and leisure **operators' requirements. Table 7.5** details the operators with published known requirements in Maidstone.

Table 7.5 Maidstone - Retailer Requirements

Salvation Army (charitable organisation)	GDK (sandwiches, burgers, teas and donor kebabs)	Adjustamatic (bed and chair specialist)	Cards Direct (greetings cards/gifts)
QD Stores (discount retailer)	Middletons (independent furniture designers)	Sussex Beds (beds, mattresses, bedroom furniture)	Triple Two (Coffee shop & restaurant)
Crust (gourmet pizza bar)	Screwfix (trade tools)	Subway (fast food)	Hawkins Bazaar (gifts, toys and fun gadgets)
KFC (fast food restaurant)	Aldi (discount supermarket)	Kumon (study programmes for children)	Big Yellow Self Storage (self storage)
Pets @ Home (pet supplies)	Explore Learning (learning centre)	Finch House (independent café and bakery)	People Fitness (gym)
American Golf (golf equipment)	Prime Steak and Grill (restaurant)	Lidl (discount supermarket)	Sofology (sofa retailer)
Chip Nation (takeaway)	LNT Group (care home provider)	360 Play (creative play)	Miller & Carter (steakhouse)
Bonmarche (clothing retailer)			

Source: Requirements List February 2019

SWOT Analysis

7.33

Overall, Maidstone is performing as a successful town centre, in line with the aspirations of the Local Plan. Maidstone is a significant shopping destination in the region, with an attractive and distinct shopping environment. It has a good balance of national multiples and independent retailers and supports a wide range of leisure, cultural and tourist attractions. In addition, it has an active night time economy, with many restaurants, public houses, bars and nightclubs.

Strengths

- There is currently a good range and choice of national multiple retailers in the centre, although the offer is focused on the mid-market sector.
- There is a good range of service facilities, including banks, building societies, estate agents and travel agents.
- There is a good range of restaurants, cafés, pubs, bars and nightclubs in the centre.
- The main shopping areas are predominately pedestrianised and safe.
- Rental values in the centre are relatively high, which with the low vacancy rate suggests demand for space is strong.
- The centre has several car parks distributed around the centre, close to the main shopping areas.

- The centre provides an attractive historic environment, which is a pleasant place to visit.

Weaknesses

- The choice of food and grocery shopping is below the national average.
- The unit sizes are primarily narrow and limited in size due to the historic nature of the centre. This limits the possibility for larger format stores.
- The Mall shopping centre **lacks a high quality ‘anchor’** use.
- The sense of arrival at the Maidstone West railway station is poor. This area is relatively rundown and acts as a poor gateway to the town centre.
- The routes across the river for pedestrians and cyclists are indirect and are therefore act as barrier to entry.

Opportunities

- There are several potential development opportunities in the centre, which could accommodate larger format units suitable for modern retailers.
- Future population and expenditure growth provides an opportunity to strengthen the retail offer further to enhance the role of Maidstone in the sub-region.
- Better linkages to and enhancement of the area to the west of Maidstone around the railway station and the River Medway.

Threats

- Continuing national market difficulties and increase on-line shopping could reduce operator demand for space in the city centre.
- Potential major store closures in the future e.g. House of Fraser and other retailers currently struggling nationally.
- **Potential for major store relocations to out of centre locations e.g. M&S’s** new store at Junction 7.
- Inability to attract modern retailers due to the lack of large format stores and lack of opportunities.
- Competition from other settlements such as Bluewater Shopping Centre, Tunbridge Wells and Canterbury.

Rural Service Centres and Larger Village Centres

7.34 In addition to Maidstone town centre, Maidstone borough has a comprehensive network of rural service centres, larger village centres and district and local centres. The existing provision in the area offers a good distribution of facilities serving local communities. These facilities complement Maidstone town centre and have an important role in serving the day-to-day needs in their local areas.

7.35 An assessment of all rural service centres and larger village centres has been undertaken (some of these centres include allocated district/local centres within them). Each centre has been **attributed a “Local Needs Index” based on the availability of shops and services. The focus is the “needs” of local residents. There is no clear definition of need, but residents are likely** to expect to find some or all the following shops, services and community uses within easy walking distance of their home:

- 1 food or convenience store suitable for top-up shopping;

- 2 bank;
- 3 post office;
- 4 newsagent;
- 5 off licence;
- 6 chemist;
- 7 takeaway, café or restaurant;
- 8 public house;
- 9 bookmakers;
- 10 laundrette/dry cleaners;
- 11 hairdressers/beauty salon;
- 12 florist;
- 13 estate agents;
- 14 community hall;
- 15 doctors/dentist surgery; and
- 16 library.

7.36 Each centre has been allocated a score out of 16, based on the shops and services listed above (one point per category represented) available in the centre. The results are summarised in table 7.6 below.

Table 7.6 Local Needs Index

Centre Name	Status	Total No. of Units	Local Needs Index	No. of Conv. Stores	No. of Vacant Units
Harrietsham	Rural Service Centre	8	6	2	0
Headcorn	Rural Service Centre	49	11	5	3
Lenham	Rural Service Centre	29	12	4	0
Marden	Rural Service Centre	24	9	4	0
Staplehurst	Rural Service Centre	36	12	4	1
Boughton Monchelsea	Larger Village Centre	8	6	1	0
Coxheath	Larger Village Centre	26	10	4	1
Eyeborne St. Hollingbourne	Larger Village Centre	6	5	1	0
Sutton Valence	Larger Village Centre	11	8	1	0
Yalding	Larger Village Centre	9	6	1	0
Total		206	Ave. 8.5	Ave. 2.7	5

Source: Lichfields site visit February 2019


7.37 The Local Needs Index is not a precise measure of whether a local shopping centre is meeting the needs of local residents, and there are other factors to consider:


- 1 the relative size of a local parade will dictate the range of shops and services each centre can offer;
- 2 **the proximity of other town centres, local centres and ‘standalone’ shops means that local need may be met in an alternative location within walking distance and local needs are therefore still being met;**


- 3 the quality of the shopping centre or parade, in terms of its environment, type and range of retailers will affect how it is perceived and used by local residents; and
- 4 the relative accessibility of each centre will be an important factor in how local people use the local shops and services. For example, a major traffic route, which is difficult for pedestrians to cross, may influence shopping patterns in the area.


7.38


The Local Needs Index provides a useful index of whether a centre is meeting some or all of the needs of local residents. There is a range of scores across all the centres. Both Lenham and Staplehurst have the highest scores, with 12 and Headcorn has the next highest score, with 11. This is followed by Coxheath which scores 10 and Marden which scores 9. Eyehorne Street (Hollingbourne) has the lowest score, with 5, but this reflects that the centre only has 6 units. Overall, the average Local Needs Index is 8.5 which is considered good given the relatively limited size of the centres – residents have good access to local shops and services, and this is supplemented by Maidstone town centre and other smaller local centres/parades. Local residents have good access to convenience stores, with an average of 2.7 convenience stores per centre. In terms of vacant units, this is very low, with only 5 vacant units spread across 10 centres. A brief overview of the key characteristics of each centre assessed is set out below.


Harrietsham	
	<p>Harrietsham is designated as a Rural Service Centre in the Local Plan. Harrietsham is an attractive historic village centre. It has a limited number and range of shops and services, which are fragmented, rather than focussed in one area. Shops and services include a convenience store, post office, hairdressers, Indian restaurant, public house, social club and village hall. To the south of the centre, along the A20, is a new housing development, which includes a new Co-operative food store.</p> <p>A bus route runs along West Street, providing hourly services to Maidstone and Ashford. Harrietsham railway station is located approximately 0.4km to the north of the centre, providing services to London, Ashford and Canterbury (as well as local areas).</p> <p>Prime Zone A rents are £200 per sq.m.</p> <p>Harrietsham is performing its Local Plan role – the new Co-operative store will serve an important top-up food shopping function for local residents, enhancing the sustainability of the centre.</p>


Headcorn	
	<p>Headcorn is designated as a Rural Service Centre in the Local Plan and includes the High Street district centre. Headcorn is an attractive historic centre with shops and services focussed in a compact area, along High Street/North Street. It is the largest local centres with a good range and choice of shops and services, including convenience stores, independent comparison shops, restaurant/cafés, public houses, beauty salons/hairdressers, estate agents, funeral directors, takeaways and other services such as a dentist, doctor's surgery, village hall, natural heath centre and fitness studio. National multiples include Sainsbury's Local and Costa Coffee. There are only 3 vacant units, located in North Street.</p> <p>A bus route runs along the High Street providing half hourly services to Tenterden and Maidstone. Headcorn railway station is located 0.4km to the east of the centre, providing services to London, Dover and Ramsgate (as well as local areas).</p> <p>Prime Zone A rents are £300 per sq.m.</p> <p>Headcorn is performing its Local Plan role – it plays an important local retail and service role in the borough and acts as a key district centre.</p>

Lenham	
	<p>Lenham is designated as a Rural Service Centre in the Local Plan and includes The Square district centre. Lenham is an attractive historic centre with shops and services focused around the central square area. It includes a good range of shops and services meeting residents' needs. Shops and services include a Co-operative store, bakers, other convenience and comparison shops including a pharmacy and gift shops. Services include beauty salon/hairdressers, estate agent, solicitors, cafés, pubs, a takeaway, library, dentist, social club and medical centre.</p> <p>A bus route runs along Old Ashford Road, providing hourly services to Ashford and Maidstone. Lenham railway station is located approximately 1km to the south west of the centre, providing services to London, Ashford and Canterbury (plus local areas).</p> <p>Prime Zone A rents are £220 per sq.m.</p> <p>Lenham is performing its Local Plan role – it has all the key services you would expect to find in a Rural Service Centre, catering for residents' needs.</p>

Marden	
	<p>Marden is designated as a Rural Service Centre in the Local Plan and includes High Street and Church Green district centre. Marden is an attractive historic centre with a choice of shops and services focused around the High Street. There is also a small cluster of shops along Pattenden Road/Church Green, which is separated from the High Street by residential dwellings. Shops and services include small convenience stores, post office, a limited number of comparison shops, hairdressers, estate agent, public houses, takeaways, a medical centre, library, village hall and petrol filling station.</p> <p>A bus route runs along the High Street, but services to Maidstone, Goudhurst and Yalding are relatively infrequent. Marden railway station is located approximately 0.3km to the north of the centre, providing services to London, Dover and Ramsgate (as well as local stations).</p> <p>Prime Zone A rents are £250 per sq.m.</p> <p>Marden is performing its Local Plan role – it has all the key services you would expect to find in a Rural Service Centre, catering for local needs.</p>

Staplehurst	
	<p>Staplehurst is designated as a Rural Service Centre. The High Street is designated as a district centre. Staplehurst comprises a more modern purpose-built parade of shops, focused around a central area, in addition there are shops along High Street, in attractive historic buildings. The centre offers a good range and choice of shops and services including convenience stores, i.e. Spar, some comparison stores, including Lloyds Pharmacy, hairdressers/beauty salon, estate agent, funeral directors, betting shop, solicitors, restaurant, public houses, takeaways, library, dentist, vets, village hall and clinics.</p> <p>A bus route runs along the High Street offering roughly hourly services to Maidstone and Sandhurst. Staplehurst railway station is located 1.3km to the north of the centre, providing services to London, Dover and Ramsgate (as well as local stations).</p> <p>Prime Zone A rents are £300 per sq.m.</p> <p>Staplehurst is performing its Local Plan role – it has a many key services you would expect to find in a Rural Service Centre, catering for local needs.</p>

Boughton Monchelsea	
	<p>Boughton Monchelsea is designated as a Larger Village Centre in the Local Plan. It contains a very limited amount of shops and services which are fragmented throughout the centre, mainly along Church Street. It is an attractive centre, with several historic buildings which are predominantly residential. Shops and services present in the centre comprise Best One off-licence/convenience store with post office, florist, hairdressers, two public houses, a village hall, social club and a garage.</p> <p>A bus route runs along Green Lane (which intersects Church Street), providing infrequent services to Maidstone and Grafty Green.</p> <p>Prime Zone A rents are £175 per sq.m.</p> <p>Boughton Monchelsea is performing its Local Plan role – however, it has a limited amount of services, and there is scope for improvement here, for example, through the provision of a health centre and improvement in public transport links.</p>

Coxheath	
	<p>Coxheath is designated as a Larger Village Centre in the Local Plan. Heath Road is designated as a district centre. Coxheath comprises a 1970's, purpose built parade of shops, which offer a good range of shops and services. In addition, there is a relatively new development on the corner of Heath Road/Stockett Lane which provides a Londis convenience store, with apartments above. Shops and services present in the centre comprise convenience stores, post office, Lloyds Pharmacy, charity shop, windows/doors trade centre, hairdressers/barbers, funeral directors, estate agent, café and restaurant, a variety of takeaways, vets, library, village hall and health centres.</p> <p>A bus route runs through the centre, providing half hourly services to Maidstone.</p> <p>Prime Zone A rents are £190 per sq.m.</p> <p>Coxheath is performing its Local Plan role – it has all the key services you would expect to find in a Larger Village Centre, catering for local residents' needs.</p>

Eyhorne Street (Hollingbourne)



Eyhorne Street (Hollingbourne) is designated as a Larger Village Centre in the Local Plan. It is an attractive historic village centre. It has a very limited number and range of shops and services, which are scattered along Eyhorne Street and intersected by residential properties. Shops and services include a village shop, barbers, two public houses, a clinic and a village hall.

A bus route runs along Eyhorne Street, providing infrequent services to Maidstone. Hollingbourne railway station is located approximately 1km to the north of the central area, providing services to London, Ashford and Canterbury (as well as local areas).

Prime Zone A rents are £200 per sq.m.

Eyhorne Street is performing its Local Plan role – it has most key services you would expect to find in a Larger Village Centre, although this could be improved through the provision of a health centre and a post office (as the village shop no longer provides this service).

Sutton Valence




Sutton Valence is designated as a Larger Village Centre in the Local Plan. It is an attractive historic village centre. It has a very limited number and range of shops and services, which are scattered along Lower Road, High Street and North Street and are intersected by residential properties. Shops and services include a farm shop and post office, florist, two hairdressers, estate agent, three public houses, a doctor's surgery, village hall and petrol filling station/garage. Sutton Valence castle is located to the east of the centre.

A bus route runs along North Street which provides approximately half hourly services to Maidstone.

Prime Zone A rents are £125 per sq.m.

Sutton Valence is performing its Local Plan role – however, it has a limited amount of services, and there is scope for improvement here, for example, through the provision of other key services you would expect to find in a Larger Village Centre, such as a pharmacy.

Yalding	
	<p>Yalding is designated as a Larger Village Centre in the Local Plan and includes High Street/Benover Road local centre. Yalding is an attractive historic village centre. It has a limited number and range of shops and services, which are scattered around the central area and intersected by residential properties. Shops and services include a convenience store, post office, art gallery, Indian restaurant, tea rooms, two public houses, a doctor’s surgery and a library.</p> <p>A bus route runs along High Street, providing services to Maidstone, Laddingford and Goudhurst. Yalding railway station is located approximately 1.7km to the north west of the centre, providing services to Tonbridge, Strood and Paddock Wood (as well as local areas).</p> <p>Prime Zone A rents are £125 per sq.m.</p> <p>Yalding is performing its Local Plan role – however, it has a limited amount of services, and there is scope for improvement here, for example, through the provision of other key services you would expect to find in a Larger Village Centre, such as a pharmacy.</p>

Summary

7.39

The key features of Maidstone town centre, the 5 rural service centres and the 5 larger village centres can be summarised as follows:

- 1 Maidstone town centre has a good range of national multiple and independent retailers, including a range of comparison, convenience, service and food and beverage uses.
- 2 In terms of the rural service centres and larger village centres, overall, the average Local Needs Index is 8.5 which is considered good given the relatively limited size of the centres – residents have good access to local shops and services, and this is supplemented by Maidstone town centre and other smaller local centres/parades.
- 3 Data obtained from Experian Goad and during centre visits carried out in February 2019, demonstrates that there were 56 vacant Class A1-A5 shop units within Maidstone and only 5 vacant units in the Rural Service Centres and Larger Village Centres combined. In Maidstone, this equates to an overall vacancy rate of 10.6%, which is lower than the Goad national average of 11.8%. All other centres have comparable or lower than average vacancy rates. Overall, the vacancy figures suggest all centres in the borough are performing well despite challenging market conditions.

8.0

Mixed Use Development Sites Review

Introduction

- 8.1 There are several potential development sites (retail and mixed use) in Maidstone town centre, which are allocated in the Local Plan. Local Plan Policy RMX 1 (Retail and mixed use allocations) confirms the sites allocated under policies RMX1(1) to RMX1(6) will deliver a mix of retail, employment and housing development to meet the Borough's needs. The sites provide for approximately 263 dwellings, 25,700 sq.m of retail floorspace and 106,000 sq.m of employment floorspace. Development will be permitted provided the criteria for each site set out in the detailed site allocation policies are met.
- 8.2 This section sets out a review of the allocated retail and mixed-use sites within Maidstone town centre (RMX1(2), RMX1(3), RMX1(5) and RMX1(6)) in terms of their ability to come forwards for development in accordance with current planning policy.

RMX1(2) Maidstone East and former Royal Mail Sorting Office, Sandling Road

Table 8.1 Development Site - RMX1(2)


RMX1(2)
<p>Comments</p> <p>The site is situated on Sandling Road at the northern end of the town centre. The north of the site is occupied by a three-storey office building, two warehouses, hardstanding yards, and parking areas. The south of the site is occupied by Maidstone East railway station and car parking, and a public house (which has now been demolished). The site is within the wider town centre boundary but is edge of centre in retail terms. The site extends to approximately 3 ha.</p> <p>The site is currently allocated for development in the Local Plan for up to 10,000 sq.m comparison and convenience retail floorspace, 4,000 sq.m of offices (B1a) and approximately 210 dwellings. The submission of a retail impact assessment is required to demonstrate compliance with the NPPF's impact test.</p> <p>Planning permission was granted in 2017 for the temporary use (5 years) of the former Royal Mail Sorting Office for mixed B1a, B8 and A1 retail warehouse, under-croft parking and outdoor parking. This has been implemented. Part of the Maidstone East site (the former public house) has been demolished</p>

to make way for a new station entrance.

The site is relatively peripheral to the prime shopping area within the town centre and this will affect the type of retail uses that are likely to be commercially viable in this location. The southern part of the site (surface car park – about 1.5 ha) appears to be available and could in physical terms be developed in the short-term, and could accommodate large format retail or leisure uses of around 5,000 sq.m. At present there is limited operator demand for a large food store of this size, and discount food operators already serve the central area of Maidstone. The demand for retail warehouse units also appears limited at present, particularly for a small group of units or a standalone unit, therefore short-term retail led development seems unlikely. In the longer term the site could be comprehensively developed to provide a retail park type development of around 10,000 sq.m as envisaged in the Local Plan allocation, but this will be dependent on future retail expenditure growth and improved operator demand. Alternatively, if the site is developed for an office or residential led scheme then ancillary retail/leisure/service uses could be included at ground floor level, primarily to serve the development itself and possibly the railway station. For this scenario, the scale of retail/leisure/service uses is unlikely to exceed 5,000 sq.m. Again, this form of comprehensive development is unlikely to come forward in the short-term but may be a medium-term opportunity.


RMX1(3) King Street car park and former AMF Bowling Site

Table 8.2 Development Site - RMX1(3)

RMX1(3)

<p>Comments</p> <p>The site is located along King Street to the east of the town centre. The site previously comprised a multi-storey car park – this has been demolished and now comprises a surface level car park. In addition, the site previously comprised an AMF bowling unit, but this has now been demolished and 53 new retirement homes built on site (Churchill). The site is within the wider town centre boundary but is edge of centre in retail terms. The site extends to approximately 0.45 ha.</p> <p>The site is currently allocated in the Local Plan for up to 1,400 sq.m comparison and/or convenience retail floorspace and approximately 53 dwellings. The submission of a retail impact assessment is required to demonstrate compliance with the NPPF’s impact test.</p> <p>The undeveloped part of the site is the surface level car park (approximately 0.2 ha). This car park appears well used, and development on this area may need to relocate the car park, which could impact on viability. Notwithstanding this, should the site be delivered, it could provide up to 1,000 sq.m of comparison, convenience or service floorspace at ground floor level with residential, leisure or offices uses on upper floors. The site could be delivered in the short term and has reasonable prospects.</p>


RMX1(5) Powerhub building and Baltic Wharf, St Peter's Street

Table 8.3 Development Site - RMX1(5)

RMX1(5)	
	<p>Comments</p> <p>The site is off St Peters Street, west of the River Medway within the town centre. The site is intersected by the Maidstone East railway line. The site comprises the Grade II listed PowerHub industrial building, retail warehouses, employment buildings, an office building and surface car parking. The site is in the town centre boundary but is out of centre in retail terms. The site extends to approximately 1.4 ha.</p> <p>The site is currently allocated as suitable for a mix of uses comprising housing, offices (B1a and/or A2), leisure uses (D2), cafés and restaurants (A3) and retail (A1). For retail (A1) floorspace in addition to the lawful 2,596 sq.m, but submission of a sequential site and retail impact assessment is required.</p> <p>A hybrid planning application for the change of use of the Powerhub building to provide a mix of Class A1 (food store), A2 (professional and financial services), A3 (cafes and restaurants), B1 (employment) and D2 (assembly and leisure) uses; and outline permission for a new building for Class A1 (food store) use with associated car parking was allowed at appeal in 2014, but has not been implemented and has now expired.</p> <p>The site is peripheral to the prime shopping area within the town centre, which will affect the type of retail uses that are likely to be commercially viable in this location. The RMX1 (2) site is better connected to the town centre and sequentially preferable for retail use. The site could deliver up to 3,500 sq.m of retail and leisure floorspace, as well as office floorspace or residential uses above and in the PowerHub building, benefiting from the river side location. Careful consideration would need to be given to the Grade II listed PowerHub building and the site is currently occupied by several existing businesses. The site could come forward in the medium to long term and has reasonable prospects for delivery, subject to the existing businesses on the site relocating.</p>

RMX1(6) Mote Road

Table 8.4 Development Site - RMX1(6)

RMX1(6)

<p>Comments</p> <p>The site is accessed off Mote Road (A249) and is currently a private car parking area. The site is within the wider town centre boundary but is edge of centre in retail terms. The site extends to approximately 0.4 ha.</p> <p>The site is currently allocated for residential-led mixed use development to include a minimum of 2,000 sq.m of office floorspace (B1a). Leisure uses (D2) would also be appropriate as part of the mix of uses on this site.</p> <p>The site has good potential to come forwards for development in the short term. The site is relatively peripheral from other retail uses in the town centre and a high density residential led development appears to be viable. Mixed use development could include office space, with leisure and/or retail uses on the ground floor. It is envisaged that up to 1,500 sq.m of retail and/or leisure floorspace could be delivered on the site at ground floor level.</p>

Summary

8.3 There are potential development sites (retail and mixed use) in Maidstone town centre allocated in the Local Plan. Local Plan Policy RMX 1 (Retail and mixed-use allocations) confirms the sites allocated under policies RMX1(1) to RMX1(6) will deliver a mix of retail, employment and housing development to meet the Borough's needs. A summary of our review of the sites is set out below:

- 1 RMX1(2) – delivery in medium term, up to 10,000 sq.m of comparison and convenience floorspace, with office and residential above.
- 2 RMX1(3) – delivery in the short term, up to around 1,000 sq.m of comparison and/or convenience floorspace.
- 3 RMX1(5) – delivery in the medium to long term, up to 3,500 sq.m of retail and leisure floorspace, as well as office floorspace above and in the PowerHub building.

- 4 RMX1(6) – delivery in the short term, up to 1,500 sq.m of retail and/or leisure floorspace and office space above.

9.0 Conclusions and Implications for the Emerging Strategy

9.1 This final section of the report summarises the key implications of the preceding analysis to start to inform the **Council's emerging strategy in regard to employment and town centre uses** and to signpost key issues to explore further through the Stage Two study.

Employment

9.2 **It is important that Maidstone's economic role is considered within a wider spatial context that extends beyond its administrative boundary, reflecting both the NPPF's focus on the duty to cooperate and the PPG requirement to assess economic needs in relation to relevant FEMAs.** An analysis of latest labour, housing, consumer and commercial property market indicators suggests that the Borough functions as a relatively self-contained economic area, but with consistently strong functional linkages and relationships with adjoining Tonbridge & Malling, in **particular with the centres of Aylesford and Kings Hill. In overall terms, Maidstone's functional economic relationships are much stronger with northern and western parts of Kent than with eastern parts of Kent including the adjoining Borough of Ashford.**

9.3 **An analysis of recent economic trends within Maidstone Borough identifies a 'patchwork' of varied economic characteristics and performance, with significant scope to boost the Borough's contribution to Kent's wider growth over the new Local Plan period.** Maidstone has exceeded the job creation forecast set out in the existing Local Plan for the first 7 years and has also accommodated significant enterprise growth and healthy rates of business survival as well as consistently strong population growth in recent years, suggesting that Maidstone remains an attractive place to live as well as work. But it must also address a series of underlying economic weaknesses and challenges to boost workplace productivity in line with regional and national averages, and this includes upskilling the local resident base to more effectively capture high value growth opportunities and job growth in future.

9.4 Maidstone represents a significant commercial location within the wider sub-region, and one of the largest office and retail centres within a Kent context. Employment space tends to be clustered within Maidstone town centre and around the periphery of the town centre. Outside of the county town employment space tends to be more scattered and smaller in scale, accommodated in and around the smaller settlements.

9.5 The overall pattern of development in the Borough in recent years varies by use class, with losses of industrial, office and retail floorspace all exceeding gains through new development resulting in a gradually eroding stock of space. In contrast, leisure floorspace has grown in scale through completion of new leisure development. The introduction of office to residential PDR **has had a significant impact on Maidstone's office supply**, with approximately 30% of the **Borough's office stock having received prior approval for change of use to residential, mostly located within and around the town centre.** Whilst much of this has comprised poorer quality, obsolete stock that is no longer fit-for-purpose, this trend has acted to undermine the role of Maidstone town as an office location.

9.6 The main focus in commercial property market terms tends to be industrial, facilitated by the presence of the M20 and links with the strategic road network that this provides. There is a perception that occupier activity is being constrained by a lack of industrial supply, and that latent, unsatisfied demand exists in the local market. Rental values are now high enough to justify speculative industrial development with several current schemes underway in the

Borough and wider area. Together, this combination of new speculative industrial developments could help to satisfy most demand over the coming years.

- 9.7 The office market in Maidstone is weaker than the industrial market, and whilst there is still demand for good quality office space in Maidstone, occupiers are increasingly looking for open plan flexible space in many cases on flexible terms. The key challenge in the current market is a reported lack of good quality office accommodation within the Borough (particularly within Maidstone town) coupled with a lack of recent office development. Viability remains a key barrier to new office development, with achievable rents currently lagging behind those required to enable new development.

Town centres

- 9.8 Town centres are undergoing significant change and current market conditions are challenging. Slow expenditure growth and the increase in multi-channel shopping has reduced operator demand for traditional floorspace. Many operators are struggling and are closing outlets. As a result, town centres have had to diversify, broadening the mix of uses to attract customers.

- 9.9 Future development plan policies should continue to define a hierarchy of centres and ensure new main town uses are focused within these centres. Development of main town centre uses in **the defined centres is likely to be of a scale that is commensurate with the settlement's role and function**. The policy should seek to maintain the vitality and viability of the centres identified within the hierarchy, unless evidence suggest centres should be allowed to decline.

- 9.10 Against this background, Maidstone is performing as a successful town centre, when compared with many other town centres. It is a significant shopping destination in the region, with a good mix of facilities. It has better prospects for attracting future growth and investment than many other centres in the sub-region.

- 9.11 Despite the difficulties facing town centres, the underlying trends show there will be continued growth, albeit not at the same rates previously achieved. Future population and expenditure growth, particularly in the medium (up to 2027) and long term (up to 2037) will provide scope for new development. The strategy for Maidstone Borough must consider the following main options:

- 1 Maidstone Borough maintains its current market share of expenditure growth; or
- 2 Maidstone Borough increases its current market share of expenditure growth.

- 9.12 The NPPF states that local planning authorities should assess the quantitative and qualitative needs for land or floorspace for retail and leisure development over a 10-year period as a minimum. A range of suitable sites will need to be allocated to meet the scale and type of retail development need, particularly if option 1 or 2 above is adopted.

- 9.13 The ability of potential retail and mixed-use development sites in Maidstone town centre to meet the emerging need for development will need to be carefully considered.

Appendix 1 **Consultees**

Nick Threlfall, Watson Day

Phil Hubbard, Sibley Pares

David Marriott, Core Commercial

Brian Cox, Harrisons

Birmingham
0121 713 1530
birmingham@lichfields.uk

Edinburgh
0131 285 0670
edinburgh@lichfields.uk

Manchester
0161 837 6130
manchester@lichfields.uk

Bristol
0117 403 1980
bristol@lichfields.uk

Leeds
0113 397 1397
leeds@lichfields.uk

Newcastle
0191 261 5685
newcastle@lichfields.uk

Cardiff
029 2043 5880
cardiff@lichfields.uk

London
020 7837 4477
london@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk