



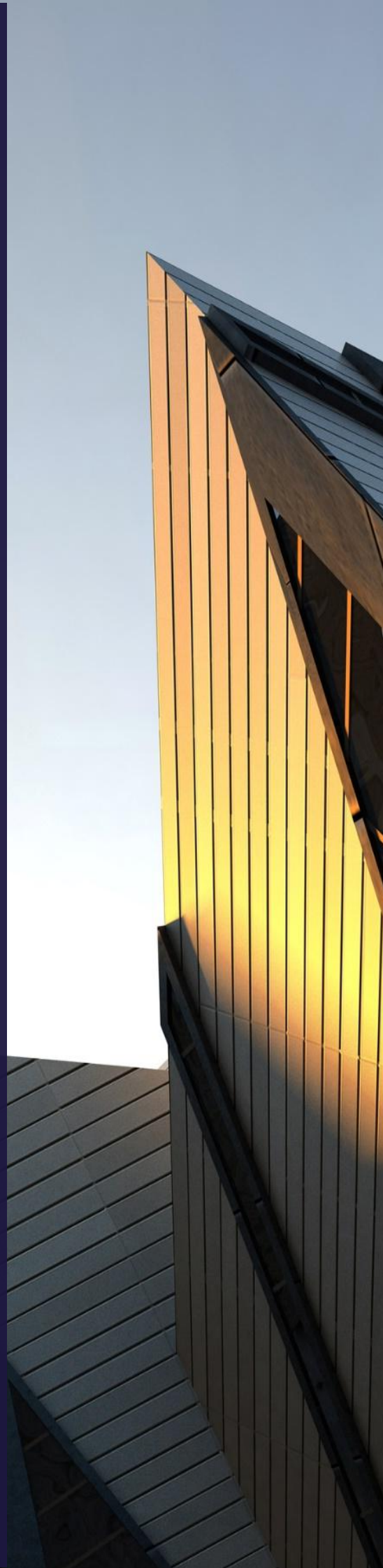
Retail and Leisure Needs Study

Final Report

Prepared For:
Hart District Council

September 2026

Better never settles



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Version	Prepared By	Approved By	Date
Retail & Leisure Needs Study (Draft Report)	Chris Watts Director, CPW Planning (Consultant to Cushman & Wakefield) Rachelle Meagher Senior Surveyor, Development and Strategic Advisory	Tim Johnson Partner, Development and Strategic Advisory	July 2026
Retail & Leisure Needs Study (Final Report)	Chris Watts Director, CPW Planning (Consultant to Cushman & Wakefield) Rachelle Meagher Senior Surveyor, Development and Strategic Advisory	Tim Johnson Partner, Development and Strategic Advisory	September 2026

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1. Introduction

PURPOSE OF THE STUDY

Cushman & Wakefield and CPW Planning have been instructed by Hart District Council ('HDC') to prepare a new Retail and Leisure Needs Study. It comprises a refresh of the Retail, Leisure and Town Centres Study prepared for Rushmoor Borough Council and HDC in February 2015 (hereafter the '2015 Study') with a focus on Hart District.

The Study provides the evidence base to assist HDC with its work on the emerging Local Plan, and to support the development management function of the local planning authority.

The Study reflects the requirements of the new National Planning Policy Framework ('NPPF') published in August 2026 and the *Town centres and retail* section of the Planning Practice Guidance ('PPG'). It has further been prepared in the context of prevailing market conditions, national planning reform, and the latest available information.

The main objectives of this Study can be summarised as follows:

- Review the market context and trends
- Inform the town centre healthchecks (carried out separately by HDC)
- Assess retail and commercial leisure needs
- Review the hierarchy of town centres
- Review the town centre boundaries
- Make bespoke policy recommendations

STRUCTURE OF THE REPORT

This report is structured as follows:

- Section 2 – Market Context and Trends
- Section 3 – Planning Policy Context
- Section 4 – Retail Capacity Assessment: Approach and Baseline Evidence
- Section 5 – Retail Capacity Assessment: Forecasts
- Section 6 – Commercial Leisure Needs Assessment
- Section 7 – Strategy and Policy Recommendations

2. Market Context and Trends

This section of the report identifies current and future trends in key commercial sectors (Retail and Leisure & Hospitality) at both national and local levels. Market trends will influence the performance of town centres in the future and so will need to be considered when developing planning policy. To provide context, market performance is also examined in comparison with several similar local markets. Please note further details on commercial rents and yields has been provided in Appendix A.

For the purposes of this report, retail parks have been defined as an out-of-town property consisting of large format retail units, typically occupied by bulky goods retailers, supermarkets, or category specialists, with dedicated car parking. Further, vacancy rates represent the amount of new/relet/sublet space vacant as a proportion of the existing rentable building area (RBA). This compares to availability rates, which represent the proportion of space available of total RBA. Ultimately, the vacancy rate measures space that is currently empty, whereas the availability rate also includes space that is still occupied but being marketed for lease or sublease.

RETAIL MARKET

UK National Macro Trends

Below we summarise some of the prevailing economic market conditions impacting upon national and local residential supply and demand characteristics, as identified in *C&W's UK Retail Marketbeat Report* for Q1 2026:

- **Consumer resilience continues to support retail recovery** – Retail sales growth remains positive in both value and volume terms, reflecting ongoing household resilience despite economic pressures. This sustained momentum provides a stable foundation for occupier demand, even as confidence begins to soften.
- **Retailers are shifting back into growth and optimisation mode** – Portfolio realignment has moved from contraction to selective expansion, particularly in prime locations. Upsizing and relocations are driving stronger leasing activity and supporting rental growth in dominant schemes.
- **Rising macro uncertainty threatens short-term progress** – Renewed inflationary pressures linked to geopolitical events are weakening consumer confidence and outlook. This creates downside risk to spending, with potential impacts on retailer decision-making and expansion plans.
- **Supply constraints are a defining feature of the market** – Limited availability across key subsectors is restricting both leasing and investment volumes. However, this scarcity is helping underpin rental growth and pricing stability in prime assets.
- **Performance gap between prime and secondary is widening** – Demand is concentrated in best-in-class locations with strong footfall and brand visibility. Secondary assets continue to lag, as occupiers prioritise quality over network scale.
- **Out-of-town retail remains structurally strong** – Retail parks continue to attract broad occupier demand and maintain high occupancy levels. Rental growth is stabilising due to limited supply rather than weakening fundamentals.
- **Experiential retail is now a core requirement** – Physical stores are evolving into experiential and community-focused spaces to engage younger consumers. Retailers are increasingly leveraging AI and flexible formats to enhance personalisation and loyalty.
- **International entrants are boosting market demand** – New global brands, particularly from Asia, are expanding into the UK and increasing competition for space. This is adding depth to occupier demand and supporting take-up in prime locations.

Hart Local Market

Hart District currently comprises c. 1.6m sq ft of retail floorspace, which is significantly below the average of other local authorities across Berkshire and North Hampshire (c. 4.0m sq ft), being the smallest submarket within Berkshire and North Hampshire. The total floorspace figure in Hart primarily comprises general retail (c. 1.4m sq ft) and notably, Hart does not comprise any retail parks. General retail refers to standard storefront and consumer-facing properties that do not fit into specialised center categories (e.g. shopping centre).

Of the existing stock, 4.7% of space is available, above the availability rate of Berkshire and North Hampshire (2.5%). This supply environment is not expected to change in the near term, as the market remains inactive with nothing delivered since 2023 and nothing currently under construction.

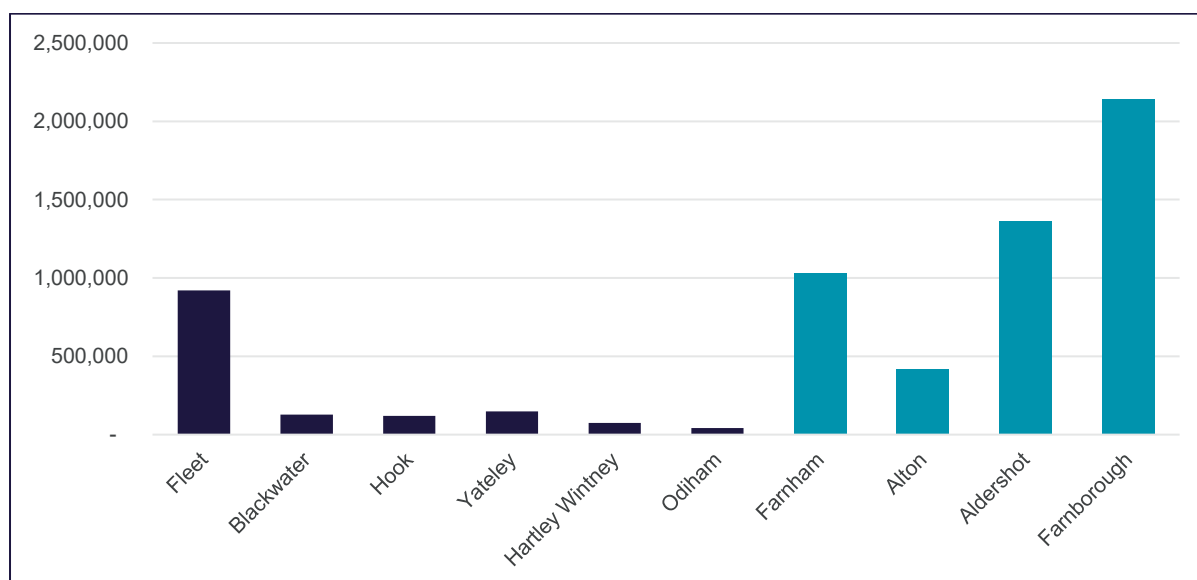
This year to date, there has been net 2,357 sq ft of negative absorption (following a year of net negative absorption in 2025 as well). This is aligned to the broader Berkshire and North Hampshire area, which has seen net 67,812 sq ft of negative absorption this year continuing 2025's trend of negative absorption. Hart's vacancy rate of 1.5% is lower than Berkshire and North Hampshire and the UK (both 2.9%), which has remained stable from this time last year.

Comparator Town Analysis

The comparator towns included in this analysis have been selected based on a balance of comparability and the availability of relevant data. While not all locations are directly comparable to the subject towns, they represent the most appropriate benchmarks available. More closely comparable town centres were considered; however, insufficient data availability limited their inclusion in this assessment.

As seen in Figure 1, across the study towns, Fleet clearly functions as the primary retail centre within Hart, with over 900,000 sq ft of stock, far exceeding the smaller study town centres. Yateley forms the next largest, offering around 150,000 sq ft, while Hartley Wintney and Odiham provide much smaller, more localised retail centres with limited floorspace. Compared with these study areas, the comparator towns of Farnham, Alton, Aldershot, and Farnborough generally have much larger retail provisions. Farnham and Aldershot each offer around 1-1.4m sq ft, broadly comparable to Fleet, while Alton, like the other small centres, has a more compressed retail centre.

Figure 1: Comparator Town Analysis – Retail Stock (sq ft)



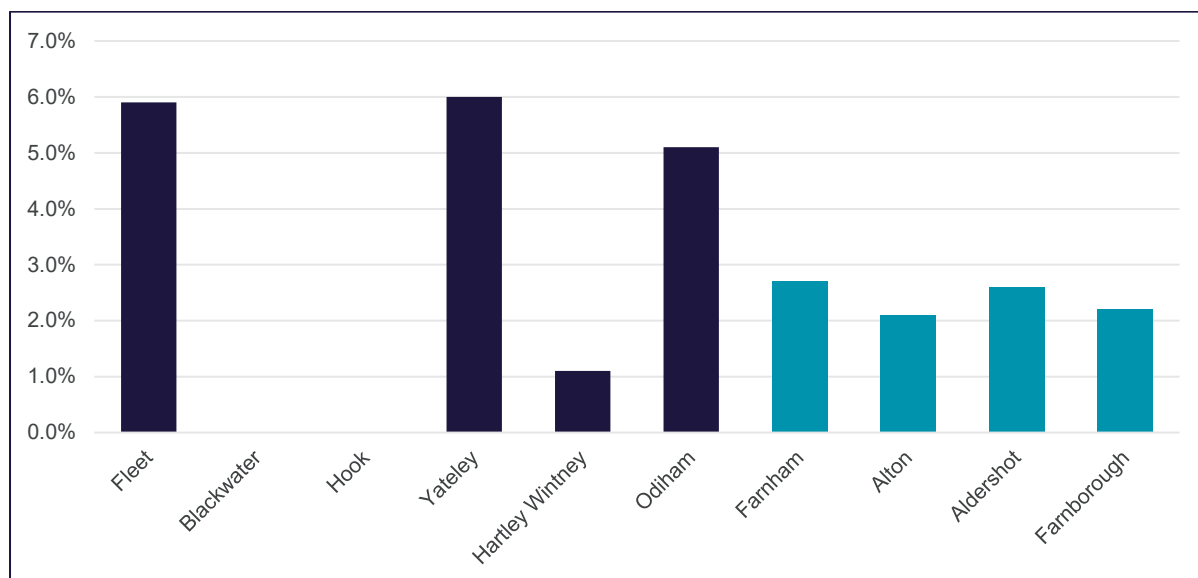
Source: CoStar, 2026

As seen in Figure 2, the study town centres generally exhibit low levels of retail availability, suggesting a healthy occupier market across most locations. Blackwater and Hook are fully occupied with no available retail units, although this may reflect the limited stock in these areas. Hartley Wintney records a very low availability rate of 1.1%, indicating particularly constrained supply and strong occupier retention. Fleet, Yateley and Odiham have higher availability rates of 5.9%, 6.0% and 5.1% respectively, although these remain within a broadly healthy range and may reflect a greater volume of retail stock and normal market churn rather than weak demand.

Compared with the comparator towns, Farnham, Alton, Aldershot and Farnborough all record moderate availability rates between 2.1% and 2.7%, demonstrating consistently occupied retail markets but with slightly more available space than the most supply-constrained study centres. Overall, the data suggests that retail demand across both the study and comparator centres remains resilient, with

Blackwater, Hook and Hartley Wintney appearing the most supply-constrained, while Fleet, Yateley and Odiham offer comparatively greater availability without indicating any significant weakness in market fundamentals.

Figure 2: Comparator Town Analysis – Retail Availability Rate



Source: CoStar, 2026

As seen in Table 1, the study centres have low vacancy levels offsetting what appears to be limited absorption activity. Hartley Wintney stands out as the strongest-performing location, recording positive net absorption of 1,195 sq ft alongside zero vacancy, indicating that available space is being quickly occupied and that occupier demand remains robust. Blackwater and Hook are also fully occupied, although no absorption data is recorded, likely reflecting highly constrained supply and stable occupier retention. Fleet recorded a modest negative absorption of -1,180 sq ft, but its vacancy rate remains low at 1.2%, implying that recent occupier losses are likely due to short-term churn rather than any significant weakening in demand. In contrast, Yateley and Odiham have the highest vacancy rates amongst the study centres at 6.0% and 5.1% respectively, indicating a softer occupier market, although these levels remain relatively modest in absolute terms.

The comparator towns present a more varied picture, with Farnham recording by far the strongest positive absorption at 12,674 sq ft, reflecting substantial occupier demand despite a moderate vacancy rate of 2.8%. Alton also recorded positive absorption (707 sq ft) with a low vacancy rate of 2.0%, indicating a healthy and stable market. Aldershot experienced a similar level of negative absorption to Fleet (-1,155 sq ft) but with a higher vacancy rate of 3.2%, suggesting slightly weaker market conditions. Farnborough recorded a significant negative absorption of -19,101 sq ft, however, its vacancy rate remains low at 1.9%, indicating that the result may reflect the loss of one or more large occupiers rather than a broader decline in market health. Overall, the data suggests that the study centres generally benefit from constrained supply and strong occupier retention, with the strongest market fundamentals evident in Hartley Wintney, Blackwater and Hook, while Yateley and Odiham display comparatively weaker demand conditions.

Table 1: Comparator Town Analysis – Retail Net Absorption (2026 YTD) and Vacancy Rate

	Net Absorption (sq ft)	Vacancy Rate
Fleet	-1,180	1.2%
Blackwater	-	0.0%
Hook	-	0.0%
Yateley	-	6.0%
Hartley Wintney	1,195	0.0%
Odiham	-	5.1%
Farnham	12,674	2.8%
Alton	707	2.0%
Aldershot	-1,155	3.2%
Farnborough	-19,101	1.9%

Source: CoStar, 2026

Conclusion

The UK retail market continues to demonstrate resilience despite ongoing economic uncertainty. Positive retail sales growth, renewed occupier expansion activity and strong demand for prime retail space have supported market recovery. However, consumer confidence remains vulnerable to inflationary and geopolitical pressures, and the widening performance gap between prime and secondary locations continues to shape retailer decision-making. Supply constraints, the growth of experiential retailing and the continued strength of out-of-town formats remain key influences on the sector.

Within Hart District, the retail market is characterised by a relatively small but stable stock base, low vacancy levels and constrained supply. Although the District has experienced modest negative absorption in recent years and availability levels are slightly above the Berkshire and North Hampshire average, vacancy remains significantly below regional and national benchmarks, indicating that occupier retention is generally strong. The absence of a development pipeline and limited recent market activity further reinforce the supply-constrained nature of the market.

Fleet performs a clear role as the District's principal retail centre, substantially exceeding other Hart centres in terms of retail floorspace provision. However, the wider network of centres demonstrates generally healthy market fundamentals, with low availability rates across most locations. Hartley Wintney, Hook and Blackwater appear particularly resilient, characterised by extremely limited availability and strong occupier retention. Whilst Yateley and Odiham exhibit comparatively higher availability and vacancy levels, these remain within reasonable market norms and do not indicate any significant structural weakness.

Overall, Hart's retail market appears stable and relatively healthy, supported by constrained supply, low vacancy rates and a well-established hierarchy of centres. Whilst future growth is likely to remain modest in the absence of significant new development, the District's centres are generally well positioned to continue serving their local catchments and adapt to evolving retail and consumer trends.

LEISURE AND HOSPITALITY MARKET

For the purposes of this report, food and beverage (F&B) refers to all food and drink services provided in a hospitality establishment, including hotels, resorts, restaurants, bars, pubs, cafes, fast-food, and in-room dining.

Hart Local Market

Hart currently comprises a total of 1,101 hotel rooms across 22 properties, which represents 7% of the stock across the Hampshire and Isle of Wight region (16,684 rooms).¹ Hart's mix focuses on economy class hotels, representing nearly half of its stock (49%), with the remainder fairly evenly distributed amongst mid-class (25%) and luxury brands (26%). This is an even mix between independent and chain/franchise operators but is primarily distributed between Fleet and Hook, comprising nearly 60% of Hart's stock. Whilst some of these are within the town centres of Fleet and Hook, the majority are situated in edge-of-town or rural locations. Alternatively, the Hampshire region has a greater representation of mid-class hotels (55%), followed by economy (32%) and luxury (13%) (CoStar, 2026).

Whilst Hart contains a relatively modest share of total hotel stock within the wider Hampshire and Isle of Wight market (7% of rooms), its accommodation offer is more diverse than might typically be expected for a predominantly rural district. In particular, luxury hotels account for approximately 26% of hotel rooms, substantially above the regional average (13%), reflecting the presence of several established high-end hotel and conference venues. The District therefore accommodates a combination of economy, business and higher-value visitor markets, with provision distributed between Fleet, Hook and a number of rural locations.

12-month occupancy stands at 59.3%, remaining broadly stable over the past year with a marginal decline of 0.1%. This significantly underperforms both the Hampshire and Isle of Wight average (74.6%) and the UK benchmark (77.9%). Demand has gradually recovered following the COVID-19 downturn, approaching pre-pandemic levels of 61.7%, although growth has plateaued in the past six months at an average rate of c. 0.5% (CoStar, 2026). This indicates a relatively subdued and slow-to-recover local hospitality market, with weaker underlying demand fundamentals and limited short-term momentum compared to the wider regional and national benchmarks.

The leisure property stock across Hart is very limited and predominantly local in nature, comprising only around four assets, generally in edge-of-town locations, with a strong bias toward small-to-mid-sized recreational uses rather than large, destination-style schemes. The majority of these properties are leisure centres providing sport and recreation facilities, with one theatre (The Harlington) in Fleet, and otherwise no other entertainment or cultural venues (e.g. cinema, museum), indicating a constrained and fragmented supply base. In relation to F&B, there are 26 properties comprising 146,483 sq ft across Hart, primarily consisting of local restaurants and pubs within the town centres (CoStar, 2026). This pattern reflects Hart's rural character and dispersed settlement structure. Whilst residents have access to a broader range of leisure and entertainment facilities in larger surrounding centres such as Basingstoke, Reading and Farnborough, Hart also supports a distinct visitor economy offer through its hotels, restaurants, pubs and countryside attractions. Consequently, the District's leisure market fulfils both local service and visitor-serving functions, albeit without the scale of provision typically found in larger urban centres.

This pattern reflects Hart's rural character and its proximity to stronger competing leisure destinations, including larger town and city centres such as Basingstoke, Reading, and Farnborough, which provides the large majority of provision in the broader area and limits the need for local provision and reinforces its role as a locally serving, non-destination leisure market.

Nevertheless, the wider economic significance of the F&B sector should also be recognised. According to Business Register and Employment Survey (BRES) data, the accommodation and food services sector supports a significant proportion of employment within Hart, accounting for c. 4,500 jobs (c. 12.9% of total employment) in 2024 (ONS). This reflects the importance of leisure businesses to the local

¹CoStar defines hospitality markets differently from other commercial sectors (e.g. retail and office). Accordingly, Hart is compared with the broader Hampshire and Isle of Wight region for the hospitality market, as defined by CoStar, rather than the Berks hire and North Hampshire region used for the retail and office comparisons.

economy and indicates that the sector performs a more substantial role than stock figures alone may suggest.

Of the existing stock, 1.5% of space is available, below the availability rate of Berkshire and North Hampshire (2.6%). This supply environment is not expected to change in the near term, as the market remains inactive with nothing delivered since 2019 and nothing currently under construction. This year to date, there has been net 2,270 sq ft of negative absorption (following a year of net positive absorption in 2025). This is aligned to the broader Berkshire and North Hampshire region, which has seen net 7,676 sq ft of negative absorption this year continuing 2025's trend of negative absorption. Hart's vacancy rate of 1.5% has increased from being fully occupied this time last year but remains lower than Berkshire and North Hampshire and the UK (2.0% and 2.3% respectively) (CoStar, 2026).

Demand for leisure and F&B space within Hart is primarily localised and convenience-led, with activity focused around established high street pitches such as Fleet, Hook and Yateley, and dominated by pubs, casual dining and smaller-scale restaurant operators. Available evidence suggests that F&B rents average £26 psf, with variation driven by location, asset quality, and proximity to established centres. Although, rental growth for F&B in Hart (1.4%) is significantly outperforming both the wider region (0.8%) and the UK (0.5%), this likely reflects the constrained supply and limited availability of space rather than strong underlying demand dynamics (Costar, 2026).

Comparator Town Analysis

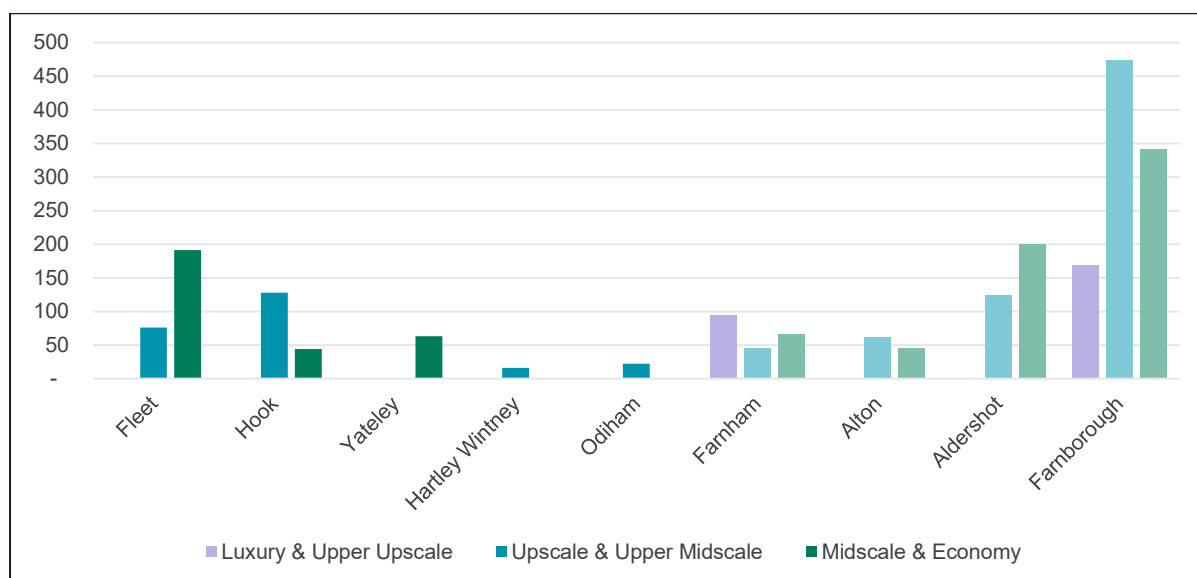
The comparator towns included in this analysis have been selected based on a balance of comparability and the availability of relevant data. While not all locations are directly comparable to the subject towns, they represent the most appropriate benchmarks available. More closely comparable town centres were considered; however, insufficient data availability limited their inclusion in this assessment.

There is limited hospitality supply across the surveyed towns, with Blackwater having no hotels. This combined with the small supply in other towns has restricted the ability to conduct comparator town analysis as a result of limited data availability.

As seen in Figure 3, the study centres collectively provide a relatively modest hotel offer than the comparator locations, comprising c. 540 rooms in total versus c. 1,620 rooms across Farnham, Alton, Aldershot and Farnborough. Provision within the study area is concentrated in Fleet (267 rooms) and Hook (172 rooms), while Yateley, Hartley Wintney and Odiham support only small-scale provision. The study centres are also notably lacking in higher-end accommodation, with no luxury or upper-upscale hotels, whereas Farnham and particularly Farnborough accommodate a substantial premium offer. This suggests that the hospitality market across the study centres primarily serves local business, commuter and passing trade. In contrast, the larger hotel stock and broader range of hotel classes within the comparator centres, particularly Farnborough, indicate stronger visitor appeal, a deeper commercial market and greater capacity to attract and accommodate overnight stays.

However, this analysis relates specifically to the defined study centres and does not capture the wider hotel offer across Hart District, which includes a number of higher-end hotels located outside the main urban areas. As such, whilst the study centres themselves appear to primarily serve local business, commuter and passing trade demand, the wider District supports a broader hospitality offer that contributes to the visitor economy. In contrast, the larger hotel stock and wider range of hotel classes available within comparator centres, particularly Farnborough, indicate a greater concentration of accommodation provision and capacity to serve overnight visitors within those individual centres.

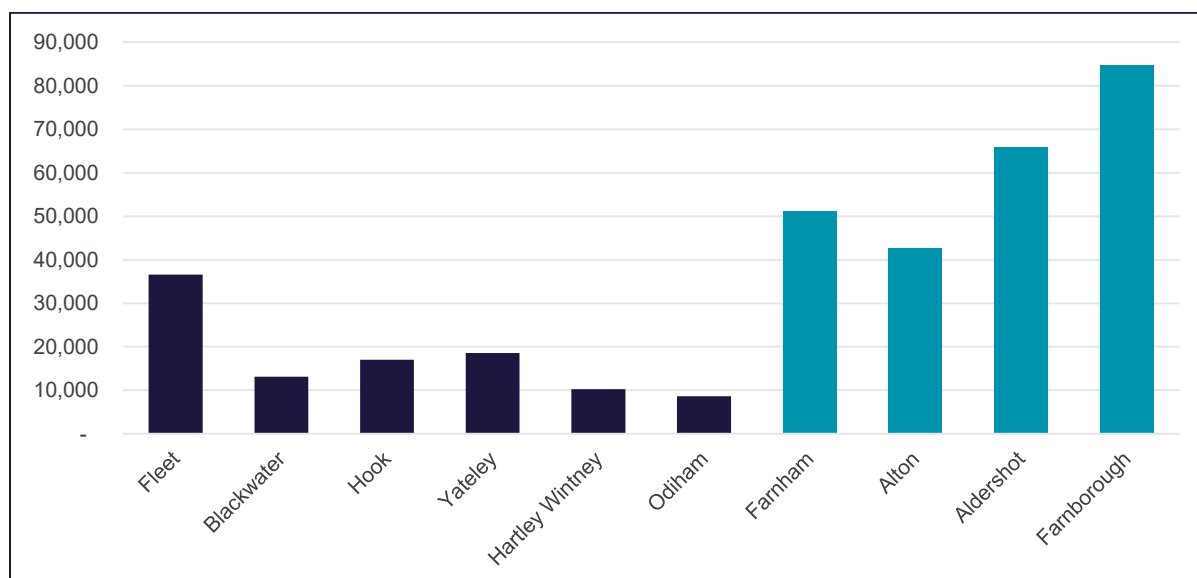
Figure 3: Comparator Town Analysis – Hospitality Rooms by Class



Source: CoStar, 2026

As seen in Figure 4, the study centres support a comparatively modest leisure offer, with Fleet providing the largest concentration of space (36,574 sq ft) and the remaining centres accommodating comparatively small-scale provision. In contrast, the comparator centres, particularly Farnborough (84,760 sq ft), Aldershot (65,796 sq ft) and Farnham (51,109 sq ft), support significantly larger leisure markets. However, whilst not necessarily reflected in the floorspace stock, the Hart District's F&B offering remains a significant component of the local economy, accounting for approximately 12.9% of total employment. This is notably higher than neighbouring districts such as Rushmoor (comprising Farnborough and Aldershot), where the sector accounts for around 5.8% of employment (ONS). Taken together, this suggests that although the study centres support a relatively modest quantum of leisure floorspace, the wider F&B sector performs an important economic role across the District, with Fleet particularly acting as an important dining and social destination, whilst residents continue to rely on larger nearby centres for certain higher-order leisure and entertainment activities.

Figure 4: Comparator Town Analysis – Leisure Stock (sq ft)



Source: CoStar, 2026

Current availability across the leisure market is extremely limited, with no vacant leisure space recorded in Fleet, Blackwater, Hook, Hartley Wintney, Odiham or any of the comparator centres, as seen in Table

2. Yateley is the sole exception, with 12.2% availability and vacancy, equivalent to c. 2,300 sq ft of negative absorption. Meanwhile, positive absorption in Farnham, Alton, and Farnborough indicates some ongoing occupier demand despite generally low levels of market activity. Overall, the near absence of vacant stock suggests a tightly supplied leisure market across both the study and comparator centres, although the limited scale of provision and transactional activity indicates this reflects constrained supply as much as strong occupier demand.

Table 2: Comparator Town Analysis – Leisure Net Absorption (2026 YTD) and Vacancy Rate

	Net Absorption (sq ft)	Vacancy Rate
Fleet	-	0.0%
Blackwater	-	0.0%
Hook	-	0.0%
Yateley	-2,300	12.2%
Hartley Wintney	-	0.0%
Odiham	-	0.0%
Farnham	1,400	0.0%
Alton	3,900	0.0%
Aldershot	-	0.0%
Farnborough	454	0.0%

Source: CoStar, 2026

Conclusion

The UK hospitality and leisure market entered 2026 with improving investment momentum and broadly stable trading conditions. Hotel transaction activity has strengthened significantly, particularly in London, while operational performance has normalised following the post-pandemic recovery period. Across the wider leisure sector, consumer demand remains focused on experience-led activities and F&B uses, although rising labour, operating and occupancy costs continue to place pressure on operators. As a result, investor and occupier demand remains selective, with the strongest performance typically associated with established, high-quality destinations and assets.

Within Hart District, the hospitality market is modest in overall scale when compared with the wider Hampshire and Isle of Wight market, but it represents a significant component of the local economy. Hotel provision is concentrated primarily in Fleet and Hook, although a number of hotels are located in rural areas and contribute to the District's visitor economy. The accommodation offer is characterised by an above-average proportion of luxury hotel rooms alongside economy provision, creating a more diverse market profile than the regional average. Whilst occupancy levels remain below regional and national benchmarks, hotel performance data indicates a stable market supported by a mixture of business, event and leisure-related demand.

The District's wider leisure and F&B offer is relatively modest in scale is primarily focused around recreation facilities, pubs, cafés, and restaurants located within the main centres, with a limited provision of larger destination leisure attractions, such as cinemas, and other entertainment venues. This reflects Hart's role within the wider region, where residents have access to a broader range of leisure and cultural opportunities in nearby centres including Basingstoke, Reading, and Farnborough. Nevertheless, the F&B sector plays an important economic role within Hart, supporting a significant proportion of local employment and demonstrating that the District's leisure market is more substantial than floorspace indicators alone may suggest. In particular, Fleet performs an important function as a destination for eating and drinking out, competing successfully with a number of surrounding centres and supporting the District's wider evening economy. Whilst rental growth within the F&B sector has been relatively strong, this appears to be driven more by constrained supply than significant growth in occupier demand, and transactional evidence suggests a relatively illiquid investment market.

Overall, Hart's hospitality and leisure market is stable and relatively specialised, combining locally serving leisure facilities with an accommodation sector that performs an important economic and visitor economy role. Whilst the District does not offer the breadth of leisure attractions found in larger neighbouring centres, its mix of hotels, F&B operators, recreation facilities and events contributes

positively to local economic activity and the attractiveness of the area as a place to live, work, and visit. Opportunities therefore exist to strengthen and complement the existing offer through targeted F&B, leisure and hospitality investment that supports town centre vitality and extends visitor dwell time.

OFFICE MARKET

UK National Macro Trends

Below we summarise some of the prevailing market conditions impacting upon national and local supply and demand characteristics, as identified in *C&W's UK Regional Offices Marketbeat Report* for Q1 2026:

- **Take-up slows but remains within normal ranges** – Regional and South East take-up totalled 1.4m sq ft in Q1 2026, down 13% quarter-on-quarter and 16% below the five-year average. Activity reflects a softer start to the year following stronger late-2025 momentum, with limited large deals outside major office locations.
- **Grade A continues to dominate but activity moderates** – The “race to quality” remains intact, with Grade A accounting for c.75% of take-up, although volumes declined both quarter-on-quarter and year-on-year. The slowdown is partly linked to a shortage of available best-in-class space rather than a lack of occupier demand in many markets.
- **AI-led demand emerging as a new growth driver** – Artificial intelligence is becoming an increasingly important source of occupier demand. While large-scale requirements remain London-centric, regional markets are seeing growing activity from the broader AI ecosystem, including tech infrastructure, specialist firms and AI-enabled businesses, accounting for 7% of total take-up in Q1.
- **Vacancy falling as supply tightens further** – Availability declined for a fourth consecutive quarter to c.10.6% vacancy, despite ongoing completions. Grade A supply remains particularly constrained in several markets.
- **Development pipeline constrained and increasingly pre-let** – Around 3.4m sq ft remains under construction, with a meaningful proportion already pre-let or under offer. Limited speculative development, driven by cost and viability pressures, continues to restrict future supply, particularly for high-quality space.
- **Rental growth accelerating across core markets** – Prime rents increased across most major centres in Q1. Supply shortages and occupier competition are expected to sustain upward pressure through 2026.
- **Investment activity slows amid uncertainty** – Investment volumes fell to £506m in Q1, down 27% on Q4 and well below long-term averages. While fundamentals remain supportive, geopolitical uncertainty and interest rate volatility are delaying decision-making and reducing transaction liquidity.
- **Outlook: Supply-constrained growth with emerging demand drivers** – Regional office markets enter 2026 with tightening supply, rising rents and evolving occupier demand, particularly from technology and AI-related sectors. While short-term activity may remain uneven, structural undersupply of Grade A space is expected to support rental growth and underpin medium-term performance.

Hart Local Market

Whilst the national office market has continued to see occupier demand concentrated within major regional centres and best-in-class office accommodation, Hart operates as a much smaller and more localised market. Demand is typically generated by SMEs, local businesses and occupiers serving the surrounding area, rather than the large corporate and technology requirements driving activity in core markets such as Reading, Guildford and the Thames Valley's principal office centres. As a result, the national “flight to quality” trend is evident within Hart but is expressed through a smaller volume of transactions and a more limited pipeline of modern Grade A space.

Hart currently comprises c. 2.1m sq ft of office rentable building area (RBA), which has remained stable in the last 12 months despite a gradual decline in stock over the past decade (-28.6%). Whilst to a lesser extent, the broader Berkshire and North Hampshire region has also seen a 6.9% reduction in office stock since 2016. Stock is primarily mid-quality (3 Star), representing 76% of RBA (2.4m sq ft), similar to the stock profile across Berkshire and North Hampshire (58%), however there is a greater distribution of stock across the region, including significantly more high-quality stock (18% across the region vs 8% in Hart). Whilst the majority of office stock across the Berkshire and North Hampshire region and the UK is

also mid-quality, it represents a much smaller proportion at 58% and 56% respectively. This stock profile highlights one of the key challenges facing the Hart office market. Whilst occupier preferences nationally are increasingly focused on modern, highly specified and sustainable office space, Hart's offer remains weighted towards older mid-quality accommodation. Consequently, the District is less well placed to capture the occupier demand currently driving leasing activity in larger South East markets, although its relatively affordable and localised office offer continues to support indigenous business demand.

Of the total existing stock, 6.4% of space is currently available. While mid-quality stock contributes to this figure (6.5%), high-quality stock (rated 4–5 stars) is the primary driver, with 21.0% availability despite comprising only 8.0% of Hart's total stock. This is lower than the overall availability in both Berkshire and North Hampshire (13.7%) and the UK (9.2%). The future pipeline of stock is also limited, with nothing currently under construction. This indicates a constrained and ageing supply base with tightening availability, reinforcing supply-side pressure.

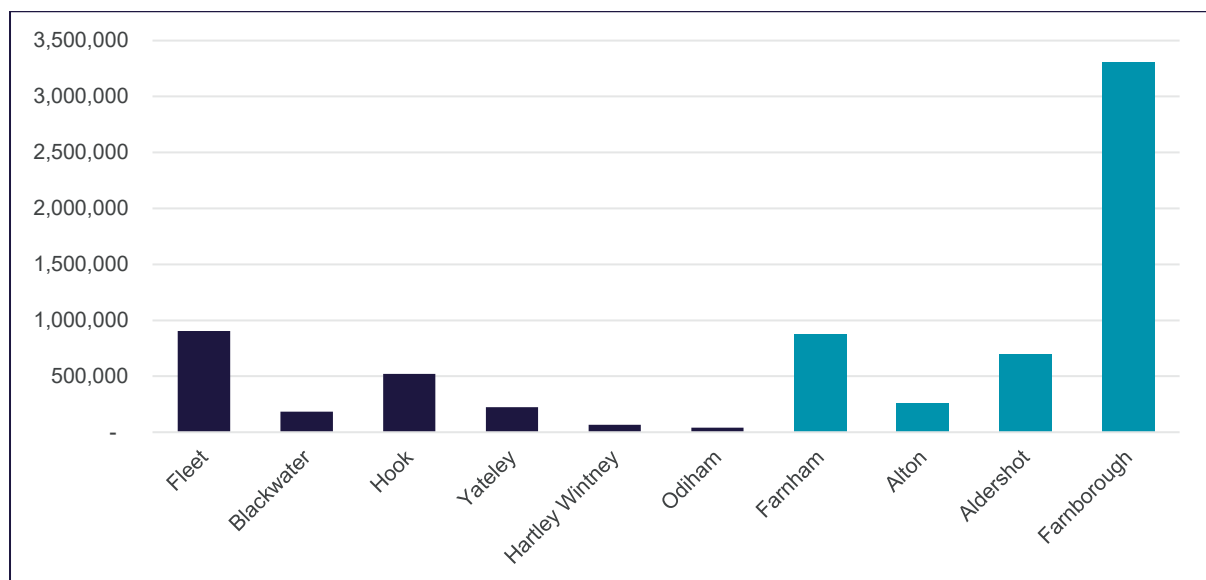
This year to date there has been a net negative absorption of 4,213 sq ft, similar to Berkshire and North Hampshire, which has also seen net negative absorption of 152,458 sq ft over 2026. This reflects a decline in demand from a net 8,484 sq ft positive absorption in Hart last year. Hart has a relatively low vacancy of 5.9%, reflecting a slight increase from 2025, however is still low compared to the average over the last decade (10.1%). Similar to availability, Hart has a lower vacancy than both Berkshire and North Hampshire (14.1%) and the UK (9.2%). Together, these trends point to comparatively tight and resilient office market in Hart, where limited vacancy and modest recent declines in demand suggest underlying stability despite short-term fluctuations in take-up.

Comparator Town Analysis

The comparator towns included in this analysis have been selected based on a balance of comparability and the availability of relevant data. While not all locations are directly comparable to the subject towns, they represent the most appropriate benchmarks available. More closely comparable town centres were considered; however, insufficient data availability limited their inclusion in this assessment.

The study town centres collectively provide around 1.94m sq ft of office stock, although this is unevenly distributed. Fleet is the largest office market (905,311 sq ft), comparable in scale to Farnham (879,196 sq ft), while Hook also supports a substantial office base of over 520,000 sq ft. In contrast, Blackwater, Yateley, Hartley Wintney and Odiham comprise much smaller office markets, each containing less than 225,000 sq ft of stock. Compared with the comparator centres, the study locations are generally smaller in scale, particularly when measured against Farnborough, which dominates the market with over 3.3m sq ft of office space, more than the combined stock of all six study centres. Aldershot also exceeds all study centres except Fleet, highlighting the comparatively modest scale and more localised nature of office provision across much of Hart.

Figure 5: Comparator Town Analysis – Office Stock (sq ft)

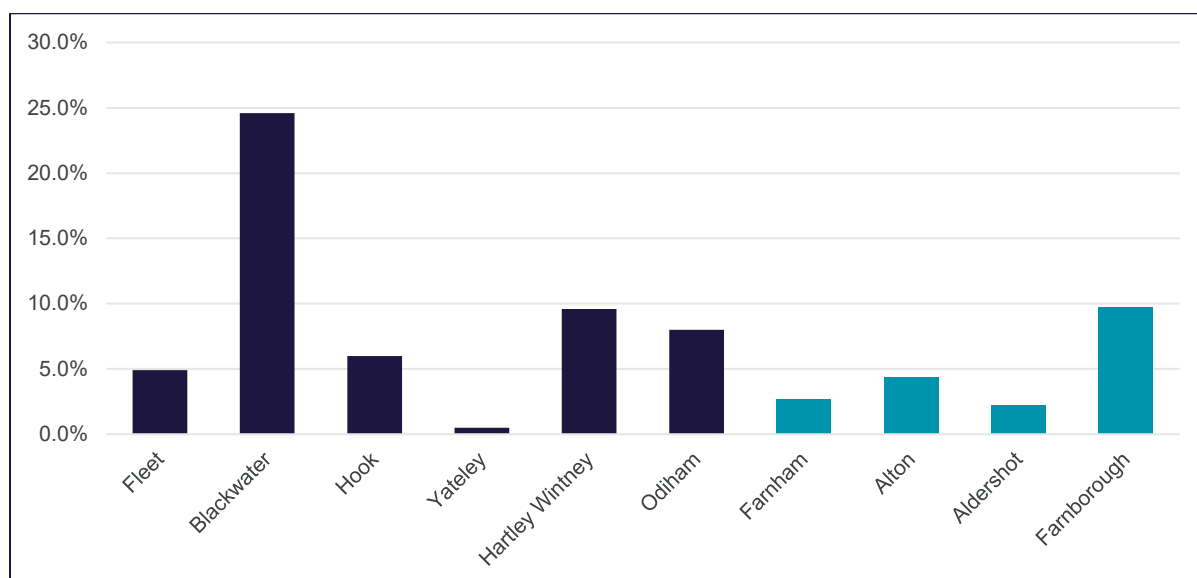


Source: CoStar, 2026

Within the study centres, office availability varies considerably, as seen in Figure 6. Yateley has an exceptionally low availability rate of 0.5%, indicating a very constrained supply position and potentially strong demand relative to available stock. Fleet and Hook also exhibit low availability levels of 4.9% and 6.0% respectively, suggesting generally healthy market conditions and limited vacant space. By contrast, Blackwater records significantly higher availability at 24.6% despite having limited stock, indicating a substantial volume of vacant stock and weaker occupier demand. Hartley Wintney (9.6%) and Odiham (8.0%) sit closer to a balanced market position, albeit with availability levels above those seen in Fleet, Hook and Yateley.

Compared with the comparator centres, the stronger-performing study locations compare favourably. Farnham (2.7%), Alton (4.4%) and Aldershot (2.2%) all record low availability, reflecting relatively tight market conditions, while Farnborough has a higher availability rate of 9.7%, likely reflecting its substantially larger office stock and greater supply of modern space. Fleet and Hook perform broadly in line with the stronger comparator markets, while Yateley outperforms all centres in terms of limited vacancy. In contrast, Blackwater's high availability suggests that occupier demand has not kept pace with supply. Overall, the data indicates that demand across much of Hart's office market remains relatively resilient, although performance is highly localised, with a clear distinction between tightly supplied centres and those experiencing weaker market absorption.

Figure 6: Comparator Town Analysis – Office Availability Rate



Source: CoStar, 2026

Table 3 summarises the net absorption and vacancy data for the study centres, which indicates mixed market performance in 2026 to date. Hartley Wintney and Odiham have recorded positive net absorption of 8,848 sq ft and 641 sq ft respectively, suggesting occupier demand has exceeded the amount of space vacated over the period. In contrast, Fleet has experienced a net negative absorption of 14,512 sq ft, while Yateley has recorded a modest net loss of 1,004 sq ft, indicating some weakening in occupier demand compared to recent years. Despite this, vacancy remains low in several centres, particularly Yateley (0.5%), Hook (4.2%) and Fleet (5.9%), suggesting that existing vacant space remains limited. Blackwater stands apart, with a substantially higher vacancy rate of 19.3%, pointing to a weaker balance between supply and demand.

The study centres have generally seen weaker absorption performance than the comparator towns. Aldershot (59,017 sq ft), Farnborough (9,533 sq ft) and Farnham (9,035 sq ft) have all recorded strong positive absorption alongside very low vacancy rates of between 2.1% and 6.6%, indicating robust occupier demand and tight market conditions. While the low vacancy levels in Hook, Fleet and particularly Yateley are comparable with those of the strongest comparator locations, the absence of significant positive absorption suggests these markets are constrained more by their limited scale and supply than by strong growth in demand. The stronger absorption performance recorded in centres such as Farnborough and Aldershot reflects the wider national pattern of occupier activity concentrating in larger, better connected office locations with a broader supply of modern accommodation. By comparison, many of Hart's office locations perform an important local business function and are less dependent on the large corporate requirements that increasingly underpin take-up across the South East office market. Overall, the data points to a relatively stable office market across much of Hart, where low vacancy reflects limited stock availability, although demand appears less dynamic than in the larger and more active comparator centres.

Table 3: Comparator Town Analysis – Office Net Absorption (2026 YTD) and Vacancy Rate

	Net Absorption (sq ft)	Vacancy Rate
Fleet	-14,512	5.9%
Blackwater	-	19.3%
Hook	-	4.2%
Yateley	-1,004	0.5%
Hartley Wintney	8,848	8.3%
Odiham	641	8.0%
Farnham	9,035	2.1%
Alton	-552	2.0%
Aldershot	59,017	2.2%
Farnborough	9,533	6.6%

Source: CoStar, 2026

Conclusion

The UK office market continues to be shaped by the ongoing shift towards higher-quality accommodation. Whilst take-up has moderated from recent peaks, occupier demand remains focused on well-located, Grade A space, with constrained supply supporting rental growth across many regional markets. Emerging demand from technology and AI-related sectors provides an additional source of occupier activity, although investment volumes remain subdued as investors continue to navigate economic and geopolitical uncertainty. Overall, market performance is increasingly being driven by the availability and quality of stock rather than a lack of demand. This trend is particularly relevant to Hart, where the market remains relatively constrained in scale and is characterised by a predominance of mid-quality accommodation. Whilst the District is unlikely to compete directly with the South East's principal office hubs for major occupier requirements, there remains ongoing demand from local businesses and SMEs. Ensuring existing office stock remains fit for purpose through refurbishment and modernisation will therefore be important if Hart is to retain and attract occupiers in an environment where quality increasingly drives market performance.

Within Hart District, the office market is characterised by a relatively constrained and ageing stock base, having experienced a significant long-term reduction in floorspace over the past decade. Despite this, availability and vacancy levels remain below both Berkshire and North Hampshire and national averages, indicating a comparatively tight market. Whilst 2026 has seen a modest level of negative absorption following positive take-up in 2025, vacancy remains low by historical standards and there is no speculative development pipeline, reinforcing the restricted supply environment.

The District's office market is concentrated within a small number of established locations, with the wider market supporting a predominantly local business base. Comparator analysis indicates that, whilst some larger centres are experiencing stronger occupational growth, many markets share similar characteristics of constrained supply and limited development activity. The relatively low availability across most comparator locations suggests that occupier demand for office accommodation remains resilient, particularly where suitable space is available.

Overall, Hart's office market remains stable, supported by low vacancy levels, limited supply and generally resilient occupational demand. However, the absence of a development pipeline and the limited proportion of higher-quality office stock may present longer-term challenges as occupier requirements continue to evolve. Consequently, the retention, refurbishment and modernisation of existing office premises are likely to play an important role in maintaining the District's competitiveness and supporting future business growth.

3. Planning Policy Context

This section provides an overview of the relevant national and local planning policy context pertaining to retail, leisure and other main town centre uses. We also consider the changes to the Use Classes Order.

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

The new NPPF was published in August 2026. It sets out the government's policies for plan-making and for making decisions on development proposals in England. Local Planning Authorities (LPAs) should therefore take into account the plan-making policies in the NPPF in the preparation of Local Plans.

The NPPF seeks to achieve sustainable development. Paragraph 18 states that Local Plans and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

Policy PM2 requires Local Plans to set out a spatial strategy and specific proposals for accommodating development needs at a local level. Policy PM8 states that Local Plans should be informed by a baseline understanding of such needs and opportunities – drawing upon existing evidence and updated evidence where necessary – and adds that evidence related to development needs should be produced using sufficiently up-to-date information and data. Policy PM9 provides guidance on identifying and assessing land to meet identified development needs.

Chapter 8 'Ensuring the vitality of town centres' includes policies to promote the long-term vitality and viability of town centres by prioritising them as locations for main town centre uses; and allowing them to adapt to changing community and business needs, in a way which reflects their locally distinctive roles and opportunities.

Policy TC1 requires Local Plans to be informed by a strategy for town centres in the area, to ensure that the full range of potential needs and opportunities for development is considered. This includes *the scope to accommodate additional floorspace, to broaden the mix of uses beyond main town centre uses (including residential development) where this would not undermine the vitality and viability of a centre, to strengthen or re-introduce markets, to bring vacant sites and premises back into use, and to reduce or expand the boundaries of town centres where appropriate.*

Policy TC1 sets out further considerations in planning for town centres. These include:

- Defining a hierarchy of town centres;
- Identifying the location and extent of town centres and Primary Shopping Areas;
- Identifying areas particularly suitable for a greater diversity and/or intensification of use, including through residential development;
- Allocating a range of suitable sites in town centres to meet the scale and type of main town centre uses needed over the plan period, as well as for any complementary uses;
- Where suitable and viable town centre sites are not available to meet the anticipated need for main town centre uses, allocating appropriate edge of centre sites that are well connected to the town centre (and if sufficient edge of centre sites cannot be identified, other accessible locations that are well connected to the town centre should be considered);
- Setting a locally defined floorspace threshold for assessing the impact of relevant development proposals outside town centres (in accordance with Policy TC4).

Policies TC2-TC4 comprise the national decision-making policies for town centres, with Policy TC2 affording substantial weight to the benefits of development proposals in town centres.

Policy TC3 sets out the sequential test relevant to proposals for main town centre uses, *where these are neither in an existing centre nor in accordance with an allocation for that purpose in an up-to-date development plan.* It states:

- *The sequential test means that main town centre uses involving new development should be located within town centres identified in the development plan; then, if this is not feasible, in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered. When considering edge of centre and out of centre locations, preference should be given to accessible sites which are well connected to the town centre by sustainable transport modes.*

- *Applicants and LPAs should exercise flexibility when considering issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.*

Policy TC4 refers to the impact test. It applies to development proposals for retail and leisure uses located outside town centres, if the proposal exceeds a locally defined floorspace threshold (otherwise the default threshold is 2,500 sqm gross). This should include assessment of the impact of:

- a) *Existing, committed and planned public and private investment in a town centre or centres in the catchment area of the proposal; and*
- b) *Town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme).*

The NPPF states (under Policy TC3 paragraph 4) where a development proposal fails to satisfy the sequential test set out in Policy TC3, or is likely to have a significant adverse impact on one or more of the 'impact' considerations in Policy TC4, it should be refused.

PLANNING PRACTICE GUIDANCE (PPG)

This Study draws on advice set out in the *Town centres and retail* section of the PPG, which was last updated in September 2020.

Of relevance is paragraph 004, which states that town centre strategies and the assessment of the potential for centres to accommodate a suitable range of development should focus on a limited period (such as the next five years) given the uncertainties around forecasting long-term retail trends and consumer behaviour.

The PPG provides advice to LPAs on the preparation of development plans and town centre strategies. In terms of what a town centre strategy should contain, paragraph 004 refers to:

- the realistic role, function and hierarchy of town centres over the plan period;
- the vision for the future of each town centre, including the most appropriate mix of uses;
- the ability of the town centre to accommodate the scale of assessed need for main town centre uses, and associated need for expansion, consolidation, restructuring or to enable new development or the redevelopment of under-utilised space;
- how existing land can be used more effectively;
- opportunities for improvements to the accessibility and wider quality of town centre locations;
- what complementary strategies are necessary or appropriate to enhance the town centre;
- the role that different stakeholders can play in delivering the vision;
- appropriate policies to address environmental issues facing town centres.

In circumstances where future development needs cannot be accommodated in town centre locations, the PPG (paragraph 005) states that *planning authorities should plan positively to identify the most appropriate alternative strategy for meeting the identified need for these main town centre uses, having regard to the sequential and impact tests.*

In applying the sequential test for plan-making purposes, LPAs are expected to consider the following checklist (paragraph 010):

- Has the need for main town centre uses been assessed?
- Can the identified need for main town centre uses be accommodated on town centre sites?
- If the additional main town centre uses required cannot be accommodated on town centre sites, what are the next sequentially preferable sites that they can be accommodated on?

Paragraph 006 of the PPG identifies a series of indicators that may be relevant in assessing the health of town centres, including but not limited to the diversity of uses, vacancy rates, retailer representation, pedestrian flows, and evidence of barriers to business investment.

Guidance is also provided on permitted development and change of use in town centres (paragraphs 007-008), including where it may be appropriate to use permitted development rights to support flexibility in town centres.

CHANGES TO THE USE CLASSES ORDER

One of most significant planning reforms affecting town centres in recent years is the changes to the Use Classes Order. These were introduced in September 2020 to provide a more flexible approach to 'controlling' retail, commercial, business and service uses.

The previous definition of Class A uses including A1 shops has been replaced, in part, with Class E; although previous A4/A5 uses are not covered within Class E and are defined as Sui Generis. Class E also encompasses previous B1 uses (including offices) and some, but not all, previous D1 non residential institutions and D2 leisure uses. In addition to this, the changes have seen the introduction of Class F1 (Learning and non-residential institutions) and F2 (Local community) and the restructuring of Sui Generis uses (i.e. theatres, laundrettes, cinemas, hot food takeaways etc).

Class E therefore includes some, but not all, main town centre uses as well as some uses (e.g. creche, day nursery, medical and health services) excluded from the definition of main town centre uses. Annex B (Glossary) to the NPPF defines main town centre uses as:

Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); banks; professional services; offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

The changes to the Use Classes Order have implications for primary and secondary shopping frontages, which have been adopted and used by local authorities as a development management tool to protect against the loss of retail uses within frontage(s) inter alia. This is because under Class E there is less control, and changes of use between Class E uses (e.g. shops to restaurants/cafes) do not constitute development and therefore do not require planning permission.

Whilst the ability to use space more flexibly and/or co-locate two or more asset classes within the same premises is important in a fast-moving retail sector, the changes are more problematic when defining town centre boundaries and primary shopping areas for plan making purposes. In particular, the NPPF (Annex B) defines a primary shopping area as 'where retail development is concentrated' which fails to recognise that A1 retail is now encompassed in Class E and thus a change of use to non-retail can occur without planning permission providing it is a Class E use.

It is further to be noted that a new permitted development right was introduced in April 2021 allowing changes of use from Class E uses to residential without the need for planning permission (albeit subject to 'Prior Approval' and the need to satisfy certain criteria).

These planning reforms result in more flexibility and have implications for the degree to which local authorities can effectively manage the composition of uses in city and town centres, including with the primary shopping areas.

DEVELOPMENT PLAN

The development plan for Hart District relevant to this Study comprises the Hart Local Plan (Strategy and Sites) 2032, adopted in April 2020.

We review the policies of relevance below.

Hart Local Plan (Strategy and Sites) 2032

The Local Plan provides a framework for guiding development and determining planning applications across Hart.

Its objectives include *[supporting] the vitality and viability of the District's town and village centres to serve the needs of residents.*

Policy ED4 defines the District's hierarchy of centres, as follows:

- **Town Centre:** Fleet

- **District Centres:** Blackwater, Hook and Yateley
- **Local Centres:** Hartley Wintney and Odiham

The policy seeks to improve the vitality and viability of these centres. It encourages developments for town centre uses within the defined centres where they are appropriate to the scale, function and character of the centre.

The policy further sets out:

- *Proposals for main town centre uses that are not in the defined centres will need to satisfy the sequential test (unless the proposals involve less than 100sqm within the countryside).*
- *Development for retail and/or leisure, with a gross floorspace exceeding 1,000sqm, in edge or out of centre locations will be supported if, following an Impact Assessment, it would not have a significant adverse impact on existing centres.*

Policy ED5 is focused on Fleet Town Centre. It supports development proposals that maintain or enhance the vitality and viability of the Town Centre and which contribute to its continued enhancement as the main town centre in Hart.

The policy states that any additional net comparison goods (non-food) and convenience goods (food) retail development will be first directed to the Town Centre Primary Shopping Area as defined on the Policies Map. It adds:

Proposals within the Primary Shopping Area will be permitted where they would:

- a) Not harm the retail character of the Centre;*
- b) Be for a main town centre use, which retains or provides an active frontage. Residential use may be appropriate above retail or commercial units providing the active frontage is not compromised and that satisfactory residential amenity can be achieved;*
- c) Have no significant adverse impact on surrounding amenity (noise, odour, waste collection, highways and parking);*
- d) Enhance the character of the street scene.*

Policy ED6 relates to the District and Local Centres in Hart. Proposals for changes of use and new uses within these centres will be supported subject to the proposal satisfying the following criteria:

- *the proposal is appropriate to the centre's location in the retail hierarchy;*
- *the proposal would maintain or enhance the centre's vitality or viability;*
- *the proposal is for a main town centre use, which retains an active frontage. Residential use may be appropriate above retail or commercial units providing the active frontage is not compromised and that satisfactory residential amenity can be achieved;*
- *the proposal has no unacceptable impact upon local amenity and the historic environment.*

4. Retail Capacity Assessment: Approach and Baseline Evidence

In this section, we outline our approach to retail capacity forecasting. We then set out the baseline assumptions and forecasts underpinning the assessment of new retail (comparison and convenience goods) floorspace capacity in Hart District over the plan period.

Our capacity forecasts distinguish between convenience goods and comparison goods, defined as follows:

Convenience goods: *Food, alcoholic drink, tobacco products, newspapers and periodicals, non-durable household goods.*

Comparison goods: *Clothing and footwear; household textiles and soft furnishings; Furniture and floor coverings; household appliances; audio visual equipment; hardware, DIY goods, decorating supplies; chemist and medical goods, cosmetics and beauty products; books, jewellery, watches, china, glassware and kitchen utensils, recreational, personal and luxury goods.*

APPROACH

Our assessment adopts the Excel-based RECAP model used for retail capacity forecasting, applying the most up-to-date baseline evidence available including a new household survey conducted by NEMS in April 2026.

Consistent with the NPPF/PPG and established best practice, we forecast the expenditure-based capacity for new retail floorspace as follows:

- define an appropriate catchment area for Hart District, sub-divided into 7 zones based on postcode sectors;
- calculate the total amount of comparison and convenience goods expenditure available within each of the 7 zones comprising the catchment area, at the base and forecasting years;
- allocate the available expenditure to Hart's main centres and other shopping destinations based on the results of the 2026 household survey to estimate current sales and forecast future sales in each shopping destination;
- identify any committed developments (i.e. retail floorspace with planning permission and/or under construction) and assess their likely turnover contribution to future sales; and
- compare the estimated sales in Hart's main centres and other shopping destinations with existing floorspace, so as to assess the current trading performance of each shopping destination and the capacity to support additional comparison and/or convenience goods floorspace (after allowing for committed developments).

We set out below further details relating to the scope and format of the retail capacity assessment.

Shopping destinations and scenarios assessed

The shopping destinations modelled are:

- Fleet Town Centre
- Blackwater District Centre
- Hook District Centre
- Yateley District Centre
- Local Centres (namely Hartley Wintney and Odiham modelled as a group)
- Other locations in Hart District (including 'non-central' shopping destinations modelled as a group)

We assess the 'baseline' scenario for new retail floorspace in Hart District, in which we assume that the pattern of market shares of convenience and comparison goods expenditure in each shopping destination (indicated by the new household survey) remains unchanged throughout the forecasting period. The implicit assumption in this scenario is that any new retail floorspace in the shopping destinations

modelled would not change the market shares of expenditure attracted from the catchment area. This 'constant market share' approach is widely used and accepted for strategic retail capacity forecasting.

Base and forecasting years

We have used 2026 as the base year for forecasting. The model therefore provides estimates of current sales in Hart's main centres and other shopping destinations as at 2026.

As agreed with HDC, we have prepared capacity forecasts at 2029, 2034, 2039 and 2044 (so as to cover the forthcoming plan period).

Limitations of retail capacity forecasting

It is important to note that the retail capacity forecasts serve only as a guide for future planning policies and decisions on planning applications. They are not prescriptive and the further ahead the forecasting year, the less certain the forecasts. Of particular note, HDC should be aware that capacity forecasts beyond five years should be treated with a degree of caution, as they are based on various assumptions and forecasts that can and will change.

It is also to be noted that, whilst we have prepared new retail (comparison and convenience goods floorspace) capacity forecasts for each of the shopping destinations modelled, some of Hart's District and Local Centres do not feature notably in the results of the household survey – which asked where respondents 'do most' of their shopping for convenience goods and each category of comparison goods – due to their small scale and localised catchments. As such, there is limited market share information available to provide a reliable basis for retail capacity forecasting. However, in practice, there is limited retailer demand for new convenience and/or comparison goods shops in the smaller District and/or Local Centres. It is therefore unlikely that substantial new retail development would need to be planned for.

Format of the retail capacity tables

In the remainder of this section, all references to Tables are those comprising our assessment of new retail floorspace capacity set out at Appendix B:

- Tables 1 to 5 show the population and expenditure forecasts for the catchment area.
- Tables 6 to 13 are the tables for Fleet Town Centre. Tables 6 and 7 indicate the pattern of market shares of expenditure on each category of comparison and convenience goods respectively attracted from the catchment area, as indicated by the 2026 household survey. Table 8 shows the pattern of market shares. Table 9 is the product of Tables 5 and 7, indicating the amounts of expenditure on each comparison goods sub-category attracted. Table 10 sets out forecast retail sales for both comparison and convenience goods, on a zone-by-zone basis and overall. Table 11 accounts for the sales capacity of existing main foodstores and other convenience goods shops in Fleet Town Centre, and Table 12 sets out any committed retail developments and their expected sales levels (for both comparison and convenience goods). Table 13 brings together the expenditure attracted, existing floorspace and commitments to arrive at the retail capacity forecasts for Fleet Town Centre. It also shows the overall market shares of total catchment area expenditure on comparison and convenience goods secured by Fleet Town Centre.
- Tables 14 to 21 are the tables for Blackwater District Centre; Tables 22 to 29 are for Hook District Centre; Tables 30 to 37 are for Yateley District Centre; and Tables 38 to 45 are for the Local Centres. These tables follow the same arrangement as the tables for Fleet Town Centre.
- Tables 46 to 54 are the tables for Other locations in Hart District. These tables follow the same arrangement as the tables for the main centres; however, an additional table is included (Table 52) estimating 'benchmark' comparison goods sales in the existing retail warehouses and foodstores.

BASELINE EVIDENCE

Household survey of shopping patterns

For this Study we designed and commissioned a new household survey of shopping patterns in the catchment area – the results of which are included at Appendix C. It covered the area shown on the map at Appendix D which was divided into the 7 catchment zones identified.

A total of 804 interviews were recorded by NEMS in April 2026, distributed across the 7 catchment zones to ensure a minimum of 100 interviews per zone. These interviews took the form of a standard telephone interview survey as well as an online self-completion format.

The survey asked questions about households' shopping habits for main food and top-up food (i.e. convenience goods) shopping. The survey also asked questions about households' shopping habits for 8 different sub-categories of comparison goods shopping (these sub categories are closely matched with the widely recognised retail expenditure categories to ensure compatibility with our retail capacity model). We combined the results of Questions 15 to 22 of the household survey to provide weighted average market shares of all comparison goods expenditure attracted to each of the shopping destinations modelled, using weights according to the amount of expenditure on each of these 8 sub-categories of comparison goods shopping. These are set out in Table 4 (bottom row) of the model.

Catchment population

Catchment population data has been supplied in the form of the latest Experian Retail Planner data (March 2026) which includes current estimates and the projected future population of each catchment area zone. The result is that, for the catchment area as a whole, the population is expected to increase from 310,451 in 2026 to 314,055 by 2044 (representing an increase of about 1.2%).

This catchment population data is based on the ONS 2023 mid-year estimates. The population projections therefore account for estimated population growth within the catchment area but do not reflect any housing growth targets and/or housing planned since 2023. Notwithstanding, retail capacity forecasts are relatively insensitive to population growth assumptions, principally because:

- Any population growth is likely to be only a small proportion of total catchment area population (and its available expenditure); and
- The expenditure arising from any population growth is likely to be attracted by a number of shopping destinations (as shopping patterns vary greatly), therefore having only a small effect on capacity forecasts in any individual centre or other shopping destination.

Retail capacity forecasts (particularly for comparison goods floorspace) are much more sensitive to the assumptions about growth in per capita expenditure. We therefore we consider the catchment population data used to be robust.

Per capita expenditure

The latest Experian Retail Planner data sets out average per capita expenditure on convenience and comparison goods in each catchment area zone, at the various forecasting years. These estimates and forecasts take account of differences in average per capita expenditure on convenience and comparison goods from zone to zone. The resulting estimates and forecasts of per capita expenditure on both convenience and comparison goods, including expenditure on Special Forms of Trading, are set out in the top half of Table 2 at Appendix B.

The forecast growth in per capita expenditure in Table 2 is specific to the catchment area. The use of such local growth forecasts is expected to be more reliable than relying on national forecasts. Notwithstanding, they broadly reflect UK-wide trends for retail spending per capita (or per head) as follows²:

- **Convenience goods expenditure:** The Covid-19 pandemic resulted in a substantial +7.2% increase in spend per head in 2020 as consumers, faced with lockdown restrictions, spent more on home cooking/food. Convenience goods spending has fallen in every year since, including -5.1% in 2023; -2.8% in 2024; and -1.5% in 2025. Experian forecasts a fall of -0.5% in 2026. There is expected to be negative 'growth' on a per head basis in the long term, at -0.2% per annum.

² Sourced from Experian's Retail Planner Briefing Note 23 (published March 2026).

- **Comparison goods expenditure:** Experian's figures show a more mixed picture for comparison goods spending. The lockdown year of 2020 resulted in a -6.2% fall in expenditure per head before recovering in 2021 (+8.1%) and 2022 (+1.5%). However, spending fell considerably in 2023 (-9.4%) due to the cost-of-living crisis; and remained at -0.5% in 2024 and 2025 before rising to 1.2% as forecasted in 2026. Going forward, Experian expects growth to settle at approximately +2.5% per annum.

Experian's latest expenditure growth rates do not account for the Iran conflict and the potential ramifications for the UK economy. Significantly, interest rates and inflation are now expected to be higher than assumed in the Experian forecasts. Our updated assessment of retail floorspace capacity should be understood in that context.

Special Forms of Trading (SFT)

We have made deductions from the per capita expenditure figures contained in the Experian Retail Planner data to allow for expenditure via SFT. This includes online shopping, mail order and expenditure at temporary market stalls; and is therefore expenditure not made in shops and stores. Table 2 shows the growing deductions we have made.

We have applied an SFT deduction of 5.4% for convenience goods expenditure in 2026, increasing to 7.7% by 2044. Our SFT deductions for comparison goods expenditure are much greater; from 26.1% in 2026 to 32.5% by the end of the forecasting period.

These deductions are derived from Experian Retail Planner Briefing Note 23 (March 2026). Whilst the total volume of online retail sales is greater than the percentages assumed within the model, it is necessary to recognise that, with the growth of multi-channel retailing, physical stores can function as showrooms and a source of stock for online-based sales. Therefore, not all online retail sales are 'lost' from the turnover of physical stores and our SFT deductions seek to account for this.

Existing shop floorspace

HDC has supplied the latest Experian Goad shop floorspace data for Fleet Town Centre, Hook District Centre and Hartney Wintney Local Centre. Additionally, existing shop floorspace data has been derived from the 2015 Study, Edozo Occupiers and CPW Planning research.

Committed shop floorspace

We have accounted for the following committed development:

- Hartland Village, Fleet (planning permission ref. 17/00471/OUT) as shown in Table 53 at Appendix B (i.e. identified as part of 'Other locations in Hart District' within the capacity model). This extant planning permission is for residential-led mixed use development including a new local centre. The local centre comprises up to 2,655 sqm gross of retail, commercial and/or community floorspace. We have made some assumptions in Table 53 about the scale and type of retail floorspace likely to come forward as part of the new local centre.

Growth in sales densities

We have assumed that both existing and new comparison goods floorspace will increase its sales density (i.e. become more efficient) by approximately 2% per annum throughout the forecasting period. This allocates a proportion of the forecast growth in expenditure to existing shops and stores, before new floorspace becomes necessary.

We have made no allowance for increases in sales densities of convenience goods floorspace over the forecasting period.

5. Retail Capacity Assessment: Forecasts

In this section, we set out and discuss the implications of our retail capacity forecasts for Hart District.

As outlined in Section 4, our forecasts represent the 'baseline' scenario for new retail floorspace, in which we assume that the pattern of market shares of convenience and comparison goods expenditure (as indicated by the new household survey) remains unchanged throughout the forecasting period – notwithstanding the potential impact of any new or replacement retail development and/or any existing shop floorspace 'lost' to alternative uses.

The capacity forecasts, particularly beyond the next five years, should be treated with a degree of caution as they are based on various assumptions and forecasts that can and will change. The uncertainty in forecasting long-term retail trends is recognised in the PPG, which states that assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*' (paragraph 004). Therefore, greater weight should be placed on the capacity forecasts over the next 5-10 year period.

CONVENIENCE GOODS FLOORSPACE

Our forecasts in respect of the need for new convenience goods floorspace in Hart District are summarised in Table 4 below.

Before we comment on the capacity forecasts, we would note that the forecasts are on the assumption that, where existing foodstores and other convenience goods floorspace is shown in the model to be trading above average benchmark levels, the sales density will fall to that benchmark level from 2029 onwards. In reality, however, some stores may continue to trade above (or below) average benchmark levels.

The forecasts are also on the assumption that potential new convenience goods floorspace would be delivered in the form of a new foodstore(s) trading at a 'generic' average sales density of £12,000 per sqm net. Some operators would trade above this level whilst other foodstores (and convenience goods shops) would trade below. Therefore, the format in which new convenience goods floorspace is provided will affect the amount of such floorspace that can be supported in terms of expenditure-based capacity.

Table 4: Summary of capacity forecasts – convenience goods (sqm net sales area)

	2029	2034	2039	2044	Table number (Appendix B)
Fleet Town Centre	150	100	100	50	13
Blackwater District Centre	1,350	1,350	1,300	1,300	21
Hook District Centre	-200	-200	-200	-200	29
Yateley District Centre	150	150	100	100	37
Local Centres	-150	-150	-150	-150	45
Other locations in Hart District	300	150	50	0	54
Combined forecasts for Hart District	1,600	1,400	1,200	1,100	n/a

Source: Tables 1-54, Appendix B

Notes:

- The forecasts are 'baseline' forecasts after allowing for any committed developments.
- The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.
- Forecasts rounded to the nearest 50 sqm net.

Table 4 shows, after allowing for commitments, there will be limited capacity for convenience goods floorspace in Hart District (all shopping destinations modelled as a whole) amounting to about 1,600 sqm net sales area in 2029, before decreasing over the plan period.

The positive capacity identified is primarily focused on Blackwater District Centre (about 1,350 sqm net sales). All other shopping destinations modelled have little or no expenditure-based capacity for convenience goods floorspace from 2029 onwards.

The capacity forecasted at Blackwater District Centre is a signal that its two main foodstores, Aldi and Lidl, are likely to be over-trading. Table 21 at Appendix B shows the District Centre is securing convenience goods sales of about £37.9m based on the market shares indicated by the new household survey; this compares with estimated benchmark sales of about £21m (see Table 19 at Appendix B).

The potential for these Aldi and Lidl stores to be over-trading is not unrealistic considering their location along the A30, close to the A331, ensuring good accessibility and a substantial catchment area, which is focused primarily on Zone 2 (Blackwater / Yateley) but extends to Zone 6 (Farnborough) and Zone 7 (Camberley / Sandhurst) as indicated in Table 14 at Appendix B.

Notwithstanding, we assess there is no demonstrable quantitative need to plan for additional convenience goods floorspace at Blackwater District Centre (or elsewhere in Hart District). This considers the District Centre is already represented by Aldi and Lidl stores i.e. the two supermarket operators with expansion programmes to grow their market share, while nearby existing foodstore provision includes Tesco Extra (The Meadows, Sandhurst), M&S (including Foodhall) (The Meadows, Sandhurst) and Sainsbury's (Blackwater Valley Road, Camberley).

It is noted also that the limited capacity identified at Blackwater District Centre is forecast to reduce from 2029 onwards.

Therefore, rather than planning for new foodstore development in or on the edge of Blackwater District Centre, there is likely to be scope for the existing Aldi and Lidl stores to be extended and/or become

more efficient. This would serve to increase their market share and support the vitality and viability of the District Centre as a whole.

COMPARISON GOODS FLOORSPLACE

Our capacity forecasts for comparison goods floorspace in Hart District are summarised in Table 5 below.

Table 5: Summary of capacity forecasts – comparison goods (sqm net sales area)

	2029	2034	2039	2044	Table number (Appendix B)
Fleet Town Centre	-50	0	150	200	13
Blackwater District Centre	0	0	0	0	21
Hook District Centre	0	0	50	50	29
Yateley District Centre	0	50	50	100	37
Local Centres	0	0	0	0	45
Other locations in Hart District	-2,350	-2,350	-2,300	-1,900	54
Combined forecasts for Hart District	-2,400	-2,300	-2,050	-1,550	n/a

Source: Tables 1-54, Appendix B

Notes:

- The forecasts are 'baseline' forecasts after allowing for any committed developments.
- The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.
- Forecasts rounded to the nearest 50 sqm net.

Table 5 shows there will be a theoretical over-supply of comparison goods floorspace in Hart District (all shopping destinations modelled as a whole) from 2029 onwards. This amounts to about –2,400 sqm net sales area in 2029, falling to about –1,550 sqm net sales area by 2044 due to positive spending growth as currently forecasted by Experian.

The over-supply is attributed to Other locations in Hart District (about –2,350 sqm net sales area in 2029). This accounts for existing comparison goods floorspace in the main 'non-central' foodstores and other retail warehouses shown in Table 52 at Appendix B.

All other shopping destinations modelled have little or no expenditure-based capacity for comparison goods floorspace from 2029 onwards.

These findings are consistent with market trends and reduced, more location-selective (comparison goods) retailer demand. Overall, therefore, we assess there is no quantitative need to plan or allocate sites for new comparison goods floorspace. There will be scope, however, for any existing vacant shop floorspace in Hart's main centres to accommodate any retailer demand that arises.

6. Commercial Leisure Needs Assessment

Leisure uses and activities are essential for successful town centres. They can play a major role in attracting visitors, extending dwell times, and supporting the evening economy.

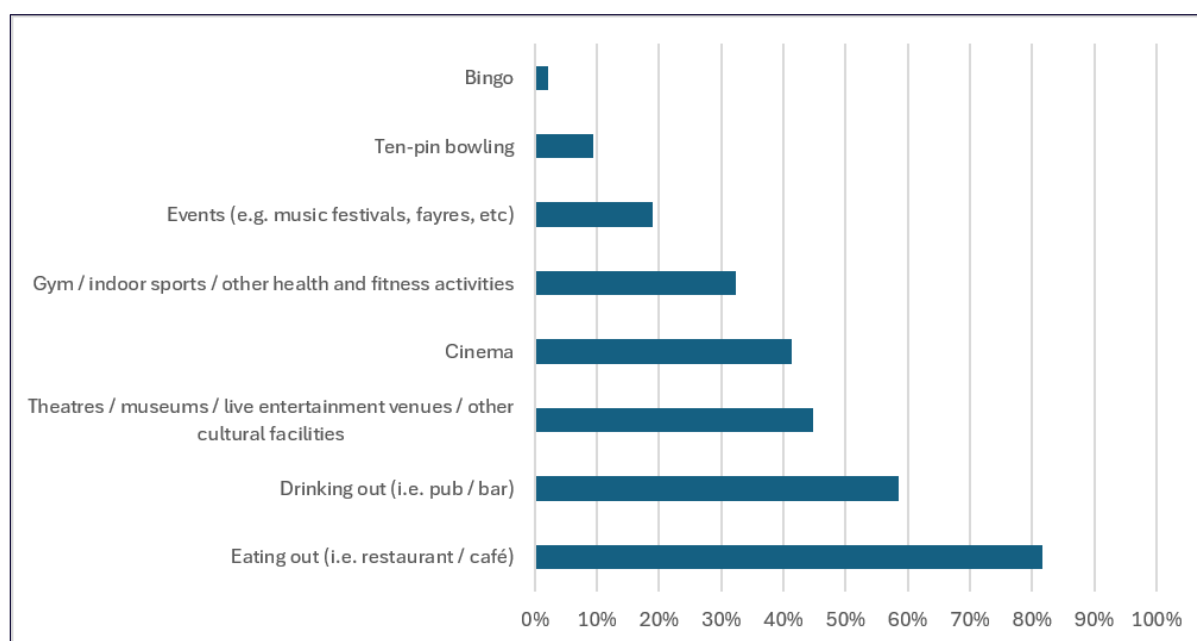
In this section, we identify the current supply of key leisure facilities in Hart District and assess whether there are any deficiencies or ‘gaps’ in the existing commercial leisure offer – with a particular focus on eating and drinking out (i.e. F&B uses); cinema; ten-pin bowling; bingo; and gymnasiums and other indoor-based health and fitness activities. We also recognise the important role of non-commercial leisure attractions such as theatres, museums and other cultural facilities and events.

It should be noted that forecasting the need for commercial leisure provision is more problematic than for retailing. This is due to the unpredictable and highly elastic nature of leisure trips (and associated spending) in addition to a lack of reliable performance data. Consequently, there is no robust method for assessing commercial leisure needs in quantitative terms. Our review is therefore based on high level qualitative analysis informed by the results of the 2026 household survey (Appendix C) and desktop research.

PARTICIPATION LEVELS

Figure 7 below shows the level of participation in different types of leisure-based activities by respondents to the household survey³ which, as described earlier in this report, is based on a catchment area comprising 7 zones (as shown on the map included at Appendix D).

Figure 7: Participation in leisure-based activities by catchment area respondents



Source: Question 23 of the household survey (Appendix C)

The most popular activity relates to eating out (i.e. restaurant/café) with around 82% of respondents visiting these types of facilities. Drinking out (i.e. pub/bar) is also popular and has the second highest level of participation (around 59% of respondents). The *Eating and Drinking Out* section below identifies

³ The chart identifies the percentage of respondents who participate more than once a year in the relevant activity.

respondents' frequency of visits to such facilities and the most popular destinations in (and outside) Hart District.

The next most common activities are trips to theatres, museums, live entertainment venues and other cultural facilities (45%) and the cinema (41%). The former are not commercial leisure facilities but are clearly important and complementary attractions, as are events (19% of catchment area respondents visit events more than once a year). Around 32% of the respondents use gyms and other indoor sports facilities.

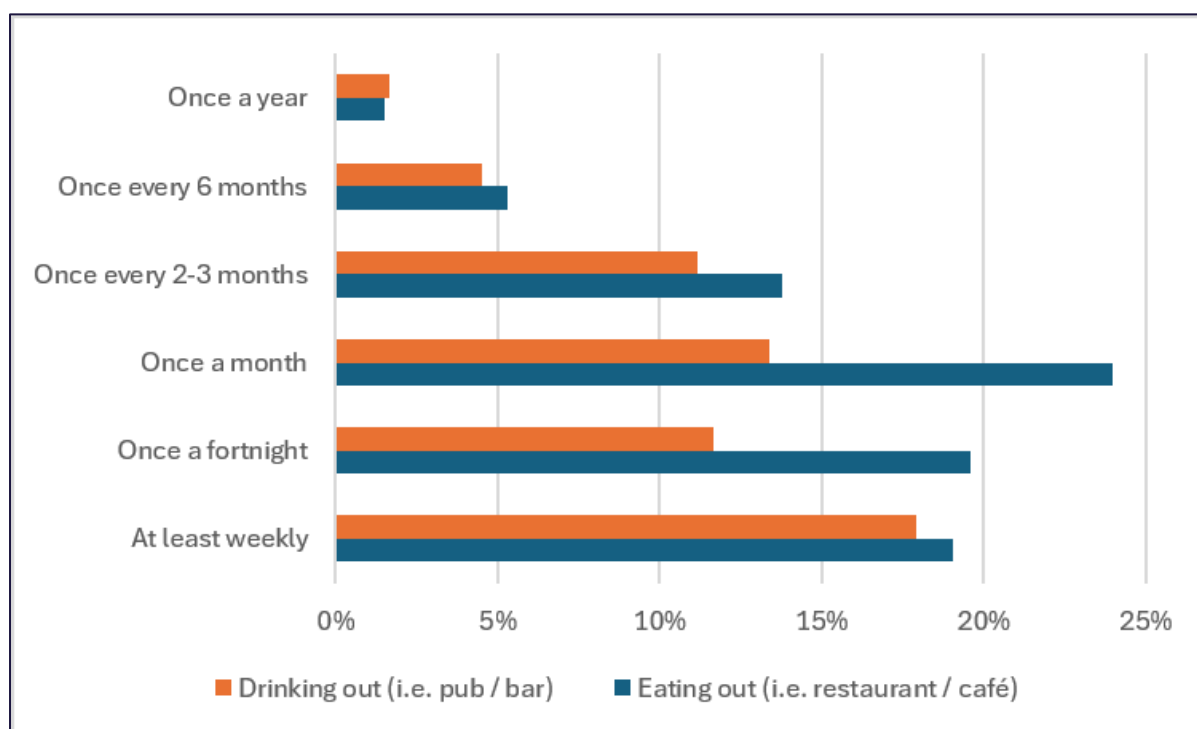
Participation in other types of leisure-based activities, namely ten-pin bowling and bingo, is much lower (around 9% and 2% respectively) as shown in Figure 7 above.

EATING AND DRINKING OUT

The F&B sector includes cafes, restaurants, pubs and bars. A good quality and choice of F&B uses can help to support a centre's retail function and complement the wider offer by generating footfall, improving the consumer 'experience' and extending dwell times into the evening.

As identified in Figure 7 above, eating out and (to a lesser degree) drinking out comprise the most popular leisure-based activities in terms of participation levels across the catchment area; and Figure 8 below sets out the frequency of visits.

Figure 8: Frequency of visits to restaurants/cafes and pubs/bars



Source: Question 23 of the household survey (Appendix C)

On the face of it, such trips and associated spending should support the potential to enhance the choice of F&B uses in Hart's main centres. However, while gourmet fast-food and quick-serve brands continue expanding, the level of growth will be subject to market conditions and demand amid inflationary pressures and shifting consumer habits. Competing offers in the surrounding towns, including Camberley and Farnham, as per the household survey findings, will also have implications for the potential level of growth in Hart District.

Respondents to the household survey were asked where they visit most often for the purpose of eating and drinking out. The market shares secured by Hart's main centres for restaurants/cafés (Table 6) and pubs/bars (Table 7) respectively are summarised below.

Table 6 below indicates that Fleet Town Centre is one of the catchment area's principal destinations for eating out, with an overall market share of 14.1% according to the survey research (the main competing

destinations are Camberley and Farnham Town Centres). Yateley District Centre is Hart's second most popular destination for eating out (4.5% catchment area market share) followed by Hook District Centre (2.2%) and Odiham Local Centre (2.1%).

Table 6: Restaurants/cafe catchment area market share

Destination	Catchment area % market share
Fleet Town Centre	14.1%
Yateley District Centre	4.5%
Hook District Centre	2.2%
Odiham Local Centre	2.1%
Hartley Wintney Local Centre	1.5%
Blackwater District Centre	0.2%
Main competing destinations (outside Hart):	
Camberley Town Centre	15.6%
Farnham Town Centre	15.4%
Farnborough Town Centre	7.4%

Source: Question 25 of the household survey (Appendix C)

Table 7 below reveals a similar picture for drinking out, with Fleet Town Centre securing a total catchment area market share of 15.7% and it is therefore the principal destination for this type of activity. Again, Yateley District Centre is the second most popular destination in Hart (6.1% catchment area market share); followed by Hook District Centre (4.7%) and Hartley Wintney Local Centre (2.7%). The main competing destinations are pubs/bars in Farnham, Camberley and Farnborough Town Centres.

Table 7: Pub/bar catchment area market share

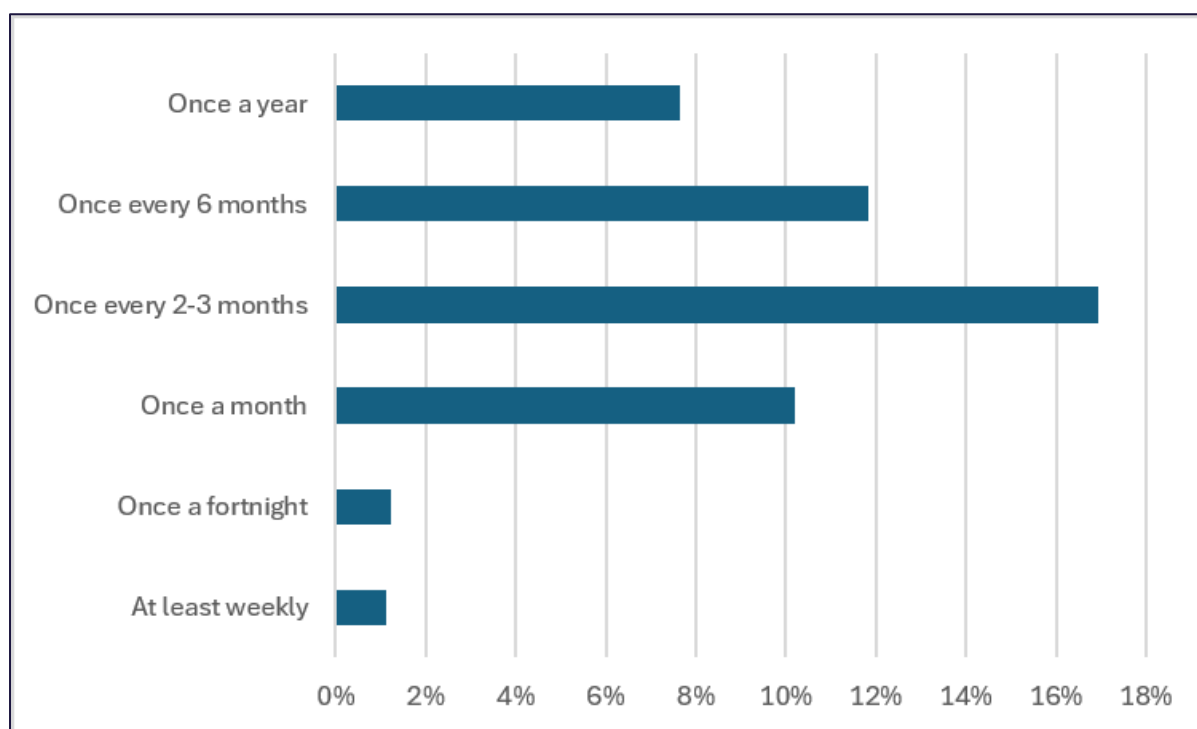
Destination	Catchment area % market share
Fleet Town Centre	15.7%
Yateley District Centre	6.1%
Hook District Centre	4.7%
Hartley Wintney Local Centre	2.7%
Odiham Local Centre	2.5%
Blackwater District Centre	0.1%
Main competing destinations (outside Hart):	
Farnham Town Centre	12.9%
Camberley Town Centre	10.9%
Farnborough Town Centre	10.5%

Source: Question 24 of the household survey (Appendix C)

CINEMA

Figure 9 below reveals how often respondents to the household survey visit the cinema. Almost 17% of respondents visit once every 2-3 months, followed by about 12% once every 6 months. Although not represented in the chart below, it is also to be noted that around half (51%) said they visit the cinema less than once a year or never. These findings suggest relatively modest levels of participation across the catchment.

Figure 9: Frequency of visits to the cinema



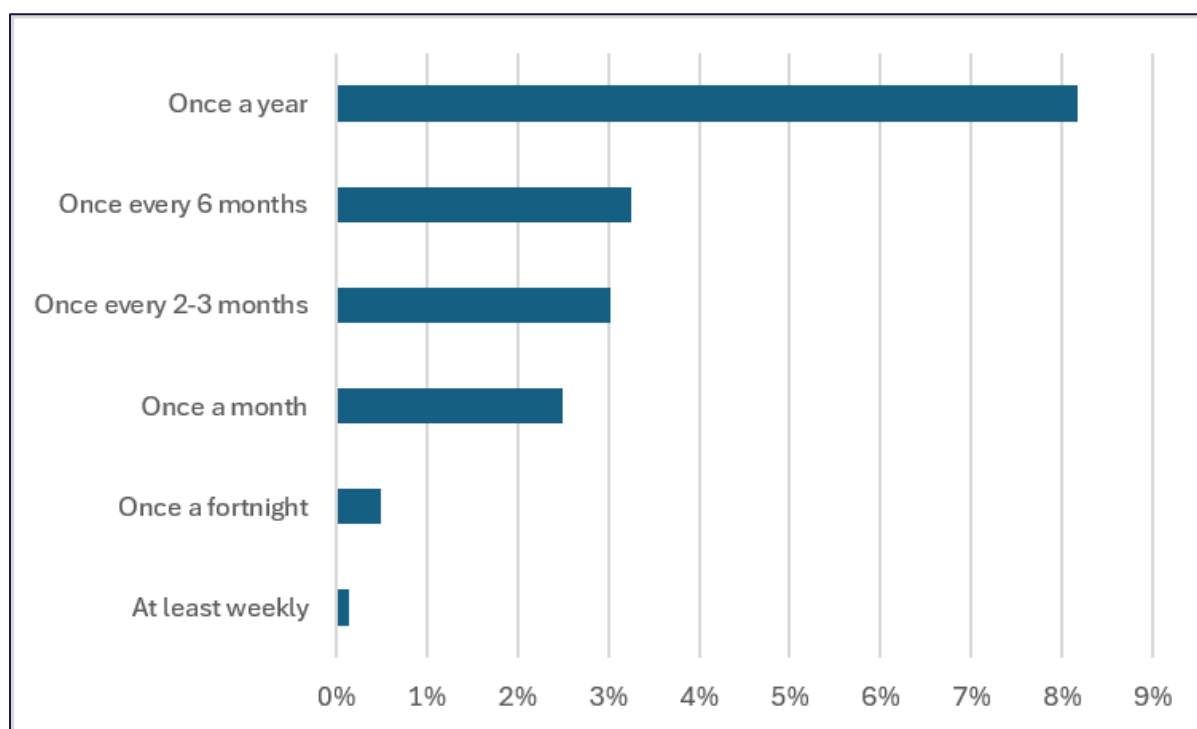
Source: Question 23 of the household survey (Appendix C)

There are no cinemas currently in Hart District. Therefore, cinemas in Camberley (Vue – 29% catchment area market share), Farnborough (Vue – 29%), Farnham (Reel Cinema – 12%) and Aldershot (Cineworld – 12%) attract a significant proportion of cinemagoers from the catchment area.

TEN-PIN BOWLING

Ten-pin bowling is a long-established commercial leisure activity, particularly for families and social groups. Like cinemas and other leisure operators, however, such facilities have been affected by shifting consumer habits and tend to attract occasional (or less frequent) visits as shown in Figure 10 below.

Figure 10: Frequency of visits to ten-pin bowling



Source: Question 23 of the household survey (Appendix C)

Hart District does not have a ten-pin bowling facility. The main destinations outside Hart include Tenpin in Camberley (67% catchment area market share) and Superbowl at Aldershot's Westgate Retail & Leisure Park (15%).

BINGO

The bingo sector has been faced with falling admissions and therefore closures in the past 10-15 years, driven by the indoor smoking ban and a shift to online-based gambling and gaming.

Participation rates for bingo are very low: about 95% of respondents to the household survey do not visit the bingo. Of those who do, only about 2% visit the bingo more than once a year.

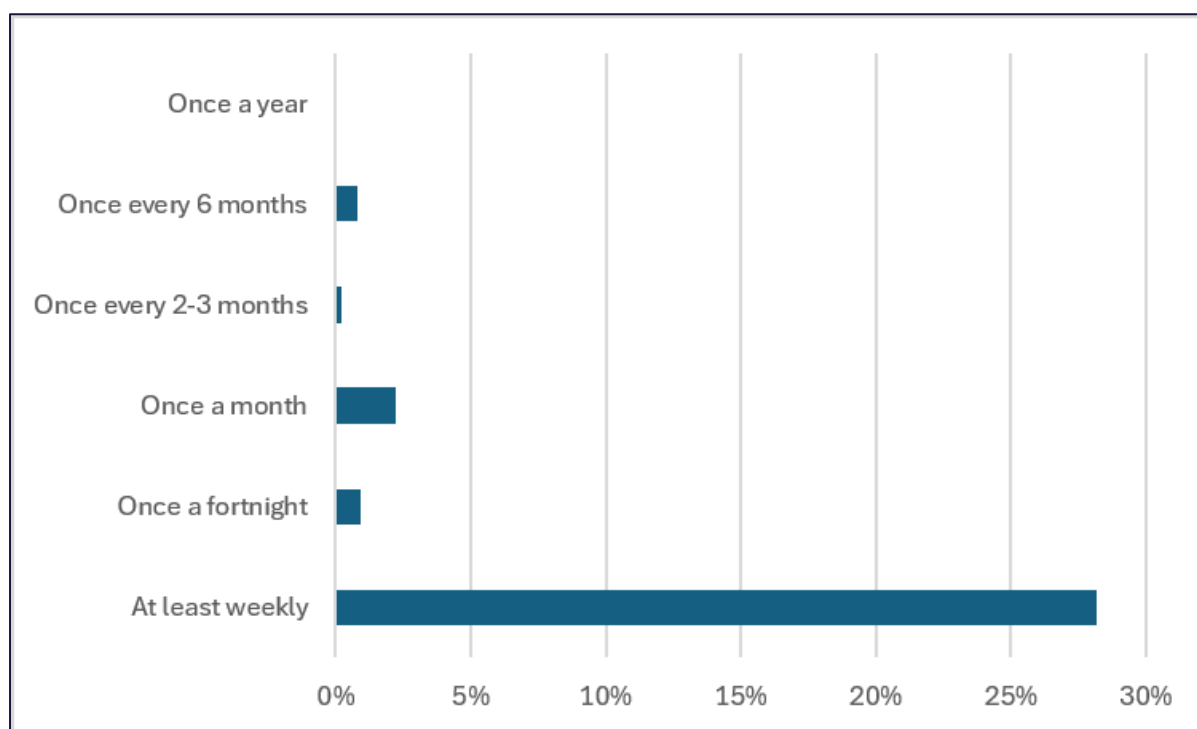
Fleet Town Centre is one of the most popular destinations for bingo-goers within the catchment area, securing a 9% market share. Popular competing destinations outside Hart include Aldershot Town Centre (15%), Farnborough Town Centre (10%) and BJ's Bingo in Reading (8%).

GYMS, INDOOR SPORTS AND OTHER HEALTH AND FITNESS ACTIVITIES

Gyms and other indoor sports facilities can make an important contribution towards town centre footfall and activity. The budget operators offering flexible and discounted subscriptions have experienced the most significant growth in recent years, while female-only gyms have grown in popularity, yet all operators are faced with increasing competition from 'at home' digital fitness platforms and equipment.

Whilst almost 68% of respondents to the household survey do not partake in these types of activities, Figure 11 below shows that around 28% visit at least weekly.

Figure 11: Frequency of visits to gyms and other indoor sports facilities



Source: Question 23 of the household survey (Appendix C)

Table 8 below identifies some of the main public and private gyms, other indoor sports and health and fitness facilities in the District, as indicated by the household survey research, together with the catchment area market shares. Fleet Town Centre is the most popular destination in Hart for this type of activity.

Table 8: Gyms and other indoor sports catchment area market share

Destination	Catchment area % market share
Fleet Town Centre (including Anytime Fitness)	10.8%
Hart Leisure Centre, Emerald Avenue, Fleet	6.8%
Yateley District Centre	3.2%
Church Crookham Village Centre	3.2%
Hook District Centre	2.2%
Hartley Wintney Local Centre	2%
Frogmore Leisure Centre, Potley Hill, Yateley	1.1%
JP Fitness, Clarence Road, Fleet	1%

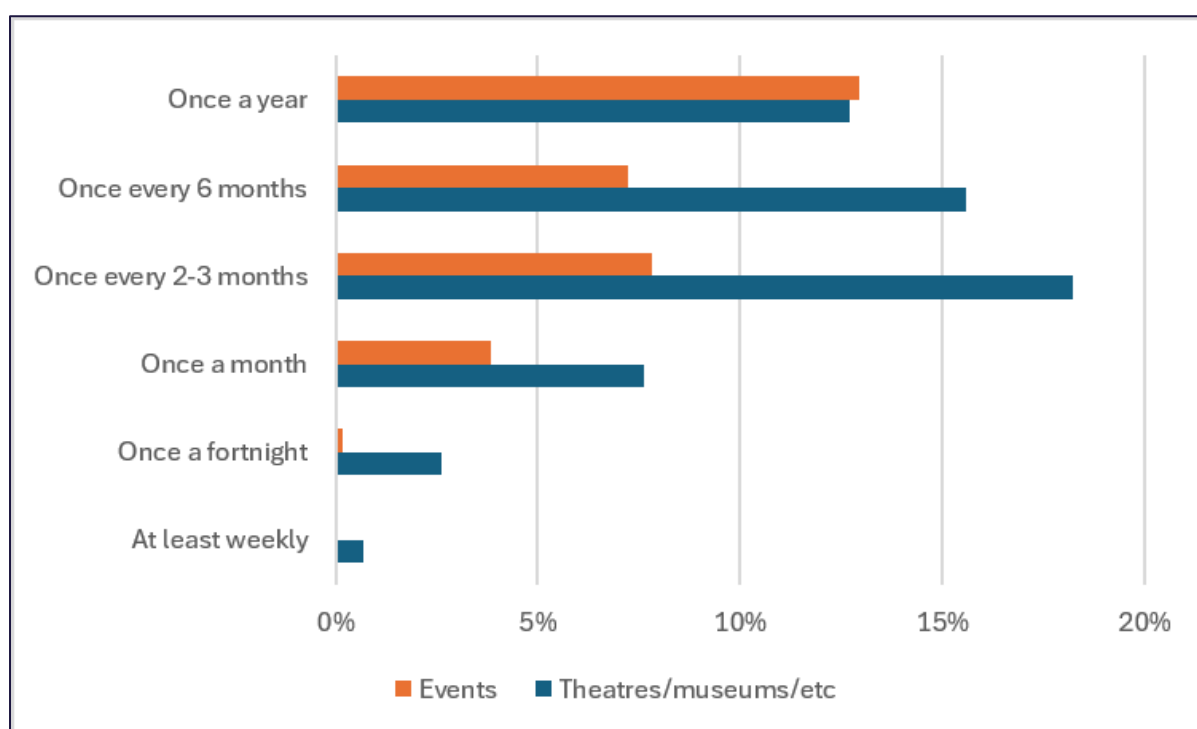
Source: Question 26 of the household survey (Appendix C)

NON-COMMERCIAL LEISURE FACILITIES

Non-commercial leisure facilities have an important role supporting town centre vitality and viability. To that end, Figure 12 below reveals how often catchment area respondents visit the following types of attractions:

- Theatres / museums / live entertainment venues / other cultural facilities
- Events (e.g. music festivals, fayres, etc)

Figure 12: Frequency of visits to non-commercial leisure facilities



Source: Question 23 of the household survey (Appendix C)

Table 9 below identifies some of the non-commercial leisure facilities and attractions visited “most often” by respondents to the household survey, together with the percentage of responses. The analysis is focused on events on the basis the survey research suggests that Hart District is lacking and/or not a popular destination for theatres/museums/etc. Trips to such cultural facilities are dominated by Central London / West End (more than 56% of responses).

Table 9: Main non-commercial leisure facilities and attractions

Events (e.g. music festivals, fayres, etc)	Total % responses
Yateley District Centre	8.3%
Fleet Town Centre	4.4%
Hook District Centre	1.2%
Odiham Local Centre	0.9%

Source: Question 31 of the household survey (Appendix C)

Yateley District Centre is the most popular destination for events in Hart (cited by 8.3% of catchment area respondents), followed by Fleet Town Centre (4.4%), which add variety and drive ‘purpose of visits’ to these locations.

POTENTIAL IMPROVEMENTS / NEEDS

The preceding analysis has considered the District’s existing commercial and non-commercial leisure offer. We have used household survey research to establish levels of participation, frequency of visits, and provide a high-level indication of market share where possible.

Taking this a step further, the household survey asked respondents what additional facilities or other improvements would encourage them to do leisure activities more often in the area. Table 10 below identifies the ‘top 15’ most cited improvements and needs.

Although almost 45% catchment area respondents answered “none” while a further 16.8% said either “don’t know” or “don’t do” when asked this question, the survey findings suggest there is scope for improvement and new facilities subject to market demand.

Table 10: Suggested improvements and needs to encourage more leisure activities

Suggestion	Total % responses
Cheaper prices to access leisure facilities	7.1%
More / better parks / green spaces	6.2%
Swimming pool – indoor	6.2%
Better shopping facilities	6.1%
Live music venues	6%
Food / farmers markets	5.4%
Leisure / sports centre	5.1%
More / better restaurants / cafes	4.5%
Theatre	4.1%
Improved public transport	4%
More / better public toilets	3.9%
More / better pubs / bars	3.9%
Comedy clubs	3.8%
Cinema – multi screen	3.4%
Soft play areas	3.4%
(None)	44.3%
(Don't know / don't do)	16.8%

Source: Question 32 of the household survey (Appendix C)

It is interesting that one of the most common responses (about 6%) indicates that better shopping facilities would encourage respondents to do more leisure activities in the area. This suggests consumers are looking to combine their leisure activities with a day-out or a linked trip to shopping facilities.

Aside from the pricing of leisure facilities (7.1%), common responses included more / better parks / green spaces (6.2%), an indoor swimming pool (6.2%), live music venues (6%) and food / farmers markets (5.4%). The responses indicating that improved public transport (4%) and more / better public toilets (3.9%) would encourage respondents to do more leisure activities in the area, are also noteworthy. About 4.5% of respondents suggested more / better restaurants / cafes.

SUMMARY AND ACCOMMODATING COMMERCIAL LEISURE NEEDS

The commercial leisure sector is dynamic and changes rapidly. As highlighted earlier, there is no robust method for assessing commercial leisure needs in quantitative terms owing to the unpredictable nature of leisure trips and a lack of reliable performance data.

This section has therefore reviewed Hart District's commercial leisure needs in qualitative terms, supported by the results of the household survey and other sources of data. Having assessed the current supply of key leisure facilities in the District, including consideration for participation rates and potential improvements, in addition to competing provision outside Hart District, we set out below any deficiencies in the commercial leisure offer and advise whether any new provision should be planned for.

The household survey research has confirmed that eating out and (to a lesser degree) drinking out comprise the most popular leisure-based activities in the catchment area, with around 82% visiting restaurants/cafes more than once a year and around 59% visiting pubs/bars more than once a year. Such facilities help to extend dwell time and hours of activity into the evening, while there is some evidence of demand for more or better F&B provision.

Fleet Town Centre is the main destination for eating and drinking out, reflecting its relative size and catering offer, together with its wider shopping and leisure attractions. Yateley District Centre is the second most popular destination for such activities, recognising also that this District Centre is Hart's most popular destination for events.

The scale of any growth in F&B provision will largely be dependent on market conditions and demand. Competing offers in the surrounding towns will also serve to limit the potential for growth in Hart.

There are no cinemas or ten-pin bowling facilities in Hart. The District's residents therefore have to look towards the surrounding towns (e.g. Camberley, Aldershot) to meet their needs in this respect. That said,

low participation rates coupled with established competing provision outside Hart is likely to limit the prospect of new cinemas and/or ten-pin bowling facilities coming forward.

Consumer demand for bingo facilities has fallen considerably in recent years and the survey research has indicated low participation in this type of leisure-based activity. We assess there is no need to plan for such facilities.

Fleet Town Centre is also the most popular destination for gyms and other indoor sports facilities. Should proposals come forward for a new such facilities in or on the edge of Hart's main centres, they have the potential to complement and enhance the range of uses and experiences available.

Overall, as our analysis has identified, there is scope for improvement in the District's commercial leisure offer although the potential for growth is limited by market factors, supply-side constraints and accessible competing destinations. There is understandably some 'leakage' and a degree of reliance on larger surrounding towns such as Camberley, Farnham and Aldershot for leisure-based activities (and cultural facilities, in particular Central London / West End). Notwithstanding, we consider there is no need for HDC to allocate specific sites for new leisure provision. A more flexible approach is recommended. Indeed, in the longer term, as the catchment area population increases and new development proposals emerge, there may be additional demand for commercial leisure facilities, in which case any such provision should be directed to the District's main centres in accordance with the sequential approach to strengthen their diversity of uses and overall vitality. Larger format uses should be encouraged in or on the edge of Fleet Town Centre, commensurate with the retail hierarchy and to improve its role as a main 'evening economy' destination. These are more likely to come forward as part of repurposing or mixed-use schemes (as opposed to new standalone formats) for commercial viability reasons.

The town centre policies of the new Local Plan should be sufficiently flexible to ensure that proposals of this nature are supported in appropriate locations and capable of contributing towards town centre vitality and viability.

7. Strategy and Policy Recommendations

This Study has been prepared by Cushman & Wakefield and CPW Planning and provides the evidence base to assist HDC with its work on the emerging Local Plan, and to support the development management function of the local planning authority.

Our advice covers:

- The need for new retail (convenience and comparison goods) and commercial leisure floorspace.
- A review of the hierarchy of centres in Hart District.
- A review of the town centre boundaries in the light of the updated evidence base and national planning reforms.
- A review of local floorspace impact threshold(s) as relevant to the assessment of new retail and leisure development proposals outside of town centres.
- Other bespoke policy recommendations in response to existing or emerging issues.

Where appropriate, our advice includes a critical review of the relevant policies set out in the Hart Local Plan (Strategy and Sites) 2032. In particular:

- Policy ED4 'Town, District and Local Centres'
- Policy ED5 'Fleet Town Centre'
- Policy ED6 'District and Local Centres'

We consider whether these policies are fit-for-purpose, or whether any policy revisions and/or additional provisions are necessary to ensure the emerging Local Plan reflects the updated evidence base and is consistent with the NPPF.

RETAIL NEEDS AND STRATEGY

Our capacity forecasts represent the 'baseline' scenario for new retail floorspace in Hart District, in which we assume that the 2026 survey-derived pattern of market shares of convenience and comparison goods expenditure, in each of the District's shopping destinations, remains unchanged throughout the forecasting period.

Table 11 below shows our individual capacity forecasts for convenience goods floorspace in the shopping destinations modelled, together with our overall (i.e. combined) forecasts for the District. There will be limited capacity for convenience goods floorspace (all shopping destinations modelled as a whole) amounting to about 1,600 sqm net sales area in 2029, before decreasing over the plan period.

The positive capacity identified is primarily focused on Blackwater District Centre (about 1,350 sqm net sales). All other shopping destinations modelled have little or no expenditure-based capacity for convenience goods floorspace from 2029 onwards.

The capacity forecasted at Blackwater District Centre is a signal that its two main foodstores, Aldi and Lidl, are likely to be over-trading. Notwithstanding, we assess there is no demonstrable quantitative need to plan for additional convenience goods floorspace at Blackwater District Centre (or elsewhere in Hart District). This considers the District Centre is already represented by Aldi and Lidl stores i.e. the two supermarket operators with expansion programmes to grow their market share, while nearby existing foodstore provision includes Tesco Extra and M&S (including Foodhall) in Sandhurst and Sainsbury's in Camberley.

It is noted also that the limited capacity identified at Blackwater District Centre is forecast to reduce from 2029 onwards.

Therefore, rather than planning for new foodstore development in or on the edge of Blackwater District Centre, there is likely to be scope for the existing Aldi and Lidl stores to be extended and/or become more efficient. This would serve to increase their market share and support the vitality and viability of the District Centre as a whole.

Table 11: Summary of capacity forecasts – convenience goods (sqm net sales area)

	2029	2034	2039	2044	Table number (Appendix B)
Fleet Town Centre	150	100	100	50	13
Blackwater District Centre	1,350	1,350	1,300	1,300	21
Hook District Centre	-200	-200	-200	-200	29
Yateley District Centre	150	150	100	100	37
Local Centres	-150	-150	-150	-150	45
Other locations in Hart District	300	150	50	0	54
Combined forecasts for Hart District	1,600	1,400	1,200	1,100	n/a

Source: Tables 1-54, Appendix B

Notes:

- The forecasts are 'baseline' forecasts after allowing for any committed developments.
- The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.
- Forecasts rounded to the nearest 50 sqm net.

The position in respect of comparison goods floorspace, as set out in Table 12 below, is that there will be a theoretical over-supply of floorspace in Hart District (all shopping destinations modelled as a whole) from 2029 onwards. This amounts to about –2,400 sqm net sales area in 2029, falling to about –1,550 sqm net sales area by 2044 due to positive spending growth as currently forecasted by Experian.

The over-supply is attributed to Other locations in Hart District including the main 'non-central' foodstores and other retail warehouses. Meanwhile, all other shopping destinations modelled have little or no expenditure-based capacity for comparison goods floorspace from 2029 onwards.

These findings are consistent with market trends and reduced, more location-selective (comparison goods) retailer demand. Overall, therefore, we assess there is no quantitative need to plan or allocate sites for new comparison goods floorspace. There will be scope, however, for any existing vacant shop floorspace in Hart's main centres to accommodate any retailer demand that arises.

Table 12: Summary of capacity forecasts – comparison goods (sqm net sales area)

	2029	2034	2039	2044	Table number (Appendix B)
Fleet Town Centre	-50	0	150	200	13
Blackwater District Centre	0	0	0	0	21
Hook District Centre	0	0	50	50	29
Yateley District Centre	0	50	50	100	37
Local Centres	0	0	0	0	45
Other locations in Hart District	-2,350	-2,350	-2,300	-1,900	54
Combined forecasts for Hart District	-2,400	-2,300	-2,050	-1,550	n/a

Source: Tables 1-54, Appendix B

Notes:

- The forecasts are 'baseline' forecasts after allowing for any committed developments.
- The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.
- Forecasts rounded to the nearest 50 sqm net.

The retail capacity forecasts set out above serve as a guide for future planning policies and decisions on planning applications. The forecasts should be reviewed regularly in the light of actual population and (in particular) expenditure growth, the outlook for which is subject to change given macro economic conditions and trends.

In addition, the PPG states that assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*' (paragraph 004). Greater weight should therefore be placed on the capacity forecasts over the next 5-10 year period.

COMMERCIAL LEISURE NEEDS AND STRATEGY

Fleet Town Centre is the District's principal destination for eating and drinking out, reflecting its relative size and catering offer, together with its wider shopping and leisure attractions. The smaller town centres have a more limited F&B offering. Yateley District Centre is the second most popular destination for such activities, recognising also that this District Centre is Hart's most popular destination for events.

None of the main centres have larger format commercial leisure facilities (i.e. cinemas, ten-pin bowling). The District's residents therefore have to look towards the surrounding towns to meet their needs in this respect.

Overall, our analysis identifies there is scope for improvement in the District's commercial leisure offer although the potential for growth is limited by market factors, supply-side constraints and accessible competing destinations. There is understandably some 'leakage' and a degree of reliance on larger surrounding towns such as Camberley, Farnham and Aldershot for leisure-based activities (and cultural facilities, in particular Central London / West End). Notwithstanding, we consider there is no need for HDC to allocate specific sites for new leisure provision. A more flexible approach is recommended.

Indeed, in the longer term, as the catchment area population increases and new development proposals emerge, there may be additional demand for commercial leisure facilities, in which case any such provision

should be directed to the District's main centres in accordance with the sequential approach to strengthen their diversity of uses and overall vitality. Larger format uses should be encouraged in or on the edge of Fleet Town Centre, commensurate with the retail hierarchy and to improve its role as a main 'evening economy' destination. These are more likely to come forward as part of repurposing or mixed-use schemes (as opposed to new standalone formats) for commercial viability reasons.

The town centre policies of the new Local Plan should be sufficiently flexible to ensure that proposals of this nature are supported in appropriate locations and capable of contributing towards town centre vitality and viability.

NETWORK AND HIERARCHY OF CENTRES

Policy ED4 sets out the Council's overarching strategy for the development of retail and other main town centre uses in Hart District. It promotes such developments within the defined centres where they are appropriate to the scale, function and character of the centre.

The hierarchy of centres set out in Policy ED4 is as follows:

- **Town Centre:** Fleet
- **District Centres:** Blackwater, Hook and Yateley
- **Local Centres:** Hartley Wintney and Odiham

As an approach, this is consistent with the NPPF (Policy TC1 paragraph 1b) requirement that planning policies should define a hierarchy of town centres. Town centres are defined as:

Area defined on the local authority's policies map in the development plan including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres as defined in the development plan but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

Based on the findings of this Study, we consider it remains appropriate to:

- define Fleet as a 'Town Centre' at the apex of the hierarchy, reflecting and promoting its role as the largest centre for shopping, services, leisure and other commercial activity in Hart;
- define Blackwater, Hook and Yateley as 'District Centres' in the hierarchy (below Fleet Town Centre) considering, although they are reasonably varied in their scale and character, they each have an important role providing shops, services and community facilities to meet the day-to-day needs of their catchments; and
- define Hartley Wintney and Odiham as 'Local Centres' in the hierarchy, principally serving the convenience-based retail and service needs of their walk-in catchments, passers-by and other visitors, albeit not to the same level as the District Centres.

TOWN CENTRE BOUNDARIES AND PRIMARY SHOPPING AREAS

The NPPF states that Local Plans should set out '*The location and extent of town centres and primary shopping areas*' (Policy TC1 paragraph b).

Annex B (Glossary) to the NPPF defines a primary shopping area as '*where retail development is concentrated*' and we consider this definition further below in the context of the changes to the Use Classes Order.

The extent of a centre's primary shopping area (PSA) determines whether a site or building should be considered in-centre (i.e. within the primary shopping area), edge-of-centre or out-of-centre; and is therefore key to the application of the sequential and impact tests set out in the NPPF.

Edge-of-centre is defined as:

For retail purposes, a location that is well connected to, and up to 300 metres from, a primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary (if no

primary shopping area has been defined in the development plan, it should be regarded as a location that is well-connected to, and up to 300 metres from, that part of the town centre within which retail uses predominate – measured from its outer edge). For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances.

Out-of-centre is a location which is not in or on the edge of a centre.

The NPPF sets out that a ‘town centre’ (applying to city centres, town centres, district centres and local centres) is an area defined on the local authority’s policies map, *‘including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area’* (Annex B).

There is no longer a national policy requirement to define primary and/or secondary shopping frontages. The PPG (paragraph 002) does state that local planning authorities may, where appropriate, wish to define frontages where their use can be justified in supporting the vitality and viability of particular centres. However, we consider that the definition and application of primary and secondary frontages is now outdated – not least since the changes to the Use Classes Order (including Class E) introduced in September 2020 – and too inflexible. In our view, frontage policies can constrain the delivery of a mix of non-retail uses and activities that, as well as helping to support retail, can add significantly to the vitality and viability of town centres in a manner that Class E generally provides for.

We consider the current policy approach to controlling retail and non-retail uses in the defined centres – as outlined in Policy ED5 (Fleet Town Centre) and Policy ED6 (District and Local Centres) – is pragmatic and sufficiently flexible.

Policy ED5 supports proposals that would *‘maintain or enhance the vitality and viability of Fleet Town Centre’, ‘not harm the retail character of the Centre’, and ‘be for a main town centre use, which retains or provides an active frontage. Residential use may be appropriate...’* Our only recommendation would be that proposals within the PSA, including for residential use, should contribute positively to the retail and wider mixed-use character of the Town Centre and support its vitality and viability (as opposed to not harming the retail character).

Policy ED6 supports proposals that are *‘appropriate to the centre’s location in the retail hierarchy’, ‘would maintain or enhance the centre’s vitality and viability’* and are *‘for a main town centre uses, which retains an active frontage. Residential use may be appropriate...’* We consider this policy wording remains fit-for-purpose.

Indeed, there is increasing emphasis at the plan-making and decision-making stages on qualitative-based assessment factors, focusing on (for example) the nature and character of a proposed use or development, including the level of activity associated with it, and its contribution to the overall health of the centre. Policies ED5 and ED6 are broadly compatible with this approach.

Meanwhile, given the replacement of the previous Class A uses (including shops) with Class E and a new permitted development right allowing changes of use from Class E uses to residential without the need for planning permission⁴, the definition of a PSA (i.e. where retail development is concentrated) is more problematic. PSAs can and will increasingly include a diversity of uses beyond just shops because this is what the UCO and the wider planning reforms provide for – albeit the NPPF has not kept pace with these developments. Thus, the purpose of a PSA is now largely restricted to its critical role in the application of the sequential and impact tests.

It is in the above context we have reviewed the current town centre boundaries set out in the Hart Local Plan and made recommendations for PSAs in each centre (noting that the current Local Plan does not define PSAs for the District and Local Centres). These are shown on the maps at Appendix E.

⁴ Albeit subject to Prior Approval and the need to satisfy certain criteria.

Table 13 below provides an overview of the changes recommended for each centre.

Table 13: Overview of Centre Change Recommendations

Centre	Recommended changes
Fleet Town Centre	Amend the current town centre boundary as follows: - Exclude residential uses along Albert Street and on the eastern side of Fleet Road; - Include 'Oatsheaf Fleet' public house (2 Crookham Road); - Include 'Majestic Wine' shop unit (78 Fleet Road). Amend the current PSA as follows: - Include shop units on the eastern and western sides of Fleet Road (close to Travis Perkins); - Exclude telephone exchange building on the northern side of Church Road; - Exclude residential uses and MOT garage close to the Albert Street / Church Road junction; - Exclude the service uses on the southern side of Reading Road South; - Exclude residential uses on the northern side of Victoria Road.
Blackwater District Centre	Amend the current town centre boundary as follows: - Exclude residential uses on the southern side of London Road; - Generally tidying up / exclusions from the boundary on the southern side of London Road. Include a PSA boundary to reflect the broad distribution of existing retail and Class E uses (consistent with the proposed town centre boundary).
Hook District Centre	Amend the current town centre boundary as follows: - Exclude residential uses on the eastern side of Station Road; - Extend boundary up to and including the 'Little Waitrose' shop unit (Shell garage). Include a PSA boundary to reflect the broad distribution of existing retail and Class E uses (consistent with the proposed town centre boundary).
Yateley District Centre	Amend the current town centre boundary as follows: - Exclude residential uses (Gayton House) on the western side of Village Way; - Generally tidying up / exclusions from the boundary on the southern side of Reading Road. Include a PSA boundary to reflect the broad distribution of existing retail and Class E uses (consistent with the proposed town centre boundary).
Hartley Wintney Local Centre	Amend the current town centre boundary as follows: - Include the whole of the 'Waggon & Horses' public house (High Street); - Include main town centre uses on the southern side of High Street. Include a PSA boundary to reflect the broad distribution of existing retail and Class E uses (consistent with the proposed town centre boundary).
Odiham Local Centre	No changes to the current town centre boundary. Include a PSA boundary to reflect the broad distribution of existing retail and Class E uses (consistent with the current town centre boundary).

We are aware that some of the centres in Hart District (namely Hook, Yateley, Hartley Wintney and Odiham) are covered by Neighbourhood Plans, which identify the location and extent of the centres or their retail areas. We have had regard to those boundaries/areas when reviewing the town centre boundaries and PSAs for the purpose of this Study. The changes we have recommended for each centre in Table 13 are, however, based on up-to-date analysis and are compliant with the approach to defining the extent of town centres and PSAs set out in the NPPF.

THE SEQUENTIAL AND IMPACT TESTS (INCLUDING LOCAL FLOORSPACE IMPACT THRESHOLDS)

Having considered District's network of centres and PSA boundaries, it will be important for policy to identify the requirements of the sequential and impact tests set out in the NPPF, as relevant:

- for sequential test purposes when assessing planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to date plan (Policy TC3); and
- for impact test purposes when assessing planning applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date local plan (Policy TC4).

These two tests are currently addressed in Policy ED4. The policy wording in respect of the sequential test is broadly appropriate although could be developed to include further guidance, as per the NPPF, including the order of preference (i.e. town centres first, then edge of centre locations, etc) (Policy TC3 paragraph 2) and the requirement to demonstrate flexibility on issues such as format and scale (Policy TC3 paragraph 3) when applying the test.

The NPPF (Policy TC4 paragraph 1) makes it clear that the impact test only applies to retail and leisure development proposals over 2,500 sqm gross unless there is a different proportionate, locally set floorspace threshold. Policy ED4 includes a locally set floorspace threshold for impact assessments in Hart: it applies to proposals for retail and leisure development with a gross floorspace exceeding 1,000 sqm in edge or out of centre locations.

This approach to assessing impact is broadly appropriate. Some local authorities, however, are introducing a 'blanket' impact threshold of 280 sqm. This level of floorspace, at least with regards to shops, is significant for two main reasons:

- a) The changes to the Use Classes Order include Class F2(a) defined as '*Shops (mostly) selling essential goods, including food, where the shop's premises do not exceed 280 square metres and there is no other such facility within 1000 metres*' (our emphasis); and
- b) Shops with an internal display and sales area below 280 sqm are exempt from Sunday trading restrictions (on the basis the Sunday Trading Act defines a 'large shop' as generally being over 280 sqm measured internally).

The implicit assumption is that shops below 280 sqm would probably not have a significant adverse impact, whereas shops exceeding this level of floorspace are unlikely to be a purely local facility and would be capable of drawing trade from outside their immediate local catchment with potential consequences for existing shops and stores in town centre locations.

An impact threshold of 280 sqm (net sales area) or 350 sqm gross can further be justified in the Hart context given the limited or even negative capacity for additional retail floorspace in the main centres over the plan period (the exception being the capacity for convenience goods floorspace in Blackwater District Centre). There is also a broad correlation between the capacity for retail floorspace and the likely trading impacts of any new floorspace on existing floorspace; that being the lower the capacity forecasted, the higher the trading impacts are likely to be.

With regards to leisure floorspace, 350 sqm gross amounts to a notable scale of floorspace and is larger than many existing leisure uses in Hart's main centres. We would therefore recommend an impact threshold of 350 sqm gross is justified for leisure development proposals in the Hart context.

If a 'blanket' impact threshold of 350 sqm gross is to be preferred, then policy should make it clear that impact assessments should be proportionate to the scale and nature of retail and/or leisure development proposed, as indicated by the PPG (paragraph 017) which states:

The impact test will need to be undertaken in a proportionate and locally appropriate way, drawing on existing information where possible. Ideally, applicants and local planning authorities should seek to agree the scope, key impacts for assessment, and level of detail required in advance of applications being submitted.



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