Midlothian Council

Retail and Town Centre Study

Final Report

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1. Introduction

1.1. Gravis Planning have been commissioned by Midlothian Council to undertake a Retail & Town Centre Study to support the preparation of the new Midlothian Local Development Plan (MLDP2), through the provision of a study examining the retail sector within Midlothian including a new up-to-date household survey and town centre audits/health checks thereby ensuring that the MLDP2 is founded on a robust and up-to-date evidence base.

1.2. The specific requirements of the brief are for the study to identifying the following:

- Potential future demand and supply for retail floorspace within Midlothian to 2037.
- Inflows & outflows of expenditure for the principal retail sectors.
- The trading performance of Midlothian centres including future prospects.
- Identification of detailed spending patterns (identifying the matrix of expenditure flows etc).
- Trends to 2037 reflecting population and expenditure changes and potential short-long terms impacts post COVID-19.
- Commercial and retail trends and the implications that these have for Midlothian centres and also relating to gaps in local provision relative to 20 Minute Neighbourhoods (20MN) within Midlothian.
- Strategic Retail Model.
- Town centre health checks for Midlothian's 7 town centres (i.e. excluding Shawfair).

1.3. In responding to this brief the consultants have included an assessment of trends for commercial leisure activities as well as for retail within centres recognising that there is a close inter-relationship between retail and leisure service activities which will affect both current provision and future demand.

1.4. Reflecting the above, the approach adopted in responding to this Brief has been to:

- Use up-to-date data to prepare a strategic retail model ("SRM") for the period to 2037 using:
  - Household surveys
  - Detailed floorspace information provided through the Lothian Joint Valuation Board (LJVB)
  - Review of different modelling scenarios and sensitivity tests to reflect uncertainties

- Make recommendations for the retail, leisure and town centre policies/proposals for consideration by the planning authority for inclusion within the forthcoming LDP including:
  - Identifying appropriate planning policies for inclusion in the LDP (in cognisance of policies in NPF4)
  - Reviewing market trends
  - Undertaking up to date town centre health checks
  - Reviewing the existing/proposed major housing developments
  - Identifying potential development opportunities, in particular to support local access to retail/services provision.

Structure of Report

1.5. This Report sets out the findings of the Study. The main report is set out in this volume (Volume 1) and appendices are provided in separate volumes. Volume 1 provides the following:

- Section 1 is the introduction (this section).
- Section 2 sets out an overview of the study approach including data sources, surveys, consultations undertaken and the Strategic Retail Model.
- Section 3 provides a summary overview of short- and long-term trends in retailing and leisure, including reference to the long term impacts of the Covid-19 pandemic insofar as this is possible to ascertain at this stage.
- Section 4 provides a review of retail provision within Midlothian as a whole, including the network of centres.
- Section 5 sets out an assessment of deficiencies in retail provision in terms of
    - access to groups of retail/retail service provision linked to the concept of 20-minute neighbourhoods; and
    - quantitative and qualitative assessment of retail deficiencies (and capacity).
- Section 6 sets out a review and health checks of the principal town and commercial centres within Midlothian.
- Section 7 provides the recommended strategy for retail and leisure for inclusion within the emerging MLDP2.
- An Executive Summary of the report is provided separately.

1.6. The following appendices are also provided:

- Appendix A: Midlothian Strategic Retail Model 2025
- Appendix B: Midlothian Household Survey Results
- Appendix C: Midlothian Household Survey Questionnaire
- Appendix D: Experian Area Comparison Report (Expenditure) August 2025

2. Overall Study Approach

2.1. The Study has been undertaken using a range of techniques and data sources:

- Data review: existing and future population; existing retail and service floorspace; existing and future available expenditure forecasts.
- Consultations: surveys of Community Councils within Midlothian reviewing issues within centres and retail/leisure provision within local areas; with ONE Dalkeith and the Midlothian and East Lothian Chamber of Commerce.
- Household survey of Midlothian residents which has been supplemented with recent household surveys of residents in support of a planning application for retail development in Penicuik.
- Market trends and review including both long-term trends and an assessment of impacts associated with the post-Covid-19 pandemic recovery.
- Development of the Strategic Retail Model (SRM) – including the use of different growth and development scenarios.
- Review of existing retail centres – surveys and town centre health checks (vitality and viability).

Data Review

2.2. The accuracy of forecasts from the SRM is dependent on the quality of the data that is used for the model and reliability of expenditure forecasts. Data sources for the study are as follows.

Existing Retail Floorspace.

2.3. Disaggregated data was provided by the LJVB and Midlothian Council for all retail units within the study area. All properties were reviewed to identify whether the principal use was for: convenience goods retailing; general comparison goods retailing; bulky goods retailing; retail, leisure and business services; and vacant retail goods/service units. The working definitions for these categories is as follows:

- *Convenience* Goods. Experian/Pitney Bowes Retail Expenditure Guide definitions have been adopted i.e.: food; alcoholic and non-alcoholic drinks; tobacco; non-durable household goods[1]; and newspapers and magazines.
- *General Comparison* Goods. Experian/Pitney Bowes Retail Expenditure Guide definitions have been adopted i.e. books; clothing and footwear; audio visual goods (excluding those identified as bulky); chemists goods; jewellery etc; recreational goods and other miscellaneous goods (excluding those identified as bulky).
- *Bulky Comparison Goods*. Furniture and floor coverings; domestic appliances; repair/maintenance materials; tools/equipment for home and garden; garden plants/flowers; and limited other goods.
- *Services.* These reflect the current Goad survey categories and are subdivided to include: retail services; leisure services and business services:
    - *Retail services include health & beauty; opticians, post offices etc*
    - *Leisure services include: bars; cafes/restaurants; fast food take away; sports & leisure facilities*

[1] Experian includes only 90% on non-durable household goods as convenience.

- *Business services include: building societies/banks; employment/careers, property services*

Population

2.4. Baseline population has been primarily derived from National Records of Scotland (NRS) 2022 Census for data zones as well as the 2011 Census. This has been aggregated to provide population estimates for strategic model zones. Population forecasts for Midlothian as a whole were provided from the NRS-2022 based forecasts for the authority area (although NRS 2018-based forecasts were also used as a scenario test). Population for model zones within Midlothian were adjusted to reflect housing allocations and completions identified in the adopted LDP, the Midlothian Housing Land Audit (Draft version – 2025) and also the allocations approved by Committee in November 2025 for inclusion in the

2.5. draft MLDP2.

Available Expenditure, Growth and Special Forms of Trading

2.6. *Base Data.* Base data for expenditure for both retail and leisure spend has been provided by Experian for three broad areas within Midlothian (Shawfair, A68/A7 corridor and A701 corridor) together with south Edinburgh and the western part of East Lothian. These were used for the model zones (see Appendix D). This sets out estimated expenditure for 2023 as the most recent available. Expenditure data for the SRM base year (2025) was identified by applying national changes in expenditure between 2023 and 2025 using Experian Retail Planner Briefing Note 22 (RP22), published March 2025.

2.7. *Expenditure Forecasts.* RP22 identifies actual changes in expenditure from 2023 to 2024. There remains some uncertainty regarding long-term forecasts (for both retail and leisure) as a result of both the long-term effects of the pandemic on retail/leisure expenditure and also the impacts of global events including US tariffs and the war in Ukraine. These forecasts take into account impacts on short-term inflation (principally during 2023-24) and, in the long term, the proportion of expenditure directed through special forms of trading (SFT) which, primarily, is the purchase of goods and services through the internet without recourse to conventional physical shops. The SRM has, therefore, considered a series of alternative growth scenarios based on the most recent expenditure and SFT forecasts generated by Experian in RP22:

- RP22 Central Case.
- RP22 Optimistic Case.
- RP22 Severe Case.
- RP22 Very Severe Case

2.8. The Experian RP22 Central Case has been adopted as the central case for the SRM on the basis that this is consistent with the base data used for the model. Precisely (formerly Pitney Bowes) no longer publish expenditure forecasts and their most recent forecasts were published during the pandemic in 2021 and these are not considered to be sufficiently reliable given the major economic changes that have occurred since that date.

2.9. *Special Forms of Trading*. The Experian expenditure forecasts also include assumptions regarding the growth of special forms of trading. As will be demonstrated in Section 3 it appears that the pandemic may have had only limited long term impacts on expenditure growth for special forms of trading with current levels (as a proportion of total expenditure) returning to close to pre-pandemic trends (see Section 3). Post pandemic changes in SFT have been assessed as part of Experian's RP22 and these forecasts included in in the SRM.

Tourism

2.10. The SRM has not specifically considered the impacts of tourism on expenditure patterns. Whereas Midlothian does benefit from visitors stays particularly associated with visitors to Edinburgh and has some significant attractions in its own right, it is considered that these would be broadly balanced by losses of expenditure by Midlothian residents undertaking visits (staying trips and day visits) to locations outwith Midlothian[2].

Consultations

2.11. As part of the study a survey was undertaken on Community Councils within Midlothian. This focussed on views of the condition and health of town centres within Midlothian including strengths and weaknesses and also ease of access for walking to local shops and services. Separately invitations were also extended to both ONE Dalkeith and the Midlothian and East Lothian Chamber of Commerce to undertake a similar review of the town centres within Midlothian. A meeting was held with a representative from ONE Dalkeith in response to this invitation.

2.12. The consultants are grateful for the inputs from these organisations and full account has been taken of their views, although not presented separately, in preparing this report.

Household Surveys

Introduction

2.13. For undertaking strategic retail studies the use of extensive household surveys provides key information for accurately understanding the operation of retail patterns and estimates of actual retail turnover. These surveys are used to establish both behavioural and attitudinal information about retail habits in the study area.

2.14. Household surveys of Midlothian residents can identify expenditure by residents to locations within Midlothian and also locations outwith the Council area (i.e. “leakage”) but it cannot identify spend within MLC shops by those living outwith the Council-area. To address this the household survey has been extended to include residents in south east and south west Edinburgh and also residents in the western part of East Lothian. In addition, the 2022 household survey undertaken in support of the planning application for Farmfoods in Penicuik also included residents in the north west part of the Scottish Borders.

2.15. This extensive survey area would normally be sufficient for identifying the catchment area for the types of shops found in Midlothian. However, IKEA and, to a lesser extent, Costco, both located in Straiton, are very large retail/quasi-retail units, that draw custom from a significantly wider area including, in the case of IKEA at least, much of the eastern part of central Scotland and further afield. There is also the potential that, given the regional catchment for IKEA that this also results in increased trade draw to other shops in the Straiton area.

2.16. It is not practical to extend the household survey to cover a large part of Scotland. Therefore judgement has been used to assess the scale of additional expenditure inflows that would be directed to IKEA and other shops outwith the household survey areas. This has been based on knowledge of the typical trading characteristics of IKEA and Costco stores and the location of the nearest similar units (both located in the Glasgow area).

[2] Visit Scotland identify £140m tourism spend in Midlothian in 2024. Typically about 7% of total spend by tourists is on goods in shops (excl food & drink). Allowing for unserviced accommodation stays plus VFR implies ca. £2.1m additional spend on convenience goods = total spend from tourists of £10.9m pa. Additional to this would be spend from day visitors. Assuming an average of 10 days away from home for MLC residents implies spend leakage of ca. £15m per annum. This implies that there could be a limited net loss of expenditure if tourism is included in the analysis.

Household Survey

2.17. The household survey was implemented in September 2025 with 1002 completed interviews undertaken. The design of the survey was undertaken jointly by Gravis Planning Ltd and NEMS Market Research. Data from the 2023 household survey, undertaken by NEMS and Hargest Planning Ltd was undertaken in February 2022 included 751 interviews.

2.18. The principal benefit of the household survey is that it allows a reliable assessment of expenditure by residents of the study area which is directed to centres located both within and outwith the study area and also expenditure on "special" forms of retailing (SFT). The results and questions included in the 2025 survey are provided in Appendices B and C.

Scope of Household Survey

2.19. The survey covered a range of issues relating to shopping habits and in particular sought to establish the following:

Food Shopping

- In which shopping centre and which individual shops do respondents buy most of their household's main and top-up food and grocery shopping. Questions also asked about second choice locations for both categories.
- How often respondents undertake their food shopping trip
- Journey time and mode for travel to the food shopping destination
- The approximate amount spent on the last main food/top-up shopping trip
- Any other supermarket/ shop used for main food shopping
- Purchases using SFT (e.g. internet, telephone etc)

Comparison Goods Shopping

- Questions were asked in relation to the following categories of non-food shopping:
  - Personal goods
  - Bulky goods

- Questions addressed the following issues:
  - Location of shopping for these types of goods (main shopping destination, next most important location and other locations)
  - Frequency of shopping trip
  - Purchases using SFT
  - Average spend per month in centres and using SFT

Views of Centres

2.20. All respondents were asked about views about their nearest town centre. Residents were asked to rate the following aspects of the centre*:*

- Choice of shops for clothing, footwear

- Choice of shops for other personal goods (e.g., CDs, china, glass, jewellery etc)
- Choice of shops for furniture, floor coverings and large household electrical items
- Easy to travel to by car
- Easy to travel to by public transport
- Easy and cheap to park
- As an attractive place to visit for a shopping trips
- As a good place to combine shopping with other leisure activities (e.g. visit friends, the cinema etc)
- As a good place to combine shopping with other personal business (e.g. visit the bank/building society)

Control Information

2.21. To ensure verification that the survey sample was representative, information was also requested concerning the age of respondents and postcode sector.

Sampling

2.22. Figure 2.1 indicates the number of interviews completed by zone from the two household surveys.

Figure 2.1: Household Survey Samples

Zone	**Postcode Sectors**	**Combined Survey Sample**
1. Danderhall/Shawfair	EH22 1[3]	74
2. Dalkeith (incl Pathhead)	EH22 2 EH22 3 EH37 5	150
3. Penicuik	EH26 0 EH26 8 EH26 9	298
4. Mayfield/Newtongrange	EH22 4 EH22 5	125
5. Gorebridge	EH23 4	165
6. Loanhead/Damhead	EH10 7 EH20 9	129
7. Bonnyrigg/Lasswade	EH18 1 EH19 2 EH19 3	199
8. Rosewell & Roslin	EH24 9 EH25 9	142
9. Edinburgh SE	EH15 1 EH15 3 EH16 4 EH16 6 EH17 7 EH17 8 EH21 8 EH9 3	125
10. Edinburgh SW	EH10 5 EH10 6 EH10 7 EH11 4 EH13 0 EH13 9 EH14 1 EH14 2 EH14 3 EH14 5	127
11. W. East Lothian	EH15 2 EH21 6 EH21 7 EH21 8 EH32 9 EH33 1 EH33 2	100
North West Scottish Borders	EH45 8 EH46 7	116
Total		*1750*

[3] Those parts of EH22 1 south of the A720 were included in Zone 2, Dalkeith

Strategic Retail Model

2.23. The purpose of the Strategic Retail Model (SRM) is to provide an analysis of the balance between demand and supply for retail expenditure/turnover within the study area for the period 2025-2037. The model is not a retail capacity model (i.e. based on the use of notional average levels of turnover achieved by retail floorspace) but identifies actual turnover levels achieved in existing/future floorspace.

2.24. *Retail Demand.* Retail demand is expressed through changes in available expenditure arising from residents in Midlothian. The primary focus is on expenditure directed to the purchase of goods through conventional retail floorspace and therefore account is taken of expenditure demand that occurs through other "special forms" of retail trading including the internet. Demand also takes into account potential net inflows of expenditure from residents outwith the study area including Edinburgh and other locations outwith Midlothian.

2.25. *Retail Supply.* Retail supply is the retail turnover within existing and committed retail floorspace. It includes:

- Turnover in existing shops.
- Turnover in "committed" future retail floorspace. Committed floorspace is that benefitting from extant planning consent but is unimplemented.
- Purchases of goods through special forms of trading – as noted, this is discounted at the outset in the model.
- Expenditure leakage – i.e. purchases of goods through shops outwith the study area.

2.26. Changes in retail demand are identified in the model for future years in terms of new floorspace turnover and changes in turnover in existing retail floorspace (i.e. changes in sales densities).

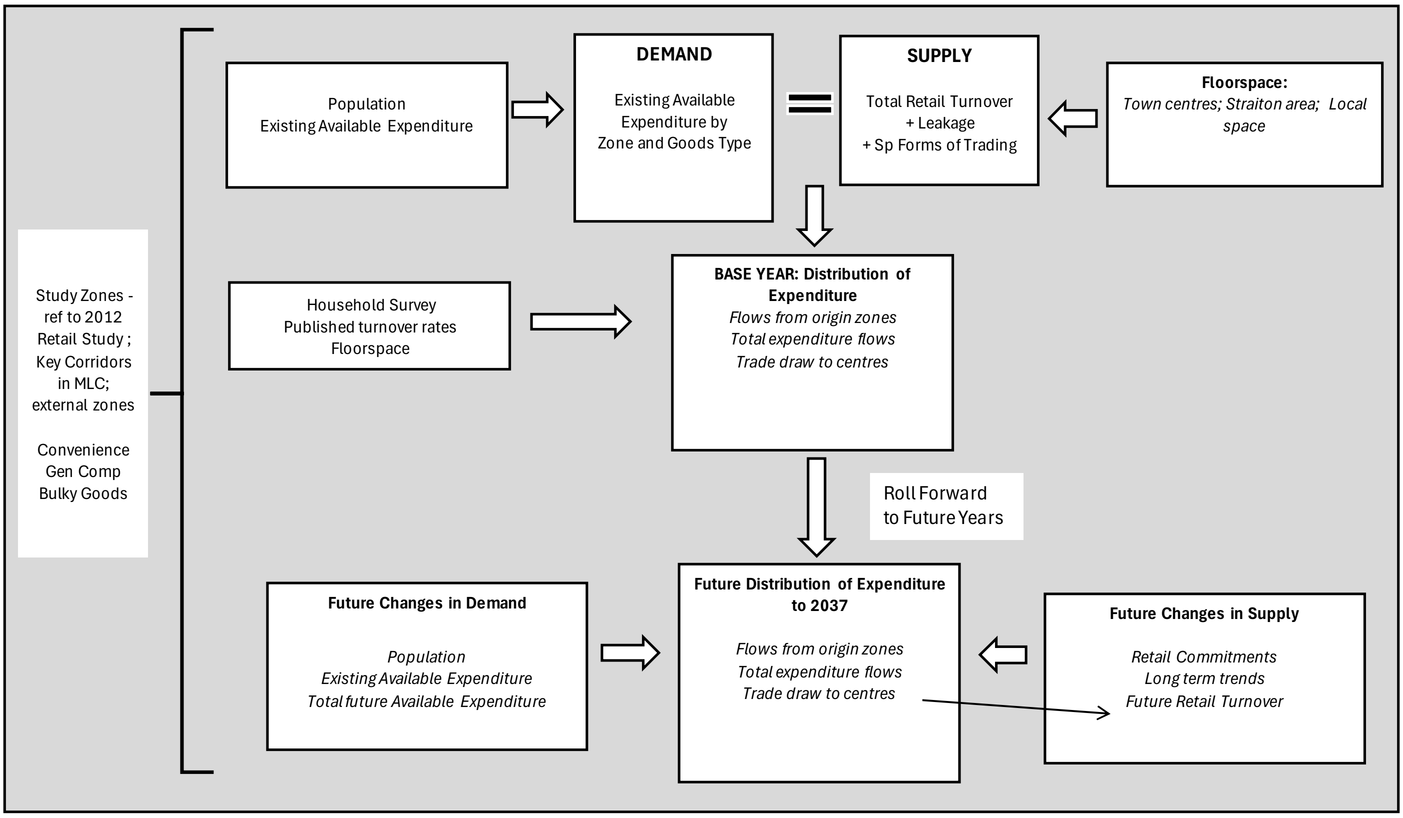
2.27. The principal components of the model are as follows:

- Use of 8 zones within the Midlothian study area. Additional zones (Zones 9-11 and NW Borders) were used for identifying expenditure flows into Midlothian but the floorspace and turnover in these "external" zones was not identified. For the Midlothian Zones, these are used to identify areas of broadly similar retail characteristics and form the basic units for the identification of both retail demand and supply. The zones adopted reflect those adopted in the 2012 Midlothian Retail Study but fewer zones were adopted for the current study to increase the statistical reliability of the household survey results based on the numbers of interviews undertaken.
- Identification of demand through population forecasts and forecasts of changes in available expenditure per capita.
- Disaggregation of retail into three broad categories – convenience, general comparison and bulky goods. The study does *not* address the purchase of retail etc services nor other leisure spend.
- Identification of expenditure flows between study zones (and to/from external locations). These flows are estimates from a combination of: household survey data; existing/committed retail floorspace; and future changes in sales densities (as a sensitivity test).
- Broad distribution of retail expenditure to existing/committed floorspace within general retail locations.

2.28. These issues are considered in further detail below. The overall structure of the model is set out in Figure 2.2.

Figure 2.2: Structure of Strategic Retail Model

Figure 2.1: Strategic Retail Model: Structure



Model Zones

2.29. As noted above Midlothian has been divided into 8 Zones with a further 3/4 external zones identified. The location of the zones is intended to provide continuity with the 2012 Retail Study and provide a basis for planning based on broad corridors through Midlothian (i.e. A68/A7 and A701). Postcode sectors corresponding to these zones has been used as the basis for analysis (i.e. for each of the household survey, population, available expenditure and retail floorspace) for the SRM. Figure 2.3 shows the location of the Zones within the Study Area.

Figure 2.3: Midlothian Strategic Model Zones

3. Retail and Leisure Trends

Overview of Retail and Leisure Sectors in Scotland

Retail Sales

3.1. Figure 3.1 sets out the latest available data on retail sales in Scotland published by the Scottish Government, which is only available up to 2019. The table shows that the average growth (value basis) was 2.3% per annum whereas, by way of comparison, the equivalent UK figure was 3.1% pa for the same period.

Figure 3.1: Scottish Retail Sales Index (Scottish Government)

Scotland, 2008 to 2019 — **2016=100**

	Total Retail Sales		
	Quantity (volume)	**Value**	**Implied Deflator**
2008	92.3	84.0	91.0
2009	93.2	86.6	92.9
2010	93.6	89.8	95.9
2011	92.0	92.2	100.3
2012	91.5	93.6	102.3
2013	94.5	98.3	103.9
2014	95.9	99.4	103.7
2015	97.8	99.2	101.4
2016	100.0	100.0	100.0
2017	100.9	103.3	102.4
2018	102.0	106.1	104.0
2019	103.1	107.9	104.6

Retail Turnover, Employment and Output

3.2. The Scottish Annual Business Survey (SABS – available up to 2022) provides estimates of numbers of retail units, employment and output for Scotland as a whole and for individual authorities. Since this is based on a sample of businesses it is subject to some fluctuation from year-to-year, nonetheless the figure shows that there are clear patterns emerging:

Scotland

- There are over 22,000 retail units within Scotland but this has declined steadily since 2008 – a 7.5% decline over 14 years.
- Total employment, i.e. including both employees and self-employed, totals 238,000 in 2022 and this has also declined since 2008 – a total reduction in employment of 21,500 or 8.3%.
- Total retail turnover is broadly flat between 2008 and 2022. However, this should be treated with caution – there is significant variation from year to year and 2022 was still affected by the pandemic.
- GVA per capita within the retail sector increased to 2012 but has since declined and 2022 values are close to those identified in 2008. The lack of increases in efficiencies in output per head over this period is in marked contrast to the position for the Scottish economy as a whole (which grew at 1.0% per annum between 2008 and 2022[4]).

[4] Scottish Government, Labour productivity statistics 2024 – September 2025

- GVA productivity per head is very low compared to the remainder of the Scottish economy – typically only about half of the national average and indicates a relatively low wage economic sector.

Midlothian

3.3. In general, SABS data indicates a very different pattern for Midlothian compared to Scotland as a whole. Over the period 2008-2022:

- Number of retail units is identified to have increased by 27 (+11%)
- Employment +600 employed (+18%)
- Turnover (current prices) +£178.5m (+62%)
- GVA +£49.3m +72%)

3.4. In 2022 retail accounted for 10% of business units in Midlothian but 16% of total employment. However, GVA was only 10% of the Midlothian economy and, reflecting these two factors, GVA per capita, although close to the Scottish average, was only 62% of the average for Midlothian.

Leisure Turnover, Employment and Output

3.5. SABS data is available for each of: accommodation; food and beverage service activities; and arts, entertainment and recreation.

Scotland

- In 2022 it was estimated that there were slightly more leisure businesses in Scotland than in the retail trade.
- Leisure units had increased in number between 2008 and 2022 – in direct contrast to the decrease noted for retail units.
- Total employment in leisure was significantly higher than that identified for retail.
- Gross value added for the leisure sector was significantly higher than that identified for retail.

3.6. Midlothian

- In 2020 it was estimated that there were marginally more leisure businesses in Midlothian than in the retail trade (278 compared to 270). In 2008 there were slightly more retail businesses than leisure ones.
- In 2022 leisure accounted for 12.8% of total employment of the categories covered in the SABS survey.
- The impact of Covid on the sector is seen in 2020 when each of turnover, GVA and GVA per capita were significantly lower than was identified for 2019.

3.7. In overall terms and excluding the effects of Covid-19 on the 2020 data, it is apparent that there was slight growth in the leisure sector between 2008 and 2022, both at the national level and in Midlothian, with growth stronger at the national level than within Midlothian.

Long Term Drivers of Change in Retailing

3.8. Retailing has been subject to a number of long term changes that have affected the structure of the industry and the location and size of retail units. Long term drivers of change in retailing up to 2008, which are still relevant today, can be summarised to include:

- For a long period between the 1960s and the commencement of the recession in 2008 there was sustained long term growth in expenditure. This supported substantial retail expansion in terms of numbers and sizes of retail units.
- The industry has always been typified by innovation and change. This included shifts in the location of retail units (e.g. growth of out-of-centre locations including freestanding stores and retail parks) and increased sizes of units – especially in superstores with a wider range of products for sale.
- Market concentration. This has manifested in a number of ways including: larger sizes of individual retail units; concentration in larger retail centres (both town/city centres and out-of-centre); and in terms of business concentration with fewer national/international businesses taking a larger market share.

3.9. Drivers of change include:

- Increasing consumer affluence driving increased demand and market expansion.
- Technological developments, supporting:
  - logistics improvements (supporting efficiencies in larger businesses);
  - IT – including knowledge of consumer spending habits and preferences through loyalty cards and similar
  - Support for product innovation through analysis of changing market demands
  - Support for the rapid growth of internet-based retail. This has grown to become a dominant factor affecting the rate and direction of future growth including, for example, underpinning multi-channel retailing.
- Globalisation supporting larger international retail operators present in different markets throughout the world benefitting from economies of scale.
- Changing consumer behaviour and priorities – whereas this previously supported out-of-centre retail and larger unit floorplates, more recently consumer pressure has shifted back to more individual, personal and local retail provision. Flexibility in being able to respond effectively to changing consumer preferences becomes key for the future success of retail businesses and includes factors such as:
  - the location and size of retail units (for example changing attitudes to large format stores);
  - ranges and types of goods sold (e.g. rise of vegan products; rise and decline of organic produce; ethical and sustainable trading practices; disposable fashion and so on).
  - focussing on the quality of the consumer experience or, alternatively, the importance of discount brands;
  - mixing retail with leisure and entertainment in one venue (i.e. the boundaries between retail and leisure, in particular, are increasingly less well defined).
  - changing consumer preferences away from acquiring goods (dominant up to 2000s) to a greater focus on experience and the self – this has, arguably, shifted expenditure from spending on shops to entertainment and leisure.

3.10. Each of the above drivers of change have been of critical importance throughout the past 60 years but, as society's priorities have changed and technology has advanced rapidly, the ways that these manifest in the retail (and leisure) sector has changed, at times quite radically. For example, technological developments in the 1990s and 2000s favoured increasing strength of large multiple retailers who were able to exploit advantages of scale. However, continued technological development has, more recently, shifted the balance of power with retailing firmly into the control of the consumer, or at least those consumers who are actively engaged with the internet and social media. Now consumers can, even in a store, check prices and products in competitors (either physical or virtual) and have access to a far wider range of products than was previously possible, supplied from almost any location in the world. How the retail industry reacts to these changes is critical for the future of the industry, and this applies just as much to large national multiples in major city centres as to small independents serving local and rural markets.

Impact of Covid-19 on Retail & Leisure 2020-21

3.11. During 2020 and 2021 the disruptive effects arising from the social restrictions imposed during the Covid-19 pandemic had dramatic effects on the retail and leisure sectors. The impacts were profound and, although they appear to have been short-term, there remains a degree of uncertainty as to whether the restrictions have had longer term impacts on consumer behaviour. In overall terms it could be considered that the impacts on leisure were more straightforward than for retail – the closure of all leisure for much of the pandemic effectively froze commercial/indoor leisure activities which was only initially relaxed in April 2021.

"Essential" Retail

3.12. A key factor underpinning the varying impacts of the pandemic on retail was the distinction between "essential" and other retail. Immediately following the imposition of restrictions in March 2020 approximately75% of all retail units were deemed "non-essential" and were required to close. The principal categories permitted to remain open included:

- Convenience goods: food/grocery shops; newsagents
- Comparison: bike shops; garden centres; baby equipment; homeware; chemists

3.13. This immediately created a significant variation in types of location that had open retail units. Savills identified that, whereas 61% of retail units were able to remain trading in out-of-centre locations (retail parks and freestanding large units) the proportion in High Street locations was only 37% and just 25% were permitted in shopping centres. As a result of this, lockdown restrictions adversely affected traditional town centre and shopping centres locations to a much greater degree that out-of-centre locations or local shopping. Larger town centres, which have a relatively high proportion of comparison goods retailing, services and purpose-built shopping centres, in effect, closed down. In contrast, supermarkets and superstores were busy (albeit with social-distancing restrictions). However, despite the wide range of non-food goods potentially available within large superstores, consumers were not able to access many of these goods that they desired in-store.

Internet Sales

3.14. As a result of social restrictions 2020 there was an inevitable surge in on-line sales which further increased with later stages of lockdown during 2021. Although the use of the internet as a major sales channel enabled many retailers to continue to trade, this reduced retailers' margins – additional costs were associated with delivery services, need to manage staff for implementing click and collect/deliveries, higher levels of product returns, as well as the development and maintenance of online platforms. For comparison retailers with a well-developed internet presence prior to the start of the pandemic online sales compensated for loss of physical sales – for example Next reported only a 0.5% reduction in total sales.

Impact on Vacancies

3.15. Data from the Local Data Company (LDC) indicates that vacancies increased from 12.4% in High Street locations to 14.5% at its highest during the pandemic (H1 2021). Peak vacancy rates in the pandemic for shopping centres were identified by LDC to be 19.4% which compared to 11.5% for retail parks.

3.16. Even if there were fewer closures than expected at that time, LDC data showed that the pandemic resulted in a suppression of new store openings – they identified 39,060 unit openings in 2020 which is the lowest they had recorded since 2013.

Impacts on Rents and Yields

3.17. The reduction in demand for premises during the pandemic resulted in a significant downward pressure on rents and, due to reduced expectation for future rental levels, a softening of yields as well. Weaker yields across all categories results in a reduction in asset value especially if this is combined with reduced rents.

3.18. In overall terms, therefore, for the retail sector as a whole across the UK, the pandemic resulted in serious negative market impacts. However, these impacts appear to be short-term, not only in terms of overall vacancies but in other market indicators. In 2021 Savills reported a significant increase in numbers of lettings compared to 2020, presumably as a result of the release of suppressed demand. However, it is notable that whereas there was a resurgence in letting activity in 2022, rents were at significantly lower levels.

Retail Expenditure

3.19. Figure 3.2 identifies overall retail sales growth (current prices) for the period 1988 to 2025 (source: ONS). This figure illustrates the scale of the disruption that occurred during the pandemic lockdowns/social restriction measures in the context of overall growth and change in the long term. The graph identifies total retail sales (volume-based), including both petrol and online sales, and are seasonally adjusted. The figure shows:

- Steady growth in both food and non-food stores to 2007 i.e. prior to the “Great financial Crisis” (GFC) of 2008-11. Average growth to 2008 equated to over 2.5% per annum (all goods) (volume-basis) with significantly higher growth rates for non-food goods compared to food goods.
- Flattening/decline during and following the GFC and sustained recovery not occurring until 2015/2016 which continued up until February 2020.
- Major disruption immediately following the onset of social restrictions associated with the pandemic – a sustained boost for grocery sales until late 2021 and a substantial adverse impact on non-food sales until Spring-Summer 2021 but with some “bounce-back” in the latter part of 2021.
- Slight but sustained decline since Summer 2021 to mid 2024 which has continued (with significant fluctuation) for predominantly food stores but very modest recovery for non-food stores. Further comment on the differences between the value and volume of sales and the impact of inflation is provided below.

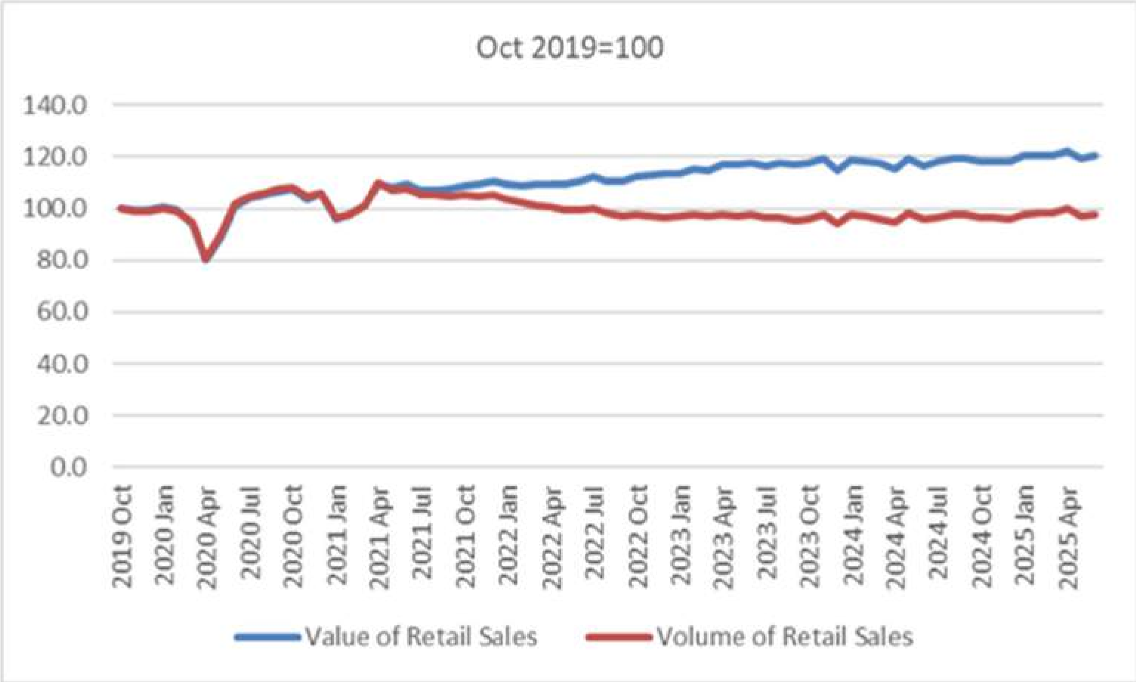
Figure 3.2: NSO Retail Sales Index 1988-2025

3.20. The period 2008-2013 exhibited generally slow growth in all retail sectors and, for certain years, significant decline in the volume of sales. This primarily reflected the impact of the GFC recession on household spending. The UK economy only reached its pre-recession GDP peak in late 2013. After 2013 there was a significant recovery. Overall economic growth was significant but the pressure on average earnings had been such that income, in real terms, struggled to reach 2008 levels until 2018. The squeeze on income and expenditure meant that retailers were forced to be more competitive with the result that retail inflation between 2013 and 2018 was effectively nil (averaging 0.4% pa for convenience goods and 0.0% for comparison goods) which was assisted by increased sourcing of low cost goods from Asian countries. The inability of retailers to be able to raise prices at a time when their costs were steadily rising in line with, or greater than, general inflation (for example as a result of the National Living Wage) resulted in a serious profit squeeze on many retailers. This was a major factor in the struggles faced by many operators during that period. A second key factor was the continued growth of internet sales which is considered in detail below but, in summary, internet-based sales for retail goods rose from 9% of total sales in 2008 to 24% in 2018 (ONS definitions).

3.21. The period from 2018 up to the pandemic reflected a significant recovery – inflation returned for both convenience and comparison goods (although it remained at historic low levels) and there was significant growth in sales for comparison goods in particular.

3.22. Since the pandemic a key feature has been the impact of inflation, a factor which has largely been absent in retailing over the preceding 15 years. This has resulted in the value of retail sales in current prices increasing since 2021 but the volume of sales (i.e. in constant price terms) decreasing. This is shown in Figure 3.3 for all goods.

Figure 3.3: impact of Inflation on Retail Sales (ONS)



Leisure Expenditure

3.23. Data on leisure expenditure is provided by Experian based on ONS data. Experian identify that, for 2014-2022 whereas all retail spend grew, on average, at 0.75% per annum (volume basis), leisure spend was flat (decline of 0.06% pa).

Expenditure Growth and Forecasts

Retail

3.24. The latest Experian forecasts of expenditure growth were published in March 2025 (RP22) whereas the last Precisely forecasts were published in November 2021 and therefore are not able to take into account the post-pandemic recovery nor the impact of other major global events that have affected the wider economy and inflation. The key points from these sets of forecasts are:

- Both Precisely and Experian forecast long term growth in total available expenditure per capita – that is they assume that the decline identified in the ONS data will be temporary (also noting that the ONS data includes fuel sales as part of the forecasts which are not included as part of standard retail planning assessments of retail expenditure).
- Expenditure growth in real terms for convenience goods will be low (Precisely) but marginally negative (Experian).
- Expenditure growth for comparison goods is identified to be significantly lower those identified prior to 2008 and, in this case Experian has higher forecasts (2.5-2.7% pa) compared to Precisely (1.7% pa).

3.25. Experian also produce different growth scenarios; Central; Higher; Severe and Very Severe for the period from 2024 to 2040. The expenditure forecasts for all goods per head ranges from +0.9% pa (2023-2040) to +1.6% pa for the (central is +1.3% pa). Experian have slightly *reduced* their growth forecasts (by 0.1% to 0.2% pa) in their latest forecasts compared to those produced in January 2024.

Leisure

3.26. Latest Experian forecasts (Jan 2024) identify total leisure sales to grow at 0.5% pa from 2024 to 2032 and 0.7% for 2032 to 2040. This is also a reduction compared to their forecasts published in early 2024.

Recent Changes in the Retail and Leisure Sectors - UK

Changes in Numbers of Units and Vacancies

3.27. The Local Data Company (LDC) identify changes in numbers and types of retail and leisure units at the UK level. The key changes identified include:

- On average there has been a net loss of 3000 retail and leisure units in the UK per year since 2014.
- The greatest net loss of units has been for comparison goods retailing (averaging 2000 pa), the average loss for convenience shops is 100 pa, leisure 200 pa and other services is 600pa. These figures included 2020-2021 when the Covid lockdowns affected business viability noted above.
- Vacancy rates:
    - These vary significantly between types of location with UK vacancies in Q4 2023 running at 17.7% in shopping centres, 14.0% in High Streets and 7.6% in retail parks.
    - Vacancy rates peaked in H1 2021 and have since reduced for all locations although vacancies remain higher in shopping centres and High Streets compared to pre-pandemic levels whereas in retail parks they were lower in late 2023 than pre-pandemic levels.
    - Vacancies in Scotland were identified to average 15.7% in Scotland (14% in UK) and LDC identify Scotland to be the only part of Great Britain with increasing vacancy rates. Gravis surveys elsewhere in Scotland do *not* support this LDC finding but identify vacancy rates to have fallen since 2021. It should be noted that, based on surveys throughout Scotland Gravis consider that average vacancies by numbers of units in Scotland is in the range 12% - 14% with few centres identified to have vacancy rates as high as LDC's reported "average" rates identified at the end of 2023.

Market Concentration

3.28. There has been a long term trend towards market concentration including a spatial concentration in the largest centres and cities. This includes:

- Continued market concentration favouring growth in the largest retail centres which will increase their market dominance and continue to attract investment.
- Middle sized centres are likely to experience significant relative and absolute decline in demand for retail units and space. These centres are most likely to suffer as a result of administrations and CVAs leading to closure of existing multiple operators and demand from local and independent retailers is unlikely to compensate for this decline.
- Small retail centres are likely to be largely resilient to change although there is likely to be a continuing shift from retail goods shops to retail and leisure services continuing a long-term trend which has been prevalent over the past 20 years or more. Their resilience reflects the importance of local/walk-in trade (especially for services) and reflects changing lifestyle and habits – especially in urban areas.

3.29. Greatest retail demand continues for prime pitches with secondary and tertiary pitches declining both relative to the prime pitches and in absolute terms. This has been most prominent with national and international multiple retailers. These businesses have typically invested heavily in multi-channel retailing (i.e. combining store-based with online sales) with the result that they (who are frequently major anchors in centres) see the need for fewer stores to reach the bulk of their market. They have, therefore, increasingly focussed on the largest centres but, in these centres, they are attracted to larger units in order to display their full product range. Despite this there is increasing recognition that the physical store network continues to play an important role in servicing their online presence, in effect through marketing their brand. Clearly not all operators have adopted this strategy (notably Gap closed all stores and focused its business online).

3.30. This trend of market concentration in larger centres predates the pandemic and is a key factor in the problems affecting shopping centres compared to other locations. Shopping centres have, traditionally, relied on multiples especially for comparison goods (i.e., predominantly clothing and fashion) who are the occupiers most likely to have "right-sized" their estate by reducing their presence in secondary markets. Therefore, shopping centres in market towns, suburban locations and weak locations within larger centres have seen greatest increases in vacancies as seen in the LDC data. A key challenge for these centres is to attract new occupiers who have increasingly been food retailers, non-food discounters, independent traders and non-retail, including leisure, uses. Where this has not been successful centres have been subject to proposals for complete or partial redevelopment.

3.31. Although this trend is particularly pronounced in shopping centres it is also prevalent in High Street locations and, to a lesser degree in retail parks, although the size and configuration of units in the latter makes them particularly attractive to food and non-food discounters, gyms and other leisure uses. This has been a key factor why retail parks have sought to derestrict the ranges of goods permitted to be sold to allow these operators to take space within retail parks.

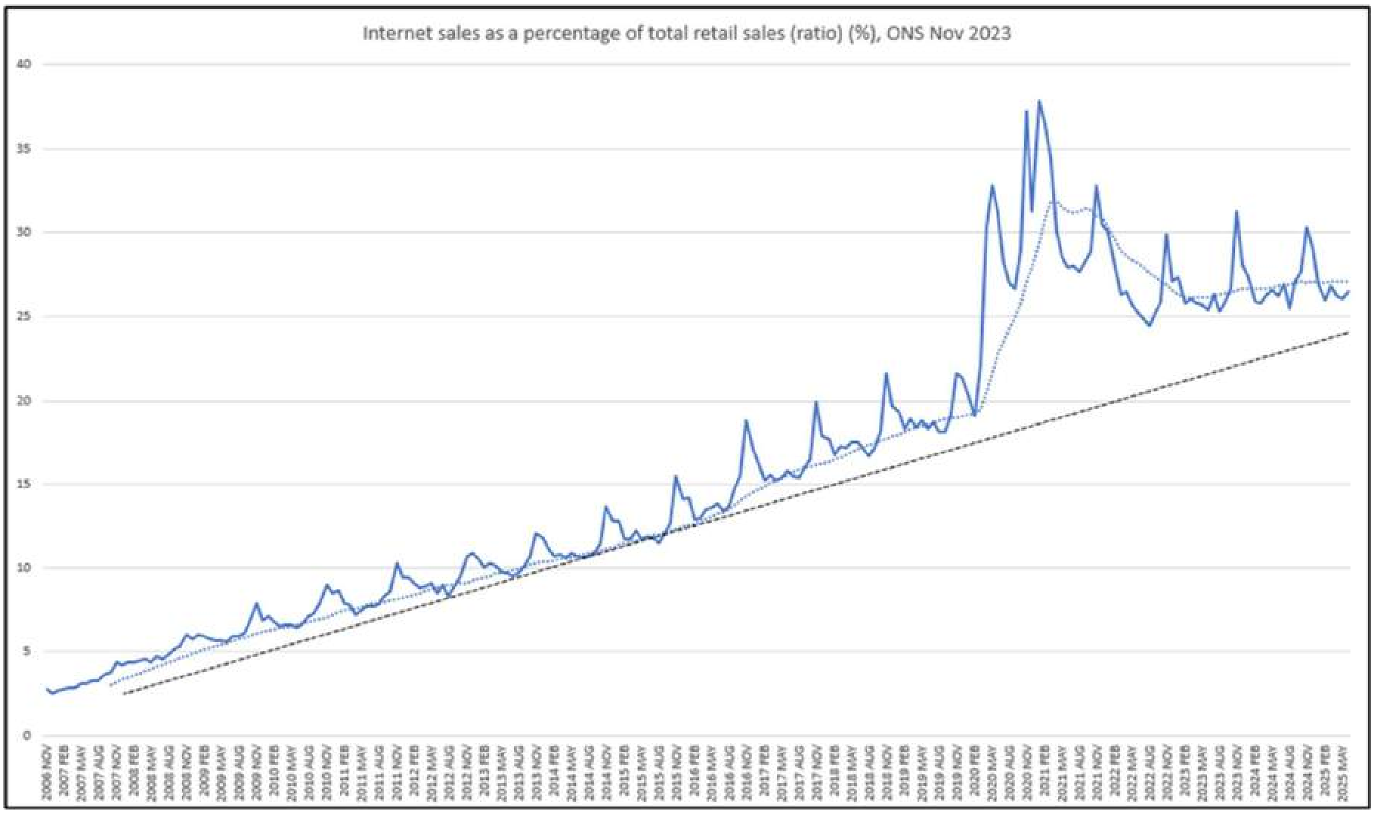
Internet-based Retail

3.32. The significance of the internet for retail activity ("online retail" or "e-retail") has been apparent for the last two decades although over the past 10 years it has taken on a substantial proportion of total retail spend. Furthermore, the internet has also become increasingly important for the provision of services, or at least as a means of ordering leisure products (particularly food and drink and for e-tickets for entertainment). Whereas the internet results in a reduced need to visit shops for the purchase of goods, its impact on leisure services is less significant - with the notable exception of food and drink which can be ordered online and delivered direct to the home, most other forms of leisure still have to be "consumed" at the place the service is delivered (e.g. gym, hotel and so on).

Online Retail in 2025

3.33. The latest ONS data for internet sales (July 2025) identifies that 26.5% of all retail expenditure is undertaken online. During the pandemic this figure reached a peak of 37.2% (Nov 2020). Figure 3.19 identifies the growth of internet sales from 2006 to Oct 2023.

Figure 3.4: Internet Sales (ONS definitions)



3.34. The key feature from the figure is that the high levels of online retail experienced during the lockdown periods have *not* been sustained. Plotted on the figure is a simple linear regression based on online retail growth from 2006 to February 2020, i.e. immediately prior to the initial lockdown. This shows that recent levels of online retail are close to the position had the pre-covid trends continued. This would suggest, very tentatively, that, although online retail continues to grow in importance, the pandemic has not fundamentally affected its rate of growth. It is, however, important to stress that it is still too early to assess what the long term effects of the pandemic will be on this form of retailing. The 12-month moving average plotted on the graph also suggests that, possibly, the rate of online sales growth has declined since 2022. There is insufficient data available to confirm whether or not this is a sustained trend.

Online Retail Forecasts

3.35. Prior to the pandemic it was already very difficult to forecast the growth of online retail in the UK because the country was already ahead of other countries in terms of online retail market penetration i.e. there are no other long-established developed countries that could be considered for assessing a future trajectory for growth. This difficulty remains in 2025. However, this is now further complicated by the fact that, notwithstanding the comments above, it is still not possible to establish how the growth of online retail has been affected by changing consumer behaviour during and following the pandemic.

3.36. Unlike ONS estimates on online sales, Experian and Precisely forecasts of online sales growth exclude both major non-retail services (such as travel etc) and take account of the fact that much online sales trade is serviced through physical stores.

3.37. Despite the fact that the forecasts by Experian and Precisely have been generated at different stages of the post-pandemic recovery the long term forecasts for convenience goods are very similar at 7.3% (Experian) to 7.9% (Precisely) of sales being online in 2040 (allowing for online sales serviced through existing shops). For comparison goods it is notable that, whereas the unadjusted figures are similar for these organisations (39% compared to 42% in 2040) only Experian makes an adjustment for online sales through shops. As a result, Experian figures are significantly lower with this adjustment (29.3% of total sales in 2040). Particularly significant is that both forecasting organisations assume that the proportion of sales made online will effectively plateau in the mid-2030s and, notably, Experian have marginally reduced their forecasts for internet-based sales for 2039-40 compared to their previous forecasts.

Retail and Leisure Market Sectors

Grocery and Convenience Retail

3.38. Key trends in grocery retail that have been apparent since 2008 include:

- Limited growth of grocery superstores – markets were largely saturated by 2008 limiting the potential for new sites and stores. It is notable that, following its sale by Walmart in 2021, in 2023/24 ASDA was seeking a limited number of new superstore sites (with 15 currently programmed for the UK) although this appears now to have shifted in favour of convenience-format ("Express") stores.
- Increased consumer willingness to shop locally (whether from home or place of work) has resulted in a reduction in the loss of convenience-format stores in the early 2000s and, more recently, significant numbers of new entrants into this market – including each of independent chains (including Scottish based chains such as Usave, DayToday and Greens) and larger grocers actively expanding their presence in this market (including each of Tesco, Sainsbury's, Morrisons and, finally, ASDA). These are, primarily, locating convenience-format stores)C-stores) in urban areas but smaller rural communities and suburban locations have also been included.
- Rapid growth of mid-sized supermarkets. This includes: Lidl; Aldi, M&S Food; Iceland (esp. Food Warehouse); and Farmfoods. These are for units typically between 750 and 2100 sq m GFA. The Co-op has actively developed stores at ca. 500 sq m GFA to serve rural markets in Scotland.

Discounters

3.39. Discounters include both food (e.g. Aldi, Lidl) but, perhaps even more important for centres, non-food discounters where there are numerous operators (e.g. B&M, Poundland, The Range etc). Demand for "value" retail continues not only from consumers but also landlords and investors. Notwithstanding the demise of Poundworld and Wilko, value retail in all sectors (food, home goods, fashion etc) has continued to be a driver of demand for retail space. Public attitudes to discounters has changed radically since 2008 to the extent that undertaking shopping in these can be seen as not only acceptable but even positive (in some respects the same trend has happened with charity shops). This supports the financial strength of these tenants with the result that they now provide some of the strongest retail covenants for landlords. In many cases food and non-food discounters can anchor retail developments and can be located adjacent to more aspirational brands (for example positioning a Home Bargains adjacent to an M&S Foodhall).

Department Stores

3.40. Department stores have been struggling for a number of years as their relevance as a single destination shopping location has steadily become less competitive compared to retail parks, large superstores and the internet. The demise of Debenhams is symptomatic of these challenges which were exacerbated with the pandemic restrictions.

Shopping Centres

3.41. Shopping centres have been particularly adversely affected by the retrenchment of clothing and footwear multiples into larger centres as a result of their combining both physical stores within a strong online presence for achieving market penetration.

3.42. Midlothian is relatively unusual in that there is no indoor "mall" type shopping centre in any of its town centres.

Retail Parks

3.43. Undoubtedly retail parks have suffered as a result of a number of the high-profile administrations and CVAs. However, unlike town centres, retail parks are normally under the control of a single owner/investor and have a simpler physical development profile which makes it a lot easier for retail parks to develop strategies for addressing weaknesses that arise. Strategies include changing from retail to leisure uses, derestricting permitted goods, subdivision of existing units and/or provision of mezzanine space to meet occupier requirements. Although town centre shopping malls are, likewise, normally under single ownership, the complexities of development and relationship to adjoining premises makes it more difficult and costly to undertake comparable changes.

3.44. Key market trends for retail park type space include:

- Vacancies in retail parks are significantly lower than town centres. The Straiton Retail Parks have consistently had very low vacancies.
- Continuing attempts to derestrict retail parks to increase the range of potential occupiers. This reflects demand at the current time from both food and non-food discounters as well as leisure uses.
- "Right-sizing" retail units to match demand - typically this can include smaller ground floorplates but the inclusion of, or capacity to install, mezzanines.

3.45. Development of "small" retail park formats. These are typically in the region of 5000-9000 sq m and anchored by food and non-food discounters with one or two additional mid-large retail warehouse units together with smaller "local" retail units. Recent examples in Scotland include: Cupar; Barrhead; Blairgowrie. These retail parks are characterised by a full mix of convenience, general comparison and bulky comparison goods floorspace.

Local Shopping Provision

3.46. Even before the pandemic it was evident that there had been a degree of revitalisation in local provision for both retail (in particular the renewed strength of convenience-format stores) and services. This reflects a number of the factors highlighted earlier including changing lifestyles, changing priorities for younger age groups and the factor that many online distribution networks (especially for the return of goods) have local collection points. The pandemic has strengthened the role of local shopping and services provision further.

3.47. It is likely that importance attached to homeworking, supporting local retail and leisure provision as advocated during the pandemic has been overstated, indeed, there is increasing pressure, in the private sector at least, to reduce levels of home working with a greater return to the office. Nonetheless, the greater flexibility in terms of employment location together with increased consumer awareness of, and support for, local shopping will be factors that will assist local retail provision whether these are freestanding local shops and local/suburban shopping locations.

Leisure Sectors

3.48. The leisure sector is diverse comprising a myriad of different types of commercial leisure opportunities and experiences including public sector sports, leisure and recreational facilities. The focus in this section is limited to commercial leisure. Even with this limitation the sector is highly diverse and includes:

- Eating and drinking out: restaurants; cafes; coffee shops; public houses and bars.

- Health and fitness: gyms and spas – and this can be extended to include beauty including hairdressers, beauty parlours, tattoo establishments, tanning salons etc.

- Other sports – provided by a mix of public (sports centres, swimming pools etc), commercial private (especially golf clubs/resorts), and third-sector providers (the latter including local sports clubs - football, rugby, cricket, bowling and so on). Many providers are effectively a hybrid between commercial and local clubs.

- Other forms of entertainment including: cinemas; theatres; "competitive socialising" (e.g. ten pin bowling, laser centres and other more novel forms of entertainment); trampoline centres; and variouschildren's entertainment (e.g. soft play centres etc).

- Hotels and other visitor accommodation.

Comment on Leisure Sector Growth

3.49. There appears to be a contradiction in the evidence presented earlier regarding the growth of the leisure sector. On the one hand there is clear evidence that the numbers of leisure businesses and units, particularly in Scotland, has grown strongly since 2008. However, over this period Experian, using ONS data, identify only modest growth in expenditure on leisure services, typically averaging little over 1% per annum. Furthermore it is notable that the leisure sector (especially food and drink) experienced significant numbers of business failures in the years prior to the pandemic as a result of having to carry substantial increases in costs (reflecting for example, the role of the national living wage and reduced availability of low-cost overseas workers following Brexit).

3.50. Examination of the SABS data does show that, whereas numbers of businesses and employment both grew by +16-18% over the period 2008-2019 total turnover increased by only 9% i.e. quite close to the Experian figure for the growth of expenditure – in other words output per business and per employment both declined in real terms. In part it can be suggested that, for many leisure activities (notably health and beauty and some food & drink establishments), there are few barriers to entry for establishing new businesses in terms of skills and experience and/or set up costs. The data for Scotland suggests that many of these businesses are operating at low profit margins. If the expenditure growth identified by Experian is fulfilled this implies that the rate of new business formation (or at the very least levels of employment) will reduce, probably as a result of a high rate of business failure. Alternatively the rate of growth of the sector may be higher than Experian forecast which will support the growth of leisure businesses at the rates experienced since 2008. This is a plausible scenario in that leisure and entertainment are a form of "discretionary" spend and, as such, depend on overall levels of income which, in turn, depend on the strength of the local economy.

3.51. The following summarises the principal issues affecting key leisure sectors:

Food and Drink

- Over the period 2010-2020 the food and drink sector was particularly active with a steady number of new brands being introduced into the UK market. However, pressures of increased costs resulted in significant failures. There are, however, certain sectors that appeared resilient and are expected to maintain positive growth including the food-led public house sector and the continued increase in food provision in non-specialists linked to other entertainment activities.

- Delivery services (Just Eat, Deliveroo, Uber Eats etc) have been described as a "disruptor" and these have experienced dramatic growth since 2016 which reflects consumer preference for both convenience and eating at home. However, these services have also been seen to benefit newly establishing chains in this sector allowing them to reach a wider consumer base than would have been possible if they had relied on new physical outlets to support growth.

- Reflecting the combination of these factors there appears to be a trend at the present time for downsizing restaurants, particularly in prime locations with operators taking smaller footprints to maintain profitability. Even taking these factors into account the role of food and drink within established retail centres continues to grow – with many shopping centres seeing diversification away from comparison retail to include increased food and drink as a key part of the strategy for shopping centre survival.

Public Houses

- The growth of a food-led offer has dominated development of public houses in the UK in recent years. This has resulted in increasing demand for large, good quality city centre and larger town centre pubs from both multiples and independents.
- There has been continued demand for family food/pub restaurant sector with sites acquired for various national brands. These require high visibility locations on main road locations with large car parks.
- A third growth sector has been the sale of premium "craft" products as well as food which drives higher margins attracted to locations with rapidly growing young urban populations – a classic example is Brew Dog which, although headquartered in Aberdeenshire, is now a dynamic international brand.
- The traditional wet-led pub sector's general decline continues and, in terms of absolute numbers, closures exceed new openings with a net loss in numbers of public houses and bars in the UK.

Coffee Shops

- Coffee shops have grown rapidly – in 1999 there were only 590 branded outlets which grew to 7470 in the UK by 2017.
- Growth of non-specialist coffee shops that include café's as part of a larger operation for example in supermarkets, bookshops and in public houses.
- Although additional economic and labour issues present challenges for this sector it does not appear that the market has yet reached saturation. Growth is likely to be lower than seen in the first 15 years of this century but there will be continuing demand for new coffee houses, in both primary and secondary locations.

Hotels

- The hotel market is, of course, tied closely to the growth of tourism, although it is important to recognise that for most hotels the key target is the domestic market and, in many larger urban areas, the business market. This is, therefore a complex market that cannot be summarised briefly. At this stage, however, it is notable that CBRE's 2023 Market Outlook notes that the hotel market has rebounded very quickly after the pandemic, particularly in the budget and luxury ends of the market. They consider that, as far as the long-term is concerned the fundamentals for long-term demand are strong supporting future long-term investment. They also note that the market is very diverse with different pressures applying to different sectors and in regional markets complicating the overall picture.

Cinemas

- Significant growth in terms of numbers of cinema screens, sites and seats occurred between 2009 and 2020. Fastest growth has been in numbers of screens (+2% per annum) whereas numbers of sites has grown at 0.9% pa. However, since 2020 numbers of screens has not changed whereas numbers of cinema sites has declined by 6%. There are now, on average, 6.85 screens per 100,000 population in the UK and, on average, 1.25 cinemas per 100,000 population. A notable recent entrant into the market is Everyman which positions itself “at the premium end of the UK leisure/cinema market” and now has 48 cinemas with ca. 170 screens. The company seeks space in the range of 750 to 1400 sq m GFA in a variety of locations.

- Cinema attendance has, however, remained generally flat since 2000 (declining per unit population) and also the pandemic had a dramatic impact of the pandemic on attendances in 2020 (data for 2021 and 2022 indicate only partial recovery of attendances which remain well below pre-Covid levels).
- The primary driver of growth is therefore greater provision of more screens but with reduced capacity per screen. This will favour multiplexes but the total space required for one multiplex is less than previously required.

Health & Fitness

- The estimated value of the health and fitness sector, comprising both private health clubs and public fitness centres was £5.1 bn in 2019 which was an 16% increase from 2016.
- LDC estimate that there were in 2019:
    - Gyms: 7239 gyms with 10.4 million members (increase of +14.7% since 2015)
    - Swimming: 3130 swimming sites and 4559 swimming pools
- Prior to the pandemic the key development was the growth of “budget” gym brands (e.g. Pure Gym, which opened 60 gyms alone in 2015).
- UK gym membership comprised 15.5% of all UK adults in 2020 (13.7% in 2015).
- Average membership per club was 1426 in 2016 but this ranged from an average of 726 per club for independent operators up to 3452 members per club for the budget chains.
- Current market expectations are for continued strong growth for the next few years with greatest growth occurring with both the budget and top-end boutique sector. Some boutique-gyms can be quite small with space requirements as little as 300 sq m.

Other Commercial Leisure Sectors

- *Casinos* and *Bingo.* A long established sector, particularly for Bingo dominated by Buzz and Mecca. Casino operators have grown significantly over the past two decades and attendances have increased slightly since 2010.
- *Ten Pin Bowling.* This is a relatively small sector but is fast growing – for example the two largest operators,Hollywood Bowl Group and Ten Entertainments Group recorded 4% and 7.7% like-for-like growth during 2017. These two companies have been opening between 2 and 4 new sites each year. Mintel estimated growth in this sector of 23% between 2016 and 2021 (4.2% pa).
- *Trampoline Centres.* This sector experienced initial rapid growth but is now facing more challenging conditions reflecting a combination of competition (from both other trampoline operators and alternative leisure activities) and increased regulatory requirements. Growth in this sector is therefore expected to be more limited. The expectation is that there will be consolidation in the sector and one major operator, Oxygen, has already entered administration.
- *Competitive Socialising.* This covers a diverse range of activities based on a game/sports theme linked with eating and drinking. The sector is rapidly growing and diversifying and includes: urban mini golf; “bar and game” – including traditional games and new ones; virtuality reality and gaming; and against the clock experiences (e.g. Escape Rooms). These are predominantly

concentrated in the largest centres and maximum market reach necessary to offset high investment costs for establishing the venues. However, it appears the “against the clock” experiences may be extended away from large cities to medium sized towns as the market matures.

Implications for Midlothian

General Trends

3.52. It is apparent that, over a significant period of time, the character and composition of town centres has been changing. Although the social-restrictions that were imposed as a result of the pandemic had profound impacts on both the retail and leisure sectors for all locations in the UK, the most recent evidence appears to suggest that these impacts were relatively short-term and there are good indications that current patterns are returning to pre-pandemic conditions. Regardless of the effects of the pandemic there were very strong trends in place that were affecting all retail locations and, in particular town centres associated with a combination of:

Retail

- Increased use of, familiarity with and access to the internet.
- Greater ability of retailers to achieve market penetration through a combination of physical stores and an active online presence (i.e. multi-channel retailing) reducing the need for the amount of space and number of stores.
- A shift in the balance of power between retailers and consumers in favour of the latter. This will affect the range of quality that will need to be provided by retailers while, at the same time, affecting profit margins. This implies greater potential for less successful retailers to fail.
- Changing social behaviours including greater importance attached by consumers to: environmental concerns including ensuring that goods and services consumed are increasingly environmentally sustainable; support for shopping locally and supporting independent traders.
- Need for retailers to be flexible to provide an enhanced offering to attract customers. This can include the importance of shopping experience and also the blurring of distinctions between retail and other services – often with multiple functions provided on one premises (e.g. shop, café and information provision all in one location).
- Long term growth in retail expenditure but at significantly reduced rates than pre-2008. This in part reflects long term economic uncertainty but, perhaps more significantly, more opportunities for consumers to spend on other services and experiences rather than goods. Latest forecasts for convenience goods are negligible long term growth per capita.
- Ongoing sustained growth in special forms of trading reducing the availability of expenditure growth being directed to shops. Nonetheless the proportion of expenditure directed to online sales will plateau with the best estimates currently available suggesting that this will be in the mid-2030s.
- Requirement for retailers to restructure their physical estate to reflect the above structural changes together with addressing over-expansion that occurred in the period up to 2008. To a significant extent this restructuring has been undertaken by many retailers although there will still be expected to significant reduction, reconfiguration and re-use of retail space as this restructuring process continues over the coming years.
- There is a long term reduction in the number of retail shops nationally – declines in numbers have been identified in all types of location and vacancies have increased.

Leisure

- There is uncertainty as to the prospects for growth. Some commentators forecast sustained strong growth especially in key sectors such as coffee shops and gyms. Other forecasts are more circumspect identifying only modest expenditure growth and reduced margins resulting in a high susceptibility to business failure.
- Leisure spend is, inherently, discretionary and is, therefore, likely to be more volatile according to the wider economic situation.
- The sector is rapidly evolving with new formats and experiences coming forward each year, often linked to new advances in technology.
- Although there will continue to be opportunities for leisure activities to be purchased on line and consumed in the home there is, generally, a lower potential impact of the internet affecting the location of leisure services. This would imply greater potential for ongoing requirement for space for the provision of leisure services than for retail.

Development Implications for Sub-Sectors

3.53. In summary key trends for different retail sectors include:

Comparison Goods

- Continued strong growth from the non-food discounters (e.g. Home Bargains, B&M, the Range etc). These include new build freestanding units from 1500-5000 sq m (depending on operator), occupation of vacant retail warehouse units (where planning restrictions permit these operators) and occupation of vacant town centre units (e.g. former Woolworths stores). This reflects a strong trend in recent years for consumers to focus on value and there is no reason to expect this to change in the short-medium term.
- The bulky comparison goods sector remains strong and reflects, in part, post-Covid “catch-up” investment by bulky retailers with a focus on opening units in retail parks. The bulky goods sector (especially brown- and white- goods) is, of course, highly dependent on housing market activity. A number of established retailers ceased trading following the GFC recession with the result that now, with the housing market having, in general, re-established itself, this has created opportunities for new retailers. However, for a number this will be a focus on online rather than new stores.
- Many comparison goods retailers will continue to combine shop floorspace with other retail channels. This leads to a lot of diversity in the operations between retailers including, at one extreme, the use of shops purely as showrooms rather than as locations for the purchase of goods.

Clothing and Fashion

- The sector has been under considerable pressure over the past few years with mid-market retailers in particular struggling. This included failures such as Edinburgh Woollen Mill, Forever 21, Gap, Arcadia. In a number of instances brands have been/are being retained but being transferred to an online presence only (e.g. Arcadia brands, Gap and M&Co), and others are reducing their store portfolio (e.g. New Look). These brands are traditionally the stalwart of mid-sized town centres and shopping centres and both of these locations could experience higher vacancies as these brands depart.

Convenience Goods

- Development of major superstores has effectively stopped following the GFC. For certain operators the focus has been on better use of the space available including the incorporation of non-retail uses within the stores whereas others (e.g. Tesco) has, in some stores, refocussed on core grocery markets and, in certain stores reduced sales area and/or licensed space to other complementary brands rather than own label goods. Tesco has even started trialling the conversion of parts of stores to flexible office space.

- The reduction in new build superstores reflects a combination of major factors: (i) the large quantity of superstore space developed between 1990 and 2010 which leaves very few untapped market opportunities; (ii) changing lifestyles and a greater willingness of shoppers, especially millennials and other younger generations, to undertake smaller, but more frequent shops. This has supported the increasing popularity of the food discounters and convenience stores; and recently (iii) food price inflation combined with economic uncertainty resulting in a significant squeeze on household incomes. Superstores, as a whole have experienced declining market share compared to other types of convenience retail[5].

- In time there will be a need for refurbishment and further "right-sizing" of supermarkets/superstores. This includes stores built in the 1990s (e.g. Lidl and Farmfoods are active in refurbishing/relocating their estates). In the longer term it is likely that the "Big 4" operators are likely to experience the same pressures.

- Although there were tentative signs that the self-imposed moratorium on new superstores is being reviewed – under new ownership ASDA has identified a programme of building 15 new superstores across the UK including a 5000 sq m GFA store in Stirling.

- Notwithstanding Tesco rebranding its Metro stores as either Express or Superstores, it is evident that the mid-sized supermarket is being actively developed:

    - M&S continues to develop its foodhalls in the range of 1100-2000sq m GFA
    - Both Farmfoods and Iceland are also actively developing units of this size (typically 1000-1500 sq m GFA) primarily in out-of-centre locations (including Iceland's Food Warehouse brand)
    - the Co-op, although these units are smaller typically in the range of 400-750 sq m GFA
    - Lidl and Aldi continue to develop new stores although not at the rate seen 5-10 years ago.

- There continues to be support for new convenience-format stores with investment by each of the Big-4, the Co-op, symbol groups and other chains. This includes growth with Scottish based companies/symbol groups including DayToday and USave (both of which are headquartered in Glasgow) and Greens (headquartered in Kirkcaldy).

Development Implications for Retail & Leisure Locations

The Traditional "High Street"

3.54. There is no clear consensus regarding the prognosis for traditional "High Street" locations. On the one hand the lack of modern sized units, interrupted floorplates and lack of parking has been seen as a major disadvantage. In addition, multiple ownership and lack of control/responsibility for the public realm has been considered to result in these traditional locations being at a significant disadvantage compared to shopping malls and out-of-centre retail locations. However, these locations could be attractive for new independents and for leisure uses. In contrast shopping centres are expensive, owned by institutions seeking maximum returns with additional management costs and difficult to adapt units.

3.55. This is particularly important for smaller and mid-sized centres (typically less than 400 retail/retail service units) which would apply to all centres in Midlothian. Even in the more optimistic scenario

[5] Retail Rankings identifies that, between 2012/13 and 2019/20 (pre-covid) Tesco superstores turnover has declined by -3% in actual price terms (decline would be greater at constant prices) but Tesco Express has grown by +31% and Premier convenience stores have grown by +13%. Similarly at Sainsbury the superstores have declined by -2.2% but Sainsbury Local has grown by +80%. Asda, dominated by large superstores has grown by 1% but Lidl has grown by +97% and Aldi by +215%

(i.e. that independents for retail and leisure uses are attracted into centres) these businesses will experience high rates of failure.

3.56. Notwithstanding these caveats, the effect of this process would be that “High Streets” in smaller and mid-sized centres and in secondary/tertiary locations within major centres, will change in two key ways: first with higher “churn” of occupiers but with, inevitably, higher overall vacancies; and second with a continued shift away from retail goods shops to a greater retail and leisure services and hybrid units mixing retail with services within the same unit. There are strong indications that this process is already well-established, certainly in terms of the mix of units within centres with the proportion of retail goods shops declining relative to the total number of units being observed in Scottish centres over at least the past 20 years.

3.57. In Midlothian it is notable that even the largest of the town centres (Dalkeith) is relatively small with less than 150 retail and service units and both Penicuik and Bonnyrigg significantly smaller again. The review and health check (Section 6 below) of these centres shows that these centres comprise, predominantly, local shops with limited numbers of national or regional multiples, particularly in the comparison goods sectors. This profile implies that changes in local market characteristics (notably local population growth) is likely to counteract any wider negative trends providing a degree of insulation from national market trends. However, the ease of access for Penicuik residents to shops in Straiton (see comment below) introduces a degree of competition for Penicuik town centre that other larger Midlothian town centres are less exposed to.

Retail Parks

3.58. Retail parks appear to fared relatively well during the pandemic reflecting a higher proportion of “essential”retailers (which includes the non-food discounters that have a very large presence in retail parks at the current time). The ease of parking and larger unit sizes also makes them attractive for operators for servicing “click and collect” which will become more important as online sales continue to grow.

3.59. However, all retail sectors have been under pressure and it is expected that retail park operators will, wherever possible, continue to seek further de-restrictions on the types of retail floorspace permitted.

3.60. In the case of the Straiton area, which has an extensive convenience, general and bulky comparison retail offer in a strategically accessible location, this has resulted in this location becoming increasingly important as a retail destination over the past 25 years. In general the retail offer here, comprising national and international brands for comparison goods, does not compete with Midlothian town centres. However, the location now has a number of major foodstores (ASDA, Sainsbury, Aldi and Lidl) which do compete with other retail locations which may act as a constraint to significant investment in the closest larger town centres of Penicuik and Bonnyrigg.

Local Shopping Provision

3.61. Even before the pandemic it was evident that there had been a degree of revitalisation in local provision for both retail (in particular the renewed strength of convenience-format stores) and services. This reflects a number of the factors highlighted earlier including changing lifestyles, changing priorities for younger age groups and the fact that many online distribution networks (especially for the return of goods) have local collection points. The pandemic appears to have strengthened the role of local shopping and services provision further.

3.62. It appears that the strength of home-working and the impact that this has on local shopping/service provision following the pandemic has been overstated but, nonetheless, there is a significantly higher level of working from home in 2023 compared to before the pandemic. This has implications for town and city centres which have traditionally relied on custom from those working in the centre losing trade and for local shops and services which are likely to benefit from increased trade.

3.63. There is no clear delineation as to the size that determines “local” floorspace. In Midlothian, with the notable exception of Dalkeith town centre, all centres are relatively small and provide, primarily, local shopping and service provision. As noted above even Dalkeith is relatively small and all centres are likely to benefit from the potential for greater trade directed to “local” centres, especially associated with significant population growth locally.

4. Retail & Leisure Provision in Midlothian

Introduction

4.1. This Section provides an overview of retail and services provision within Midlothian both as a whole and for each of the principal retail locations within the Council area. The Section therefore provides the following:

- An overview of the distribution of retail and leisure floorspace and turnover (retail only) within the Council area as a whole.
- Identification of key changes in provision and turnover compared to that identified in 2012.
- Assessment of the network of centres within Midlothian.

Overall Distribution of Retail & Leisure Floorspace

4.2. Figure 4.1 provides a summary of retail floorspace and turnover, by principal retail goods category together with all retail, leisure and business services[6], for Midlothian. It also identifies the floorspace located in the town centres identified in the LDP and the major retail floorspace at Straiton. All floorspace information is provided though the Lothian Joint Valuation Board combined with planning authority records of the floorspace of major retail units. Information on retail turnover (expressed in 2023 prices) is derived from combining data on available expenditure and detailed analysis of the household survey responses together with known average and typical sales density information as set out in the Strategic Retail Model (App A Table 16).

4.3. The principal features of the distribution of retail and service floorspace shown in Figure 4.1 are as follows:

- In 2025 the total of retail and retail/leisure/business service uses comprises 179,060 sq m floorspace in 558 units in Midlothian. Total retail space is 147,878 sq m (205 units) which is 83% of the total. Retail and other services account for 24,140 sq m GFA (in 315 units) and there are 38 vacant units totalling 7,042 sq m GFA. The estimated total retail turnover (retail goods shops only) is £692.5m.
- The principal concentration of retail/service uses is within the Straiton retail area (A701) including the retail parks, Costco, IKEA, ASDA and Aldi. This combined area accounts for 88,7895 sq m GFA (52% of Midlothian total) of retail floorspace, 64% of retail turnover but only 8% of total retail units within Midlothian.
- In terms of "traditional" town centres Dalkeith town centre is the most important location for both retail and services within Midlothian. It has 21,100 sq m gross floor area for retail and services in 148 units with a turnover of just over £58m accounting for 12% of floorspace, 8% of turnover but 27% of retail and service units within Midlothian. Retail floorspace within the

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[6] Throughout this study definitions of retail shops and services adopt the definitions and categorisations used by Experian in the Area Comparison reports and Experian Goad surveys of centres. For the latter:
Convenience goods shops: *include bakers; butchers; CTN, frozen foods; supermarkets, off licenses etc*
Comparison goods shops: *include books, carpets & flooring, clothing; footwear; electrical goods; florists; furniture; gardens; stationers; photographic; sports, telephones etc; textiles etc*.
Retail services*: clothing hire; dry cleaning & launderette, health and beauty; photo processing; post offices; repairs & alterations; travel agents, car hire, video etc hire*
Leisure services: include *bars; cafes; cinemas, theatres etc; clubs; fast food and takeaway; public houses; restaurants; sports and leisure facilities; guesthouses, hotels etc.*
Financial & Business Services: include building societies, retail banks, business goods/services; legal services; financial services; printing & copying; property services.

town centre is broadly distributed between convenience, general comparison and bulky goods floorspace. The largest individual unit within the town centre is the Morrisons superstore and, apart from the Lidl and B&M stores there are no notably large retail units within the town centre.

- Penicuik and Bonnyrigg are the next largest town centres. Penicuik has approximately 40% of retail and service floor area of Dalkeith , a similar proportion of retail units but only 30% of the turnover of Dalkeith. Within the centre Lidl and B&M are the largest stores.
- Bonnyrigg is significantly smaller in terms of floorspace and turnover than Penicuik but has a comparable number of retail and service units.

Figure 4.1: Summary of Retail and Services Provision in Midlothian – 2025

MIDLOTHIAN		No.	Convenience				General Comparison				Bulky Goods				All Goods		
			GFA	NFA	Turnover Rate	Total Turnover	GFA	NFA	Turnover Rate	Total Turnover	GFA	NFA	Turnover Rate	Total Turnover	GFA	NFA	Total Turnover
			Sq M	Sq M	£/Sq M	£m	Sq M	Sq M	£/Sq M	£m	Sq M	Sq M	£/Sq M	£m	Sq M	Sq M	£m
1. Principal Town Centres																	
Dalkeith Town Centre	Retail	44	6559	4169		£44.09m	5481	3562		£12.68m	1162	765		£1.51m	13202	8497	£58.28m
	Services	94													7384		
	Vacant	10													514		
	TOTAL	148	6559	4169		£44.09m	5481	3562		£12.68m	1162	765		£1.51m	21100	8497	£58.28m
Penicuik Town Centre	Retail	17	2001	1527	£7,261 psm	£11.09m	3244	2244	£2,616 psm	£5.87m	151	113	£6,143 psm	£0.70m	5395	3885	£17.66m
	Services	44													4522		
	Vacant	5													844		
	TOTAL	66	2001	1527		£11.09m	3244	2244		£5.87m	151	113		£0.70m	10761	3885	£17.66m
Bonnyrigg Town Centre	Retail	17	2232	1451	£7,711 psm	£11.19m	835	542	£2,751 psm	£1.49m	116	75	£1,435 psm	£0.11m	3182	2069	£12.79m
	Services	38													2488		
	Vacant	3													758		
	TOTAL	58	2232	1451		£11.19m	835	542		£1.49m	116	75		£0.11m	6428	2069	£12.79m
TOTAL PRINCIPAL TOWN CENTRES	**Retail**	**78**	**10792**	**7147**	**£9,285 psm**	**£66.4m**	**9559**	**6349**	**£3,157 psm**	**£20.0m**	**1429**	**954**	**£2,427 psm**	**£2.3m**	**21780**	**14451**	**£88.7m**
	Services	**176**													**14393**		
	Vacant	**18**													**2115**		
	TOTAL	**272**	**10792**	**7147**		**£66.36m**	**9559**	**6349**		**£20.05m**	**1429**	**954**		**£2.32m**	**38289**	**14451**	**£88.7m**
2. Other Town Centres																	
Gorebridge Town Centre	Retail	3	553	359	£6,249 psm	£2.24m	175	114	£2,946 psm	£0.33m	0	0	#DIV/0!	£0.00m	727	473	£2.58m
	Services	15													534		
	Vacant	0													0		
	TOTAL	18	553	359		£2.24m	175	114		£0.33m	0	0		£0.00m	1262	473	£2.58m
Loanhead Town Centre	Retail	10	868	564	£6,456 psm	£3.64m	302	196	£5,296 psm	£1.04m	31	20	£2,817 psm	£0.06m	1201	781	£4.74m
	Services	28													1790		
	Vacant	4													174		
	TOTAL	42	868	564		£3.64m	302	196		£1.04m	31	20		£0.06m	3166	781	£4.74m
Mayfield Town Centre	Retail	5	1061	690	£5,763 psm	£3.97m	131	85	£3,149 psm	£0.27m	66	43		£0.07m	1258	818	£4.31m
	Services	7													589		
	Vacant	4													215		
	TOTAL	16	1061	690		£3.97m	131	85		£0.27m	66	43		£0.07m	2062	818	£4.31m
Newtongrange Town Centre	Retail	11	1817	1181	£6,259 psm	£7.39m	340	221	£3,149 psm	£0.70m	341	256		£0.39m	2498	1658	£8.48m
	Services	16													889		
	Vacant	3													154		
	TOTAL	30	1817	1181		£7.39m	340	221		£0.70m	341	256		£0.39m	3541	1658	£8.48m
TOTAL OTHER TOWN CENTRES	**Retail**	**29**	**4298**	**2794**	**£6,175 psm**	**£17.3m**	**948**	**616**	**£3,795 psm**	**£2.3m**	**438**	**319**	**£1,611 psm**	**£0.5m**	**5684**	**3729**	**£20.1m**
	Services	**66**													**3803**		
	Vacant	**11**													**543**		
	TOTAL	**106**	**4298**	**2794**		**£17.25m**	**948**	**616**		**£2.34m**	**438**	**319**		**£0.51m**	**10030**	**3729**	**£20.1m**
3. Remaining Rural & Local Provison																	
	Total Retail	*66*	*17020*	*11200*		*£114.81m*	*7428*	*4916*		*£19.47m*	*7178*	*5346*		*£5.34m*	*31625*	*21462*	*£139.62m*
	Total Services	*64*													*4659*		
	Total Vacant	*6*													*468*		
4. Straiton Retail Area	Retail	32	23805	17227	£9,311 psm	£160.41m	35119	25731	£6,373 psm	£163.97m	29865	25089	£4,769 psm	£119.64m	88789	68048	£444.03m
	Services	9													1285		
	Vacant	3													3915		
	TOTAL	44	23805	17227		£160.41m	35119	25731		£163.97m	29865	25089		£119.64m	93989	68048	£444.03m
TOTAL MIDLOTHIAN	**Retail**	**205**	**55915**	**38369**		**£358.84m**	**53054**	**37613**		**£205.83m**	**38909**	**31708**		**£127.81m**	**147878**	**107689**	**£692.48m**
	Services	**315**													**24140**		
	Vacant	**38**													**7042**		
	TOTAL	**558**	**55915**	**38369**		**£358.84m**	**53054**	**37613**		**£205.83m**	**38909**	**31708**		**£127.81m**	**179060**	**107689**	**£692.48m**

- The remaining four town centres identified in the LDP (Gorebridge, Loanhead, Mayfield and Newtongrange) are all significantly smaller than Bonnyrigg town centre. The largest is Loanhead in terms of numbers of units but, by virtue of the Co-op supermarket the largest by floorspace and turnover is Newtongrange. All of these centres are small and have a limited retail and service offer.

- Outwith the town centres and Straiton the most significant retail units are:

  - Dobbies garden centre and associated units;
  - Tesco, Hardengreen
  - Aldi, Thornybank (Dalkeith)
  - Tesco, Edinburgh Road, Penicuik

- The Tesco at Hardengreen is a major superstore which has a turnover comparable to (but less than) Dalkeith town centre. The Edinburgh Road area of Penicuik which includes Tesco, Farmfoods and additional units has a turnover significantly greater than Penicuik town centre. The Dobbies garden centre at Melville Nurseries, although with a lower turnover than the other stores named above, has a substantial retail sales area, and after IKEA and Costco, is the third largest individual retail unit within Midlothian.

- Within the Straiton area the IKEA and Costco units are both of a substantial scale. IKEA has a gross floor area of 20,275 sq m and estimated turnover of ca. £130m. This is a similar floorspace to the whole of Dalkeith town centre and double the turnover. There are only two full sized IKEA stores in Scotland (there is an order and collection point in Aberdeen) and the catchment of the store covers a substantial part of the Central Belt. Although technically a "retail warehouse club" the Costco unit is, in effect, a major retail unit. It is also very large (12529 sq m GFA) and a turnover of £65m which is similar to Dalkeith town centre. Its catchment area is also very wide although possibly not as extensive as IKEA.

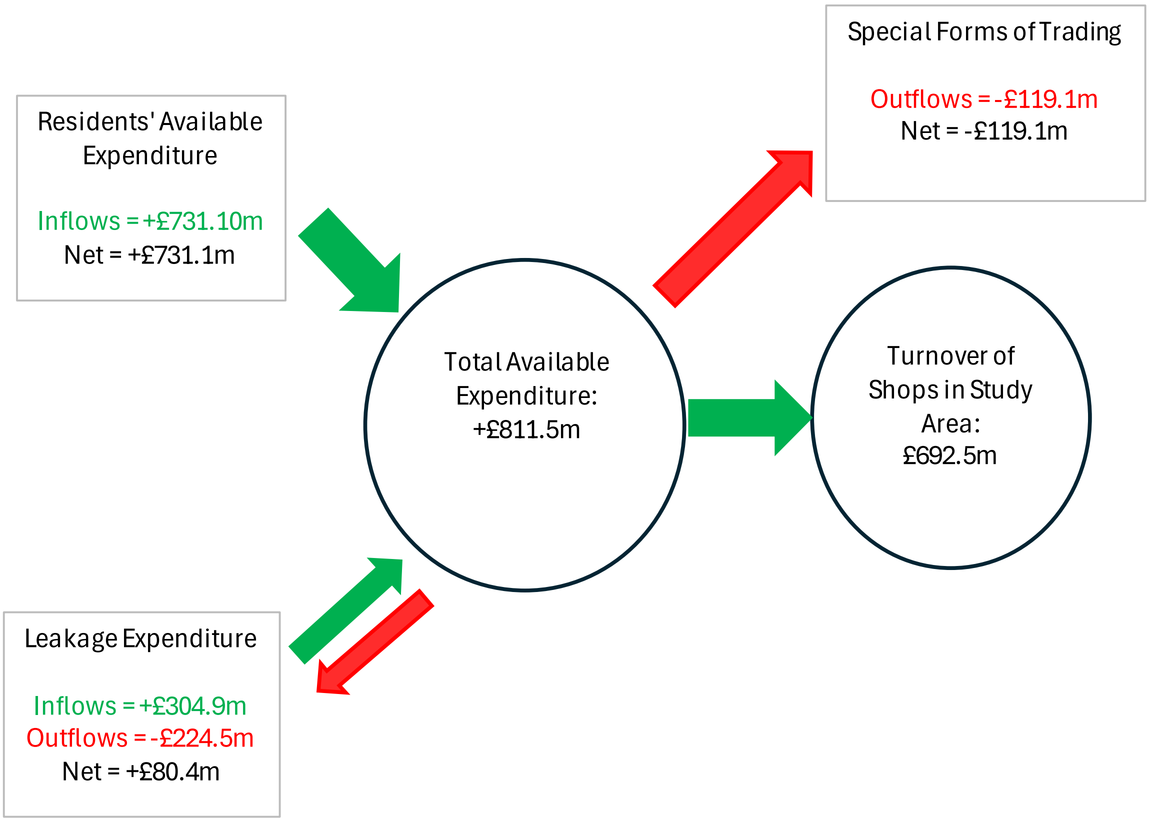
4.4. In overall terms existing retail/service provision is widely distributed throughout Midlothian towns although the Gorebridge/Newtongrange and Mayfield areas can be considered to have limited provision compared to other parts of Midlothian. However, Midlothian is a relatively small Council area and, if one has access to private car transport then all parts are within a relatively short distance of Straiton and/or Dalkeith town centre. However, if reliant on public transport, access to these locations can be more difficult given that most bus services are typically arranged on a radial basis travelling to/from Edinburgh City Centre making travel east-west more difficult.[7]

Expenditure Flows

4.5. The Strategic Retail Model identifies expenditure flows into and out of Midlothian. This is summarised in Figure 4.2.

[7] There are east-west routes (e.g. Lothian services 140 and 141) but these serve only limited parts of Midlothian.

Figure 4.2: Midlothian Council – Retail Expenditure Flows and Turnover 2025 (2023 prices)



4.6. As noted in Section 2 consideration has not been given to tourism expenditure since it is estimated that this will be effectively cancelled out by spend by Midlothian residents as tourists outwith Midlothian.

4.7. The most significant flows identified in Figure 4.2 are the high levels of inflows and outflows. The outflow of expenditure (£224.5m) is primarily for comparison goods (both general and bulky) from Midlothian residents principally directed to shops in Edinburgh. This is typical for an area of small towns in close proximity to a major City which has both an extensive City Centre retail offer as well as numerous other centres and retail parks. These outflows are exceeded by very high inflows of expenditure. This is unusual and is the result of the substantial retail offer in the Straiton area. This operates at two levels – first, the retail parks and superstores draw significant trade from south Edinburgh residents who can access the retail parks as or more easily than comparable retail locations within Edinburgh. Second there is the IKEA/Costco factor which draw in trade across the east central Scotland region and, potentially, from further afield.

4.8. The second factor of particular note is the proportion of expenditure that is "lost" through "special forms of trading" i.e. almost entirely through internet-based sales. In total over 16% of expenditure generated by Midlothian residents is spent online rather than through traditional shops.

Network of Centres

4.9. NPF4 and the Local Development Plan Guidance (LDPG) requires the identification of a network of centres within a planning authority area. The LDPG suggests that this network may be organised as a hierarchy and could include:

- city centres;

- town centres;
- local centres;
- commercial centres; and
- emerging or new centres

4.10. It also provides advice as to characteristics that may define town centres as being locations that display:

- a diverse mix of uses, including shopping;
- a high level of accessibility;
- qualities of character and identity which create a sense of place and further the wellbeing of communities;
- wider economic and social activity during the day and in the evening; and/or
- integration with residential areas *(LDPG p140)*.

4.11. It identifies commercial centres as those which have a more specific focus on retailing and/or leisure uses, such as shopping centres, commercial leisure developments, mixed retail and leisure developments, retail parks and factory outlet centres.

Characteristics of Existing Retail Locations in Midlothian

4.12. The LDPG/NPF4 is not prescriptive as to what should be included within the network of centres and it is important that this reflects the local circumstances. The SRM and household survey have provided important information as to the characteristics of existing centres within Midlothian both in terms of their physical characteristics and how they are used by residents and attitudes to the offer provided in the town centres.

4.13. There are a number of characteristics of retail locations that will assist in determining the function of the centre and, from this, identification of its classification and role within the network of centres. These include:

- The number, floorspace and turnover of retail units.
- The range of the retail goods offer – by types of shops and ranges of goods within shops within the location.
- The extent of retail, leisure, business services.
- The extent of non-commercial services and facilities including both public services and facilities and also other commercial services and facilities.
- Accessibility of the centre to nearby/surrounding communities in particular with reference to access by walking and by those dependent on public transport.
- Regularity/frequency of use of centres as evidenced from the household survey.

4.14. Some of these factors have been summarised in Figure 4.1 for the main centres. From a retail planning perspective (as distinct from town centre planning) the extent of the retail offer as expressed in terms of both numbers of units and turnover is particularly useful in that the number of units is indicative of the range and choice of services and facilities available to the community and turnover (for retail goods at least) indicates the extent to which retail goods shops are used and their relative importance to the wider community. Figure 4.3 illustrates the relationship between size of centre (numbers of units) and turnover for all significant retail locations within the study area (i.e. including centres serving principal settlements, but excluding freestanding stores).

However, due to the fact that there are a number of locations that have a similar but low levels of turnover, Figure 4.4 using logarithmic scales which allows easier distinction between smaller retail locations.

4.15. In total, the study has identified 28 different locations for retail/service units within Midlothian. 17 of these are identified to provide a significant retail offer in terms of either numbers of units or floorspace. Distinct groups of centres are identified from Figures 4.3 and 4.4:

- Principal town centres. Dalkeith, Penicuik and Bonnyrigg town centres are identified to have a significantly wider range of retail and services offer based on floorspace and numbers of units than other locations.

- Local town centres. Whereas both Loanhead and Newtongrange centres are significantly larger than other locations the position is less clear cut for both Gorebridge and Mayfield centre. However, other factors need to be considered:

    - In the case of Mayfield this is a significant community and it is evident that the centre does provide an important focus for a range of functions. Section 6 sets out recommendations for an extension of the defined centre to include additional community facilities which reinforce the role of the centre as a focus for the community.
    - For Gorebridge it is recommended that the boundary of the centre is extended along Hunterfield Road to include the Co-op which significantly increases the numbers of units, community facilities and floorspace within the centre.

- Local/Neighbourhood centres. Throughout Midlothian there are a number of other locations that either include significant retail/service floorspace (e.g. focussed on a supermarket or similar) or a significant number of local shops that provide important commercial services to the local community. It is recommended that the status of these is recognised and afforded some policy protection supporting local accessibility to these services and facilities. It is considered that this should also include Roslin centre which, although only providing a limited retail/service offer, these shops are important for local services within the village. In contrast neither Bilston not Rosewell has a significant concentration of units that would warrant designation of a local or neighbourhood centre.

- Commercial Centres. The scale of the retail offer at Straiton, including the retail parks, superstores/supermarkets, IKEA/Costco and consented retail development, needs to be recognised since this plays a very important role for retailing within both Midlothian and the wider area. The position with Melville Nurseries is considered to be different – although comprising a large retail area this is primarily focussed on providing garden centre goods although, as with most garden centres, it also has a significant leisure role linked to the garden centre function. This role used to be wider with the Butterfly World attraction but this has been closed for a significant period of time. As a freestanding garden centre it is not considered that Melville Nurseries should be identified as a commercial centre.

Figure 4.3: Retail & Service Locations in Midlothian: No of units by Floorspace

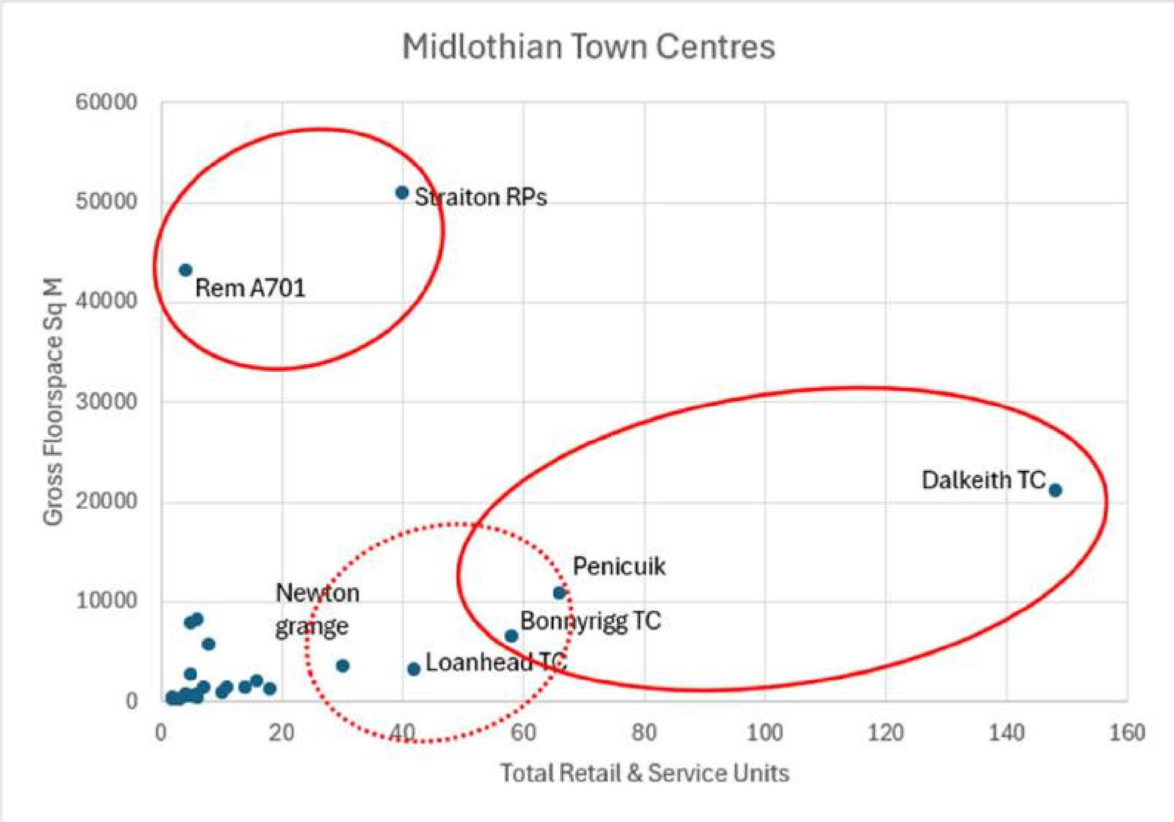
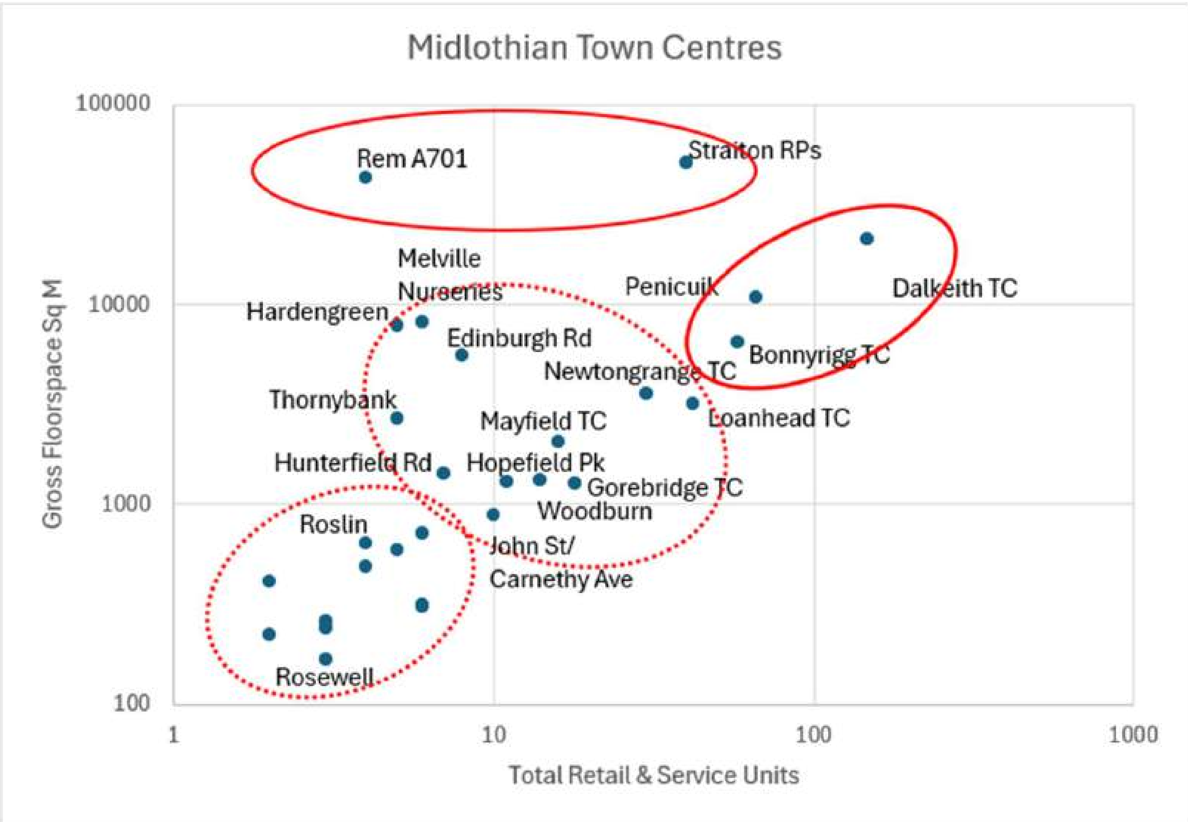


Figure 4.4: Retail & Service Locations in Midlothian: No of units by Floorspace (Log Scales)



Proposed Network of Centres

4.16. Based on the analysis of retail/service locations Figure 4.5 sets out the recommended network of centres for Midlothian together with a summary of the function and role of each category.

Figure 4.5: Proposed Network of Centres

Category of Centre	**Function/Role of Centre**	**Locations**
Principal Town Centres	*Provide a reasonable range of retail, retail service and non-retail public and commercial services and facilities.* *Provide a focus for the local community (town and immediate rural/urban hinterland) and for local transport networks.*	*Dalkeith, Penicuik and Bonnyrigg Town Centres*
Local Town Centres	*Provide a more limited range of retail facilities and other services/facilities – primarily meeting most day-to-day needs of the local community.* *Function as a clear focus for the settlement in which located.*	*Gorebridge*, Loanhead, Mayfield* and Newtongrange Local Town Centres.* *In the future: Shawfair town centre (subject to design and implementation of the centre)**.* **proposed extensions for centres* *** see text*
Local/Neighbourhood Centres	*Provide a limited range of services and facilities primarily serving the local community and supporting local accessibility (20 minute neighbourhoods)*	*Edinburgh Rd, Penicuik* *Hopefield Park, Bonnyrigg* *Woodburn, Dalkeith* *Thornybank, Dalkeith* *Carnethy Ave/John Street, Penicuik* *Roslin*
Commercial Centres	*Retail developments (either purpose built or well-defined groups of separate units) that serve one or more specific retail market sectors with relative wide catchment areas.*	*A701 Corridor/Straiton: to include existing retail parks, superstores/supermarket, IKEA/Costco and consented retail development. Primarily located on the east side of A701.* *Hardengreen, Eskbank*

Shawfair Town Centre

4.17. When developed the new town centre for Shawfair should also be included within the network of centres. Planning permission has been granted for a centre comprising a superstore, additional food store and additional retail and service units with a total maximum floorspace of 8260 sq m proposed. The scale of the proposed floorspace is reviewed in Section 7 below. There is, however, no commitment to provide the full floorspace that is proposed and so, at this stage, it is not possible to determine whether Shawfair town centre, when built, should be considered as a Principal or Local Town Centre. Although the turnover of the proposed superstore would be expected to be high the total number of units in the centres is expected to be limited and, on this basis, it is considered more appropriate that, at this stage, this should be identified as a Local Town Centre but this should be reviewed once the town centre has been developed.

5. Addressing Retail Deficiencies

Overview

5.1. This section reviews the extent of retail/service deficiencies within Midlothian. This encompasses:

- Quantitative and qualitative retail deficiencies and the related concept of "retail capacity".
- The extent to which existing retail/service provision supports the principle of local accessibility to retail facilities and services as embodied in the "20-Minute Neighbourhood" principle set out in NPF4.

Retail Deficiencies and Capacity

Quantitative Retail Deficiencies

5.2. The conventional approach to assessing quantitative deficiencies and, in particular, quantitative retail need has been based on the use of "retail capacity" calculations. In essence these calculations are based on a direct comparison between the turnover of existing floorspace (typically based on notional average sales densities) and available expenditure. These calculations are often adapted to take into account expenditure leakage and inflows between the study area and neighbouring areas.

5.3. The SRM allows this type of analysis to be undertaken to identify potential existing and future retail deficiencies. This includes the following:

- Comparing available expenditure within defined zones with both the forecast actual turnover and notional average turnover of floorspace within the defined Zone.
- Undertaking a similar analysis but allowing for the potential to increase expenditure retention and/or increase net inflows of expenditure.
- Comparison of forecast "actual" turnover with notional average turnover to ascertain the extent to which existing/committed floorspace would be trading above (or below) notional average levels.

5.4. In addition, reference can be made to the operation of the commercial retail and leisure markets although, as noted in Section 3, market considerations are generally dominated by short-term concerns rather than adopting a long-term perspective which is necessary for development planning which is looking forward over the next 10-15 years (i.e. to 2032-2037). The SRM does not consider leisure activities – a comparable assessment is not possible for leisure floorspace as a result of the huge variation in types of commercial leisure activities and more limited data availability.

5.5. It is important to recognise that the use of conventional retail capacity-type calculations presents a wide range of methodological difficulties to the extent that their value for identifying a quantum for floorspace requirements is limited. Indeed, the importance of multi-channel retailing has altered the relationship between sales area and store sales such that, for many retailers, there is no longer a direct link between sales area and turnover. Nonetheless, undertaking a comparison between existing and future expenditure and notional average sales from existing and committed future floorspace, when carried out at a strategic level (in this case Midlothian-wide) can assist in providing an indicative quantitative basis for assessing the general level of retail deficiencies (or surplus of retail floorspace) within the study area.

Comparison of Expenditure and Notional Average Turnover

5.6. The SRM provides forecasts of future available expenditure for Midlothian as a whole and individual zones for a range of alternative growth scenarios. In addition, the data for the model identifies actual sales area for different goods categories to which notional average sales densities can be compared. This includes, for future test years, the implications of consented retail floorspace is implemented. Figure 5.1 identifies current retail "commitments" that have been identified for Midlothian. Although the proposed developments listed in Figure 5.1 have the benefit of extant or recent planning consents there is, of course, no firm commitment by developers to implement these proposals. Nonetheless, these consents need to be taken into account when comparing future average turnover and available expenditure.

Figure 5.1: Retail Commitments included in Midlothian Strategic Retail Model

Zone	Location	Ref	Included in SRM by	Gross Floor Area (Sq M)			
				Conv	Gen Comp	Bulky Goods	Total
1	Millerhill	18/00969/DPP	2032	604			604
2	Soutra Mains		2032		1800		1800
3	Greenlaw Mains, Mauricewood	23/00289/DPP	2032	218			218
4	South Mayfield	22/00027/PPP	2027	500			500
6	Straiton RP (unimplemented part)*	05/00127/FUL	2032		2021	2021	4042
6	Hillend Ski centre	23/00124/MSC	2032		801		801
6	A701 retail park	24/00338/DPP	2032		3152	1860	5570
8	Park Avenue, Bilston			123	801		924

**Assumes 50% GC and 50% BG*

5.7. It should be noted that the proposed Shawfair Town Centre has not been included in Figure 5.1 which reflects the length of time that has elapsed since the grant of permission for the proposed town centre and the uncertainties that have arisen as a result of this. For example, the proposals for the town centre include the development of a superstore but, as noted in Section 3, there has been limited demand for this type of retail unit over the past decade which would question the likelihood of this proposal being developed in the form proposed. This scale and type of retail floorspace proposed for Shawfair town centre is reviewed in Section 7 below.

5.8. Two assessments have been undertaken. Figure 5.2 sets out a "simplified" analysis which compares forecast available expenditure (net of SFT) with notional average turnover. The following scenario combinations have been tested for each retail goods category:

- B1. Experian RP22 (March 2025) "Central" expenditure forecasts with two, alternative, assumptions regarding sales density changes:
    - C1. No change on average sales densities
    - C2. Change in sales densities identified in Experian RP22
- B2. Experian RP22 "Higher" expenditure forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).
- B3. Experian RP22 "Severe" expenditure forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).
- B4. Experian RP22 "Very Severe" expenditure forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).

5.9. Figure 5.3 sets out the same analysis for individual Zones, and groups of Zones, for the central forecast (B1, C1).

5.10. Figure 5.2 identifies that, whichever forecast scenario is adopted, for Midlothian as a whole there is no quantitative retail deficiency by 2037 for either convenience and bulky goods. The reason for this is the substantial net inflow of expenditure into the Straiton area supporting a large amount of retail floorspace of all types that exceeds the amount of floorspace that can be justified by the population, and future growth of population in Midlothian as a whole. It should be noted that the "excess" of convenience turnover identified in Figure 5.2 for convenience goods would increase if the Shawfair town centre proposals were included in the assessment. Similarly the notional capacity for Zone 1 would reduce close to zero if account is taken of the proposals for Shawfair town centre. However, there are a number of factors that need to be taken into account when reviewing the potential scale and mix of floorspace within the proposed Shawfair town centre such that this is considered separately in Section 7.

5.11. However the table does identify a "capacity" for general comparison floorspace ranging from £42m-47m turnover equivalent at the present time (2025) increasing to £72m - £161m by 2037. The very wide variation identified in 2037 is symptomatic of the sensitivity of retail capacity calculations to different assumptions undermining its value as a planning tool.

5.12. As noted previously the fact that the Straiton area has a very wide regional catchment while, at the same time, there is an inevitable draw of expenditure from Midlothian to the City of Edinburgh, particularly for general comparison goods, renders the analysis of Midlothian as a whole of limited value.

5.13. More useful is an analysis of comparing notional average turnover with available expenditure at a local, zonal level within Midlothian. Figure 5.3 identifies the deficit or surplus of expenditure compared to notional average turnover for each Zone for the central forecast only. Given the concentration of retail floorspace within Straiton the Figure identifies a large deficit of expenditure within Zone 6 whereas for all other zones (apart from Zone 2 for convenience goods) there is a notional surplus of expenditure. The following provides a review of the implications of figures 5.2 and 5.3 for Midlothian.

Convenience Goods

5.14. For Midlothian as a whole Figure 5.2 identifies a "surplus" of floorspace but this is accounted for primarily as a result of south Edinburgh residents using the superstores and supermarkets in the Straiton area. If one excludes Zone 6 there is, in 2025, a notional surplus of expenditure (of £57m) across the remainder of Midlothian. Although reference has been made to inflows of expenditure into Zone 6 from outwith Midlothian is should also be recognised that the Straiton foodstores do, also, serve Midlothian residents particularly those living along the A701 corridor (Loanhead, Bilston, Roslin and Penicuik). Having regard to this the analysis would suggest that, at the present time, there is a reasonable balance between available expenditure and notional turnover within Midlothian as a whole for convenience goods floorspace. However, as the population of Midlothian grows to 2037 there is increasing capacity to support new convenience floorspace equivalent to a turnover of ca. £30m per annum.

5.15. Figure 5.3 shows that potential for new floorspace is not distributed evenly across Midlothian. The most significant issue is the growth in expenditure in Zone 1 as Shawfair develops and lack of "committed" retail floorspace within the Shawfair development.

5.16. Elsewhere there is a broad balance between convenience floorspace provision and available expenditure with Midlothian. There are, however, local areas that do not have easy access to local convenience floorspace (and other retail space) that serves day-to-day needs which is considered in the next part of this Section.

General Comparison Goods

5.17. Section 3 has highlighted the fact that general comparison floorspace is normally concentrated in larger centres (both traditional town and city centres and retail malls/parks). Midlothian exhibits these characteristics by both having a major concentration of general comparison goods floorspace at Straiton serving a market area that extends well beyond Midlothian while, at the same time, it has only small-medium-sized town centres that only provide a limited general comparison offer with expenditure directed to "higher order" centres in Edinburgh (and, to a limited extent, Livingston).

Figure 5.2: Retail Capacity Calculations – Simplified Analysis (2023 Prices) - All Midlothian

SECTOR: CONVENIENCE		**Available Expenditure £m**				**Average Turnover £m**				**Notional Capacity £m**			
Growth Scenario	**Sales Density Scenario**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**
B1.Experian RP22 Central	C1. No change	£286.6	£291.3	£304.8	£318.1	£387.9	£387.9	£394.6	£394.6	-£101.3m	-£96.5m	-£89.8m	-£76.5m
	C2. Increase sales densities by Experian RP22	£286.6	£291.3	£304.8	£318.1	£387.9	£386.3	£395.4	£395.8	-£101.3m	-£95.0m	-£90.6m	-£77.7m
B2. Experian RP22 Higher	C1. No change	£288.9	£296.0	£317.1	£335.9	£387.9	£387.9	£394.6	£394.6	-£99.0m	-£91.9m	-£77.5m	-£58.7m
	C2. Increase sales densities by Experian RP22	£288.9	£296.0	£317.1	£335.9	£387.9	£386.3	£395.4	£395.8	-£99.0m	-£90.4m	-£78.3m	-£59.9m
B3. Experian RP22 Severe	C1. No change	£284.9	£285.8	£293.7	£305.8	£387.9	£387.9	£394.6	£394.6	-£103.0m	-£102.1m	-£101.0m	-£88.8m
	C2. Increase sales densities by Experian RP22	£284.9	£285.8	£293.7	£305.8	£387.9	£386.3	£395.4	£395.8	-£103.0m	-£100.6m	-£101.7m	-£90.0m
B3. Experian RP22 Very Severe	C1. No change	£283.2	£282.4	£285.0	£295.3	£387.9	£387.9	£394.6	£394.6	-£104.7m	-£105.5m	-£109.6m	-£99.3m
	C2. Increase sales densities by Experian RP22	£283.2	£282.4	£285.0	£295.3	£387.9	£386.3	£395.4	£395.8	-£104.7m	-£104.0m	-£110.4m	-£100.5m

SECTOR: GENERAL COMPARISON		**Available Expenditure**				**Average Turnover**				**Notional Capacity**			
Growth Scenario	**Sales Density Scenario**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**
B1.Experian RP22 Central	C1. No change	£262.9	£277.0	£328.1	£386.2	£217.8	£217.8	£246.9	£246.9	£45.1	£59.2	£81.2	£139.3
	C2. Increase sales densities by Experian RP22	£262.9	£277.0	£328.1	£386.2	£217.8	£225.9	£268.9	£299.2	£45.1	£51.1	£59.2	£86.9
B2. Experian RP22 Higher	C1. No change	£265.0	£281.4	£341.3	£407.7	£217.8	£217.8	£246.9	£246.9	£47.2	£63.6	£94.4	£160.8
	C2. Increase sales densities by Experian RP22	£265.0	£281.4	£341.3	£407.7	£217.8	£225.9	£268.9	£299.2	£47.2	£55.5	£72.5	£108.4
B3. Experian RP22 Severe	C1. No change	£261.4	£273.7	£318.5	£371.2	£217.8	£217.8	£246.9	£246.9	£43.6	£55.9	£71.6	£124.3
	C2. Increase sales densities by Experian RP22	£261.4	£273.7	£318.5	£371.2	£217.8	£225.9	£268.9	£299.2	£43.6	£47.8	£49.6	£71.9
B3. Experian RP22 Very Severe	C1. No change	£259.8	£270.4	£309.1	£358.5	£217.8	£217.8	£246.9	£246.9	£42.0	£52.6	£62.2	£111.6
	C2. Increase sales densities by Experian RP22	£259.8	£270.4	£309.1	£358.5	£217.8	£225.9	£268.9	£299.2	£42.0	£44.6	£40.2	£59.2

SECTOR: BULKY GOODS		**Available Expenditure**				**Average Turnover**				**Notional Capacity**			
Growth Scenario	**Sales Density Scenario**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**
B1.Experian RP22 Central	C1. No change	£62.5	£65.8	£77.7	£91.2	£116.5	£116.5	£123.7	£123.7	-£54.0m	-£50.7m	-£46.0m	-£32.5m
	C2. Increase sales densities by Experian RP22	£62.5	£65.8	£77.7	£91.2	£116.5	£120.7	£134.4	£150.0	-£54.0m	-£54.9m	-£56.7m	-£58.7m
B2. Experian RP22 Higher	C1. No change	£63.0	£66.8	£80.8	£96.3	£116.5	£116.5	£123.7	£123.7	-£53.5m	-£49.6m	-£42.9m	-£27.4m
	C2. Increase sales densities by Experian RP22	£63.0	£66.8	£80.8	£96.3	£116.5	£120.7	£134.4	£150.0	-£53.5m	-£53.9m	-£53.6m	-£53.7m
B3. Experian RP22 Severe	C1. No change	£62.1	£65.0	£75.4	£87.7	£116.5	£116.5	£123.7	£123.7	-£54.4m	-£51.5m	-£48.3m	-£36.1m
	C2. Increase sales densities by Experian RP22	£62.1	£65.0	£75.4	£87.7	£116.5	£120.7	£134.4	£150.0	-£54.4m	-£55.7m	-£59.0m	-£62.3m
B3. Experian RP22 Very Severe	C1. No change	£61.7	£64.2	£73.2	£84.7	£116.5	£116.5	£123.7	£123.7	-£54.7m	-£52.2m	-£50.5m	-£39.1m
	C2. Increase sales densities by Experian RP22	£61.7	£64.2	£73.2	£84.7	£116.5	£120.70	£134.41	£149.97	-£54.7m	-£56.5m	-£61.2m	-£65.3m

Figure 5.2: Retail Capacity Calculations – Simplified Analysis (2023 Prices)- Study Zones and Midlothian Corridors - Central Case/No Density Increases

ANALYSIS FOR STUDY ZONES Current Position Re Zones: Experian Assumptions (Central case growth; no increase in densities)		**Available Expenditure**				**Average Turnover**				**Notional Capacity**			
		2025	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**	**2025**	**2027**	**2032**	**2037**
ZONE 1	Conv	£14.05	£17.44	£30.07	£41.64	£6.17	£6.17	£8.72	£8.72	£7.89	£11.28	£21.35	£32.92
	G Comp	£12.81	£16.48	£32.18	£50.27	£0.08	£0.08	£0.08	£0.08	£12.73	£16.40	£32.10	£50.18
	BG	£2.80	£3.61	£7.04	£11.00	£0.00	£0.00	£0.00	£0.00	£2.80	£3.61	£7.04	£11.00
ZONE 2	Conv	£52.70	£51.65	£49.11	£48.00	£106.87	£106.87	£106.87	£106.87	-£54.17m	-£55.22m	-£57.76m	-£58.87m
	G Comp	£48.19	£48.94	£52.71	£58.10	£36.56	£36.56	£41.56	£41.56	£11.63	£12.39	£11.15	£16.54
	BG	£11.06	£11.23	£12.09	£13.33	£5.18	£5.18	£5.18	£5.18	£5.87	£6.05	£6.91	£8.15
ZONE 3	Conv	£57.78	£58.38	£58.24	£57.70	£47.36	£47.36	£47.92	£47.92	£10.43	£11.02	£10.31	£9.78
	G Comp	£53.35	£55.85	£63.11	£70.52	£15.91	£15.91	£15.91	£15.91	£37.44	£39.94	£47.19	£54.61
	BG	£13.56	£14.20	£16.04	£17.93	£0.35	£0.35	£0.35	£0.35	£13.21	£13.85	£15.69	£17.58
ZONE 4	Conv	£36.67	£36.83	£38.86	£40.31	£18.46	£18.46	£19.76	£19.76	£18.21	£18.37	£19.10	£20.54
	G Comp	£33.53	£34.90	£41.71	£48.79	£1.07	£1.07	£1.07	£1.07	£32.46	£33.83	£40.63	£47.72
	BG	£7.69	£8.01	£9.57	£11.19	£0.67	£0.67	£0.67	£0.67	£7.03	£7.34	£8.90	£10.53
ZONE 5	Conv	£27.70	£27.98	£27.96	£26.95	£9.89	£9.89	£9.89	£9.89	£17.82	£18.10	£18.07	£17.06
	G Comp	£25.34	£26.52	£30.01	£32.62	£1.07	£1.07	£1.07	£1.07	£24.26	£25.44	£28.93	£31.54
	BG	£5.81	£6.08	£6.88	£7.48	£0.72	£0.72	£0.72	£0.72	£5.09	£5.36	£6.16	£6.76
ZONE 6	Conv	£18.93	£18.48	£18.79	£19.27	£177.63	£177.63	£179.62	£179.62	-£158.70m	-£159.15m	-£160.83m	-£160.35m
	G Comp	£17.48	£17.68	£20.36	£23.55	£155.80	£155.80	£177.29	£177.29	-£138.32m	-£138.12m	-£156.93m	-£153.74m
	BG	£4.44	£4.49	£5.18	£5.99	£106.23	£106.23	£113.51	£113.51	-£101.79m	-£101.74m	-£108.33m	-£107.52m
ZONE 7	Conv	£56.00	£56.22	£56.11	£57.12	£18.08	£18.08	£18.08	£18.08	£37.92	£38.13	£38.03	£39.04
	G Comp	£51.21	£53.27	£60.22	£69.14	£7.21	£7.21	£7.21	£7.21	£44.00	£46.06	£53.01	£61.93
	BG	£11.75	£12.22	£13.82	£15.86	£3.27	£3.27	£3.27	£3.27	£8.48	£8.96	£10.55	£12.60
ZONE 8	Conv	£22.79	£24.36	£25.66	£27.15	£3.44	£3.44	£3.76	£3.76	£19.35	£20.93	£21.90	£23.39
	G Comp	£21.04	£23.31	£27.80	£33.18	£0.10	£0.10	£2.70	£2.70	£20.94	£23.21	£25.10	£30.47
	BG	£5.35	£5.93	£7.07	£8.43	£0.04	£0.04	£0.04	£0.04	£5.31	£5.88	£7.02	£8.39
A7/A68 CORRIDOR	Conv	£173.07	£172.68	£172.04	£172.38	£153.30	£153.30	£154.60	£154.60	£19.77	£19.38	£17.44	£17.78
ZONES 2,4,5 &7	G Comp	£158.27	£163.63	£184.64	£208.65	£45.91	£45.91	£50.91	£50.91	£112.35	£117.72	£133.73	£157.74
	BG	£36.31	£37.54	£42.36	£47.87	£9.84	£9.84	£9.84	£9.84	£26.47	£27.70	£32.53	£38.03
A701 CORRIDOR	Conv	£99.50	£101.22	£102.69	£104.12	£228.42	£228.42	£231.30	£231.30	-£128.92m	-£127.21m	-£128.62m	-£127.18m
ZONES 3, 6 & 8	G Comp	£91.87	£96.83	£111.27	£127.24	£171.80	£171.80	£195.90	£195.90	-£79.94m	-£74.97m	-£84.63m	-£68.66m
	BG	£23.36	£24.62	£28.29	£32.35	£106.63	£106.63	£113.90	£113.90	-£83.27m	-£82.01m	-£85.61m	-£81.55m

5.18. This limits the value of the analysis set out in Figures 5.2 and 5.3. Zone 6 demonstrates the effect of the regional catchment for Straiton whereas this is more than countered by the draw to centres within the City of Edinburgh resulting in an "excess" of expenditure generated for these goods within Midlothian compared to notional average turnover. Market factors will reinforce these trends – there is expected to be ongoing demand for new comparison floorspace from operators for locations within or close to Straiton/A701 while demand within the town centres will be modest and is expected to focus on more "local" general comparison floorspace, for example from non-food discounters (B&M, Home Bargains etc), pharmacies, opticians and similar that normally serve local markets (these could be described as "convenient- general comparison" retail goods).

Bulky Goods

5.19. Typically market requirements for bulky goods tend to be less concentrated and have more local catchments than general comparison goods but are less local than for convenience goods. The presence of IKEA at Straiton presents an unusual situation where the unique characteristic of this, predominantly, bulky goods retailer serves an extremely wide regional market. If IKEA is discounted from the analysis then Figure 5.2 would identify a notional capacity equivalent to £30-£35m per annum which is equivalent to close to 50% of available expenditure for these goods from Midlothian residents. This would imply that there is some capacity for additional bulky goods floorspace within Midlothian as a whole.

5.20. However, consideration must be given to market demand for this type of floorspace. Whereas there will be demand from bulky goods operators for space at Straiton it is unlikely that there would be significant demand for additional new bulky goods floorspace elsewhere in Midlothian since this would need to be able to compete not only with Straiton but also locations in Edinburgh along the A720 bypass (i.e. Edinburgh Fort, the A1 and Hermiston Gait in particular.

5.21. The conclusion from this review is that, *if* proposals for forthcoming for new bulky goods floorspace, in addition to that already treated as committed (see Figure 5.1) then this can be supported by available expenditure for these goods within Midlothian.

Analysis Allowing for Changes in Expenditure Flows

5.22. The analysis in Figures 5.2 and 5.3 assumes there is no change in expenditure inflows or leakage from Midlothian. As such it can be criticised in that it assumes conditions remain static which is highly unlikely given the nature of change within retailing. One alternative approach is to identify net inflows/leakage of expenditure in the assessment (effectively this can be considered a proxy for existing market realities) and to adopt an optimistic assumption that it would be possible to increase net inflows of expenditure. This approach was typically adopted by Roderick MacLean Associates in their "optimistic" scenarios for calculating retail capacity for convenience goods for planning authorities in Scotland. This analysis is set out in Figure 5.4. The "low" estimate assumes no changes in expenditure retention/inflows whereas the "high" estimate assumes reductions in leakage and increases in inflows of expenditure.

Figure 5.4: RMA Methodology for Retail Capacity

Based on Scenario - RP22 central growth and no increase in densities
2023 Prices

	2025			2027			2032			2037		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
Resident's Expenditure Potential	£286.6	£262.9	£62.5	£291.3	£277.0	£65.8	£304.8	£328.1	£77.7	£318.1	£386.2	£91.2
Add inflows	£104.8	£104.1	£95.9	£104.6	£106.3	£96.8	£104.9	£115.5	£100.5	£105.1	£125.4	£104.6
	36.6%	39.6%	153.6%	35.9%	38.4%	147.2%	34.4%	35.2%	129.4%	33.0%	32.5%	114.6%
Less Outflows	-£32.6m	-£161.3m	-£30.6m	-£33.8m	-£170.3m	-£32.4m	-£38.1m	-£203.9m	-£38.7m	-£42.2m	-£242.2m	-£45.7m
	-11.4%	-61.3%	-49.0%	-11.6%	-61.5%	-49.2%	-12.5%	-62.2%	-49.8%	-13.3%	-62.7%	-50.1%
Retained Expenditure (turnover)	£358.8	£205.8	£127.8	£362.1	£212.9	£130.2	£371.6	£239.6	£139.5	£381.1	£269.3	£150.1

	2025-2027			2025-2032			2025-2037		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
(a) Current under (-) or over-(+) trading	-£29.05m	-£11.98m	£11.35m	-£29.05m	-£11.98m	£11.35m	-£29.05m	-£11.98m	£11.35m
(b) Growth in retained expenditure	£3.31m	£7.12m	£2.43m	£12.77m	£33.79m	£11.73m	£22.22m	£63.45m	£22.26m
(c) Less Planning Commitments	£0.00m	£0.00m	£0.00m	£6.73m	£29.10m	£7.28m	£6.73m	£29.10m	£7.28m
Low Estimate	**-£25.74m**	**-£4.86m**	**£13.78m**	**-£9.55m**	**£50.91m**	**£30.36m**	**-£0.10m**	**£80.58m**	**£40.88m**
(d) Add Potential to reduce outflow									
Assume Clawback of Leakage									
30% conv; 15% GC & BG	£10.14m	£25.55m	£4.85m	£11.44m	£30.59m	£5.80m	£12.65m	£36.34m	£6.86m
(e) Add: potential to increase inflow									
10% each of conv, GC & BG	£10.46m	£10.63m	£9.68m	£10.49m	£11.55m	£10.05m	£10.51m	£12.54m	£10.46m
High Estimate	**-£5.14m**	**£31.32m**	**£28.32m**	**£12.37m**	**£93.05m**	**£46.22m**	**£23.06m**	**£129.45m**	**£58.20m**

5.23. Figure 5.4 only considers the position for Midlothian as a whole using the central forecast adopted for the SRM. The analysis takes the current position (2025) as the starting point and identifies changes between 2025 and future test years (i.e. it implies the current position as in balance and assesses how this changes over time).

5.24. This analysis identifies:

- Convenience goods: for Midlothian as a whole with the low estimate there is no quantitative retail deficiency even up to 2037. However, assuming that net inflows of expenditure increase then additional convenience floorspace equivalent to £23m turnover per annum could be supported.
- General Comparison Goods: this analysis indicates that, with the low estimate, the population growth of Midlothian would support a rapid increase in general comparison floorspace by 2032 and 2037. Even higher increases are identified in the optimistic scenarios. It should be noted that, in the optimistic scenario the increase in turnover potential (which is £129m by 2037) would be approximately one third of the total turnover of the current general comparison floorspace within Midlothian as a whole – i.e. a very substantial uplift in general comparison floorspace). This implies that considerable caution is needed in interpreting the implications of this analysis.
- Bulky Goods: the analysis indicates an existing quantitative retail deficiency for this type of retail floorspace which would increase significantly in both the low and high estimates up to 2037.

5.25. Whereas the analysis set out in Figure 5.4 expressly recognises that retail expenditure flows are dynamic and will change over time it should be recognised that the changes assumed under the high estimate scenarios (i.e. to reduce expenditure leakage and increase expenditure inflows) is a policy decision i.e. it requires a decision on the planning authority to determine that new retail floorspace should be supported to enable these changes in flows. For many planning authorities close to large cities there is a significant leakage of expenditure, especially for general comparison goods but also for other goods categories, and reducing net leakage can be seen as a positive step that supports the local economy. Midlothian is in an unusual position in that the Straiton area already draws in substantial expenditure from outwith the authority area. This has two implications – first that even small changes in assumed leakage/inflow will have major impacts on the calculations and second that the economic benefits of further increasing retail provision within Midlothian may be seen as more limited.

5.26. In the case of convenience goods this analysis reinforces the findings of the simplified analysis. For bulky and comparison goods this method recognises that, for both general and bulky comparison goods there will remain significant expenditure leakage which reduces the need for additional floorspace within Midlothian. Although the high estimate assumes that leakage could be reduced and inflows increased this is, even when one includes the growth in available expenditure for these goods, this is insufficient to overcome the negative effects of substantial expenditure leakage for these goods from Midlothian. It is considered that this method for assessing capacity is more realistic in that this reflects the realities of long term market trends.

Conclusion: Quantitative Retail Deficiencies

5.27. The principal conclusions of the analyses set out in Figures 5.2 to 5.4 are:

- Considerable caution is advised when using any retail capacity type calculation. The analyses demonstrate that even adopting small changes in assumptions result in major changes in identified quantitative retail deficiencies. The analyses have deliberately restricted the results to expenditure equivalent (expressed as £million per annum) – the variability of results would increase even more dramatically if converted into floorspace equivalent due to the highly variable sales densities achieved by different retailers for similar types of goods.

- Convenience goods.
    - For Midlothian as a whole it is concluded that there is a broad balance between floorspace provision and available expenditure generated by Midlothian residents. There will be increased demand as population increases to 2037 but this will not be distributed evenly with the key requirement that significant new convenience floorspace should be provided to serve Shawfair in Zone 1.
    - At the local level (sub-zone) there are areas with limited access to local convenience floorspace provision. This is addressed in detail in the remaining part of this Section.

- General Comparison Goods.
    - In Midlothian as a whole the analysis suggests that the population could support a limited amount of additional general comparison floorspace. The high figures generated by the analysis in Figure 5.4 are not accepted because of the distortions created by existing expenditure flows. Furthermore, compared to other authorities in similar geographical relationships to major cities, general comparison provision is already high and additional space while increasing the range of choice for Midlothian residents will also increase net inflows from residents in neighbouring authorities.
    - Market demand for additional space is only expected in the Straiton area and not elsewhere in Midlothian. When considering whether or not to support additional floorspace at Straiton consideration will need to be given to factors such as: current high levels of congestion at peak times; reliance of private motorised traffic; limited public transport access for Midlothian residents; that economic benefits are likely to be spread between Midlothian and City of Edinburgh; and potential cumulative impacts on future investment in Midlothian town centres (notably Penicuik).

- Bulky Goods.
    - There is expenditure potential within Midlothian as a whole to support additional bulky goods provision.
    - Market demand is expected to be focussed on the Straiton area with only limited demand elsewhere.
    - If proposals for bulky goods floorspace are made for the Straiton area then the same considerations noted above for general comparison floorspace should be considered although potential cumulative impacts on existing town centres would be less than for general comparison goods.

Qualitative Retail Deficiencies

5.28. Access to retail and leisure facilities can be considered to be an important factor in assessing the presence of qualitative deficiencies. For convenience goods qualitative deficiencies can reflect the absence of important subsectors of retailing (such as convenience-format stores, discounters, freezer centres, other specialist stores or superstores) and the age/quality of the stores within a local area. In this way proposals for new investment to upgrade, expand or relocate existing older units may provide opportunities for improving the quality of provision, especially where the existing stock is limited.

5.29. The diversity of both the comparison goods and leisure sectors renders it difficult to consider deficiencies and consideration should also be given to the size of the settlement/community under consideration i.e. one should accept that a small community is unlikely to have immediate access to the full range of retail and leisure facilities. It is accepted that what is considered an “appropriate” level of provision and accessibility for these goods and services within smaller settlements is a matter of judgement and perspective. For example, in Midlothian most communities have direct access by public transport to the principal towns and it could be considered that these smaller communities therefore have acceptable levels of access to the range of shops and facilities located within the larger town centres. Recognising these limitations for assessing qualitative deficiencies, it is considered that the following should be noted:

- Within Dalkeith town centre and in the town as a whole there is a wide choice of retail and leisure facilities including located within the town centre and out of centre (including proposed retail parks (including locations identified in Fig 4.5 above). Public leisure facilities are also available within the urban area.

- For convenience goods all principal subsectors are present within Dalkeith and, for most, there is a choice of more than one retailer for each category. In Penicuik there is a choice of one supermarket and one discount foodstore within the town but there is good access (by car and public transport) to stores in Straiton. For other towns, however choice is more limited, with dependence on independent shops and Co-op supermarkets. For these communities there is dependence on access to Straiton and/or Hardengreen for major supermarkets.

- In all of the towns the range of comparison goods shops is generally limited, even in Dalkeith. Each town has a limited range of commercial leisure facilities (notably for eating/drinking-out and health & beauty).

- In smaller settlements and rural areas, the range and choice for convenience, comparison and leisure is more restricted. This reflects the smaller settlements and markets that are served.

5.30. The limited range of types of retail unit, in particular for larger floorplate stores outwith Straiton, can be considered to be a significant qualitative retail deficiency. This includes:

- Medium - large supermarket units – particular in the 500-2000 sq m range could increase the range of retail offer – especially in Bonnyrigg, Newtongrange, Mayfield and Gorebridge.

- Large floorplate comparison goods units (500 sq m GFA+). With the exception of Dobbies at Melville Nurseries and B&M stores in Dalkeith and Penicuik there are no significant large floorplate comparison goods units in Midlothian outwith Straiton.

5.31. Qualitative deficiencies are, by their nature, subjective and many will consider that a lack of large floorplate units should not be considered a deficiency. Nonetheless, as will be noted in Section 6 below, there was a very widespread view from respondents to the household survey that there is a significant lack of choice for both general and bulky comparison goods throughout Midlothian except at Straiton However, there are no clear opportunities for development of this size to be accommodated within, or on the edge of existing town centres and it is unlikely that market demand will materialise for these types of units outwith Straiton.

Market Potential

5.32. *Comparison Goods.* The review set out in Section 3 identified that:

- For many multiple retailers the review of the existing portfolio could result in closures, especially in mid-sized centres such as Dalkeith in favour of concentration in largest centres.

- There continues to be strong growth from non-food discounters – the preferred location will continue to be in locations with easy vehicular access and parking.

- Bulky goods retailing is linked closely to the strength of the housing market, particularly nationally.

5.33. These, relatively short-term, market considerations differ from the findings of the quantitative retail deficiency assessment set out above. The implication is that, generally, there is likely to be limited demand for space within Midlothian town centres but, potentially, increased demand for space at Straiton. In general, there is likely to be limited change in provision in the town centres with the limited demand that does occurred being primarily for comparison retail which primarily targets local markets.

5.34. *Convenience Goods.* The review has highlighted that, in general, there is unlikely to be further demand for major superstores.

5.35. There is, however, ongoing demand for midsized supermarkets (1500-2500 sq m GFA) particularly for discounters. At present there are 5 food discount stores in Midlothian and one M&S foodhall. It is possible that there could be demand for discount foodstores in the Bonnyrigg, Newtongrange and Gorebridge areas.

5.36. *Leisure and Services*. Section 3 noted that the leisure sector is diverse and is based on discretionary spend but has grown rapidly and is expected to grow strongly in the long term. Space requirements are varied and a significant proportion of this is expected to be directed to the principal town centres within Midlothian. Leisure has the potential to take space released by retail units closing in centres.

Local Accessibility to Retail and Related Services

Introduction

5.37. Local accessibility to retail and related services within neighbourhoods is embodied in the 20-Minute Neighbourhood principle (20MN) set out in NPF4. This identifies the general principle underlying 20MNs as creating "*connected and compact neighbourhoods where people can meet the majority of their daily needs within a reasonable distance of their home, preferably by walking, wheeling or cycling or using sustainable transport options*". To support this principle an assessment of the distribution of retail/retail service units in Midlothian has been undertaken.

5.38. In undertaking this assessment it is important to establish a benchmark for identifying whether a group of retail/service units provides a sufficient range of goods and/or services that supports the principle of local accessibility. Neither NPF4 nor the Development Plan Guidance sets out an indication of the minimum level of service that should be considered as suitable for this. The position adopted in this analysis is as follows:

- Whereas individual retail/service units can provide important facilities or services for the local area, typically they can only provide only a limited range of goods/services. On this basis they have not been considered to be sufficient to support the principle of local living envisaged in NPF4.
- The exception to this is in supermarkets, or large stores, which retail a relatively wide range of goods.
- Therefore, the assessment undertaken has been based on the identification of local groups of retail/service units which are considered to provide a minimum range of types of goods and services:
    - Minimum no. of 4 retail and retail/leisure service units, provided at least one of these units retails convenience goods in a clearly defined urban location or, in rural areas, within a village as a whole.
    - Otherwise minimum no. of 5 retail/service units.
    - All supermarkets (minimum ca. 700 sq m GFA) are considered to provide an acceptably wide range of goods for sale suitable for supporting the principle of local living.
    - All identified town centres.
    - All identified retail parks.

5.39. This is, of course, a simplistic working definition in that, for example, units could combine or subdivide changing the number of units present, they could be large or small units and no account is taken of the market area that the units actually serve.

5.40. In draft versions of NPF4 the principle of 20MNs was based on 10-minute walking to, plus 10-minutes walking back, from the service provided i.e., broadly based on an 800m catchment area. However, other approaches have adopted different distances. In this context the key requirement is whether or not the location is within easy walking or wheeling distance. If one extended this principle to cycling and/or sustainable transport (as noted in NPF4) the geographical extent of the catchment areas will, of course, be much wider.

5.41. Recognising these limitations to the analysis a series of maps have been prepared that identify groups of shops/service units based on the data provided by the LJVB. On the maps 800m has been identified as a direct linear distance – in fact the actual walking distance will, in many cases be greater than this due to the pattern of road/path networks and barriers to movement and so the catchment areas shown must therefore be regarded only as indicative.

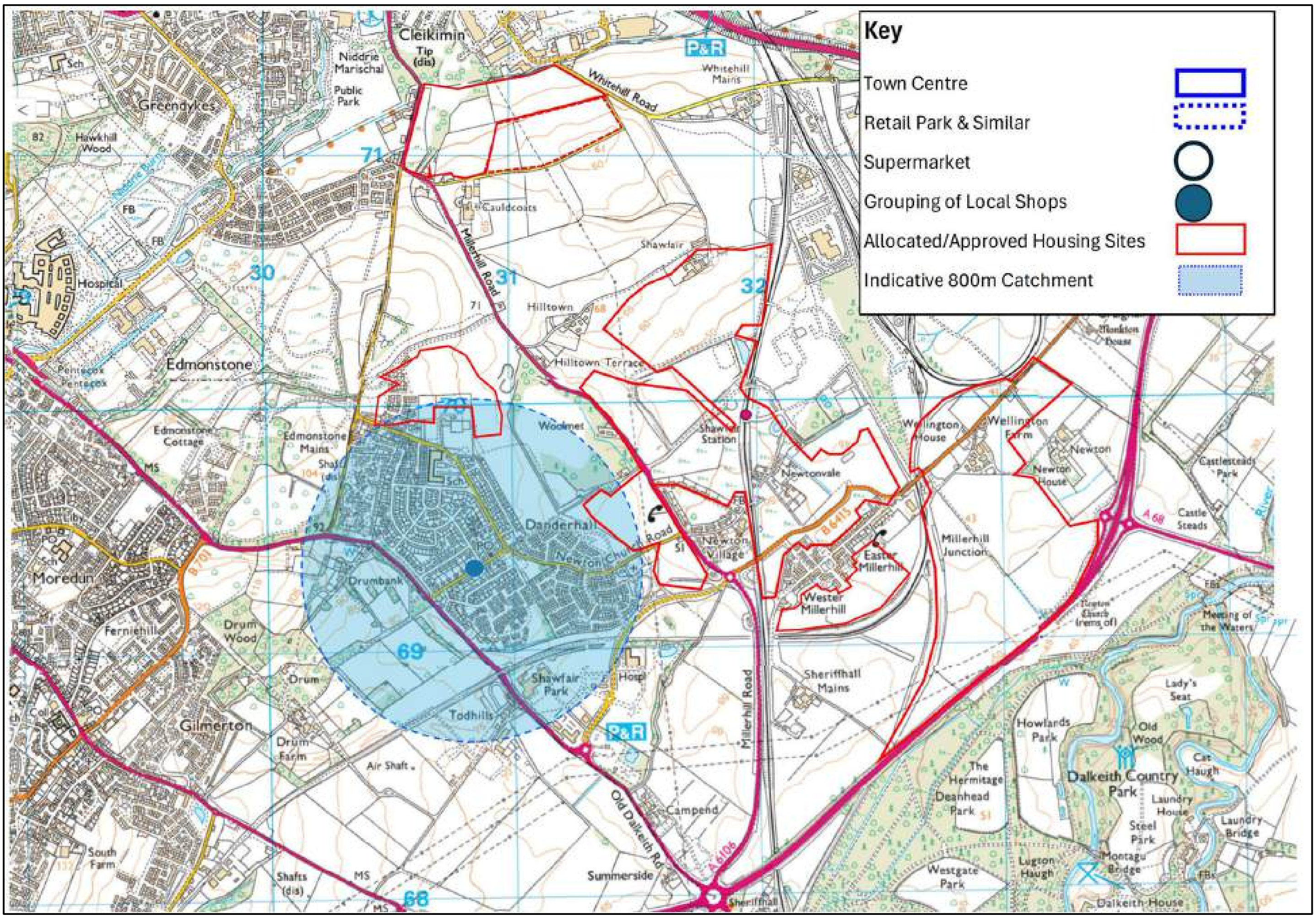
5.42. The following sets out the implications of the analysis for local access in different parts of Midlothian. In Section 7 of this report consideration is given to the assessing the potential for existing development sites to include local shops/services to address identified deficiencies in local provision. Each of the Figures 5.5 to 5.12 identifies the location of groups of retail units together with existing urban areas (OS base) and the major new housing allocations (either included within the adopted LDP, with planning permission or agreed by Committee to be included in the new draft LDP2.

Zone 1 Danderhall and Shawfair

5.43. The principal concentration of local shops in Zone 1 is in south Danderhall with 5 no. shops (including convenience-format store) located at either end of Newton Church Road. Although these are not in a single location (they are approximately 250m apart) they have, for the purpose of this analysis been treated as a single location centred on the middle point of this road. Elsewhere there are limited scattered shops including the newly opened Co-op convenience store at Shawfair.

5.44. Figure 5.5 shows that, whereas most of Danderhall is within convenient walking distance of these shops, almost all of the new housing being developed or proposed for Shawfair is outwith easy walking distance of these shops emphasising the need for significant new provision to be provided as part of the Shawfair development. This is addressed in more detail in Section 7 which includes both a review of proposals for floorspace as part of the new town centre and also additional local space to serve the southern and northern parts of this new settlement.

Figure 5.5: Zone 1 Danderhall & Shawfair – Concentrations of Retail and Service Units



Zone 2 Dalkeith

5.45. Dalkeith is well-served as a whole for local (and wider) retail and service provision. This includes:

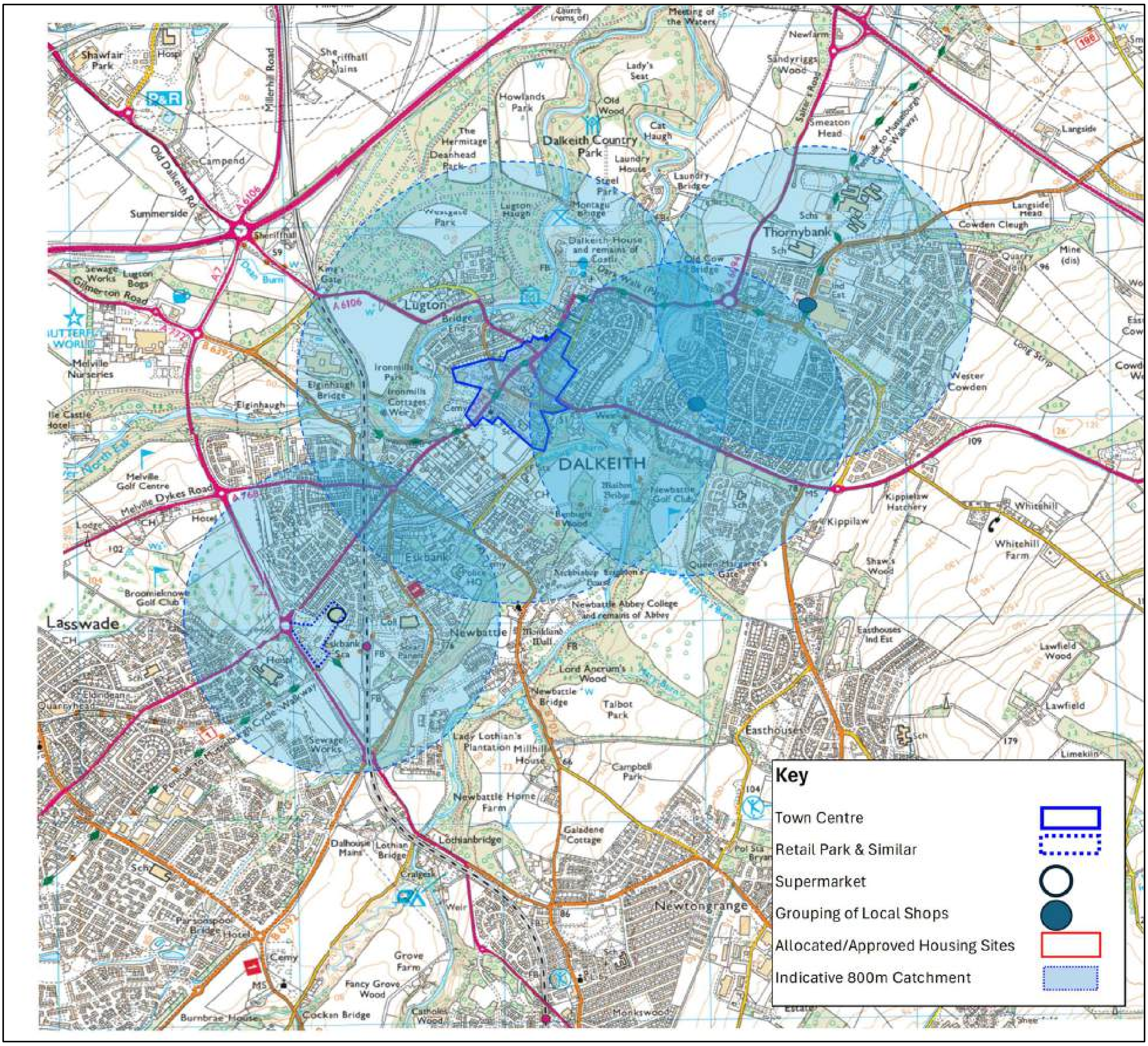
- A wide range of shops and services in Dalkeith town centre.
- Concentration of local shops, including convenience format stores at Woodburn Ave/Woodburn Road and Thornybank. Thornybank includes both a Sainsbury Local store and an Aldi discount foodstore. There are also limited numbers of other local shops within the urban area including, for example, at Woodburn Park.
- The major Tesco superstore (plus Class 3 units) at Hardengreen.

5.46. There are no significant groupings of shops within Eskbank but much of this area is within 800m of the Morrisons superstore in Dalkeith town centre or within 800m of the Tesco superstore. There are direct footpath links from Tesco to adjacent residential areas to the north west (Bonnyrigg Road) and south east (Hardengreen Lane) avoiding the need for pedestrians to cross extensive parts of the store car park.

5.47. In overall terms it is therefore considered that almost all parts of Dalkeith and Eskbank are withing relatively easy walking distance of local shops and services.

5.48. Pathhead is included within Zone 2. The village is quite separate from Dalkeith. Whereas there is no single concentration of retail/service units within the village, when considered as a whole the village does meet the minimum criteria for villages set out in para 5.37 above.

Figure 5.6: Zone 2 Dalkeith – Concentrations of Retail and Service Units



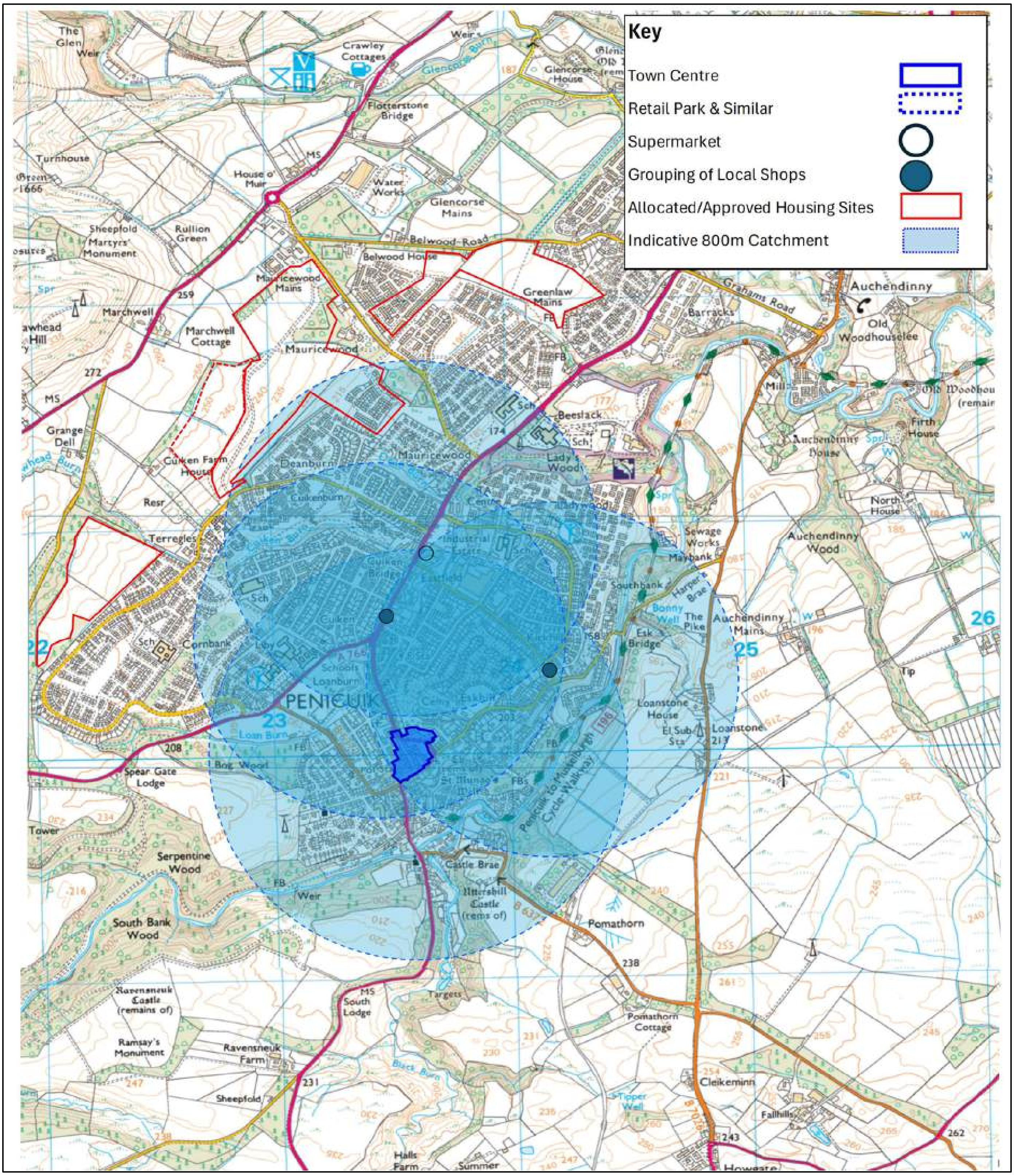
Zone 3 Penicuik

5.49. Figure 5.7 shows the distribution of major foodstores and groups of shops within the Penicuik area. Within Penicuik there is a choice of retail goods and commercial services located at:

- Penicuik town centre
- Edinburgh Road – this includes both the Tesco & Farmfoods and also shops at John St/Carnethy Ave.
- Local group of shops at Eastfield/Windsor Drive

5.50. This shows that, whereas the southern and eastern parts of Penicuik have easy access to a choice of locations – notably the town centre and Tesco/Edinburgh Road, areas of new housing in the western part of the town, the northern parts of the town and also Auchendinny do not have easy/walkable access to a minimum range of shops and local services. Section 7 assesses the potential for future new housing sites in west Penicuik to include a limited range of retail/services provision. However, there are no clear opportunities for provision in the northern part of Penicuik or in Auchendinny because sites have already been granted planning permission and/or under construction.

Figure 5.7: Zone 3 Penicuik – Concentrations of Retail and Service Units



Zone 4: Mayfield and Newtongrange

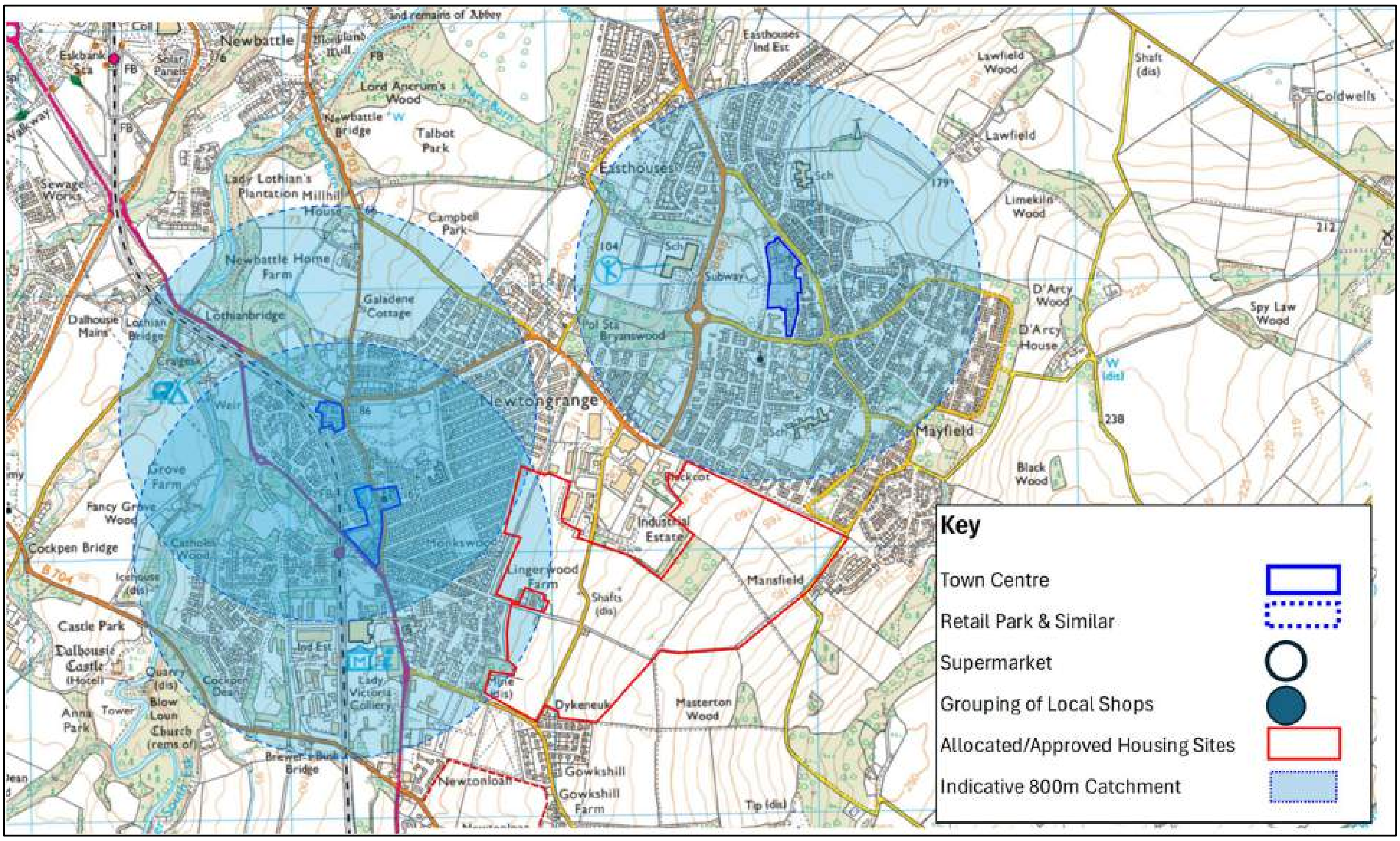
5.51. Figure 5.8 identifies the accessibility of locations within the Mayfield/Newtongrange area to local retail and other commercial services. Existing provision is provided through:

- Mayfield town centre, which includes the Scotmid small supermarket and a range of unit shops
- Newtongrange town centre shops, located at the northern and southern ends of Main Street. At the southern end this includes the mid sized Co-op supermarket and, at the northern end, the smaller Scotmid store.

5.52. Outwith these locations there are no other significant concentrations of retail/other services provision within Zone 4. Areas with limited access to local services are:

- Easthouses
- Westhouses Road area
- Major new residential areas proposed in south Mayfield. Section 7 includes an assessment of the potential for new local retail/services to be included as part of the south Mayfield development proposals.

Figure 5.8: Zone 4 Mayfield & Newtongrange – Concentrations of Retail and Service Units



Zone 5 Gorebridge

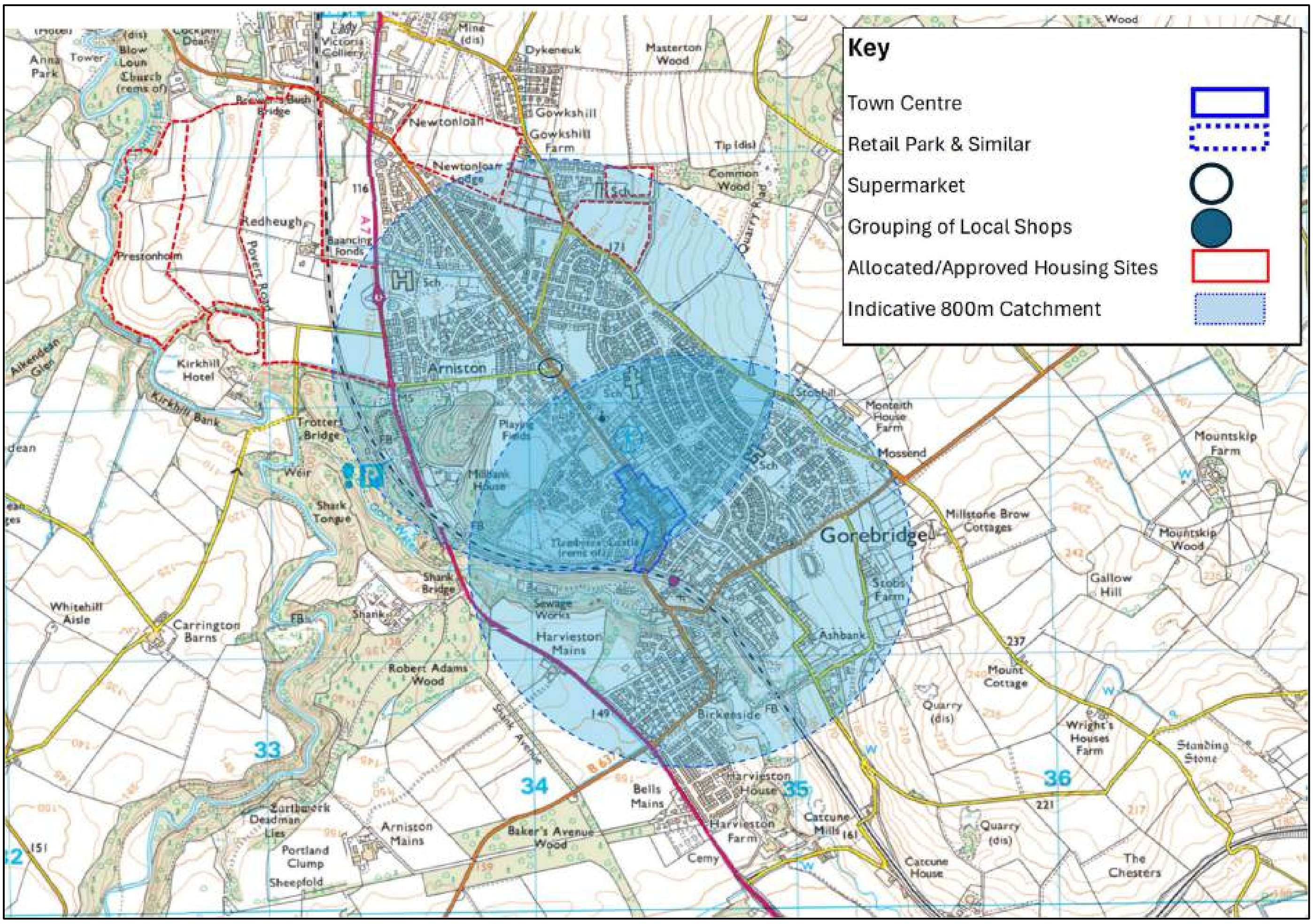
5.53. Figure 5.9 identifies the distribution of significant concentrations of local retail and other commercial services within Gorebridge. The principal concentrations are:

- Gorebridge town centre
- The Hunterfield Road area centred on the Co-op supermarket.

5.54. The figure shows that these locations provide reasonably accessible access for residents in most parts of Gorebridge. Areas not considered to be within easy walking distance of local facilities are:

- The most northerly part of Gorebridge. However it should be noted that this area is only slightly over 800m from the Hunterfield Co-op and examination of Figure 5.8 also shows that this area is a similar distance from the southern part of Newtongrange town centre.
- Proposed housing allocations located on the west side of the A7/Redheugh are also located a significant distance from either Hunterfield Road or Newtongrange and, it should also be noted, that pedestrian access to these locations would require crossing the A7 which could further reduced perceived accessibility from this area.

Figure 5.9: Zone 5 Gorebridge – Concentrations of Retail and Service Units



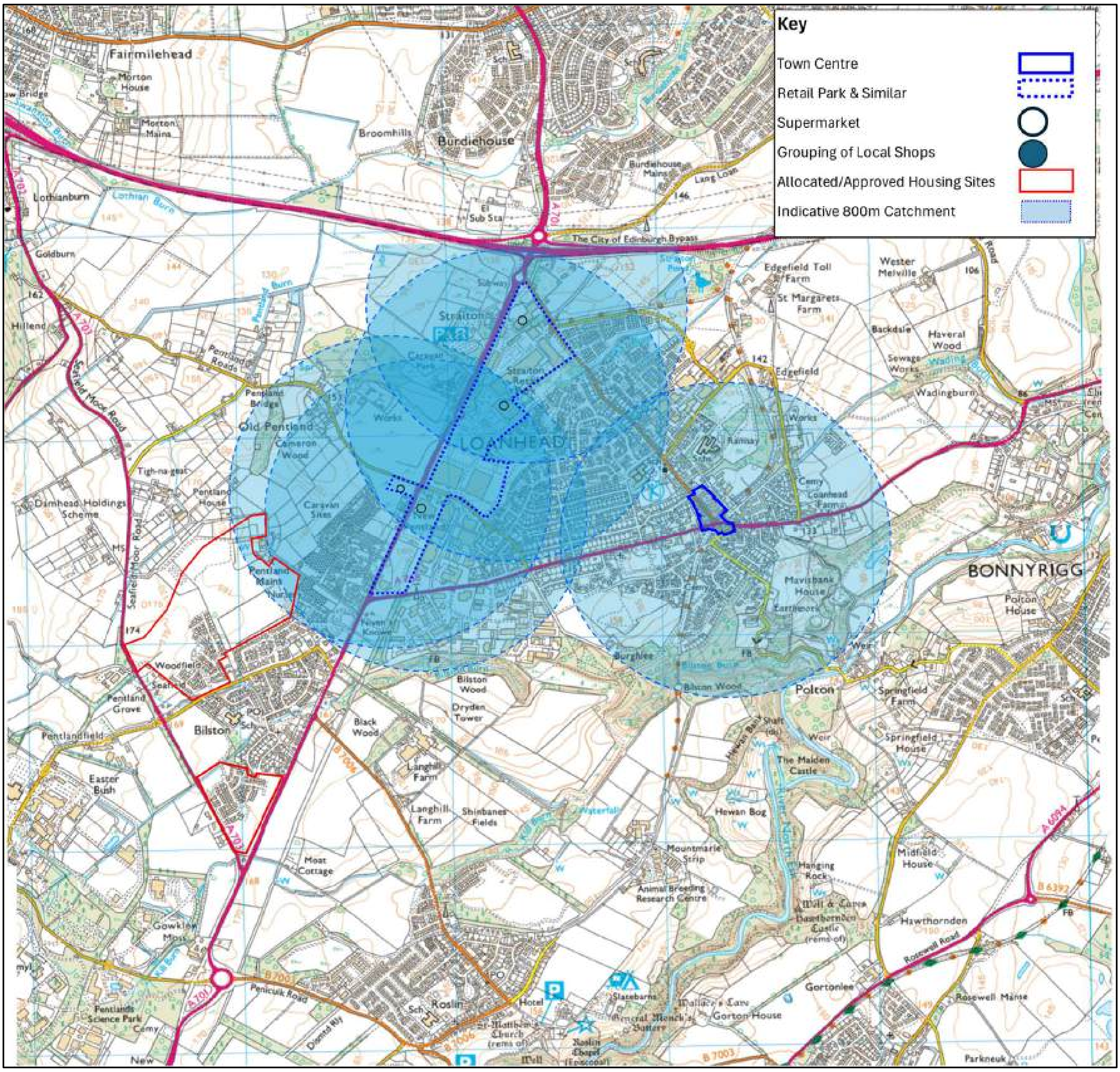
Zone 6 Loanhead and Damhead

5.55. Figure 5.10 shows that Loanhead is well served by both local shops and major stores through a combination of:

- A range of shops and services provided in Loanhead town centre
- The series of supermarkets and superstores provided in the Straiton Retail Parks and along the A701 heading south towards Bilston.

5.56. The village of Bilston is assessed as part of Zone 8. The figure confirms that, apart from the rural areas of Damhead to Hillend, there are no significant areas not within reasonable walking distance of significant local retail or other commercial services provision.

Figure 5.10: Zone 6 Loanhead & Damhead – Concentrations of Retail and Service Units



Zone 7 Bonnyrigg

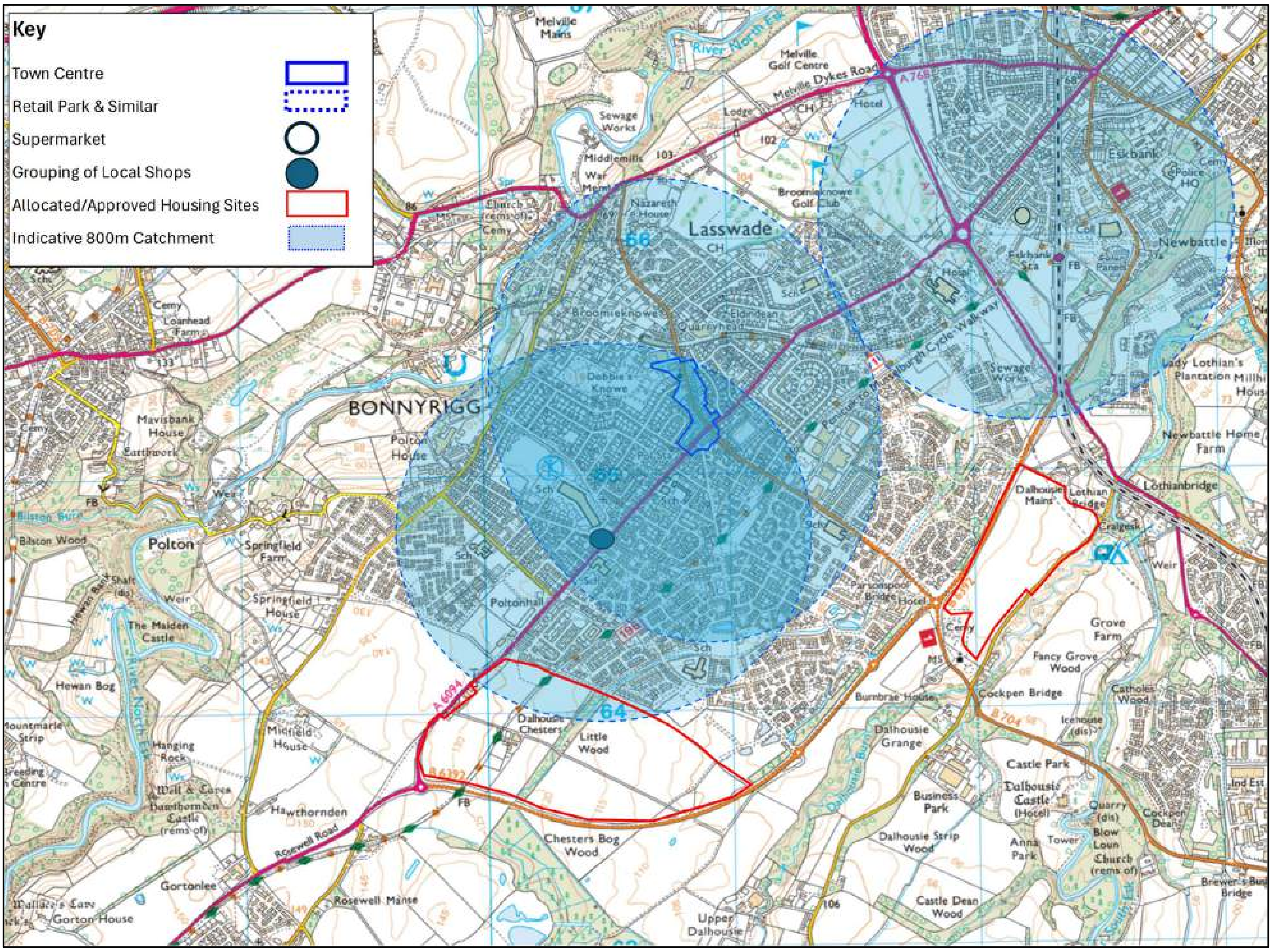
5.57. The distribution of local retail and services provision and areas within reasonable access to these within the Bonnyrigg area are shown in Figure 5.11. Locations that provide a minimum range of retail and/or services provision are:

- Bonnyrigg town centre
- Shops at Hopefield Park – this includes the Tesco Express store and a range of additional shops and units
- The Tesco superstore at Hardengreen which is close to areas in the eastern part of Bonnyrigg. However, although geographically close to the Tesco store walking routes will requite to cross the A7 and through the superstore car park which will significantly reduce the perceived accessibility of this store to residents in Bonnyrigg.

5.58. Despite this provision there are significant parts of the Bonnyrigg area that are not within easy walking distance of a minimum range of local shops and/or services:

- Lasswade
- South eastern parts of Bonnyrigg close to the B6392, which includes proposed new housing areas on the eastern edge of the town
- New housing areas located on the southern edge of the town between Rosewell Road and the B6392
- Polton

Figure 5.11: Zone 7 Bonnyrigg – Concentrations of Retail and Service Units



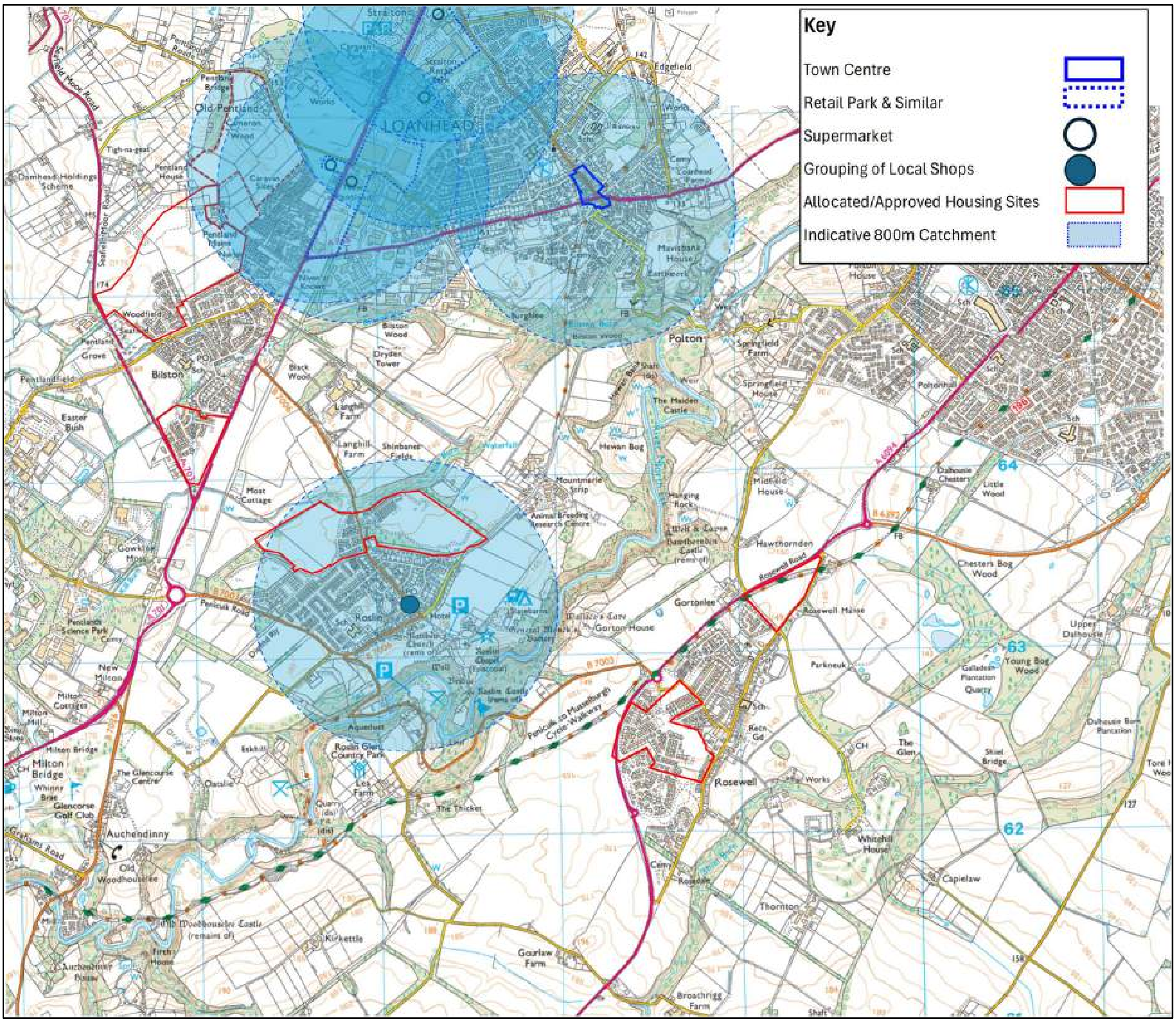
Zone 8 Rosewell, Roslin and Bilston

5.59. Figure 5.12 identifies the location of concentrations of retail and service units and ease of accessibility for Zone 8 including the villages of Roslin, Rosewell and Bilston. The figure shows that the only concentration of shops/services within this area is in the centre of Roslin which is with reasonably easy walking access for the whole of the village and proposed new housing areas in the northern part of the village.

5.60. In Rosewell there are only a small number of retail and services units (3 no.) and these are scattered within the village. The village has grown in recent years with new housing under construction in the western part of the village but without any improvement in local retail/service provision.

5.61. The position in Bilston is similar in that there are 6 units in total in the village with a number of these located on Meadow Place but these do not meet the minimum threshold identified in para 5.37 above. There are also small convenience-format stores in different locations within the village. It is therefore considered that, as with Rosewell, residents in Bilston do not have easy/walkable access to local retail/services provision. Bilston has experienced new housing development in recent years and additional major new housing allocations are proposed for the north western side of the village. Section 7 assesses the potential for new local retail/service provision to be provided as part of these allocations which will the potential to increase accessibility to local retail and other commercial facilities.

Figure 5.12: Zone 8 Rosewell & Roslin – Concentrations of Retail and Service Units



Access to Local Retail/Services - Conclusions

5.62. At the present time although most urban areas of Midlothian have generally good access to local retail and related services, with a minimum choice/range of facilities within generally easy walking distance, there are significant parts of Midlothian towns which do not have easy access to these facilities. These include:

- Shawfair. Although Shawfair has very limited provision at the present time previous proposals for the new town centre would address this apart from the northern (Cauldcoats) and southern (Millerhill) areas. Section 7 provides an assessment of the potential to include both local shopping/services in these areas and also a review of the scale and type of floorspace proposed to be included in the new town centre.

- Penicuik. Both the western and northern parts of Penicuik are identified not to have local retail/service provision within easy walking distance. Whereas there are potential opportunities for the inclusion of these facilities within new housing sites to the west of the town there are no clear opportunities in the northern part of Penicuik given that housing sites in this area are well advanced. Section 7 provides an assessment of the potential for local shopping in west Penicuik.

- Auchendinny. Similar to north Penicuik the review identifies only very local retail/service provision in Auchendinny and there are no clear opportunities in new sites to include local provision to serve this village.

- Mayfield area. Whereas most of Mayfield is within walking distance of the town centre each of Easthouses and the Westhouses Road area do not have easy access to facilities. The large housing site in south Mayfield/east Newtongrange provides opportunities for the provision of new limited local provision which would be able to serve the new development area and the Easthouses Road area. This is examined in Section 7.

- Gorebridge area. The proposed new housing areas on the west side of the A7/Redheugh are not within easy reach of local retail/service provision. Parts of this development area are identified to have development constraints and, although approved for inclusion within the new LDP by Committee, some doubts remain as to the likely timing of future development. In addition the adopted LDP Policy TCR2 has identified this general area as potentially suitable for new retail development foodstore/supermarket. For these reasons an assessment of potential local provision has not been undertaken in Section 7.

- Bonnyrigg. The southern and eastern parts of Bonnyrigg are identified to be outwith easy walking distance of local retail and related services. Although there are significant new housing areas consented in these areas consents have been issued which means that it is not possible to, retrospectively, include local retail/services as parts of the development. There is a Morrisons daily convenience shop located in south Bonnyrigg (Burnbrae Road) but, not withstanding its identification as a local centre in Fig 4.4 of the adopted LDP, this is a single unit of limited size and is not considered to meet the threshold for a minimum range of local retail/services.

- Bilston. Bilston has limited retail/service provision without any clear concentration. There is the potential to improve this provision in new housing sites to the west of the village and this is examined in Section 7.

- Rosewell. Rosewell also has limited, scattered, retail and services provision within the village. However, existing housing sites are well advanced and there are no clear potential opportunities for improving the retail/service offer for the village.

Summary

5.63. This section has considered the extent to which there are deficiencies in retail/service provision within Midlothian and the extent to which they need to be addressed. This has considered the following:

- Quantitative and qualitative retail deficiencies/capacity. This review notes that particular caution should be adopted in the use and interpretation of quantitative assessments of decisions/retail capacity due to significant weaknesses in the assessment techniques. Notwithstanding this comment:
    - For convenience goods there is a broad balance between expenditure and turnover across the authority as a whole but there is a specific deficiency within Shawfair (to be addressed through the future town centre) and local access in limited locations within the authority (summarised at para 5.61 above).
    - There is limited potential for additional general comparison floorspace but market demand is likely to be directed to the Straiton area and a range of factors will need to be considered as to whether additional supply of floorspace in this location should be supported.
    - There is also expenditure potential to support additional bulky goods floorspace but, as with general comparison goods, demand is expected to be focussed in the Straiton area.

- In terms of qualitative deficiencies it is notable that there is a widespread view from residents that there is a significant lack of choice for comparison goods within Midlothian town centres however it is unlikely that market demand will materialise outwith Straiton.

- Local access to retail and related services in support of the 20-Minute Neighbourhood principle. This analysis, which is linked to that of access to food, is based on the distribution of groups of shops and services throughout Midlothian. Groups of units provided a minimum range of goods and services have been defined as a minimum of 4/5 shops or supermarkets. This identifies that there are limited parts of Midlothian that do not access to a minimum level of retail/service provision within easy walking distance – these have been summarised at para 5.61 above. Major new housing developments and allocations have been reviewed to identify which may have the potential to support local accessibility to retail and services. These are considered in further detail in Section 7 of this report.

6. Review of Centres

6.1. This section provides a review of each of the town and commercial centres within Midlothian. It sets out:

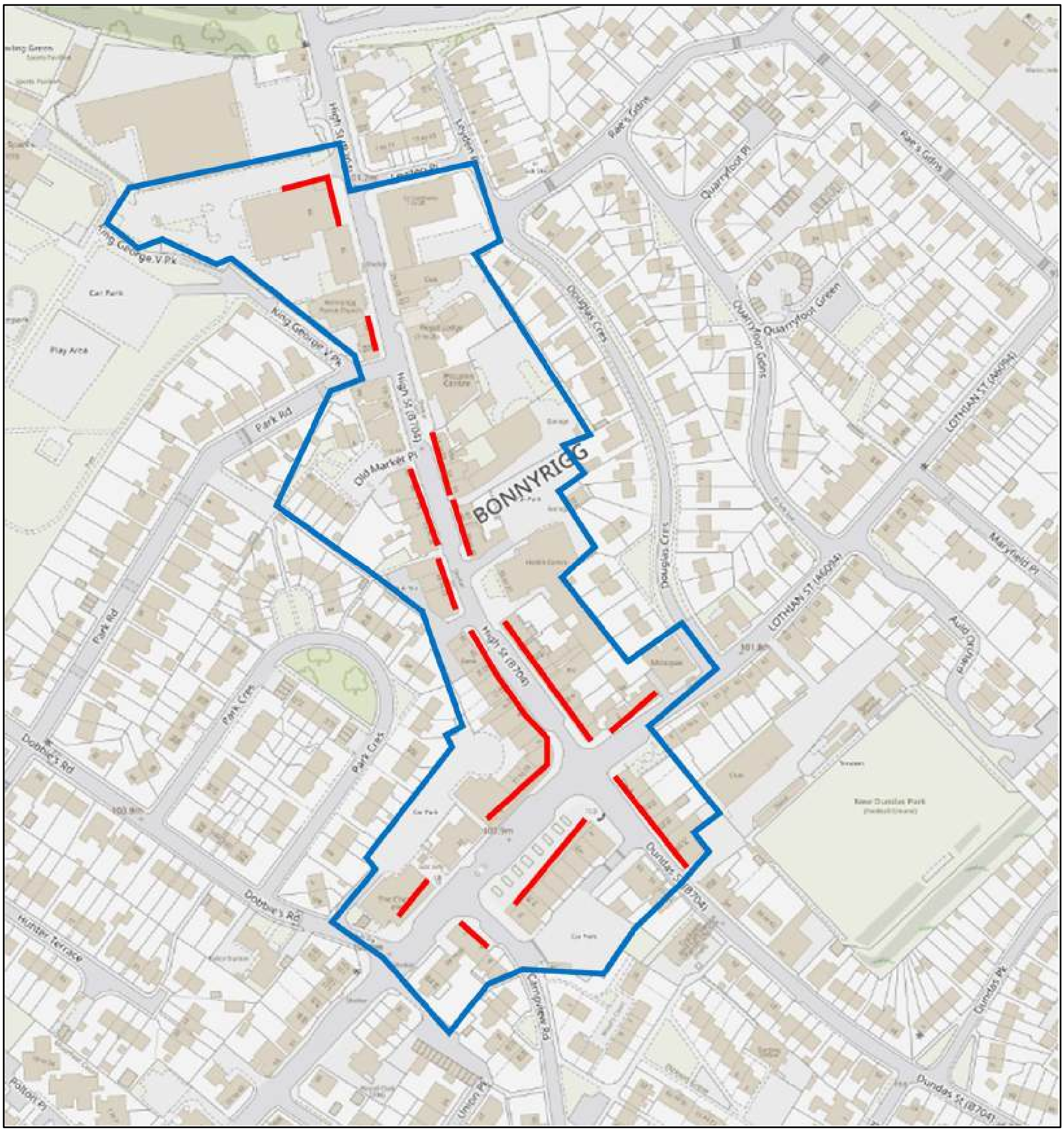
- A description of the land use, floorspace and retail turnover.
- A town centre health check including identification of changes over time.
- An overview of the catchment area and market penetration of each centre for principal categories of retail goods.
- Forecasts of future turnover for these goods categories based on different model scenarios.

6.2. The centres are reviewed in alphabetical order.

Bonnyrigg Town Centre

6.3. Figure 6.1 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.1: Bonnyrigg Town Centre



Space in Use

Numbers of Units by Type

6.4. Figure 6.2 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. Goad surveys, although recent, are based on estimates of floorspace and do not base estimates in data from the LJVB. It should also be noted that the 2011 surveys used an earlier Goad categorisation of services space which resulted in significantly lower numbers of service units being included within surveys.

Figure 6.2: Surveys of retail Units and Floorspace – Bonnyrigg Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	9	7	8	8		8
Comparison	12	13	10	12		9
Retail Services		17	21	19		17
Leisure Services	33	16	15	13		18
Business & Financial Services		4	6	3		3
Vacant	1	1	3	2		3
TOTAL	55	58	63	57	0	58
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	4899		2403	2403		2232
Comparison			2427	2427		951
Retail Services						
Leisure Services	1606		N/A	N/A		2488
Business & Financial Services						
Vacant	99					758
TOTAL	6604	0	4830	4830	0	6429

Multiple Retailers

6.5. The 2025 survey identified 6 retail goods shops as multiples (38% of the total retail goods shops identified). The proportion of multiples is above average for this size of centre in Scotland.

Additional Facilities and Services

6.6. The town centre provides a some additional facilities and services including:

- Places of worship (4)
- Pitcairn Centre
- Dentist (2)
- Health Centre x2
- Funeral Directors (2)
- Vet
- Care Support Scotland

Changes Over Time

6.7. Examination of Figure 6.2 indicates some trends in changes in provision since 2011. The principal changes are a slight reduction in comparison goods shops and a corresponding increase in retail and related services units. Total numbers of units has fluctuated between 55 and 63 units in the different surveys although, it should be noted, that the survey in 2011 would have identified fewer services units due to different Goad definitions in place at that time.

6.8. Similar to numbers of units total retail and service floorspace is identified to have marginally declined although there has been a shift from retail goods floorspace to retail services. The figures for 2022 are estimated and less reliance can be placed on the floorspace figure for this year.

6.9. In overall terms it is concluded that there have not been significant changes in the size or type of floorspace in Bonnyrigg town centre.

Vacancies

Vacancy Rates

6.10. Figure 6.8 also sets out information on vacancies within Bonnyrigg town centre. In 2025 the vacancy rates were:

- Number of units: 5.2%
- Floor area: 11.8%

6.11. In terms of numbers of units the vacancy rate is significantly lower than the current Scottish average of ca. 12-14% whereas the vacancy rate by area is only slightly below the average.

Changes over Time

6.12. Figure 6.2 shows that vacancy rates have remained very low throughout the period 2011-2025 and appear to be slightly higher at the current time. However, Bonnyrigg is a small town centre and small changes in vacancies, reflecting “churn” rather than structural weaknesses, will result in substantial changes in vacancy rates when expressed as a percentage. At the present the higher vacancy rate for floor area is as a result of a single slightly larger retail unit being vacant.

6.13. In overall terms the vacancy rate in Bonnyrigg has remained low – very low compared to the Scottish average. It is considered that this remains the case despite an apparent short term increase in vacancies.

Commercial Property Market Indicators

6.14. Very few retail properties are currently being marketed with asking prices which means it is not possible to identify Zone A rents at the present time.

6.15. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

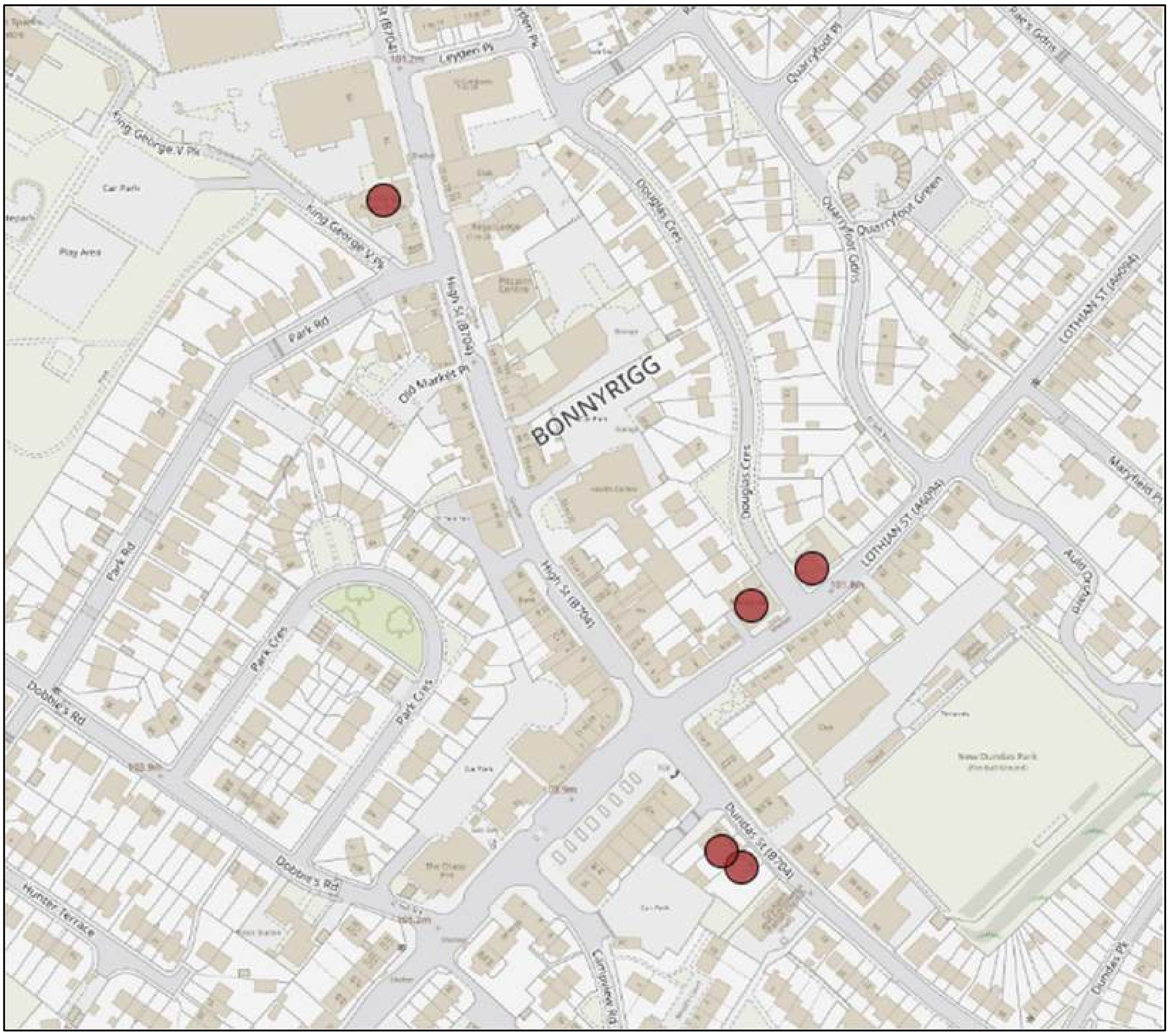
- High Street: £150 psm
- Polton Street: £150-£190 psm
- Lothian Street: £90 - £150 psm

6.16. No information on yields is available.

Heritage

6.17. There are 5 listed buildings within or adjacent to the town centre. The centre is not included within a conservation area or benefit from any other heritage designations. Figure 6.3 indicates the location of the listed buildings.

Figure 6.3: Bonnyrigg Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)

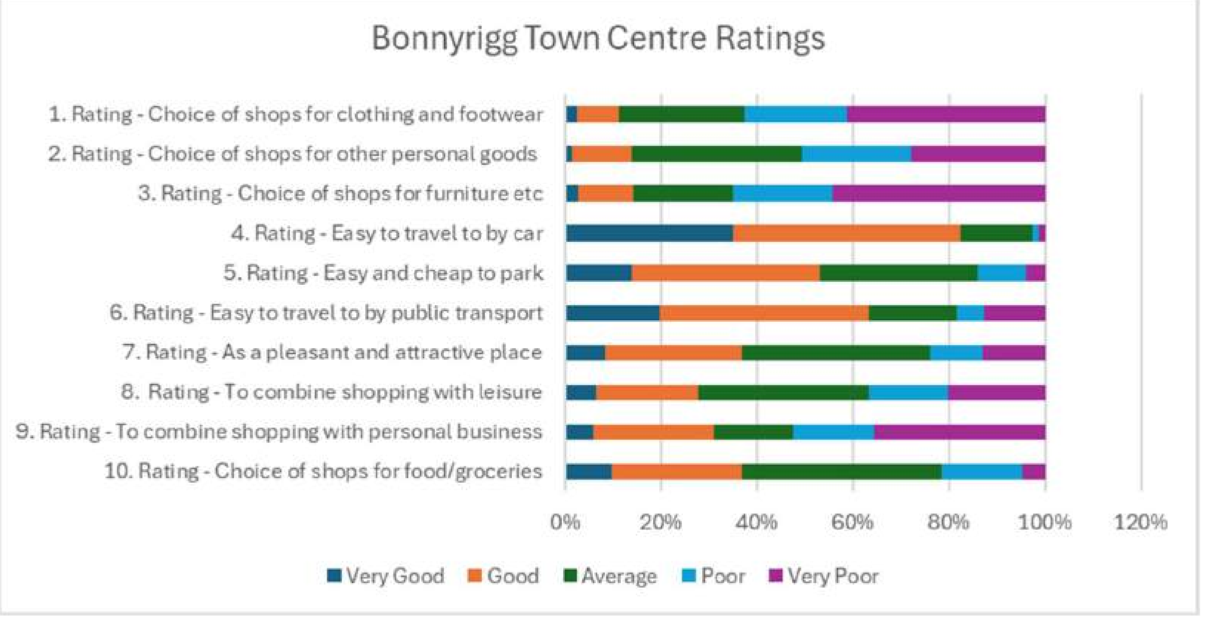


Household Survey Perceptions of the Town Centre

6.18. Figure 6.4 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.4 Household Survey: Attitudes to Bonnyrigg Town Centre

Bonnyrigg	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal business	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	10%	6%	6%	8%	20%	14%	35%	3%	1%	3%
Good	27%	25%	22%	29%	44%	39%	48%	12%	13%	9%
Average	42%	17%	35%	39%	18%	33%	15%	21%	35%	26%
Poor	17%	17%	16%	11%	6%	10%	1%	21%	23%	21%
Very Poor	5%	36%	20%	13%	13%	4%	1%	44%	28%	41%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	15%	-21%	-9%	13%	45%	39%	80%	-51%	-37%	-51%
Average Balance	2%									



6.19. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as close to "poor" by residents (net balance of -46% negative views).
- Shopping provision for convenience goods is rated as "average" to "good" by residents (net balance of +15% positive views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to "average" to "good" (+55% positive views).
- The town centre is identified as "average" as a pleasant and attractive place to visit.
- Ratings are close to (slightly below) "average" for the town centre as a place to combine shopping with leisure or personal business activities.

6.20. In overall terms the town centre was viewed as close to "average" across all indicators with a marginally positive balance of views (+2% net balance). This was the second highest ranked centre of the seven Midlothian Centres included in the survey.

Conclusions

6.21. Based on the surveys undertaken it is evident that the vitality and viability indicators present a generally positive picture of the health of the centre taking into account its limited size:

- Vacancies are significantly below average and have remained at low levels since 2011.
- The range of retail and service provision has remained relatively stable since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- The environmental quality of the centre is considered by residents to be acceptable (average) despite the fact that there are no pedestrianised areas. In general traffic flows and speeds are not high and this may be perceived as acceptable to residents.
- In general residents have generally positive views of the centre. The principal negative views concern the comparison goods offer which is limited but this is an inevitable consequence of the small size of the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.

Bonnyrigg Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.22. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 8 units; 2232 sq m GFA; 1451 sq m NFA (sales); and £11.19m turnover.
- General Comparison Goods: 9 units; 835 sq m GFA; 542 sq m NFA (sales); and £1.49m turnover.
- Bulky Comparison Goods: 2 units; 116 sq m GFA, 75 sq m NFA and £0.1m turnover in other retail units.
- Services: 38 units: 2488 sq m GFA
- Vacancies: 3 units: 758 sq m GFA

6.23. Although there is a broad balance between numbers of convenience and comparison units turnover is dominated by convenience goods and, in particular, the turnover of the Co-op supermarket. The store accounts for 55% of the turnover of all retail goods shops in the town centre and has a clear anchor role for the centre. There is minimal bulky floorspace provision.

6.24. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 98% of national averages.
- General comparison goods densities are trading significantly below national averages at 69% average.
- Bulky goods appear to be trading below national averages (72%) but this is such a small sector that no significance can be placed on this.

6.25. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Bonnyrigg to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that both convenience and general comparison goods densities appear to be slightly weak (taking into account the character and size of the town centre).

Catchment Area and Market Penetration

6.26. Figure 6.5 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Bonnyrigg Town Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Bonnyrigg but no clearly identifiable secondary catchment area. Market penetration levels within the PCA are modest at 10-30%.
- For General Comparison Goods the PCA also comprises the town of Bonnyrigg but market penetration levels are very low (less than 10%). As with convenience goods there is no clearly identifiable SCA.
- Bulky goods turnover is so low that it is not appropriate to consider a primary or secondary catchment area for the town.

Future Changes in Retail Turnover: Bonnyrigg Town Centre

6.27. Figure 6.6 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.5: Bonnyrigg Town Centre - Key Retail Characteristics

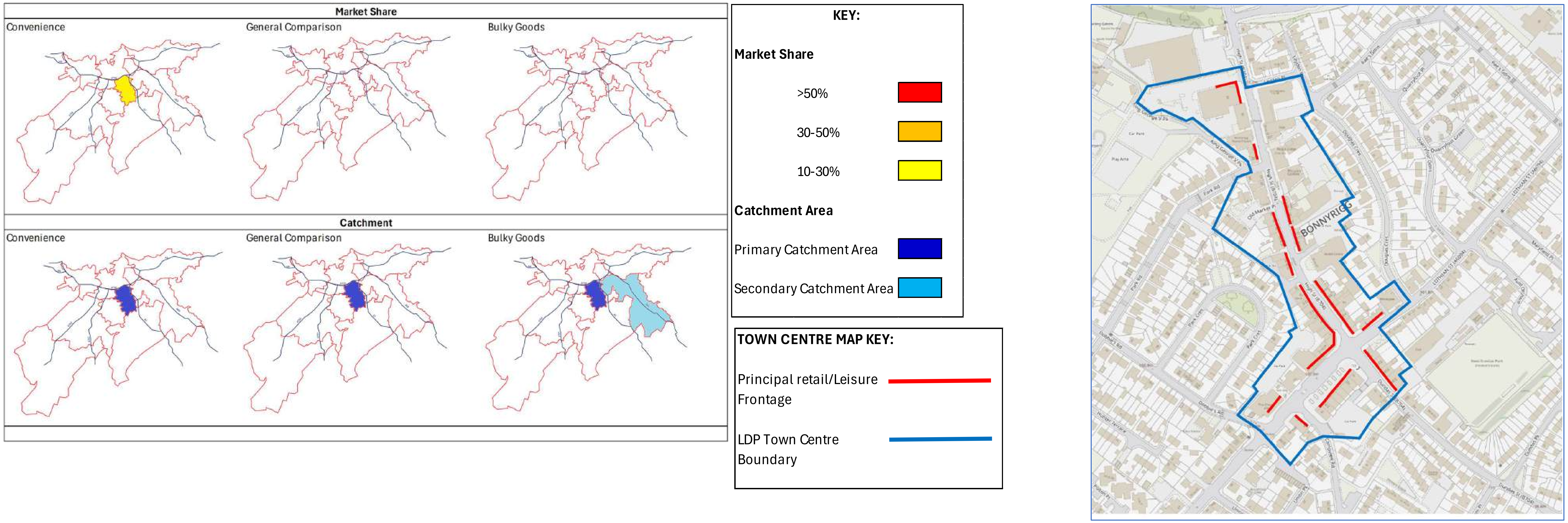
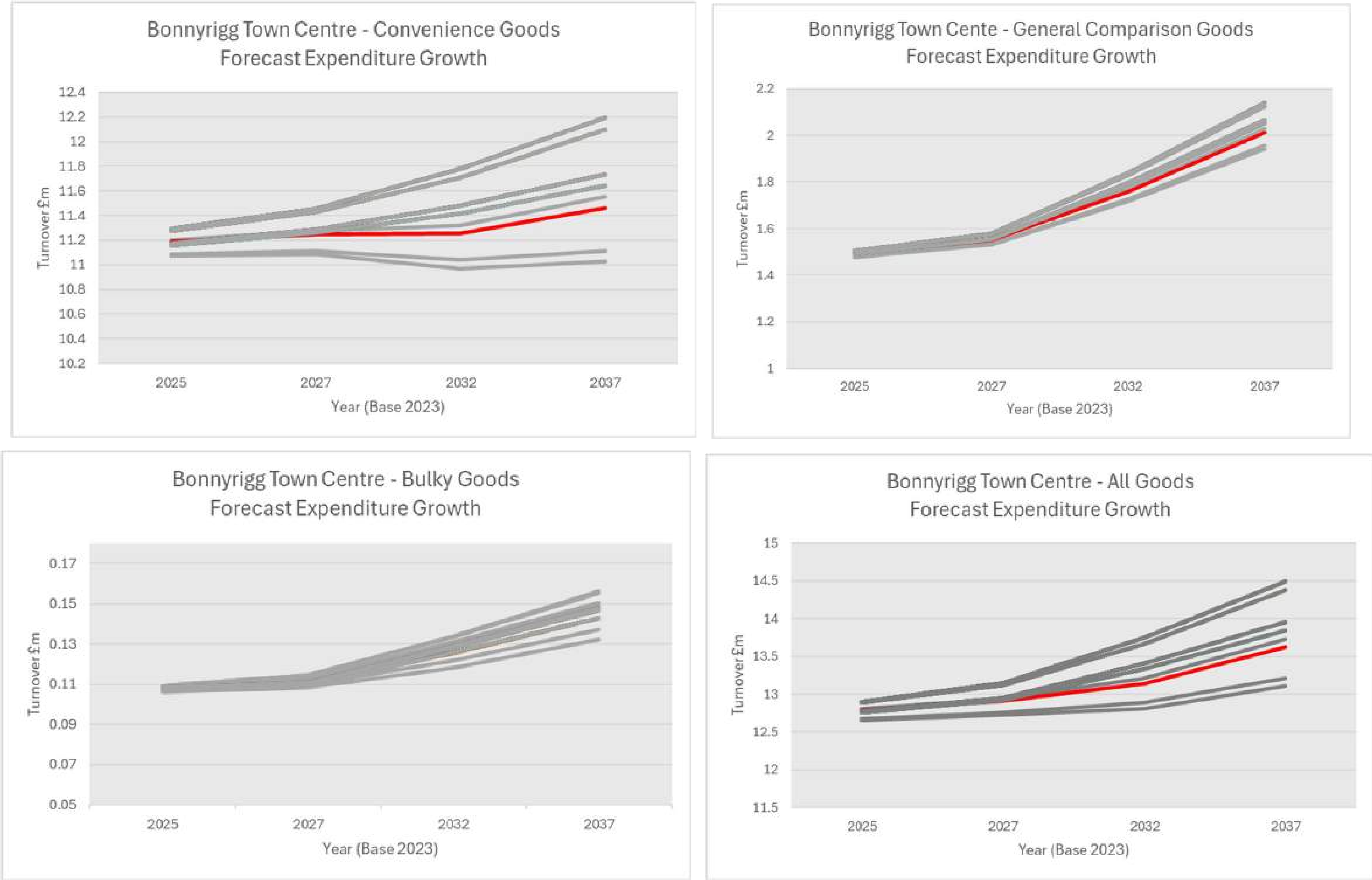


TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

			Convenience					General Comparison					Bulky Goods					All Goods		
		No.	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
ZONE 7: BONNYRIGG																				
Bonnyrigg Town Centre																				
Convenience																				
Co-op		1	1074	698	£10,211 psm	98%	£7.13m											1074	698	£7.13m
Others		7	1158	753	£5,392 psm	98%	£4.06m											1158	753	£4.06m
Total Convenience		*8*	*2232*	*1451*	*£7,711 psm*		*£11.19m*											*2232*	*1451*	*£11.19m*
Gen Comp		7						835	542	£2,751 psm	69%	£1.49m						835	542	£1.49m
Bulky Goods		2											116	75	£1,435 psm	72%	£0.11m	116	75	£0.11m
Services		38																2488		
Vacant		3																758		
TOTAL BONNYRIGG TOWN CENTRE		**58**	**2232**	**1451**	**£7,711 psm**		**£11.19m**	**835**	**542**	**£2,751 psm**		**£1.49m**	**116**	**75**	**£1,435 psm**		**£0.11m**	**6428**	**2069**	**£12.79m**

Figure 6.6: Forecast Future Turnover of Bonnyrigg Town Centre



6.28. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Only marginal growth in convenience goods turnover (ca. 2-3% for the central case)
- Significant growth for general comparison goods and bulky goods turnover (approx. 35% in the central case).

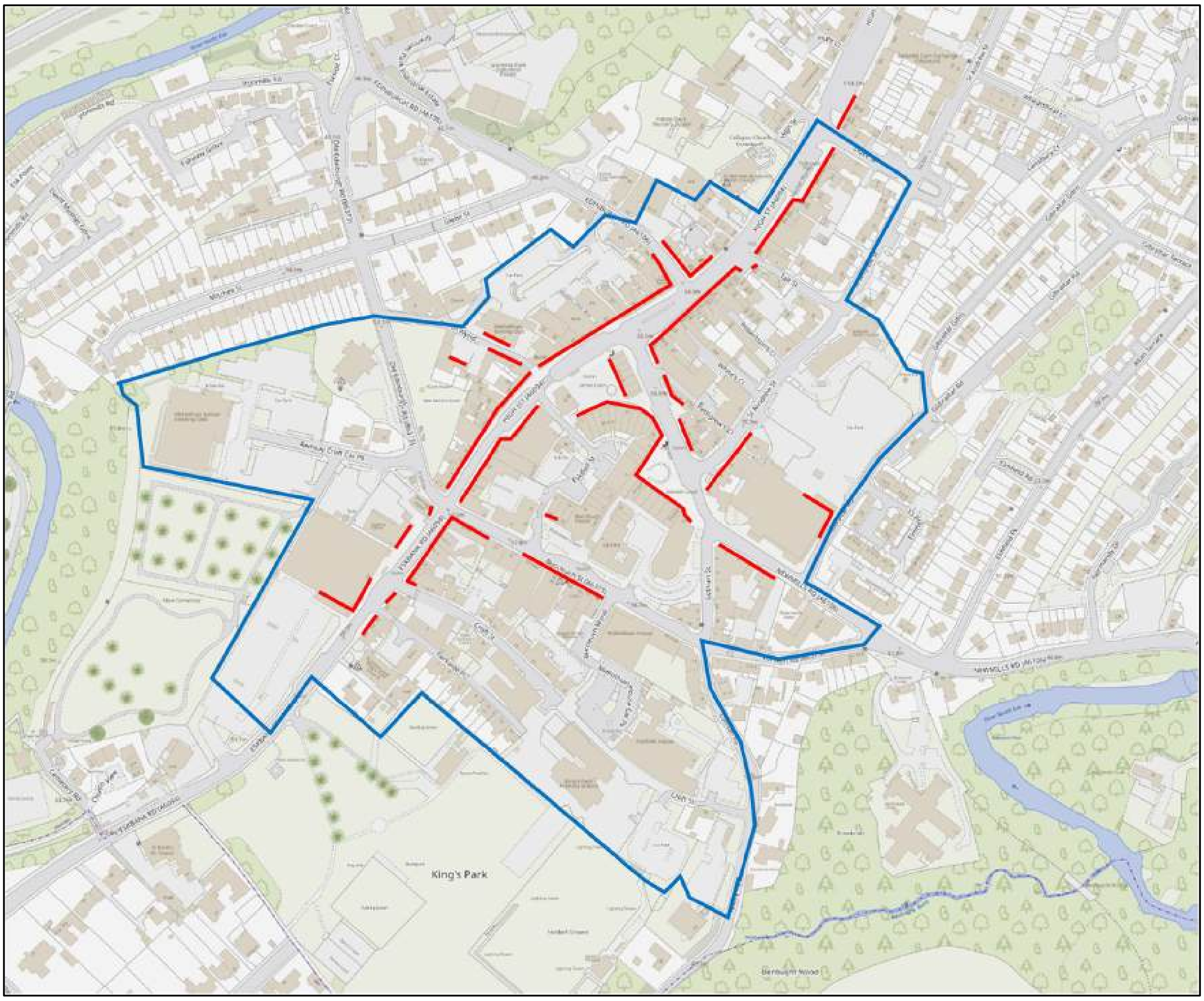
6.29. In overall terms turnover for the town centre is expected to grow steadily between 2025 and 2037 (ca. 6%) – the slower growth in Bonnyrigg compared to other town centres reflects the high proportion of turnover associated with convenience goods within the town centre.

6.30. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Dalkeith Town Centre

6.31. Figure 6.7 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.7: Dalkeith Town Centre



Space in Use

Numbers of Units by Type

6.32. Figure 6.8 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. Goad surveys, although recent, are based on estimates of floorspace and do not base estimates in data from the LJVB. It should also be noted that the 2011 surveys used an earlier Goad categorisation of services space which resulted in significantly lower numbers of service units being included within surveys.

Figure 6.8: Surveys of retail Units and Floorspace – Dalkeith Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	11	12	14	12	16	15
Comparison	41	34	29	22	27	29
Retail Services		31	35	31	38	40
Leisure Services	57	35	36	22	32	36
Business & Financial Services		14	15	15	14	18
Vacant	6	12	6	7	7	10
TOTAL	115	138	135	109	134	148
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	9648		5938	5752	6921	6559
Comparison			7955	7955	5035	6643
Retail Services					4366	
Leisure Services	2072		N/A	N/A	7674	7384
Business & Financial Services					2035	
Vacant	982				1997	514
TOTAL	12702	0	13893	13707	28028	21100

Multiple Retailers

6.33. The 2025 survey identified 17 retail goods shops as multiples (37% of the total retail goods shops identified). The Goad survey in 2024 also identified 17 multiples for retail goods shops and a further 17 multiples providing services. The proportion of multiples is slightly above average for this size of centre in Scotland.

Additional Facilities and Services

6.34. The town centre provides a good range of additional facilities and services including:

- Royal Mail Service Point
- Churches and Places of Worship (6)
- Dentists (2)
- Funeral Directors (3)
- MSP Office
- MP Office
- Health Centre
- Clinics (3)
- Midlothian Council Offices and services
- Kings Park Primary School
- Royal British Legion Club
- Bingo
- Citizens Advice Bureau
- Skills Development Scotland
- Job Centre +
- Library and Ats Centre
- Lothian Veterans Centre
- Vet

- Community support services:
    - Alzheimer Scotland
    - Red Cross
    - No 11 Health & Community Support
    - Lothian Community Transport Service
    - Midlothian Voluntary Action
    - MALANI Midlothian Adult Lit and Numeracy Initiative

Changes Over Time

6.35. Examination of Figure 6.2 indicates some trends in changes in provision since 2011. The floorspace identified in the 2024 Goad survey should be treated with caution since there is no evidence for a substantial reduction in floorspace since May 2024. The principal changes that are evident are:

- Reduction in numbers and floorspace of comparison goods shops since 2011. This change has been identified in mid-sized town centres throughout Scotland and reflects trends towards market concentration into fewer units in larger centres.
- Increase in convenience floorspace since 2011 – this primarily reflects the opening of the Morrisons supermarket in the town centre but there has also been slower but steady growth for other convenience goods shops since 2021.
- Steady increase in retail and related services space within the town centre since 2011 – although the change in Goad definitions results in a low number of units reported in 2011 compared to later years.
- The reporting of floorspace needs to be considered with caution. It is only in the current, 2025, survey that use has been made of LJVB data nonetheless the surveys indicate an overall growth in total retail and services floorspace within the town centre. By way of comparison the technical note on retail and town centres prepared by MLC officers identified only 14500 sq m of Class 1 and other professional services space within the town centre in 2011. This would have excluded some additional space (e.g. Class 3 uses) included in later surveys.

6.36. Although difficult to quantify precisely it is evident that, over the past 15 years, there has been a general increase in retail and services floorspace within Dalkeith town centre and a modest increase in numbers of units.

Vacancies

Vacancy Rates

6.37. Figure 6.2 also sets out information on vacancies within Dalkeith town centre. In 2025 the vacancy rates were:

- Number of units: 6.8%
- Floor area: 2.4%

Changes over Time

6.38. Figure 6.2 does show that vacancies, in terms of percentage of numbers of units, has remained in the range of 5% - 7% by number of units (in 2025 it was 6.8%). In terms of floor area the vacancy rate is 2.4%. These rates are well below average vacancies in Scotland which are typically in the range of 12-14% (it was noted in Section 3 that the Data Consultancy reports an even higher vacancy rate in Scotland).

Commercial Property Market Indicators

6.39. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- High Street: £150 - £220 psm
- South Street: £180 psm
- Buccleuch Street; £100 psm

6.40. At the present time very few properties have been identified with asking rents within the town centre. However, a unit in High Street is currently seeking £240 psm (i.e. significantly above the LJVB Zone A rate) and, similarly, in Buccleuch Street rents of close to £150 psm are being sought.

6.41. No information on yields is available.

Heritage

6.42. There are in excess of 100 listed buildings within the town centre and much of the defined town centre is included within the Dalkeith House and Park Conservation Area. Furthermore the Newbattle Abbey Garden and Designed landscape abuts the town centre on the south side. Figure 6.9 indicates the location of these heritage designations.

Figure 6.9: Dalkeith Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)

Household Survey Perceptions of the Town Centre

6.43. Figure 6.10 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.10 Household Survey: Attitudes to Dalkeith Town Centre

Dalkeith	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal business	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	15%	24%	5%	6%	27%	21%	40%	1%	3%	2%
Good	36%	31%	20%	22%	35%	37%	42%	3%	11%	6%
Average	30%	23%	23%	30%	15%	22%	12%	11%	28%	15%
Poor	13%	12%	23%	24%	8%	11%	3%	28%	29%	30%
Very Poor	8%	11%	29%	18%	15%	9%	3%	57%	29%	46%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	30%	33%	-26%	-13%	39%	38%	76%	-80%	-43%	-69%
Average Balance	-2%									

6.44. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as “poor” by residents (net balance of -64% negative views).
- Shopping provision for convenience goods is rated as close to “average” to “good” by residents (net balance of +30% positive views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to “good” (+51% positive views).
- The town centre is identified as “average” as a pleasant and attractive place to visit.
- Ratings are “average” to “poor” for the town centre as a place to combine shopping with leisure or personal business activities.

6.45. In overall terms the town centre was viewed as close to “average” across all indicators with a slightly negative balance of views (-2% net balance). This was the 3rd ranked centre of the seven Midlothian Centres included in the survey.

Conclusions

6.46. Based on the surveys undertaken it is evident that the vitality and viability indicators present a mixed but generally positive picture of the health of the centre:

- Vacancies are significantly below average and have remained broadly at the same level since 2011.
- Floorspace for retail and related services has increased over the past 15 years.
- However, there has been a decline in comparison goods shopping both in terms of numbers of units and floorspace reducing choice for consumers. This change is in line with national trends for centres of this size.
- The town centre provides predominantly a traditional shopping environment with limited areas where pedestrians are able to shop away from traffic. Furthermore there are no sheltered shopping areas during inclement weather.
- The town centre’s historic and architectural character make significant contributions to the vitality of the centre and this is appreciated by users/visitors to the centre. Whereas this is attractive (particularly towards the eastern end of the High Street) older/dated properties in the centre of the town and impact of traffic result in a slightly negative view of the attractiveness of the town centre environment.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly neutral.

Dalkeith Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.47. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 15 units; 6559 sq m GFA; 4169 sq m NFA (sales); and £44.09m turnover.

- General Comparison Goods: 24 units; 5481 sq m GFA; 3562 sq m NFA (sales); and £12.68m turnover.
- Bulky Comparison Goods: 5 units; 1162 sq m GFA; 765 sq m NFA (sales); and £1.51m turnover.
- Services: 94 units; 7384 sq m GFA
- Vacancies: 10 units; 514 sq m GFA

6.48. This confirms that there is a broad balance between convenience and comparison goods floorspace but with convenience turnover predominating (largely due to the Morrisons superstore). In terms of numbers of units services units are most important although these only account for about one third of total floorspace within the town centre. There is only a limited bulky goods offer within the town centre.

6.49. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 102% of national averages.
- General comparison goods densities are trading significantly below national averages at 65% average.
- Bulky goods appear to be trading similarly below national averages (77%).

6.50. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Dalkeith to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that convenience sales are healthy whereas comparison goods densities appear to be slightly weak (taking into account the character and size of the town centre).

Catchment Area and Market Penetration

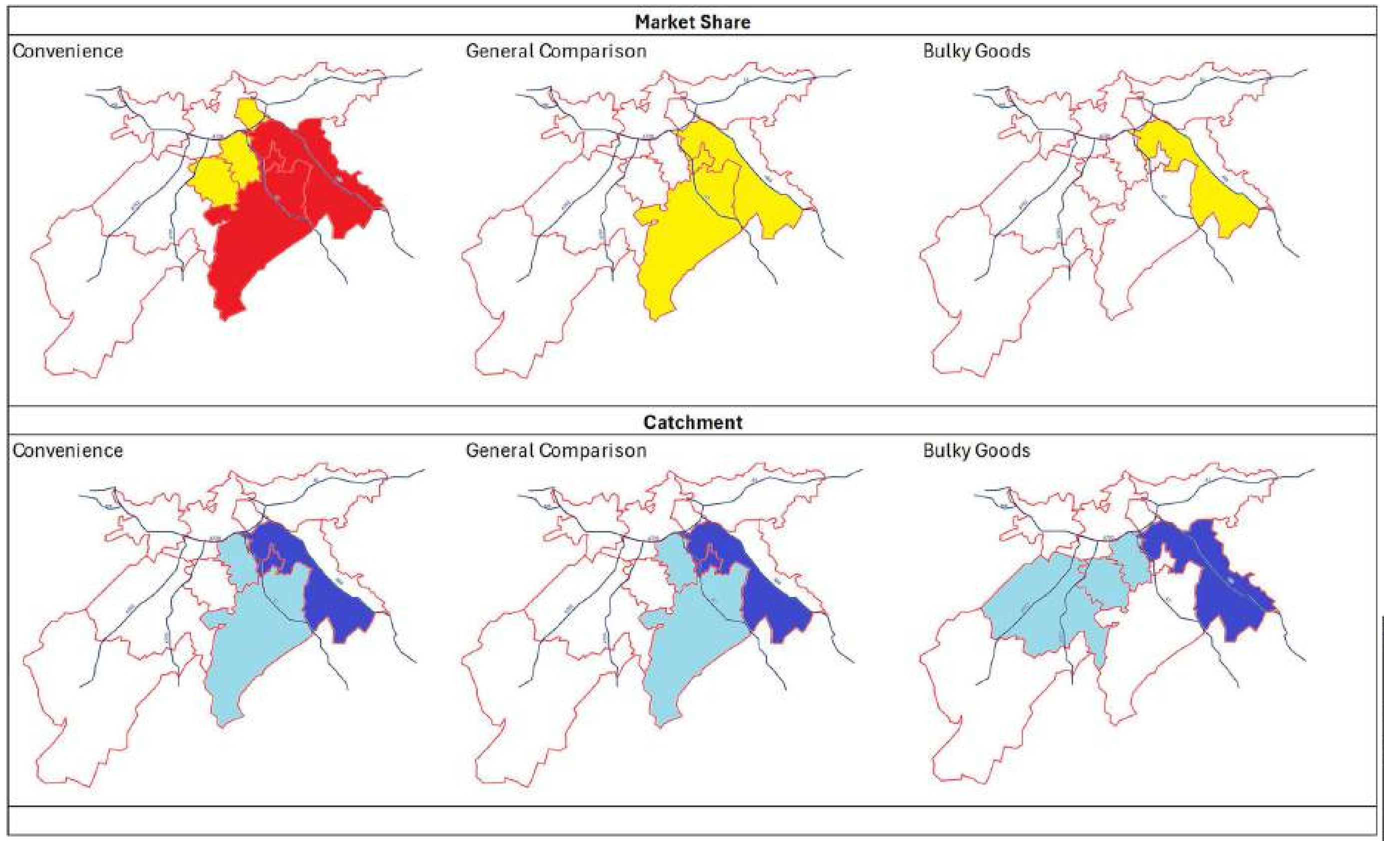
6.51. Figure 6.11 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Dalkeith town centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Dalkeith, Eskbank and areas to the south – Mayfield and Newtongrange. The SCA includes Gorebridge and Bonnyrigg. Market penetration levels are relatively high at over 50% in the PCA but 10-30% in the SCA.
- For General Comparison Goods the PCA and SCA is similar to that for convenience goods but market penetration is significantly lower at 10-30% (or lower).
- The catchment areas for bulky goods differ from general comparison goods but, as noted above, overall turnover is limited which means that little weight can be placed on this data.

Future Changes in Retail Turnover: Dalkeith Town Centre

6.52. Figure 6.12 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.11: Dalkeith Town Centre - Key Retail Characteristics



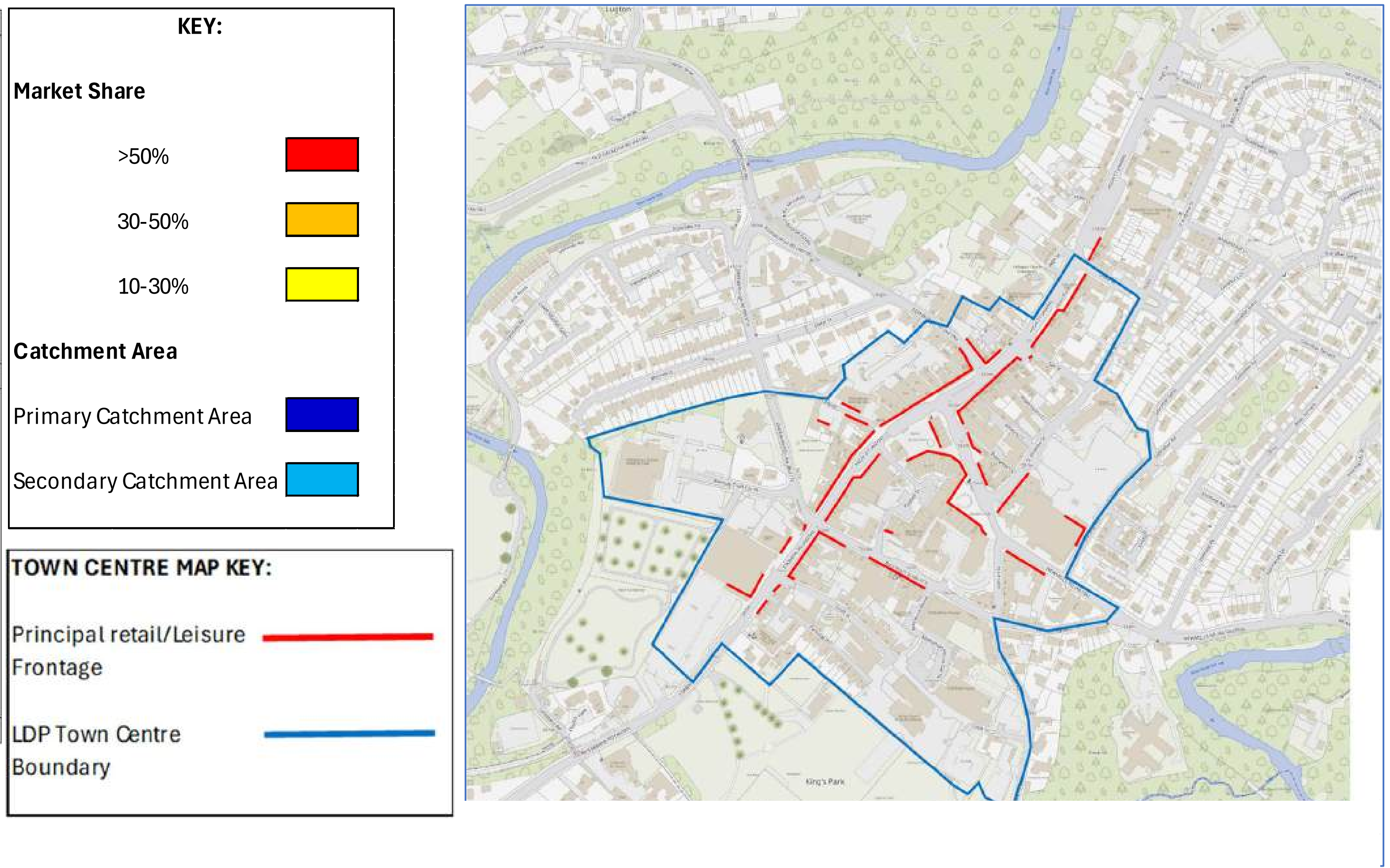
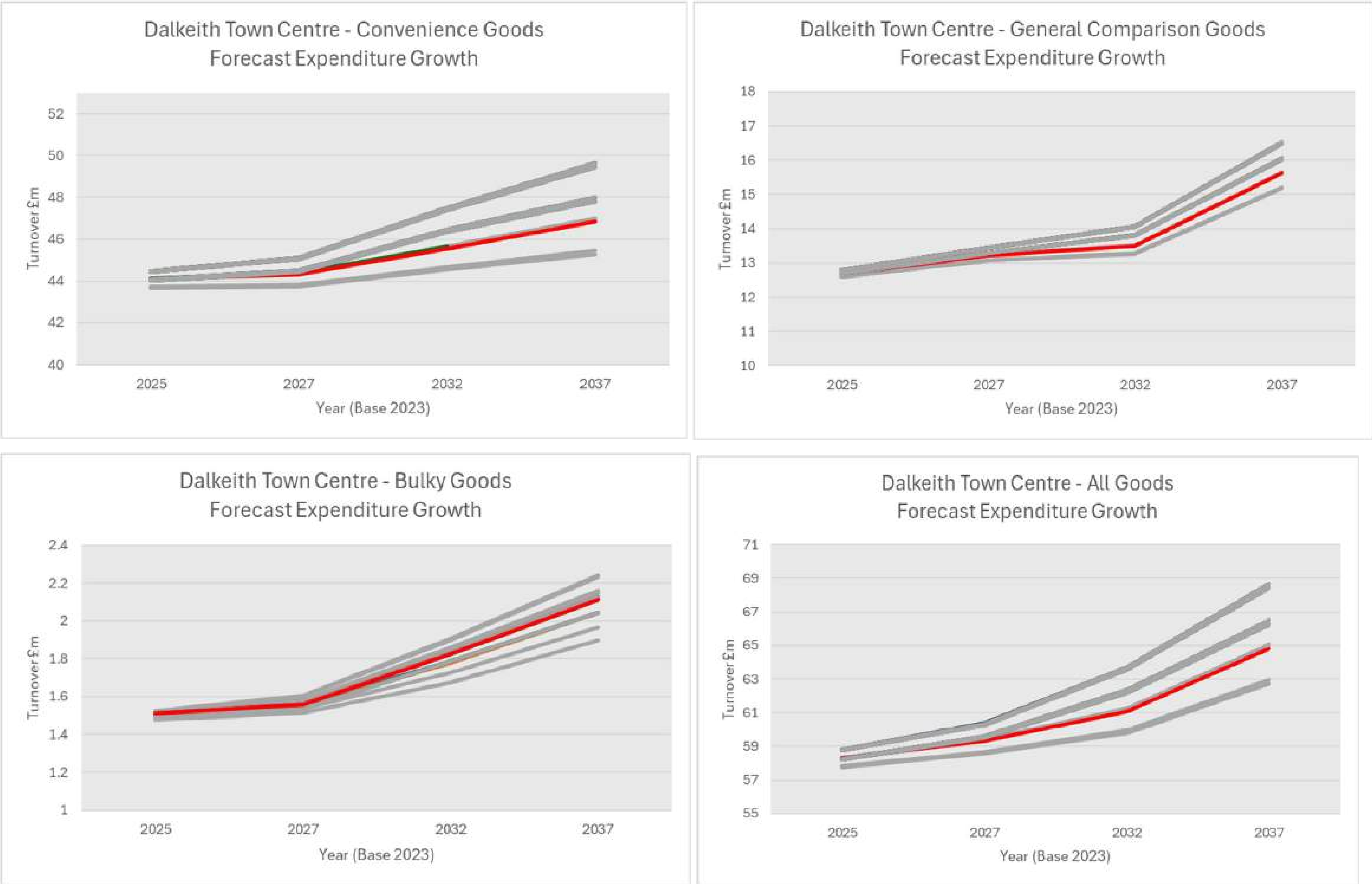


TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

		Convenience					General Comparison					Bulky Goods					All Goods		
	No.	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
Dalkeith Town Centre																			
Convenience																			
Morrisons	1	2865	1576	£13,996 psm	102%	£22.05m	955	525	£5,808 psm	65%	£3.05m						3820	2101	£25.11m
Lidl	1	1816	1320	£10,350 psm	102%	£13.66m	454	330	£4,295 psm	65%	£1.42m						2270	1650	£15.08m
Farmfoods	1	224	168	£8,780 psm	102%	£1.48m											224	168	£1.48m
Others	12	1352	879	£6,601 psm	102%	£5.80m											1352	1651	£5.80m
Total Convenience	*15*	*6257*	*3943*	*£10,904 psm*		*£42.99m*	*1409*	*855*	*£5,224 psm*		*£4.47m*						*7666*	*5570*	*£47.46m*
Gen Comp																			
B&M	1	302	226	£4,823 psm	102%	£1.09m	604	453	£2,001 psm	65%	£0.91m	101	75	£2,383 psm	77%	£0.18m	1006	755	£2.18m
Others	23						3468	2254	£3,242 psm	65%	£7.31m						3468	2254	£7.31m
Total Gen Comparison	*24*	*302*	*226*	*£4,823 psm*	*102%*	*£1.09m*	*4072*	*2707*	*£3,034 psm*	*65%*	*£8.21m*	*101*	*75*	*£2,383 psm*	*77%*	*£0.18m*	*4475*	*3009*	*£9.49m*
Bulky Goods	5											1061	690	£1,930 psm	77%	£1.33m	1061	690	£1.33m
Services	94																7384		
Vacant	10																514		
TOTAL DALKEITH TOWN CENTRE	**148**	**6559**	**4169**	**£10,574 psm**		**£44.09m**	**5481**	**3562**	**£3,560 psm**		**£12.68m**	**1162**	**765**	**£1,975 psm**		**£1.51m**	**21100**	**9269**	**£58.28m**

Figure 6.12: Forecast Future Turnover of Dalkeith Town Centre



6.53. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Slight growth in convenience goods turnover (ca. 5% for the central case)
- Significant growth for general comparison goods and bulky goods turnover (approx. 30% in the central case).

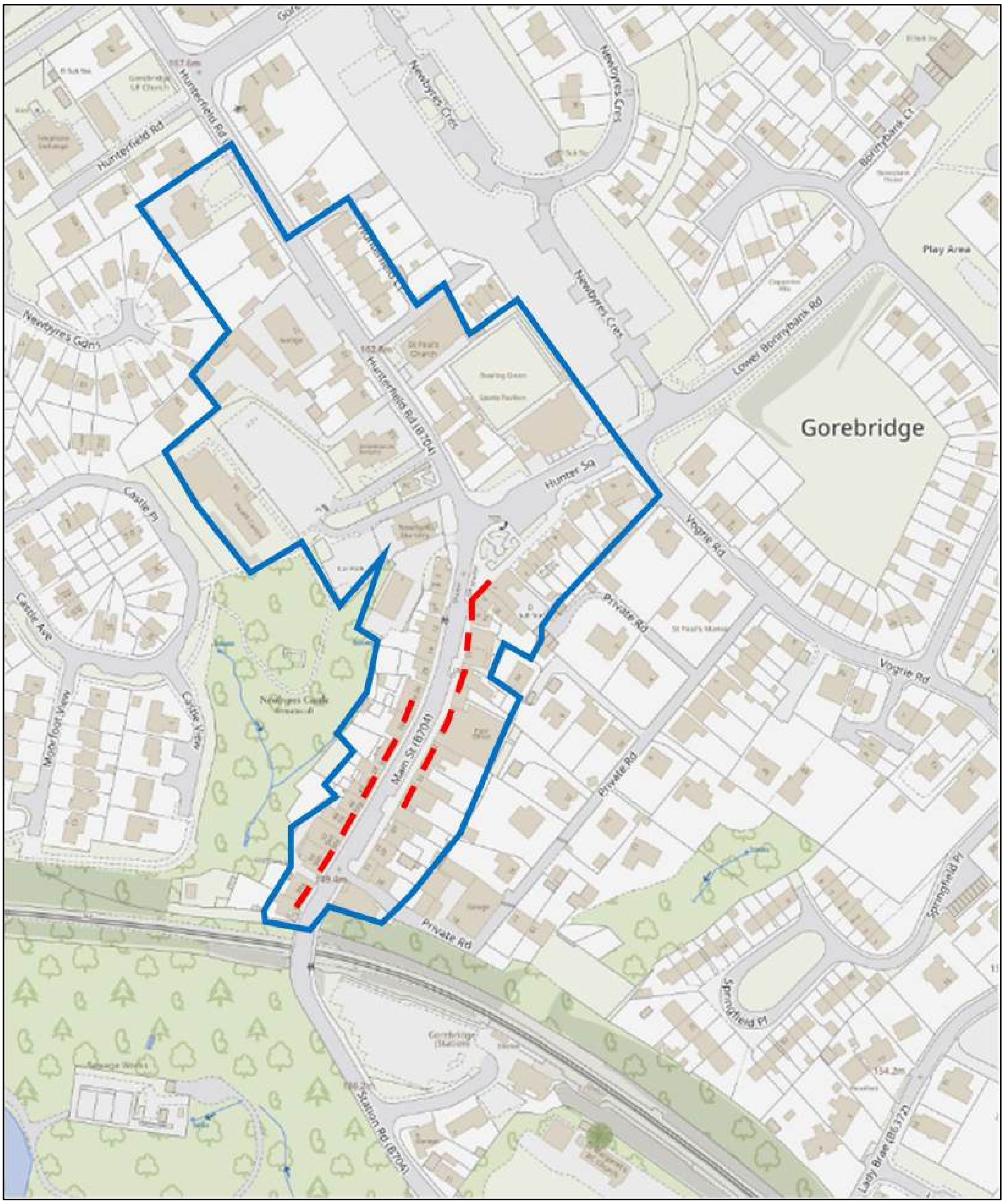
6.54. In overall terms turnover for the town centre is expected to grow steadily between 2025 and 2037 (ca. 10-15%).

6.55. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Gorebridge Town Centre

6.56. Figure 6.13 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.13: Gorebridge Town Centre



Space in Use

Numbers of Units by Type

6.57. Figure 6.14 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. Goad surveys, although recent, are based on estimates of floorspace and do not base estimates in data from the LJVB. It should also be noted that the 2011 surveys used an earlier Goad categorisation of services space which resulted in significantly lower numbers of service units included within surveys.

Figure 6.14: Surveys of retail Units and Floorspace – Gorebridge Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience						1
Comparison						2
Retail Services						7
Leisure Services						7
Business & Financial Services						1
Vacant						
TOTAL	0	0	0	0	0	18

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	757		823			553
Comparison			373			175
Retail Services						
Leisure Services	439		N/A			534
Business & Financial Services						
Vacant	93					
TOTAL	1289	0	1196	0	0	1262

Multiple Retailers

6.58. The 2025 survey identified 3 retail goods shops as multiples (100% of the total retail goods shops identified). The proportion of multiples is above average for this size of centre in Scotland.

Additional Facilities and Services

6.59. The town centre provides a some additional facilities and services including:

- Gym
- Library
- Church
- Club
- Funeral Director (2)
- Railway Station (close by)

- Nursery (2)
- Vet
- Gorebridge Beacon Hub (Gorebridge Community Development Trust) *close by – see recommendations re amendments to town centre boundary*
- Gorebridge Community Cares - Gorebridge Hive Community Centre

Changes Over Time

6.60. Examination of Figure 6.14 indicates some trends in changes in provision since 2011 for floorspace. No surveys of numbers of units are available prior to the current surveys. In overall terms the floorspace figures do not indicate any significant changes over this 15 year period.

6.61. Vacancies

Vacancy Rates

6.62. Figure 6.14 also sets out information on vacancies within Gorebridge town centre. In 2025 there were no vacant units i.e. vacancy rate of 0% which is clearly well below national averages. The 2011 survey identified a vacancy rate of 7.2% which was also well below average for that time.

Commercial Property Market Indicators

6.63. No retail properties are currently being marketed with asking prices which means it is not possible to identify Zone A rents at the present time.

6.64. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- Main Street: £100 psm for the majority of the street and £200psm adjacent to Hunter Square

6.65. No information on yields is available.

Heritage

6.66. There are 10 listed buildings within or adjacent to the town centre. The whole of the centre is included within the Gorebridge Conservation Area. In addition, adjacent to the town centre is the Newbyres Castle Scheduled Monument. Figure 6.15 indicates the location of the listed buildings.

Figure 6.15: Gorebridge Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)

Household Survey Perceptions of the Town Centre

6.67. Figure 6.16 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.4 Household Survey: Attitudes to Bonnyrigg Town Centre

Gorebridge	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	6%	3%	3%	11%	26%	30%	45%	6%	3%	3%
Good	22%	6%	6%	5%	32%	21%	21%	0%	8%	3%
Average	25%	8%	14%	46%	15%	6%	21%	8%	8%	3%
Poor	22%	6%	25%	22%	12%	18%	6%	6%	11%	8%
Very Poor	25%	78%	53%	16%	15%	24%	6%	81%	69%	84%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	-19%	-75%	-69%	-22%	32%	9%	55%	-81%	-69%	-86%
Average Balance	-33%									

6.68. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as "poor" to "very poor" by residents (net balance of -55% negative views).
- Shopping provision for convenience goods is rated as "average" to "poor" by residents (net balance of -19% positive views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to "average" to "good" (+32% positive views).
- The town centre is identified as "average" to "poor" as a pleasant and attractive place to visit.
- Ratings are "poor" to "very poor" for the town centre as a place to combine shopping with leisure or personal business activities.

6.69. In overall terms the town centre was viewed as "average" to "poor" across all indicators with a significantly negative balance of views (-33% net balance). This was the lowest ranked centre of the seven Midlothian Centres included in the survey.

Conclusions

6.70. The principal issue with Gorebridge town centre is that it is a very small centre which provides a very limited retail and service offer. It does not provide the range of services and facilities that would normally be expected in a town centre. It is considered that this factor is the key reason why there are significant negative views of the centre by residents. However, if one recognises the very small size of the centre then it is considered that its vitality and viability is generally healthy:

- There are no vacancies i.e. well below the national average and they have remained at low levels since 2011.
- The range of retail and service provision has remained relatively stable since 2011 but with a shift from retail goods shops to retail and related services in line with national trends.
- The environmental quality of the centre is considered by residents to be below average and it is noted that there are only limited areas (close to Hunter Square) where there are wider areas of pavement allowing some separation between pedestrians and traffic. However, the centre has high conservation value and traffic flows along Main Street are relatively low. It is therefore considered that the environmental quality of the centre is quite high.
- In general residents have generally negative views of the centre. The principal negative views concern the comparison goods offer which is limited but this is an inevitable consequence of the small size of the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.

Gorebridge Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.71. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 1 unit; 553 sq m GFA; 359 sq m NFA (sales); and £2.24m turnover.
- General Comparison Goods: 2 units; 175 sq m GFA; 114 sq m NFA (sales); and £0.33m turnover.

- Bulky Comparison Goods: None
- Services: 15 units: 534 sq m GFA
- Vacancies: None

6.72. These figures demonstrate the importance of the Morrissons Daily store which accounts for 85% of the turnover of all retail goods shops in the town centre and has a clear anchor role for the centre.

6.73. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 74% of national averages.
- General comparison goods densities are trading significantly below national averages at 58% average.

6.74. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Gorebridge to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that both convenience and general comparison goods densities appear to be slightly weak (taking into account the character and size of the town centre).

Catchment Area and Market Penetration

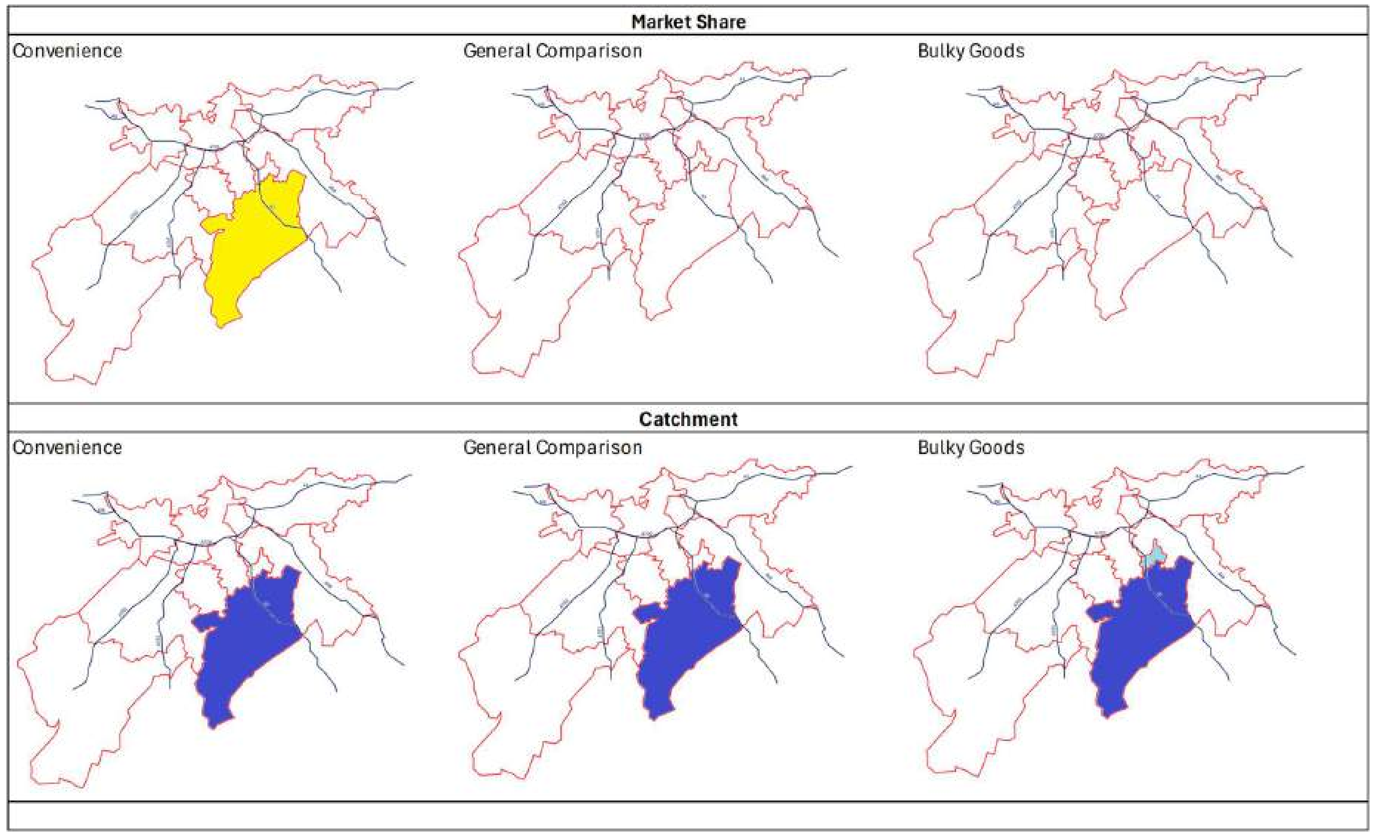
6.75. Figure 6.17 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Gorebridge Town Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Gorebridge but no clearly identifiable secondary catchment area. Market penetration levels within the PCA are modest at 10-30%.
- For General Comparison Goods the PCA also comprises the town of Bonnyrigg but market penetration levels are very low (less than 10%). As with convenience goods there is no clearly identifiable SCA.

Future Changes in Retail Turnover: Gorebridge Town Centre

6.76. Figure 6.18 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.17: Gorebridge Town Centre - Key Retail Characteristics



KEY:

Market Share

>50%

30-50%

10-30%

Catchment Area

Primary Catchment Area

Secondary Catchment Area

TOWN CENTRE MAP KEY:

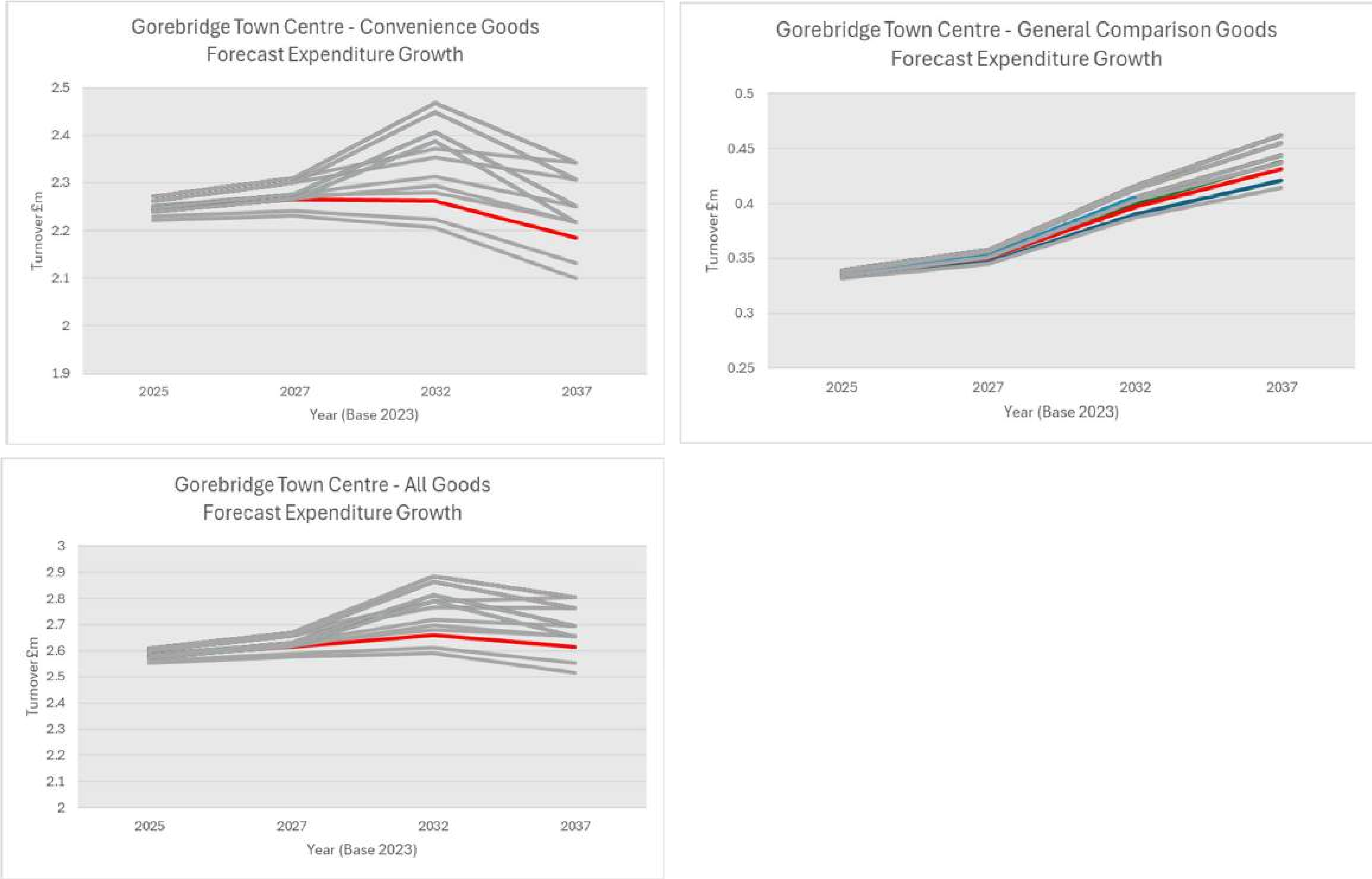
Principal retail/Leisure Frontage

LDP Town Centre Boundary

TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

	No.	Convenience					General Comparison					Bulky Goods					All Goods		
		GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
Gorebridge Town Centre																			
Convenience - Morrisons Daily	1	553	359	£6,249 psm	74%	£2.24m											553	359	£2.24m
Gen Comp	2						175	114	£2,946 psm	59%	£0.33m						175	114	£0.33m
Bulky Goods																			
Services	15																534		
Vacant																			
TOTAL GOREBRIDGE TOWN CENTRE	18	553	359			£2.24m	175	114	£2,946 psm		£0.33m	0	0			£0.00m	1262	473	£2.58m

Figure 6.18: Forecast Future Turnover of Gorebridge Town Centre



6.77. The figures indicate some variation in the forecasts for turnover for each of the goods categories – for convenience goods modest decline is identified whereas there is significant growth for general comparison goods. The principal forecasts are:

- Short to medium term growth for convenience goods followed by decline 2032-2037 (-3%). This reflects limited population growth in the final part of the study period.
- Significant growth for general comparison goods and bulky goods turnover (approx. 30% in the central case).

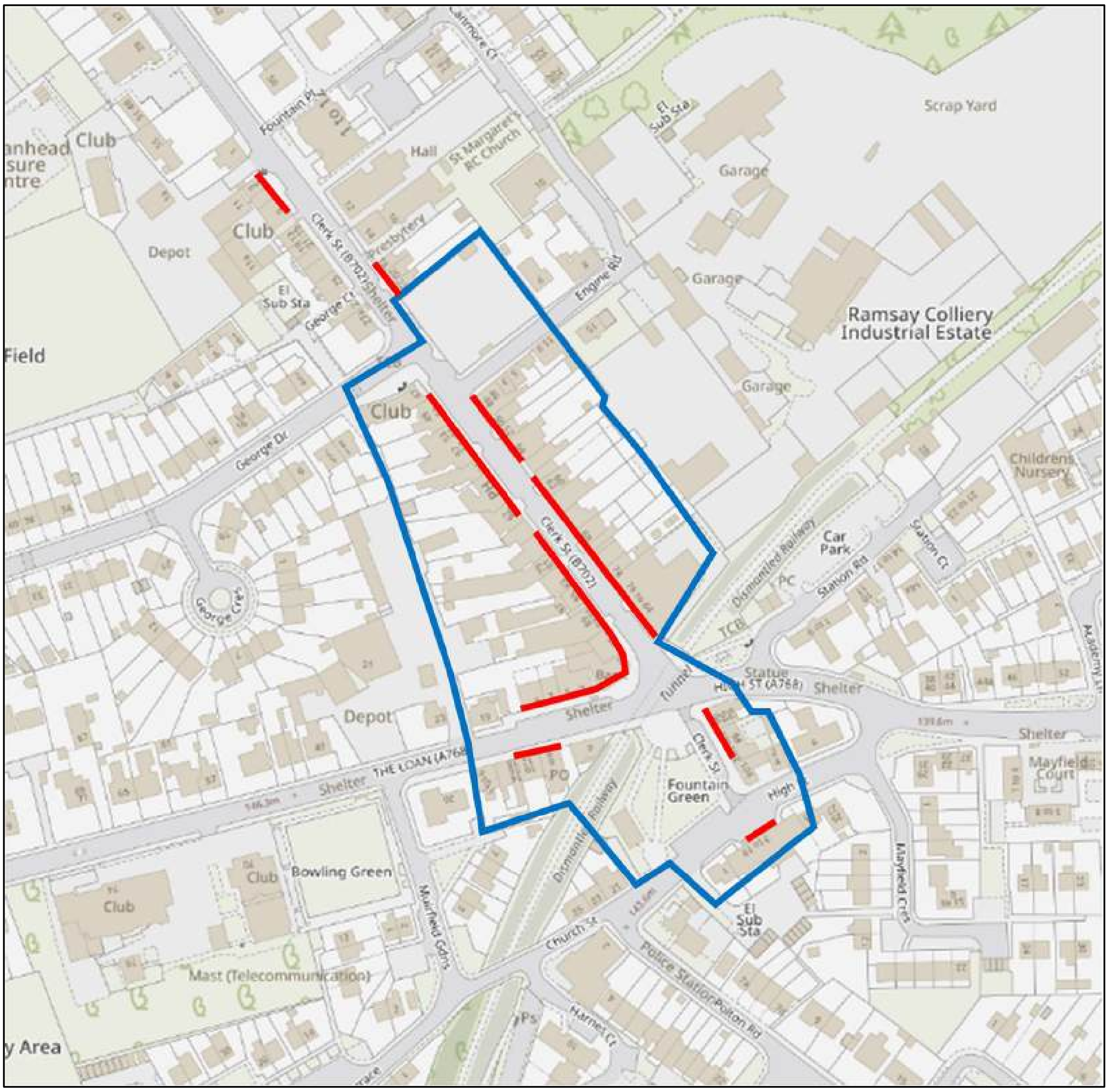
6.78. In overall terms turnover for the town centre is expected to remain broadly flat between 2025 and 2037 (ca. 1.5% growth overall) – the slow growth in Gorebridge compared to other town centres reflects the high proportion of turnover associated with convenience goods within the town centre and limited new housing development.

6.79. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Loanhead Town Centre

6.80. Figure 6.19 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.19: Loanhead Town Centre



Space in Use

Numbers of Units by Type

6.81. Figure 6.20 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. The 2011 floorspace survey by MLC did not define which uses additional to Class 1 were included within the survey.

Figure 6.20: Surveys of retail Units and Floorspace – Loanhead Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience			6	3		5
Comparison			6	2		5
Retail Services				9		10
Leisure Services			26	9		13
Business & Financial Services				4		5
Vacant			1	1		4
TOTAL	0	0	39	28	0	42
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	1323		1240	620		868
Comparison			600	200		333
Retail Services						
Leisure Services	1261		N/A	N/A		1790
Business & Financial Services						
Vacant	0					174
TOTAL	2584	0	1840	820	0	3165

Multiple Retailers

6.82. The 2025 survey identified 2 retail goods shops as multiples (20% of the total retail goods shops identified). The proportion of multiples is below average for this size of centre in Scotland.

Additional Facilities and Services

6.83. The town centre provides a good range of additional facilities and services including:

- Church + Halls
- Dentist
- Clinics (2)
- Gym
- Vet
- Gym

Changes Over Time

6.84. Examination of Figure 6.20 indicates some trends in changes in provision since 2011. The principal changes that are evident are:

- Potential short term reduction in convenience and comparison goods units (since 2022) however, the CPD survey would suggest significant variation from year to year. The 2011 floorspace data implies a modest reduction in floorspace for retail goods shops.
- Significant increase in vacant units, particularly since 2022.
- Significant increase in floorspace for retail and related services between 2011 and 2025. However only a slight increase in numbers of units between 2022 and 2025.

6.85. In overall terms the surveys indicate a modest increase in total units over the past 15 years however this may, in part, be explained by differences in definitions but this cannot be confirmed. The second key change is the short term significant increase in vacant units.

Vacancies

Vacancy Rates

6.86. Figure 6.20 also sets out information on vacancies within Loanhead centre. In 2025 the vacancy rates were:

- Number of units: 9.5%
- Floor area: 5.5%

6.87. The vacancy rate by number of units is higher than most other Midlothian town centres but remains below the Scottish average. The vacancy rate by floor area is significantly below the Scottish average which is currently ca. 12-14%.

Changes over Time

6.88. Figure 6.20 shows that there has been a significant increase in vacancy rates in Loanhead, particularly since 2022. In 2011 the MLC survey did not identify any vacant units in the town centre.

Commercial Property Market Indicators

6.89. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- Clerk Street: £150 psm
- High Street: £120 psm

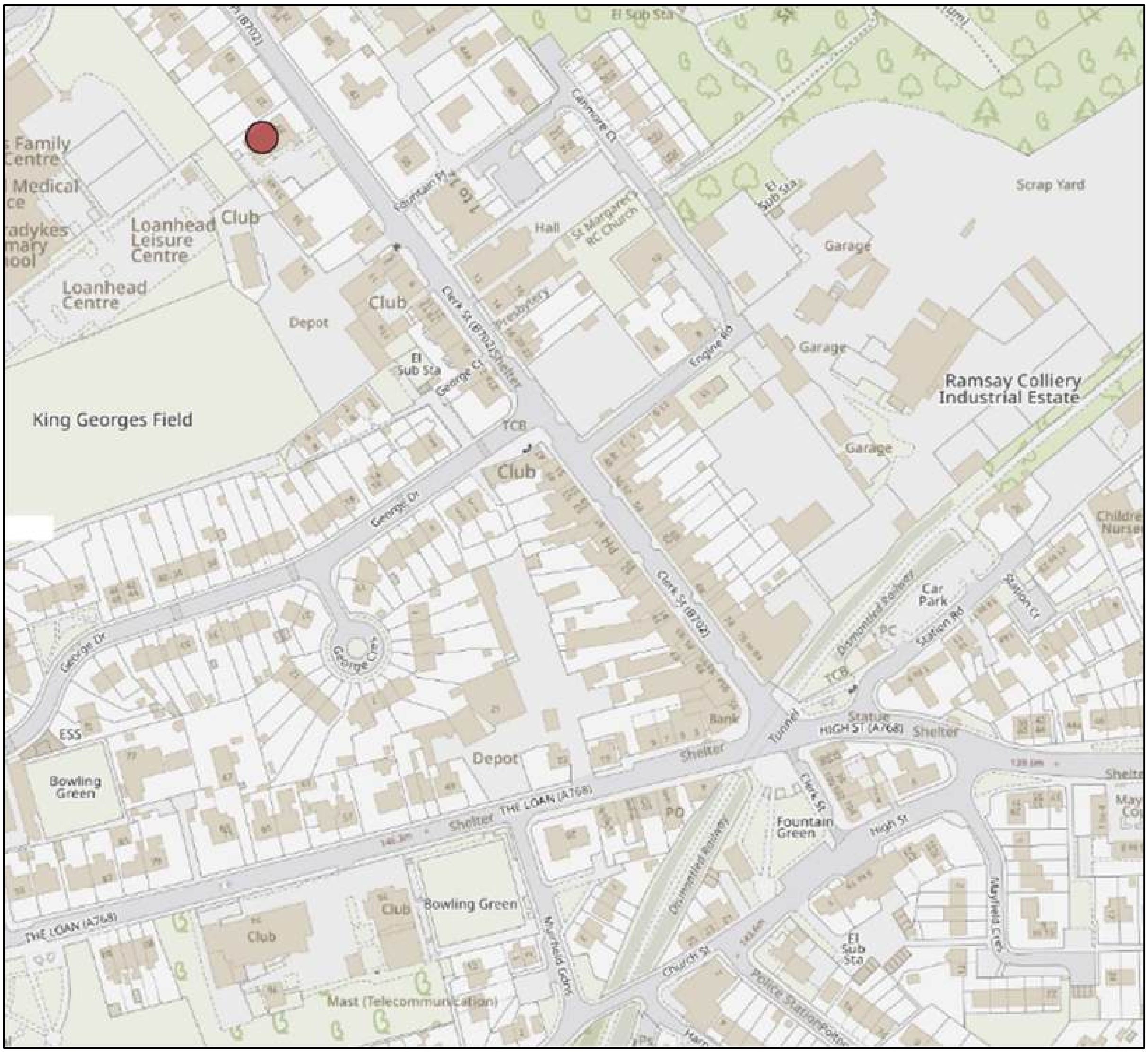
6.90. Only one unit is currently being marketed with asking prices which has limited value for estimating Zone A rents within the town centre. This unit is located on Clerk Street and is seeking approximately £150 psm Zone A i.e. similar to the LJVB valuation.

6.91. No information on yields is available.

Heritage

6.92. There is only one Listed Building in the vicinity of the town centre and there is no conservation area nor any other heritage designation. Figure 6.21 indicates the location of the Listed Building.

Figure 6.21: Loanhead Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)



Household Survey Perceptions of the Town Centre

6.93. It is not possible to present information on household survey findings because it is apparent that respondents did not distinguish Loanhead from Straiton.

Conclusions

6.94. Based on the surveys undertaken it is evident that the vitality and viability indicators present a mixed picture of the health of the centre:

- Vacancies remain below average for Scotland but have increased significantly since 2022.
- The retail and services offer within Loanhead town centre is limited reflecting the small size of the centre. The centre does provide a limited range of additional services and facilities.
- The environment of the town centre is mixed. The southern part, to the south of the junction of Clerk Street and The Loan provides an area of open space and art feature whereas Clerk Street has buildings of generally indifferent quality and has significant through traffic.

- In overall terms the total retail and services floorspace appears to have increased since 2011 but there has been a modest decline in space for retail goods shops more than countered by an increase in space for services.
- The centre is easily accessible by public transport but those travelling by private car are dependant on on-street parking although, it should be noted, this does not normally present a difficulty.

Loanhead Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.95. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 5 units; 868 sq m GFA; 564 sq m NFA (sales); and £3.64m turnover.
- General Comparison Goods: 4 units; 302 sq m GFA; 196 sq m NFA (sales); and £1.04m turnover.
- Bulky Comparison Goods: 1 unit; 31 sq m GFA, 20 sq m NFA and £0.06m turnover in other retail units.
- Services: 28 units: 1790 sq m GFA
- Vacancies: 4 units: 174 sq m GFA

6.96. This confirms that there is a broad balance between convenience and general comparison goods in terms of numbers of units but there is significantly greater floorspace and turnover for convenience goods. The most important shop is the Scotmid convenience-format store which accounts for over 40% of total retail turnover in the town centre. There is minimal bulky floorspace provision.

6.97. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 92% of national averages.
- General comparison goods densities are trading significantly below national averages at 106% average.
- Bulky goods appear to be trading above national averages (113%) but this is such a small sector that no significance can be placed on this.

6.98. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Loanhead to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that both convenience and general comparison goods densities appear to be healthy (taking into account the character and size of the town centre).

Catchment Area and Market Penetration

6.99. Due to the proximity of Loanhead town centre to the major retail units at Straiton it is not possible to distinguish between the catchment areas for this town centre from the wider catchment areas for Straiton. However Figure 6.23 provides the extract from the SRM identifying the floorspace and turnover of the town centre.

Future Changes in Retail Turnover: Penicuik Town Centre

6.100. Figure 6.24 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.23: Loanhead Town Centre - Key Retail Characteristics

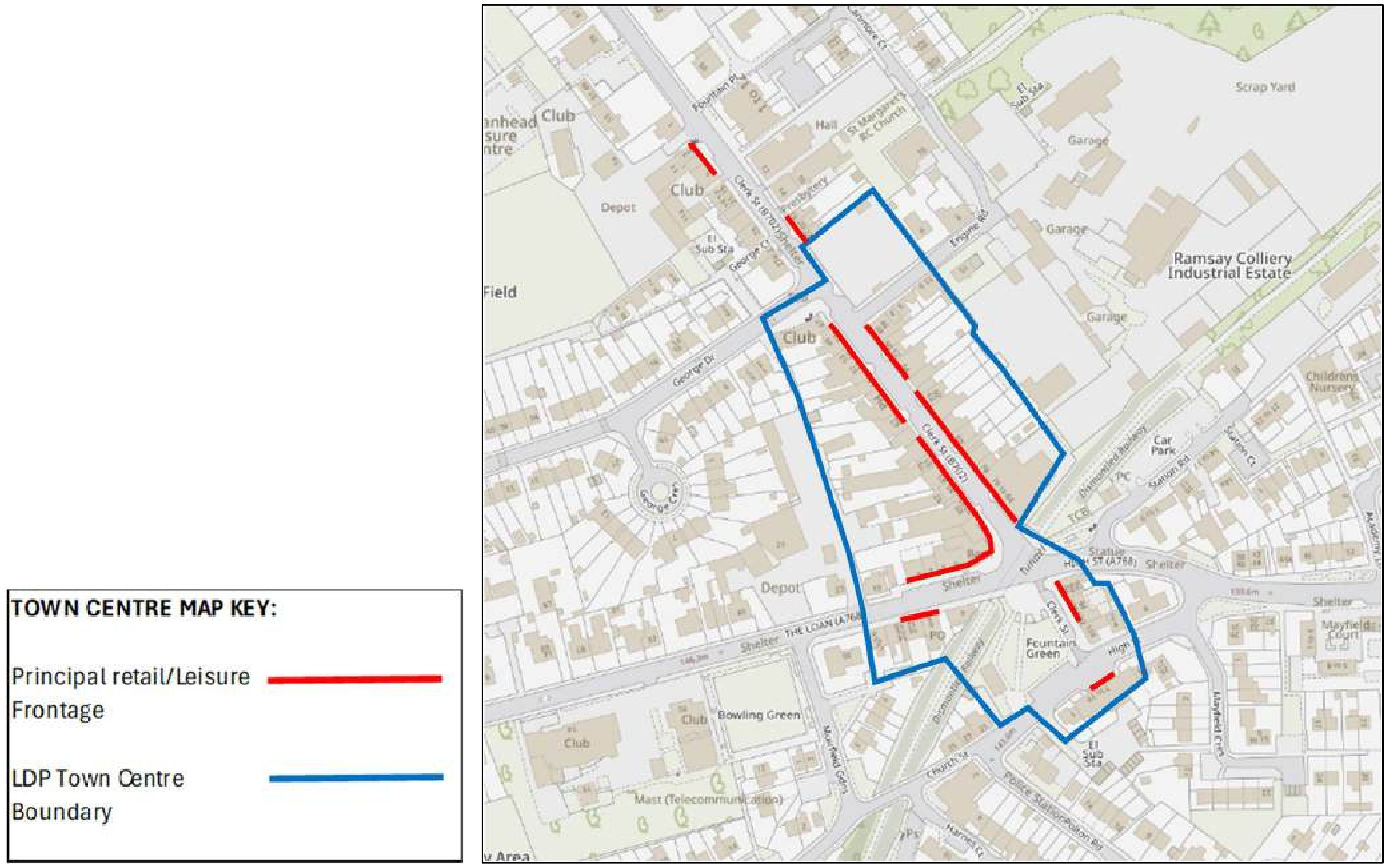
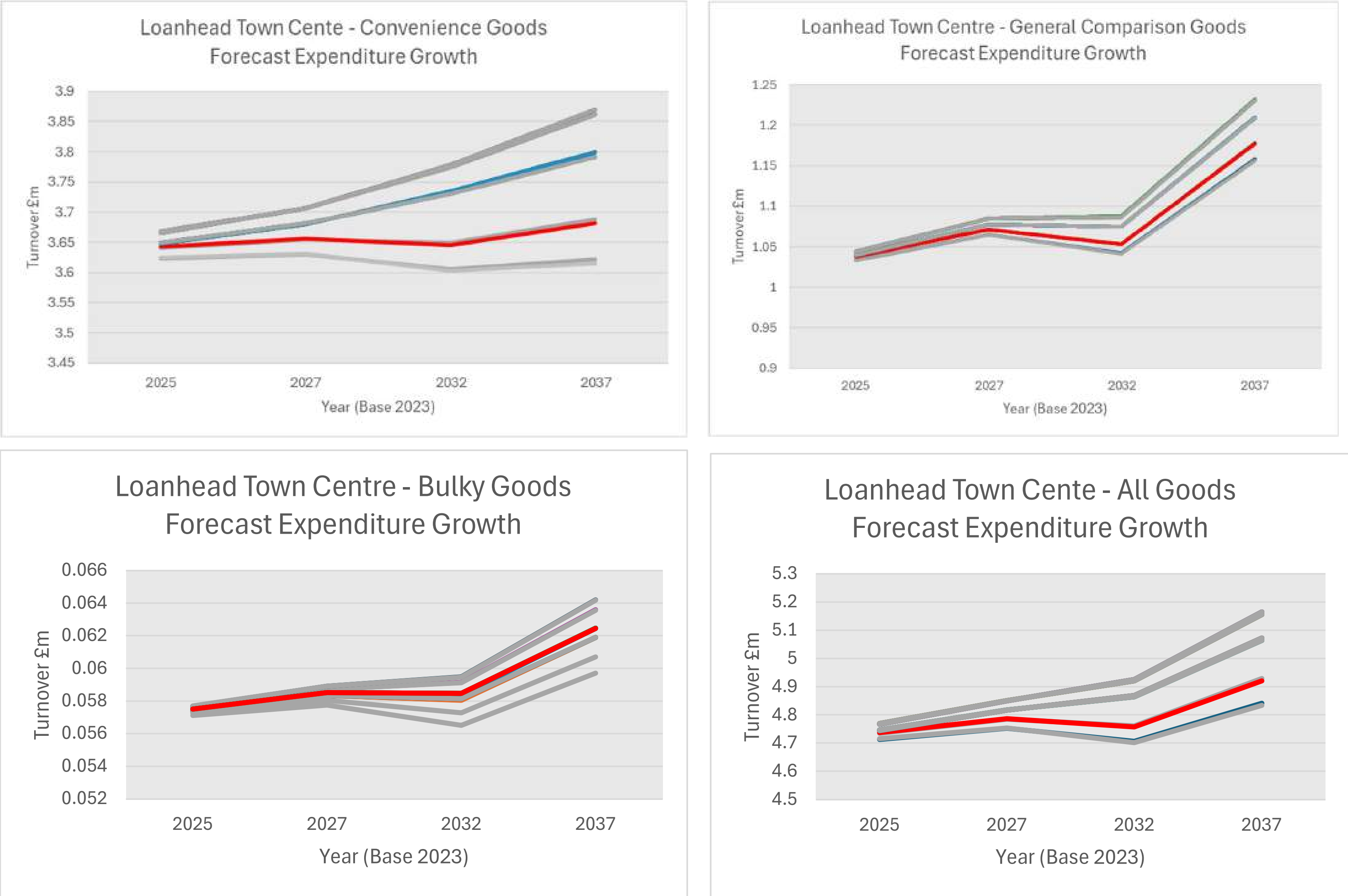


TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

		Convenience					General Comparison					Bulky Goods					All Goods		
	No.	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
Loanhead Town Centre																			
Convenience																			
Scotmid	1	319	207	£9,619 psm	92%	£1.99m											319	207	£1.99m
Others	4	549	357	£4,618 psm	92%	£1.65m											549	357	£1.65m
Total Convenience	*5*	*868*	*564*	*£6,456 psm*		*£3.64m*	*0*	*0*				*0*	*0*				*868*	*564*	*£3.64m*
Gen Comp	4						302	196	£5,296 psm	106%	£1.04m						302	196	£1.04m
Bulky Goods	1											31	20	£2,817 psm	113%	£0.06m	31	20	£0.06m
Services	28																1790		
Vacant	4																174		
TOTAL LOANHEAD TOWN CENTRE	**42**	**868**	**564**			**£3.64m**	**302**	**196**			**£1.04m**	**31**	**20**	**£2,817 psm**		**£0.06m**	**3166**	**781**	**£4.74m**

Figure 6.24: Forecast Future Turnover of Loanhead Town Centre



6.101. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Only marginal growth in convenience goods turnover (ca. 1% for the central case)
- Significant growth for general comparison goods and bulky goods turnover (approx. 10-15% in the central case).

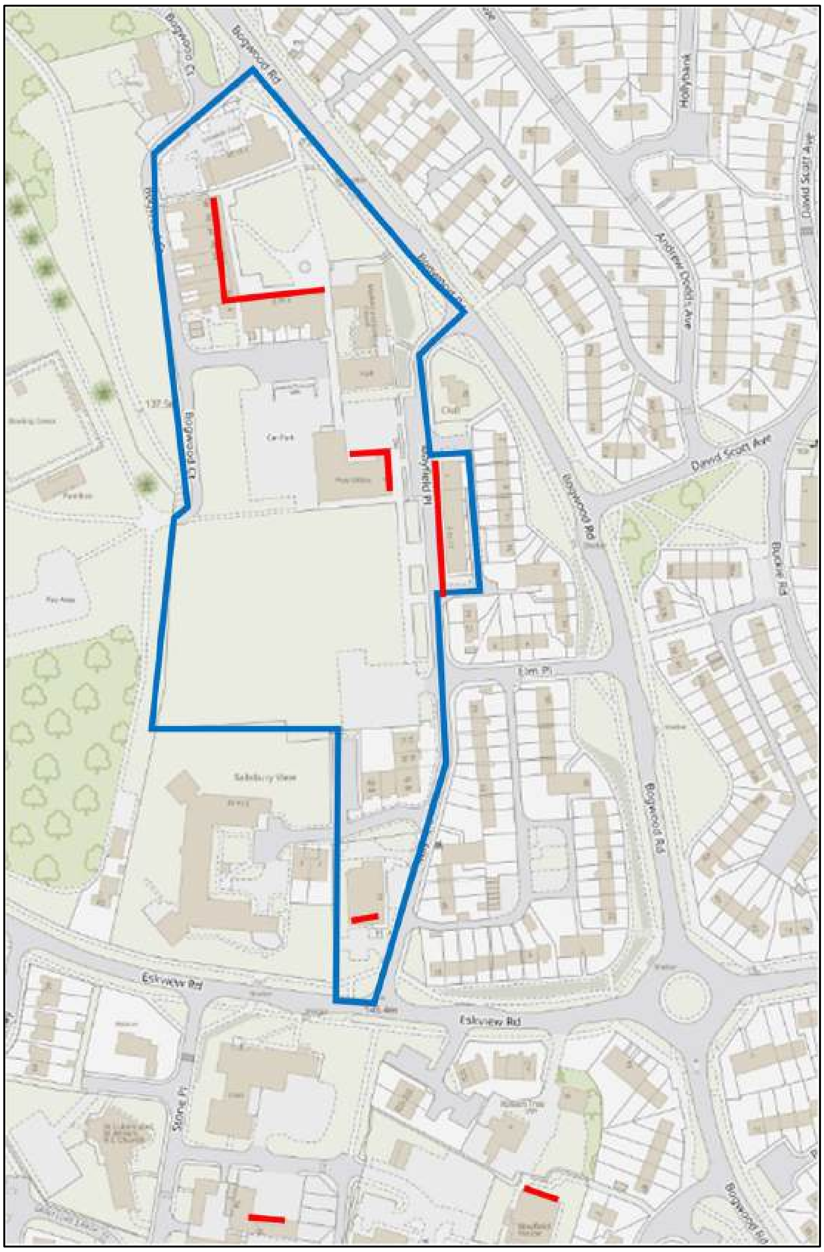
6.102. In overall terms turnover for the town centre is expected to grow steadily between 2025 and 2037 (ca. 4%).

6.103. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Mayfield Town Centre

6.104. Figure 6.25 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.25: Mayfield Town Centre



Space in Use

Numbers of Units by Type

6.105. Figure 6.26 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025 for floorspace but the only survey of numbers of units available is that undertaken in 2025.

Figure 6.26: Surveys of retail Units and Floorspace – Mayfield Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience						2
Comparison						3
Retail Services						4
Leisure Services						3
Business & Financial Services						0
Vacant						4
TOTAL	0	0	0	0	0	16
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	1377					1061
Comparison						197
Retail Services						
Leisure Services	488					589
Business & Financial Services						
Vacant	0					215
TOTAL	1865	0	0	0	0	2062

Multiple Retailers

6.106. The 2025 survey identified 2 retail goods shops as multiples (40% of the total retail goods shops identified). The proportion of multiples is above average for this size of centre in Scotland but the very small size of the centre limits the significance of this figure.

Additional Facilities and Services

6.107. The defined town centre provides limited additional facilities. However, including the area to the south of the defined centre there are additional services and facilities including:

- Church
- Dentist
- MAEDT Pavilion, Community Café and Garden
- Mayfield & Easthouses Youth 2000 Project
- Clinic
- Mayfield & Easthouses Development Trust

Changes Over Time

6.108. The survey information in Figure 6.26 is not sufficient to identify clear trends with changes over time limited to floorspace data for broad categories of units. Based on this the following changes can be identified to have occurred between 2011 and 2025:

- Slight reduction in floorspace for retail goods, but this reduction is relatively small.
- Increase in floorspace for retail and related services.
- Increase in vacant floorspace
- Overall modest increase in total floorspace for retail and related services.

Vacancies

Vacancy Rates

6.109. Figure 6.26 also sets out information on vacancies within Mayfield town centre. In 2025 the vacancy rates were:

- Number of units: 25%
- Floor area: 10.4%

6.110. These are the highest vacancy rates identified for any centre within Midlothian. The vacancy rate for units is close to double the Scottish average, however that for floor area is slightly below the national average. As with other smaller town centres the limited size of Mayfield town centre means that even small changes in numbers of vacant units will have a significant effect on vacancies as expressed as percentages.

Changes over Time

6.111. Figure 6.26 shows that in 2011 the MLC survey did not identify any vacant units within the centre whereas there are, in 2025, 4 vacant units. This is a significant increase in vacancies over this 15 year period.

Commercial Property Market Indicators

6.112. There are no vacant retail properties currently being marketed with asking prices and so it is not possible to identify Zone A rents.

6.113. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- Bogwood Court: £67.50 psm
- Mayfield Place; £55 psm

6.114. These prime rents are significantly lower than other Midlothian town centres.

6.115. No information on yields is available.

Heritage

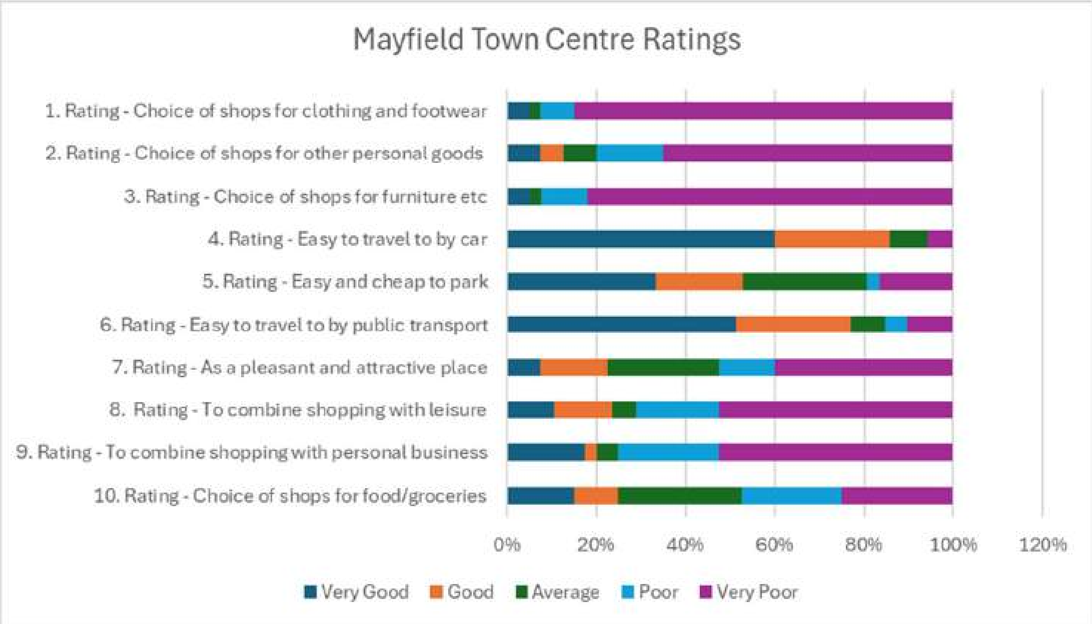
6.116. There are no heritage buildings or other locations within or close to Mayfield town centre.

Household Survey Perceptions of the Town Centre

6.117. Figure 6.27 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.27 Household Survey: Attitudes to Mayfield Town Centre

Mayfield	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	15%	18%	11%	8%	51%	33%	60%	5%	8%	5%
Good	10%	3%	13%	15%	26%	19%	26%	0%	5%	0%
Average	28%	5%	5%	25%	8%	28%	9%	3%	8%	3%
Poor	23%	23%	18%	13%	5%	3%	0%	10%	15%	8%
Very Poor	25%	53%	53%	40%	10%	17%	6%	82%	65%	85%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	-23%	-55%	-47%	-30%	62%	33%	80%	-87%	-68%	-88%
Average Balance	-22%									



6.118. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as "poor" to "very poor" by residents (net balance of -81% negative views).
- Shopping provision for convenience goods is rated as close to "average" to "poor" by residents (net balance of -23% negative views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to "good" (+58% positive views).
- The town centre is identified as "average" to "poor" as a pleasant and attractive place to visit.
- Ratings are close to (slightly above) "poor" for the town centre as a place to combine shopping with leisure or personal business activities.

6.119. In overall terms the town centre was viewed as close to "average" to "poor" across all indicators with a negative balance of views (-22% net balance). This was ranked 5th of the seven Midlothian Centres included in the survey.

Conclusions

6.120. Based on the surveys undertaken it is evident that the vitality and viability indicators presents a relatively weak centre in terms of the health of its vitality and viability:

- Vacancies are significantly above average (by numbers of units) and have significantly worsened since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- However, there appears to have been a modest decline in retail goods shopping in terms of floorspace reducing choice for consumers. This change is in line with national trends for centres of this size. Floorspace for retail services and vacant space has increased over this period.
- Boghall Court provides traffic free shopping environment but views of residents is that the environmental quality of the centre is below average.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly negative.

Mayfield Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.121. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 2 units: 1061 sq m GFA; 690 sq m NFA (sales); and £3.97m turnover.
- General Comparison Goods: 2 units: 131 sq m GFA; 85 sq m NFA (sales); and £0.27m turnover.
- Bulky Comparison Goods: 1 unit; 66 sq m GFA, 43 sq m NFA and £0.07m turnover.
- Services: 7 units: 589 sq m GFA
- Vacancies: 4units: 215 sq m GFA

6.122. This confirms that retail space within the centre is dominated by convenience goods floorspace which accounts for over 90% of the turnover of the centre. The Scotmid small supermarket accounts for nearly 75% of the retail goods turnover of the centre and anchors the centre as a whole.

6.123. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 67% of national averages.
- General comparison goods densities are trading marginally below national averages at 90% average.
- Bulky goods also appear to be trading marginally below national averages (87%) but this is such a small sector that no significance can be placed on this.

6.124. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Mayfield to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that both convenience goods densities appear to be slightly weak (taking into account the character and size of the town centre) whereas the limited comparison floorspace is trading relatively well.

Catchment Area and Market Penetration

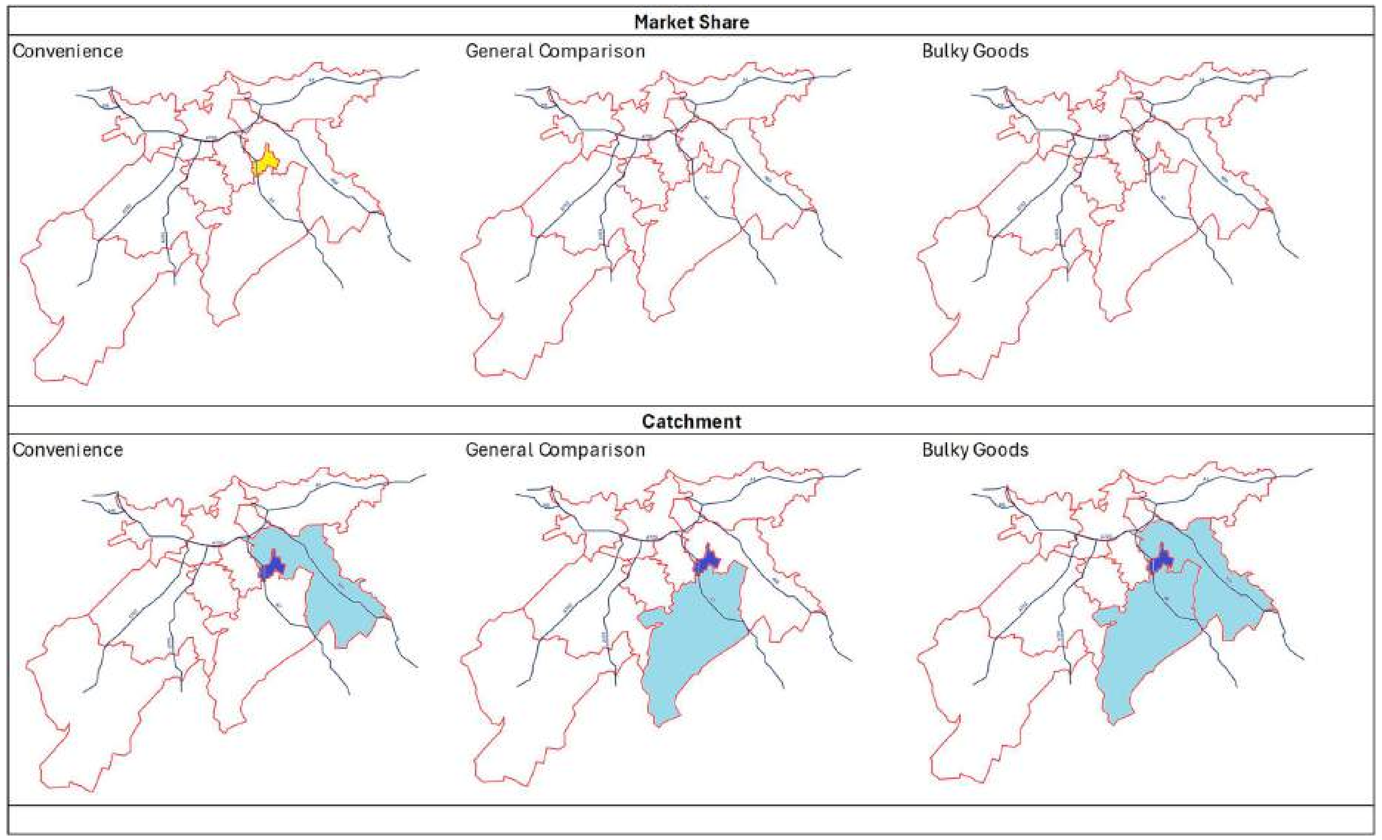
6.125. Figure 6.28 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Mayfield Town Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Mayfield and adjacent communities. A Secondary Catchment comprising the adjoining parts of Dalkeith can also be identified. Market penetration levels are relatively low at 10-30% in the PCA but less than 10% elsewhere.
- For General Comparison and Bulky Goods although the figure identifies a primary and secondary catchment area turnover levels are very low and no real significance should be attached to these. Market penetration levels are minimal.

Future Changes in Retail Turnover: Mayfield Town Centre

6.126. Figure 6.29 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.28: Mayfield Town Centre - Key Retail Characteristics



KEY:

Market Share

>50%

30-50%

10-30%

Catchment Area

Primary Catchment Area

Secondary Catchment Area

TOWN CENTRE MAP KEY:

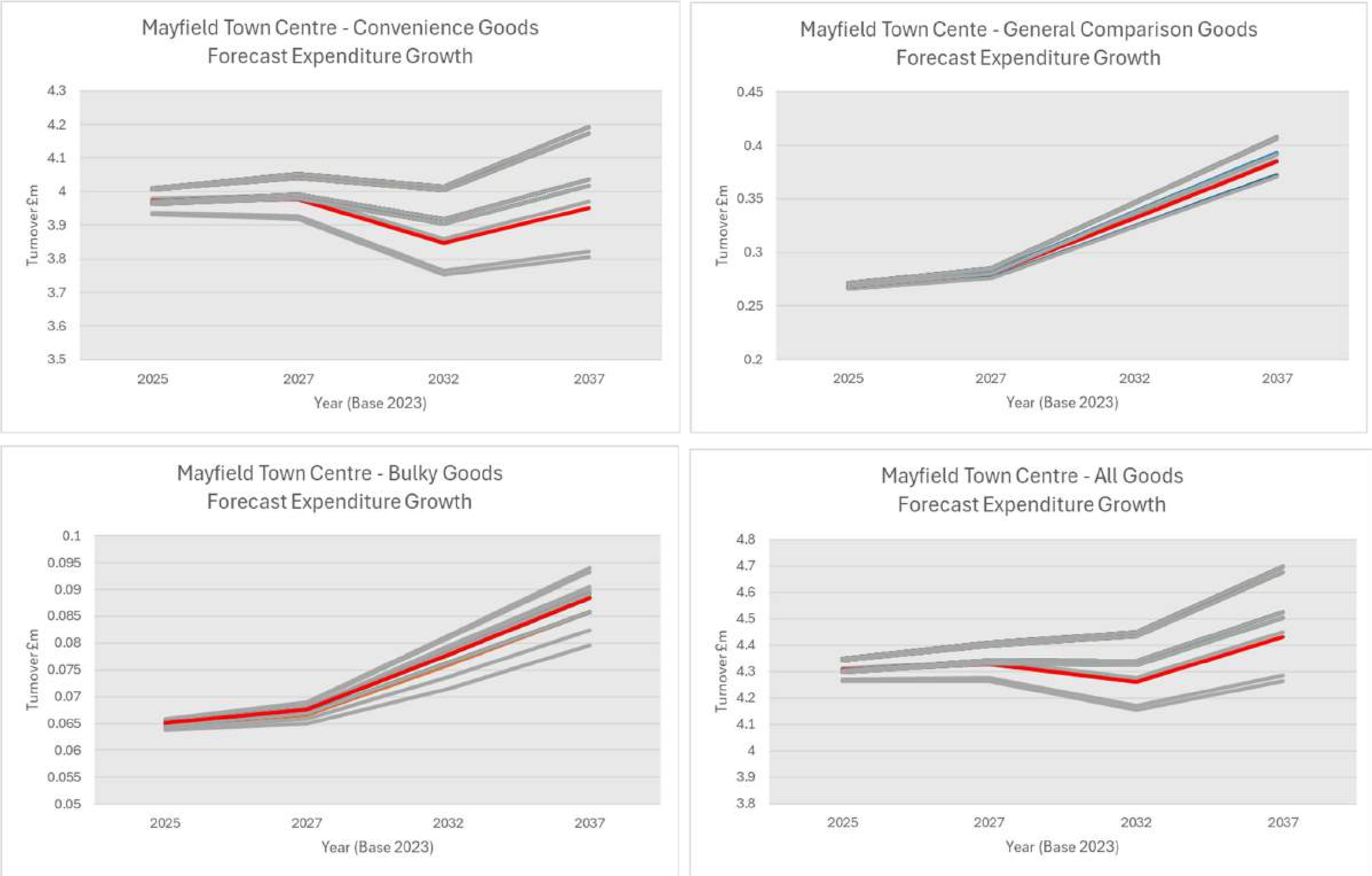
Principal retail/Leisure Frontage

LDP Town Centre Boundary

TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

	No.	Convenience GFA Sq M	Convenience NFA Sq M	Convenience Turnover Rate £/Sq M	Convenience Actual/ Average	Convenience Total Turnover £m	General Comparison GFA Sq M	General Comparison NFA Sq M	General Comparison Turnover Rate £/Sq M	General Comparison Actual/ Average	General Comparison Total Turnover £m	Bulky Goods GFA Sq M	Bulky Goods NFA Sq M	Bulky Goods Turnover Rate £/Sq M	Bulky Goods Actual/ Average	Bulky Goods Total Turnover £m	All Goods GFA Sq M	All Goods NFA Sq M	All Goods Total Turnover £m
Mayfield Town Centre																			
Convenience																			
Scotmid	1	696	453	£7,016 psm	67%	£3.18m											696	453	£3.18m
Others	1	364	237	£3,368 psm	67%	£0.80m											364	237	£0.80m
Total Convenience	*2*	*1061*	*690*	*£5,763 psm*		*£3.97m*	*0*	*0*				*0*	*0*				*1061*	*690*	*£3.97m*
Gen Comp	2						131	85	£3,149 psm	90%	£0.27m						131	85	£0.27m
Bulky Goods	1											66	43	£1,528 psm	87%	£0.07m	66	43	£0.07m
Services	7																589		
Vacant	4																215		
TOTAL MAYFIELD TOWN CENTRE	**16**	**1061**	**690**			**£3.97m**	**131**	**85**	**£3,149 psm**		**£0.27m**	**66**	**43**	**£1,528 psm**		**£0.07m**	**2062**	**818**	**£4.31m**

Figure 6.29: Forecast Future Turnover of Mayfield Town Centre



6.127. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Overall no change in convenience goods turnover (ca. -0.5% for the central case) with decline for the period 2027-2032 and growth thereafter to 2037.
- Significant growth for general comparison goods and bulky goods turnover (approx. 35% to 45% in the central case).

6.128. In overall terms turnover for the town centre is expected to grow slightly between 2025 and 2037 (ca. +3%).

6.129. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Newtongrange Town Centre

6.130. Figure 6.30 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.30: Newtongrange Town Centre

Space in Use

Numbers of Units by Type

6.131. Figure 6.31 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys.

Figure 6.31: Surveys of retail Units and Floorspace – Newtongrange Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience						5
Comparison						6
Retail Services						10
Leisure Services						5
Business & Financial Services						1
Vacant						3
TOTAL	0	0	0	0	0	30
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	2451		1418	1418		1817
Comparison			728	728		681
Retail Services						
Leisure Services	788		N/A	N/A		889
Business & Financial Services						
Vacant	94					154
TOTAL	3333	0	2146	2146	0	3541

Multiple Retailers

6.132. The 2025 survey identified 2 retail goods shops as multiples (25% of the total retail goods shops identified). The proportion of multiples is average for this size of centre in Scotland.

Additional Facilities and Services

6.133. Within or adjacent to the town centre there is a range of additional facilities and services including:

- Nursery
- Vet
- Dentist
- Leisure Centre
- Library
- Railway Station
- Church + Hall
- Community Garden

- Air Force cadet hall

Changes Over Time

6.134. Examination of Figure 6.31 indicates that there has been very limited change in provision since 2011 in terms of mix of floorspace. Data on changes in numbers of units is not available. some trends in changes in provision since 2011. The lower floorspace figures for 2022 & 2024 were based on estimates and these are not as reliable as the 2011 and 2025 figures.

Vacancies

Vacancy Rates

6.135. Figure 6.8 also sets out information on vacancies within Penicuik town centre. In 2025 the vacancy rates were:

- Number of units: 10.0%
- Floor area: 4.3%

6.136. The vacancy rate by number of units is slightly below the Scottish average (which is ca. 12-14%) whereas the vacancy rate by floor area is well below the national average.

Changes over Time

6.137. Figure 6.31 identifies that the vacancy rate in 2011 for floorspace was 2.8% indicating a small uplift in vacancy rates to 2025. However given the small size of the centre only limited weight can be given to this change.

Commercial Property Market Indicators

6.138. No retail properties are currently being marketed with asking prices and so Zone A rents cannot be identified.

6.139. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- Main Street (North): £145 psm
- Main Street (South): £150 - £200 psm
- Station Road: £100 psm

6.140. No information on yields is available.

Heritage

6.141. There are 3 listed buildings within the town centre. Immediately adjacent to the southern part of the town centre is the Newtongrange Conservation Area which includes a number of listed buildings. Figure 6.32 indicates the location of these heritage designations.

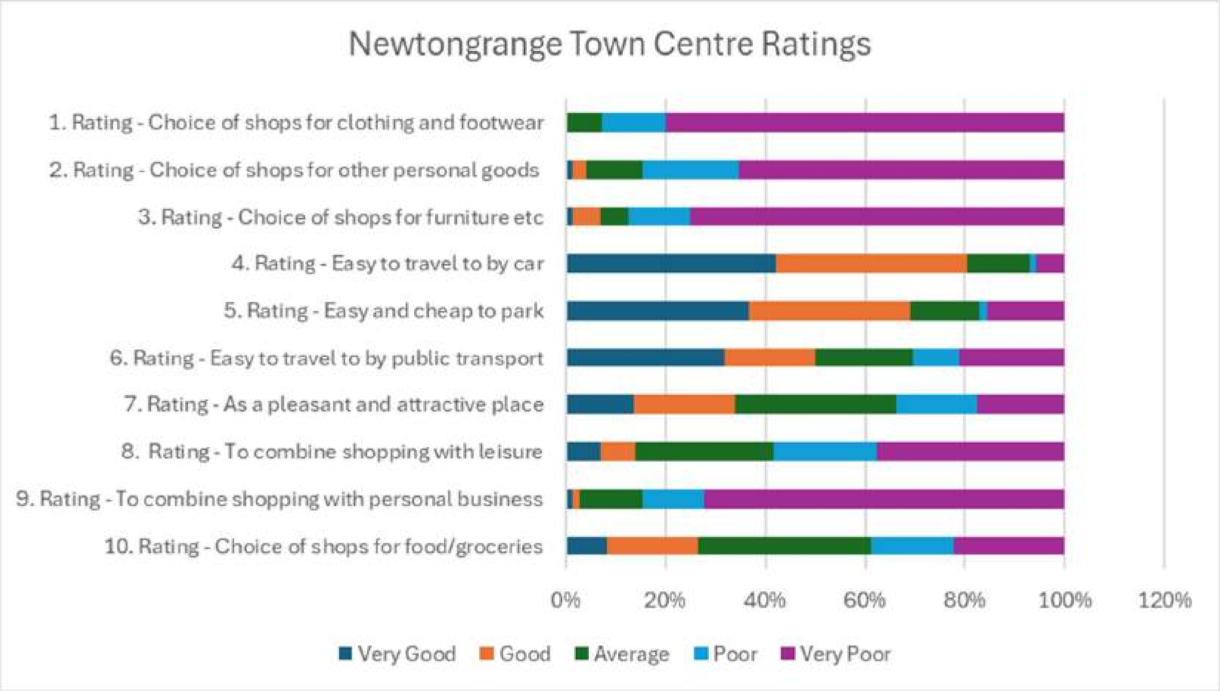
Figure 6.32: Newtongrange Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)

Household Survey Perceptions of the Town Centre

6.142. Figure 6.33 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.33 Household Survey: Attitudes to Newtongrange Town Centre

Newtongrange	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	8%	1%	7%	14%	32%	37%	42%	1%	1%	0%
Good	18%	1%	7%	20%	18%	32%	38%	6%	3%	0%
Average	35%	13%	28%	32%	20%	14%	13%	6%	11%	7%
Poor	17%	13%	21%	16%	9%	1%	1%	13%	19%	13%
Very Poor	22%	72%	38%	18%	21%	15%	6%	75%	65%	80%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	-13%	-82%	-44%	0%	20%	52%	73%	-81%	-81%	-93%
Average Balance	-25%									



6.143. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as "poor" to "very poor" by residents (net balance of -46% negative views).
- Shopping provision for convenience goods is rated as slightly worse than to "average" by residents (net balance of -13% negative views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to "good" (+24% positive views).
- The town centre is identified as "average" as a pleasant and attractive place to visit.
- Ratings are close to "poor" for the town centre as a place to combine shopping with leisure or personal business activities.

6.144. In overall terms the town centre was viewed as between "average" and "poor" across all indicators with a negative balance of views (-25% net balance). This was the ranked 6th of the seven Midlothian Centres included in the survey.

Conclusions

6.145. Based on the surveys undertaken it is evident that the vitality and viability indicators present a mixed picture of the health of the centre:

- Vacancies are significantly below average and have remained very low since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- The centre is split into two parts and the separation of these areas results in the parts being effectively distinct with limited linkage between them.
- The centre provides a relatively strong convenience goods and services offer (which extends to include non-retail related community services) but minimal comparison goods with the notable exception of the furniture shop on Station Road.
- The southern part of the town centre is adjacent to and influenced by the adjacent historic conservation area which contributes to the character of this part of the centre.
- Residents' perceptions of the centre are generally negative with the centre rated second worst of the seven centres included in the survey.

Newtongrange Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.146. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 5 units: 1817 sq m GFA; 1181 sq m NFA (sales); and £7.39m turnover.
- General Comparison Goods: 5 units; 340 sq m GFA; 221 sq m NFA (sales); and £0.70m turnover.
- Bulky Comparison Goods: 1 unit; 341 sq m GFA, 256 sq m NFA and £0.39m turnover.
- Services: 16 units: 889 sq m GFA
- Vacancies: 3 units: 154 sq m GFA

6.147. This confirms that convenience goods retail is the most significant category of unit present with the two Co-op stores (Co-op in the southern part and Scotmid in the north) accounting for 40% of total floorspace and 87% of retail goods turnover. The Co-op supermarket acts as an anchor for the southern part of the centre.

6.148. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 67% of national averages.
- General comparison goods densities are trading significantly below national averages at 90% average.
- Bulky goods appear to be trading above national averages (87%).

6.149. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Newtongrange to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that convenience goods densities appear to be slightly weak (taking into account the character and size of the town centre) whereas sales densities for comparison goods are healthy.

Catchment Area and Market Penetration

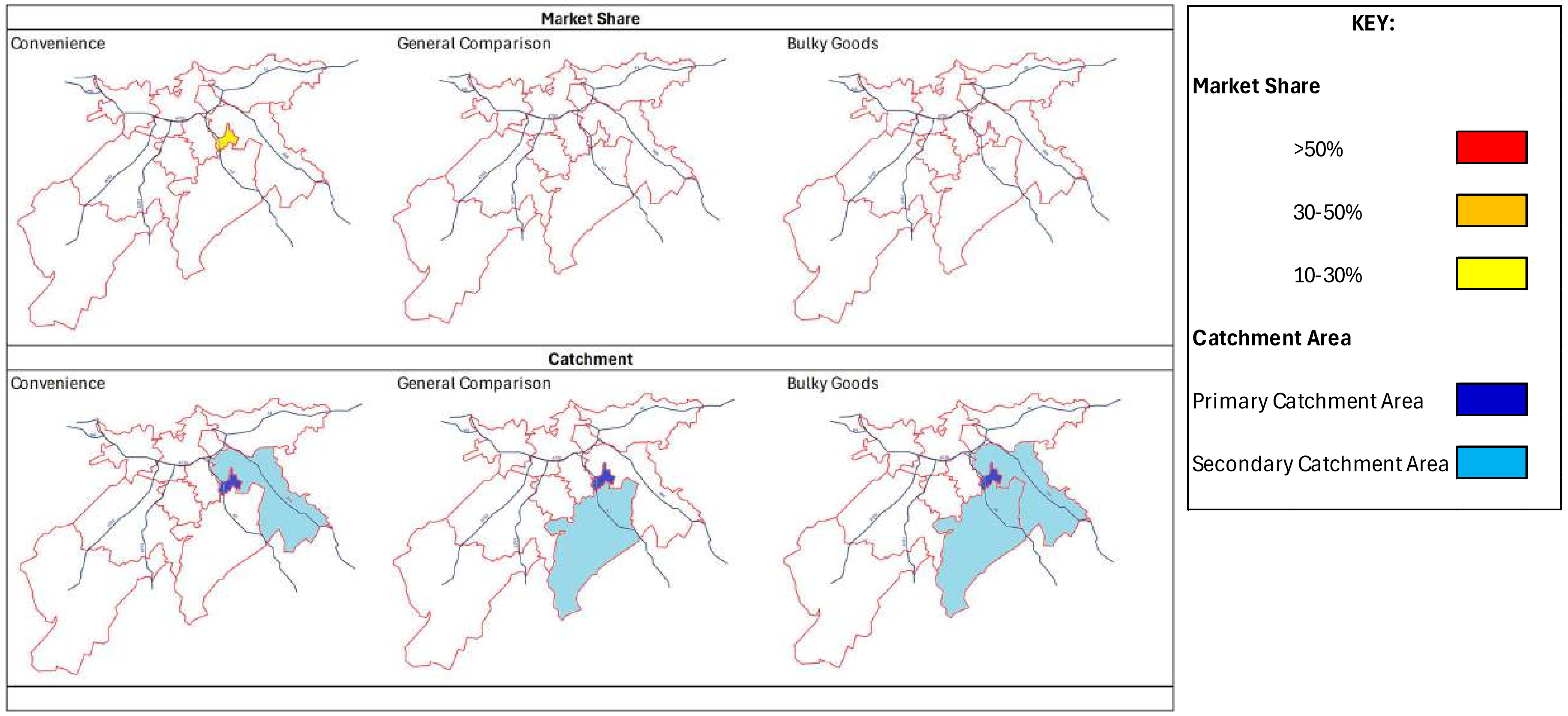
6.150. Figure 6.34 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Newtongrange Town Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Newtongrange and adjoining communities (including Mayfield) and the SCA extends to include parts of Dalkeith closest to Newtongrange. Market penetration levels are relatively low at 10-30% within the PCA and less than 10% elsewhere.
- For General Comparison Goods the PCA is the same as for convenience goods. the SCA however is identified to include Gorebridge although the turnover of this floorspace is very low which limits any weight that should be attributed to this area. Market penetration rates are very low, even in the PCA, with turnover accounting for less than 10% of available expenditure.
- Bulky goods PCA is the same as for convenience and general comparison goods. the SCA is, however, wider including parts of both Dalkeith and Gorebridge. This reflects the slightly wider draw to the furniture store in the town centre. However, market penetration rates in both the PCA and SCA are very low at less than 10%.

Future Changes in Retail Turnover: Penicuik Town Centre

6.151. Figure 6.35 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.35: Newtongrange Town Centre - Key Retail Characteristics



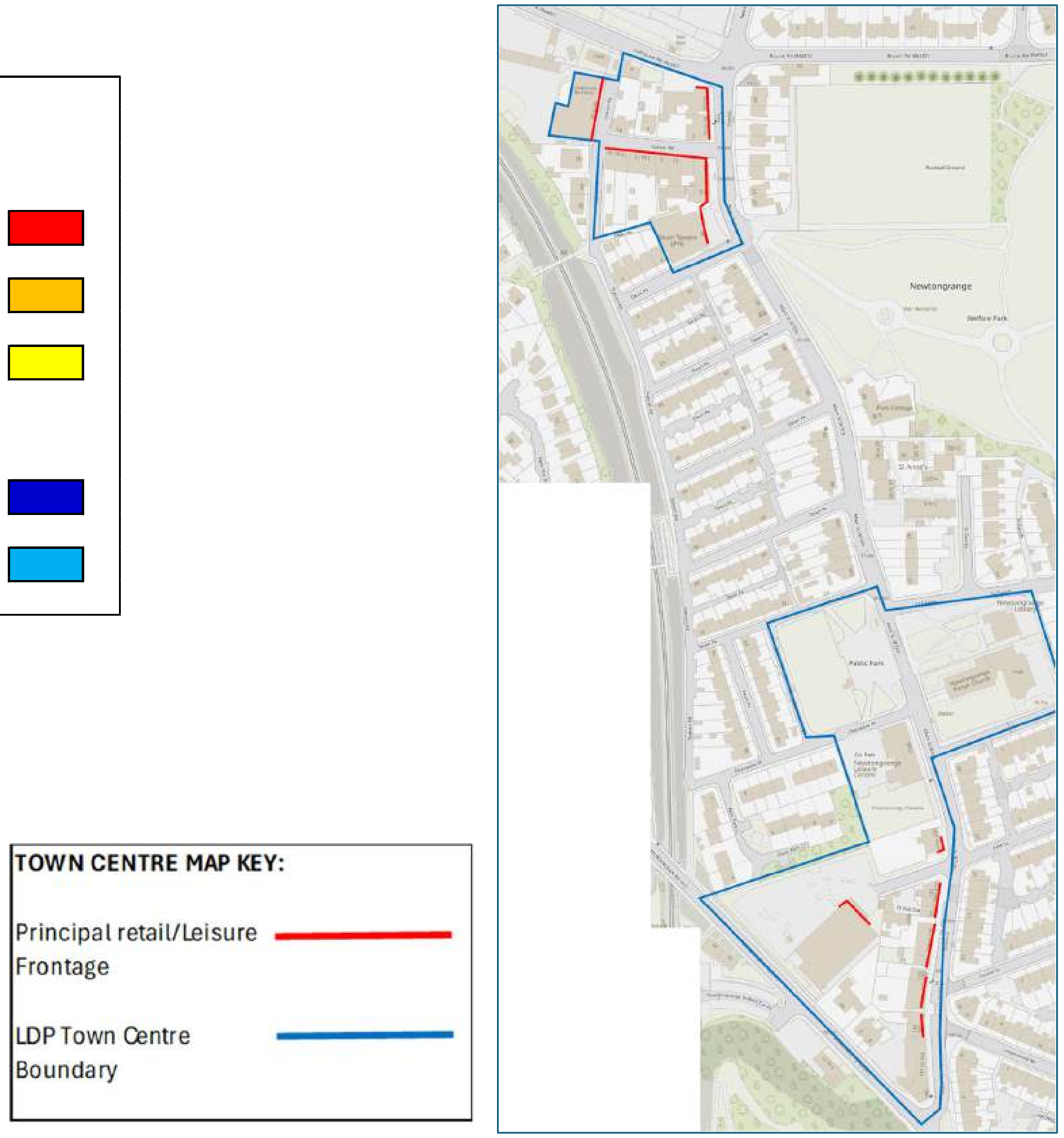
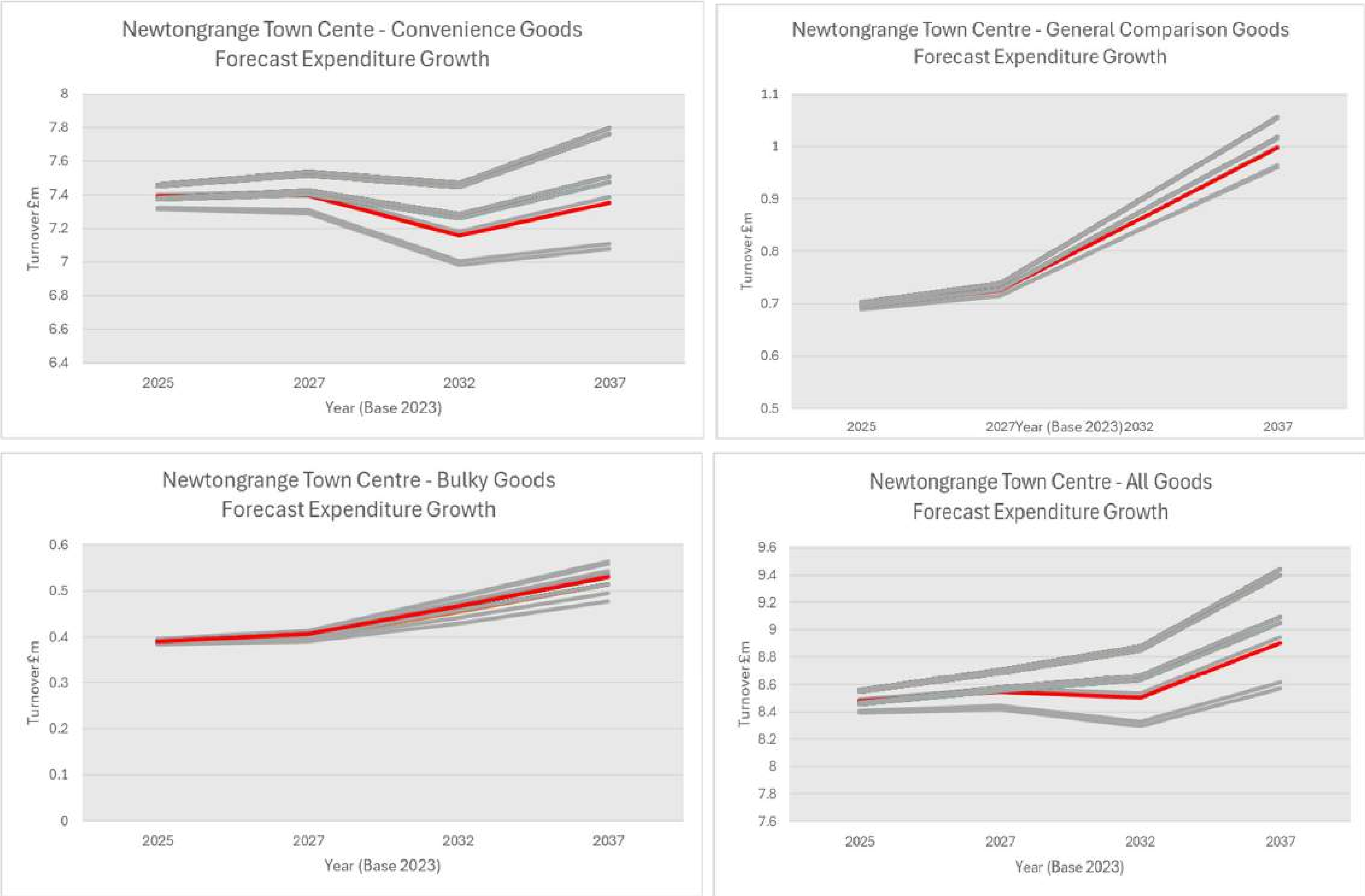


TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

	No.	Convenience GFA Sq M	Convenience NFA Sq M	Convenience Turnover Rate £/Sq M	Convenience Actual/ Average	Convenience Total Turnover £m	General Comparison GFA Sq M	General Comparison NFA Sq M	General Comparison Turnover Rate £/Sq M	General Comparison Actual/ Average	General Comparison Total Turnover £m	Bulky Goods GFA Sq M	Bulky Goods NFA Sq M	Bulky Goods Turnover Rate £/Sq M	Bulky Goods Actual/ Average	Bulky Goods Total Turnover £m	All Goods GFA Sq M	All Goods NFA Sq M	All Goods Total Turnover £m
Newtongrange Town Centre																			
Convenience																			
Co-op	1	1208	785	£7,016 psm	67%	£5.51m											1208	785	£5.51m
Scotmid	1	232	151	£7,016 psm	67%	£1.06m											232	151	£1.06m
Others	3	377	245	£3,368 psm	67%	£0.83m											377	245	£0.83m
Total Convenience	*5*	*1817*	*1181*	*£6,259 psm*		*£7.39m*	*0*	*0*				*0*	*0*				*1817*	*1181*	*£7.39m*
Gen Comp	5						340	221	£3,149 psm	90%	£0.70m						340	221	£0.70m
Bulky Goods	1											341	256	£1,528 psm	87%	£0.39m	341	256	£0.39m
Services	16																889		
Vacant	3																154		
TOTAL NEWTONGRANGE TOWN CENTRE	**30**	**1817**	**1181**	**£6,259 psm**		**£7.39m**	**340**	**221**	**£3,149 psm**		**£0.70m**	**341**	**256**	**£1,528 psm**		**£0.39m**	**3541**	**1658**	**£8.48m**

Figure 6.35: Forecast Future Turnover of Newtongrange Town Centre



6.152. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Generally no significant change in convenience turnover between 2025 and 2037 with decline between 2027 and 2032 but growth for the period 2032-3037. Overall change -0.5% in turnover.
- Significant growth for general comparison goods and bulky goods turnover (approx. +35% to +45% in the central case).

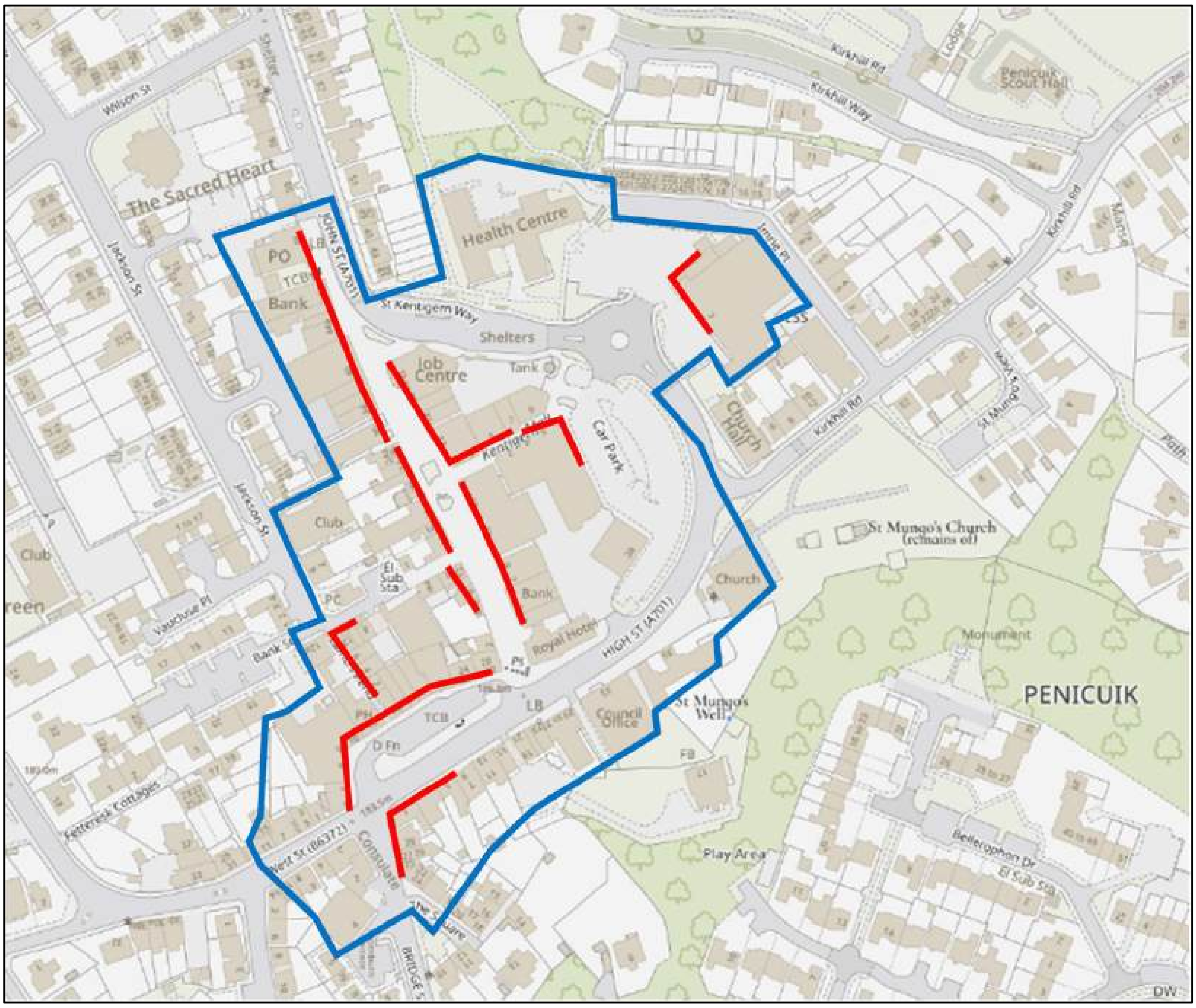
6.153. In overall terms turnover for the town centre is expected to grow slightly between 2025 and 2037 (ca. +5%) with most growth occurring in the period 2032-2037.

6.154. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Penicuik Town Centre

6.155. Figure 6.36 identifies the extent of the town centre as defined in the LDP (blue boundary). It also identifies the indicative extent of the principal retail and service frontages within and adjacent to the centre.

Figure 6.36: Penicuik Town Centre



Space in Use

Numbers of Units by Type

6.156. Figure 6.37 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. This includes surveys undertaken by different organisations some of which use slightly different definitions so direct comparison between surveys is not straightforward. Furthermore, it should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. Goad surveys, although recent, are based on estimates of floorspace and do not base estimates in data from the LJVB. It should also be noted that the 2011 surveys used an earlier Goad categorisation of services space which resulted in significantly lower numbers of service units being included within surveys.

Figure 6.37: Surveys of retail Units and Floorspace – Penicuik Town Centre

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	5	6	6	4	5	5
Comparison	16	12	13	11	15	12
Retail Services		15	16	22	18	18
Leisure Services	26	20	19	16	20	22
Business & Financial Services		4	4	8	3	4
Vacant	13	7	11	6	11	5
TOTAL	60	64	69	67	72	66
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 MLC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	5511		2634	2634	2313	2001
Comparison			5653	5653	3623	3395
Retail Services					1793	
Leisure Services	2385		N/A	N/A	2620	4522
Business & Financial Services					604	
Vacant	1147				1180	844
TOTAL	9043	0	8287	8287	12133	10762

Multiple Retailers

6.157. The 2025 survey identified 7 retail goods shops as multiples (37% of the total retail goods shops identified). The proportion of multiples is above average for this size of centre in Scotland.

Additional Facilities and Services

6.158. The town centre provides a good range of additional facilities and services including:

- West Street Arts Centre
- Places of worship (2)
- Community/church halls (2)
- Dentist (3)
- Clinic
- Health Centre
- Funeral Directors (2)
- Vet
- Community Council
- Citizens Advice Bureau
- Papermaking Heritage Museum
- Gym
- Penicuik Town Hall
- Community Groups/Support:
  - Food Fact Friends Community Hub
  - Penicuik Carbon Challenge

Changes Over Time

6.159. Examination of Figure 6.37 indicates some trends in changes in provision since 2011. The floorspace identified in the 2024 Goad survey should be treated with caution due to questions regarding the validity of its source data and there is limited evidence of a significant reduction in floorspace since May 2024. The principal changes that are evident are:

- Reduction in numbers and floorspace of comparison goods shops since 2011. This trend is not strongly marked and there appears to be overall fluctuation in comparison goods units numbers (between 11 and 16 units).
- Slight reduction in convenience floorspace – this can be attributed to the closure of Farmfoods in the town centre.
- Slight increase in retail and related services provision since 2021. Due to the changes in Goad definitions for service units the lower figure for 2011 cannot be taken as an indication of significant growth since that date.
- Overall growth in retail goods and services floorspace since 2011. However, the reporting of floorspace needs to be considered with caution. Both the 2011 and 2025 surveys included LJVB data but definitions in 2011 may have excluded units included in the 2025 survey.

6.160. In overall terms the surveys indicate relatively limited changes in floorspace and units within the town centre over the past 15 years. This may appear surprising in that it has been reported to GP that there is a perception of Penicuik town centre suffering significant and sustained decline – these figures do not support such an assertion.

Vacancies

Vacancy Rates

6.161. Figure 6.37 also sets out information on vacancies within Penicuik town centre. In 2025 the vacancy rates were:

- Number of units: 7.6%
- Floor area: 7.8%

6.162. Although higher than identified for Dalkeith town centre these vacancies rates are significantly lower than the current Scottish average of ca. 12-14%.

Changes over Time

6.163. Figure 6.37 shows that there has been a significant and sustained *reduction* in vacancy rates in Penicuik since 2011. In 2011 the vacancy rate was identified as slightly over 20% by numbers of units and the 2011 MLC report identified vacancy rates by area as 13-16% depending on basis of measurement. There is, however, significant variation between surveys and this, to a significant degree, reflects the small size of the centre such that the occupancy or vacancy of a single unit will affect the rate by +/-1.5%. Nonetheless the reduction in vacancies is significant.

Commercial Property Market Indicators

6.164. Very few retail properties are currently being marketed with asking prices allowing Zone A rents to be identified and none of these are in prime locations.

6.165. An indication of the distribution of rental patterns can be identified from the LJVB which identifies, as a base for determining rateable value, the following Zone A retail rents:

- John Street: £150 psm
- Kentigern Mall: £175 psm

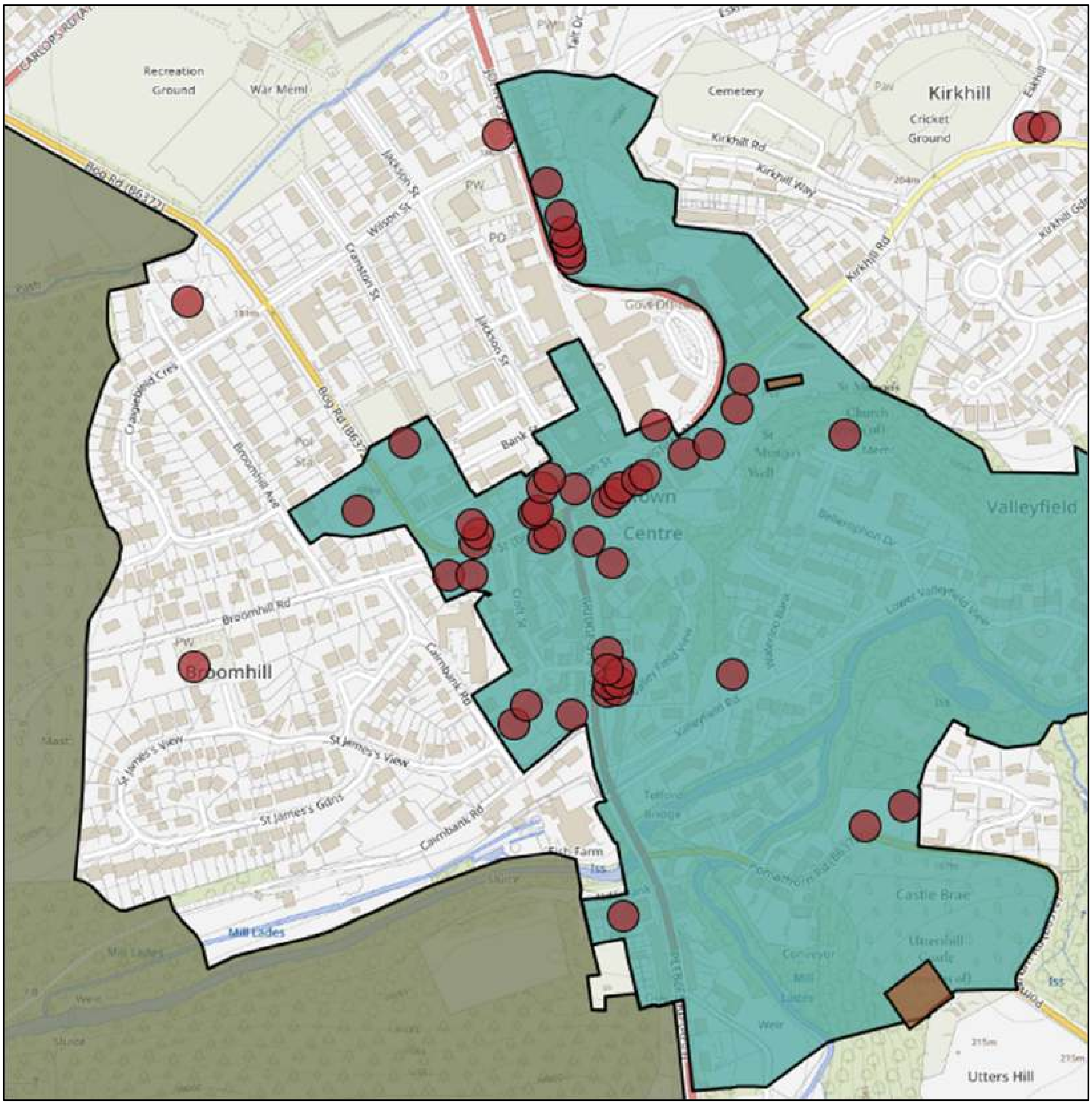
- High Street: £130 psm

6.166. No information on yields is available.

Heritage

6.167. There are approximately 40 listed buildings within the town centre, together with one Scheduled Monument and much of the defined town centre is included within the Penicuik Conservation Area. Furthermore the Penicuik Designed landscape abuts the town centre on the south side. Figure 6.38 indicates the location of these heritage designations.

Figure 6.38: Penicuik Town Centre – Heritage Designations (Listed Buildings, Conservation Areas, designated Landscapes/Gardens and Scheduled Monuments)



Household Survey Perceptions of the Town Centre

6.168. Figure 6.39 sets out attitudes to characteristics of the town centre from the household survey.

Figure 6.39 Household Survey: Attitudes to Penicuik Town Centre

Penicuik	10 - Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal business	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	16%	6%	7%	10%	27%	23%	42%	2%	2%	3%
Good	26%	19%	21%	22%	41%	40%	41%	2%	6%	2%
Average	35%	20%	25%	35%	18%	24%	12%	7%	18%	10%
Poor	18%	24%	20%	23%	5%	7%	3%	24%	29%	28%
Very Poor	5%	30%	27%	11%	9%	6%	2%	66%	46%	57%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	19%	-29%	-20%	-2%	54%	50%	78%	-87%	-67%	-79%
Average Balance	-8%									

6.169. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as “poor” to “very poor” by residents (net balance of -78% negative views).
- Shopping provision for convenience goods is rated as close to “average” to “good” by residents (net balance of +19% positive views)
- Access to the town centre by car (including for parking) and by public transport is identified as close to “good” (+61% positive views).
- The town centre is identified as “average” as a pleasant and attractive place to visit.
- Ratings are close to (slightly below) “average” for the town centre as a place to combine shopping with leisure or personal business activities.

6.170. In overall terms the town centre was viewed as close to “average” across all indicators with a slightly negative balance of views (-8% net balance). This was the middle ranked centre of the seven Midlothian Centres included in the survey.

Conclusions

6.171. Based on the surveys undertaken it is evident that the vitality and viability indicators present a mixed picture of the health of the centre:

- Vacancies are significantly below average and have significantly improved (subject to fluctuation) since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- However, there appears to have been a modest decline in comparison goods shopping both in terms of numbers of units and floorspace reducing choice for consumers. This change is in line with national trends for centres of this size.
- The central part of the town centre (John Street) provides a pedestrianised environment safe from traffic for the benefit of pedestrians. However there are no sheltered shopping areas during inclement weather.
- The town centre’s historic and architectural character make significant contributions to the vitality of the centre and this is appreciated by users/visitors to the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly neutral.

Penicuik Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.172. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the town centre (excluding retail parks) as follows:

- Convenience Goods: 5 units; 2001 sq m GFA; 1527 sq m NFA (sales); and £11.09m turnover.
- General Comparison Goods: 12 units; 3244 sq m GFA; 2244 sq m NFA (sales); and £5.87m turnover.

- Bulky Comparison Goods: no specific units but 151 sq m GFA, 113 sq m NFA and £0.7m turnover in other retail units.
- Services: 44 units: 4522 sq m GFA
- Vacancies: 5 units: 844 sq m GFA

6.173. This confirms that there is a broad balance between convenience and general comparison goods floorspace but with convenience turnover predominating (largely due to the Lidl foodstore). In terms of numbers of units services units these dominate and account for over 40% of total commercial floorspace in the town centre. The B&M store accounts for a significant proportion of general comparison goods turnover within the town centre (and also some convenience turnover) and it also makes an important contribution to the vitality and viability of the town centre. There is minimal bulky floorspace provision.

6.174. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 87% of national averages.
- General comparison goods densities are trading significantly below national averages at 65% average.
- Bulky goods appear to be trading above national averages (199%) but this is such a small sector that no significance can be placed on this.

6.175. Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units, especially general comparison units, in a town such as Penicuik to trade at levels below national averages but still achieve acceptable sales densities and for businesses to be adequately profitable. Notwithstanding this comment it is evident that both convenience and general comparison goods densities appear to be slightly weak (taking into account the character and size of the town centre).

Catchment Area and Market Penetration

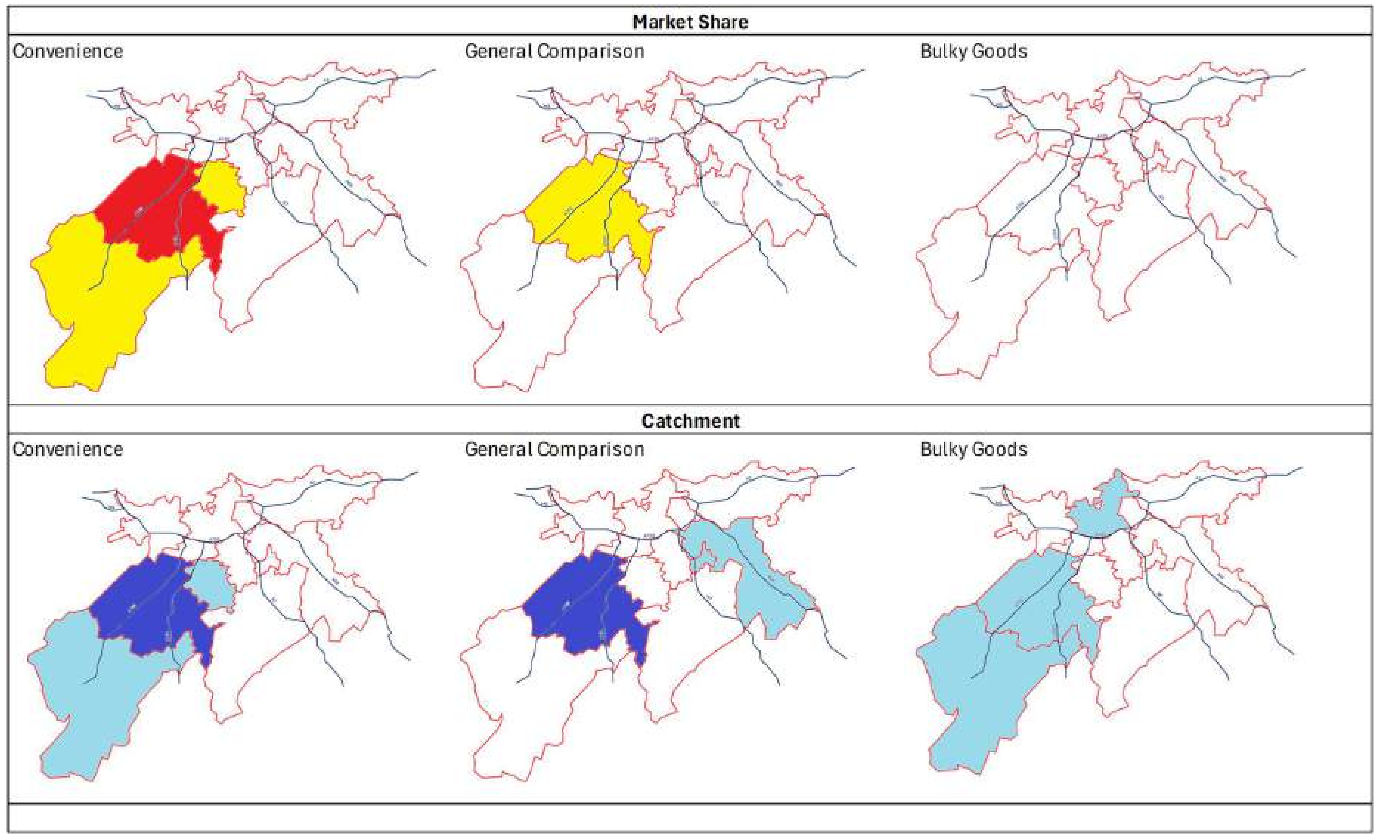
6.176. Figure 6.40 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Penicuik Town Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

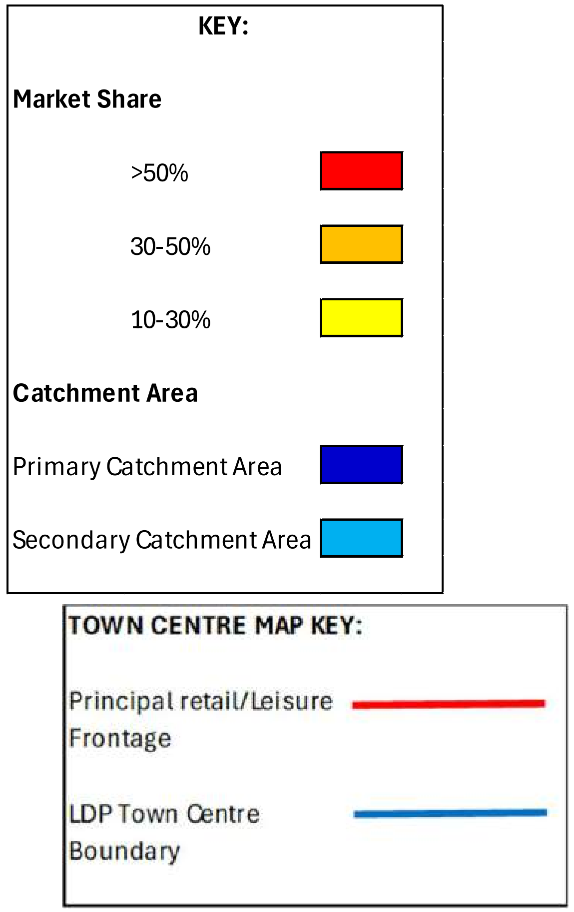
- For Convenience Goods: the centre has a clearly identifiable PCA comprising the town of Penicuik and adjoining villages (principally Auchendinny) and the SCA extends to Roslin to the north and also north west Scottish borders including the West Linton area. Market penetration levels, including other convenience floorspace within the town (notably Tesco on Edinburgh Road) are relatively high at over 50% in the PCA but 10-30% in the SCA.
- For General Comparison Goods the PCA also comprises the town of Penicuik. The model identifies an unusual SCA identified to include Dalkeith which reflects sampling issues. Market penetration rates are low, even in the PCA, with turnover accounting for only 10-30% of available expenditure.
- Bulky goods turnover is so low that it is not appropriate to consider a primary or secondary catchment area for the town.

Future Changes in Retail Turnover: Penicuik Town Centre

6.177. Figure 6.41 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.40: Penicuik Town Centre - Key Retail Characteristics





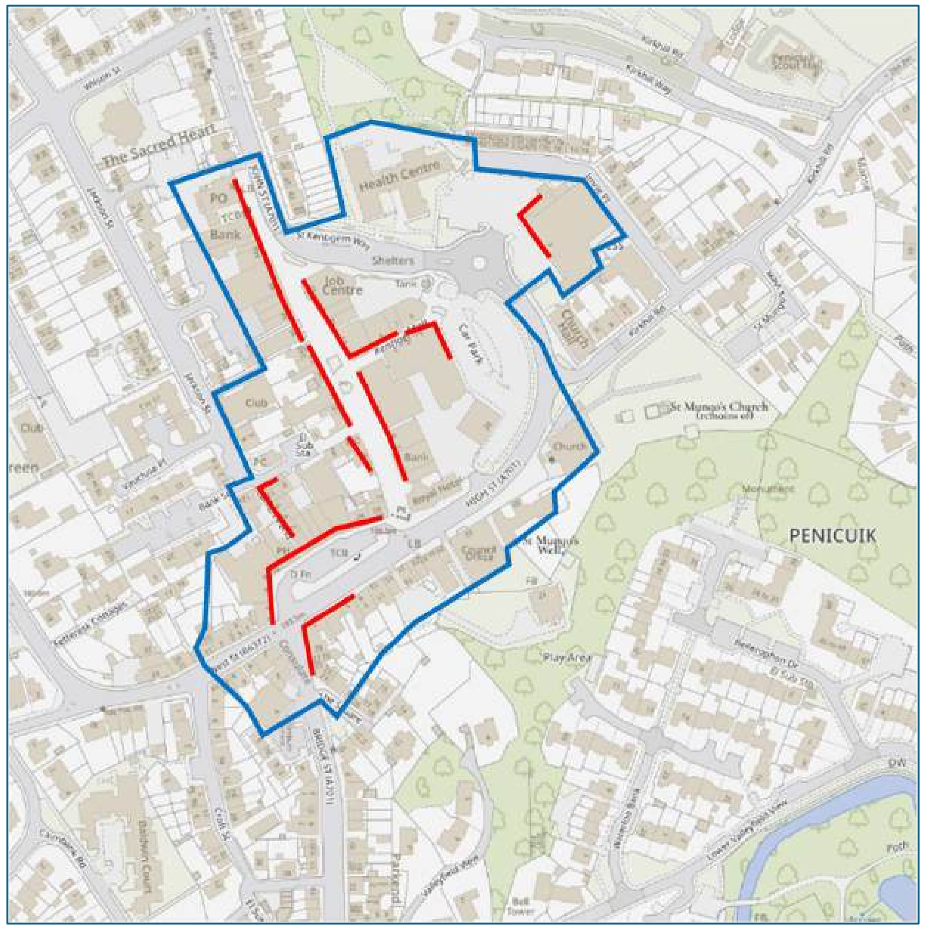
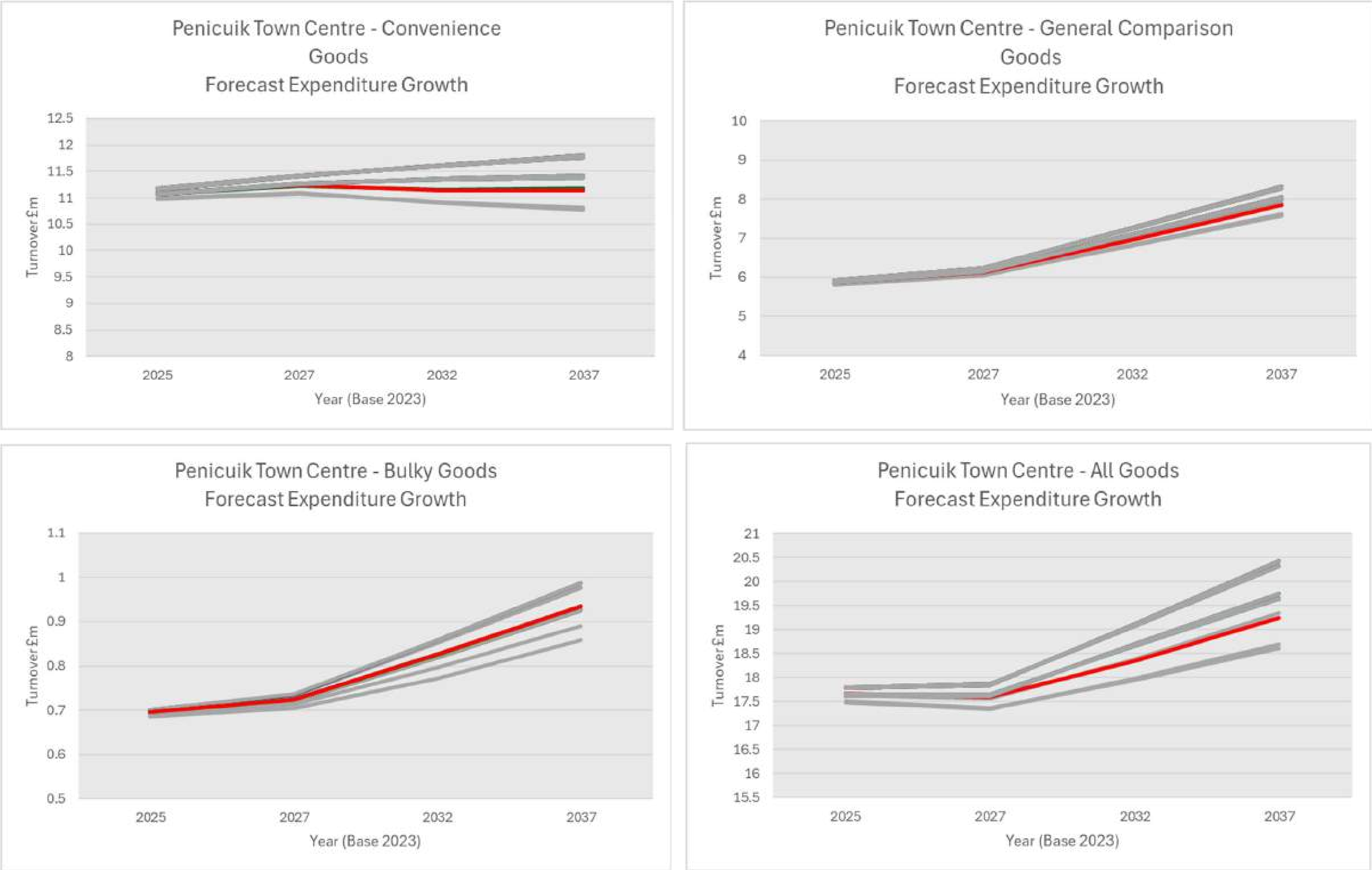


TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

	No.	Convenience GFA Sq M	Convenience NFA Sq M	Convenience Turnover Rate £/Sq M	Convenience Actual/ Average	Convenience Total Turnover £m	General Comparison GFA Sq M	General Comparison NFA Sq M	General Comparison Turnover Rate £/Sq M	General Comparison Actual/ Average	General Comparison Total Turnover £m	Bulky Goods GFA Sq M	Bulky Goods NFA Sq M	Bulky Goods Turnover Rate £/Sq M	Bulky Goods Actual/ Average	Bulky Goods Total Turnover £m	All Goods GFA Sq M	All Goods NFA Sq M	All Goods Total Turnover £m
Penicuik Town Centre																			
Convenience																			
Lidl	1	1211	969	£8,907 psm	87%	£8.63m	303	242	£4,325 psm	65%	£1.05m						1514	1211	£9.68m
Others	4	336	219	£4,806 psm	87%	£1.05m											336	219	£1.05m
Total Convenience	*5*	*1547*	*1187*	*£8,152 psm*		*£9.68m*	*303*	*242*	*£4,325 psm*		*£1.05m*	*0*	*0*				*1850*	*1430*	*£10.73m*
Gen Comp																			
B&M	1	453	340	£4,151 psm	87%	£1.41m	906	680	£2,015 psm	65%	£1.37m	151	113	£6,143 psm	199%	£0.70m	1511	1133	£3.48m
Others	11						2034	1322	£2,611 psm	65%	£3.45m						2034	1322	£3.45m
Total Gen Comparison	*12*	*453*	*340*	*£4,151 psm*	*87%*	*£1.41m*	*2941*	*2002*	*£2,409 psm*	*65%*	*£4.82m*	*151*	*113*	*£6,143 psm*	*199%*	*£0.70m*	*3545*	*2455*	*£6.93m*
Bulky Goods																	0	0	£0.00m
Services	44																4522		
Vacant	5																844		
TOTAL PENICUIK TOWN CENTRE	**66**	**2001**	**1527**	**£7,261 psm**		**£11.09m**	**3244**	**2244**			**£5.87m**	**151**	**113**	**£6,143 psm**		**£0.70m**	**10761**	**3885**	**£17.66m**

Figure 6.41: Forecast Future Turnover of Penicuik Town Centre



6.178. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Only marginal growth in convenience goods turnover (ca. 1-2% for the central case)
- Significant growth for general comparison goods and bulky goods turnover (approx. 30% in the central case).

6.179. In overall terms turnover for the town centre is expected to grow steadily between 2025 and 2037 (ca. 10%).

6.180. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

Straiton Commercial Hub/Retail Area

6.181. Policy TCR2 of the adopted LDP identifies the Straiton Commercial Hub as a location where new retail and commercial leisure will be supported subject to compliance with a series of criteria. This area includes both existing retail parks and units together with undeveloped areas primarily located on the west side of the A701.

6.182. Figure 6.42 identifies the extent of the Commercial Hub identified for existing/future retail. The figure also identifies the location of the recently developed Aldi foodstore located west of the A71 but outwith the designated Commercial hub area. The section reviews the extent of existing retail and related services provision within this area (including Aldi) in a similar manner to the town centres reviewed above.

Figure 6.42: Straiton Commercial Hub/Retail Area

Space in Use

Numbers of Units by Type

6.183. Figure 6.43 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2011 to 2025. Data for 2011 is from the 2012 Retail Study and the figures are assumed to exclude IKEA and Costco which would add an additional 32,805 sq m GFA to the figures. Costco is also not included in the 2022 and 2024 figures for floorspace.

Figure 6.43: Surveys of retail Units and Floorspace – Straiton

TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2011 HPL	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience				6		7
Comparison				25		25
Retail Services						0
Leisure Services				6		9
Business & Financial Services						0
Vacant				5		3
TOTAL	0	0	0	42	0	44
TYPES OF RETAIL/SERVICE UNITS	COUNT					
	2012 RDPC	2021 HPL	2022 HPL	2024 CPD	2024 GOAD	2025 GP
Convenience	1827		13807	13807		23805
Comparison	20473		44638	44638		64983
Retail Services						
Leisure Services	N/A		1453	1453		1285
Business & Financial Services						
Vacant			3103	3103		3915
TOTAL	22300	0	63001	63001	0	93988

Multiple Retailers

6.184. The 2025 survey identified all 32 retailers were national multiples (100% of the total retail goods shops identified). Whereas it is normal for retail parks and similar to be predominantly national occupiers it is relatively unusual for a development of this size to be wholly national multiple retailers.

Additional Facilities and Services

6.185. The retail parks/out of centre retail area do not provide any notable additional services of facilities other that retail or retail or leisure-related services or facilities.

Changes Over Time

6.186. Due to the different basis used for areas included within the surveys it is difficult to draw clear conclusions regarding changes in the Straiton area from the data in Figure 6.43. However the principal changes that have occurred over the past 15 years are:

- Limited expansion of total retail floorspace including the development of a terrace of smaller units in the southern part of the Retail Park and the construction of the freestanding (currently Sofology) unit at the A701 entrance to the retail park.

- Significant increase in convenience retail floorspace including Lidl, M&S Food and Aldi stores – in part in place of comparison goods floorspace.
- Increase in general comparison goods floorspace at the expense of bulky goods including, for example, Next occupying a major unit and the closure of Homebase.

6.187. In overall terms Straiton has remained a major concentration of retail floorspace of regional significance. The additional floorspace developed, although relatively limited compared to existing floorspace, has further strengthened the retail offer and the importance of the location within the regional network of centres.

Vacancies

Vacancy Rates

6.188. Figure 6.43 also sets out information on vacancies within Straiton. In 2025 the vacancy rates were:

- Number of units: 6.8%
- Floor area: 4.3%

6.189. Although retail parks typically have lower vacancy rates than other types of retail location these vacancy rates are below average. Most vacancies are associated with "churn" of occupiers rather than any weaknesses associated with the format, condition of individual units or with the location.

Changes over Time

6.190. Long term information on vacancies is limited. In terms of floorspace vacancies are similar to those identified in 2012. The vacant units identified in both 2024 and 2025 were principally related to identifying occupiers in the recently developed terrace of units in the southern part of the Retail Park. Only one older and larger unit is currently vacant.

Commercial Property Market Indicators

6.191. No information on current rents or yields in the Straiton area is available.

Household Survey Perceptions of the Town Centre

6.192. Figure 6.44 sets out attitudes to characteristics of the Straiton area from the household survey.

Figure 6.44 Household Survey: Attitudes to Straiton Retail Area

Straiton	10. Rating - Choice of shops for food/groceries	9. Rating - To combine shopping with personal	8. Rating - To combine shopping with leisure	7. Rating - As a pleasant and attractive place	6. Rating - Easy to travel to by public transport	5. Rating - Easy and cheap to park	4. Rating - Easy to travel to by car	3. Rating - Choice of shops for furniture etc	2. Rating - Choice of shops for other personal goods	1. Rating - Choice of shops for clothing and footwear
Very Good	22%	8%	11%	16%	23%	45%	46%	19%	13%	16%
Good	30%	20%	27%	32%	34%	20%	35%	25%	23%	22%
Average	26%	13%	23%	27%	17%	14%	15%	16%	16%	17%
Poor	14%	19%	19%	15%	14%	14%	1%	11%	17%	13%
Very Poor	8%	40%	20%	10%	13%	7%	3%	29%	31%	31%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance	31%	-31%	-2%	23%	31%	44%	77%	4%	-13%	-6%
Average Balance	16%									

6.193. In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as slightly below average by residents (net balance of -5% negative views).
- Shopping provision for convenience goods is rated as close to “average” to “good” by residents (net balance of +31% positive views)
- Access to the location by car (including for parking) and by public transport is identified as close to “good” (+51% positive views).
- The location is identified as “average” to “good” as a pleasant and attractive place to visit.
- Ratings are close to “average” to “poor” as a place to combine shopping with leisure or personal business activities.

6.194. In overall terms the town centre was viewed as “average” to “good” across all indicators with a slightly positive balance of views (+16% net balance). This was the highest ranked centre of the seven Midlothian Centres included in the survey.

6.195. It should be noted that, in the survey, some residents may have provided ratings for their views of Loanhead town centre, although the majority were referring to Straiton. This could have affected the responses received.

Conclusions

6.196. As a retail park conventional views regarding vitality and viability of centres have limited applicability, nonetheless the following should be noted:

- Vacancies are significantly below average and have remained at low levels since 2011.
- Floorspace for retail goods floorspace has increased over the past 15 years.
- Straiton is has one of the largest concentrations of retail floorspace (all categories) in Lothian and, as such draws custom from a very wide area.
- The location is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the location which are, in overall terms, broadly positive.

Straiton Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

6.197. The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail for the Straiton area as follows:

- Convenience Goods: 7 units: 23805 sq m GFA; 17227 sq m NFA (sales); and £160.41m turnover.
- General Comparison Goods: 11 units; 35119 sq m GFA; 25731 sq m NFA (sales); and £163.97m turnover.
- Bulky Comparison Goods: 14 units; 29865 sq m GFA, 25089 sq m NFA and £119.64m turnover in other retail units.
- Services: 9 units: 1285 sq m GFA
- Vacancies: 3 units: 3915 sq m GFA

6.198. This confirms that there is a broad balance between convenience, general comparison goods and bulky goods floorspace.

6.199. The SRM also allows comparison between sales densities and national average densities:

- Convenience goods these are identified to be, in 2025, trading at 92% of national averages.
- General comparison goods densities are trading significantly below national averages at 106% average.
- Bulky goods appear to be trading above national averages (113%).

6.200. The above figures indicate that the retail floorspace at Straiton is trading quite strongly which is consistent with the ongoing expansion of floorspace and relatively low vacancy levels.

Catchment Area and Market Penetration

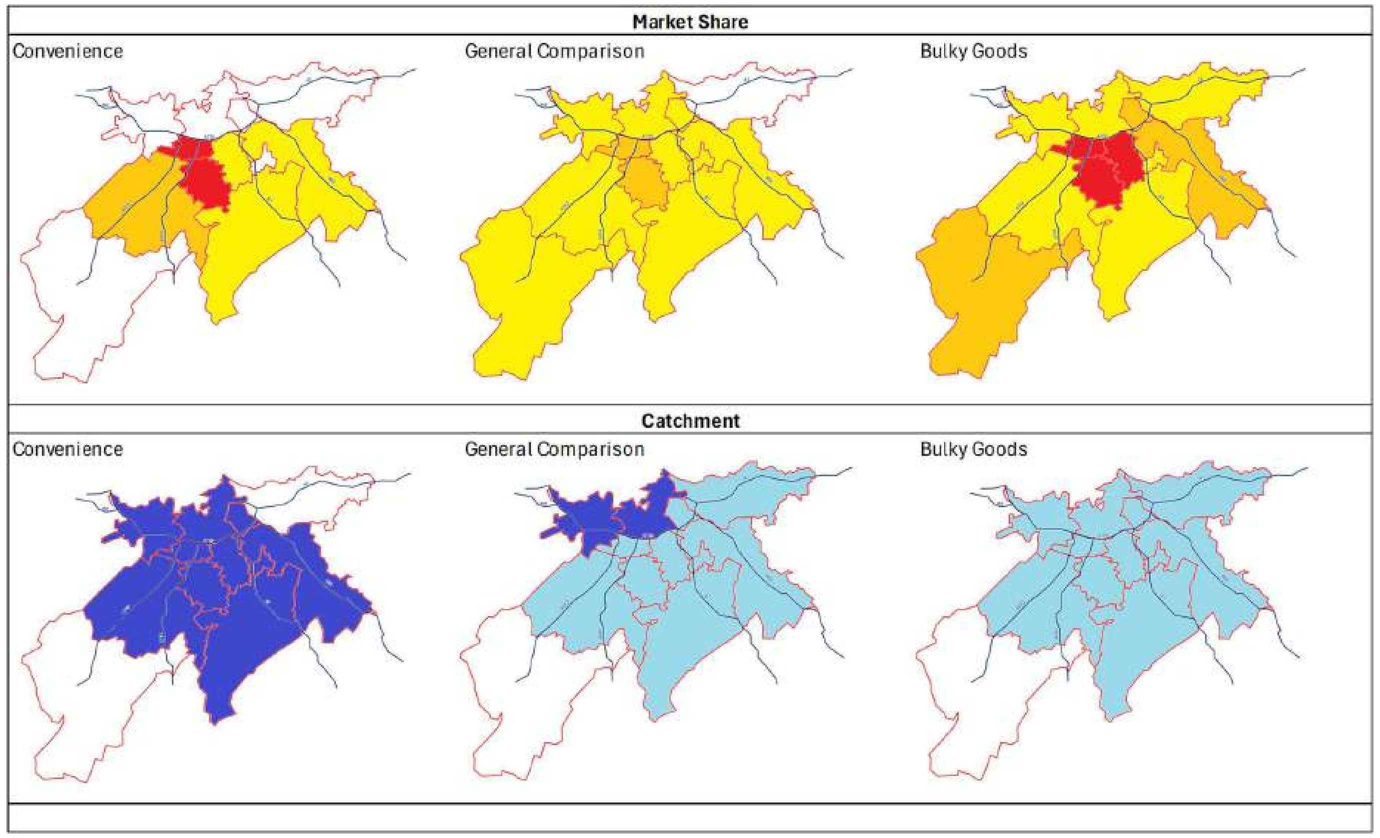
6.201. Figure 6.45 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for the Straiton area and also the levels of market penetration for different goods categories. The figure also summaries other key information for the town centre in 2025 including the location of principal retail frontages within the town centre. The figure identifies that:

- For Convenience Goods: trade to the convenience floorspace at Straiton is drawn from a relatively wide area. Whereas some stores (e.g. Sainsbury and ASDA) are identified to draw predominantly from Midlothian residents (from all parts of Midlothian) other floorspace has trade linked to those undertaking other shopping (for example Lidl and M&S benefit from trade from shoppers to the retail park). Furthermore the Costco unit, which has a major convenience offer, draws trade from much of the Lothians. Market share rates are high: greater than 50% in the Loanhead, Roslin and Rosewell area; 30-50% in Penicuik; and 10-30% for most of the remaining parts of Midlothian.
- For General Comparison Goods the PCA is identified to comprise mainly south Edinburgh. Although located slightly further away from Straiton than parts of Midlothian the very large population in this area and the high level of trips from this area to Straiton make this area the most important source of trade for general comparison goods shops in Straiton. The SCA is wide and includes the whole of Midlothian and the western parts of East Lothian. Market share figures are lower than identified for convenience goods but are still 30-50% in the Loanhead and Roslin areas and 10-30% for most of south Edinburgh and the remainder of Midlothian.
- For bulky goods the wide distribution of sources of customers makes it difficult to identify a clear PCA whereas the SCA is extensive covering the whole of Midlothian and large parts of Edinburgh. Market share levels are comparable to those identified for convenience goods with greater than 50% in the Loanhead, Roslin and Rosewell area; and between 10% and 30% in the remaining parts of Midlothian, south Edinburgh and west East Lothian.

Future Changes in Retail Turnover: Straiton Retail Area

6.202. Figure 6.46 sets out the future turnover of each of the principal goods categories for the town centre for the period 2025 to 2037 for each strategic model test. The red line shows the central case assumptions and grey lines alternative tests.

Figure 6.45: Straiton/Loanhead Town Centre - Key Retail Characteristics



KEY:

Market Share

>50%

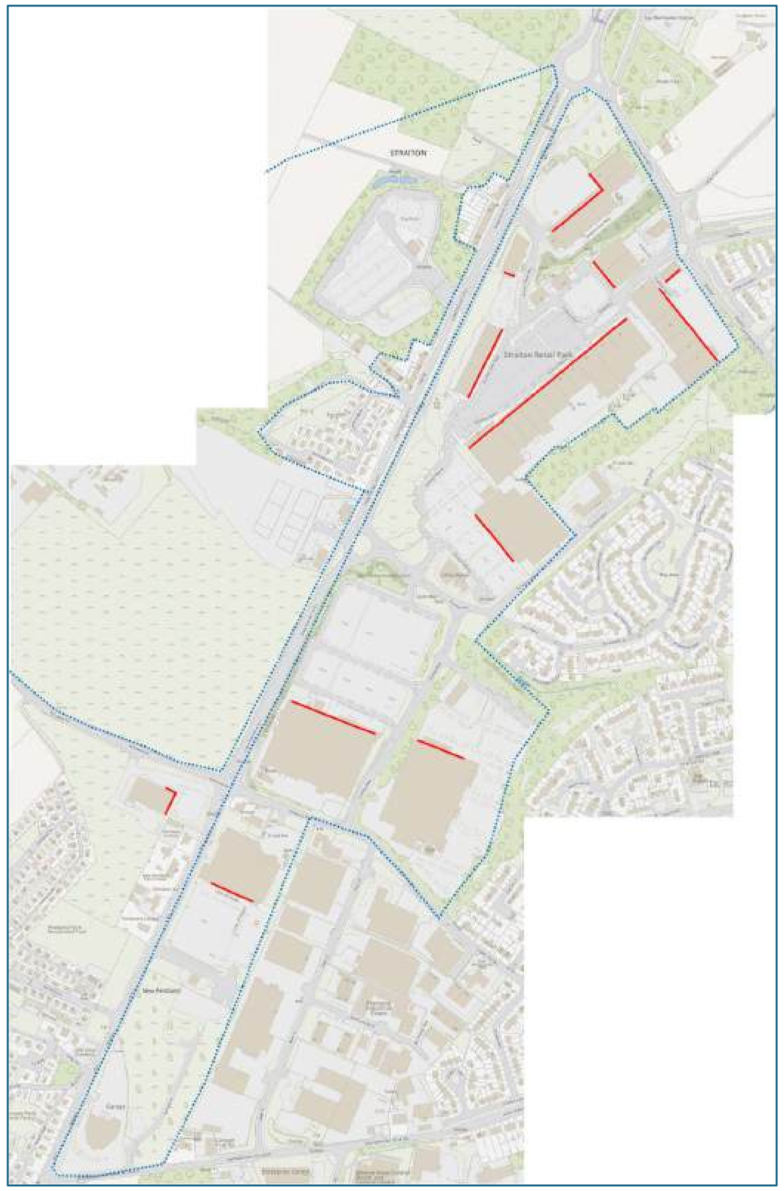
30-50%

10-30%

Catchment Area

Primary Catchment Area

Secondary Catchment Area



MAP KEY:

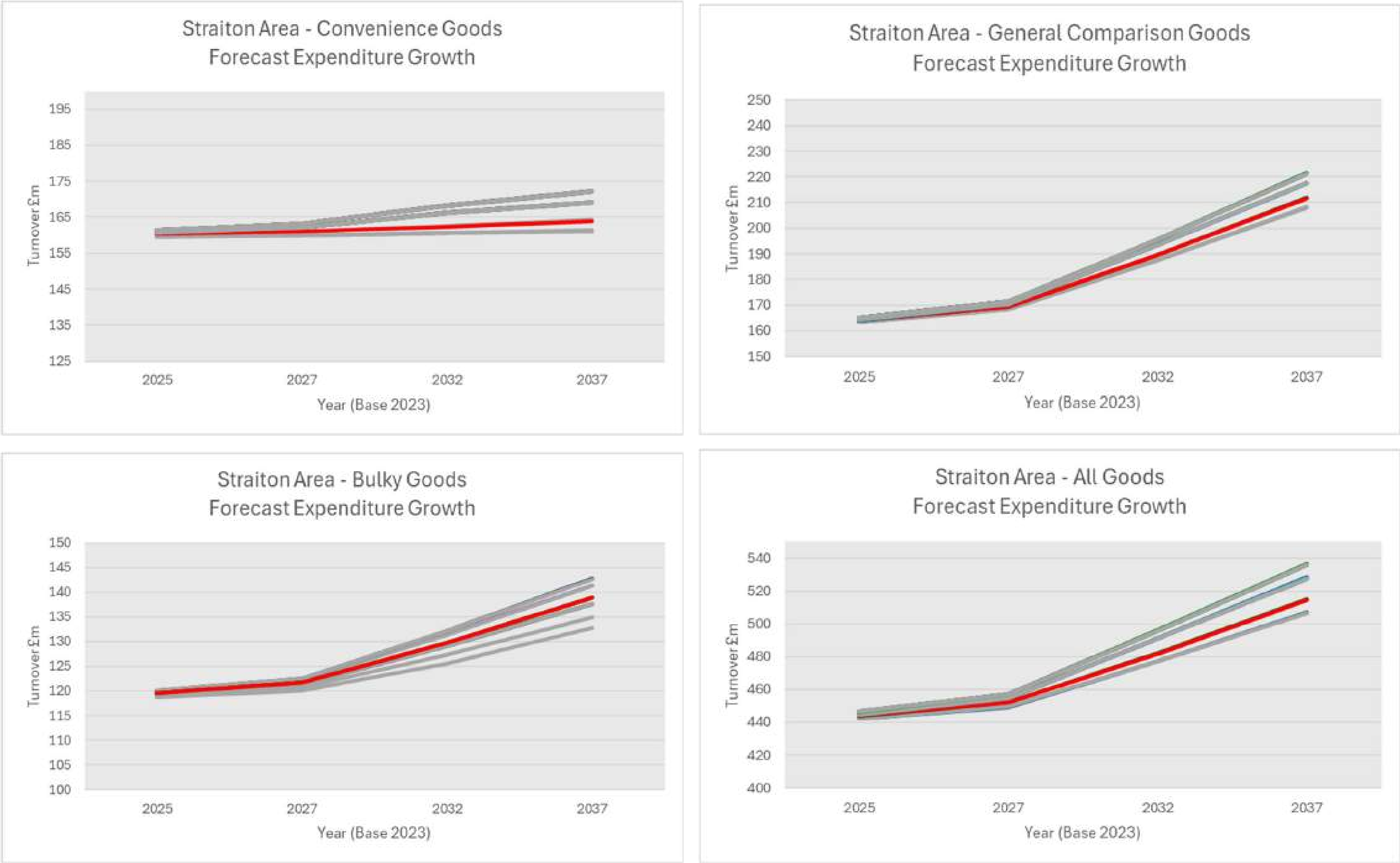
Principal retail/Leisure Frontage

TCR2 New Retail Boundary

TABLE 16: EXISTING FLOORSPACE AND TURNOVER 2025
2023 Prices

		Convenience					General Comparison					Bulky Goods					All Goods		
	No.	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Actual/ Average	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
Straiton Retail Parks																			
Convenience																			
Total Convenience	*5*	*8798*	*5651*	*£11,971 psm*		*£67.65m*	*4111*	*2626*	*£9,991 psm*		*£26.24m*	*0*	*0*			*£0.00m*	*12909*	*8278*	*£93.89m*
Comparison																			
Total Comparison	*23*	*1181*	*827*	*5855*		*£4.84m*	*16369*	*11458*	*4074*		*£46.68m*	*15266*	*11951*	*2579*		*£30.82m*	*32816*	*24236*	*£82.34m*
Services	9																1285		
Vacant	3																3915		
TOTAL STRAITON PARKS	**40**	**9980**	**6478**			**£72.49m**	**20480**	**14085**	**£5,178 psm**		**£72.92m**	**15266**	**11951**	**£2,579 psm**		**£30.82m**	**50926**	**32513**	**£176.23m**
Remainder Straiton Area																			
Convenience																			
Aldi	1	1474	1105	£15,630 psm	92%	£17.28m	368	276	£1,059 psm	106%	£0.29m						1842	1382	£17.57m
ASDA	1	4208	2314	£12,974 psm	92%	£30.03m	4208	2314	£9,671 psm	106%	£22.38m						8416	4629	£52.41m
Comparison																			
IKEA	1						5677	5109	£8,473 psm	106%	£43.29m	14598	13138	£6,761 psm	113%	£88.82m	20275	18248	£132.12m
Costco*	1	8144	7330	£5,541 psm	92%	£40.62m	4385	3947	£6,355 psm	106%	£25.08m						12529	11277	£65.70m
Sevices																			
Vacant																			
TOTAL REMAINDER STRAITON AREA	**4**	**13826**	**10749**			**£87.92m**	**14639**	**11647**	**£7,818 psm**		**£91.05m**	**14598**	**13138**	**£6,761 psm**		**£88.82m**	**43063**	**35535**	**£267.79m**

Figure 6.46: Forecast Future Turnover of Straiton Retail Area



6.203. The figures indicate some variation in the forecasts for turnover for each of the goods categories – in all cases identifying significant growth, particularly for general and bulky comparison goods. This growth reflects forecast population growth and, for the comparison goods categories, forecasts of growth of available expenditure per capita. The principal forecasts are:

- Only marginal growth in convenience goods turnover (ca. 2% for the central case)
- Significant growth for general comparison goods and bulky goods turnover (approx. 15% to 30% in the central case).

6.204. In overall terms turnover for the town centre is expected to grow steadily between 2025 and 2037 (ca. 15%).

6.205. Assuming no significant changes in floorspace (there are no significant retail commitments at present), sales densities will reflect the forecast changes in turnover.

7. Recommendations for Retail & Leisure Planning

Introduction

7.1. This section sets out the recommendations for the retail and leisure strategy to be considered by Midlothian Council for inclusion within the emerging draft Local Development Plan 2. It considers each of the following:

- The network of centres
- Specific retail and leisure planning issues for individual centres including:
  - *The vitality and viability of centres and prospects for future growth*
  - *Quantitative and Qualitative retail deficiencies*
  - *Market potential*
  - *Potential amendments to the boundaries of defined centres*
- Provision for retail and leisure in residential developments to support local accessibility to retail and services provision
- Broad policy recommendations for inclusion within the LDP
- Other issues including town centre health checks, monitoring and review

7.2. The key issues to be addressed in the recommended Retail Strategy are identified in the following box. These have been identified taking into account the context of each of: the anticipated population and expenditure growth within the study area; changes in the structure of retailing and leisure and future changes; and the policy framework provided through National Planning Framework 4.

Key Issues to be addressed through the Retail Strategy

1. ***The protection and enhancement of the town centres***. *This reflects the importance of these centres providing important services and facilities to the wider community consistent with a "town centres first" policy approach. In addition the importance of protecting, where possible, local shopping provision in the towns and in rural areas to support local access to shopping facilities. This will support social inclusion and the minimisation of travel demand and reducing overall carbon emissions.*

2. ***Encouraging new investment in retail and leisure*** *in both existing retail centres (including both new floorspace and the re-use of existing space, including vacant space) and in new local centres which serve new and existing residential areas that currently have limited access to local retail and services provision.*

3. ***Ensuring that new retail and leisure developments contribute towards supporting local access to these facilities incorporating the principles embodied in 20-Minute Neighbourhoods and similar.*** *This will support reducing the need to travel and encouraging people to walk, cycle or use public transport by making these attractive choices.*

4. ***Addressing identified existing retail deficiencies (qualitative and quantitative).***

5. ***Addressing the retail needs of Shawfair*** *both in terms of the proposed new town centre and local retail/service provision.*

6. ***Identifying general policy principles*** *to be applied for all new retail and leisure development consistent with National Policy Framework 4 provided this is consistent with meeting the local needs of Midlothian.*

Network of Centres

7.3. Section 4 set out an analysis of centres within Midlothian and proposed the network of centres identifying the function/role of each centre. The amended network is recommended for potential inclusion within the LDP2 as set out below in Figure 7.1 (copied from Figure 4.6).

Figure 7.1: Proposed Network of Centres (from Figure 4.5)

Category of Centre	Function/Role of Centre	Locations
Principal Town Centres	*Provide a reasonable range of retail, retail service and non-retail public and commercial services and facilities.* *Provide a focus for the local community (town and immediate rural/urban hinterland) and for local transport networks.*	*Dalkeith, Penicuik and Bonnyrigg Town Centres*
Local Town Centres	*Provide a more limited range of retail facilities and other services/facilities – primarily meeting most day-to-day needs of the local community.* *Function as a clear focus for the settlement in which located.*	*Gorebridge*, Loanhead, Mayfield*, and Newtongrange Local Town Centres.* *In the future: Shawfair (subject to design and implementation of the centre).* **proposed extensions for centres*
Local/Neighbourhood Centres	*Provide a limited range of services and facilities primarily serving the local community and supporting local accessibility (20 minute neighbourhoods)*	*Edinburgh Rd, Penicuik* *Hopefield Park, Bonnyrigg* *Woodburn, Dalkeith* *Thornybank, Dalkeith* *Carnethy Ave/John Street, Penicuik* *Roslin*
Commercial Centres	*Retail developments (either purpose built or well-defined groups of separate units) that serve one or more specific retail market sectors with relative wide catchment areas.*	*A701 Corridor/Straiton: to include existing retail parks, superstores/supermarket, IKEA/Costco and consented retail development. Primarily located on the east side of A701**.* *Hardengreen, Eskbank* *** recommended that undeveloped areas west of A701 are not included as Commercial Centre*

7.4. The principal changes compared to that set out in policy TCR2 and Figure 4.4 of the LDP:

- Identification of the three larger town centres (Dalkeith, Penicuik and Bonnyrigg) as *principal* town centres. It should be noted, however, that both Penicuik and Bonnyrigg are both small town centres when compared to other locations in Scotland and one alternative to this proposal is to *only* identify Dalkeith as a Principal Town Centre with the remaining 6 town centres all identified as Local Town Centres.

- Greater clarity as to the role/purpose of centres identified within the network.
- Reduction in numbers of Local/neighbourhood centres to those that provide a minimum range of facilities consistent with that identified for the 20MN analysis set out in Section 5.
- Inclusion of Hardengreen as a Commercial Centre.
- Reduction in the area of the Straiton Commercial centre excluding most of the allocated area west of the A701, but including Aldi.

7.5. In terms of the description of the function of centres the principal difference between Principal and Local Town Centres is that the former serve both the towns in which they are situated together with other nearby communities (both urban and rural). Whereas the extent to which Local Town Centres serve areas beyond the town in which they are located is significantly more limited.

Proposals for Town and Commercial Centres

Bonnyrigg Town Centre

Vitality and Viability

7.6. Section 6 provided a health check of Bonnyrigg town centre. It identified that the vitality and viability indicators present a generally positive view of the health of the centre, taking into account its limited size:

- Vacancies are significantly below average and have remained at low levels since 2011.
- The range of retail and service provision has remained relatively stable since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- The environmental quality of the centre is considered by residents to be acceptable (average) despite the fact that there are no pedestrianised areas. In general traffic flows and speeds are not high and this may be perceived as acceptable to residents.
- In general residents have generally positive views of the centre. The principal negative views concern the comparison goods offer which is limited but this is an inevitable consequence of the small size of the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.7. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will grow marginally to 2037. Sales densities are healthy (at 98% national averages).

7.8. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison goods are just over 69% of UK average figures and 72% for bulky goods. It is considered that these are reasonable turnover rates given the size of and market served by the town centre.

Retail Deficiencies, Capacity and Demand

7.9. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.10. For *convenience goods* it identified:

- For Midlothian as a whole there is broad balance between expenditure and turnover;

- Although there is a notional quantitative deficiency identified for Zone 7 (Bonnyrigg) a significant portion of expenditure “leaks” from Bonnyrigg to Tesco at Hardengreen which, although in a different model zones, is immediately adjacent to Bonnyrigg. However, if account is taken of this, a quantitative retail deficiency for convenience goods can be identified for Bonnyrigg and, apart from the mid-sized Co-op supermarket residents are reliant on travelling out of the town to larger stores Dalkeith/Eskbank and Straiton for main food shopping requirements.
- Deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.11. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and a more significant quantity of bulky goods floorspace.
- In Bonnyrigg there is only a limited choice for both general and bulky comparison floorspace and this can be considered a qualitative retail deficiency.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Bonnyrigg town centre but more likely would be for the Straiton area.

7.12. In overall terms, it is concluded that there is a deficiency for convenience floorspace in Bonnyrigg, particularly for a modern foodstore. At this time there is no clear site within or adjacent to the town centre capable of accommodating of store of this type. For comparison goods the key factor is limited market demand and demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Dalkeith and other town centres has been noted.

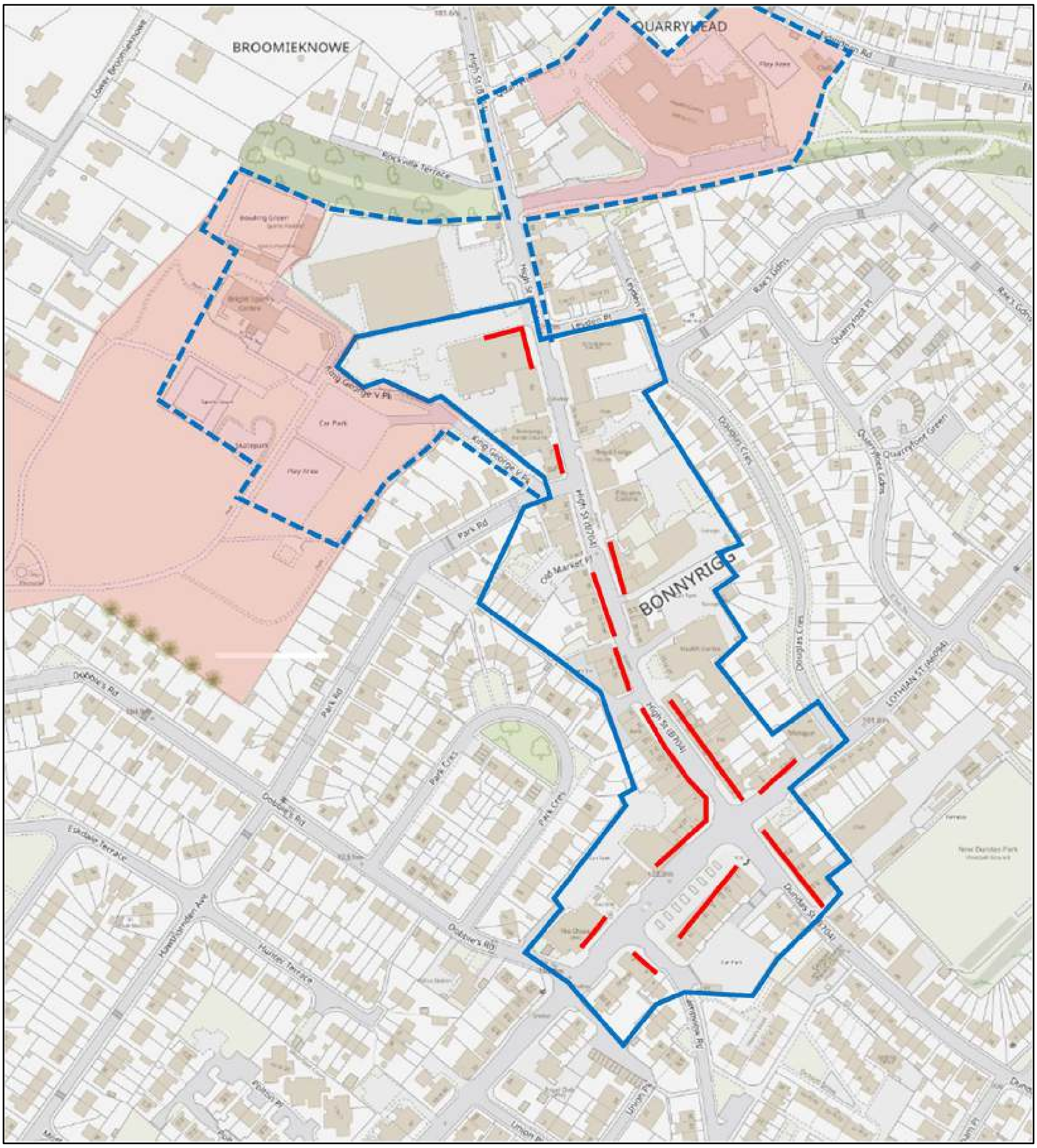
Accessible Local Floorspace

7.13. Section 5 has highlighted that there are significant parts of the Bonnyrigg area that are not within easy walking distance of a minimum range of local shops and/or services: Lasswade; SE parts of Bonnyrigg close to the B6392; new housing areas located on the southern edge of the town; and Polton.

7.14. Town Centre Boundaries

7.15. Figure 6.1 identified the current LDP boundary of the town centre and the location of principal retail and leisure frontages. It is considered that the LDP accurately identifies the boundary of the town centre with the exception of community uses associated with the sports/recreation facilities at King George’s Park and the Bonnyrigg Health Centre with adjacent community/social facilities. Figure 7.2 shows a possible extension to the town centre boundary although, it is acknowledged that the boundary within the park is not clearly defined. Within this area the Council depot has been included which could be identified as a development site should it become surplus to requirements. However, it is not considered that the inclusion of the depot site would make a significant difference in terms of application of policies for town centre and retail uses for town centre since, even if it is not included in the town centre it is clearly an edge-of-centre site and, in the absence of alternative town centre sites this location would be a sequentially preferable site for this type of development.

Figure 7.2: Potential Extension to Bonnyrigg Town Centre



Dalkeith Town Centre

Vitality and Viability

7.16. Section 6 provided a health check of Dalkeith town centre. It identified that the vitality and viability indicators present a mixed picture of but generally positive view of the health of the centre:

- Vacancies are significantly below average and have remained broadly at the same level since 2011.
- Floorspace for retail and related services has increased over the past 15 years.

- However, there has been a decline in comparison goods shopping both in terms of numbers of units and floorspace reducing choice for consumers. This change is in line with national trends for centres of this size.
- The town centre provides predominantly a traditional shopping environment with limited areas where pedestrians are able to shop away from traffic. Furthermore there are no sheltered shopping areas during inclement weather.
- The town centre's historic and architectural character make significant contributions to the vitality of the centre and this is appreciated by users/visitors to the centre. Whereas this is attractive (particularly towards the eastern end of the High Street) older/dated properties in the centre of the town and the impact of traffic result in a slightly negative view of the attractiveness of the town centre environment.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly neutral.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.17. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will grow slightly to 2037. Sales densities are healthy (at 102% national averages).

7.18. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison goods are just over 65% of UK average figures and 77% for bulky goods. It is considered that these are reasonable turnover rates given the size of and market served by the town centre.

Retail Deficiencies, Capacity and Demand

7.19. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.20. For *convenience goods* it identified:

- there is broad balance between expenditure and turnover for Midlothian as a whole;
- no specific quantitative nor qualitative retail deficiency was identified for Dalkeith;
- deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.21. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and a more significant quantity of bulky goods floorspace.
- Even in Dalkeith there is a limited choice for both general and bulky comparison floorspace and this can be considered a qualitative retail deficiency.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Dalkeith town centre but more likely would be for the Straiton area.

7.22. In overall terms, it is concluded that there is limited requirement for both convenience and comparison floorspace. A key factor is limited market demand. At present most national operators for convenience goods are present in the Dalkeith area although trends would suggest modest ongoing growth for small units and independents. This is expected to be accommodated in existing units within the town centre. Demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Dalkeith and other town centres has been noted.

Accessible Local Floorspace

7.23. Section 5 has highlighted that only limited parts of Dalkeith (Zone 2) do not have accessible local retail/services floorspace.

Town Centre Boundaries

7.24. Figure 6.7 identified the current boundary of the town centre and the location of principal retail and leisure frontages. In addition the boundary of the town centre includes important additional services and facilities including the Council offices and the bowling club. Only limited frontages are identified outwith the LDP boundary along a limited section of the eastern part of the High Street (east of Duke Street) but this is a small area and it is not considered necessary for the boundary to be amended to include this area.

Gorebridge Town Centre

Vitality and Viability

7.25. Section 6 provided a health check of Gorebridge town centre. It identified that it is a small centre which provides a very limited retail and service offer. It does not provide the range of services and facilities that would normally be expected in a town centre. It is considered that this factor is the key reason why there are significant negative views of the centre by residents expressed through the household survey. However, if one recognises the very small size of the centre then it is considered that its vitality and viability is generally healthy:

- There are no vacancies i.e. well below the national average and they have remained at low levels since 2011.
- The range of retail and service provision has remained relatively stable since 2011 but with a shift from retail goods shops to retail and related services in line with national trends.
- The environmental quality of the centre is considered by residents to be below average and it is noted that there are only limited areas (close to Hunter Square) where there are wider areas of pavement allowing some separation between pedestrians and traffic. However, the centre has high conservation value and traffic flows along Main Street are relatively low. It is therefore considered that the environmental quality of the centre is quite high.
- In general residents have generally negative views of the centre. The principal negative views concern the comparison goods offer which is limited but this is an inevitable consequence of the small size of the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.26. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will decline slightly to 2037. Sales densities are acceptable taking into account the small size of the centre (at 72% national averages).

7.27. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison goods are only 58% of UK average figures. It is considered that, even taking into account the very small retail offer in the town centre, these rates are weak.

Retail Deficiencies, Capacity and Demand

7.28. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.29. For *convenience goods* it identified:

- There is broad balance between expenditure and turnover for Midlothian as a whole.
- For Gorebridge (Zone 5) there is an identifiable quantitative retail deficiency reflecting leakage of spend by residents to, in particular, the Tesco at Hardengreen.
- There is very limited choice, particularly for main food shopping in Gorebridge and nearby areas. The nearest larger foodstores are at Hardengreen and in Dalkeith.
- The relatively small market will limit market demand for the provision of this type of floorspace.
- Deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.30. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and bulky goods floorspace.
- There is minimal choice for general comparison and no notable bulky comparison floorspace offer which is a significant qualitative retail deficiency.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Gorebridge town centre but more likely would be for the Straiton area.

7.31. In overall terms, it is concluded that there is a deficiency for convenience floorspace in Gorebridge, particularly for a modern foodstore. At this time there is no clear site within or adjacent to the town centre capable of accommodating of store of this type and market demand appears unlikely. For comparison goods the key factor is limited market demand and demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Midlothian town centres has been noted.

Redheugh Retail Proposal

7.32. The current LDP identifies land at A7/Redheugh as *"primarily convenience nature, and may be in the form of a new town centre for Redheugh".* Although a deficiency for Gorebridge for convenience retail has been identified it is not evident that there would be sufficient market demand to sustain a significant foodstore in this location and there is unlikely to be demand to support comparison retail floorspace. It is recognised that new housing sites have been retained for the draft new LDP2 following the Committee decision in November 2025 but significant new convenience floorspace is anticipated to be viable only if it draws significant trade from the Co-op stores in Newtongrange and Hunterfield. The location on the west side of the A7 is anticipated to be less accessible than these existing stores.

7.33. At this stage therefore it is noted that, whereas there is a quantitative retail deficiency that would support a mid-sized foodstore in this location the impacts on existing town centres are uncertain. Furthermore, although the housing sites have been retained the HLA identifies that both sites h50 and Hs7 (with a combined capacity for 1100 units) are "constrained" with no indication if or when they could be implemented. Site Hs7 (200 capacity) is identified as "safeguarded capacity" indicating its potential as probably only long term. Given this uncertainty **it is concluded that it is not appropriate to retain the proposal for significant new retail floorspace in this location until the major new housing allocations can be confirmed and programmed.**

Accessible Local Floorspace

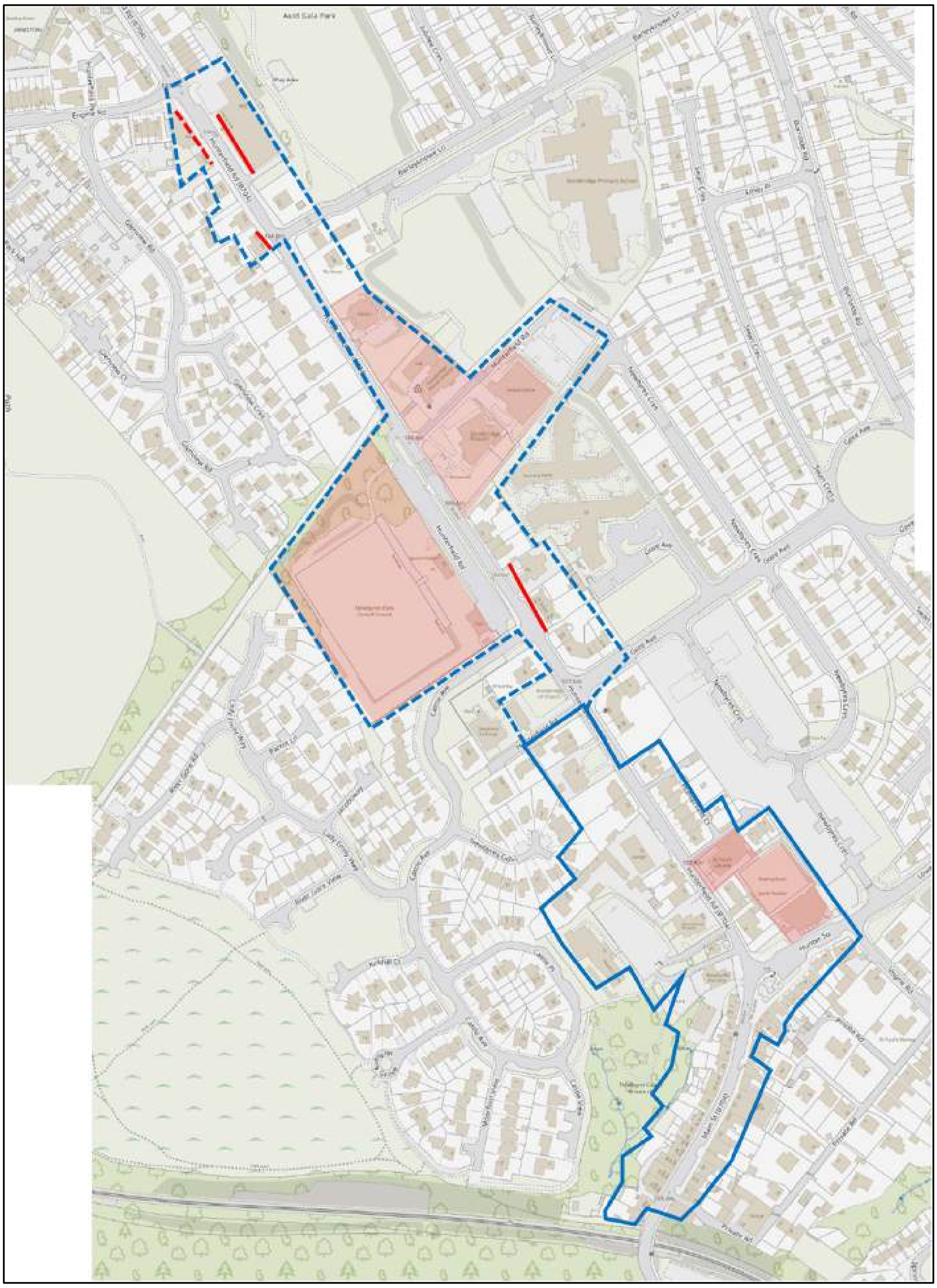
7.34. Section 5 has highlighted that most parts of Gorebridge have reasonable access to local retail/services provision. Areas not considered to be within easy walking distance of local facilities are: the most northerly part of Gorebridge but this is relatively close to the Newtongrange Co-op and it is only slightly over 800m from the Hunterfield Co-op; and proposed housing allocations located on the west side of the A7/Redheugh.

Town Centre Boundaries

7.35. Figure 6.13 identified the current boundary of the town centre and the location of principal retail and leisure frontages insofar as these can be identified for such a small centre. A key issue for retail/leisure and other community services provision in Gorebridge is that these are located not only on Main Street but also along Hunterfield Road. To a limited degree this is reflected in the LDP town centre boundary but important community and retail facilities are provided along Hunterfield Road as far as, and including, the Co-op supermarket. In retail terms this store is much more important for Gorebridge than the shops in the identified town centre.

7.36. It is therefore recommended that the boundary of Gorebridge town centre is extended northwards to include both community and commercial facilities and floorspace. This is shown in Figure 7.3 which identifies principal retail and commercial frontages and also important wider community facilities including leisure and sports facilities (shaded red).

Figure 7.3: Proposed Amendment to Gorebridge Town Centre Boundary



Loanhead Town Centre

Vitality and Viability

7.37. Section 6 provided a health check of Loanhead town centre. It identified that the centre presents a mixed picture of the health of the town centre.

- Vacancies remain below average for Scotland but have increased significantly since 2022.
- The retail and services offer within Loanhead town centre is limited reflecting the small size of the centre. The centre does provide a limited range of additional services and facilities.
- The environment of the town centre is mixed. The southern part, to the south of the junction of Clerk Street and The Loan, provides an area of open space and art feature whereas Clerk Street has buildings of generally indifferent quality and has significant through traffic.
- In overall terms the total retail and services floorspace appears to have increased since 2011 but there has been a modest decline in space for retail goods shops more than countered by an increase in space for services.
- The centre is easily accessible by public transport but those travelling by private car are dependant on on-street parking although, it should be noted, this does not normally present a difficulty.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.38. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will marginally increase to 2037. Sales densities are relatively strong taking into account the small size of the centre (at 92% national averages).

7.39. *Comparison Goods.* Turnover for comparison goods is expected to increase to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison and bulky goods are identified to be 106%-113% of UK average figures which is strong for such a small centre.

7.40. In overall terms these sales densities are healthy and support the viability of the town centre.

Retail Deficiencies, Capacity and Demand

7.41. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.42. For *convenience goods* it identified:

- There is broad balance between expenditure and turnover for Midlothian as a whole.
- For Loanhead & Straiton (Zone 6) there is a substantial excess of convenience turnover compared to available expenditure generated within the Zone. This reflects the presence of the various supermarkets and superstores located in the Straiton area.
- Although there is limited choice within Loanhead town centre the supermarkets and superstores located in Straiton are very close to the town.
- With the close proximity of Straiton to the town centre it is considered that there is unlikely to be any significant demand for additional convenience floorspace, apart from that associated with small-scale local and independent provision.
- Deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.43. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and bulky goods floorspace.
- As with convenience goods the presence of substantial floorspace nearby in Straiton will limit potential demand in Loanhead.
- Given the range of choice in major shops close to the town it is not considered that there is qualitative retail deficiency for these types of goods.

7.44. In overall terms, it is concluded that there is no deficiency (qualitative or quantitative) for additional retail floorspace in Loanhead.

Accessible Local Floorspace

7.45. Section 5 has highlighted that the only locations within Zone 5 that do not have relatively easy walking access to local shops is the rural area of Damhead.

Town Centre Boundaries

7.46. Figure 6.19 identified the current boundary of the town centre and the location of principal retail and leisure frontages insofar as these can be identified for the town centre. It is considered that the LDP accurately reflects commercial retail and leisure space and other community facilities within the centre of Loanhead and, therefore, no amendment to the boundary of the centre is proposed.

Mayfield Town Centre

Vitality and Viability

7.47. Section 6 provided a health check of Mayfield town centre. It identified that it is a very small centre which provides a very limited retail and service offer. It does not provide the range of services and facilities that would normally be expected in a town centre. As with Gorebridge, it is considered that this factor is the key reason why there are significant negative views of the centre by residents expressed through the household survey. In overall terms it is considered that the centre is relatively weak:

- Vacancies are significantly above average (by numbers of units) and have significantly worsened since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- However, there appears to have been a modest decline in retail goods shopping in terms of floorspace reducing choice for consumers. This change is in line with national trends for centres of this size. Floorspace for retail services and vacant space has increased over this period.
- Boghall Court provides traffic free shopping environment but views of residents is that the environmental quality of the centre is below average.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly negative.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.48. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will be broadly flat over the period to 2037. Sales densities are acceptable taking into account the small size of the centre (at 67% national averages).

7.49. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison and bulky goods are identified to be 87-90% of UK average figures which is quite strong for such a small centre.

7.50. It is considered that, when taking into account the very small retail offer in the town centre, the convenience rates are quite weak whereas the limited comparison offer is quite healthy.

Retail Deficiencies, Capacity and Demand

7.51. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.52. For *convenience goods* it identified:

- There is broad balance between expenditure and turnover for Midlothian as a whole.
- For Mayfield and Newtongrange (Zone 4) there is an identifiable quantitative retail deficiency reflecting leakage of spend by residents to, in particular, supermarkets in Dalkeith including the Tesco at Hardengreen.
- There is limited choice, particularly for main food shopping in Mayfield and nearby areas limited to the Scotmid and Co-op small-medium sized supermarkets. The nearest larger foodstores are at Hardengreen and in Dalkeith.
- The relatively small market will limit market demand for the provision of this type of floorspace.
- Deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.53. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and bulky goods floorspace.
- There is minimal choice for general comparison and bulky comparison floorspace offer which is a significant qualitative retail deficiency.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Mayfield town centre but more likely would be for the Straiton area.

7.54. In overall terms, it is concluded that there is a deficiency for convenience floorspace in Mayfield, particularly for a modern foodstore. However the close proximity of the area to Dalkeith limits the potential for new floorspace in market terms. At this time there is no clear site within or adjacent to the town centre capable of accommodating of store of this type and market demand appears unlikely. For comparison goods the key factor is limited market demand and demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Midlothian town centres has been noted.

Accessible Local Floorspace

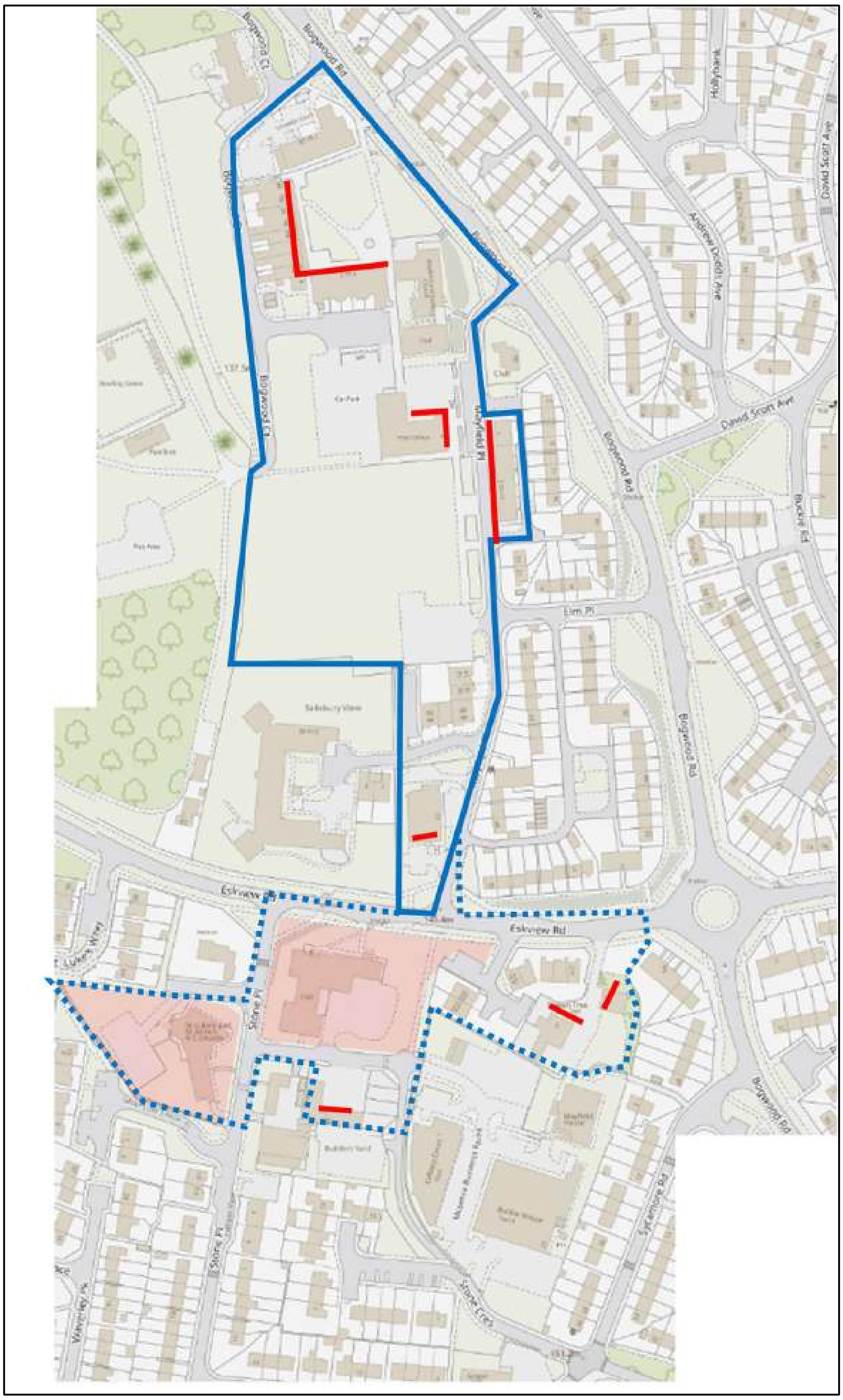
7.55. Section 5 has highlighted that most parts of Mayfield have reasonable access to local retail/services provision. Areas not considered to be within easy walking distance of local facilities are: Easthouses; Westhouses Road area; and major new residential areas proposed in south Mayfield.

Town Centre Boundaries

7.56. Figure 6.25 identified the current boundary of the town centre and the location of principal retail and leisure frontages insofar as these can be identified for such a small centre. The LDP boundary excludes significant community uses including a church and community club which are located immediately to the south of the identified centre.

7.57. It is therefore recommended that the boundary of Mayfield town centre is extended southwards to include these uses and limited additional community retail and leisure floorspace. This is shown in Figure 7.4. The figure identifies principal retail and commercial frontages and also important wider community facilities including leisure and sports facilities (shaded red).

Figure 7.4: Proposed Amendment to Mayfield Town Centre Boundary



Newtongrange Town Centre

Vitality and Viability

7.58. Section 6 provided a review of the vitality and viability of Newtongrange town centre. It noted that the centre is split into two distinct parts located at either end of Main Street. Even in combination the two parts only provide a relatively limited retail and services offer with 30 units and it does not provide the range of services and facilities that would normally be expected in a town centre. As with other smaller town centres it is considered that this factor is the key reason why there are significant negative views of the centre by residents expressed through the household survey. However, if one recognises the very small size of the centre then it is considered that its vitality and viability is generally healthy:

- Vacancies are significantly below average and have remained very low since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- The centre is split into two parts and the separation of these areas results in the parts being effectively distinct with limited linkage between the two parts.
- The centre provides a relatively strong convenience goods and services offer (which extends to include non-retail related community services) but minimal comparison goods with the notable exception of the furniture shop on Station Road.
- The southern parts of the town centre is adjacent to and influenced by the adjacent historic conservation area which contributes to the character of this part of the centre.
- Residents' perceptions of the centre are generally negative with the centre rated second worse of the seven centres included in the survey.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.59. *Convenience Goods.* In overall terms it is expected that convenience goods turnover remain flat/marginally decline to 2037. Sales densities are acceptable/slightly weak taking into account the small size of the centre (at 67% national averages).

7.60. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison goods are strong for the small size of the centre (at 87-90%% of UK average figures).

Retail Deficiencies, Capacity and Demand

7.61. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.62. For *convenience goods* it identified:

- There is broad balance between expenditure and turnover for Midlothian as a whole.
- For Mayfield and Newtongrange (Zone 4) there is an identifiable quantitative retail deficiency reflecting leakage of spend by residents to, in particular, supermarkets in Dalkeith including the Tesco at Hardengreen.
- There is limited choice, particularly for main food shopping in Newtongrange limited to the Scotmid and Co-op small-medium sized supermarkets. The nearest larger foodstores are at Hardengreen and in Dalkeith.
- The relatively small market will limit market demand for the provision of this type of floorspace.

- Deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.63. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and bulky goods floorspace.
- There is limited choice for general comparison and bulky comparison floorspace offer which is a significant qualitative retail deficiency. Although the furniture shop in the centre does provide significant choice for these particular goods.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Newtongrange town centre but more likely would be for the Straiton area.

7.64. In overall terms, it is concluded that there is a deficiency for convenience floorspace in Newtongrange, particularly for a modern foodstore. This is not as significant as in Mayfield due to the presence of the large Co-op store in the centre. However, the close proximity of the area to Dalkeith limits the potential for new floorspace in market terms. At this time there is no clear site within or adjacent to the town centre capable of accommodating of store of this type and market demand appears unlikely. For comparison goods the key factor is limited market demand and demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Midlothian town centres has been noted.

7.65. As noted in the review of Gorebridge the existing MLDP identifies the potential for a new foodstore linked to a new town centre for Newtongrange-Redheugh-Gorebridge corridor, principally linked to a new town centre for Redheugh. However, it also notes that such a proposal will result in the diversion of trade from supermarkets in both Gorebridge and Newtongrange and that there is significant uncertainty regarding the delivery of housing at Redheugh. Notwithstanding the deficiency identified above it is not considered appropriate at this stage that a new supermarket should be provided for this area and that this should be reviewed only when progress with new housing at Redheugh is confirmed.

Accessible Local Floorspace

7.66. Section 5 has highlighted that most parts of Newtongrange have reasonable access to local retail/services provision. Areas not considered to be within easy walking distance of local facilities include the new housing at Bonnet Drive. In addition the major new housing site located at south Mayfield is also adjacent to Newtongrange but outwith easy walking distances of the centre.

Town Centre Boundaries

7.67. Consideration has been given to the boundary of the town centre and whether the centre should be redefined as a single location but the intervening distance between the two commercial areas is significant (350-400m) and comprises residential properties and Welfare Park. Other possibilities are:

- Identify the locations as two separate town centres.
- Identify the two location as separate local centres.

7.68. On balance neither of the above is recommended but the designation as identified in the current LDP is maintained (subject to recommendations above about the network of centres). There is no benefit in identifying the centre as two separate centres – each would be very small and there would be no additional policy protection for the centres compared to the current position. Both could be considered to be local centres since they are small with limited retail offer but this could also be considered to apply to the other smaller town centres in Midlothian.

7.69. In conclusion no changes are proposed to either the boundary of the town centre or its status in the network of centres identified earlier.

Penicuik Town Centre

Vitality and Viability

7.70. Section 6 provided a health check of Penicuik town centre. It identified that the vitality and viability indicators present a mixed picture of the health of the centre:

- Vacancies are significantly below average and have significantly improved (subject to fluctuation) since 2011.
- Floorspace for retail and related services has increased slightly over the past 15 years.
- However, there appears to have been a modest decline in comparison goods shopping both in terms of numbers of units and floorspace reducing choice for consumers. This change is in line with national trends for centres of this size.
- The central part of the town centre (John Street) provides a pedestrianised environment safe from traffic for the benefit of pedestrians. However there are no sheltered shopping areas during inclement weather.
- The town centre's historic and architectural character make significant contributions to the vitality of the centre.
- A key strength of the centre is that it is seen as easy to access by both public and private transport.
- Household interview responses provide mixed views of the town centre which are, in overall terms, broadly neutral.

Requirements for Additional floorspace: Market Growth & Sales Densities

7.71. *Convenience Goods.* In overall terms it is expected that convenience goods turnover will grow only marginally to 2037. Sales densities are reasonable (at 87% national averages).

7.72. *Comparison Goods.* Turnover for comparison goods is expected to increase significantly to 2037 for both general and bulky goods comparison floorspace. Sales densities for general comparison goods are just over 65% of UK average figures and 199% for bulky goods – however bulky goods sales in the town centre are very limited. It is considered that these are reasonable turnover rates given the size of and market served by the town centre.

Retail Deficiencies, Capacity and Demand

7.73. The assessment in Section 5 expressed particular caution for quantitative analyses for new floorspace based on retail capacity type calculations.

7.74. For *convenience goods* it identified:

- there is broad balance between expenditure and turnover for Midlothian as a whole;
- there is a limited quantitative retail deficiency identified for Zone 3 as a whole and the town has a limited range of more modern retail units suitable for main food and top up shopping;
- deficiencies associated with local access to neighbourhood shopping are addressed separately below.

7.75. For *comparison goods:*

- Population and expenditure growth could support a limited amount of additional general comparison floorspace and a more significant quantity of bulky goods floorspace.
- In Penicuik there is a limited choice for both general and bulky comparison floorspace and this can be considered a qualitative retail deficiency.
- Significant market demand for new space, other than relatively small scale space from local operators, is not expected to be directed to Penicuik town centre but more likely would be for the Straiton area.

7.76. In overall terms, it is concluded that there is limited requirement for both convenience and comparison floorspace. A key factor is limited market demand. At present there are limited national operators for convenience goods present in Penicuik but most are located in Straiton which is relatively easy to access from Penicuik. Trends would suggest modest ongoing growth for small units and independents. This is expected to be accommodated in existing units within the town centre. Demand for comparison goods (general and bulky) is expected to be low and evidence for long term reduction in comparison units in Penicuik and other town centres has been noted.

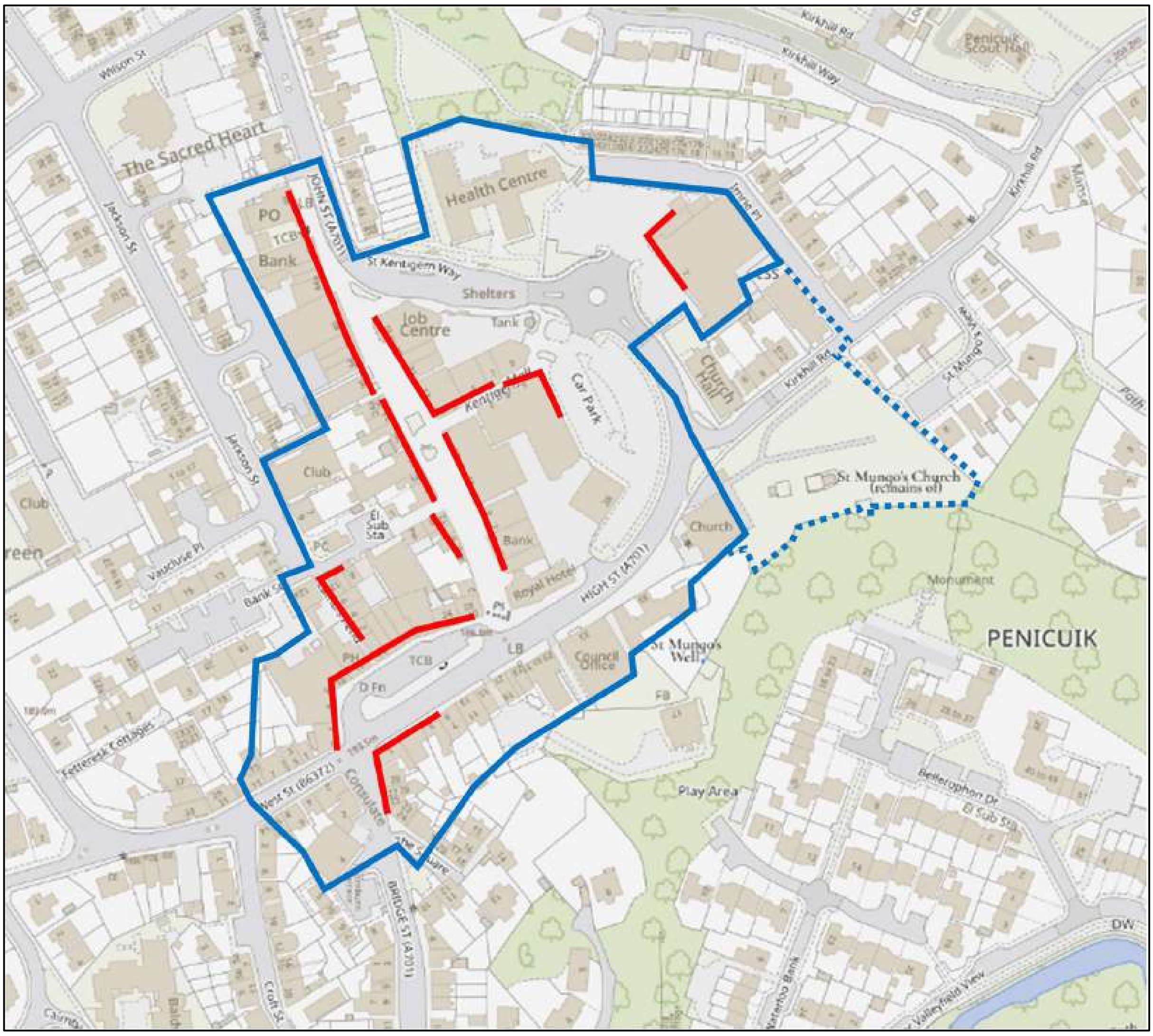
Accessible Local Floorspace

7.77. Section 5 has highlighted that whereas the southern and eastern parts of Penicuik have easy access to a choice of locations (notably the town centre and Tesco/Edinburgh Road), areas of new housing in the western part of the town, the northern parts of the town and also Auchendinny do not have easy/walkable access to a minimum range of shops and local services. The section below assesses the potential for future new housing sites in west Penicuik to include a limited range of retail/services provision. However, there are no clear opportunities for provision in the northern part of Penicuik or in Auchendinny because sites have already been granted planning permission and/or under construction.

Town Centre Boundaries

7.78. Figure 6.36 identified the current boundary of the town centre and the location of principal retail and leisure frontages. In addition the boundary of the town centre includes important additional services and facilities including the health centre and Council offices. Only limited frontages are identified outwith the LDP boundary along a limited section of Kirkhill Road. Consideration could be given to extending the town centre boundary to include this area together with the remains of St Mungo's church and church yard. This is shown in Figure 7.5 below.

Figure 7.5: Potential Extension of Penicuik Town Centre Boundary



Improving Local Accessibility to Retail & Services – Major Housing Developments

Introduction

7.79. Section 5 has highlighted that NPF4 places a priority on improving local accessibility to retail and related services within neighbourhoods in accordance with the 20-Minute Neighbourhood Principle. The analysis identified that, for the authority as a whole, there are several areas within Midlothian which do not have relatively easy access to small-scale local retail/service facilities. These areas with limited accessibility include:

- Shawfair
- Penicuik (west and north) and Auchendinny
- Mayfield – new housing in south Mayfield and limited parts of the town
- Redheugh
- South and east Bonnyrigg

- Polton
- Bilston
- Rosewell

7.80. Sites for major new housing developments can provide opportunities to enhance local access to services through the provision of limited retail and service floorspace within the development, in effect through the provision of new local neighbourhood centres. Sites identified as offering some potential for this are:

- Shawfair – review of scale and type of floorspace proposed for the new town centre.
- Shawfair – local access to shopping in Millerhill /south Shawfair and Cauldcoats
- NW Penicuik
- Mayfield south
- Bilston

7.81. Each of the above locations has been reviewed to establish their potential for including local retail/service space to address local deficiencies. The following factors have been considered in this review:

- Experience with other major residential developments in progress or recently completed in Scotland to provide evidence of market demand for retail and commercial space within these types of developments and the timing for the delivery of commercial/retail space.
- Information from the SRM as to the level of retail provision (in particular convenience space) and potential requirements/deficiencies in the local areas.
- Turnover potential based on market share of expenditure generated by new dwellings and, where appropriate, existing residential areas.
- Broader evidence of market demand for retail/commercial space.

Key Issues for the provision of Retail/Commercial Space

Evidence from Comparators

7.82. A range of comparator residential developments in Scotland have been examined that are at different stages of development. These included examples of the following types of development:

- Urban Extensions
- New Settlements
- New Centres serving Recently Completed Urban Extensions

7.83. The comparators examined are set out in Figure 7.6 together with information on the variation in scale of proposed retail and commercial floorspace provision. The principal conclusions from this review are:

- Only very limited retail and retail service floorspace has been developed at the early stages of major residential developments. Indeed, they have shown that even where new settlements are proposed which are located some distance from existing urban areas and existing shops/facilities (e.g. Tornagrain and Chapelton) take-up of commercial space is reliant on significant levels of housing completions within the developments to provide a market for the new commercial space.

- There is considerable variation in commercial responses to these opportunities and these responses depend on the views of individual proprietors and the terms on which space is offered. It is, therefore, quite likely that, in a few instances, foodstores may well open even when there is a very limited market that would be served (e.g. Bertha Park, Perth). Certain comparator developments have assumed the development of major retail floorspace (e.g. food superstores) to support the overall commercial return of the development (e.g. Corton, Ayr).
- For retail and leisure service uses, small units can be successful after the completion of relatively low numbers of dwellings – typically in the region of 100-300 dwelling completions.

Figure 7.6: Comparison of Approved Major Developments

Site	Location	Type of Development	Total Development		Phasing			
			Housing	Retail/Retail Services Floorspace	Initial Phases		Later Phases *(incl earlier)*	
Bertha Park	Perth	Urban extension	2961	**3197 Sq M**	317	1882 Sq M	1061	3197 Sq M
Broomhall	Dunfermline	Urban extension	2150-2450	**n/a**	High Street identified as Phase 4 - i.e. 266-494 units completed			
Corton	Ayr	Urban extension	*750*	***10403 Sq M***	No phasing info available			
Craibstone	Aberdeen	Urban extension	700	**772 Sq M**	450 *Village centre provided after Phases 1 & 2*	772 Sq M	*None*	
Knockroon	Cumnock	Urban extension	753		32	130 Sq M	n/a	
Wallyford	Musselburgh	Urban extension	2250	**4231 Sq M**				
St Andrew's West	St Andrews	Urban extension	900	**800 Sq M**	early	400 Sq M		
Blindwells	Tranent/ Prestonpans	Partially detached new settlement	1506	**1035 Sq M** **+LC**	55	1035*	433	Foodstore + Local Centre
Chapelton	S of Aberdeen	New settlement	4042	**26520 Sq M**	1845 545	6067 Sq M 2 units		26520 Sq M
Tornagrain	Inverness/Nairn	New settlement	4960	**20000 Sq M**	344	1500 Sq M	1631	10500 Sq M
Greenlaw Centre	Newton Mearns	New Local centre	*Greenlaw expansion area:* 364 W NM (mkt)	**8369 Sq M**				
Hairmyres Cent	East Kilbride	New Local centre	SW EK	**3075 Sq M**				
Hilton	Rosyth	Mixed/resi development Serves part of west Rosyth	390 W Rosyth	**709 Sq M**	235	709 Sq M	n/a	

Market Demand, Addressing Deficiencies and Expenditure Potential

7.84. In summary the key market factors relevant to the provision of retail and commercial service space are as follows:

- Market demand for convenience floorspace to serve local demand could be significant, provided that a market is present. In general this will address convenience top-up shopping generated in the local area, pass by trade and, in circumstances where there are significant market gaps (i.e. potential demand associated with the wider area rather than the residential development) potential for larger foodstores. Convenience floorspace would primarily comprise local foodstores, newsagents, off-licenses and similar. Shawfair offers a unique opportunity in that main food shopping requirements also need to be considered for the proposed new town centre.

- Demand for comparison goods floorspace would be very limited, in effect to “local” comparison goods floorspace (such as pharmacies) or, for major developments, potential units retailing goods directly relevant to new housing (e.g. furniture, floor coverings, fitted kitchens/bathrooms etc).

- Significant demand for retail and leisure services that serve local markets in particular health and beauty, carry-out/cafes/restaurants and others such as public houses/bars. Again these uses will dependent on a significant local market being present.

7.85. In terms of convenience provision, with the exception of Shawfair town centre, the primary concern is to meet local requirements for top-up expenditure rather than for larger foodstores that would serve wider market areas. For comparison goods, insofar as there would be market demand, this should be directed to the principal retail/town centres.

7.86. The SRM identifies the amount of available expenditure that would be generated with residential developments:

- *Convenience goods*.

    - Trade is associated with top-up spend from local residents and pass-by trade. Top-up spend typically accounts for 20-30% of total expenditure for convenience goods i.e. approximately £500-£1000 per capita. The proportion of this expenditure that would available to new shops will depend on the range of goods sold by the proposed retail units and the proximity of existing convenience shops within easy reach of the residential development. Pass-by trade will depend on the profile of the proposed retail units and ease by which passers-by (principally those travelling by car) can access the unit.

    - Consideration must also be given to existing competition. Parts of the walk-in catchment area for new sites will also be in reach of existing local shops and this will limit the expected level of market share that could be achieved in new units.

    - Competition with existing shops. if there is no alternative existing provision then, assuming that new convenience goods units can achieve 75% market share of top-up spend, this implies that approximately 750 new residents are required to support 100 sq m GFA convenience floorspace (i.e. based on average household size of 2.5 implies 300 dwellings). This figure would reduce if the shop is able to draw trade from existing residential areas and pass-by trade. A new modern convenience-format store (400 sq m GFA) would be expected to require a population catchment of approx. 2250 persons (i.e. 900 dwellings) to be viable. Competition will increase the population required to service new floorspace

- *Comparison goods and Retail/Leisure Services.* Due to the variability of these types of units it is not possible to undertake a comparable analysis of turnover and available expenditure.

Summary

7.87. For the provision of retail and commercial space linked to major residential developments the principal findings of the review are as follows:

- For retail and service units trade can be generated from: the proposed new housing; existing residential areas within 10-minute walking distance (i.e. in accordance with 20-minute neighbourhood principle, and potentially wider than this); and pass-by trade.

- For modern convenience-format stores approximately 900 dwellings are required for the store to have sufficient trade to be viable – ignoring the effects of competition from other local shops. Smaller stores can be supported with lower numbers of new housing depending on the range of goods retailed.

- For other commercial uses (retail and community services – the remainder of Class 1A and Class 3 and sui generis uses), the diversity of potential occupiers makes it more difficult to generalise. However, for uses such as health and beauty, café and hot-food takeaway most trade will be generated from within the new development as walk-in trade.

- For local commercial development to be successful flexibility is required to maximise the attractiveness of the units to potential occupiers. Therefore permitted uses will need to include any of Class 1A, Class 3, hot-food takeaway and other community based businesses (e.g. dentists, clinics, vet etc). These units could be occupied at an earlier stage but will, in all likelihood, be dependent on custom generated by the new residential development plus existing population local to the development.

- For developments wholly, or mostly, dependent on new residential development, provision of commercial units too early will result in units remaining vacant for a number of years which will reduce the attractiveness of the development and could, potentially, result in the deterioration of units thereby undermining the potential to find occupiers.

Recommendations for Residential Sites – Shawfair Town Centre

7.88. The original planning consent for the Shawfair development provides planning permission for 8260 sq m GFA retail floorspace comprising:

- 4650 large format retail store ("superstore")

- 1850 sq m convenience food store (a unit of this size would typically be a discount foodstiore or mid-sized supermarket such as operated by M&S)

- 1760 sq m to comprise other retail space and MLC advise that this can include reasonable assumptions for this to include retail service uses.

7.89. This proposed scale of floorspace has been compared to the available expenditure that is forecast to be generated by the Shawfair development together with existing population and retail floorspace within the Shawfair area (i.e. within Danderhall, Newton Village and Millerhill).

7.90. The analysis has been based on the following assumptions:

- For convenience goods the town centre would account for 75% of available expenditure generated for main food shopping (MFS); 25% for top-up convenience shopping (TUS); and 10% all comparison goods expenditure.

- Existing turnover from shops in Zone 1 identified from the SRM.

- Indicative sales densities have been adopted: £12500 psm for MFS; £6500 psm TUS; and £2500-£5000 psm for bulky/general comparison goods.

7.91. Figure 7.7 sets out a summary of the implied floorspace that could be supported by the Shawfair development in the town centre based on these assumptions. It is important to recognise that these figures should be regarded as indicative. The figure also compares this to the consented town centre.

Figure 7.7: Shawfair Town Centre Floorspace Analysis

IMPLIED TOWN CENTRE FLOORSPACE FROM SRM		Gross	Net	
RETAIL	Conv	4245 Sq M	2759 Sq M	
	Gen Comp	1521 Sq M	989 Sq M	
	BG	677 Sq M	440 Sq M	
Total		*6443 Sq M*	*4188 Sq M*	
	Other Commercial Services	1500 Sq M	n/a	
TOTAL		**7943 Sq M**	**4188 Sq M**	
CONSENTED TOWN CENTRE FLOORSPACE				
	Superstore	Gross	Net	
	Conv	3255 Sq M	2116 Sq M	
	G Comp	1163 Sq M	756 Sq M	
	B Goods	233 Sq M	151 Sq M	
	Total	*4650 Sq M*	*3023 Sq M*	
	Mid sized store			
	Conv	1480 Sq M	962 Sq M	
	G Comp	370 Sq M	241 Sq M	
	Total	*1850 Sq M*	*1203 Sq M*	
	Other Space			
	Conv	352 Sq M	229 Sq M	
	G Comp	176 Sq M	114 Sq M	
	B Goods	88 Sq M	57 Sq M	
	Services	1144 Sq M	n/a	
	Total	*1760 Sq M*	*400 Sq M*	
COMPARISON BETWEEN IMPLIED AND CONSENTED		Assessment	Consented	Difference
GFA Equivalent Basis	Conv	4245 Sq M	5087 Sq M	842 Sq M
	G Comp	1521 Sq M	1709 Sq M	187 Sq M
	B Goods	677 Sq M	321 Sq M	-357 Sq M
	Services	1500 Sq M	1144 Sq M	-356 Sq M
	Total	*7943 Sq M*	*8260 Sq M*	317 Sq M

7.92. Figure 7.7 indicates that, recognising the uncertainty with these types of calculations including assumptions regarding sales densities, and the precise mix and format of the proposed retail units, **the mix of space approved in the current planning consent for the town centre is broadly in line with the current analysis of market potential based on available expenditure.**

7.93. However, the analysis in Figure 7.7 assumes that a superstore would be developed as a key anchor for the town centre. The market review set out in Section 3 highlighted that very few superstores of the type envisaged in the planning consent for the town centre are now being developed. More realistic retail units that could be developed in the town centre based on current market requirements include a combination of the following:

- Food discounter (i.e. Lidl or Aldi). These two operators have slightly different store sizes – Lidl tend to be larger at ca. 1800-2200 sq m GFA whereas Aldi tend to be closer to 1650 sq m GFA. However the retail turnover of these operators, taking into account different store sizes, tend to be similar. Normally 80% of floorspace is for convenience goods.
- Frozen food specialist – e.g. Iceland (including Food Warehouse format) and Farmfoods. New build units are typically in the range 1000-1500 sq m GFA.
- Non-food discounter (e.g. B&M, Home Bargains etc). Formats vary but the preferred unit sizes are greater than 1750 sq m GFA with large units including external garden centres.

- Large format supermarket (ca. 3000-3500 sq m GFA) which would be mainly for convenience goods floorspace (typically 65% of net sales).

7.94. The least likely based on current market demand would appear to be the large format supermarket but there is some demand for this (e.g. Tesco have been seeking a development of this size in Stonehaven). A combination of food discounter, frozen-food specialist and non-food discounter plus unit shops would provide a similar mix and scale of floorspace as identified for the consented scheme as follows (*gross* floor space equivalent):

- Convenience: ca. 4000 sq m GFA
- General comparison: 2300 sq m GFA
- Bulky Goods: 450 sq m GFA
- Services: 1150 sq m GFA
- Total: 7900 sq m GFA

7.95. On this basis, even if the proposed unit mix differs from that identified in the planning consent the above mix of uses would be comparable to both the consented mix of floorspace and the notional expenditure capacity generated within Shawfair in the long term.

Conclusion: Shawfair Town Centre

7.96. The above review concludes that both the consented scheme and, more likely , market based mix of units would be generally consistent with the expenditure generated within the Shawfair development and would provide a reasonable commercial basis for the town centre.

7.97. It should be noted any additional space, in particular for convenience goods, provided as part of local/neighbourhood retail provided in other parts of Shawfair (as described in the analysis below for south Shawfair and Cauldcoats) will increase the “excess” of convenience floorspace provided in Shawfair as a whole. However, it is considered that the scale of this “excess” would be modest and should not be a matter of concern. Indeed, there are doubts that, in the current market, the provision of both a major superstore and mid-sized supermarket within the town centre would be unlikely although this may well change as markets evolve to 2037.

7.98. In terms of phasing of floorspace it is unlikely that either of the major retail units would be able to be operated until the local market has grown significantly i.e. before 2032. Smaller local-scale floorspace should, however, be able to be provided within the town centre in advance of this as evidenced by the newly developed Co-op convenience-format store developed at Shawfair. To achieve this consideration can be given to the provision of temporary accommodation for these businesses – this approach has been adopted at Chapelton to support the provision of services to residents of the earlier phases of development.

New Local Retail & Services Provision

1. South Shawfair – Millerhill

7.99. The southern part of Shawfair including Millerhill is located over 800m walking distance from the proposed location of Shawfair town centre. This area includes sites Hs1, Hs1SC and SUB072 in the Housing Land Supply. Site Hs1 is currently under construction, Hs1 SC is part of the safeguarded supply and SUB072 proposed to be included in MLDP2. The majority of these sites will not have easy access to local shopping facilities even after the construction of Shawfair town centre.

7.100. Both Hs1 SC and SUB072 provide an opportunity for including local retail/service provision to address the deficiency of provision within the area. However, it is noted that SUB072 is a relatively small site (70 units) and is also located in the far south eastern part of Shawfair. Hs1 SC is larger (360 units) but is separated from Millerhill by the railway line. On this basis neither location is ideal for maximising local access for services. Hs1 is more centrally located and is large (620 units) but is currently under development.

7.101. Taking into account the size of the sites and existing residential population within the area, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 50% of top-up spend for convenience goods (this assumes that Shawfair town centre is developed), this would equate to total convenience floorspace of ca. 160 sq m GFA which could comprise one or two unit convenience shops or a small convenience-format store plus a small number of additional, smaller units.
- Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace (retail and services) should be in the region of 200-300 sq m GFA – i.e. 2-4 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by new residential areas and therefore floorspace would be provided following the completion of a significant proportion of the proposed residential units.

2. North Shawfair - Cauldcoats

7.102. The site is located in the northern part of Shawfair adjacent to the boundary with the City of Edinburgh. Although located close to the extensive retail area of Edinburgh Fort pedestrian access routes are not direct due to intervening commercial premises (notably car showrooms and garages).

7.103. The area comprises three allocations: Hs0 with planning permission in principle for 430 units; and two new allocations proposed for MLDP3 SUB024 (220 units) and ADD022 (12 units). SUB024 provides the best opportunity for provision of local retail/service floorspace. The site has limited existing walk-in catchment comprising newly built houses west of The Wisp (precise extent of these depends on the location of proposed floorspace).

7.104. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 75% (reflecting lack of competing locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 125 sq m GFA which could comprise one or two unit convenience shops. This is too small for a modern convenience-format. The development could include a small number of additional, smaller units for leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 125-250 sq m GFA – i.e. 1-3 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by new residential areas and therefore floorspace would be provided following the completion of a significant proportion of the proposed residential units.

3. Penicuik NW

7.105. The western side of Penicuik has experienced significant new housing developments in recent years. The analysis set out in Section 5 identified that much of west and north Penicuik is outwith easy walking distance of local shopping facilities (the nearest of which is located along Edinburgh Road or within the town centre). New housing allocation provide an opportunity to include local retail and service provision.

7.106. Three new housing sites are proposed: SUB051 proposed for inclusion in MLDP2 for 200 units; SUB052a also proposed as long term development in MLDP2 180 units; and h58 which comprises a series of sites with planning permission and, largely, under construction (256 units). In addition the locality has a significant existing population (close to 3000 residents that would be within 800m of a new retail/service site).

7.107. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 60% (reflecting limited competition within this part of Penicuik) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 350 sq m GFA which could comprise a convenience-format store and an additional unit convenience shops. The development could include a number of additional, smaller units for leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 400-500+ sq m GFA – i.e. 6-8 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by *existing* residential areas and therefore floorspace can be provided at the outset or in parallel with the new house building.

4. South Mayfield

7.108. The south side of Mayfield/east of Newtongrange is allocated for a major new housing development and, as shown in Section 5, is outwith easy walking distance of existing local shops and services.

7.109. Site h38+ has the benefit of planning permission for 926 new dwellings. Gravis Planning have been advised by MLC that a condition requires the provision of 500 sq m GFA floorspace and conditions 3 and 34 of the original consent (22/00027/PPP) do require approval and phasing of retail proposals although these do not specify the level of floorspace. Two MSC applications have been submitted relevant to these conditions but, at the time of this final report (Dec 2025) these applications have not been determined. On this basis it is considered that the current consent provides a requirement for the provision of retail/service floorspace to support local accessibility to these services.

7.110. In addition to new build the retail/commercial space would also serve a significant existing local population of ca. 2000 residents within 800m of the location (this figure will vary depending on the precise location with the preference for a location towards to highest/eastern part of the site).

7.111. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 50% (reflecting limited competition within both Mayfield and Newtongrange) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 250 sq m GFA which could comprise a small convenience-format store or unit convenience shops. The development could include a number of additional, smaller units for leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 300-450 sq m GFA – i.e. 3-6 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.

- The market is driven by both existing and new residential areas and therefore floorspace can be provided in parallel with the new house building.

5. Bilston

7.112. Only the northern part of Bilston is identified to be within easy walking distance of existing shops i.e. the recently opened Aldi located on the west side of the A701. Planning permission has been granted for a new retail park development to the south of ASDA however, although included within the SRM there is, at this stage, no confirmed timing for this development and the floorspace is assumed to be for general/bulky comparison floorspace. Its location on the east side of the A701 will restrict ease of pedestrian movement to access this area.

7.113. Bilston currently has a small number of retail/service units scattered through the village with a small concentration at Meadow Place but these do not meet the minimum thresholds proposed in Section 5 above. New housing sites have been consented and proposed for Bilston: Hs16 has panning permission (214 units); Hs17 is identified as constrained (75 units); and two sites are proposed for inclusion in MLDP2 – SUB047 and SUB082 (750 units in total). There is also a significant existing population in the village (close to 2000).

7.114. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 40% (reflecting competition from existing shops) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 250 sq m GFA which could comprise a small convenience-format store or unit convenience shops. The development could include a number of additional, smaller units for leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 300-500 sq m GFA – i.e. 3-6 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is driven by both existing and new residential areas and therefore floorspace can be provided in parallel with the new house building.

Policy Review and Recommendations

Existing Policy Framework

7.115. The existing policy framework for retail, leisure and town centre uses is provided though:

- National Planning Framework 4 (NPF4) (Feb 2023) principally policies 27 and 28 (and also Policy 15 in relation to 20 MNs).
- Midlothian Local Development Plan (MLDP) (Nov 2017)
- Supplementary Guidance: Food & Drink and other non-retail uses in Town Centres (SGFDTC) (Jun 2018)

7.116. The adopted MLDP together with the SGFDTC adopt a different structure for the organisation of policies relevant to town centres and have differing policy requirements compared to NPF4. Figure 7.7 sets out a comparison between these policy documents. The figure does not set out the full provisions of both the LDP/SG and NPF4 but it does show that there are significant policy matters, relating to town centres, retail and leisure developments included in NPF4 not addressed in current MLC policy documents. Furthermore, a comparison between the policies in the respective documents identifies that there are differences between the content of policies in the two documents, for example, in terms of the application of the sequential/town centres first approaches.

7.117. Both NPF4 and the MLDP form the development plan for Midlothian and the SGFDLP is an important material consideration. Insofar as there is any incompatibility between a provision of NPF and a provision of an LDP, whichever of them is the later in date is to prevail (TCP(S) 1997 section 24(3)). There is no legal requirement for LDPs to be directly 'compatible' with NPF4, although in preparing LDPs, there is a statutory requirement under section 16(2)(a)(i) of the 1997 Act that planning authorities take the NPF into account. In this regard it is important that the policies/proposals contained in the forthcoming MLDP2 take into account the particular circumstances of Midlothian towns – this is not possible in NPF4 because it has been prepared to apply across Scotland as a whole. The following therefore provides a summary review of the principal provisions in NPF4 relevant to the scope of this study and makes recommendations to be considered for relevant policies to be included within MLDP2.

Figure 7.8: NAC LDP2 and NPF4 – Retail & Town Centres Policy Comparison

Policy Issue	**Midlothian LDP/SGFDTC**	**NPF4**
Support and promotion of centres -investment etc	Policy TCR1	Policy 27 "sustainable futures" Policy 27 a)
Plan for additional retail provision	(from this study – limited). TCR2: Straiton and Redheugh	Policy 28 (LDPs)
Network of Centres	LDP Table 4.1 (para 4.6.2/3)	Policy 27 (LDPs)
Town Centre Health Checks and Strategies	*Not identified*	
Clustering and impact of "non-retail" uses	SGFDTC and LDP para 4.6.4. Wide ranging issues addressed.	Policy 27 (LDPs) Policy 27 c)
Town Centres First	*Para 4.6.1 implies that sequential approach is required but not expressly stated in policies* TCR2: - Specific seq ass for Straiton - OOC development acceptable for Redheugh area - OOC elsewhere rejected	Policy 27b): i. City; Town & Local Centres ii. Unclear if EOC is preferred to OOC iii. OOC (meeting scale and impact test requirements) + Scope of TCF Policy 28 a): i. City Town & Local Centres ii. EOCs and Comm Centres Expressly not OOC (except local/rural/island proposals)
Scale of town centre development	TCR1: *scale and function*	Policy 27 b) ii Policy 28 b) i
Changes of use from retail in centres	TCR1 – town centres TCR2 – local centres	*Not addressed*
Drive throughs	SGFDTC. 10.6	Policy 27 d)
Assessment of impact (retail and other)	TCR2. Specifically only addressed for locations: - Straiton - Redheugh	Policy 27 b) ii Policy 28 b) ii
Addressing deficiencies/need/type of floorspace	TCR2: Specific requirement for Straiton and Redheugh TCR1: scale and function for TCs	Policy 28 b I – appropriate scale
Out of centre proposals	TCR2 – only permitted Straiton and Redheugh (if meet criteria)	OOC can be acceptable for policy 27 (non-retail); but not acceptable for Policy 28 (retail)
20 Minute Neighbourhoods	*Output of study – new local retail and service provision*	Policy 28 c) i
Small-scale/neighbourhood provision		Policy 15
Islands and rural areas	*Not addressed. Limited relevance.*	Policy 28 d) – ancillary/PFS s etc
Ancillary Retail	*Not addressed*	Policy 28 d) – rural/islands

Review of NPF4 Policies

Policy 15 Local Living and 20 Minute Neighbourhoods

7.118. The principle of local accessibility to retail and service provision has been reviewed in Section 5 of this report. The principle is important for supporting accessibility to local services and reducing the need for travel by private car to access these services. The preceding section has reviewed the potential for improving local access to these facilities and services and identified sites where it may be possible to incorporate local retail/service facilities within development sites.

7.119. **Recommendation 1:**

- **Consideration should be given to including local retail/service facilities within identified development sites, insofar as this is practical given the current position with planning consents and development progress, based on the analysis provided in this report.**
- **For future residential and other development sites identified in MLDP2, regard should be had to existing access to local retail/service provision, in accordance with the 20MN principle, and, where appropriate, inclusion of these land uses within development briefs/allocations.**

Supporting Town Centres

7.120. The principle of supporting the role of, and future investment in, town centres is supported. It is considered that the main mechanisms by which this should be applied are through the application of the town centres' first/sequential approached and the impact test (for both retail and leisure). In addition amendments to the boundaries of town centres are proposed.

7.121. Recommendation 2: MLDP2 should expressly identify:

- **The network of centres as described above.**
- **Town centres first approach applied to both proposed retail and leisure development proposals.**
- **Impact test applied to both proposed retail and leisure development proposals.**

Planning for Additional Retail & TC Uses Provision

7.122. Apart from the provision of local floorspace supporting local accessibility/20MNs, Section 5 does not identify significant quantitative deficiencies or need for either retail or commercial leisure floorspace provision within Midlothian. It does identify locations where it could be considered that there are qualitative retail deficiencies in towns in Midlothian outwith Dalkeith and Straiton (paras 5.29 and 5.62). However, the presence of a qualitative deficiency is, to a significant degree, subjective and therefore justification for additional retail/leisure floorspace in out-of-centre locations would need to be clearly and comprehensively justified.

7.123. **Recommendation 3. No justification for significant additional retail floorspace is identified. Qualitative deficiencies have been identified but, for this to be a justification for out of centre retail floorspace, this would need to be demonstrated clearly and comprehensively.**

7.124. In addition the implication of the above is that there is no clear justification for the large area west of the A701 to be included within the defined Straiton commercial area. Planning permission has been granted for new retail development within this area close to Bilston which should be sufficient for the foreseeable future.

7.125. **Recommendation 4. The boundary of the Straiton Commercial Hub (Commercial Centre) should be amended to exclude the existing areas west of the A701 but to include the Aldi store.**

Network of Centres

7.126. Recommendations for the amendments to the Network are set out in Figure 7.1.

7.127. **Recommendation 5. Amendments to the proposed network of centres as set out in Figure 7.1.**

Town Centre Health Checks

7.128. Midlothian have not undertaken health checks on a regular basis prior to the current study. It is recommended that TCHCs are undertaken on a more frequent basis (every two years) to allow more regular review of changes in centres, and for these to include all centres included within the network. In summary the scope of heath checks should reflect the type of information contained in Section 6 together with, if information is available:

- Commercial indicators (rents, yields, developments) – note limited transactions may make this information difficult to obtain. Consideration should also be given to the proposed revaluation that is being undertaken by LJVB which may provide insights into any changes in terms of rents achieved between different locations in the town centres.
- Pedestrian flow data. It should be noted that costs for obtaining pedestrian flows can be relatively high.

7.129. **Recommendation 6. TCHCs should be undertaken for all Network Centres, on a regular basis to identify change and assist development planning.**

Clustering of Non Retail Uses

7.130. NPF4 Policy 27 c) seeks to restrict uses and services that *“undermine the character and amenity of the area or health and wellbeing of communities”.* The policy does not restrict the scope of offending non-retail uses but notes hot-food takeaways, betting offices and high interest money lending premises.

7.131. The SGFDTC sets out a more detailed policy approach to these types of uses, including those expressly noted in NPF4 Policy 27. Much of the detailed guidance is appropriate to be kept in the SG and rather than MLDP2 but it is appropriate for a policy to be included within MLDP2 that confirms that matters such as impacts on amenity (including from noise, smell, litter, pedestrian movements traffic etc) including the juxtaposition between these uses and nearby sensitive premises will be factors taken into account in the determination of planning applications for these uses. At present reference is only made to this in the supporting text which creates some confusion as to whether or not this in a policy of the MLDP.

7.132. Policy TCR1 includes reference to control over non-retail uses in town centres. In all town centres in Midlothian non-retail uses are more prevalent than retail goods shops and there is, in general, a greater overlap with many providing both retail and other services within the same “shop”. As a result it is considered that widespread application of the control of non-retail uses in centres can be problematic and is likely to result in increased vacancies rather than retention of purely retail frontages. Furthermore, Class 1A allows change between various retail goods shops and a wide range of service uses and between Classes 1A and Class 3. These permitted changes largely negate the potential for controlling non-retail uses in centres.

7.133. Policy 27 c) highlights a concern that certain types of uses (i.e. the named categories of units) can have a wider impact relating to health and well-being. The named uses are all sui generis and so planning permission is required for change of use. However, it is not clear what additional uses Policy 27 c) considers to be relevant and whether such uses would be sui generis or fall within either Class 1A or other Classes of the Use Classes Order (and therefore limit potential planning controls).

7.134. **Recommendation 7. Policy should restrict non-retail uses in centres (and elsewhere) only insofar as they restrict changes of use to the categories of use identified in NPF4 Policy 27 c). Where**

proposals to these uses are proposed consideration needs to be given to both the adverse impact on the character and amenity of the area, health impacts and also the extent to which the units would be able to provide a service to the local community (i.e. could it be considered that failure to provide the proposed service would have a negative impact on the local community). The details of matters to be considered should be retained in the SGFDTC.

Town Centres First/Sequential Approach

7.135. The current MLDP is not clear regarding the requirement for the application of the TCF/Sequential Approach to retail and other town centre uses. Para 4.6.2 implies that there is an expectation that the sequential approach should be applied, but this is not clear in the wording of Policy TCR2.

7.136. Policy TCR2 starts by emphasising that a sequential approach will be applied, the implication being that this is as described in para 4.6.2 from SPP. However, apart from specific proposals at Straiton and the Redheugh area (Gorebridge to Newtongrange) the policy clearly states that major retail development at any other out-of-centre location would not be supported – this contradicts the sequential approach which *does* support OOC development provided that no other suitable or available locations are identified in town centres or edge of centre as set out in para 4.6.2. It is considered that this wording is unhelpful.

7.137. NPF4 sets out different forms of the Town Centre First approach (TCF), as a replacement to the sequential approach set out in SPP, for non-retail town centre development (Policy 27 b) and for retail development (Policy 28 a). It is considered that neither policy genuinely adopts a town centre *first* approach:

- The wording of 27 b) includes locations within or on the edge of town centres together (i.e. there is no preference for town centre vis-à-vis edge of centre) and it also appears to group all centres (i.e. city, town and local) as one – therefore there is no preference for major development within a city or town centre compared to a local centre.
- Policy 28 a), for retail development, equally does not give town centre locations priority over edge-of-centre nor distinguishes between types of centre. Commercial centres (allocated as such in the LDP) are also supported (again without a clear indication that town centre locations should be preferred). However, it goes further in stating that, with limited exceptions (parts c) and d) of the policy) out of centre is not supported.

7.138. So, taken as plain reading, these policies do not provide an effective town centres first policy. For non-retail the policy supports development first in either of city, town or local centres and on the edge of those centres. For retail development the policy supports either of city, town or local centres, edge of those centres and allocated commercial centres, but does not support (with exceptions) development elsewhere).

7.139. In addition the Town Centre First Assessment (NPF4 p82) introduces concepts that are not consistent with the principle that planning is, primarily granted for a proposed use (and physical development) rather than for a named operator or personal consent. This means that operators can and will change, indeed the type of operation can change fundamentally without the need for planning permission (i.e. changes within the same use class/permitted changes of use). Even with the same operator, business models can change and supplier arrangements will change as markets evolve. This renders requests for information relating to supply chains and environmental impacts largely irrelevant since they can and will change over time and planning will not be able enforce these business arrangements.

7.140. It has also been noted that, for all town centres in Midlothian (as in most of the rest of Scotland) there are significantly more non-retail commercial businesses operating and providing important services in town centres than there are retail businesses. Long term trends would indicate that non-retail uses will increase in the future. In this context it is considered that providing a more restrictive planning regime for retail use compared to other town centre services and facilities is not justified.

7.141. Consideration should also be given to defining sequential locations to clarify interpretation of policy:

- Edge-of-centre. The overall principle for edge-of-centre locations is that a single trip would be able to serve access to both the town centre and edge-of-centre (i.e. easy walking between town centre and edge of centre locations, in particular for those whose movements may be impeded for example those walking with shopping, with small-children and less mobile members of the community). English NPPF has referred to 200-300m distance although this would appear to be inappropriate in that the distance should reflect the scale of the centre being accessed. Other factors to be considered in defining edge-of-centre include:
  - Proximity/distance
  - Gradients and other barriers to pedestrian movement
  - Intervisibility between the location and the town centre
  - Presence of intervening land uses

- Out-of-centre. OOC locations should be within the existing/proposed urban areas/settlement boundaries and should also be/proposed to be made easily accessible by a choice of transport modes in the context of the catchment area being served by the development.

7.142. In addition regard should be given to adopting a flexible approach when applying the TCF/sequential approach. The appropriate approach was summarised in the Tesco Stores Ltd v Dundee City Council Supreme Court decision (Lord Reed):

29….the applicant is expected to have prepared his proposals in accordance with the recommended approach: he is, for example, expected to have had regard to the circumstances of the particular town centre, to have given consideration to the scope for accommodating the development in a different form, and to have thoroughly assessed sequentially preferable locations on that footing. Provided the applicant has done so, however, the question remains, as Lord Glennie observed in Lidl UK GmbH v Scottish Ministers [2006] CSOH 165, para 14, whether an alternative site is suitable for the proposed development, not whether the proposed development can be altered or reduced so that it can be made to fit an alternative site.

7.143. **Recommendation 8. Taking these factors together:**

- **A single TCF approach should be adopted that applies equally to all retail and other town centres uses that generate significant footfall. “Significant” is contextual and, given the potential range of town centre uses/developments it is not possible to state a threshold in terms of floorspace, however, by way of guidance retail developments >1000 sq m GFA could be considered to generate significant footfall (but this will, of course vary according to the type of retail proposed). Lower thresholds may be considered appropriate for non-retail uses.**

- **The TCF approach should include both a sequential approach and address the matters listed in NPF4 Policy 27 concerning: relationship to the network of centres; and demonstrate economic impacts; plus, insofar, as relevant to out-of-centre proposals, clear justification for out-of-centre proposals as set out in Recommendation 3.**

- **The sequence of preferred locations within the TCF should be, for developments/uses serving a sub-regional market area (i.e. extending beyond the settlement in which the proposed development is located):**
  1. **Principal Town Centres**
  2. **Edge of Principal Town Centre**
  3. **Straiton Commercial Area**

4. **Local Town Centres**
5. **Edge of Local Town Centres**
6. **Out of Centre – which are easily/proposed to be made easily accessible by choice of modes of transport**

- **For other developments:**

  1. **Principal and Local Town Centres**
  2. **Edge of Town Centre**
  3. **Out of Centre – which are easily/proposed to be made easily accessible by a choice of modes of transport.**

- **Alteration of scale and type of development. In applying the TCF/sequential approach flexibility should be in accordance with that identified in the Supreme Court Tesco v Dundee City Council decision.**

Other Requirements for Town Centre Uses

7.144. Whereas para 4.6.5 of the MLDP states that an RIA should be provided for development of greater than 2500 sq m GFA and demonstrate impact on the centres this is not included within either policies TCR1 or TCR2. Policy TCR2 does include requirements that proposed developments at Straiton and Redheugh area need to demonstrate that the proposals do not undermine the vitality and viability of other centres but this principle is not applied to other locations in Midlothian in the policies.

7.145. In NPF4 Policy 27 b) ii) requires that, for out of centre (non-retail) proposals impacts on existing centres are assessed. In Policy 28 b) reference is made to "*will have an acceptable impact on the character and amenity of the area".* The reference to "the area" implies that this is not a requirement for a retail impact test since this would include assessment of impacts on other centres located some distance from the application site. It is accepted that the wording here is particularly unclear.

7.146. Demonstrating that a development proposal, whether for retail or non-retail use, does not undermine the vitality or viability of town and local centres, regardless of satisfying the TCF/sequential approach is considered to be an important requirement for considering the acceptability of these proposals.

7.147. Recommendation 9. Impact tests for both retail and other town centres uses should be undertaken. By way of guidance it is recommended that retail developments >1000 sq m GFA should require assessments of impact and for other non-retail town centre uses the same approach should be adopted as identified for the application the Town Centres First/Sequential Approach. Assessment of impact should include assessment of impact on the vitality and viability of centres and also the impact on the overall network of centres in Midlothian and, for larger scale development proposals, centres located in other authority areas.

Scale of Development

7.148. Both Policies 27 and 28 of NPF4 refer to developments being an appropriate scale. To an extent this is addressed both through the recommended TCF and impact tests – developments that serve a wider market area should, in preference be located within the Principal Town Centres rather than a Local Town Centre and the Impact Test will assess how the proposal will affect other centres. As part of the Impact Test it is considered appropriate therefore that, as well as assessing impact on the vitality and viability of centres, it should also consider how the proposal could support the role of centres within the Network of Centres identified in the LDP.

7.149. Recommendation 10. As part of the Impact Test proposals should be assessed as to how the proposal could support the role of centres within the Network of Centres identified in the LDP.

Drive Throughs

7.150. The policy on DTs is currently included within the SGFDTC. The express reference to DTs in NPF4 Policy 27 d) and the reference to these in the Chief Planners letter of 8th Feb 2023 indicates that the SG places some weight on the need to have a clear policy framework for DTs included within the development plan.

7.151. However, some further consideration is needed regarding the text set out in 10.6.1 which states that DTs would fail the TCFA. This contradicts the earlier part of the paragraph which acknowledges that the business models of DTs make it difficult for these to fit into town centre locations. Regard must be had to the Supreme Court decision of Tesco Stores Ltd v Dundee City Council where, in essence, the application of the sequential approach should have regard to the development that is proposed, i.e. it is not appropriate to amend the development proposed in order to fit into potential sites or premises.

7.152. **Recommendation 11. The policy on DTs, set out in the SGFDTC, should be included as a specific policy in the new MLDP2 subject to review to ensure that the application of the sequential/TCFA is consistent with the Supreme Court decision on Tesco Stores Ltd v Dundee City Council.**