



2022

WINTER

SCOTTISH BORDERS COUNCIL RETAIL SURVEY

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Key Findings

- The overall Scottish Borders retail unit vacancy is 13%.
- The average floor-space vacancy rate stands at 9%.
- The Scottish Borders is below the UK average retail unit vacancy rate of 14% (source: Springboard). However, the Scottish Borders retail unit vacancy rate remains well above the low of 7% recorded before the economic downturn.
- In the two largest towns, Galashiels' retail unit vacancy rate has decreased by 1% to 18%. Hawick's retail unit vacancy rate has increased from 14%, in summer 2021 and 2022, to 16%.
- Tweedbank (33% = 1 unit only) and Newtown St. Boswells (36% = 4 units only) recorded the highest retail unit vacancy rates. They have a relatively small number of shops and therefore any increase or decrease in property vacancies can significantly affect the overall percentage total.
- Earlston and St Boswells have no vacant units; the same as in summer 2021 and summer 2022. Kelso (4%) and Peebles (4%) have the lowest retail unit vacancy rates. Lauder and Melrose also have a very low vacancy rates of 6% each.
- There are 33 town centre charity shops, which has increased by 1 since the Summer 2021 audit.
- Jedburgh has the highest long-term vacancy rate (5%), and Hawick has the highest number of long-term vacant units (11). For the purposes of this study, long-term vacancy applies to units vacant for five years or longer.

Introduction

1.1 This report sets out the results of the Council's bi-annual survey of **ground floor town centre units** within eighteen Scottish Borders settlements. The study monitors town centre health and is used to inform the Council's town centre planning policies

1.2 The town centres covered by the study are those with a population of over 1000, namely:

Chirnside	Kelso
Coldstream	Lauder
Duns	Melrose
Earlston	Newtown St Boswells
Eyemouth	Peebles
Galashiels (town centre & 2nd centre) *	Selkirk
Hawick	St Boswells
Innerleithen	Tweedbank
Jedburgh	West Linton

****Two centres are monitored in Galashiels, the town centre and a second centre at Wilderhaugh. Where this report refers to Galashiels this will always refer to Galashiels town centre only, unless stated otherwise.***

Policy Content

- 2.1 The [National Planning Framework 4](#) (NPF4) was adopted by Scottish Ministers on 13 February 2023, replacing National Planning Framework 3 and Scottish Planning Policy. NPF4 incorporates updated Scottish Planning Policy, containing detailed national policy on a number of planning topics. NPF4 now forms part of the Development Plan, alongside the adopted Local Development Plan (2016). Policy 27 intends to encourage, promote and facilitate development in our city and town centres, recognising they are a national asset. Furthermore, Policy 27 maintains the policy stance of a Town Centre First approach, with desired outcomes focusing on vibrant and healthy places for people to live, learn, work, enjoy and visit.
- 2.2 A Town Centre First approach is the focus of town centre policy, which encourages a flexible mix of footfall generating uses, in order to maintain vitality and viability within town centres
- 2.3 At a local level, the Council's Local Development Plan (LDP) was adopted in May 2016. The LDP sets out Policy ED4 Core Activity Areas in Town Centres, which replaced the previous Prime Retail Frontage policy. The policy encourages development which increases footfall within the central part of town centres, and allows class 3 (food and drink) uses, which encourage greater town centre activity.
- 2.4 In July 2018, the Planning and Building Standards Committee agreed approval of a [Town Centre Core Activity Area Pilot](#) scheme. The pilot scheme operated for an initial one-year period. The primary purpose of the pilot scheme was to examine ways to revitalise and reinvigorate the town centres of Hawick and Galashiels by considering options to add more flexibility to Policy ED4 within the adopted LDP, which is aimed at protecting Core Activity Areas within these towns. In essence, the approved pilot scheme removed the Core Activity Area in Hawick and, whilst retaining the Core Activity Area in Galashiels, proposed a wider and more flexible range of uses, which could be supported.
- 2.5 The pilot scheme outlined further guidance, in relation to Policy ED4, for planning application proposals in other Core Activity Areas within Scottish Borders towns (*i.e.* Galashiels, Peebles, Kelso, Melrose, Jedburgh, Selkirk, Eyemouth and Duns). As the pilot scheme removed the Core Activity Area from Hawick, this would not be relevant to Hawick. An example of the guidance is that if premises had been vacant for 6 months and evidence was submitted, which confirmed it had been adequately advertised for a substantial period of that time, then that would carry much weight in the decision making process. Policy ED4 also referred to the need to give consideration of any "significant positive contribution", in relation to proposals within the Core Activity Area, and the pilot scheme expanded upon examples of what were considered to be factors determining "significant positive contribution".
- 2.6 The Planning & Building Standards Committee agreed that the pilot study should remain in place until the new retail policy is adopted as part of the next LDP. It should be noted that the Proposed LDP is currently subject to Examination with the Directorate for Planning and Environmental Appeals (DPEA) and it is anticipated that this process will be concluded in Spring/Summer 2023. Policy ED4 (Core Activity Areas in Town Centres) was reviewed as part of the Proposed LDP process. The review of Policy ED4 took into consideration feedback from the pilot study outlined above. Policy ED4 has been revised as part of the Proposed LDP

to remove the Core Activity Areas for Hawick and Stow. Furthermore, Class 2 uses are supported in Duns, Eyemouth, Galashiels, Jedburgh and Selkirk. The Galashiels Core Activity Area has been reduced in size to include only Bank Street and part of Market Street. Channel Street and Douglas Bridge have been removed from this designation. As the Core Activity Areas for Kelso, Melrose and Peebles continue to perform at a comparatively high level, there is less requirement for additional flexibility of uses.

- 2.7 This is the last Retail survey in the Scottish Borders to follow the methodology as described below. Future surveys and reporting will take into consideration the policy requirements set out within NPF4 and the implications of the recent update to the Use Class Order.

Methodology

- 3.1 The survey covers the town centre of each of the surveyed settlements; explained in detail in Appendix 1. Retail units that fall out with these areas are not included within the survey. Ground floor units operating within the use classes listed below are monitored.

- Class 1-shops; class 1-non classified (sui generis);
- Class 2-financial, professional and other services;
- Class 3-food and drink; class 3-non classified (sui generis); and
- Class 7-hotels and hostels.

Those found to have changed to other uses since the previous survey are not counted in the results.

- 3.2 Town centre retail floorspace is also monitored through the survey. This data is based on information from the Scottish Assessors (see Appendix 1 for full survey methodology) and enables a more complete assessment of town centre retail performance than retail unit vacancy rates alone. Whilst some towns may have high retail unit vacancy rates, they may hold lower floorspace vacancy rates, or vice versa.
- 3.3 Following changes to Hawick's town centre boundary, as designated in the adopted Local Development Plan 2016, this survey has seen a significant change to the area surveyed in the town. The town centre boundary now extends across the River Teviot.

Summer 2022 Results

- 4.1 In total, 1384 units were counted of these, 175 units were found to be vacant, compared to 167 out of 1402 units in the Summer 2022 audit. The overall Scottish Borders vacancy rate is 13%, increased by 1%, since the summer 2022 survey; the floorspace vacancy rate is 9%, a decrease of 2% since summer 2022.
- 4.2 Settlement vacancy rates vary, Newtown St Boswells (36%), Tweedbank (33%), and Chirnside (25%) recorded the highest vacancy rates, Table 1 shows that some settlements have a relatively small number of shops and, therefore, any increase or decrease in vacancy can significantly affect the overall percentage total. Galashiels (including Galashiels 2nd centre) and Hawick together account for 51% of all vacant units. No vacant units were recorded in Earlston and St Boswells, though these settlements have relatively low numbers of retail units overall, compared to other settlements.
- 4.3 Table 1 presents the winter 2022 results for the number of units per settlement; the number of vacant units per settlement; retail unit vacancy rates per settlement; and floorspace vacancy rates per settlement (floorspace only includes class 1 & 2).

Table 1: Settlement vacancy rates

Settlement	Units	Vacant units	Retail unit vacancy rate	Floorspace vacancy rate*
Chirnside	8	2	25%	44%
Coldstream	37	5	14%	8%
Duns	58	11	19%	19%
Earlston	18	0	0%	0%
Eyemouth	64	8	13%	7%
Galashiels	238	42	18%	12%
Galashiels 2nd	40	5	13%	2%
Hawick	255	42	16%	8%
Innerleithen	51	7	14%	18%
Jedburgh	88	14	16%	13%
Kelso	165	7	4%	2%
Lauder	17	1	6%	0%
Melrose	78	5	6%	4%
Newtown St Boswells	11	4	36%	18%
Peebles	140	6	4%	1%
Selkirk	89	14	16%	21%
St Boswells	12	0	0%	0%
Tweedbank	3	1	33%	0%
West Linton	12	1	8%	6%
TOTAL	1384	175	13%	9%

*Floorspace takes account of class 1 and class 2 uses only.

Trends

- 5.1 Table 2 shows the changes in retail unit vacancy rates over the past five years. Since the last audit, retail unit vacancy rates increased in 10 towns. Retail vacancy rates decreased in Eyemouth (-2% = 2 units), Galashiels (-1% = 4 units), Innerleithen (-1% = 1 unit) and Tweedbank (-34% = 1 unit).

Table 2: Retail unit vacancy rates over past five years

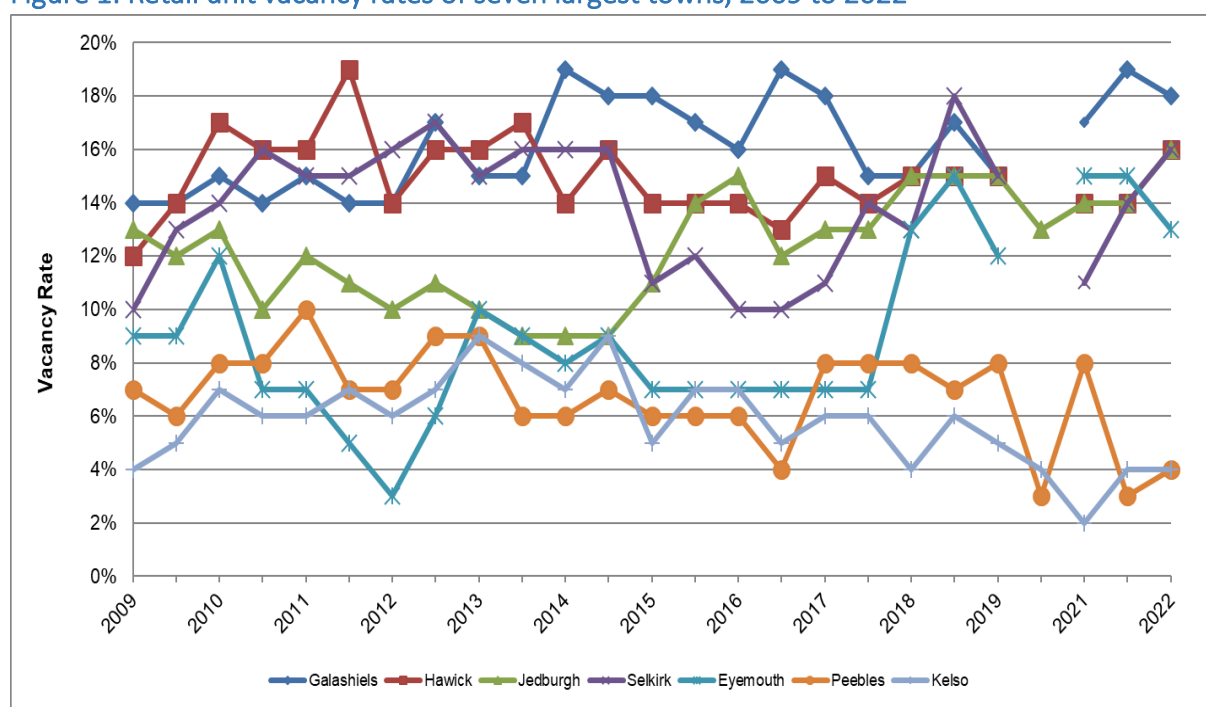
Settlement	S 2018	W 2018	S 2019	W 2019	S 2020	W 2020	S 2021	W 2021	S 2022	W 2022
Chirnside	20%	10%	11%	*	*	*	22%	*	13%	25%
Coldstream	19%	12%	15%	*	*	*	8%	*	11%	14%
Duns	10%	10%	15%	*	*	*	15%	*	17%	19%
Earlston	10%	10%	0%	0	*	*	0%	*	0%	0%
Eyemouth	13%	15%	12%	*	*	*	15%	*	15%	13%
Galashiels	15%	17%	15%	*	*	*	17%	*	19%	18%
Galashiels 2nd centre	14%	14%	14%	*	*	*	12%	*	14%	13%
Hawick	15%	15%	15%	*	*	*	14%	*	14%	16%
Innerleithen	2%	8%	8%	8%	*	*	13%	*	15%	14%
Jedburgh	15%	15%	15%	13%	*	*	14%	*	14%	16%
Kelso	4%	6%	5%	4%	*	*	2%	*	4%	4%
Lauder	22%	17%	22%	18%	*	*	0%	*	0%	6%
Melrose	8%	6%	5%	8%	*	*	4%	*	5%	6%
Newtown St Boswells	15%	8%	8%	23%	*	*	25%	*	27%	36%
Peebles	8%	7%	8%	3%	*	*	8%	*	3%	4%
Selkirk	13%	18%	15%	*	*	*	11%	*	14%	16%
St Boswells	0%	0%	0%	0%	*	*	0%	*	0%	0%
Tweedbank	0%	0%	0%	0%	*	*	33%	*	67%	33%
West Linton	0%	8%	8%	17%	*	*	17%	*	8%	8%

*Not completed due to COVID-19 restrictions.

- 5.2 Figure 1 shows the longer-term results for the seven largest towns by population. The retail vacancy rate in **Galashiels** has decreased by 1% since the last audit. Over a five-year period, there have been fluctuations in the figures with a high of 19% in winter 2021 and a low of 15% in summer 2019. The figure of 18%, recorded in the latest audit, shows the vacancy has remained above the Scottish Borders retail vacancy of 13%. There are a cluster of vacant units around and near Douglas Bridge and North West end of the High Street. Much of the remaining vacant units are interspersed throughout the town centre. The recent opening of the Great Tapestry of Scotland on the High Street in August 2021 is expected to produce benefits over time. Therefore, it is important to monitor future statistics. **Galashiels 2nd Centre (Wilderhaugh)** had decreased to 13% from 14% in summer 2022; therefore, falling below the vacancy rate from 3 consecutive audits in 2018 and 2019. The current total vacant floorspace is only 2%, down from 13% in summer 2022.

5.3 **Hawick**'s town centre expanded following the adoption of the Council's Local Development Plan to include an additional eleven units north of the Teviot River. The retail vacancy rate in Hawick has stayed between 14-15% since the Summer 2018 audit, however, this current audit recorded a vacancy rate of 16%. Generally, the vacancies are interspersed throughout the High Street, Buccleuch Street and North Bridge Street; of the units west of the River Teviot, around Commercial Road, none are vacant. The town's floorspace vacancy rate is 8%, therefore, although the unit vacancy rate is higher the floorspace vacancy rate is lower. Hawick's town centre performance will continue to be monitored closely going forward as the Council's Hawick Action Plan continues to take effect. Through the Town Centre Core Activity Area Pilot Study, the Core Activity Area in Hawick was removed for a trial period of a year and will be extended until the new Local Development Plan is adopted. The Hawick Conservation Area Regeneration Scheme (CARS) is anticipated to help regenerate the town centre.

Figure 1: Retail unit vacancy rates of seven largest towns, 2009 to 2022



Note: the gaps show that no survey data was collected in 2020 for these towns

5.4 **Peebles** has consistently recorded a lower than average retail unit vacancy rate, which rose to 4% in this audit; though still well below the Scottish Borders average of 13%. Peebles town centre is considered to be performing well. **Kelso** also has recorded a very low retail unit vacancy rate of 4% for two consecutive audits. Kelso has repeatedly recorded a lower than average retail vacancy rate in comparison to the Scottish Borders average and continues to perform well.

- 5.5 **Jedburgh's** retail unit vacancy has fluctuated between 13-15% since the summer 2018 audit. The retail unit vacancy rate is currently at 16%, the highest it has been in 5 years. The floorspace vacancy rate has decreased by 2% to 13%; Jedburgh will be closely monitored going forward. **Selkirk's** retail unit vacancy rate has fluctuated between 11% and 18% over the last five years; Selkirk's current vacancy rate is 16% an increase of 2% since the summer 2022 audit. Selkirk has received funding through the Selkirk Conservation Area Regeneration Scheme (CARS). The scheme gave grants for qualifying buildings in the conservation area to do external repairs; in conjunction with an upgraded streetscape. The scheme ended March 2018. **Eyemouth's** retail unit vacancy rate has decreased by 2% to 13%, the same the figure recorded in summer 2018, currently equal to the Scottish Borders average of 13%. Eyemouth has recently received £400k through the Scottish Government's Place Based Investment Programme for redevelopment of the waterfront.
- 5.6 Turning to the towns not shown in figure 1, **Coldstream's** retail unit vacancy rate has increased by another 3% since the last audit to 14% (1 units). This is reflected in a 2% increase in floorspace vacancy rate to 8%. **Innerleithen's** retail unit vacancy rate has risen from 2% to 14% in the last five years, however this year's audit recorded a 1% decrease in vacancy rate. **Earlston's** vacancy rate remains at 0%, see Table 2. The retail unit vacancy rate of **Duns** increased by 2% for the second consecutive audit to 19%.
- 5.7 **Lauder's** retail unit vacancy rate decreased from highs of 22% in the summers of 2018 and 2019, to 0% in the summer 2022 survey. However, 1 unit was recorded as vacant in this audit making the vacancy rate 6%; Lauder has 17 shops. **Melrose's** vacancy rate has increased by 1% to 6% for the second consecutive audit. Melrose is continuing to perform well and has consistently been below the Scottish Borders average. Table 2 shows significant fluctuations in the retail unit vacancy rates of **Chirside**, **Newtown St Boswells** and **Tweedbank**, although these results, in part, simply reflect the low numbers of retail units in these settlements. This means any change in occupancy of a single unit has a significant effect on a vacancy rate as a percentage. **West Linton's** high vacancy rate of 17% in summer 2021 is only equal to 2 units, this year the vacancy rate dropped to 8% (1 unit) for both the summer and winter audits. **Earlston and St Boswells** have recorded a vacancy rate of 0%, Earlston has had a 0% vacancy rate since summer 2019 and St. Boswells has maintained a 0% vacancy rate since at least summer 2018 (no data in 2020 and winter 2021).

- 5.8 In **comparison to the rest of the UK**, Table 3 shows the overall Scottish Borders retail unit vacancy rate alongside the UK average retail unit vacancy rate over the last five years (source: Local Data Company). The table shows that the Scottish Borders retail unit vacancy rate is currently 1% lower than the UK average rate.

Table 3: Vacancy rates etc. over time

	S 2018	W 2018	S 2019	W 2019	S 2020	W 2020	S 2021	W 2021	S 2022	W 2022
Borders vacancy rate	12%	12%	12%	*	**	**	11%	**	12%	13%
UK vacancy rate	12%	12%	13%	*	**	**	15%	**	14%	14%
Units (class 1-3, 7)	1427	1424	1417	*	**	**	1402	**	1401	1384
Vacant units	164	173	165	*	**	**	160	**	167	175

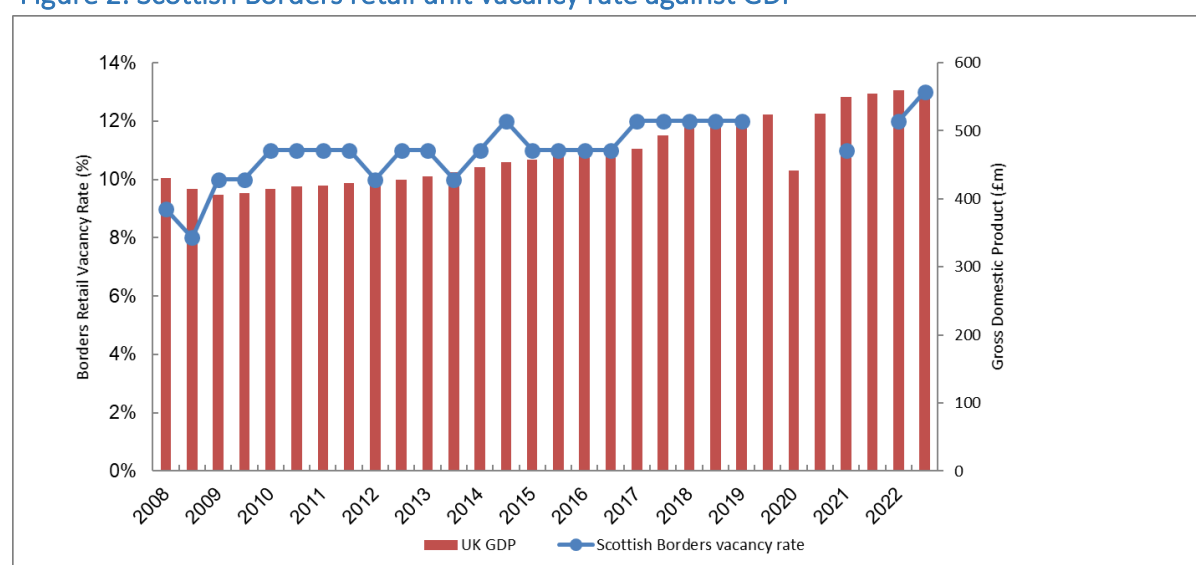
Note: (S=Summer; W=Winter)

* The Winter 2019 audit was only partly completed, so no figures given.

** Covid-19 restrictions and advice prevented surveys being completed in 2020 & winter 2021.

- 5.9 Figure 2 presents the overall Scottish Borders retail unit vacancy rate since winter 2008. This is shown against gross domestic product data to illustrate the relationship between retail unit vacancy rates and the state of the wider economy. The graph shows that the vacancy rate increased quickly in the early recessionary stages of the economic downturn, but has not decreased back to previous levels of 8-9% since, despite the subsequent return to economic growth. This may reflect other factors, such as the growth of online retail, especially during the COVID 19 lockdown periods. Although, internet sales, as a percentage of total retail sales, fell from a high of 37% in January 2021 to 25.2% in February 2023 (Office of National Statistics).

Figure 2: Scottish Borders retail unit vacancy rate against GDP



Note: the break in the vacancy rate line is the result of no data being collected in winter 2019, 2020 and winter 2021.

Retail Chains

- 6.1 Existence of retail chains, or multiple shops, can be an indicator of external industry confidence in a town centre, whilst high numbers of local independent shops can be an indicator of local confidence in a town centre and can be attractive to visitors. Table 4 lists the number of retail chain shops per town centre and the proportion of shops, which are operated by retail chains. This data covers use class 1 only; sui generis uses are excluded. The table is presented in order, with settlements with higher proportions of retail chain shops listed first. The definition of retail chain shops covers both regional and national chains, and smaller, local, multiple shop chains. Overall, 32% of all class 1 shop units (235 units) are operated by a retail chain; the highest proportion of retail shops is in Galashiels 2nd centre at Wilderhaugh.

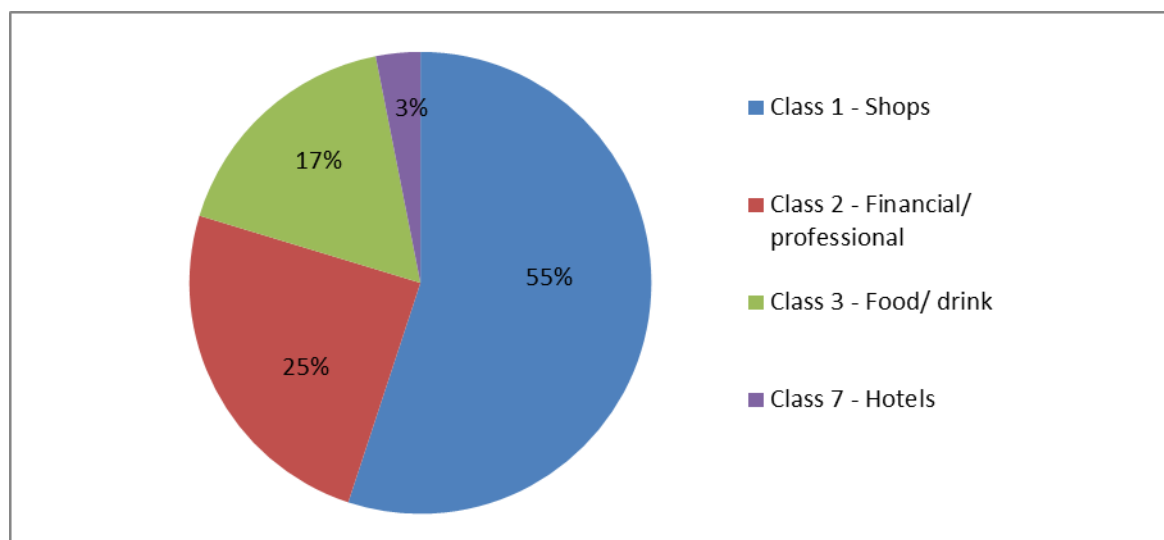
Table 4: Number and proportion of retail chain shops (use class 1 only) - winter 2022

Settlement	Retail Chain Shops	Shops class 1	% Retail chain shops
Galashiels 2nd	14	19	74%
Tweedbank	1	2	50%
Galashiels	55	120	46%
Kelso	38	99	38%
St Boswells	3	8	38%
Newtown St Boswells	2	6	33%
Hawick	40	126	32%
Peebles	27	87	31%
Earlston	3	10	30%
Eyemouth	6	22	27%
Duns	7	26	27%
Chirnside	1	4	25%
Jedburgh	11	50	22%
Selkirk	10	47	21%
West Linton	2	10	20%
Melrose	9	49	18%
Coldstream	3	19	16%
Lauder	1	10	10%
Innerleithen	2	32	6%
Total	235	746	32%

Use Classes

- 7.1 The retail survey categorises units by their use in planning law, as defined through the Town and Country Planning (Use Classes) (Scotland) Order 1997, and also by the Council's own categorisation system. Only units operating within the following use class categories are monitored through the survey:
- Class 1-Shops and class 1-non classified (sui generis);
 - Class 2-Financial, professional and other services;
 - Class 3-Food and drink, and class 3-non classified (sui generis); and
 - Class 7-Hotels and hostels
- 7.2 These categories are explained in further detail in Appendix 2. By categorising the retail units by use class it is possible to establish whether a particular type of unit is in decline and where concentrations of use classes are located.
- 7.3 762 surveyed units in the Borders operate as shops, 746 are use class 1 and 2, excluding sui generis uses, and 16 units are class 1 non classified (sui generis). Figure 3 shows the mix of uses across all of the town centres, and shows that the majority of units (55%) operate as shops (use class 1 including sui generis uses); 1% less than summer 2022.

Figure 3: Mix of uses across all surveyed town centres, winter 2022



** Percentages in Figure 3 may not add up due to rounding*

Floorspace

- 8.1 Floorspace data from the Scottish Assessors is used in the retail survey. **This data is only available for class 1 (including sui generis use) and class 2 units.** Further information on the floorspace data collation process can be found in Appendix 2.
- 8.2 Table 5 shows the number of class 1 (including sui generis) and class 2 units per settlement; the volume of floorspace of these units; the volume of vacant floorspace; and the percentage of floorspace sitting vacant (the total floorspace vacancy rate). The table is ordered by floorspace, class 1 and 2, and shows Galashiels and Hawick have the highest total town centre floorspace; 54% of floorspace within the surveyed town centres is found in Galashiels and Hawick town centres.

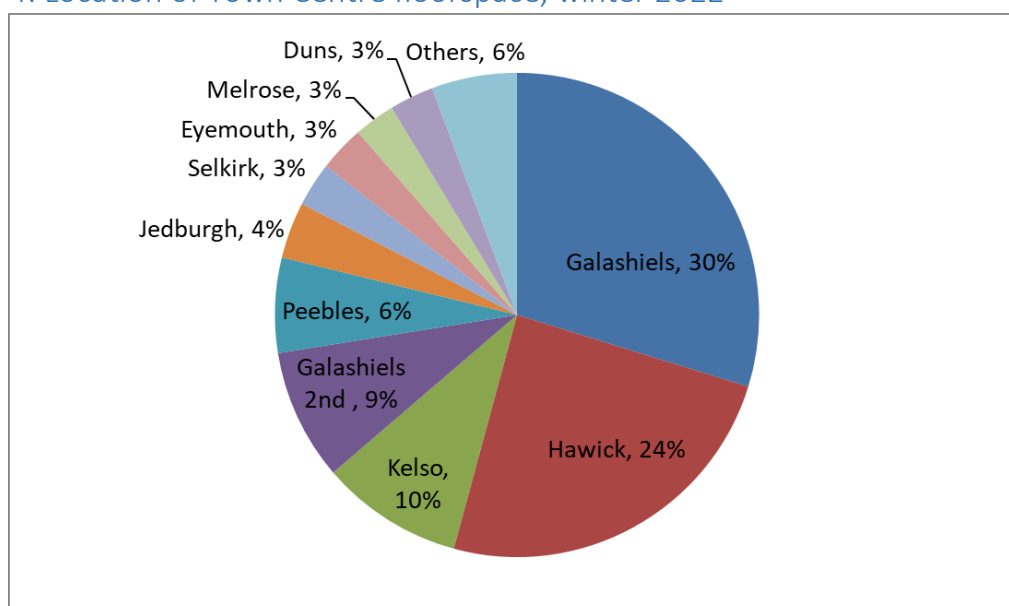
Table 5: Floorspace data for class 1 and 2, ordered by Floorspace (rounded to nearest 100)

Settlement	Class 1 and 2	Total floorspace	Total vacant floorspace	Total floorspace vacancy rate
Galashiels	197	57885	6835	12%
Hawick	208	48373	4067	8%
Kelso	135	19474	484	2%
Galashiels 2nd	35	17574	303	2%
Peebles	111	12315	173	1%
Jedburgh	68	8567	1155	13%
Duns	46	6105	1185	19%
Eyemouth	43	6070	419	7%
Selkirk	70	5832	1244	21%
Melrose	64	5166	185	4%
Coldstream	26	3331	282	8%
Innerleithen	39	2261	405	18%
St Boswells	9	1220	0	0%
Earlston	12	966	0	0%
Lauder*	12	934	0	0%
Chirnside	5	876	383	44%
West Linton	11	686	38	6%
Newtown St Boswells	10	679	123	18%
Tweedbank*	2	171	0	0%
Total	1103	198485	17281	9%

* Towns with vacant units in Class 3 but not Classes 1 & 2

- 8.3 The findings show Galashiels, Galashiels 2nd centre, Hawick, Kelso, Peebles, Jedburgh, Duns, Eyemouth, Selkirk and Melrose have the highest volumes of floorspace in the Borders, and continue to contribute 94% of the total floorspace of the 18 surveyed settlements, as figure 4 illustrates.

Figure 4: Location of Town Centre floorspace, winter 2022



- 8.4 Table 6 analyses data by four floorspace volume categories. The majority of units are small (<100sq m) or medium sized (100-250sq m). Only 2 large (>1000sq m) units are vacant; both units are on Channel Street in Galashiels, one of these units was formerly filled by a chain retail outlet that is no longer in business. Large units have a floorspace vacancy rate of 4%, compared to 9% vacancy rate of medium-large sized units (250-1000sq m) and 13% of medium units (100-250sq m). There has been an increase in the number of units of (1000sq m>), following the extension of Hawick town centre boundary (2016) across the Teviot, which includes several very large units in this part of the town.
- 8.5 In the current audit, units within the medium (100-250 sq m) and medium-large (250-1000 sq m) range are performing well with vacancy rates falling by 3% and 6% respectively, since the summer 2022 audit. Large units (>1,000 sq m) have remained at a vacancy rate of 4%; the lowest rate of all the unit sizes.

Table 6: Performance by unit floorspace volume, winter 2022 *

Floorspace volume	Units	Vacant units	Unit vacancy rate	Floorspace	Vacant floorspace	Floorspace vacancy rate	Breakdown of vacant floorspace
<100 (S)	704	93	13%	37190	4602	12%	27%
100-250 (M)	258	36	14%	41172	5393	13%	32%
250-1000 (M-L)	96	9	9%	43105	4051	9%	24%
>1000 (L)	35	2	6%	76959	2985	4%	18%
Total	1093	140	13%	198426	17031	9%	100%

* Figures may not add due to rounding; percentage figures calculated before rounding.

Charity Shops

- 9.1 As charity shops are normally entitled to 80% mandatory rate relief, charity shops may be viable in circumstances where other shops are not. However, the presence of charity shops may be one factor that can increase footfall on a high street; although, a combination of factors are likely to affect footfall in any given town.
- 9.2 Table 7 lists the towns with charity shops operating; the number of charity shops operating per town; and the percentage of shops operating as charity shops. The towns with the highest number of charity shops surveyed are; Hawick (7), Kelso (6), Galashiels (5) and Peebles (5). There are 33 charity shops within the surveyed town centres, making 5% of class one shops, overall, operating as charity shops.

Table 7: Number of class 1 (shops) units overall & charity shops, winter 2022

Settlement	Charity shops	Total class 1 shops	% charity shops
DUNS	2	26	8%
GALASHIELS	5	120	4%
HAWICK	7	126	6%
JEDBURGH	2	50	4%
KELSO	6	99	6%
PEEBLES	5	87	6%
SELKIRK	2	47	4%
COLDSTREAM	1	19	5%
EYEMOUTH	1	22	5%
MELROSE	1	49	2%
INNERLEITHEN	1	32	3%
TOTAL	33	677	5%

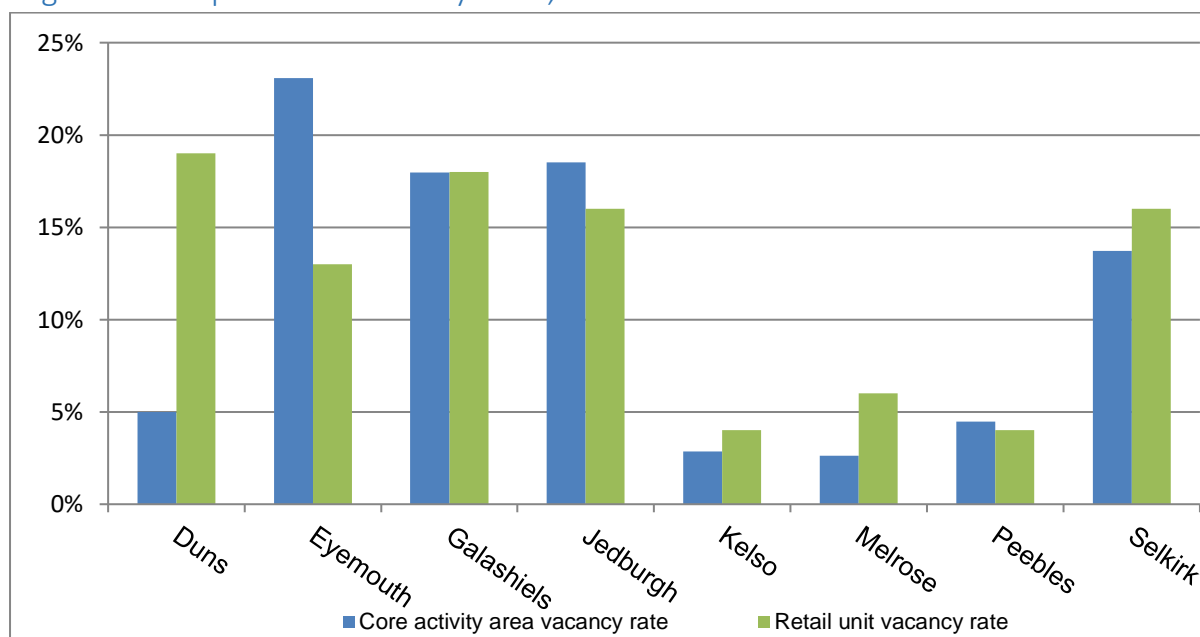
Note – This is total of towns with a charity shop only, not all class 1 units

Supporting Town Centre Viability

- 10.1 In the central parts of our town centres, local planning policy is used to prevent the loss of town centre uses, which support most vibrancy and footfall. Local Development Plan Policy ED4—Core Activity Areas in Town Centres supports class 1 (shops) and class 3 (food and drink) uses within Core Activity Areas. These uses are considered to support vitality and the policy restricts other uses, although, there is some flexibility of uses within the policy depending upon the performance of a town centre at that point in time.
- 10.2 Policy ED4—Core Activity Areas in Town Centres applies in the core parts of the nine town centres identified within the Scottish Borders Local Development Plan excluding Hawick (see para 5.3). Appendix 4 provides maps showing Core Activity Areas and town centre boundaries.

- 10.3 Figure 5 compares the overall town centre vacancy rates of the settlements covered by the Core Activity Area policy against the average vacancy rates within the Core Activity Areas.

Figure 5: Comparison of vacancy rates, winter 2022



- 10.5 The average retail unit vacancy rate within Core Activity Areas stands at 11%. The retail unit vacancy rate within Core Activity Areas is 2% lower than the overall Scottish Borders vacancy rate, but this does not reflect wide variations amongst the towns surveyed.
- 10.6 Figure 5 shows that the Core Activity Areas within Duns, Kelso, Melrose and Selkirk have a lower vacancy rate than their respective town centres as a whole. The Core Activity Areas within Eyemouth, Jedburgh and Peebles have higher vacancy rates than their town centres as a whole; Galashiels has the same vacancy rate for the Core Activity Area and the wider town centre.
- 10.7 The core activity area within Hawick was removed for a one-year trial period as part of the Town Centre Core Activity Area Pilot Study. The primary purpose of the study was to examine ways to revitalise and reinvigorate the town centres of Hawick and Galashiels by adding more flexibility to Policy ED4 (Core Activity Areas in Town Centres) within the adopted Local Development Plan (LDP) 2016. The Pilot has been extended until such a time that the adopted Local Plan 2016 is superseded.
- 10.8 In Hawick, the vacancy rate has been repeatedly over the Scottish Borders average and has a number of long-term vacancies. Removing the Core Activity Area completely allows a greater number of uses within the town centre. The pilot study in Galashiels allows greater flexibility for potential uses within the Core Activity Area.

Town Centre Health Checks

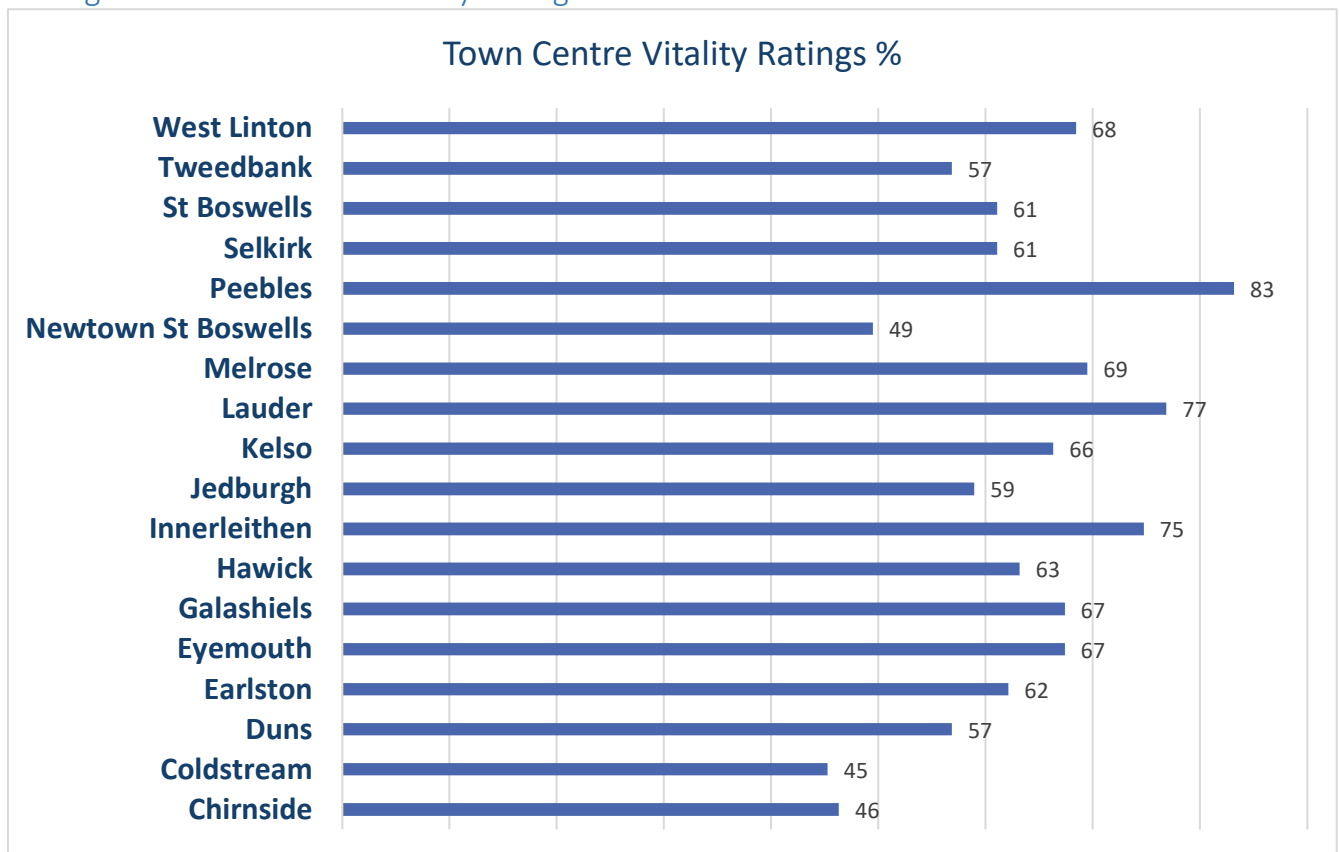
- 11.1 Town Centre Health Checks are conducted for each settlement to assess town centre vitality. The settlements are scored on a range of criteria relating to accessibility, safety, diversity of uses and the quality of the built environment. A copy of the checklist used can be found in Appendix 3.
- 11.2 The average vitality rating across all surveyed settlements is 63%, which is down 2% from summer 2022, although, still higher than the figure of 61% recorded in 2009. The settlements ranking highest were Peebles (83%), Lauder (77%) and Innerleithen (75%). The towns, which ranked lower, were Coldstream (45%), Chirnside (46%) and Newtown St. Boswells (49%), (see Figure 8 below).
- 11.3 Settlements with smaller populations may have high scoring for the quality of the town centre environment, however, are unlikely to score as well for accessibility and diversity of uses. Settlements with larger populations have the advantage, in terms of both infrastructure, e.g. public transport, and diversity of uses, e.g. sports pitches and libraries (see Table 9 for population figures below).

Table 9: Population counts from the 2021 census

Chirnside	1457
Coldstream	1944
Duns	2887
Earlston	1715
Eyemouth	3473
Galashiels	12302
Hawick	13586
Innerleithen	3225
Jedburgh	3832
Kelso	6681
Lauder	1887
Melrose	1904
Newtown St Boswells	1465
Peebles	8581
Selkirk	5458
St Boswells	1418
Tweedbank	1994
West Linton	1851

Source: National Records of Scotland

Figure 8: Town Centre Vitality Ratings winter 2022



Long-Term Vacancy

- 12.1 The length of time vacant units have been unoccupied can be an indicator of the specific challenges a town centre may be facing. Where a unit is long-term vacant there may be complex or technical causes of vacancy rather than direct market causes. For example, a unit's use could be prevented by a legal ownership dispute or legislative constraints that cannot be overcome. Furthermore, value of commercial property can be linked to the rent it has yielded. Long-term vacancy may also result from the gradual decline of a specific part of a town centre. Studying persistent vacancy can also help distinguish between short and long-term vacancy.
- 12.2 Figure 7 breaks down overall retail unit vacancy rates across nine town centres by length of vacancy, whilst Table 8 lists long term vacant unit numbers and long term vacancy rates per settlement.

Figure 7: Town centre vacancy rates by vacancy length, winter 2022

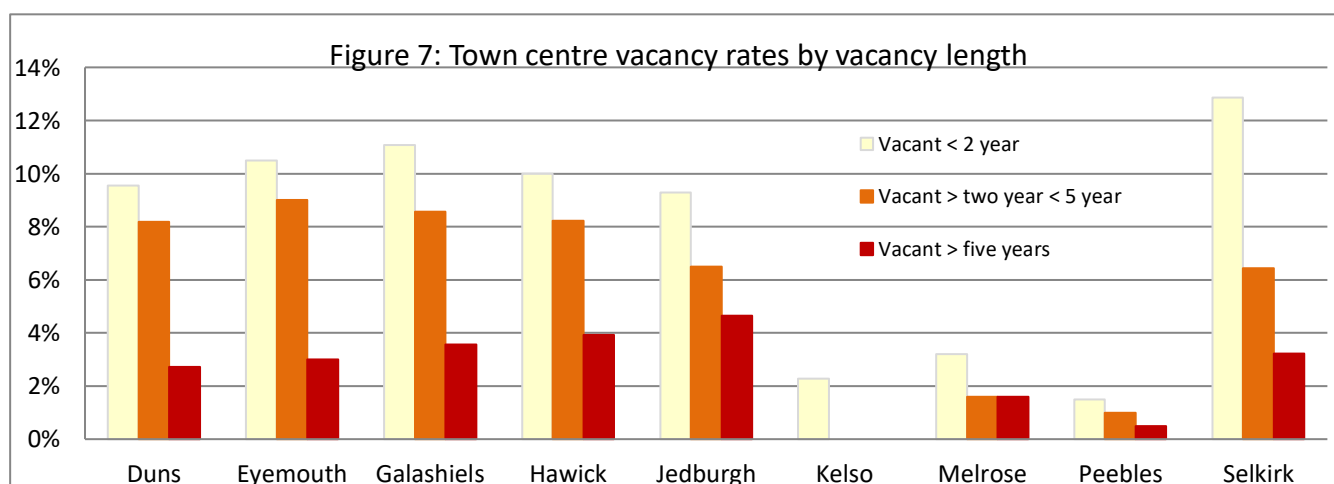


Table 8: Long term (vacant 5 yrs +) vacant units and vacancy rates, winter 2022

Settlement	Long term vacant units	Total units	Long term vacancy rate
Duns	2	58	3%
Eyemouth	2	64	3%
Galashiels	10	238	4%
Hawick	11	255	4%
Jedburgh	5	88	6%
Kelso	0	165	0%
Melrose	1	78	1%
Peebles	1	140	1%
Selkirk	3	89	3%

Conclusions

- 13.1 The overall Scottish Borders retail unit vacancy rate has increased by 1 % from the summer 2022 survey to 13%. Since summer 2014 the vacancy rate has varied between 11% and 12%. The rate stood at 12% in winter 2014 and consequently dropped to 11% for a stable period of 5 audits prior to rising back up to 12% in summer 2017. Despite a slight drop in summer 2021 to 11%, the vacancy rate is the highest it has been since the audit began in 2007. The vacancy rate remains well above the low of 7% recorded before the economic downturn. However, the current Borders retail unit vacancy rate is lower than the UK average retail vacancy rate of 14% (source: Local Data Company).
- 13.2 Hawick's retail unit vacancy rate has risen to 16% as part of the winter 2022 survey, an increase of 2% since the previous survey. Hawick has experienced generally declining footfall in recent years and its retail unit vacancy rate has varied between 12% and 19% since 2009. In planning terms, the Council has responded by allowing a more flexible range of uses via the removal of the Core Activity Area from Hawick through the Town Centre Core Activity Area Pilot Study. On a broader level through a partnership, funding was secured from Historic Environment Scotland (HES) in April 2019 for heritage and conservation based regeneration activities within Hawick town centre. Funding from HES (£1.315m), the South of Scotland Enterprise (£60k) and the Council (£200k) will run until 31 March 2025. The Council will continue to pay close attention to the position in Hawick, and particular attention will be paid to the High Street.
- 13.3 Galashiels' retail vacancy rate stands at 18%, a decrease of 1% since the summer 2021 survey. The vacancy rate in the town centre has fluctuated over previous years notably from a high of 19% in winter 2016 to 15% in winter 2017. The opening of the Galashiels Transport Interchange, Border Railway and The Great Tapestry of Scotland should benefit the performance of the town centre over time, once these developments bed in. The performance of the town centre will continue to be monitored closely, particularly the vacant units along Channel Street and the north end of the High Street, and via the Town Centre Core Activity Area Pilot Study.
- 13.4 Elsewhere, Innerleithen's retail unit vacancy decreased to 14%. Selkirk's retail unit vacancy rate has increased from 14% to 16% at the current survey, this is the second rise in two consecutive audits. The Council responded to the challenges in Selkirk by initiating the Selkirk CARS regeneration scheme, which ran into 2018 and included major public realm improvement works in the Market Square. Jedburgh had a vacancy rate of 14% for the last two summer audits, however, this has now risen to 16%. The CARS regeneration scheme in Jedburgh ended in 2022. Eyemouth vacancy rate had been at 15% for the last two summers, however, this audit recorded a 2% decrease. Funding has been secured through the Scottish Government's Regeneration Capital Grant Fund (£545k) and the Council (£300k) to Eyemouth Harbour Trust for redevelopment of the former disused and dilapidated old fish market and former Maritime Museum, which has been closed for several years. It is noted that in terms of low vacancy levels Kelso, Melrose, Lauder and Peebles continue to perform well and, Earlston and St. Boswells have nil vacancies.
- 13.5 As noted, planning policy is provided by the adopted Local Development Plan. Future retail surveys will continue to monitor the impact of the policies set out within the Development Plan.

Appendix 1 – Methodology

The retail survey covers ground floor town centre units within eighteen Borders settlements and has been carried out on a bi-annual basis since winter 2006. The process for the audit is summarised below:

Data preparation:	1 Access database set up
	2 Access database changes, as necessary
	3 Identification of survey coverage
	4 Production of town centre survey maps
Survey:	1 Town centre site visits and surveying with town centre maps
	2 Recording of data
	3 Recording of new unit and unit spatial changes
Data update:	1 Database data entry
	2 GIS spatial changes
	3 Run database queries
	4 Results analysis

Database

The database records the following information for each unit: unique unit reference number; name of the business (if the unit is occupied); description of the business (e.g. bakery, clothes shop, newsagents); full address; use classification; SBC use categorisation; whether the unit is a chain/multiple; unit floorspace data; and whether unit is within a Core Activity Area.

New fields

New fields have been added to the database over time. These have enabled monitoring to extend to cover specific policy areas such as Core Activity Areas, charity shops, long-term vacancies and chain/multiple stores. The coverage of the survey can be extended or reduced going forward in line with new trends, which happen to emerge in the future.

Geographic coverage

In 2006 thirteen town centres were surveyed. In addition to these, a second centre for Galashiels was also introduced in 2006. This was included due to the town's substantial retail and commercial developments outside the town centre. In 2007 this surveying was extended to include all eighteen settlements in the Borders with a population greater than 1000. There has been no change in these settlements following the publication of census 2011 results.

Central retail districts

The survey covers a single designated central retail district for each town, except Galashiels where both the town centre and a second centre at Wilderhaugh are monitored. Where the town has a designated town centre boundary in the Local Development Plan, this is used as the central retail district boundary. Where no LDP town centre boundary exists, a central retail district (which has no planning status and is only used for retail survey monitoring purposes) covers the parts of the town where retail units are focussed.

In 2006 three settlements (Tweedbank, Earlston and Coldstream) did not have boundaries identified in the Finalised Local Plan. Central retail districts were created for these three settlements following site visits. This was repeated in the 2007 survey for the additional five settlements brought into the survey: Chirnside, Lauder, Newtown St Boswells, St Boswells and West Linton.

In 2016, following the adoption of the Council's Local Development Plan, Hawick's town centre boundary was subject to a significant change, which resulted in a notable extension to the town centre. This resulted in 11 new units being monitored through the retail survey. There was also a minor change in the Garfield Street area, which resulted in two units now sitting outside the town centre. Overall, there was a net increase of 9 units following these changes to the town centre. Minor changes were also made to Galashiels town centre boundary but these did not result in any changes to surveyed units.

Floorspace

Retail unit floorspace has been monitored since the summer 2013 survey. This data is primarily based on the Assessor's data for the gross floorspace of each unit. The data collected covers use class 1 (shops) and class 2 (offices) but does not cover use class 3 (food and drink) or use class 7 (hotels). For the remainder of class 1 and 2 units for which we do not hold assessors data (around 7% of units), the Retail Survey GIS shapefile is used to establish an estimate of unit floorspace. A sample of single storey units were examined to establish the relationship between Assessors gross floorspace and unit area as ascertained from the shapefile. A calculation was then made for each of the remaining units using this relationship and other information known about the units (e.g. likely no. floors occupied) to arrive at an estimate for each. Note that this methodology differs to that used for the 2011 Retail Capacity Study.

Appendix 2 – Use Categorisation

Table 1: SBC Categories

SBC Categories	Description
0	Financial, professional and other services
1	Food
2	Drink, confectionary and tobacco
3	Clothing and footwear
4	Furniture, floor coverings and textiles
5	Domestic appliances and electrical
6	Hardware and DIY
7	Other non-food
8	Mixed Business
9	Hire and repair
10	Vacant
11	Charity Shop
Category X	No longer used for retail

Table 2: Use class order included in the survey

Class 1 Shops	Retail sale of goods, hairdresser, undertaker, travel and ticket agency, post office. Dry cleaner, laundrette, cold food consumption on premises. Display of goods for sale, hiring out of domestic goods or articles, reception of goods to be washed.
Class1 Non classified (sui generis)	Sale or display of motor vehicles. Amusement centre, taxi business, vehicle hire.
Class 2 Financial, professional and other services	Financial, professional and other services, including use as a betting office (which is appropriate to provide in a shopping area, principally for visiting members of the public).
Class 3 Food and drink	Restaurants, café, snack bar (use for sale of food or drink on the premises).
Class 3 Non classified (sui generis)	Public House (primary use sales of alcoholic liquor). Hot food takeaway.
Class 7 Hotels and Hostels	Hotel, Guest House or Hostel.

Appendix 3 – Town Centre Health Checklist

Rating 1-5 (1=poor; 5=excellent)

Town Centre: Officer Initials:	Date:	1	2	3	4	5
Quality of town centre environment						
Overall cleanliness of town centre						
Property appearance, condition and maintenance						
Quality/ built heritage of buildings						
Evidence of recent investment by retailers						
Availability and quality of visitor infrastructure - e.g. street furniture, public toilets, payphones, signage						
Accessibility to Tourist Information Centre						
Presence and quality of open space						
Landscaping within the town centre						
Accessibility						
Provision of facilities for cyclists e.g. cycle lanes, cycle storage						
Ease of pedestrian movement e.g. signage, pedestrian crossings, pedestrianised zones						
Ease of movement for the less mobile e.g. lowered kerbs, pavement condition, automatic entrances						
Public Transport - e.g. presence and quality of bus timetables and bus shelters						
Location and quality of car parks, availability of disabled parking bays						
Impact of traffic on the town centre - e.g. traffic calming measures in place						
Safety and security						
Feeling of security - e.g. Presence of CCTV						
Presence of graffiti & vandalism (1= lots/5=none)						
Diversity of uses						
Presence of entertainment/leisure facilities e.g. swimming pool, cinema, bingo						
Presence of cultural and community facilities e.g. libraries, information boards, community halls						
Availability of food & drink facilities						
Additional Notes:						