Cube RE

FAO: Jason Hawkes
Planning Department
Horsham District Council
Albery House
Springfield Road
Horsham
RH12 2GB

06 January 2026

Dear Mr Hawkes,

MOWBRAY LAND NORTH OF HORSHAM OLD HOLBROOK HORSHAM WEST SUSSEX

RE: OBJECTION TO PLANNING APPLICATION REF: S106/25/0013 FOR AMENDMENT TO THE WORDING OF SCHEDULE 14 OF THE LEGAL AGREEMENT UNDER DC/16/1677 IN RELATION TO THE DEFINITION OF RETAIL FLOORSPACE FOR THE MOWBRAY DEVELOPMENT SITE.

Cube RE, as asset manager of Swan Walk Shopping Centre, Horsham, hereby submit this formal **OBJECTION** to application Ref. No: S106/25/0013 for Mowbray, Land North of Horsham, Old Holbrook, Horsham, West Sussex.

This letter has been prepared to respond to the Retail Impact Assessment Update prepared by Montagu Evans, which has been submitted in response to letters of **OBJECTION** to the application. On review of the Retail Impact Assessment Update, we and our consultants have found further inconsistencies and errors in the approach which we have set out in the body of this letter. We kindly request that the Council considers our assessment in detail before determining the application.

Retail Impact Assessment Update Review

Scope & Purpose

This Retail Response has been prepared to respond to the additional information prepared by Montagu Evans ('ME') in support of the pending application at the Mowbray Development Site, Horsham (ref. S106/25/0013).

Specifically, ME has prepared a Retail Impact Assessment Update ('RIAU'). This responds to consultation responses that have been submitted in respect of the application, including previous correspondence from Cube RE, the asset manager of Swan Walk Shopping Centre in Horsham town centre. This response should be read alongside this earlier correspondence.

For ease of reference, this response uses a number of the same broad headings to those set out in the RIAU.

The Retail Context

Site Allocation

ME refers to wording of the Policy SD3 in seeking to justify this scheme. Policy SD3 is clear in stating the following:

> *"Retail provision of no more than 6,000m2 sales floorspace together with other appropriate local shopping facilities* ***subject to it being demonstrated that there would not be a significant adverse impact on Horsham town centre****."* (our emphasis)

The need to ensure retail development does not adversely impact on Horsham town centre is repeated in the supporting text (Paragraph 7.11). This states that:

> *"To assist in meeting the community and retail needs of the new community, it is considered that a retail food store with a sales floor space area of no more than 6,000m2 should be provided as part of the Local Centre. Other local retail shall be provided, as required, in other appropriate locations within the development, to meet everyday needs.* ***The Local Centre should not detract from the vitality and viability of Horsham town centre****."* (our emphasis)

Whilst there is Policy support for retail development at the Mowbray Development Site, this should only be where it is demonstrated that the scale of floorspace will not lead to a significant adverse on Horsham town centre. As such, there is a need for the retail evidence to be submitted in support of the pending application to be robust.

Original Mowbray Development Retail Impact Assessment

ME also refers to the Retail Statement (dated June 2016) submitted in support of the Outline Planning Permission ('OPP') (ref. DC/16/1677) in seeking to justify the scheme. In particular, ME highlights that this Retail Statement assumed a total net retail floorspadce of 6,100 sqm. However, in considering this Retail Statement, this was based on the following development:

Foodstore:	3,400 sqm (net)
Foodstore:	1,500 sqm (net)
Local Shopping Facilities:	1,200 sqm (net)
Total:	**6,100 sqm (net)**

This development is significantly different to that being proposed by the pending application, which comprises the following:

Foodstore:	6,000 sqm (net)
Local Facilities:	400 sqm (net)
Total:	**6,400 sqm (net)**

The current proposals seek to deliver a fundamentally different format of development to that previously 'tested'. Nevertheless, the Decision Notice issued as part of the OPP restricted the retail floorspace to

no more than 6,400 sqm (gross internal area). Therefore, little (if any) weight can be given to the findings of the retail evidence prepared in support of an outline permission granted in 2018 in support of an application to increase the retail floorspace. As highlighted, the Policy allocation is clear in stating that retail floorspace is acceptable at the Mowbray Development Site subject to the proposals not detrimentally impacting upon Horsham town centre.

In addition, ME refers to a Reserved Matters application being submitted in June 2025 for a Village Centre at the Mowbray Development Site (ref. DC/25/1018). This seeks to deliver up to 753 sqm (gross internal area) / 649 sqm (net sales) of town centre uses, which could include retail uses. Whilst ME suggest that this floorspace may not be occupied by retailers, this is not certain. Indeed, planning permission was granted on the 3 December 2025 and no controls were imposed that would prevent all this floorspace being occupied by retail uses.

This floorspace, together with the uplift in floorspace being proposed through the amendment to the existing Section 106, will have a greater impact than that previously granted under the OPP – however the cumulative effect of both proposals has not been fully assessed by ME.

Consultation Comments

ME provides a response to our previous comments. In terms of the impact on Horsham town centre, ME suggests that all evidence suggests that Horsham town centre is *"resilient to changes in the retail market"*.

We do not agree that reflects the concerns raised in our previous correspondence. Instead, it was highlighted that the town centre is vulnerable to losing further larger-format anchor tenants, which are unlikely to be re-let – as demonstrated by recent closures in the town centre. The potential for the loss of anchor tenants will be greatly increased by allowing for an increase in retail floorspace (as proposed) at the Mowbray Development Site.

Furthermore, in reviewing the RIAU and the initial assessment undertaken by ME, it is evident that the retail function of Horsham town centre has declined in recent years. Indeed, ME's own evidence identifies that the retail turnover of Horsham town centre has notably declined since 2017 – from £549.6 million to £335.0 million (a reduction of more than £214 million).

This decline will be further exacerbated by allowing further retail floorspace at the Mowbray Development Site. This is even before taking account of new retail development coming forward elsewhere in Horsham, including at Broadbridge Heath.

We also raised significant concerns regarding the robustness of the Retail Impact Assessment prepared by ME in support of the application. The shortcoming of this retail evidence is demonstrated by the fact that ME has undertaken the RIAU. We provide a review of this update below.

Heath Check of Horsham Town Centre

As part of the RIAU, ME has undertaken an update of the 'health' of Horsham town centre (although this still relies on the site visit undertaken in May 2025). ME concludes that the town centre is considered to be strong resulting in a healthy retail environment.

Whilst Horsham is showing signs of strength, the town centre is showing signs of vulnerability. This is illustrated by the inability to re-let vacant floorspace within the Swan Walk Shopping Centre and the increase in vacancies and short-term lets (as set out in our previous correspondence) and the significant decline in Horsham's market share / turnover since 2017 – as illustrated by ME's own retail evidence.

The introduction of additional out-of-centre retail floorspace at the Mowbray Development Site alongside other recent developments (including at Broadbridge Heath) have the potential to further undermine the long-term vitality and viability of the town centre, in what are very challenging times for town centres. It is within this context that any impact needs to be assessed.

Retail Impact Assessment Update

The RIAU concludes that the proposed development could lead to an impact of up to -5.9% by 2030 on Horsham town centre – comprising an impact of up to -14.6% on the convenience retail sector and an impact of up to -2.4% on the comparison retail sector. This compares to the initial retail evidence identifying an overall impact on Horsham town centre of up to -3.5% (up to -11.0% on the convenience retail sector and up to -1.3% on the comparison retail sector).

Consequently, the updated assessment identifies that the impact on Horsham town centre has increased by 69%.

Furthermore, in reviewing the assessment undertaken we continue to have concerns with regard to the robustness of the assessment undertaken by ME. We summarise these concerns below.

- **Population:** We question why up-to-date population estimates have not been utilised rather than relying on those utilised as part of the Broadbridge Heath development planning application (ref. DC/23/1133). Population estimates are published annually. However, ME has utilised population estimates published in 2024 – derived from Experian. These have been updated in 2025 and are soon to be updated again.

  The RIAU continues to include the new resident population of the North Horsham scheme in estimating the population of the Study Area. As previously identified, this approach assumes that all the resident population at North Horsham will be new to the local area. This is highly unlikely. There **will** be existing residents within the Study Area (including within Zone 1) who will have already been accounted for and may simply be moving to a new property in Horsham rather than being new people to the area. As set out in our previous correspondence, the approach undertaken by the RIA (and repeated in the RIAU) has the effect of double counting and overstating the resident population and subsequent available retail expenditure in the Study Area. ME has undertaken additional sensitivity (contained at Appendix 3.0) that does not account for this 'on site' population. We believe that this scenario represents the most realistic and should be the basis for understanding the likely trading effects of the proposal.

- **Expenditure per capita:** Likewise, the RIAU utilises retail expenditure per capita estimates derived directly from the retail evidence prepared in support of the Broadbridge Heath development. This relied on 2021 estimates published by Experian[1]. Whilst Experian is a robust

[1] As confirmed at the footnote to Table 2 and Table 4 of Appendix F of the Retail Assessment Addendum (August 2024) prepared by Lambert Smith Hampton

source, these estimates have been updated twice, and 2023 estimates are now available. We therefore again question why the latest data has not been utilised.

- **Turnover of the Proposal:** in estimating the potential turnover of the proposal, ME has undertaken based on two scenarios – one that is based on the average sales density of Tesco, Asda, Morrisons, Sainsburys, M&S Food, Aldi and Lidl, and one that excludes Aldi and Lidl in light of our previous comments that neither Aldi nor Lidl trade from such large stores. Whilst this approach is welcomed, we would also suggest that M&S should also be excluded, as they do not trade from foodstores of 6,000 sqm, with a foodhall of 4,200 sqm. If M&S is removed, the potential turnover will increase from £13,145 per sqm to £13,578 per sqm. However, as previously suggested, for robustness we believe that in the absence of a named operator the sales density should be based on the highest published sales density – which in this case would be Tesco. Drawing upon the source[2] utilised by ME the sales density would increase to £16,837 per sqm – compared to the highest figure tested by ME of £13,145 per sqm. By applying this higher sales density, the convenience retail turnover would increase to £70.7 million – compared to up to £55.2 million 'tested' by ME. This represents a notable difference in potential turnover – £15.5 million. By drawing upon sales densities that would not realistically occupy the proposed development, ME's approach underestimates the potential turnover (and subsequent impact) of the proposed development.

  We have similar concerns with regard to the potential turnover of the comparison retail floorspace. ME has applied an average sales density of up to £6,867 per sq m for the foodstore. Again, this is derived from applying the average sales density of Tesco, Asda, Morrisons, Sainsbury's and M&S. If a robust approach is undertaken and this is based on Tesco occupying the floorspace (which has a sales density of £9,044 per sqm), the turnover increases from £12.4 million (as identified by ME) to £16.3 million. Again, this potential increase in turnover will have implications on the potential impact on Horsham town centre. As currently presented, the impacts identified by ME are not robust and cannot be relied upon.

- **Shopping Patterns / Turnover:** ME has utilised the findings of the household survey underpinning the approved Broadbridge Heath scheme to identify existing shopping patterns. This represents a more appropriate approach than relying on survey evidence completed in 2016, which was the basis of ME's initial assessment. However, the market shares identified differ as ME has utilised the market shares inclusive of Special Forms of Trading (SFT) (such as online shopping). As ME has 'stripped out' SFT in estimating available expenditure this is an incorrect approach. The effect of this approach is that the market share of existing destinations is underestimated. This includes the market share achieved by destinations outside Horsham. For example, for convenience shopping within Zone 1, ME estimate that almost a third (32.3%) of convenience shopping trips undertaken are directed to destinations outside Horsham. However, this includes 10.8% directed to SFT. If SFT is rightly removed, the market share of destinations outside Horsham will substantially reduce. This same error is replicated for the comparison goods shopping. As such, notwithstanding our concerns regarding the use of out-of-date population and expenditure per capita estimates, the turnovers of existing destinations are incorrect.

[2] Global Data Convenience and Comparison Goods Sales Densities of Major Grocers (December 2024)

- **Trade Diversion to Proposed Development:** ME estimates where the proposed development will derive its trade. This has been undertaken for both the convenience and comparison goods sectors. In reviewing the convenience trade diversion to the proposal, we continue to have significant concerns with the robustness of the approach undertaken. For example, ME has assumed that 26.7% of the proposal's convenience turnover will be derived from destinations outside Horsham. This is comparable with that assumed to be derived from all destinations in Horsham town centre (27.4%). The high level of trade diversion from destinations outside Horsham does not appear realistic given existing shopping patterns and does reflect the fact that ME has wrongly included SFT as a destination outside Horsham.

  It is also evident that despite now utilising a different household survey that identifies different shopping patterns to that previously utilised by ME in their initial assessment, the trade diversion from existing destinations remains largely unaltered. For example, the initial assessment undertaken by ME assumed that the proposal would derive 32.4% of its convenience turnover from the Tesco at Broadbridge Heath, which is comparable to that now identified (32.5%) in the RIAU. This is despite the Tesco at Broadbridge Heath achieving a market share that is more than 10% lower. It appears that very little account has been given to the findings of the more recent household survey in understanding the likely trading effects as the trade diversion has not changed from the initial assessment and remains, in our view, unjustified.

  This is also reflected for the comparison sector. We would question whether such a high proportion of the proposal's turnover will be derived from facilities outside Horsham (36.3% of the proposal's turnover), which is identified to be comparable with that identified to be derived from Horsham town centre (37.5%). As outlined in our previous correspondence, ME continue to identify that the proposal will derive the bulk (70%) of its turnover from Zone 1. This zone includes Horsham town centre, which is identified to be the most popular retail destination, and despite achieving a market share (39.0%) that is more than 17 times greater than Broadbridge Heath Retail Park (not including the existing Tesco) (2.2%), ME assumes that the proposal will derive 26% of its comparison retail turnover from Broadbridge Heath. This compares to ME assuming that the proposal will derive less than 38% of its turnover from Horsham town centre. Such trade diversions seem entirely plausible and have been applied to deliberately underestimate the level of trade diversion from Horsham town centre.

For all these reasons we continue to have significant concerns regarding the robustness of the impact assessment undertaken.

Nevertheless, based on the updated assessment undertaken but by only applying a more robust assessment of the likely turnover of the proposal, the levels of impact on Horsham town centre notably increases – as set out at Table 1 below.

	ME	Revised Approach
Turnover of Proposal (£m)	71.0	90.8
Turnover of Horsham Town Centre (£m)*	339.6	
Trade Diversion (£m)	21.0	26.9
Impact	-6.2%	-7.9%

Notes: * Based on the more realistic population sensitivity testing undertaken by ME (Appendix 3.0)

The above update shows that the potential impact on Horsham town centre will increase to -7.9% by 2028. This in our view is significant and needs to be considered in the context that Horsham town centre's retail turnover has already substantially reduced in recent years and Horsham is particularly vulnerable to losing further anchor retail tenants. The prospects of this will increase through allowing additional retail floorspace at the Mowbray Development Site – as proposed.

In addition, the RIAU fails to provide a cumulative impact assessment, including the recently granted scheme at the Village Centre, and the new development at Broadbridge Heath. Indeed, whilst account has been given to the Broadbridge Heath scheme coming forward in adjusting the turnover of existing centres / destinations, ME's approach assumes that this development is already trading in 2025. This is not the case. Planning permission was only granted in March 2025. Again, such an approach has been applied to minimise the impact of new development on Horsham town centre.

Therefore, instead of adjusting the existing turnovers to account for this development, the potential impact of this scheme should have been assessed to understand the likely cumulative impact of all proposals. The cumulative impact on Horsham town centre will result in an even greater impact. Currently, a robust cumulative impact assessment has not been undertaken as part of the RIAU. This represents a continued substantial shortfall in the RIAU.

Overall, based on our review of the RIAU, the retail evidence in support of the planning application continues to not be robust and cannot be relived upon in understanding if the proposals are likely to lead to a significant adverse impact. At the very least the assessment needs to be undertaken based on the following revisions:

- Utilise updated population and expenditure estimates published by Experian, rather than relying on out-of-date data.
- Apply a more robust sales density for the proposed development in the absence of a named operator.
- Revisit the market share and trade draw assumptions utilised.
- Undertake a correct cumulative impact assessment,

Without addressing the above concerns, it remains that the insufficient evidence has been provided to justify the proposals.

Nevertheless, even based on the simple approach of just updating the sales density the levels of impact increase and in our view can be deemed as likely to be significant adverse.

Retail Impact – Fallback Position

In seeking to justify the proposal, ME refers to the fallback position and the potential impact on Horsham town centre that can already occur.

ME identifies the potential impact of the fallback position on Horsham town centre to be -4.8% by 2028, which they consider to only be marginally lower than the current proposals. We consider that this impact has been underestimated for the reasons outlined above. However, it is significant that it is not disputed that the impacts will increase as a result of the uplift in floorspace now proposed.

In addition, allowing additional retail floorspace at the Mowbray Development Site, including the ability to provide a much larger retail unit, has the potential to increase the probability of existing anchor tenants relocating from Horsham town centre as this may better suit their business requirements.

ME seeks to justify their position by referring to the conclusions of the Committee Report for the OPP. However, the retail market has significantly changed since 2017, when the OPP was considered. This has included the effects of the Covid-19 pandemic, which has accelerated online shopping at the expense of the 'high street'. Indeed, ME's own evidence suggests that Horsham town centre's market share and retail turnover has substantially reduced since 2017. What was deemed acceptable levels of impact in 2017 may not be the case in 2026. Given this, very little weight can be given to the fallback position when determining the notable uplift in floorspace now proposed. Instead, the current application needs to be assessed on its own merits. In this case, the impacts are likely to be significant adverse.

CONCLUSION

Whilst ME has undertaken an updated impact assessment this continues to fail to provide a robust basis to understand the likely trading effects of the proposals. The methodology adopted and the assumptions applied are flawed and continues to rely on out-of-date baseline data and a number of assumptions are unjustified. The RIAU needs to be updated to reflect our comments (as set out in Paragraph 5.6) for the Council to fully understand the likely trading effects.

Notwithstanding this, even based on ME's flawed approach, but applying a more robust and realistic estimate of the likely turnover of the proposal, the levels of impact (up to -7.9%) of the proposed uplift in floorspace are deemed significant adverse and is likely to lead to a significant adverse impact (the policy test) on the long-term vitality and viability of Horsham town centre.

This impact will be even greater when account is taken of the cumulative effect of the proposals and recent permissions, including at Broadbridge Heath.

Although we believe that there are sufficient grounds to refuse the application based on the lack of robust justification for the proposal, if the local authority is minded to grant planning permission, we strongly encourage that appropriate controls are put in place to minimise the potential impact on Horsham town centre. This should include the following:

- A 'non poaching' clause preventing existing retailers represented in the town centre (as defined by the Development Plan) to close and relocate to the North Horsham.
- A restriction on the retail floorspace permitted to that which has been tested by the RIA. Based on the current RIA, this would be no more than 4,200 square metres (net) to be used for the sale

of convenience goods and no more than 2,200 square metres (net) being used for the sale of comparison goods.

- The prevention of future sub-division of the proposed foodstore.

We would welcome the opportunity to discuss further the potential controls that could be imposed should the Council be minded to grant permission.

Yours sincerely,

Cube RE