



## What is the RECAP Model?

The acronym RECAP stands for Retail Capacity. The RECAP Model is an empirical retail expenditure allocation model, which allocates available shopping catchment area expenditure to town centres and other shopping destinations (such as food superstores and retail warehouse parks) on the basis of the results of a specially designed Household Interview Survey of shopping patterns within the catchment area. It is not a theoretical gravity model. It does not use driving time isochrones as the basis for catchment area analysis (except that in some cases a driving time isochrone may be used to define the outer limits of the area to be covered by the household interview survey).

It is a *growth allocation model*, in that it calculates the capacity for additional retail floorspace principally from the growth in expenditure attracted to each shopping destination, as a result of growth in population and per capita expenditure, and changes in market shares of catchment area expenditure attracted. It does not therefore rely on detailed and precise information of existing shop floorspace for its reliability. The RECAP Model is based on a method which has been widely used and tested at many Public Inquiries in the UK and has been accepted by Planning Inspectors and the Secretary of State.

The main purposes of the RECAP Model are:

- To estimate current retail sales in town centres, food superstores, retail warehouse parks, and other main shopping destinations, as a means of assessing current retail performance, and setting a 'baseline' for forecasting;
- To produce forecasts of future retail sales in each shopping destination;
- To produce forecasts of the amount of additional retail floorspace which will be supportable in each shopping destination by growth in population and retail expenditure;
- To explore the implications and realism of alternative strategies for new town centre and other retail developments.
- To produce forecasts of the impact (in terms of retail sales diverted) on existing shopping destinations of proposed new retail developments;

## How does the RECAP Model work?

In summary, use of the RECAP Model involves the following steps:

- 1) Define the likely maximum catchment area, by means of a driving time isochrone; and/or by reference to physical barriers, communications, and the locations of competing shopping centres; and/or reference to other existing survey data.
  - 2) Divide this area into postcode districts or sectors, or groups of postcode districts or sectors, so as to form catchment area zones; according to the distribution of population, communications, barriers to movement, and location of competing centres.
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- 3) Undertake a detailed household interview survey by telephone of a random sample of households in the defined catchment area, to establish shopping habits for each of 10 different (and precisely defined) categories of retail goods.
  - 4) Obtain estimates and forecasts of the population of each catchment zone.
  - 5) Obtain an estimate of average per capita expenditure on convenience and comparison goods in the defined catchment area, adjusted to remove expenditure on special forms of trading (mail order, vending machines, internet, etc).
  - 6) Apply ultra long term trend based rates of growth in per capital expenditure on convenience and comparison goods to the estimated average per capita expenditure.
  - 7) Multiply base year and forecast future per capita expenditure by base year and forecast population of each catchment zone, to obtain base year estimates and future forecasts of available expenditure on convenience and comparison goods in each catchment zone.
  - 8) Combine together the results from the questions in the Household Interview Survey on each sub-category of goods, weighting the answers according to average per capita expenditure on each sub-category, to form proportions of available catchment area expenditure in each zone which are attracted to each shopping destination (eg, town centre and out-of-centre locations).
  - 9) Multiply these market shares for each zone by the available expenditure in each zone to obtain the amounts of expenditure flowing from each zone to each shopping destination for convenience and comparison goods.
  - 10) Add these flows of expenditure together to provide current estimates and future forecasts of sales of convenience and comparison goods attracted by each shopping destination.
  - 11) If appropriate, add in estimates of expenditure by visitors by outside the defined catchment area.
  - 12) Compare estimated and forecast sales with current shop floor space to obtain average sales densities, allowing for growth or decline in these as appropriate.
  - 13) Calculate future 'residual' expenditure which will be available to support additional retail floorspace.
  - 14) Convert this to floorspace capacity forecasts by applying realistic average sales densities for new retail floorspace.
  - 15) In the case of impact testing, insert the proposed new developments into the model; amend the pattern of market shares in future years on the basis of judgements about relative attractiveness; recalculate expenditure flows and hence retail sales in existing shopping destinations; and express as percentages of trade diverted from existing shopping destinations.
  - 16) In the case of cumulative impact assessments, repeat the previous step by adding in each new development to be assessed, and thereby obtaining a new impact forecast for each such scenario.
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## RECAP Model Flowchart

This chart summarises the steps involved in using the RECAP Model to forecast the capacity for new retail floorspace and the impact of proposed new retail developments

