High Street, Potters Bar

Commercial Needs Assessment

Prepared for Chase New Homes

July 2026

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1 Introduction

1.1 Report Purpose

1.1.1 Savills has been commissioned by Chase New Homes ('the Applicant') to undertake a Commercial Needs Assessment to support a mixed-use redevelopment scheme at Maple House, Nos 8-16 (even) and 30-32 High Street and Nos 1-7 Princes Parade, Potters Bar ('the Subject Site'). The Site is located within Hertsmere Borough Council ('HBC').

1.1.2 The Proposed Development comprises 293 dwellings and 1,742 sqm ground-floor commercial space (Class E). The Applicant has received the following feedback from HBC:

"A preliminary economic analysis should consider how proposed uses integrate with (or compete against) existing town centre functions – particularly contrasting roles of Darkes Lane and High Street. A broader contextual analysis is needed of land use beyond the site boundary (notably the two high streets) to understand local provision and demand… It will be important to clarify proposed non-residential uses at an early stage, as each brings distinct requirements for servicing, parking, spatial layout, and frontage design."

1.1.3 To assess the needs case, this Commercial Needs Assessment aims to:

- Analyse supply and demand performance trends within the office, retail and leisure property sectors at the national level.
- Provide a high-level baseline review of the composition of the 'main town centre uses[1] within the Potters Bar High Street District Centre area defined in Policy SADM42 of the Hertsmere Local Plan 2012-2027 Policies Map. We will focus on office, retail, and leisure premises and compare their performance with other Property Market Areas ('PMAs') where relevant.
- Compare the scale and characteristics of demand with current stock within the PMAs to identify any demand or supply gaps.
- Discuss whether the Subject Site is well-placed to meet identified demand, if any. This will inform the suitable commercial use(s) on the ground floor and whether each use integrates with or competes against existing town centre functions.

1.2 Report Structure

1.2.1 The structure of the report is set out below:

- **Section 2** sets out the Subject Site and the development context.
- **Section 3** defines the Property Market Area (PMA).
- **Section 4** assesses the office property market.
- **Section 5** assesses the retail property market.

[1] Annex 2 of the National Planning Policy Framework (December 2024, updated in February 2025) states main town centre uses comprise '*retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities)*'.

- **Section 6** summarises the findings and recommendations.

2 Subject Site and Development Context

2.1 Introduction

2.1.1 This section describes the Subject Site, its characteristics, and the relevant planning policy context.

2.1.2 We reviewed a range of planning policy and evidence base documents to inform the assessment, namely:

- National Planning Policy Framework (December 2024, updated in February 2025)
- Hertsmere Local Plan (2012-2027), including the Core Strategy (adopted January 2013), Site Allocations and Development Management Policies Plan (adopted November 2016) and Policies Map
- Hertsmere Draft Local Plan 2024: A New Sustainable Local Plan for Hertsmere Consultation Document (April 2024)
- South West Hertfordshire Economic Study (September 2024)
- Hertsmere Economic Study 2026 (April 2026)
- Hertsmere Retail and Town Centre Uses Study (April 2026)

2.2 The Subject Site

2.2.1 The Subject Site is around 1.63ha in size and is 0.7 miles (18-minute walk) from Potters Bar Rail Station and is located within Potters Bar District Centre. It faces Mutton Lane B556 to the south, High Street A1000 to the east, a Tesco Superstore and Potters Bar Cricket Club Ground to the west, and residential dwellings to the north. It has vehicle access from Mutton Lane B556 and High Street A1000. **Figure 2.1** shows the location of the Subject Site.

2.2.2 The Subject Site includes one office tower, mixed-use buildings, a car wash, and a car park area. The use of floorspace includes:

- Maple House (13-storey – 50,500 sqft office floorspace);
- Two parades of commercial (takeaway outlets, restaurants, beauty salons) units fronting the High Street with residential flats above (11,400 sqft)
- A car wash (5,000 sqft)

2.2.3 The location of the Subject Site within the defined district centre means that a range of main town centre uses are supported in principle subject to other requirements.

Figure 2.1 Location of the Subject Site

Source: Savills (2026)

2.3 The Proposed Development

2.3.1 The Proposed Development comprises a residential-led mixed-use scheme of 293 dwellings. It also proposes ground-floor commercial floorspace of up to 1,742 sqm (18,751 sqft) – 70 sqm (758 sqft) in Block A, 1,016 sqm (10,935 sqft) in Block B, and 656 sqm (7,058 sqft) in Block D. The ground floor space has been designed to be flexible to allow for larger and smaller sub-division of spaces to make them more adaptable to commercial demand.

2.4 Planning Policy Context

National Planning Policy Framework ('NPPF') (December 2024, updated in February 2025)

2.4.1 The NPPF (December 2024) adopts a presumption in favour of sustainable development and explains how the planning system could contribute to the underlying economic, social and environmental objectives.

2.4.2 Chapter 7 explores how planning policies and decisions can ensure the vitality of town centres. Paragraph 90 states *'planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation.'*

2.4.3 Draft Policy TC1 (Planning for town centres) of the draft NPPF (December 2025) brings together the principles set out in paragraphs 90 and 94 of the current Framework. It is proposed to be updated to emphasise the need for policies to reflect a strategy for town centres, and in this context to consider opportunities to diversify and intensify uses including residential, and to identify areas where investment in infrastructure and public realm improvements are planned.

2.4.4 Paragraphs 124, 125, 126 and 127 of the NPPF indicate local planning authorities should take a proactive role in promoting an effective use of land in meeting the need for homes and other uses. Planning policies and decisions should

'give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, proposals for which should be approved unless substantial harm would be caused'. and *'reflect changes in the demand for land'.*

2.4.5 Draft Policy L2 (making effective use of land) of the draft NPPF consolidates sections of current Framework paragraphs 125(a), 126, 127, 129(c) and (d), 130, and 130(a) and (b). It brings together all relevant plan-making policies from the current Chapter 11 into a single, streamlined policy. Compared with the current Framework, the policy places greater emphasis on using allocations for large, medium and small sites to optimise land use. This includes identifying suitable redevelopment opportunities, achieving appropriate scale and density, and securing a range of development benefits.

2.4.6 Annex 2 of the NPPF lists main town centre uses as

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

2.4.7 The draft NPPF (December 2025) includes a new Policy TC2 that strengthens the policy for proposals within town centres by giving substantial weight to development that supports the overall viability and vitality of town centres — including residential uses and improvements in access to shops and local facilities, as well as placing importance on community access to local shops and services.

Hertsmere Local Plan (2012-2027), including the Core Strategy (adopted January 2013), Site Allocations and Development Management Policies Plan ('SADMPP') (adopted November 2016) and Policies Map

2.4.8 The Core Strategy Policy CS27 states

'development within the designated town, district or neighbourhood centres of [...] Potters Bar [...] will be permitted provided that it maintains their primary retail function and wider role as a focus for business, leisure, cultural and other appropriate town centre uses (as defined within the NPPF). [...] Proposals for main town centre uses will be considered in accordance with national planning policy set out in the NPPF [...].'

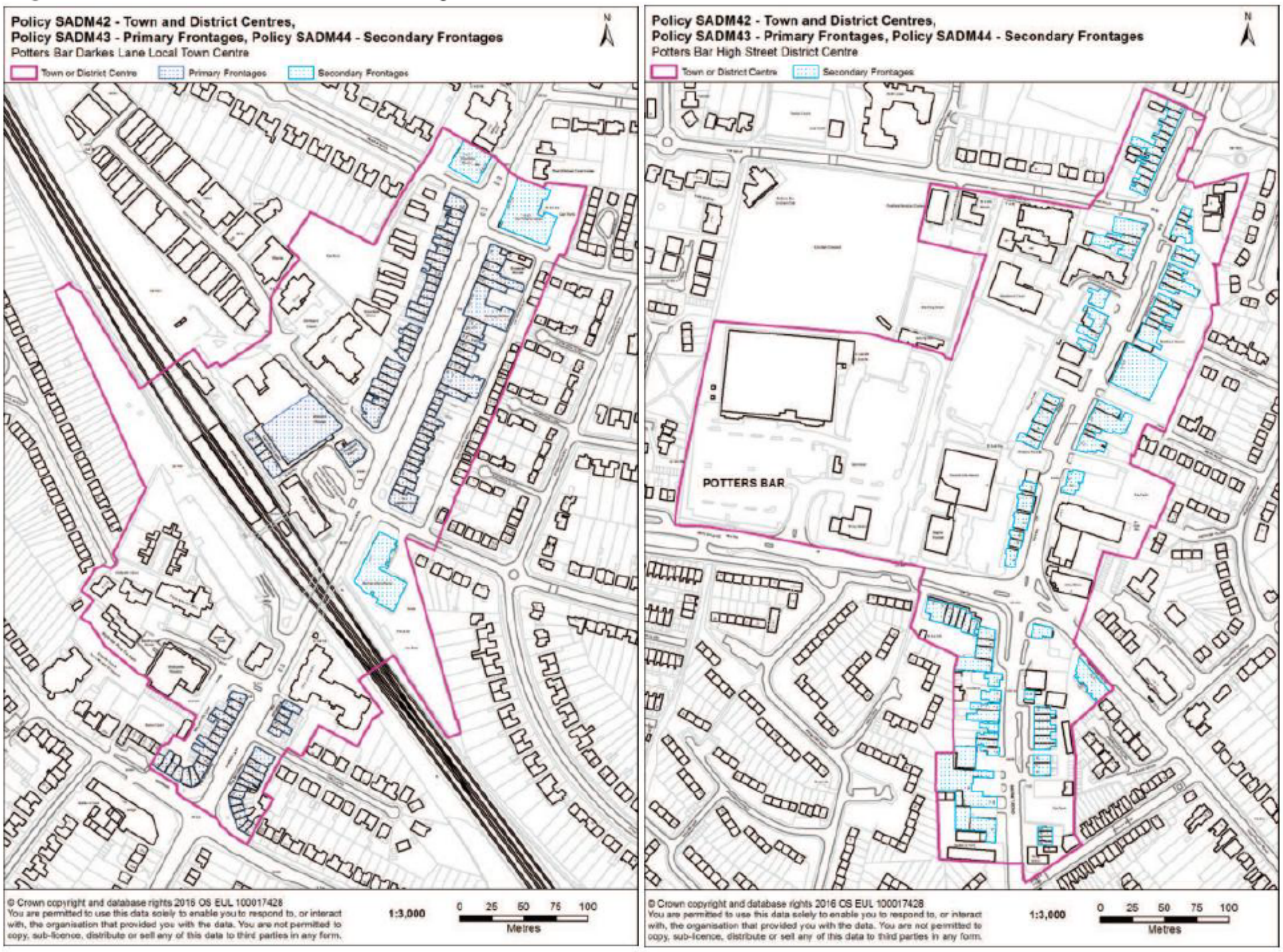
2.4.9 Policy SADM42 defines Potters Bar as a key local town which supports two distinct town centres, namely Drakes Lane and High Street Potters Bar (where the Subject Site is located). It supports proposals to improve the facilities, functions and environment of these centres whenever appropriate, subject to other requirements.

2.4.10 Drakes Lane is defined as a 'Local Town Centre' and High Street, Potters Bar is defined as a 'District Centre'. Drakes Lane is the second largest town centre in Hertsmere, Potters Bar is the sixth largest by floorspace (as of 2010).

2.4.11 The objective of the town centre hierarchy is to ensure proportionate growth in relation to its size and scale. Policy CS28 aims to reinforce Darkes Lane as a local shopping destination, focusing on retail uses along the primary frontage in line with Policy SADM43.

2.4.12 For High Street Potters Bar, a secondary frontage is established to encourage a broader mix of uses in line with Policy SADM44, with an emphasis on specialist retail, dining-in restaurants and other uses including financial services, estate agents and employment agencies, leisure and healthcare. Pubs and bars and take-away restaurants would be controlled strictly. **Figure 2.2** shows the town centre boundary of Darkes Lane and High Street, Potters Bar.

Figure 2.2 Town Centre Boundary



Source: Hertsmere Local Plan (2012-2027) Policies Map, p.18, 19.

Hertsmere Local Plan Draft Regulation 18 Consultation Document (April 2026)

2.4.13 HBC is updating its Local Plan which guides the spatial development of Hertsmere until 2041 with Regulation 18 Consultation took place between April and May 2026.

2.4.14 The Subject Site is identified as a 'candidate site' for allocation at Regulation 19 stage – ref HPBA SA2. This identifies the opportunity for development of the site to provide a residential-led mixed use development, with an indicative development capacity of 369 net residential dwellings along with a range of compatible and complementary main town centre uses.

South West Hertfordshire Economic Study (September 2024)

2.4.15 The study shows that South West Hertfordshire has seen growth in high value service sectors such as IT and professional services as a result of a growing proportion of higher skilled and entrepreneurial population. However, this growth is constrained by a tight labour supply. Businesses have struggled to recruit suitable workers, especially in the health and care and hospitality sectors.

2.4.16 In the office market, the rise of homeworking has lowered the demand for office premises, especially large offices, in South West Hertfordshire and many other parts in the country. The report expects there will be some demand for smaller and high-quality offices in prime locations (e.g. Watford and St Albans), but anticipates vacancy and availability continue to increase for the wider market.

2.4.17 The report suggests that its net absorption trend-based demand scenarios ('immediate recovery' and 'delayed recovery') are more likely to take place. These scenarios suggest that only a modest amount of office space would be required (-290,600 sqft to 202,400 sqft or up to 2ha between 2021 and 2041) in South West Hertfordshire. This demand could be met by existing available supply and unimplemented planning permissions.

Hertsmere Economic Study 2026 (April 2026)

2.4.18 The study provides a focused update to the South West Hertfordshire Economic Study 2024.

2.4.19 It highlights that the office market in Hertsmere is stable in terms of overall supply but faces ongoing challenges including a substantial increase in vacancy rates (4.7% in 2016 to 8.8% in 2025), modest growth in office stock (0.3% from 2016 to 2025YTD) and negative net absorption since 2020.

2.4.20 The study notes that there is a growing preference for high-quality, modern premises in well-connected locations such as Borehamwood and Elstree.

Hertsmere Retail and Town Centre Uses Study (April 2026)

2.4.21 **Table 2.1** summarises the key retail market performance indicators of Potters Bar and other towns in Hertsmere reported in the study. Potters Bar comprises around 526,000 sqft of retail floorspace, which represents around 20% of Hertsmere's total retail stock. It is the second largest retail centre after Borehamwood.

2.4.22 Despite recording a modest negative net absorption of 1,871 sqft in 2025 YTD, vacancy in Potters Bar remains exceptionally low. CoStar vacancy (actively marketed and investment-grade assets) and Experian vacancy (all retail assets) in Potters Bar is reported at 0.9% and 5.2% respectively. Both are considerably below national averages. The study concludes that this reflects short-term occupier churn rather than weakening demand.

2.4.23 The study further highlights that retail supply remains constrained across Hertsmere, with no significant pipeline floorspace under construction. This suggests the limited availability of retail space across the Borough is unlikely to change in the short term.

Table 2.1 Retail Indicators of Main Towns in Hertsmere

Town	Vacancy (CoStar)	Vacancy (Experian)	Net absorption (sqft) (2025 YTD)	Retal Growth
Potters Bar	0.9%	5.2%	-1,871	0.6%
Borehamwood	1.6%	3.7%	6,347	0.1%
Bushey	0.1%	8.7%	473	0.7%
Radlett	0.0%	13.3%	922	0.7%

Source: Table 1, Figure 4, Table 5 of Hertsmere Retail and Town Centre Uses Study (April 2026). Note: CoStar vacancy measures actively marketed retail stock, whereas Experian records all vacant units and floorspace, including secondary and long-term vacant premises.

2.4.24 **Table 2.2** provides a breakdown of floorspace composition of town centres in Hertsmere. Potters Bar area (Darkes Lane and High Street combined) has a balanced mix of convenience, comparison, retail service and leisure uses. This reflects its role as an established district centre with strong public transport accessibility. There is also a strong presence of evening economy units and chain outlets in Potters Bar area (Darkes Lane and High Street combined).

Table 2.2 Floorspace composition of Main Towns in Hertsmere

Town	Comparison	Convenience	Retail Services	Leisure Services	Financial & Business Services	Vacant
Potters Bar	20.0%	23.8%	16.2%	25.1%	9.7%	5.2%
Borehamwood	22.4%	35.0%	8.7%	26.2%	4.0%	3.7%
Radlett	20.5%	9.6%	14.8%	30.4%	11.5%	13.3%
Bushey	16.1%	3.4%	21.6%	38.4%	11.8%	8.7%
Bushey Heath	39.5%	19.1%	16.0%	13.8%	4.9%	6.7%

Source: Table 5 of Hertsmere Retail and Town Centre Uses Study (April 2026)

2.4.25 As shown in **Table 2.3**, there is a theoretical oversupply of convenience retail floorspace in Potters Bar High Street (-300 sqm net) and Potters Bar Darkes Lane (-150 sqm net) by 2043. The study attributes this position to a projected fall in convenience goods spending and main foodstores estimated to be trading close to or below benchmark levels.

2.4.26 The study also notes that the forecasts are sensitive to assumptions regarding expenditure per capita and market shares. The forecasts assume that existing shopping patterns remain unchanged throughout the plan period and are presented on a baseline basis. In practice, new retail development would likely influence expenditure flows and redistribute market shares. The ONS-2023 based catchment population underpinning the model may not fully reflect more recent housing proposals, housing targets and employment growth planned within and around Potters Bar since 2023.

2.4.27 **As such, the capacity forecasts should be treated as indicative and may understate future demand should population and expenditure growth exceed the baseline assumptions adopted in the Study.**

Table 2.3 Forecast Convenience and Comparison Retail Capacity

	Convenience			Comparison		
	Darkes Lane	High Street	Hertsmere	Darkes Lane	High Street	Hertsmere
2031	-100	-250	-1,800	0	0	100
2036	-100	-300	-2,100	0	0	300
2041	-150	-300	-2,300	50	0	650
2043	-150	-300	-2,350	50	0	1,200

Source: Table 23 and Table 24 of Hertsmere Retail and Town Centre Uses Study (April 2026)

2.4.28 The study identifies a relatively small leisure property market within the Borough with around 30 small to medium-sized local leisure properties. Demand for large-scale destination leisure attractions is limited due to competition from nearby larger destinations in North London and Watford. Nevertheless, the study suggests the Hertsmere leisure market is supply-constrained with future performance likely to be strongest for flexible, experience-led assets that serve local catchments.

2.4.29 Potters Bar benefits from a relatively strong leisure offer compared with national benchmarks. Leisure service uses account for approximately 29% of units, exceeding the UK average of 26.5%. The centre supports a diverse mix of leisure and hospitality operators, including approximately 24 fast-food and takeaway outlets, 15 restaurants, 14 cafés, together with pubs, a cinema and sports facilities.

2.4.30 Household survey responses demonstrate the importance of retail, food, beverage and leisure uses to the attractiveness of both centres. More than 30% of respondents identified cafés and restaurants as one of the principal strengths of both Potters Bar Darkes Lane and Potters Bar High Street. Common suggestions include additional café and restaurant provision, improved leisure facilities and free parking. **These findings indicate continued demand for a broader and more diverse leisure and hospitality offer within Potters Bar.**

2.4.31 The study identifies some deficiencies in the Borough's commercial leisure offer and experiential leisure (e.g. food halls, ten-pin bowling, cinema, immersive experiences). A flexible approach is recommended to accommodate any additional demand associated with population growth.

3 The Property Market Area ('PMA')

3.1 Introduction

3.1.1 This section reviews the key geographies relevant to the Subject Site. These are used to analyse market performance in different property market sectors in **Sections 4 and 5**.

3.2 Office Market Assessment

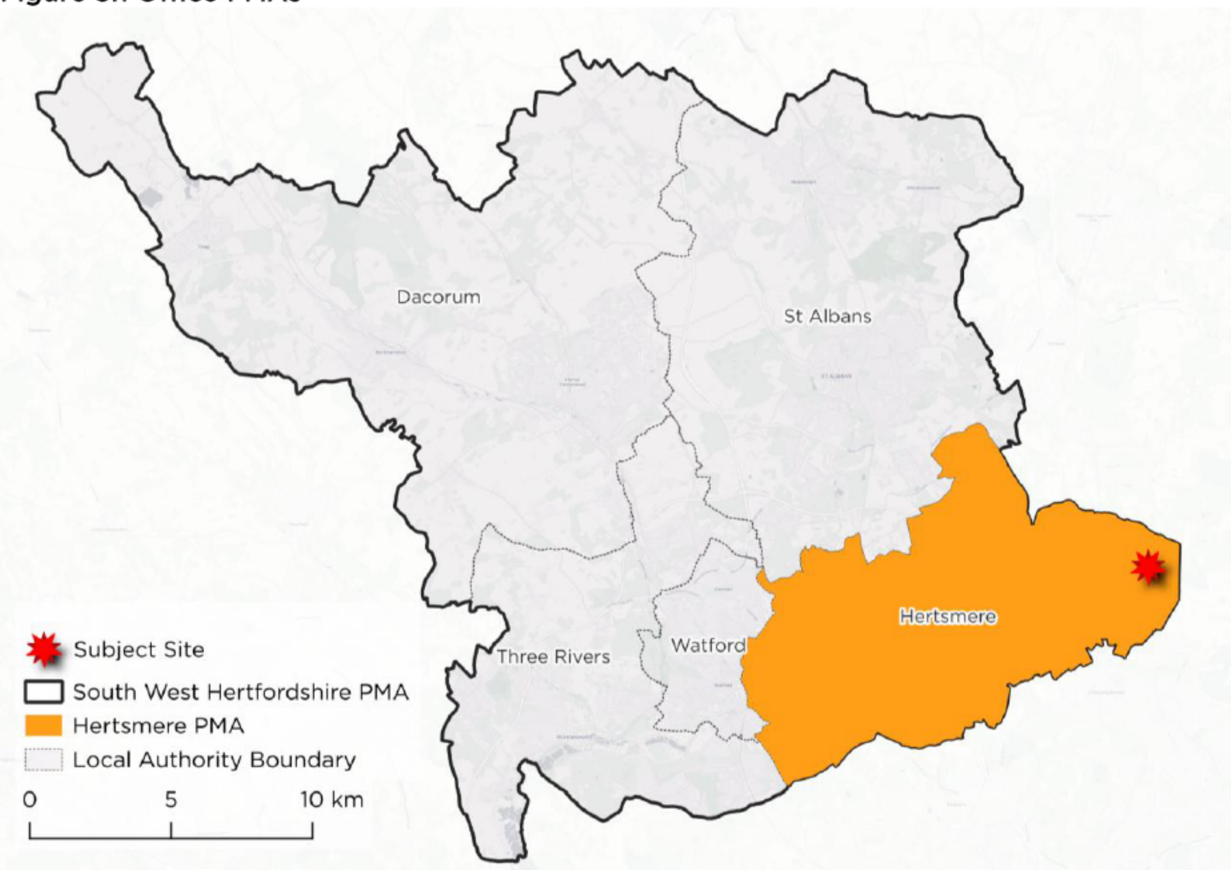
3.2.1 There are two office PMAs relevant to the Subject Site.

3.2.2 The Subject Site is located within HBC's administrative area which enables consideration and comparison with the latest employment evidence (i.e. South West Hertfordshire Economic Study 2024 and Hertsmere Economic Study 2026).

3.2.3 We also consider the South West Hertfordshire Functional Economic Market Area ('FEMA'), as defined in the South West Hertfordshire Economic Study. This FEMA comprises the local authorities of Dacorum, Hertsmere, St Albans, Three Rivers and Watford. The FEMA is based on work and migration data, and represents competitor locations for office development.

3.2.4 Both PMAs are presented in **Figure 3.1**.

Figure 3.1 Office PMAs



Source: Savills (2026)

3.3 Retail and Leisure Market Assessment

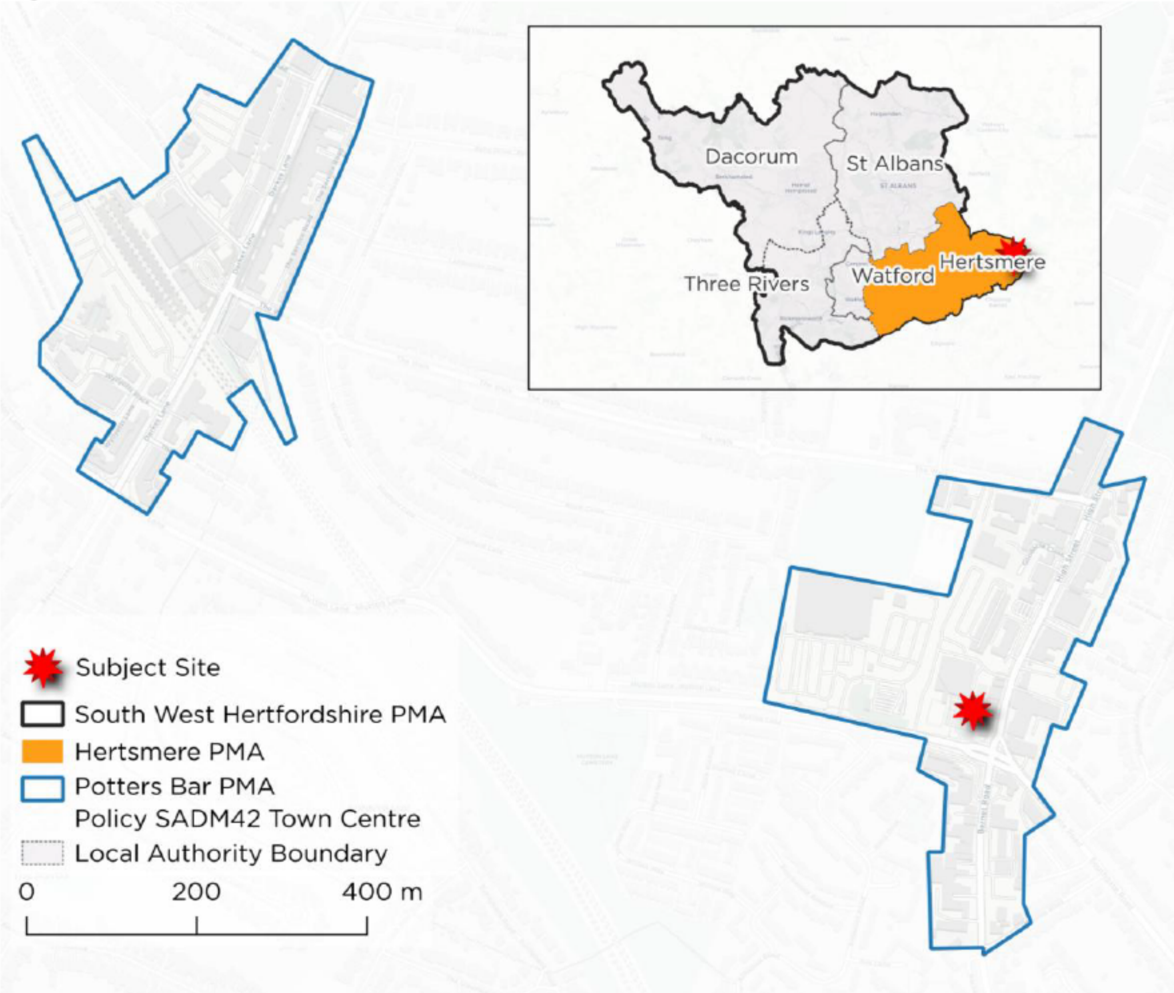
3.3.1 We primarily focus on three retail and leisure PMAs relevant to the Subject Site.

3.3.2 Potters Bar Town Centre comprises two town centres in the adopted Local Plan, namely Darkes Lane Potters Bar and High Street Potters Bar (where the Subject Site is located).

3.3.3 For benchmarking purposes, we also consider HBC's administrative area (for comparison with the Hertsmere Retail and Town Centre Study 2026).

3.3.4 These are presented in **Figure 3.2.**

Figure 3.2 Retail and Leisure PMAs



Source: Savills (2026)

4 Office Market Assessment

4.1 Introduction

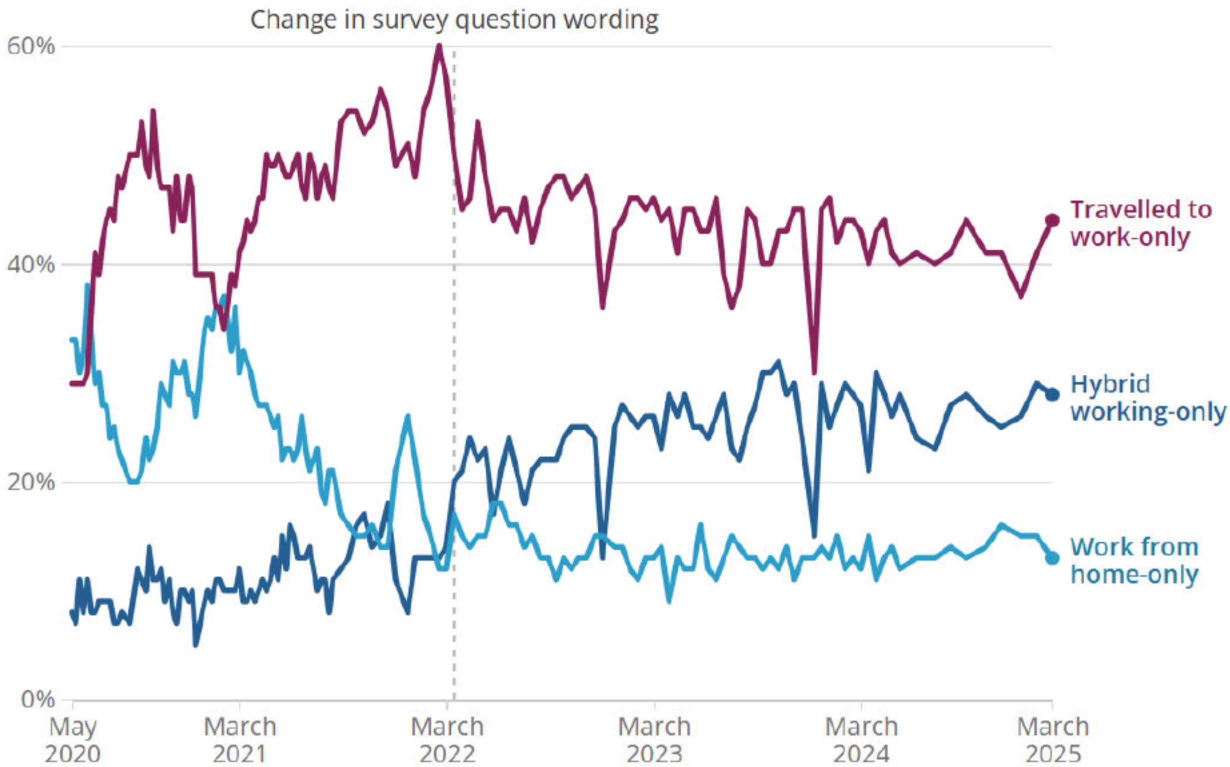
4.1.1 This section reviews the key national and local market trends influencing office demand and supply, with a focus on how these dynamics affect the commercial prospects for office uses at the Subject Site.

4.2 Key National Trends

4.2.1 The pandemic triggered a structural shift in working patterns, with hybrid working now established as the dominant model across much of the UK labour market. While a portion of employers expect in-person office attendance to moderately increase, most anticipate little change, suggesting that hybrid arrangements will remain the norm. This has reshaped occupier expectations, with greater emphasis on flexible, shorter lease terms and workplaces designed to promote wellbeing, collaboration and sustainability.

4.2.2 As shown in **Figure 4.1**, the beginning of the pandemic saw only around 8% of Great Britain's workers following a hybrid pattern and 29% travelled to work entirely on-site. As restrictions eased, the share of fully remote workers fell while hybrid working increased steadily and has remained at a higher level. As of March 2025, 28% of Great Britain's workers are hybrid-working.

Figure 4.1 Percentage of Working Adults by Working Arrangement in Great Britain

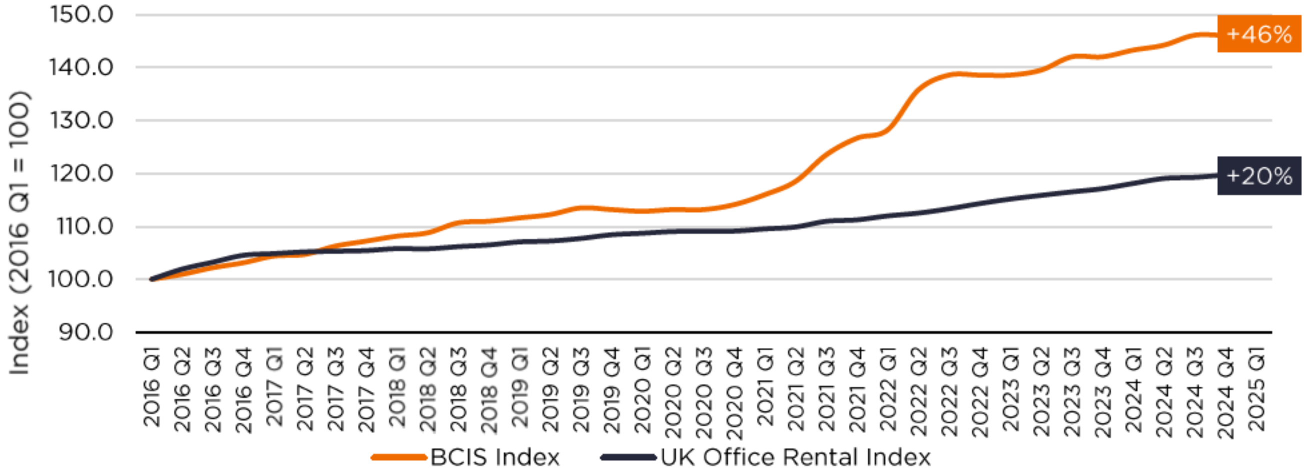


Source: ONS Opinions and Lifestyle Survey (2025). Accessed from https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whohasaccesstohybridworkingreatbritain/2025-06-11

4.2.3 At the same time, persistently high construction costs continue to constrain the delivery of new office developments, particularly in secondary locations. Despite early signs of recovery in prime markets, viability challenges and the lasting impact of hybrid working mean overall office market activity remains subdued.

4.2.4 As **Figure 4.2** below shows, the Building Cost Information Service ('BCIS') General Building Cost Index was broadly tracking UK office rents until 2021. Since then, it has been growing at a faster rate mainly due to global supply chain disruptions during the pandemic. The inflationary pressure has subsided to some extent but construction cost inflation continues to outpace inflation.

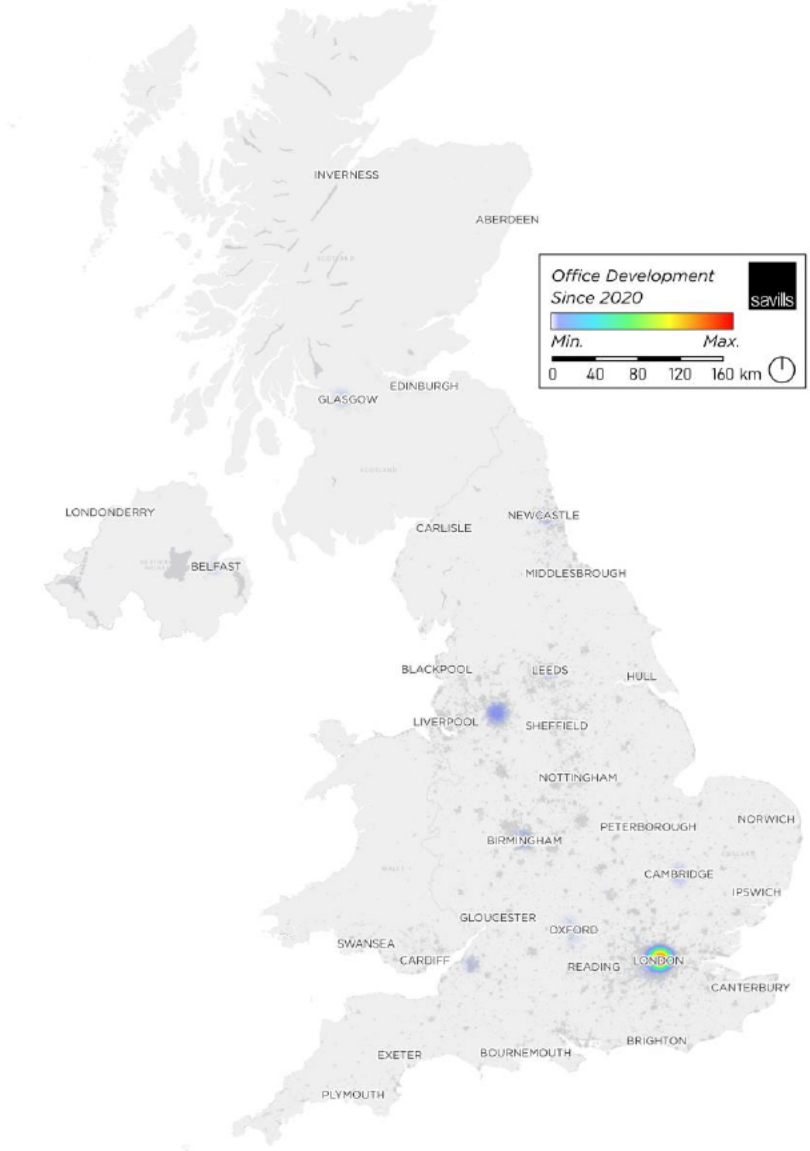
Figure 4.2 BCIS General Building Cost Index and Office Rent Index since 2014



Source: BCIS General Building Cost Index, CoStar 2025

4.2.5 Given these pressures, it is not surprising that 74% of new office development since 2020 has been concentrated in just 10 city centre locations (**Figure 4.3**), with very little development seen in non-prime locations (such as the Subject Site).

Figure 4.3 Office New Build Development in the UK since 2020



Source: Savills analysis of CoStar (2025) data

4.3 Local Market Assessment

4.3.1 **Table 4.1** summarises the office inventory by grade in the PMAs. The majority (over 70%) of the office inventory in South West Hertfordshire is of average quality. Only one building in Hertsmere (Adecco House, Borehamwood) is classified as above average quality.

Table 4.1 Office Inventory by Grade (Sqft) (2025 YTD)

	Hertsmere		South West Hertfordshire	
	Inventory	%	Inventory	%
Total	2,736,503	100%	15,842,330	100%
Above average quality (4 to 5 stars)	33,184	1%	2,047,447	13%
Average quality (3 stars)	2,300,002	84%	11,235,007	71%
Below average quality (1 to 2 stars)	403,317	15%	2,523,580	16%

Source: Savills using CoStar data

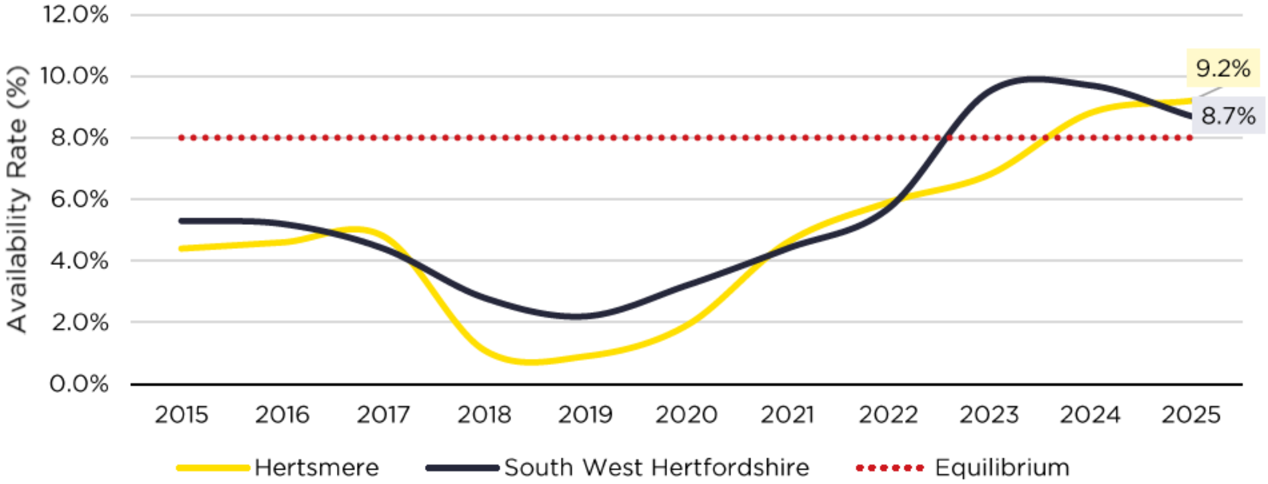
4.3.2 There is a good provision of office floorspace within the two town centres in Potters Bar. According to Valuation Office Agency ('VOA') data, there is around 430,600 sqft of rateable office floorspace combined in these centres as of 2023. A majority of this floorspace is clustered in office towers such as Metropolitan House (Darkes Lane), as well as Maple House (at the Subject Site) and Canada Life Place bounded by the Subject Site. This is mapped in **Figure 4.4**.

Figure 4.4 Heatmap of Rateable Office Floorspace in Darkes Lane and High Street Potters Bar

Source: Savills using VOA data (2023)

4.3.3 Office availability has been rising since 2019 in both PMAs. Office availability is currently 9.2% for Hertsmere and 8.7% for South West Hertfordshire PMA (**Figure 4.5**). Both of which are above the 8.0% equilibrium rate where a market is considered broadly in balance in terms of supply and demand[2], suggesting there is a sufficient supply of office floorspace to meet any demand in Hertsmere and South West Hertfordshire.

Figure 4.5 Office Availability



Source: Savills using CoStar data (2025)

4.3.4 Most of the available office premises are located around town centres (**Figure 4.6**). This is especially prominent in Borehamwood, reflecting the weak sentiment in regional markets illustrated in **Section 4.2**.

4.3.5 There is also significant available floorspace in Potters Bar, primarily in Maple House at the Subject Site.

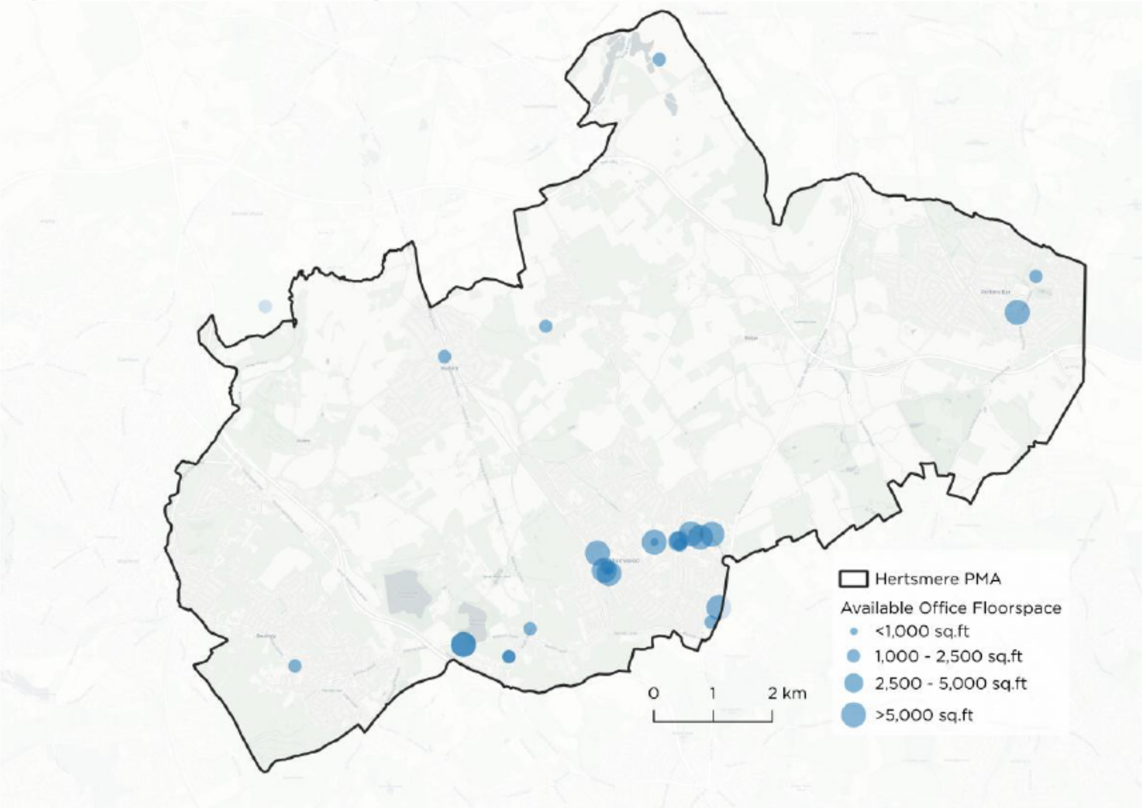
4.3.6 Prior to Savills marketing the Subject Site for sale, Canada Life had advertised office space within Maple House for several years with limited to no-take up.

4.3.7 Furthermore, out of the 17 offers received by Savills for the Subject Site, none sought to retain the existing office use or retail parade in its entirety.

4.3.8 This highlights that there is limited demand for standalone office space within Hertsmere and at the Subject Site in particular.

[2] London Office Policy Review (2017) p.87, paragraph 5.2.2.

Figure 4.6 Office Availability (2025 YTD)



Source: Savills using CoStar data (2025)

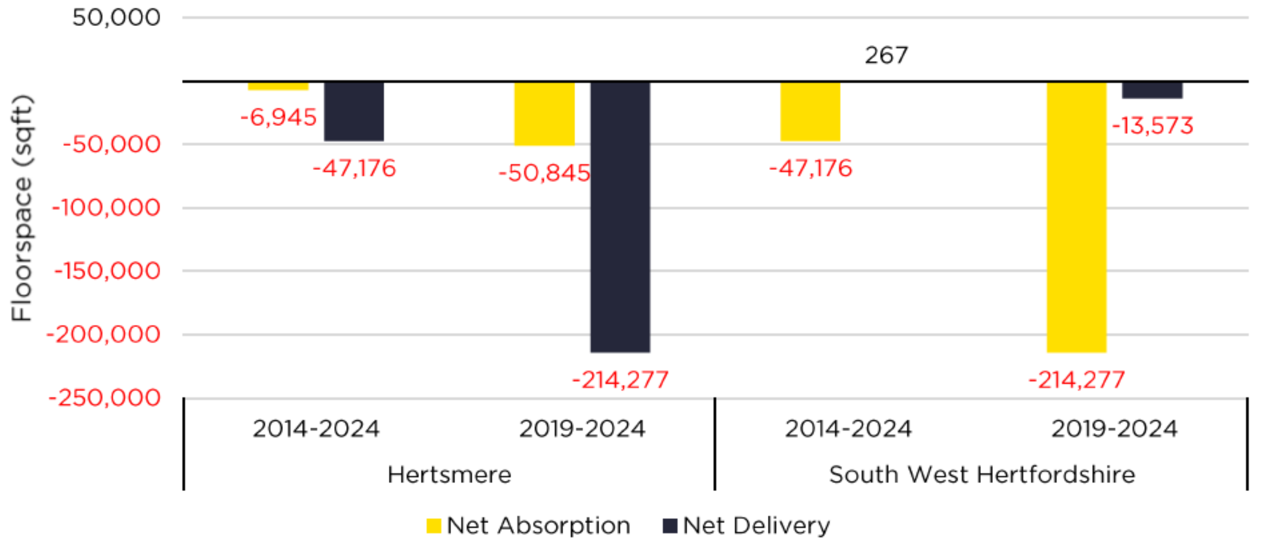
4.3.9 **Figure 4.7** considers average annual net absorption[3] (a measure of demand) and net deliveries (a measure of supply) in Hertsmere and South West Hertfordshire over the last decade.

4.3.10 As can be seen, demand has been negative over the last decade (even more so in the last 5 years) in both geographies. Net deliveries have also been negative which can be attributed to permitted development rights where office space has been converted to housing.

4.3.11 Overall, this analysis (along with availability being above 8%) indicates weak demand for standalone office space within Hertsmere and South West Hertfordshire, particularly after the Covid-19 pandemic.

[3] A measure of leasing demand – move ins minus move outs

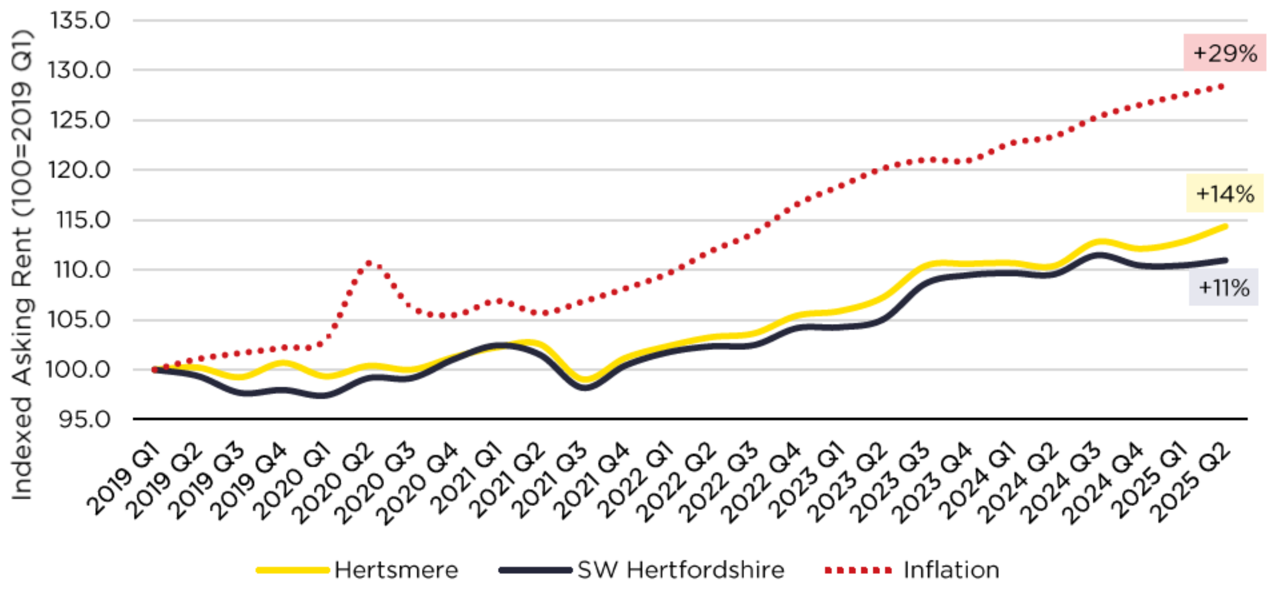
Figure 4.7 Average Annual Net Absorption and Net Deliveries (2014 to 2024 and 2019 to 2024)



Source: Savills using CoStar data (2025)

4.3.12 This conclusion is further strengthened by looking at rental growth. As can be seen in **Figure 4.8,** over the last 5 years office rental growth have not kept up with inflation which indicates the weakness of the standalone office markets in Hertsmere and South West Hertfordshire, particularly since the Covid-19 pandemic.

Figure 4.8 Indexed Office Asking Rent (100=2019 Q1)



Source: Savills using CoStar data (2025)

4.4 Conclusion

4.4.1 Our analysis broadly aligns with the findings in the South West Hertfordshire Economic Study (September 2024) and Hertsmere Economic Study 2026 (April 2026). The rise of homeworking has lowered demand for standalone office premises, especially large offices in sub-prime locations such as the Subject Site.

4.4.2 The wider Hertsmere and South West Hertfordshire PMA appears to have ample available average-quality office floorspace to meet current and future demand. This is underpinned by increasing negative net absorption and weak rental growth in the PMAs.

4.4.3 Furthermore, evidence from multiple marketing exercises indicates limited demand for continued standalone office use at the Subject Site.

5 Retail and Leisure Market Assessment

5.1 Introduction

5.1.1 This section reviews the key national and local market supply and demand trends in the high street retail and leisure market.

5.2 Key National Trends

5.2.1 High street retail and leisure markets in the UK were hit significantly by the pandemic. Since then, operators have been facing increasing competition under the structural growth of online retailing. Operating costs have been increasing as a result of national insurance contribution reforms and international geopolitical uncertainties including the US tariffs and ongoing conflicts in the Middle East.

5.2.2 These cost pressures are passed directly onto consumers. The consumer price index ('CPI') increased by 3.6% in the twelve months to June 2025, well-above the Bank of England's ('BoE') 2% target. The BoE put forward their concerns over inflation as they voted to maintain interest rates in June 2025.

5.2.3 Nevertheless, there are some modest signs of recovery in the high street retail and leisure market[4]. Core indicators such as footfall, vacancy rates and retail rents have also stabilised over the last quarter as shown in **Figure 5.1.**

Figure 5.1 Key High Street Indicators

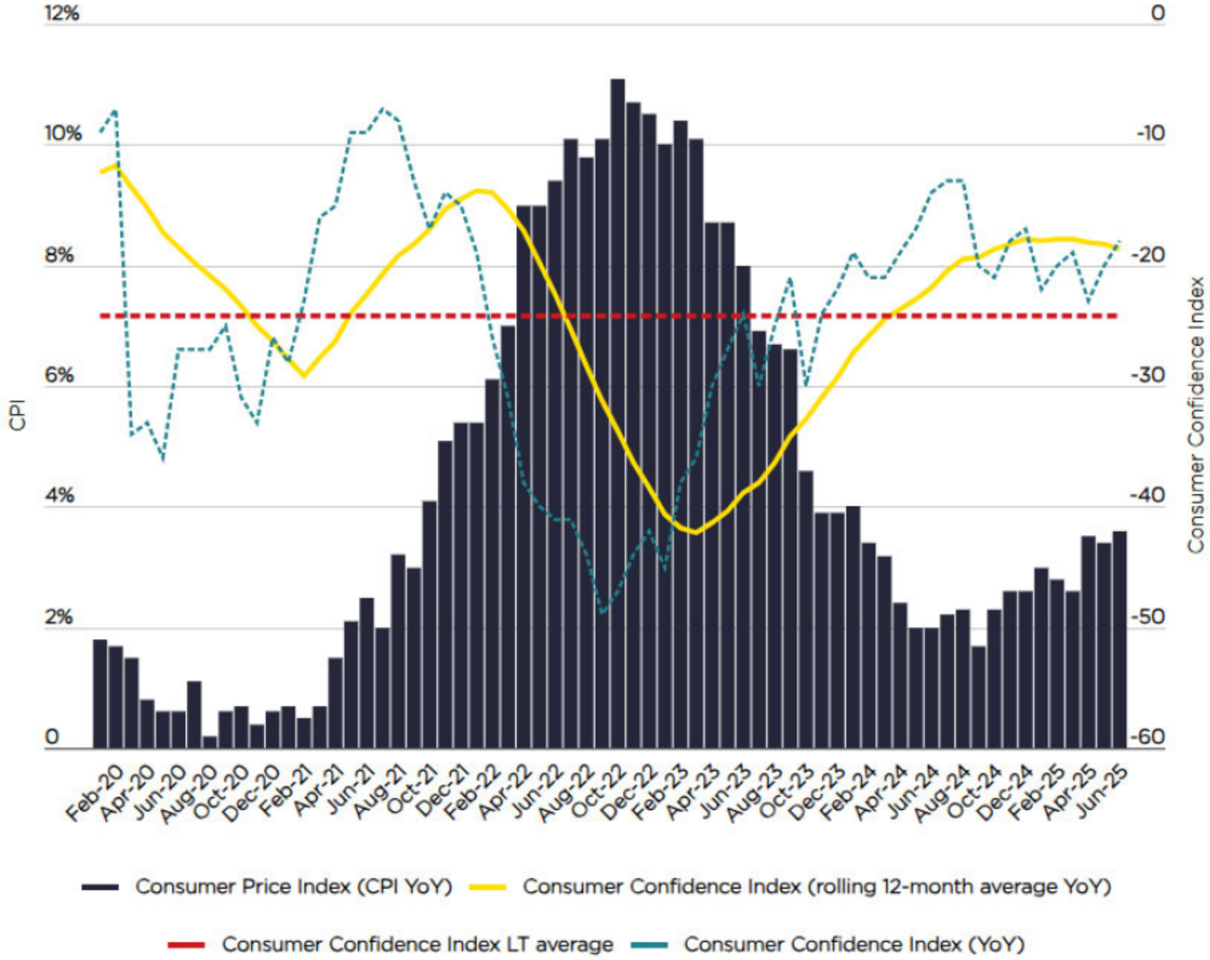
1.1% Average weekly high street footfall saw year-on-year growth in Q2 2025	**1.4%** Average weekly shopping centre footfall also saw growth over the same period	**13.6%** Current high street vacancy has fallen 0.4% over the last twelve months	**16.9%** Current shopping centre vacancy has also seen a 0.7% improvement YoY

Source: Savills Spotlight: Shopping Centre and High Street – Q2 2025.

5.2.4 The consumer confidence index has also recovered substantially since the inflationary peak in late 2022. This is shown in **Figure 5.2**.

[4] Savills Research (2025) Spotlight: Shopping centre and high street – Q2 2025. Available at: https://www.savills.co.uk/research_articles/229130/379775-0

Figure 5.2 Consumer Confidence and CPI



Source: Savills Spotlight: Shopping Centre and High Street – Q2 2025.

5.2.5 However, these improvements in consumer confidence remain fragile, as unemployment rate rose to a four-year high at 5.0% in September 2025.

5.3 Local Market Assessment

5.3.1 Within Potters Bar, there is a strong provision of retail floorspace. **Figure 5.3** presents a heatmap of rateable retail and shopfront floorspace within the two town centres[5]. Each of the town centres has one large-scale convenience retail unit in proximity (i.e. Sainsbury's at Darkes Lane and Tesco at the periphery of High Street Potters Bar). There is a stronger presence of floorspace within Darkes Lane when compared to the High Street, reflecting the town centre hierarchy in the development plan.

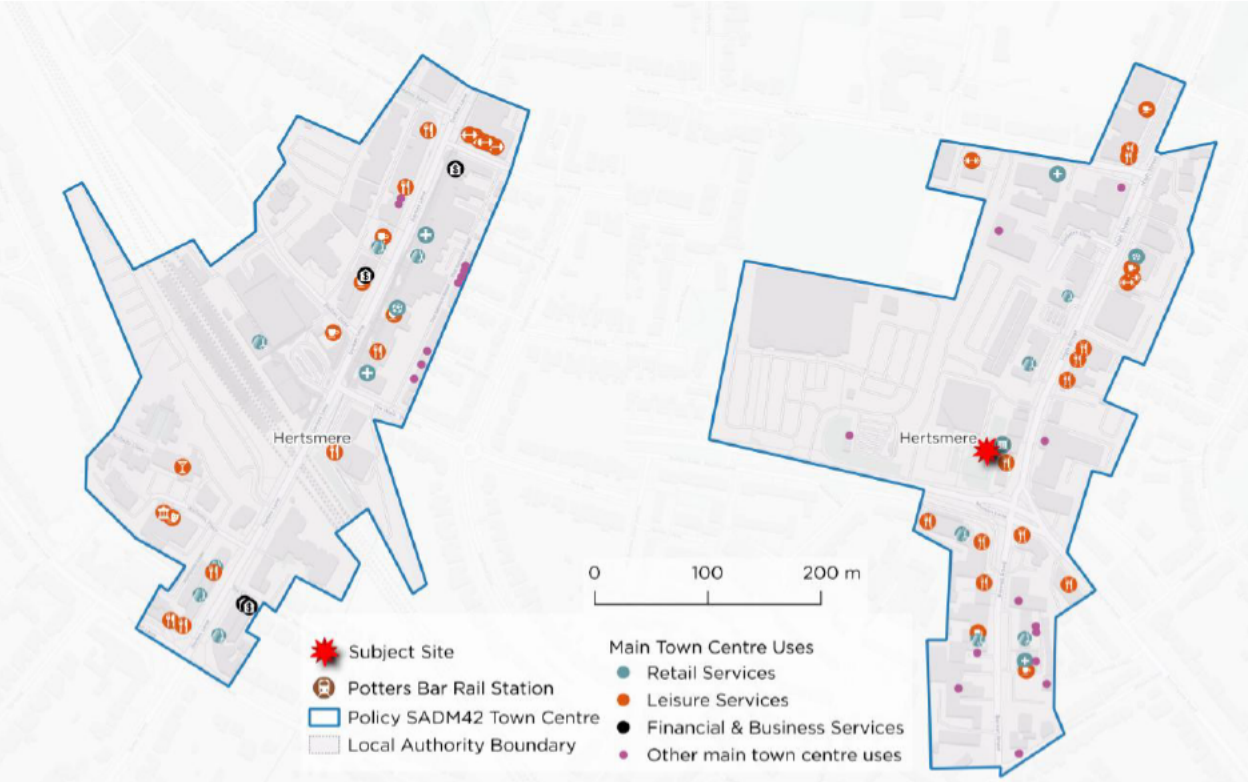
[5] This comprises business rate schemes categorised as 'car showroom and premises', 'kiosk and premises', 'shop and premises', 'showroom and premises', and 'superstore and premises'.

Figure 5.3 Heatmap of Rateable Retail and Shopfront Floorspace

Source: Savills using VOA data (2023)

5.3.2 There is also a good diversity of leisure and main town centre uses offerings in both town centres. This is mapped in **Figure 5.4**.

Figure 5.4 Leisure and Other Main Town Centre Uses Premises



Source: Savills using VOA data (2023)

5.3.3 **Tables 5.1 and 5.2** provide a high-level overview of the composition of town centre uses in Darkes Lane and High Street Potters Bar town centres by number of properties and floorspace based on VOA data in 2023.

5.3.4 Darkes Lane is the slightly larger town centre by both number of premises and total floorspace. Darkes Lane also has a greater proportion of retail/shopfronts, leisure and retail services when compared to High Street Potters Bar, which has a higher concentration of office floorspace. There are no financial and business services floorspace located in High Street Potters Bar.

Table 5.1 Town Centre Composition by Number of Rateable Properties

Name	Number of Rateable Properties	Composition (%)					
		Retail/ Shopfronts	Leisure Services	Retail Services	Financial & Business Services	Offices	Non-main town centre uses
Darkes Lane	228	43.9%	9.6%	4.4%	2.2%	33.8%	6.1%
High Street Potters Bar	215	34.9%	8.4%	3.3%	0%	48.4%	5.1%

Source: Savills using VOA data (2023)

Table 5.2 Town Centre Composition by Rateable Floorspace

Name	Rateable Floorspace	Composition (%)					
		Retail/ Shopfronts	Leisure Services	Retail Services	Financial & Business Services	Offices	Non-main town centre uses
Darkes Lane	41,822	30.9%	13.9%	2.3%	3.5%	46.6%	2.9%
High Street Potters Bar	39,329	35.3%	6.4%	1.1%	0%	52.2%	4.9%

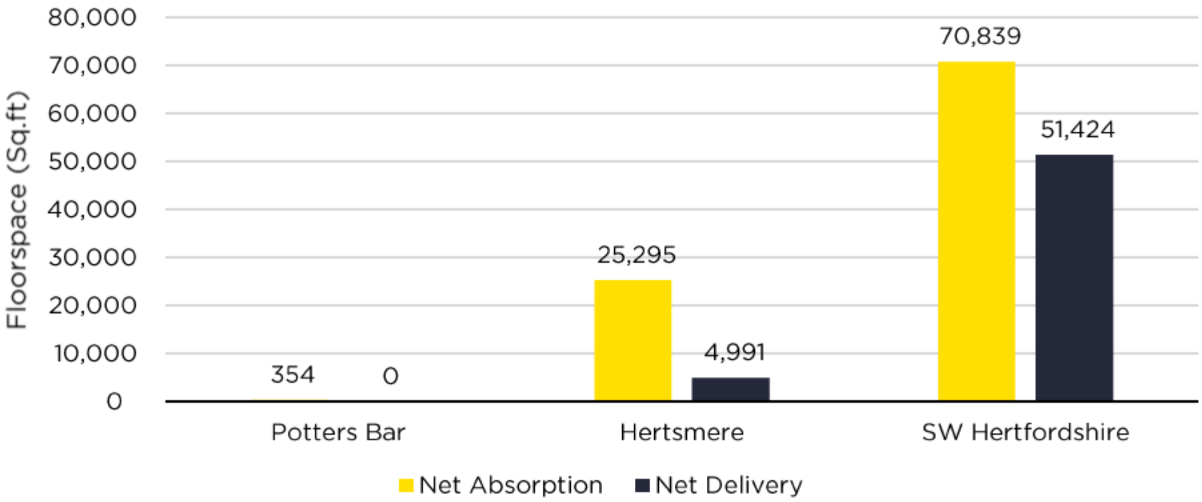
Source: Savills using VOA data (2023)

5.3.5 CoStar data suggests that retail and leisure occupancy rates in Potters Bar, Hertsmere and South West Hertfordshire are all above 95%, which indicates a healthy market.

5.3.6 **Figure 5.5** compares average net absorption and net deliveries between 2014 and 2024. Retail and leisure demand (net absorption) across all three PMAs are positive, suggesting more floorspace is being occupied than vacated.

5.3.7 Net absorption in Potters Bar appears to be minimal likely not because demand is weak, but showing a constrained market due to its small inventory and low levels of new supply. There have been no new retail and leisure deliveries in Potters Bar since 2011. As mentioned, occupancy rates remain high in Potters Bar, indicating that there is retail and leisure demand and the market is likely supply-constrained.

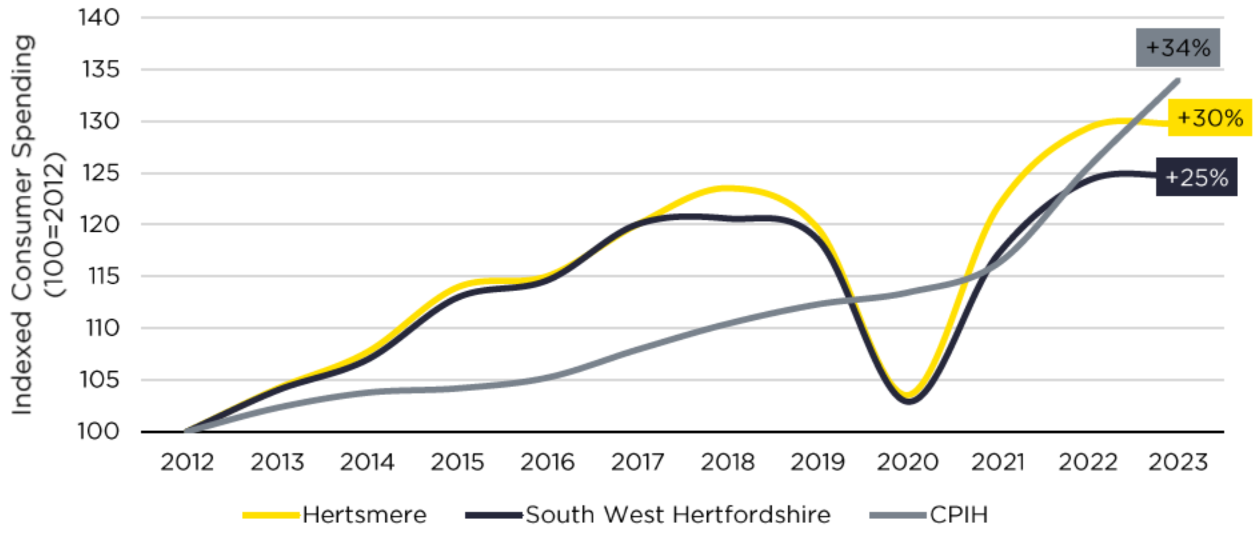
Figure 5.5 Average Annual Net Absorptions and Net Deliveries (2014 to 2024)



Source: Savills using CoStar data (2025)

5.3.8 Consumer spending data suggests strong consumer demand in Hertsmere and South West Hertfordshire. **Figure 5.6** presents the indexed consumer spending and consumer price index excluding housing costs ('CPIH') between 2012 and 2023. The growth in consumer spending in Hertsmere and South West Hertfordshire had been outpacing the rate of inflation (and recovered strongly after the pandemic) until global supply chain issues led to a spike in the UK's inflation rate in 2022-23.

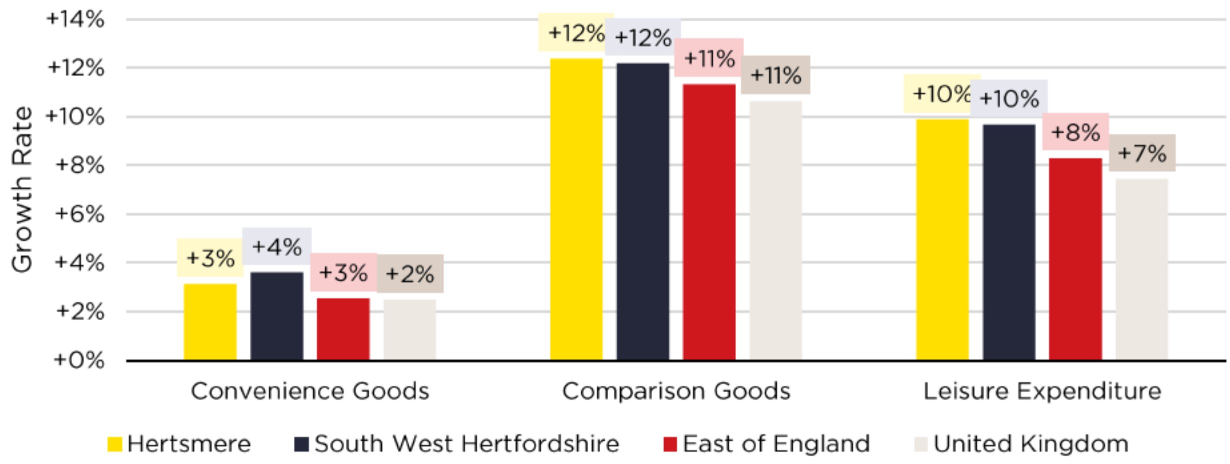
Figure 5.6 Indexed Consumer Spending (2012=100)



Source: Savills using Oxford Economics data (2025)

5.3.9 **Figure 5.7** presents consumer spending forecasts (to 2030) in Hertsmere and South West Hertfordshire, benchmarked to the East of England and the UK for context. As can be seen, for comparison goods and leisure, expenditure is forecast to be stronger than the regional and national average. Spending on convenience goods is expected to be in line with the East of England and the UK

Figure 5.7 Consumer Spending Forecast by Broad Categories (2024 to 2030)



Source: Savills using Oxford Economics data (2025)

5.3.10 There are also a number of proposed residential and employment schemes around Potters Bar, which would likely bring more households and workers into the area (and therefore increase retail and leisure expenditure and floorspace demand) once delivered. This includes:

- Metropolitan House, Potters Bar – Conversion of office to 95 apartments (Detailed plans granted)

- Swanland Road – 2 million sqft data centre (Outline permission)
- St Albans Road, Potters Bar – 123,800 sqft warehouse (reserved matters granted)
- Former Potters Bar Golf Course – up to 550 dwellings (outline application submitted)

5.3.11 While the Hertsmere Retail and Town Centre Uses Study (2026) identifies no quantitative capacity for additional retail space within Potters Bar, the study notes that future demand may be influenced by changes to expenditure growth, shopping patterns and local population change. Given the assessment is based on ONS 2023 population projections, it is unlikely to fully capture the influence of more recent residential and commercial development proposals in and around Potters Bar, which may increase expenditure and alter shopping patterns over the plan period.

5.3.12 With regards to comparison retail, the Hertsmere Retail and Town Centre Uses Study (2026) identifies only limited quantitative capacity for additional comparison retail floorspace. However, household survey evidence indicates demand for a broader range of shops and services within Potters Bar. Expenditure on comparison goods is also forecast to increase. **These suggest a potential for comparison retail provision that enhances consumer choice and complements the existing offer**.

5.3.13 Similar to comparison retail, leisure expenditure is forecast to grow across Hertsmere. Furthermore, the Hertsmere Retail and Town Centre Uses Study (2026) identifies opportunities to strengthen the Borough's leisure, hospitality and experience-based offer. Whilst Potters Bar currently benefits from a relatively strong food and beverage sector, residents continue to express a desire for additional cafés, restaurants, leisure facilities and a broader evening economy. **This indicates potential demand for flexible leisure and hospitality uses that enhance the vitality and attractiveness of the town centre.**

5.4 Conclusion

5.4.1 The retail and leisure markets across all PMAs are relatively healthy, despite recent macroeconomic shocks, as evidenced by high occupancy rates (above 95%) and positive net absorption. There is no identified retail and leisure development in the pipeline, which suggests the local market would remain supply-constrained over the short to medium term.

5.4.2 Potters Bar benefits from a strong and diverse retail and leisure offer. Darkes Lane functions as the principal retail centre, benefiting from a concentration of comparison, convenience and leisure uses. High Street Potters Bar performs a more localised role characterised by independent operators and service-based businesses. The 2026 Hertsmere Retail and Town Centre Uses Study identifies a healthy food and beverage sector, strong evening economy uses and continued demand for a broader choice of shops, cafés, restaurants and leisure facilities.

5.4.3 Whilst the Hertsmere Retail and Town Centre Uses Study (2026) identifies limited quantitative capacity for additional convenience and comparison retail floorspace, this is based on static baseline assumptions regarding expenditure growth, market shares and population forecasts. For instance, the Study records low vacancy rates and limited supply, indicating that the centre continues to be healthy.

5.4.4 Expenditure on comparison goods and leisure activities is forecast to increase over the medium term and is expected to outperform regional and national averages. In addition, planned residential and employment growth within and around Potters Bar is likely to support additional expenditure and increase demand for a wider range of town centre uses.

5.4.5 The Subject Site offers a unique opportunity to support this current and future, which we discuss in more detail in **Section 6.**

6 Conclusions

6.1 Introduction

6.1.1 This section summarises the findings and discusses the role of the Subject Site.

6.2 A weak office market

6.2.1 Our analysis broadly aligns with the findings in the South West Hertfordshire Economic Study (September 2024) and Hertsmere Economic Study 2026 (April 2026). The rise of homeworking has lowered demand for standalone office premises, especially large offices in sub-prime locations such as the Subject Site.

6.2.2 The wider Hertsmere and South West Hertfordshire PMA appears to have ample available average-quality office floorspace to meet current and future demand. This is underpinned by increasing negative net absorption and weak rental growth in the PMAs.

6.2.3 Furthermore, evidence from multiple marketing exercises indicates limited demand for continued standalone office use at the Subject Site.

6.3 Strong retail and leisure offering that could be further diversified

6.3.1 The retail and leisure markets across all PMAs remain relatively healthy, despite recent macroeconomic shocks, as evidenced by high occupancy rates (above 95%) and positive net absorption. There is no planned retail and leisure developments coming forward.

6.3.2 Potters Bar benefits from a strong and diverse retail and leisure offer. Darkes Lane has a more diversified retail and leisure offering while High Street Potters Bar is characterised by a more localised role and service-based businesses.

6.3.3 While the Hertsmere Retail and Town Centre Uses Study (2026) identifies limited quantitative capacity for additional retail floorspace, this conclusion is based on static baseline assumptions regarding expenditure growth, market shares and population forecasts. Supply remains constrained with low vacancy rates indicating the centres continue to perform healthily.

6.3.4 Planned residential and employment growth within and around Potters Bar is likely to increase expenditure and support demand for a wider range of town centre uses over time. The evidence also highlights opportunities to strengthen leisure, hospitality, health and wellbeing, and experience-based uses which contribute to the vitality and viability of town centres.

6.4 Conclusions

6.4.1 In this section, we summarise our conclusions regarding the most suitable commercial uses at the ground floor of the Proposed Development.

6.4.2 As discussed in **Section 2**, 1,742 sqm (18,751 sqft) of Class E floorspace is proposed on the ground floor – 70 sqm (758 sqft) in Block A, 1,016 sqm (10,935 sqft) in Block B, and 656 sqm (7,058 sqft) in Block D.

6.4.3 The ground floor space has been designed to be flexible to allow for larger and smaller sub-division of spaces to make them more adaptable to commercial demand.

Office floorspace

6.4.4 As discussed in this report, there is likely to be limited demand for office floorspace at the Subject Site.

Convenience retail

6.4.5 Despite demand expected to increase from incoming residents and workers from proposed residential schemes in Potters Bar, a convenience store on the ground floor is not considered suitable at the Proposed Development. This is due to the scale of floorspace proposed on the ground floor and the lack of parking to accommodate this use. Savills Agency confirms this view, noting that a convenience store would need to be between 15,000 sqft and 20,000 sqft with sufficient parking and servicing space.

Comparison retail

6.4.6 Strong growth is forecast for comparison goods in Hertsmere, incoming residents and workers from proposed schemes in Potters Bar (and from the Proposed Development), and survey responses from residents in the Hertsmere Retail and Town Centre Study (2026) suggests that there will be some demand for comparison retail floorspace at High Street Potters Bar. Discussions with Savills agency indicates that interest would primarily stem from local and independent operators given the size of units proposed at the ground floor.

Leisure uses

6.4.7 Similarly to comparison retail, strong growth is forecast in leisure spending in Hertsmere to 2030. Along with incoming residents and workers (including from the Proposed Development), and current residents' demand for greater indoor leisure provision within Potters Bar, this suggests that there could be demand for leisure uses at the Subject Site. This could include a gym of around 10,000 sqft. Again, this demand would primarily stem from local and independent operators given the size of units proposed at the ground floor.

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