

# Shopping matters!

Retailing and sustainable urban development





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Stellan Svedström and Helena Holm

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# Foreword

Trade not only supplies us with goods, it also brings us together and makes us form trusting relationships. Lively, competitive trade is essential for a sustainable society.

Much is happening in the retailing sector, and it is happening at an explosive pace. In settlements, forms of trade that have been around since time immemorial are changing. Shops are a prerequisite of our town and city centres and it is essential that they are close to where people live. Retailing, in certain circumstances, can also be appropriate in out-of-town locations. Not all trade is suited to central districts. But, there are no longer any guarantees that people in towns and cities can be close to their daily bread.

The form of retail development we choose greatly affects the kind of society with which we end up. This is clear from development both in our country and in others. Sweden therefore needs agreement on this important subject.

Retailing affects us all. This brief publication aims to raise the issue, shake things up a bit and calls for reflection. It also illustrates the demands and opportunities offered by the Planning and Building Act when planning for retail development. This publication has been produced by the National Board of Housing, Building and Planning, through Helena Holm and Stellan Svedström, project leader. Viveca Berntsson has assisted in the role of consultant. Dick Larsson headed the unit.

Karlskrona, June 2004



Ulf Troedson

Head of the Town Planning Division



Photo: Pia Lindgren

Who decides if we should have markets?

# Who or what controls where shops should be?

The process for reviewing the location of a new summer house is not distinct from that which takes place ahead of a decision to develop an out-of-town superstore. There is, however, a big difference of scale when it comes to the need for strategic considerations and assessing the consequences.

Do we take account of this difference in a planning application? Do we, on the part of society, demonstrate the necessary perseverance and consistency when coming to a view on the planning of retail developments? Do we consider the whole, and look across sectoral and municipal borders? Do we make strategic judgements? Do we study alternative solutions and undertake thorough analyses of potential consequences? Do we make decisions that protect the environment and the equal rights of every person to take part in the life of society? Or, do we allow individual interests to take over?

These are questions that each and every one must answer, in his/her municipality. Do you play a part in controlling retailing and urban development in the desired direction towards the objectives that have been set, or do you allow other forces – forces that do not take responsibility for the whole – to take control?

# Will we reach the objectives that have been set if we continue in the same direction?

This publication gives a brief account of the facts concerned with the development of retailing and society. Together, these facts give a direction. If we allow development to continue in this direction, it will result in a given future society. This publication also stresses important objectives, which we have decided on together, through decisions in the Parliament, with the aim of attaining a sustainable society and good built environment, to implement at a national, regional and local level.

If development continues in its current direction, will the objectives and society for which we strive be met? Or, do we have to change direction? Or, do the goals need to change?

What do you think? Read this brief publication, take your time and reflect on it, and then answer the questions honestly.

# Why is retailing necessary for sustainable development?

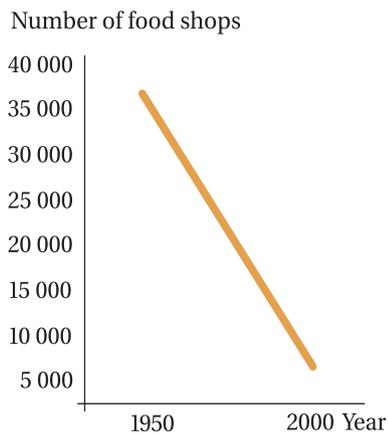
Trade is necessary for our survival. It leads to natural meetings and connections between us as people. Trade can be seen as the hub of a well-functioning society. It is a condition of the growth and continued life of towns, cities and communities.

Retailing is an important part of the public economy and employs a large number of people. It also affects everyone's wallet. It is therefore important for society to provide the conditions for a lively and competitive retail sector, and to ensure that shops are accessible and usable by everyone, including those who find it most difficult to get about. We all need daily access to goods and services.

Shops are a pre-requisite of our town and city centres and it is essential that they are close to where people live. Retailing, in balanced proportions, can also be appropriate in out-of-town locations. The municipalities should be able to provide the right conditions and set the right requirements for robust retailing. And physical planning is the means offered by the PBA.

## What does retail development look like?

*36,000 shops have become 6,000.*



The way it used to be

During the 1950s, there were approximately 36,000 convenience stores in Sweden. Most neighbourhoods in our town centres and inner cities had a dairy or a butcher's shop. Nearly all of these closed down in the 1960s with the arrival of the department stores, big food halls and supermarkets. Now, the department stores have been converted into shopping centres.

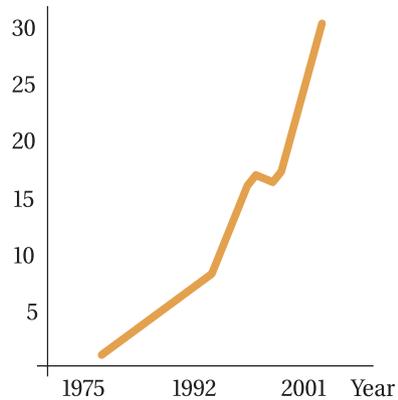
Around the mid-1970s, the turnover of out-of-town shopping centres was approximately 1 per cent of the total turnover of retail trade. By 1992, the turnover was still only about 8 per cent. Since then, growth has been rapid. The turnover of out-of-town retailing increased sharply during the 1990s before slowing down slightly in 1996–1997 and then accelerating again.

In 1990, department stores and superstores turned over SEK 132 billion. By 2000, this figure had risen to SEK 163 billion. That year, the retail sector as a whole turned over approximately SEK 360 billion.

We consider a superstore to be a convenience store of more than 2,500 m<sup>2</sup>. From a supply point of view, a shopping centre could be likened to a town or city centre. By our definition, out-of-town retailing is retailing that is located outside areas where people live and work and aimed at customers from a large geographic trading area.

*In 2000, shopping centre turnover amounted to 163 billion kr*

Turnover – out-of-town trade as a percentage of the total retail trade



## The way it is now

Today, there are only about 6,000 convenience stores. This means that shop units are becoming ever bigger. Retailing is also moving out of towns, cities and population centres to out-of-town locations at an increasingly faster rate. In 2001, certain areas derived almost 30 per cent of their retail turnover from shops in out-of-town locations. This increasing 'large-scaleness' has led to quite a few problems, which we will point out below, but it has also resulted in streamlining and a reduction in costs.



Foto: Viveca Berrtsson

**In October 2003, the National Board of Housing, Building and Planning sent out a questionnaire to the county architects. In total, 17 of the country's 21 counties replied. From the replies to the questionnaire, the National Board of Housing, Building and Planning concluded the following:**

“ We are seeing a trend of shopping warehouses cropping up at the expense of small, local food shops ...

Quote from the responses to the questionnaire.

“ Retailing appears to continue expanding in locations that require customers to travel by car.

Quote from the responses to the questionnaire.

“ The requirements for traffic-oriented locations are becoming clearer. X and other municipalities are working widely and thoroughly to make their centres attractive and accessible to trade and customers.

Quote from the responses to the questionnaire.

“ The trend in the two big municipalities in the county (in the north) is towards a new openness to out-of-town trade including trade in everyday commodities.

Quote from the responses to the questionnaire.

### **Large-scale retailing in out-of-town locations continues to grow**

It is clear that out-of-town retailing is continuing to grow.

According to the replies received, the number of out-of-town retail establishments being planned in the municipalities is significant.

About a third are in completely new locations, the rest are major extensions to existing premises. According to the results of the questionnaire, there have been approximately 25 new out-of-town shopping centres developed since 1997. In addition to this, a large number have been extended during this period. Large-scale retailing is still being located in out-of-town locations, and large out-of-town shopping centres are becoming ever bigger. This development has accelerated sharply in recent years and continues to do so. In most cases, the developments include food outlets.

### **There are new actors in locations closer to residential areas**

Foreign convenience stores are appearing across the country. Stores such as these are planned, or already exist, in nearly every county. Regardless of location, the design of the buildings is always the same. They are usually free-standing shops close to big population centres, yet, at the same time, they are relatively accessible to customers who travel by car from other areas. In the main they are found in big and medium-sized population centres.

### **Out-of-town retailing is spreading north**

Out-of-town retailing has previously been concentrated in southern and central parts of Sweden, as that is where most people live. The pressure now seems to be mounting in the north too, in areas that previously were probably considered less interesting due to their sparse populations. This pressure is most evident in the larger municipalities. The questionnaire shows that in the north there is also great openness to out-of-town retailing of everyday commodities.

“ Municipality Y is now conducting a trade analysis of which the policy forms a part. This came up a lot because the Government said no to the setting up of a superstore in an outlying industrial estate. As far as I know, other municipalities don't do this and don't have any plans to either.

Quote from the responses to the questionnaire.

“ No strategic documents of any significance – no regional discussions. It's good that the National Board of Housing, Building and Planning is addressing the issue.

Quote from the responses to the questionnaire.

“ Consequences in the form of closing-down town/city centres and country shops, increased dependence on the car, reduced accessibility, depletion of town/city district environments and the effects of environmental influence are largely ignored in favour of competitive thinking aimed at influencing the general price level.

Quote from the responses to the questionnaire.

“ The criteria of closeness to good public transport does not seem to be of particular interest to those wanting to set up.

Quote from the responses to the questionnaire.

### **Few municipalities have retailing policies**

Few municipalities have retailing policies, and they are often woven into the comprehensive plan or details of the comprehensive plan. The question of retailing policies was not raised in the questionnaire, but the following conclusions can still be reached from the responses: the quality of planning documents varies greatly, and it is not unusual for the municipality to violate its own policy if an interesting project comes up.

*Retail policy:* a strategic document describing how, through active planning and co-operation with local retailers, industry and citizens, a municipality works to create a good service structure with varied provision and low prices for all. The retail policy should consider existing values for the built-up environment, the retailer's need for suitable premises at reasonable prices, and flexibility, rationality and development opportunities. Policy development should be carried out in co-operation with the county administrative board and neighbouring municipalities.

### **Regional and inter-municipal considerations**

According to the questionnaire, regional or inter-municipal issues are hardly ever considered. Some county administrative boards have tried to bring these about, but with varying degrees of success.

### **There is often a lack of planning before retail locations are identified**

Although this point was not expressly raised in the questionnaire, it still appears that many municipalities lack a planning perspective with regard to the location of retailing. If this is the case, it is particularly serious as the retail sector is fundamentally important to good social environments and a long-term sustainable society.

### **Who has the initiative – the municipalities or market forces?**

The National Board of Housing, Building and Planning considers that the questionnaires indicate a certain resignation in the municipalities. Although there is awareness of the potential negative consequences for social structures, and despite earlier ambitions to preserve and strengthen their town and city centres, many town and city centres are now taking a beating. How can the municipalities be given better opportunities to take responsibility for the whole, for public interests and for the rights of the weak?



Does Sweden have policies at a national level to strategically evaluate and control retailing development? If so, how are these passed on to the municipalities? And how are they followed up?

"The municipalities cannot control retailing." This comment, expressed by a local politician in a newspaper article in 2003, points to a widespread misconception.

## Development in the rest of Europe

Development in the rest of Europe has also moved from a small-scale retailing structure towards more large-scale retailing in the form of superstores and shopping centres outside towns, cities and communities. This trend has been clearer in some countries, e.g. Germany, England, Belgium and Finland. The countries that have seen the biggest changes have experienced problems of access to services in some areas and, at the same time, congestion problems in others. Small communities have also seen a decline in trade.

Changes in the retail sector have attracted much attention in all of the EU states. Some countries, such as Germany, the Netherlands, England, Belgium and Finland, have developed a clear policy to control commercial establishments at all levels of planning. Many countries have implemented changes in their regulatory framework with the same aim. Most member states have adopted some policy to strategically assess and control retail development, sometimes quite tough. The following common elements can be discerned:

- to preserve and strengthen the function of town and city centres
- to increase the supply of service functions in towns and cities and their district centres
- to maintain a balance between different retail functions in the town and city
- to regenerate run-down town and city districts and revitalise problem areas
- to limit car journeys by concentrating the supply of services to the town and city centre, locations near residential areas, nodes in the public transport system, etc
- to limit the negative effects of out-of-town establishments.



Do we want our trade to develop like that in the rest of Europe or like that in the USA?

Is there still time to prevent similar development in Sweden? Or, have we fallen into the trap already?

## Development in the USA

The USA has seen a clear trend towards more out-of-town retailing. Population areas have sprawled leading people to become almost completely dependent on the car. Self-service superstores have commanded large market shares in the USA as far back as the 1930s. In the USA, the number of large shopping centres increased from about a hundred in 1950 to 22,000 in 1980. Towards the end of the 1980s, it was common for old town and city centres to account for only 10 per cent of the turnover of trade in their regions. Shopping centres and out-of-town superstores then accounted for approximately 50 per cent of the turnover of trade in the country.

This meant that customers chose the superstores over central parts of towns and cities, which then became deserted. The result was falling property prices and more slums and crime in many residential and downtown areas.

In recent years, there have been successful attempts to reclaim the towns and cities through co-operation with BIDs, Business Improvement Districts. In the USA, between 1,000 and 2,000 such projects are underway, and in the last few years they have had the support of law. Great Britain followed suit and introduced legislation in 2004. According to the law on BIDs, property owners, businessmen and others can be forced to co-operate, sometimes through big economic undertakings, to improve and develop a business and residential area. The aim is to improve the economy for the parties involved. The community's interest lies in the spin-off effects of such development.

# What has happened to urban development?

Retail trade has undergone great changes. An increase in the establishment of large retail centres outside towns and cities affects not only the town or city itself but also the surroundings outside the municipality's own borders. But this has not happened in isolation.

To understand the forces that have controlled development, we must look at the spirit of the times and the conditions that applied to Sweden during the mid-20th century. The functionalistic town and city building ideal prevailed: space, light and air would replace overcrowding, and the neighbourhood would be self-supporting with schools and services. New town and city districts were thus built up.

The latter part of the 20th century saw a dramatic increase in the number of cars, and services were restructured and moved in response to strong economic interests. This undermined town and city districts, which in many cases turned into purely residential areas. Dwellings, places of work and other activities were separated and the towns and cities were divided into zones. Clarity and context, and similarly security and comfort, were often lost. People's everyday lives were greatly affected.

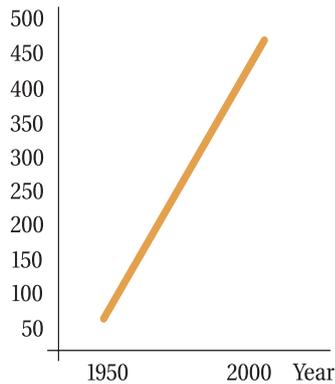
## Car traffic has increased

The number of cars in Sweden increased nine fold between 1950 and 2000. During this period, the number of cars per 1000 inhabitants increased from 49 to 450. This has given many people a lot of freedom and great opportunities, but has also had a growing effect on the environment. Nowadays, the car is used for the majority of household and business trips. This has meant that labour and

Is car traffic affected by the way retailing is located?

*How can the curve be reversed?*

Number of cars per 1,000 inhabitants



customers can be drawn from a wider surrounding area.

The car has also allowed 'large-scaleness', centralisation and specialisation, which often provide a basis for increased profit. New out-of-town retail establishments have led to increased traffic and initiated new bypasses, which, in turn, have encouraged new locations for trade and other activities. It is not unusual for virgin ground, often high-grade agricultural land, to be converted into asphalt spaces.

The population centres have spread out – distances have increased

Swedish towns and cities were originally dense, mixed and well planned, built for people going on foot or by horse and carriage. It was easy to get about the town or city, and there were natural routes to where people wanted to go.

New city and town building ideals and the opportunities offered by the car led to town and city expansion during the latter half of the 20th century, characterised by thinning and spreading out. While the population has increased by just over 50 % since the mid-20th century, at the same time, the densely built-up acreage has increased sixfold.

Consequently, the distance to services has increased, not just in sparsely populated areas but also in towns and cities. In Sweden in 2003, the average distance per family to the closest food shop was 1.5 kilometres. A few decades ago, most people had no more than a five-minute walk to a food shop.

Since 1996, more than 450 population centres have lost their last convenience stores. And hundreds of other country shops fear their operations will be closed down within the next few years.

The public transport base has been undermined. Originally, land use and public transport were linked. Over the years, railways and trams have formed the basis for the rise of station villages, towns and cities, and districts. But, at the same time as the towns and cities underwent structural changes and spread out, the base for public transport thinned out leading to worse services for passengers and higher costs for municipalities and county councils. In most places, public transport has not been able to keep up and has not expanded in line with development.

People have been left out

As mentioned previously, out-of-town trade now accounts for almost 30 % of retail turnover, and this has meant that many shops, primarily food shops, have disappeared from areas close to where

How far away is your nearest food shop?

Should we accept that accessibility for all, risks becoming accessibility for some?

Wise town and city planning can increase your chances of leading a normal life.

This is what my 89-year-old father said: "Why do I need the Internet? I'm quite happy with channels one, two, four and Eurosport. And I don't want to shop on the Internet. Then I wouldn't get to see the girls at Malmborgs Livs anymore!"

people live. For most people, this may not be seen as a disadvantage. But for those who do not have access to a car, 25 % of Swedish households, this development has placed huge restrictions on their everyday lives. The disabled, single women, pensioners and young people under the age of 25 have been particularly affected.

There is also an issue of whether the idea of large-scale out-of-town reiling can be reconciled with bus travel to any great extent. Approximately 5% of the turnover currently comes from customers travelling by bus. The increased mobility made possible by the car has resulted in a general loss of proximity to services.

### For some, freedom has been curbed

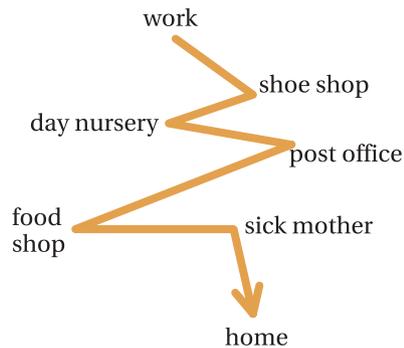
For many people, particularly the elderly, a visit to the local shop is an important part of everyday life that has largely been lost. The social network was in the shop. It was a question of quality of life. So for those who neither can, want nor dare travel to a distant shop, the result has been a loss of freedom. This can have an incarcerating effect, and in the long term increase loneliness. It can also mean that an increasing number of elderly people continue to drive despite not really wanting to do so.

### The costs to society have increased

Society's goal is for more elderly people to be able to live at home as long as possible instead of ending up in institutional care. This limits the cost to society and at the same time improves people's quality of life and independence. This is made possible by home-help services, transportation services for the old and disabled, and the help of relatives. In 1999, just over 400,000, or almost one in 20 inhabitants, had access to local authority transportation services. In recent years, as savings have been made through tighter means testing and car-pooling, this has often resulted in longer waiting times or transport that comes too early. In addition, many feel that the transport service is too expensive and choose to stay at home.

In places where the shop structure has thinned out in such a way that there are no shops within walking distance, home-help services or others have increasingly had to help those who can no longer manage their daily shop. In the long term, this may prove to be unprofitable for society. According to estimates from the Swedish Association of Local Authorities, 120 000 people will need to be recruited by the year 2010 to provide care for the elderly, which, over the same period will mean an increase in staffing from approx 173 000 to approximately 197 000.

*A woman's route home through the town/city is similar to a marked trail*



Are retail establishments exempted from the requirements of adaptation and aesthetic quality?

## The daily lives of women have been especially affected

Statistically, men and women have different daily lives and travel patterns. More women than men walk, cycle or travel on public transport. Yet it is usually the women in the family who bear the responsibility for the everyday running of the household. Women take care of daily shopping more than men, they also collect the children and run other errands to a greater extent than men. This may involve many destinations along the same route. If the destinations are not located close together it can lead to problems. Not being afraid to move around in the town or city is another important aspect of accessibility. Research shows that women in particular are frightened of being attacked outdoors. Many of the new large-scale environments can feel threatening. Women do not like to go out on their own in the evening and will not choose the bus when going home late from work if it means having to wait at a bus stop, which they see as unsafe. It should also be added that the majority of those employed in the retail sector are women.

## The look of towns and cities has changed

Towns and cities are a symbol of beauty, culture and human life. People increasingly choose where to live based on the perceived attractiveness of the town, city or locality. And industry follows. In addition, tourism is constantly growing, and Swedish towns and cities are interesting tourist destinations. The value of good town and city environments can therefore be expressed in terms of profitability. Awareness of this has increased.

Every city and town has its own history and unique characteristics. But Swedish towns and cities still have general qualities that separate them from those of other countries, e.g., they are relatively sparsely populated, green and limited in scale.

With the rapid dominance of the car as part of the townscape during the second half of the 20th century, this has partly changed. In many places, the physical result has been a town or city that is largely a traffic landscape. Ring roads and large traffic interchanges have been built in newer areas.

In recent years large-scale retail establishments have not always been able to take the existing urban environment into consideration. The retail parks themselves are also largely traffic junctions. The scale of the new buildings and the retailers need to rationalise rarely corresponds to the requirements of aesthetic quality set by the Planning and Building Act.

## Town and city centres have developed

There have been many positive developments in our town and city centres, often in broad co-operation with municipalities, property owners, retailers and the inhabitants of the towns and cities. The association Svenska Stads kärnor (Swedish Town Centres) is and has been of great importance in work to regenerate towns and cities, and is characterised by voluntary partnership. Approx 100 municipalities are members of the association, and more have been inspired by the working models for co-operation that have been produced. Swedish Town Centres, and Stads miljörådet (the Swedish Urban Environment Council), have, through annual commendations, highlighted efforts to promote better town and city living.

How important is your town or city centre to you?

As well as a retailing location, towns and city centres are increasingly used as a place to meet and for recreation. And this means restaurants, open-air cafeterias and other meeting places are needed, especially since approx 40% of households in Sweden are single households.

Varied retailing, cultural, education and service sectors, together with physical regeneration and aesthetic reconstruction of central districts have proved successful factors for the growth and development of towns and cities, as have centrally located colleges and upper secondary schools. If, in addition, the central station, bus station or travel centre is strategically located in the centre, people can easily get to where they want to go.

For a town or city to function well, and to function well in its region, it must have a healthy centre. The crucial importance of town and city centres as hubs of life and centres of communication is attracting more attention. Small neighbouring communities and rural areas also depend on these centres. Town centres are also closely linked to the town's identity and can be seen as a kind of trademark.

## Retailing outside of town and city centres

In many towns and cities, out-of-town or just out-of-town retailing with suitable product ranges and sizing can positively complement existing town centre retailing. Not all trade is suited to central locations. There is also a trend towards big food halls being located closer to residential areas. This obviously benefits the food retailing sector, but can often benefit service structures. In terms of price levels, it is clear that out-of-town retailer's prices are usually a few percent lower than those in surrounding retail areas: town or city centres, residential areas, etc. At a national level, however, there

are large differences, and it is primarily discount retailers that have the most beneficial effect on price levels. The range offered by large-scale retailers is often many times greater than for other shop types. These shops can be practical, particularly for families with children who want to do a large shop. But out-of-town establishments exclude many people, and they can never replace the diversity and cultural history, beauty, activities and life of the town and city centres.

### All too often the balance is lost

Where out-of-town trade has been allowed to drive a town centre out of business, the result has not been good for the development of the town. Experience has shown that new inhabitants and new activities are not as easy to attract if a town centre has no vitality. Towns and cities where this has happened have only succeeded in turning development around by expending a lot of energy and resources. In municipalities that are not growing, it has proved almost impossible to reverse the trend. Empty premises in the centre lead to falling property prices. Experience shows that if you then want to invest in rebuilding or extending shop premises in order to attract trade, the banks are not willing to provide backing. It can also be difficult to attract investment from the other actors required for positive town centre development. It is easy to end up in a difficult to break downward spiral, and regional distortion increases.

The new role of petrol stations as after-hours supermarkets is also problematic. They are located so as to be easily reached by car, but, as convenience stores, they are usually in unsuitable locations, particularly for unprotected road-users.

### Regional co-ordination has failed

When new out-of-town retail establishments are discussed, it has been shown that individual municipalities often find it hard to hold their own against big companies and established bodies with considerable resources. Without regional co-ordination, municipalities risk being played off against one another, which can result in even more out-of-town retailing being allowed, without having undertaken the strategic considerations required for long-term sustainable development. They neither want to nor dare say no for fear of losing an attractive retailer, or a neighbouring municipality saying yes instead.

In addition, the county administrative boards have all too often taken too passive a role in their responsibilities as monitors and co-ordinators of inter-municipal, regional and national interests.

"Yes to competition, but not at any cost."  
Statement on TV by a local politician in a small population centre.

Who really monitors that there is positive retail development for everyone in a region?

## Discount retailing has lowered prices

Some claim that the municipalities have to allow more out-of-town retailing to reduce prices. However, the price picture is much more complicated and not just due to the location of shops. It depends on a number of factors such as transport costs, wage levels, exchange rates, etc. Out-of-town locations do not necessarily lead to lower prices even if prices fall initially. Areas that have had out-of-town retailing for many years do not generally have lower price levels. Greater distance to the shop also involve the cost of car journeys, which is often not taken into account in the price picture.

There are signs, however, that the establishment of discount concepts puts pressure on prices. For example, according to regular investigations by Dagens Nyheter (a national newspaper), the Gothenburg region has Sweden's lowest food prices. Out-of-town retailing is not widespread in the region, but there have been discount retailers, for the most part in the centre and residential areas, for a long time.

An investigation in 2002 by the Swedish Competition Authority established that Sweden had among the highest food prices in Europe. This has often been used as an argument for Sweden building more out-of-town trade establishments. In actual fact, we already take a more liberal view on out-of-town retail locations than most other countries in Europe. Despite this, food prices in Sweden are high.

## The total number of jobs has fallen

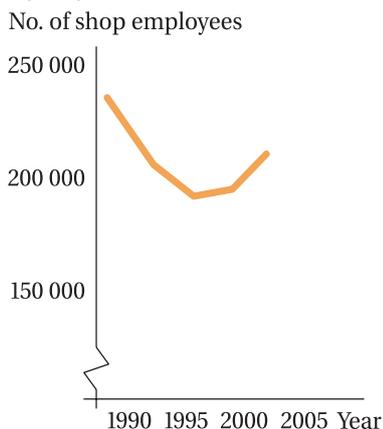
It is easy to be led by hopes that the new superstore will have generally positive effects in the form of new jobs, increased tax revenues, new customers and largely positive development for the municipality. Maybe for this reason municipalities refrain from conducting proper investigations and assessments ahead of a potential new retail developments. For tax revenue and jobs at least, there is a big risk of the opposite effect.

The number of shop employees fell from approx 225,000 in 1988 to approx 185,000 in 1996. In the last few years, there has been a slow increase to just over 200,000 in 2002, probably due to increased turnover and over supply. Will the curve fall again once development has caught up?

The idea of superstores is that lower prices create a high turnover and low staff ratios keep costs down. This often affects retailing that consists of small companies with a high staff ratio. The risk is obvious, the jobs gained in the superstore are lost in smaller shops, and in the long term the municipality and its inhabitants are affected economically. In addition, the tax on the company's income goes to the state.

Can we learn from experience what really affects prices?

What will the curve look like in a few years?



## What kind of society have we – through our Parliament – decided on?

The desire to recreate attractive, varied and lively towns and cities has grown in recent years. This desire has manifested itself in the current urban development debate and also in the objectives for sustainable urban development decided on by the Government and Parliament.

The municipalities do not face an easy task. The national objectives to be implemented through municipal planning are increasing and sometimes conflicting. The balancing of different interests must be done locally and begin with the place and its people. The need for co-ordination and co-operation based on a

society wide perspective has been confirmed in international as well as national documents. Below are some of the national objectives relating to retail development set by the Government.

### Long-term sustainable urban development

This overarching objective encompasses many other objectives. In brief, it means that we should leave a society to future generations that is more sustainable than the one we have. Sustainable urban development requires environmental, economic, social and cultural interests to be preserved.



Photo: Anders Abrahamsson

A brighter future is ours.

## A good built environment

A quality objective of a good built environment is that all settlement environments should form good and healthy living conditions. Physical planning should be used as a control instrument to achieve this objective.

By 2010 at the latest, physical planning and urban development should be based on programmes and strategies for achieving a varied range of dwellings, places of work, services and culture in order to reduce car use. This requires a better overview and improved co-ordination within as well as between national, regional and local levels.

The objective is to quickly return to mixed use towns and cities. This is almost certain to affect retail developments.



Photo: Lars Nyberg

Town and city life – Commerce, culture, service, meetings and relaxation.

## Good social conditions

Social services in the community should promote people's economic and social security, equality of living conditions and active participation in community life. The resources of individuals and groups should be released and developed with consideration for people's responsibility for their own and others' social situation.

The duties of social services include contributing to urban planning and working for good environments and communication. The everyday supply of commodities must be among the things that are important to monitor.



Photo: Anders Abrahamsson

Of course you can do your own shopping, when you are close to the shop!

## Democracy and participation

An important thought from the UN Conference in Rio 1992 and Agenda 21 work is that desirable changes must be based on participation by individual citizens. The Habitat Agenda from the UN Conference on human settlements held in Istanbul in 1996 also started out from the basis that sustainable development has to be formed locally where people live, where companies develop and where businesses are run.

Participation and co-operation are seen as fundamental objectives and a means to create good living environments. The Planning and Building Act calls for, and offers, opportunities to

influence. Several national objectives ensure that everyone is given the opportunity to participate: the Law on Equal Opportunity calls for shared power and responsibility between men and women, according to the Convention on the Rights of Children, children should be consulted, youth involvement made use of. The elderly should have influence over their everyday lives and disabled persons should have the right to full participation.

Everyone relies on it being easy to get to a shop to buy everyday necessities, and everyone has important knowledge and opinions to contribute.



Photo: Anders Abrahamsson

Everyone has the right to be involved and to influence where a new shop should be built.

## A long-term sustainable transport system

Transport policy should safeguard long-term sustainable transport provision for the country's citizens and industry; transport provision should be available to everyone and meet the transport needs of men and women.

Present day traffic is not sustainable in the long term and is continuing to increase. Retailing plays a part in this; in recent years it has undergone major changes that have affected the structure of towns and cities and thereby traffic. It is therefore the Government's view that the setting up of out-of-town superstores should be looked at from a central as well as a local perspective.

## Limited effect on the climate

There have been decisions to reduce carbon dioxide emissions from road traffic. These could lead to a tightening of requirements for road traffic in the future and need to be taken into consideration when locating new retail establishments. Undertakings in the Kyoto Protocol mean that the emission of greenhouse gases by the EU as a whole should fall by 8 % by 2008–2012 in relation to the 1990 levels. Only Sweden and Great Britain have so far lived up to this goal.

The transport sector is still seen as the biggest threat to this goal being met. Emissions within the transport sector have increased by 20 % since 1990.



You don't need to take the car here

Photo: Anders Abrahamsson.

## Accessibility for all

Accessibility for all means that everyone should have access to, and be able to use, common facilities. People with disabilities of all ages, girls and boys, men and women, should be able to participate fully in social life. The same should apply to people from other cultures and for the 25 % of households that do not have access to a car.

The national encyclopaedia defines the concept of accessibility as “the chance to take part in something that is desirable”. Accessibility can also be described as consisting of both proximity and reachability. You want what you desire to be near, or alternatively within easy reach. It must be seen as desirable for everyone to be able to buy what he/she needs every day.



Photo: Anders Abrahamsson

New buildings should make positive contributions.

## An aesthetically pleasing environment

The action programme that has been drawn up for architecture and design shows that interest in heightening quality in architecture and public environments should be strengthened and broadened. Quality and aesthetic aspects should not be subordinate to short-term economic considerations. According to the Government's proposals for architecture, new buildings should make positive contributions to the existing environment. The requirement for aesthetic values to be considered and protected has been strengthened in the PBA. This applies to all building, and therefore also to retail establishments.

## Competition and consumer policy is there for the consumer

Competition and consumer policy is based on a consumer perspective and should safeguard, through different means, that retailing works to the benefit of consumers. A pre-condition of this is the existence of strong and well-informed consumers. Another is that the market's inherent tendency for concentration does not go as far as to prevent the multitude and variation that is a condition of the market economy.

The fact that competition policy starts out from the consumer can be at variance with the producer perspective which stresses the competitiveness of companies. For competition to become more efficient, the consumer's position in the market must be strengthened. The Parliament has adopted five consumer policy objectives: the objective of influence, the economising objective, the health and safety objective, the environment objective and the knowledge objective. For people to be able to use their resources efficiently, the market must function well, and different actors must compete with each other. Another condition is good access to shops. If accessibility is poor, too many resources, in the form of time and money, have to be used to get to and from the shop. This counteracts long-term sustainable development.

## Regional development policy

The overall objective of regional development policy is well-functioning and sustainable local labour market regions with a good level of service in all parts of the country. To a certain extent this applies to commercial and public services. It should be possible to make use of the potential and vitality that can be found in all regions.

“Sustainable” means that the policy should contribute to current and future generations being offered sound economic, social and environmental conditions.

Regional development policy is comprised of measures in essentially all policy areas. The most important role of the State is to create good basic conditions and necessary structures for sustainable growth and good levels of service in all parts of the country. This requires strategies for the most important areas in society to be developed at local and regional levels. A broad integrated development strategy for sustainable regional development can then form the basis of different sub-programmes. Regional growth programmes and regional development programmes are examples of such programmes. The EU’s structural fund programmes are also an important part of the policy.



Photo: Pia Lindgren

For the benefit of the consumer

## How is retailing controlled according to the PBA?

According to the Planning and Building Act, PBA, all decisions on land claims for building, establishments and businesses should be based on planning. The PBA, with its requirements for overall planning, provides the framework for decisions on land use and places requirements on municipalities to create a good, long-term sustainable society in accordance with the objectives that have been set.

### The aim of the planning

The PBA, the Environmental Code and other regulations share the same basic view of a good life. They specify how we should use land, natural resources and water so that we, our children and grandchildren, will have the best possible living conditions. The opening paragraph of the PBA expresses the objectives of planning.

”This law contains planning provisions on land, water and building. The provisions aim, with consideration for the freedom of the individual, to promote urban development with equal and good social living conditions and a good and long-term sustainable living environment for people in today’s society and future generations.” (PBA 1 Chapt. 1 §).

### The municipality has a right and duty to decide

It is the municipality that decides how land and water should be used within the municipality and if, when, and for what purposes a detailed plan should be drawn up. The municipality also decides on the timing of planning. If the municipality considers there is no need for detailed planning for a certain purpose, no one can force

such planning. The municipality can also refuse a building permit on the grounds that detailed planning would be required, but without having to draw up a plan.

This is referred to as the municipal planning monopoly and is both a right and duty.

### The municipality should observe and consider all interests

Large retail establishments always require detailed planning and proper investigation.

The fifth paragraph of the first chapter states that the municipality should take public and individual interests into account when deciding on issues of location, a provision that may seem insignificant, but which might be the most important in law. It sets requirements for municipalities to weigh up the strengths of different interests and claims for land use before taking a decision. It is the municipality that bears the main responsibility for taking public interests into consideration.

This places demands on the basis of decisions, i.e., the requirements for investigations, analyses and assessments aimed at the benefits to the individual and society as a whole, and the expected effect of the implementation of a plan on the surrounding area. The greater the effect on the surroundings, e.g., in the form of increased traffic, shops closing down, increased noise, a less attractive town or city environment or the loss of a green lung in the town or city, the greater the requirements on the decision making process. It also places demands on openness, which means that as many interested parties as possible should have the chance to take part in the planning process.

### Consideration during planning

Do you know what it means to take public interests into consideration?

The second chapter of the PBA details the considerations that should be taken in account to achieve the aims of planning. One could say it describes the public interests that are to be taken into consideration.

The provisions in the second and fourth paragraphs are of particular importance to the location of retailing. The second paragraph states that planning should promote appropriate structure and aesthetic design for built-up areas, green areas, communication links and other establishments. Good living environments, good environmental conditions and otherwise good long-term use of land and water should also be promoted from a social point of view. Consideration should be given to conditions in neighbouring municipalities.

To find out more, there is a discussion on the importance of creating good competitive conditions in Prop. 1996/97:34, Detailed plan of the aim of the trade.

## About competition

There is a widespread misconception that the PBA does not set any requirements for competitive considerations, and/or that free competition is prevented if the law is applied. Both of these views are wrong. There is no specific legal requirement to consider the conditions for healthy competition in the retail sector. However, the law does set out general considerations which must be taken into account e.g. the provision that the municipality should strive to create good social conditions involving obligations to create good conditions for consumers, not least, with regard to accessibility, provision and prices.

It is worthwhile to develop retailing where people live.

The PBA demands a reasonable level of service. The fourth paragraph establishes that, in or around built up areas, there is potential to arrange a reasonable degree of social and commercial services. The importance of good services in the development of towns and cities to attract residents and industry can hardly be overestimated. Likewise, good services are necessary for the countryside and sparsely populated areas' chances of survival.

The municipality should therefore ensure that there are conditions to maintain and develop services where people live.

strategic level



binding decision

The more flexible the binding land use decisions are in the comprehensive plan, the quicker and more flexible the planning process is to implement.

Everyone has the right to know and express his/her view first – but the municipality decides.

## Planning is a step-by-step process

Planning is a step-by-step process which moves from a strategic level where the municipality gradually describes its ambitions for desired development, to ever more binding decisions on land use. Ideally, the ideas expressed in the overall strategic plan should gradually be manifested in follow-up plans. This facilitates the implementation of strategic considerations and future planning and building permit reviews.

Stable and consistent strategic planning lends credibility to the municipality; this creates security and a willingness to invest. In addition, we can expect that the more flexible the binding land use decisions are in the comprehensive plan, the quicker and more flexible the planning process will be to implement. New or changed claims of any significance, e.g., establishing more retailing, should always be judged within the framework of the comprehensive plan. This applies, in particular, to retailing expected to have extensive consequences for nearby municipalities. The consequences of the proposed measures can then be carefully illustrated.

## The PBA gives everyone the right of influence and participation

According to the law, the municipality should hold consultations during the planning process. Many municipalities tell of difficulties in getting citizens and industry to become involved in strategic planning, although it is known that there is really great interest. This could be because this form of planning is seen as too general to affect them. Ways must then be found to attract involvement and to dare to show the positive as well as negative consequences of a particular proposal.

Local politicians often want things to happen straight away. But even if quick decisions can be tempting, it is best to follow the express requirements of the law and hold an open dialogue with everyone affected right from the start. Projects are often large and important with considerable impacts on surroundings and people's everyday lives. Such decisions, e.g. the location of a large retailing establishment, should be discussed widely and considered extra carefully in an overall context.

# Let us move towards the society we want

It is important for retailing to develop in a positive way if we are to achieve a long-term sustainable society. How do we achieve this? The National Board of Housing, Building and Planning neither can nor should tell us. We can only illustrate what we can do – the important things to consider.

## An integrated strategy is needed for municipal development

In order to create an overall view and move towards sustainable urban development, an integrated strategy for municipal development is needed. Many municipalities use the obligatory comprehensive plan as a strategy document, thereby following the PBA's open planning process.

In other municipalities, the comprehensive plan becomes more of a land use plan. In this case all the different overall programmes and thematic plans still have to be weighed together into an overall sector strategy document in a form that suits the municipality. A strategy for land use and the transport system can then form one of several parts together with a retailing policy, an action programme for accessibility, an architectural action programme, a green structure plan, a noise investigation and so on. The strategy document should start out from national, regional and local objectives and build on the conditions of the location and the needs of its citizens.

The most important elements of a recently (2003) adopted municipal retailing policy are described below:

- large scale retail developments should require impact assessments
- inhabitants should have at least one good convenience store within walking or cycling distance
- all parties should make an effort to arrange rational premises with good accessibility for convenience trade
- shops with less everyday goods, e.g. clothes, should primarily be placed in the city.

An integrated regional development strategy is also needed.

In recent years, we can note a growing interest in regional planning by municipalities and industry in Sweden. This has been noticeable by the increasing number of municipalities working together on different inter-municipal issues to strengthen their own regions, e.g., in the form of regional associations.

This further strengthens the need for municipalities that work together to have strategies for their development. These strategic discussions, in turn, provide a basis for conducting discussions with neighbouring municipalities and with the county administrative board, which, according to the PBA, is able to intervene on inter-municipal issues. In this way, a balance can be struck between large and small places in the region, where the bigger towns and cities can act as engines for the smaller ones and for the countryside.

### Build up preparedness

The basis of good retail planning is to develop preparedness in the form of strategic, overall and long-term planning for the municipality as a whole, in which retailing is given opportunities to develop in strategic locations in town and city centres, different town and city districts and nearby communities. Strategic planning is not easy, but can be facilitated as follows:

- Form a vision to strive towards, and break it down into manageable objectives.
- Consult with industry: retailers, property owners and other interested parties.
- Consult with the citizens.

- Consult with the neighbouring municipalities.
- Use the planning monopoly – negotiate with interested parties.
- Stick to planning, but without being rigid.
- Do not let private interests tear planning apart.
- Co-operate within the region and across sector and municipal borders...
- ... but the decision must be taken locally.
- Hold a dialogue with the county administrative board.
- Draw up a retail policy for positive development.
- Conduct proper investigations.
- Study alternative solutions.
- Illustrate and weigh up different interests against each other.
- Conduct consequence analyses and dare to show the consequences openly.
- Test against national, regional and local objectives.
- Choose what best leads towards long-term sustainable urban development at the time.
- Remember that it is acceptable to deselect but not to forget.
- Do not plan retailing separately, but make an urban plan with attractive retailing for everyone. This way, we will move towards coherent urban policy.

### Think first

So, what do you do when you are well prepared and an investor calls on the municipality and wants to build a large retailing establishment outside the town close to a crossroads, in complete contradiction to the overall plan? Dare you make him or her take the undeveloped land on the outskirts of the town centre instead? It is, after all, earmarked for retailing. Is there a worry that the investor will choose another municipality if things are made difficult, and there is a great desire for the municipality to develop? It is clearly worth keeping a cool head and thinking first.

We now ask the question again: hand on heart, what do you think? Will we achieve a long-term sustainable society with attractive retailing for everyone if development continues in the current direction?

## Dare to show the consequences

You could start by considering the possible consequences, simply asking yourself what is likely to happen. If there are several alternative locations, you can compare them. It is best to conduct any consequence analysis openly and in consultation with other affected parties: inhabitants, industry, and local trade, property owners, banks, colleges, etc, and naturally with the party behind the proposal:

- Will the number of jobs increase or decrease in the long term?
- Will overall prices rise or fall in the municipality?
- Will small shops go into liquidation leaving empty premises behind?
- Will private car traffic continue to increase, or will it decrease?
- Is there public transport to the proposed site?
- How are the chances of maintaining a vibrant countryside affected?
- Will the costs to society and the individual for home-help services, transportation services and home delivery to rural households increase?
- Will some people have difficulty reaching a convenience store in a suitable way?
- Are the elderly and disabled particularly affected?
- How is the municipality's long-term strategic planning otherwise affected?
- Has the municipality, through discussions and consultation, made sure they know how its inhabitants and other interested parties feel about the proposal – and the consequences involved?

Once you have answered the above questions and considered and weighed together the answers to the best of your ability into something you dare to stand up and be held accountable for, then you probably know how the discussion with the investor will go.

Retailing affects us all. The location of shops is vital to the individual and to urban development. With this publication, the National Board of Housing, Building and Planning wants to point out the requirements set and the opportunities offered by the Planning and Building Act when planning retailing and other services. Do we meet the requirements? Do we make the most of the opportunities? Are we partly on the right track?