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SHREWSBURY TOWN COUNCIL
COMMUNITIES AND ENVIRONMENT
Wednesday 11th June 2025

Officer: Ian Thorpe – Commercial, Markets and Events Manager

Market Tenant Mix Policy 2025

Purpose of Report

To review the current Tenant Mix of The Indoor Market

Introduction

Although the indoor market has developed a fantastic reputation and is currently completely full, there is certainly no room for complacency. This positive situation could easily change very quickly, particularly in tough economic conditions and with plenty of competition about.

There are numerous factors that contribute towards the success of a market. This could be location, accessibility, catchment size, effective management, and so on, but the most critical amongst these is the variety of goods on sale, otherwise known as the Tenant/Trader Mix.

It is therefore vital to understand what the current mix is, to keep a close eye on new product trends and consider any feedback from customers and traders, with regard to introducing new goods or increasing the availability of a product/service.

Managers are often faced with making difficult decisions in ascertaining whether a market will 'stand' another stall or stalls selling the requested goods and often these subjective calls can be influenced by a vociferous trader citing serious impact on their business.

Ultimately providing as wide a variety of high quality goods and services as possible, through a diverse tenant mix, is key to maintaining a healthy market which customers will want to come and visit on a regular basis.

Legal Considerations

UK Law prohibits agreements and certain other arrangements which may prevent, restrict or distort competition. These competition rules are set out in Articles 101 and 102 of the Treaty on the functioning of the European Union. UK competition Laws mirror the substantive provisions of the EU Law by Chapters I and II if the Competition Act ("the 1998 Act")

It could therefore be unlawful for a Market Manager to agree with a tenant that it will not let another stall to a competitor, as this could be construed as granting a particular tenant sole exclusivity. It could also be unlawful for a markets Manager to refuse an application by an existing trader to vary their permitted use.

The Office for Fair Trading published guidance on how the Act might be interpreted. They indicate that permitted user clauses and restricted user clauses will not generally be regarded as a breach of the Competition Act and that such provision can legitimately be used to achieve an appropriate mix of tenants within a retail development.

Critically**,** tenant mix and market layout are aimed at creating an attractive market to customers, they are not aimed at, nor do they have the effect of, creating exclusivity for tenants.

Therefore, having a written policy setting out business rationale for such decisions is extremely important.

We have carried out analysis on our tenant mix in the past, but it has been restricted to the Town Council's panier section and the effectiveness of the reporting has been diluted as a result. Thanks to the improved management relationship and collaborative approach it is pleasing to confirm that this report covers the tenant mix for the whole market.

Tenant Mix Options

Markets evolve over time as consumer needs, values and demands change alongside the many other facets of society in general.

To develop the "ideal" tenant mix, market officers should consider current trends, listen to customer demands and those of existing traders. This enables us to ascertain

1. Current likes and dislikes of the current market offer.
2. Evaluate current use of market, including frequency, loyalty goods purchased and awareness of existing competition.
3. Evaluate customer perceptions, attitudes and opinions.
4. Maximise opportunities to draw new customers into the market.

There are a number of options available on which to base any tenant mix review;

OPTION 1.
No tenant mix.
These can be found at specialty markets such as antiques fairs, records and stamp fairs etc. these do not require a trade mix policy as their uniqueness and success relies on only similar products being made available to customers.

This could be replicated indoors however it could have a negative effect with traders regularly changing their use and selling products that they have no experience, and looking for the next trend to generate profits or adding products to an ever increasing list of goods displayed on the stall.

OPTION 2.
Apportion the total retail sales area of the market by reference to the use of classes as defined by the Town and Country Planning (Use Classes) Order 1987.
A1 shops – general goods sold in a market and could include sandwich bars, hairdressers, travel agents, pet shops, dry cleaners.
A2 Financial and professional services
A3 restaurants and Cafes
A4 Drinking establishments
A5 Hot food takeaways.
A percentage of the overall floor space is then shared out between the different classes.

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A market offering 50,000 sq ft may determine a tenant mix policy as follows:-

46,000 sq ft for A1 use (92%)
500 sq ft for A2 use (1%)
1000 sq ft for A3 use (2%)
5o sq ft for A4 use (1%)
2000 sq ft for A5 use (4%)

The council would need to be aware that using this model will mean that an application by a tenant for a change of permitted use within the same 'class' will not be necessary. For example a book stall could be changed to a green grocer without permission as it falls within the same A1 use, even if it is located next to an existing green grocer.

OPTION 3 – ADOPTED
Tenant Mix Policy – Detailed.
This option considers the number of units available, the number of units in use and categorizes the untis into product use groups.
These categories can then have a weighting factor as follows:-

Category A – key anchor products for any successful market. Although these products may already be offered, an increase in the availability may be of benefit to the customer.

Category B – Products currently available and deemed well represented.

Category C – Products not currently represented and the units available for each product.

Category D – Services or non-retail activity.

Category E – loss of retail due to stall vacancies.

The current trader mix is detailed below.

TENANT PRODUCT MIX 2025				
TRADE MIX:	INDOOR MARKET – CURRENT 139 UNITS IN TOTAL 5 days of operation – All permanent traders			POTENTIAL TENANT MIX/ INCREASE IN UNITS USED
	No. OF UNITS USED	INCREASE/ MAINTAIN/ DECREASE	% OF TOTAL	
CATEGORY A				
BAKERS/CONFECTIONERS	2	↑	1.44%	+1
FLORIST / FLOWERS	1	↑	0.72%	+1
ADULT CLOTHING	4	↑	2.88%	+2
FISHMONGER	3	↑	2.16%	+1
DELICATESSEN	2	↑	1.44%	+2
BUTCHERS	14	→	10.07%	0
GROCERIES/ FRUIT & VEG	13	→	9.35%	0
HAIRDRESSERS	3	→	2.16%	0
CATEGORY B				

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CAFÉ/RESTAURANTS	34	→	24.46%	
TAKEAWAYS	3	→	2.16%	
CARDS & WRAPPING PAPER	6	→	4.31%	
COOKERY PRODUCTS	1	→	0.72%	
WHOLE FOODS/ZEO WASTE	3	→	2.16%	
HOME FURNISHING/TEXTILES	4	→	2.88%	
HOME IMPROVEMENTS	2	→	1.44%	
LEATHER GOODS/LUGGAGE/BAGS	5	→	3.59%	
PET PRODUCTS	2	→	1.44%	
WINE MERCHANTS	2	→	1.44%	
VINTAGE/BRIC-A-BRAC	5	→	3.59%	
CRAFTS/GIFTS/DESIGN	8	→	5.75%	
COLLECTABLES/VINYL	4	→	2.88%	
LINGERIE/NIGHTWARE	2	→	1.44%	
CHILDRENSWEAR	1	→	0.72%	
CLOTHING ALTERATIONS/PRINT	1	→	0.72%	
JEWELLERY	1	→	0.72%	
BOOKS	3	→	2.16%	
BAR	1	→	0.72%	
ARTIST STUDIO	2	→	1.44%	
COMMUNITY	1	→	0.72%	
MOBILITY PRODUCTS	2	→	1.44%	
CARPETS/RUGS	2	→	1.44%	
CATEGORY C				
FOOTWEAR	0			
BEAUTY SERVICES	0			
MUSIC	0			
CHARITY	0			
TOYS	0			
CHEMIST	0			
COMPUTER SERVICES	0			
MOBILE PHONES	0			
PHOTOGRAPHY	0			
SWEET	0			
KNIT WEAR	0			
COBBLERS/KEY CUTTING	0			
TATTOOIST	0			
NEWSPAPER/MAGAZINES	0			
ELECTRICAL GOODS	0			
PICTURE FRAMING	0			
HOME ENTERTAINMENT	0			
OPTICIAN	0			
CATEGORY D	0			
MARKET OFFICES	2		1.44%	
CATEGORY E				
TOTAL	239		100%	

The current mix is clearly working and the initial objective when considering any change is for it to be maintained. With the market being completely full there is no financial pressure to just fill space, although this does limit the options available to make any changes to the mix should we wish to do so.

On the few occasions where a trader has changed the initial approach has been to look for a replacement within the same use group ideally of equal/higher quality of offer and/or with a key point of difference. If that is not possible then focus will shift to traders of sufficient quality from a completely new use group which will bring further variety to the tenant mix and potential attract new customers to the market. The final option to be explored would be to look to our existing tenants to see if there is an appetite to expand and/or diversify their offer.

RECOMMENDATIONS:

It is generally considered that option 3. Detailed Tenant mix remains best suited for the Indoor Market and can also be used as the basis for a written policy that sets out the letting rationale to achieve the appropriate tenant mix. This should also ensure any refusal to let a vacant stall or a request by an existing trader to change their permitted use, will not lead to a breach of the Competition Act.

Option 3 should continue to be considered on an annual basis to ensure it remains relevant to the ever changing retail sector.