
Opportunities for Investment in Clonmel

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Market Dynamics was commissioned by **Clonmel Chamber of Commerce** to conduct a study during September 2008 into the opportunities for investment in Clonmel and to produce a report on the findings.



The Chamber is very grateful to **Boston Scientific** for its financial assistance in meeting some of the cost involved in this study.



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SUMMARY

- ☒ Clonmel is a town with excellent employment, relatively high levels of disposable income and a high proportion of young people in its population. Those who live in the area are joined by many hundreds who commute to work in the town every day
- ☒ Though Clonmel is well served in many ways, a number of clear investment opportunities were identified in the research. There is a shortage of hotel accommodation with a particular requirement for a large hotel in the centre of town to act as a focal point for activity there. An increase in hotel accommodation would improve Clonmel's attractiveness as a location for conferences, other events and tourism in general.
- ☒ There is a clear requirement for more high-class restaurants in the town and it is currently losing significant business to other centres such as Cashel and Dungarvan because of this shortage. In similar fashion, the lack of hotels has resulted in a shortage of places to go for a family meal. There is an investment opportunity for further venues to provide this type of food and hotels will find considerable scope for this type of restaurant.
- ☒ There is also perceived to be a lack of choice in both women's and men's clothes shopping in the town. More specifically, there is a need for greater availability of mid-market brand-name shops such as Next and River Island. This has resulted in leakage of shoppers to other centres in the region. While the new Showgrounds shopping centre with Marks & Spencer as anchor tenant is likely to improve this situation considerably, there will still be opportunities for further shopping outlets in the town centre. If shopping facilities are provided that are attractive to the young population of the town and those who commute there every day, there is great potential for increased economic activity.
- ☒ Clonmel has considerable potential as a tourist destination and efforts should be made to develop water-based activities around the River Suir as well as walking and cycling activities to take advantage of the town's proximity to nearby mountains. As a first step, the setting up of a heritage and visitor centre at the old Bulmers' brewery in the town centre would be beneficial. The town can also benefit by its proximity to key tourist attractions in Waterford and Cashel. Further investment in hotel accommodation and restaurants would be required to exploit this potential.
- ☒ Finally, though it may seem that there is a lot of investment ongoing already, we believe that this will provide a boost to economic activity in the town. This can provide benefits for existing businesses if they take steps to ready themselves for it. It will also provide opportunities for new entrants to the area.

Introduction

The town of Clonmel has long been the key commercial centre in South Tipperary and considered by many to be the "capital of Tipperary" as a whole. As well as being the administrative centre for the south of the county, it is the premier shopping destination for the region and in recent decades has become the location of choice for a number of important multinational companies in the pharmaceutical and medical device industries who employ thousands of people in the town. These have been welcome additions to the many long-established businesses in existence, most notably Bulmers which has been very successful. Many employees of these organisations commute from other locations to work in Clonmel and thus create additional demand for services. Many others have come from all parts of Ireland to live in the area and those who took part in the group discussions conducted as part of this research were generous in their praise for the townspeople, the welcome they give to newcomers, the beautiful scenery that surrounds the town and the quality of life they enjoy.

Through a combination of its traditional strength and relatively recent inward investment, Clonmel's economy has grown stronger, demand for housing has risen and the increased economic activity has put pressure on local services such as housing and childcare services. However, when compared with other towns in the region that haven't had the same level of inward investment, the perception exists that Clonmel has not grasped the opportunities that this economic well-being has offered. This is most noticeable in the absence of certain services from the local area with the result that both local people and those who commute to the town on a daily basis have to do without these services or, more often, travel to neighbouring towns to avail of them. This "leakage" of business from the town has prompted Clonmel Chamber to commission research to highlight these gaps in services and to identify new opportunities that are presented to inward investors as a result.

However, there are a number of important initiatives in the pipeline which will enhance the level of commercial activity in the area and we will provide some background into some of these as examples of how Clonmel is already addressing some of these gaps in service provision. We believe they will also serve to highlight how some of these will create demand for yet further services.

This report has been prepared following a programme of desk research combined with focus group discussions involving people who live and/or work in Clonmel. The research has highlighted areas in which Clonmel is demonstrating demand for new services that are not being provided and these fall under a number of headings which are addressed later in this document.

First, however, we will examine the demographic and socio-economic profile of the town to see what it can tell us about the likely demand for new services in the area.

"As someone who has come to live in Clonmel I consider it to be an area of outstanding natural beauty and find the welcome you get from the local people makes it a

Demographics and Socio-Economic Profile

The 2006 census records that there were 18,899 people living in Clonmel and its environs, just less than a quarter of the population of South Tipperary. As was the case with many Irish towns, the population of the central urban area fell by nearly 6%. However, the population of the Clonmel No. 1 Rural Area grew by 12% during the same period.

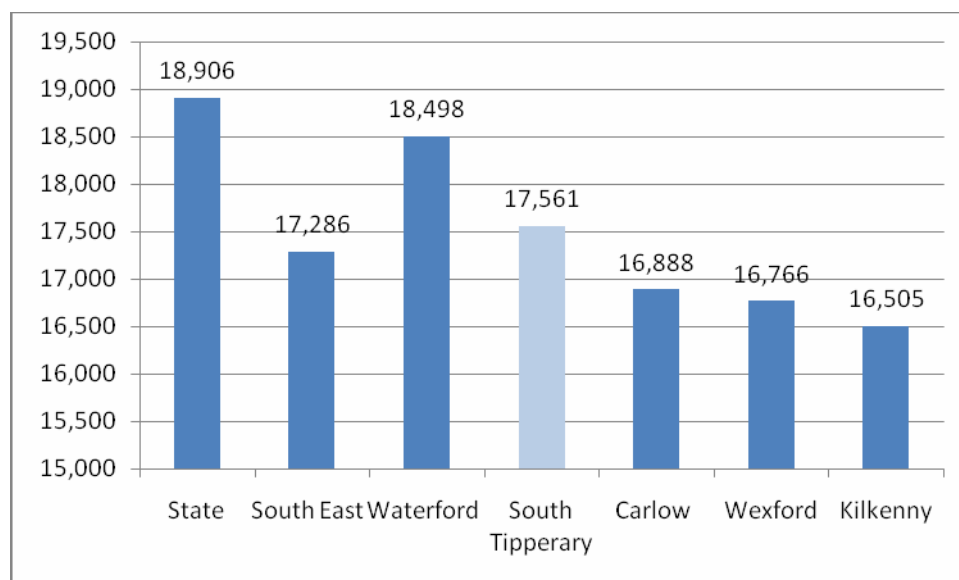
The Clonmel and Environs Development Plan 2008 reports that average household size fell in South Tipperary from 3.55 in 1986 to 2.7 in 2006. This is consistent with nationwide trends and the fact that many young people have come to live in Clonmel to work in the major multinationals is likely to play a part in this demographic change. This is borne out by the fact that the age profile of people living in the town shows that there are a greater number of young adults (15-44) in Clonmel town than the county average.

The census also records a total of 9,703 people aged 15 or over working in Clonmel, a participation rate of 55% which is higher than the national average of 52.8%. The research shows that there is very strong employment in the area.

A look at the most recently available data on disposable household income shows that in 2004 South Tipperary had the second highest figure in the South East region. With just Waterford ahead of it, average disposable income in South Tipperary was higher than in three other counties as well as the regional average.

FIGURE 1

Disposable Household Income, by county 2004 (€)



Source: Quarterly National Household Survey, February, 2008

It should also be noted that neither the census nor the Quarterly National Household Survey record the spending power of the large number of people who commute to Clonmel from outside the area. Due to the presence of large employers, such as Clonmel Healthcare, Abbott, Boston Scientific and Bulmers

many people travel to the town to work every day. More than half of the 1,400 people who work in Abbott, for example, commute to work from outside the Clonmel area. In addition, a big proportion of these commuters are well-educated and high-skilled and, therefore, belong to the higher socio-economic groups. These form a further group of people with the potential to be consumers, whether through shopping in the town, eating and drinking after work or attending events in the area. If we extrapolate from the discussions with representatives of these employers, we can conclude that there are hundreds of mostly young people who commute to work in Clonmel every day and would offer considerable additional demand for services by virtue of their presence.

"Clonmel has a lot going for it on the employment front and is the envy of other neighbouring towns like Thurles and Kilkenny"

In summary, there is effectively full employment in Clonmel with young people making up a high proportion of the population, a relatively high level of disposable income and a large population of commuters to serve in addition to the actual population of the area.

Analysis of Services Needed in Clonmel

Having completed the research we have found that there are gaps in the supply of services in Clonmel in the following service categories. Each one will be dealt with in turn.

- Shopping
- Eating / Drinking
- Hotels / Accommodation
- Other Services

Shopping

As the primary commercial centre for South Tipperary, Clonmel has been the shopping destination of choice for the population of the area down the years. The South Tipperary Draft Retail Strategy of 2003 states that "Clonmel is clearly the main shopping destination for South Tipperary residents for all categories of shopping across all the zones". This was based on the findings of a comprehensive survey of residents of the county on their shopping habits and patterns. It was also noted that the town accounted for over 50% of all retail floor-space in the county. Furthermore, in the National Retail Hierarchy Clonmel is designated as a Tier 3 (Level 1) centre which puts it on a level with towns such as Kilkenny, Portlaoise, Carlow and Athlone.

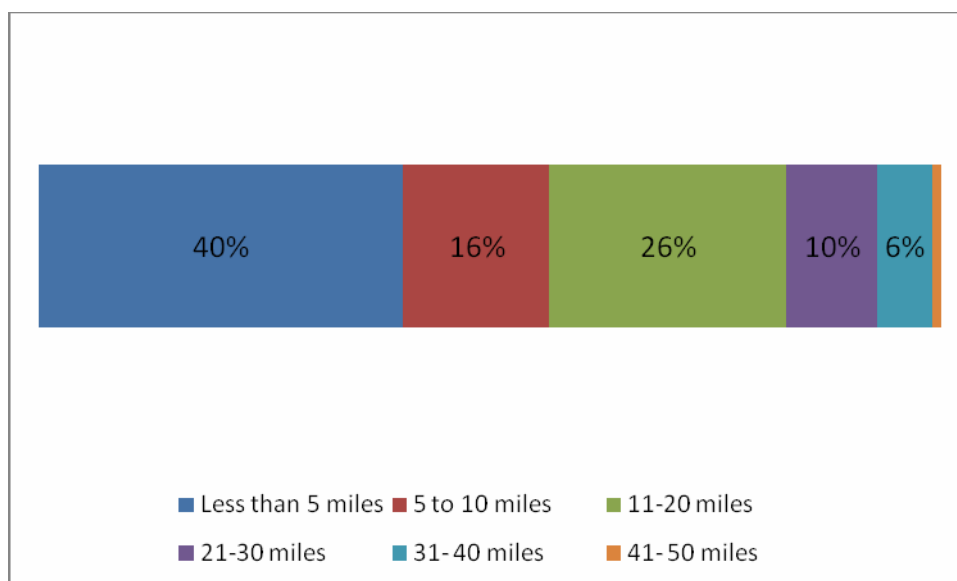
"The arrival of Marks & Spencer should be an important boost to the town as it will be the first M&S outlet in the South East"

Research carried out in late 2006 by the BORC Partnership added further weight to Clonmel's reputation as the shopping location of choice for a wide area. As figure 2 demonstrates, 44% of shoppers surveyed in Clonmel had travelled over 10 miles to the town to do their shopping. A total of 86% also claimed that Clonmel was the town they most often shopped in.

FIGURE 2

Distance Travelled to Shop in Clonmel

How far have you travelled to shop in Clonmel today?



Note: Average distance travelled = 11.3 miles

Source: BORO Partnership, 2007

However, the Retail Strategy Report of 2003 also noted that since the town was not designated a "hub" town as part of the National Spatial Strategy while many other Tier 3 (L1) towns such as Kilkenny and Ennis were, it was felt that those towns without hub status might drop down the priority list for investment by the major multiples and for infrastructure improvements on the part of the government.

To what extent the National Spatial Strategy has contributed to the problem we cannot be certain other than to assume that Clonmel's failure to be recognised as a hub has not helped. Whatever the reason, it is clear from the research that there is a requirement for a greater variety of shops in the town and considerable evidence that, if these shops were present in the town, they would find demand for their services.

The focus group discussions suggested that the increasing availability of shops in surrounding towns was putting some pressure on Clonmel, since people who would have travelled from Tipperary and Cashel to Clonmel to shop now have more products and services available in their own towns. Nevertheless, a bigger reason for any leakage to other towns was considered to be the lack of certain types of shops.

There was general agreement during the group discussions that Clonmel was well-served at the high-end of the clothing market with boutiques in sufficient numbers and at the cheaper end with Dunnes Stores and Penneys both present in the town. However, it is clear that there is a lack of mid-market suppliers such as Next and River Island and that this meant there wasn't enough variety. Though there is anecdotal evidence that some of these chains have tried to find sites to set up in Clonmel without success, the Clonmel and Environs Development Plan 2008 states that there are "several potential redevelopment

"As an avid shopper, if myself and my friends are going shopping for the day we tend to go to Kilkenny or Waterford and it would be great if the same "brand name" shops were available in Clonmel"

sites within the town centre that can cater for significant mixed use commercial developments".

While there was agreement that the lack of brand-name clothing shops was a big factor for women it was also suggested that men, too, found Clonmel to be lacking when it comes to "High St" fashion compared to places like Kilkenny and Waterford. In addition, new shopping developments in Cork such as Mahon Point were mentioned as being within an hour travel time and that the range of choice there was a factor. Clonmel has a great opportunity to stop this traffic out of the area by encouraging investment by the right type of fashion shops in the town. The view was expressed that much of the shopping traffic moving out of the area could be addressed and reversed quickly if better facilities were provided in Clonmel town. The new shopping facilities planned for the town which will be described later in this document will certainly broaden the choice available to both men and women when they come on stream.

Clonmel appears to be well served for grocery shopping at both the high and low-end of the market and for hardware. Much of this is on the outskirts of the town and this contributes to leakage of business from the centre of town but not out of the area totally. Chief among the beneficiaries are the likes of Tesco and Woodies both of which are located just off the ring-road. When the new Showgrounds retail site is up and running in May 2009, the additional shopping traffic should also benefit other shopping areas and types of shops in town.

Eating and Drinking

There was general agreement during the group discussions that Clonmel has a great shortage of high-class restaurants. A representative of one of the major multinational employers says that all visitors to its Clonmel campus who are being entertained are taken to Chez Hans in Cashel for this reason. Many of those attending the focus groups regularly go out of town to eat and there is a serious leakage of business of this type to both Cashel and Dungarvan.

During one of the focus group discussions one attendee referred to a recent survey of Clonmel which showed that there are a total of 18 empty premises in the town centre but another commented that there was a shortage of places available that are large enough to accommodate such a restaurant. What can be stated with certainty is that there is significant demand for such restaurants and it was the view of the focus group discussions that such restaurants would do very significant business.

It is accepted that there is a plentiful supply of reasonably priced ethnic restaurants predominantly offering Asian cuisine and a wide choice of places to have lunch in the town. However as well as a shortage of high-end restaurants, the small number of hotels contributes to the fact that there is a shortage of places to go to for a family meal such as Sunday lunch and there is a good opportunity for new entrants to this market. There is no doubt that if there were further hotels in the town they would see considerable demand from the "family" market.

Further availability of places to eat and drink could be promoted as part of a tourism drive. Given Clonmel's location on the N24 between Limerick and Waterford, better sign-posting to eating and drinking establishments within the town could prove beneficial too.

"One thing that needs to be addressed is the shortage of high-class places to eat and drink in Clonmel"

Hotels

One of the major deficiencies identified in Clonmel was the shortage of hotels in the centre of the town. Since the Clonmel Arms Hotel which was centrally located closed, local businesses have missed having a central location for meetings and other events. Hearn's Hotel has recently been re-opened after modernisation but is quite small. There certainly seems to be an opportunity for a large hotel in the centre of town. This would have a major positive impact on activity in the centre. The lack of such a hotel at present has contributed to the shortage of activity in the town in the evenings compared to other regional towns.

There are two major hotels in Clonmel both on the outskirts of town. The Clonmel Park Hotel caters largely for commuter business people on short stays as well as local businesses. It has two major function rooms with capacity for 300 and 100 people respectively in conference format and a number of meeting rooms. The largest function room in the town which can cater for 550 people is at the Minella Hotel. It has hosted conferences for the Labour Party and the Order of Malta in recent weeks. The Clonmel Park has hosted recruitment days for Abbott among other events.

On the whole though, the current relative shortage of hotel accommodation makes Clonmel less likely to be chosen by businesses or other organisations planning major events such as conferences and festivals. It puts the town at a comparative disadvantage to other places in the region such as Kilkenny and Waterford. This has a knock-on effect of placing restrictions on individuals and organisations in the town in what they can organise locally. Tourism potential is also unfulfilled as a consequence, large festivals cannot be accommodated and the local multinationals cannot hold the types of events they would like because of the lack of facilities available.

As we will see later, a planning application for a substantial new hotel by the river at Convent Rd is now with the Borough Council for decision. This would greatly help to improve the availability of hotel accommodation.

Business in the town would be greatly helped by the increased activity that new hotel accommodation would bring and it would offer potential benefits in a whole range of ways. It has the potential to be a win/win for a major hotel group to set up in Clonmel, with the hotel enabling a radical increase in activity in the town and with potential opened up for increased tourism in the area. It would help Clonmel to sell itself as a tourist destination in the way that Kilkenny does so successfully due to the large number of hotels centrally located and close to all amenities. This will be examined in more detail later in this document.

Other Services

In relation to other services, Clonmel is very well served for the most part. There are excellent sporting facilities with GAA, rugby and water sports all catered for and an under-rated golf course. There is a tennis club and a swimming pool. In fact the general view in the discussions was that Clonmel has recreational facilities that are as good as there are anywhere.

The lack of a suitable theatre was noted particularly since there is a professional theatre company in the town. Again, if such a facility existed in the centre of town it was considered that this would add life to the area. It was also noted that many people travel to Dungarvan to the cinema as many of the top box-office films don't come to the local cinema. There is potential for a proper theatre and

"A good sized hotel in the centre of town would have the economies of scale to succeed. The resulting increase in activity would be likely to fill the other available accommodation in the town centre"

additional cinema capacity to be provided in Clonmel town particularly in the light of the demographic and socio-economic profile of the town, with a large young population with relatively high levels of disposable income.

Suir Island is an under-utilised asset and we understand that a study has been commissioned by the Borough Council aimed at identifying suitable use for this site which is very close to the town centre. At present there is parking for 300 cars on the site and the all-day charge is only €2. Better connectivity between Suir Island and the town centre could result in the development of this site with the resultant enhancement of the town's core.

The rail service at Clonmel, while improved in recent times, is still far below the requirements of the town. With no services on Sundays and Public Holidays, Iarnród Éireann is clearly not catering for tourists, local families who would like to spend a weekend at the seaside or elsewhere, Third Level students or even locals who live outside Clonmel and want to come home for the weekend. Furthermore, the slow speeds mandated by antiquated track also place Clonmel at a severe disadvantage as regards connections with high-speed Inter-City trains. In an age when valiant efforts are being made to reduce CO2 emissions by greater use of public transport, Iarnród Éireann would find that increased services would bring many more customers. However, the on-going remedial works at Clonmel railway station were broadly welcomed and it was felt that making the station more conducive for travellers would also contribute towards making rail a more popular option. What is needed are improved services with better marketing of these services so that the public becomes aware of what is available.

Services for Tourists

Many of the services that are required by local consumers in Clonmel would also be attractive to tourists and this could be the key to their development. The general view among those attending the focus groups was that Clonmel does not have a defined tourism product. While Cashel has the Rock and Kilkenny has the Castle, Clonmel has no single outstanding attraction but, nonetheless, it was felt that the area has considerable potential as a centre for recreational tourism. The point was also made that these facilities could form the basis of a very formidable tourism product for the area if it was marketed better.

It was noted that the Clonmel area was not included in the recent radio and TV campaigns to promote tourism in the South East. However, in the South East Regional Tourism Development Plan, 2008-2010 many examples are given by which Clonmel could better exploit its tourist industry.

- Tourist Activities

The 2008-2010 plan outlines some of the strengths of the South East region when it comes to attracting tourists. Among these is the landscape of the South East including the Vee which is not far from Clonmel. Walking and cycling trails are also listed as strengths and the town has an excellent opportunity to benefit from its proximity to both the Comeragh and Knockmealdown mountains for the further development of this type of activity. The potential for water-based activities is noted and Clonmel's riverside location makes it a very suitable venue for the promotion of this type of tourist activity. Clonmel should have a marina for small craft and improved facilities to permit such craft to travel between Clonmel and Carrick-on-Suir, Waterford, New Ross etc. This could surely be incorporated at very little expense into the work currently being done to relieve flooding. The

Clonmel and Environs Development Plan 2008 refers to the local authorities' wish to pursue the development of amenity and recreational facilities specifically with reference to the River Suir.

- Tourist Opportunities Based on Location

The report also lists among its aims the wish to have Waterford's Historic Quarter and the Rock of Cashel as World Heritage sites. Situated between the two, Clonmel is in a good position to market itself as a tourist location in the centre of the "heritage" area of the South East. Another opportunity noted for development in the region is tourism in the Glen of Aherlow and again Clonmel could both drive this and benefit from it. Improved links to and from Waterford Airport are seen as a boost to tourism in the region as a whole and Clonmel has the potential to win its share of new visitors from this.

"There is not enough appreciation of the landscape and the potential for tourism in the area"

As well as improving the local economy through the provision of new services aimed at the tourist market, demand would come too from local people for a range of these services. such as hotels, restaurants and other services similar to those already discussed.

- Clonmel Junction Festival

One event which already draws crowds to Clonmel every summer is the Clonmel Junction Festival. The South East Tourism Plan notes the importance of festivals to the development of tourism in the region. The town has the potential to further benefit from the many visitors to the event by having more accommodation, a suitable theatre, restaurants and other services available.

- Bulmers' Heritage and Visitor Centre

The Clonmel and Environs Development Plan 2008 states that the development of a visitors' centre at the site of the old Bulmers' brewery in the town centre should be encouraged, signposts for tourists within the town should be improved and further events to attract visitors to the town should be encouraged. These initiatives would mark a very good beginning to Clonmel's efforts to improve its attractiveness as a tourist destination.

Ongoing Investment Plans

It should be noted that a number of plans are in the pipeline which may or may not go ahead in the coming years and which would have a major impact on the town. These are noted as follows:-

- Marks & Spencer

Marks & Spencer will be the anchor tenant at the new Showgrounds Shopping Centre in Clonmel. The 11,150 sq metre centre is being developed by Greenband Investments and will open in May 2009. The centre is expected to bring a total of 28 retail units and in excess of 300 car parking spaces to the town. It is likely that at least some of the brand name shops that have been identified as being in demand will be present in the new facility. The store will be the first M&S outlet in the South East of Ireland. For this reason it is considered likely to attract large numbers of shoppers to the town as well as arresting the leakage of shoppers to other locations. The Marks & Spencer outlet will offer a full range of men's, women's and children's wear as well as a food hall and cafe.

- Powerstown, Clonmel

A major new development on the outskirts of town has been proposed by New Vision Developments. It is proposed that the €1.5 billion development would include residential homes, industrial, office and other work space, retail services and other services such as schools and crèches to support a new community. Land re-zoning for this project was refused but it is possible this may be reviewed in the future. However, it shows the extent of the potential that these developers see in the area in that such a major investment would be proposed close to one of the main towns in the country.

- Multi-Storey Car Park

The need for additional parking capacity in Clonmel town has been identified as a problem for many years. A multi-storey car park has been proposed for the centre of Clonmel and permission granted by the Borough Council. However, a decision is awaited from An Bord Pleanála as to whether the development can go ahead. The overall development would provide for 40,000 sq ft of shopping space, parking for almost 400 cars, 15,000 sq ft of office space and 18 apartments. It would provide a great boost to the commercial activity in the town centre if given the green light.

- Former Tesco Building on Gladstone St

The investment in the conversion of the former Tesco building in Gladstone St. is a good example of a developer making use of a hitherto vacant site in the town centre. The increased commercial activity that will result will hopefully act as an incentive to other entrepreneurs to invest in a similar fashion at other vacant sites.

- Hotel on Clonmel Foods Site at Convent Rd

As mentioned earlier, Pharma Developments have applied for permission to build a substantial new hotel by the river at Convent Rd in the town. If granted, this will add greatly to the available hotel accommodation in the Clonmel area.

- Development of High Class Golf Resort at Marlfield House

Another development proposed was for Marlfield House, where a high-class hotel and championship golf course was planned as part of a €100 million investment. The plan has been put on hold for the moment as a result of the downturn in economic performance but may be revisited at a later date. This is another example of how much potential some developers see in the area and, if implemented, would greatly increase the potential for tourism in the Clonmel area.

Conclusion

We have seen that Clonmel is the pre-eminent commercial centre for South Tipperary. It has benefitted from major investments by multi-nationals and has effectively full employment. However, it is not grasping all the opportunities that it can and we have pointed out areas where there is latent demand that is not being exploited. These include badly needed additional brand name shops to the centre of town and high class restaurants as well as those catering for family meals.

We have seen that a good-sized hotel would add a lot to the level of activity in the centre of town and benefit from being the new hub of that activity. It would also

provide choice where little exists at the moment. Clonmel's tourism potential cannot be developed properly without further suitable accommodation being available. There is considerable potential for development of tourism from water-based activities on the river Suir, walking and cycling holidays and from Clonmel's proximity to a number of tourist attractions in Waterford, Cahir and Cashel.

We have indicated where there are proposals for development in the pipeline which demonstrate that investors see potential in the area and we can say that the outlook for investment in Clonmel looks very positive overall.

Methodology

Market Dynamics was commissioned by Clonmel Chamber of Commerce in September 2008 to undertake a research study into areas where there are opportunities for investment in Clonmel. A combination of desk research and qualitative research was conducted to this end. The authors initially examined a range of reports produced by the local authorities in Clonmel, proposals for investment by a various developers and research reports on shopping habits and preferences to support these investments. Sources of statistical information at national, regional and county level were investigated also.

In addition, two focus group sessions were held in Clonmel with a total of 24 people of varying ages and backgrounds that live and/or work in the town to get their views on what services are required and where they believe the opportunities are. These included people from Clonmel and those who have come to live in the town, people working for the multinationals, for smaller companies and the self-employed. We thank them for their invaluable assistance with this project.