Retail Policy and the Functional Urban Area

Facilitating optimal distribution and preventing urban sprawl

Report on the EUKN Policy Lab in Cyprus on 15 December 2017 in Nicosia

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Executive Summary

The EUKN Policy Lab held in Nicosia on 15 December 2017 discussed Cyprus' retail sector and the creation of a retail policy within the context of the functional urban area. A new retail policy is needed to combat urban sprawl and to revitalise city centres. During the EUKN Policy Lab three key messages emerged:

1. An effective retail policy must be based on a detailed analysis of the retail market and its impact on different aspect of urban development such as planning, local economy, mobility and the environment. Policy-makers and the private sector should cooperate to combat retail oversupply in certain areas and to improve permitting procedures.
2. Retail and urban mobility are closely linked, in a car-based economy like Cyprus, a new retail policy should be developed in conjunction with a mobility plan to improve urban viability, accessibility and environmental quality.
3. A new retail policy should benefit from benchmarking data on the retail sector collected by other countries which offer useful comparisons. At the same time, it is important to base a new retail policy on the EU Regulation for the retail sector.

Introduction

On 15 December 2017, the European Urban Knowledge Network (EUKN) organised a Policy Lab in Nicosia in cooperation with Cyprus' Department of Town Planning and Housing on the theme of Retail Policy and the Functional Urban Area. This report assembles the main findings of the meeting which focused on outlining the current situation of Cyprus' retail planning and the potentials for developing a new retail policy for Cyprus.

Retail planning increasingly poses significant challenges for municipalities all over Europe. Trends such as the rise of online retail and supply-side innovations (e.g. blurred retail concepts that increasingly blend retail with leisure) are now augmented by the European-wide pick up of economic growth. The key issue (and often central question) facing municipal planning authorities is: "how to balance the stimulation of further development and innovation whilst protecting and strengthening the desired retail structure?".

Functional Urban Areas are shaped by the interplay of behaviour of people and businesses on the one hand and government policies on the other. The resulting urbanisation pattern is a function of these two factors. Getting the balance right is important, as too stringent policy can lead to diminished economic activity and the absence thereof to uncontrolled development and urban sprawl.

Retail infrastructure represents one of the strongest forces of the first factor, as it is led by an intricate business sector (retailers, real estate developers and investors) that responds to consumer demands and behaviour. The nature and evolution of the retail sector has a significant impact on the shape of the Functional Urban Area and the degree of control (public retail policy) determines the extent of urban sprawl. When left unchecked, retailers and real estate developers focus on economies of scale and low land values. This has led to the construction of large-scale out of town retail formats, often with negative effects to (small-scale) inner-city retail formats.

Planning authorities realise the need for increased regulation, to both prevent unwanted sprawl but – equally important – protect existing retailers in the urban core.

This Policy Lab opened a debate aimed to identify a possible right balance in retail policy-making for Cyprus, based on a discussion of the existing retail policy spectrum in Europe (ranging from extremely restrictive policy frameworks such as in The Netherlands to a complete absence of retail policy in countries such as Georgia). The concrete Cypriot context and its location on this spectrum were discussed during the Policy Lab. The main goal was to engage in an informed exchange on potential policy instruments and good practices that can be helpful to design a contemporary retail policy that fits the needs of Cyprus.

Opening and Welcome

Mr Phaedon Enotiades, Coordinator, Unit of EU and International Cooperation, Department of Town Planning and Housing, Ministry of the Interior, Cyprus

Before the official word of welcome by the Director of the Department of Town Planning and Housing at the Ministry of the Interior, Mr Enotiades explained to the participants – representatives from various local, regional and national authorities as well as from retail organisations in Cyprus – the cooperation the between the Department of Town Planning and Housing and the EUKN EGTC. Cyprus has been a member of the knowledge network since its beginning, and this is the fourth EUKN Policy Lab. Mr Enotiades underlined the relevance of the topic of this Lab, for the Department of Town Planning and Housing, for the municipalities and for the private sector. Retail development has a significant impact on local planning. It is part of a complex planning process that involves several authorities and stakeholders. Mr Enotiades concluded by presenting the agenda of the day and introducing his Director, who gave the official word of welcome.

Ms Athena Aristotelous, Director of the Department of Town Planning and Housing, Ministry of the Interior, Cyprus

In her welcome, Ms Aristotelous provided an overview of the past 30 years' activities of Cyprus' Department of Town Planning and Housing.

Starting from 1980, the department began the groundwork to implement a spatial planning policy. There was a lot of commitment to re-shape the previous spatial policy framework which allowed commercial developments on new plots without restrictions. In making the first local plans for the urban centres, the Department of Town planning and Housing had to cope with a retail sector already sprawled out of town centres and along the principal roads. This was rooted in the absence of policies for commercial development, the first of which were effectuated in the 1990s).

Currently, having reached the 5th generation of spatial planning policies, the Department is engaged with reforming the development provisions and creating a new plan which will be based on regular reviews. The new spatial policy will be aligned with the broader strategic goals of the country and international agreements. From the beginning of 2018, preliminary assessments and studies on the urban spatial trends of Cyprus are set to generate the necessary knowledge background to develop a specific policy also for the retail sector. Given these developments, the EUKN Policy Lab represented a unique opportunity to start discussing the development of a retail policy, enriched with good practices and experience brought from abroad.

Presentation of the Policy Lab

Mr Mart Grisel, Director of the EUKN ECGT

Mr Mart Grisel presented the agenda of the day and introduced the EUKN EGTC. He reminded that Cyprus was one of the first members to access the EUKN (2005), which was the starting point of an enduring cooperation on urban themes. He stated that Cyprus is also an active member of the Urban Agenda for the EU since its launch in 2016 and involved in two Partnerships: Sustainable use of Land and Nature-Based Solution (SUL-NBS) and Urban Mobility. The objectives and challenges dealt with by these two Partnerships are related to and intertwined with the subject of the Policy Lab: tackling urban sprawl is one of the main goals of the SUL-NBS Partnership, and people's mobility patterns across a city affect land-use considerably. A comprehensive retail policy can have a direct impact on these themes, therefore, its importance should not be under-estimated.

Mr Grisel outlined the two main aspects to be addressed by the Policy Lab: 1) the assessment of the present policy framework pertinent to Cyprus' retail sector and, building upon that, 2) sparking reflections to develop a new retail policy. Mr Grisel presented the two experts to provide input to this debate:

- Ms Anna Caramondani, Senior Consultant and urban policy expert at ALA Planning Ltd, Nicosia, Cyprus
- Mr Martijn Kanters, Senior Strategy Consultant at Bureau Stedelijke Planning, Amsterdam/Gouda, The Netherlands

The first part of the Policy Lab started with an introductory presentation on spatial planning in Cyprus followed by two keynote speeches from the experts. The second part was composed of a general discussion session followed by a plenary discussion dedicated to exchanging recommendations and good practices as an inspiration for a new retail policy in Cyprus.

Introduction on Cyprus spatial planning

Ms Skevi Makariti, Town Planning Officer, Department of Town Planning and Housing, Ministry of Interior, Cyprus

Setting the scene for the Policy Lab, Ms Makariti presented the main questions and challenges faced by Cyprus' planning authorities. She outlined how society in Cyprus has been affected by changes in lifestyle, family structures and consumption, and how these changes also have an impact on retail. This manifests itself by the appearance of new retail formats, such as supermarkets and hypermarkets outside of the traditional local centres. Ms Makariti described the retail sector to be characterised by a fierce competition as regards price, services, the convenience of location, parking provision, etc. She held that such forms of competition can have a negative impact on the environment, e.g. out-of-town large retail developments generate additional traffic and cause further road congestion.

Ms Makariti presented the Local Plan (usually referring to a wider area and functioning as a complementary entity) as the main instrument of land-use control in urban areas. Local plans recognise the possible disruptive effects that large retailers can have on the local economy and therefore limit their presence. According to Ms Makariti, they contain provisions that aspire to promote a viable mix of retailers, favouring smaller and neighbourhood-based shops to ensure easy access, particularly for the part of the population not owning a private car. The development plan indicates hierarchies of locations where land retail development is allowed. They generally designate city centres, district retail centres and primary activity spines as preferred locations.

The trend of the last 50 years saw the establishment of large retail centres in out-of-town locations or at the direct outskirts of the four major cities in Cyprus. In Nicosia's outskirts alone, there are three large shopping malls and a fourth is under construction. On the one hand, large retailers benefited the consumers by offering a wide range of products accessible in one place, at a good quality and for low prices. On the other hand, strong competitiveness of large retailers caused the closure of many small traditional shops and this directly affected the vitality of city centres in the surroundings. Moreover, large retailers outside the city centres led to an increase in private car use as a principal means of transport for shopping purposes. Many studies on transport in Nicosia demonstrated that out of town large retailers, because of their wide catchment areas and because they are important employment hubs, generate more car traffic.

Ms Makariti concluded by stating that although Local Plans emphasized the importance of environmental sustainability, several development control planning decisions seem to have failed to restrain the damaging trend connected with large retailers. She therefore identified the need for a thorough assessment of the retail sector development impact on the environment and on the urban economy before moving towards the formulation of a new retail policy.

State and perspectives of the retail aspects of spatial policy in Cyprus

Ms Anna Caramondani, ALA Planning Partnership, Nicosia

Ms Caramondani's intervention offered an overview of the features and issues concerning Cyprus' retail market based on a retail sector study conducted in 2010. She outlined the three central features emerging from that study: Firstly, Cyprus' retail spatial planning policies are integrated in and controlled by the Local Plans of the four major urban centres where most of the retailers concentrate: Larnaca, Limassol, Nicosia and Paphos. Secondly, Cyprus' retail market can be divided into seven types of retail zones: town centre business districts; four activity spines (four different types of retail development along main roads); local commercial centres; and out-of-town regional commercial zones. Thirdly, the development of new retail outlets principally occurs along the major arterial roads.

Ms Caramondani pointed out that Cyprus' retail sector was not subject to scrupulous monitoring and its planning was not based on a comprehensive data set. It was only with the 2010 retail sector study that an initial analysis and database, comprising indicators and maps of the Cyprus retail market, was formulated.

The 2010 sector study identified several issues related to the spatial impact of retail development, for instance:

1. **The ongoing degradation of traditional city centres and their business areas** due to the increasing development of out-of-town commercial zones;
2. **The over-concentration of certain types of small retailers (bakeries and convenience stores) in residential areas;**

3. **A lack of monitoring and a suitable modus operandi allows retailers to not comply with the existing planning policies;**
4. **The failure of neighbourhood local commercial centres** due to inadequate accessibility and lack of customers;
5. **The development of linear retail spines on main roads instead of creating comprehensive and compact retail areas creates traffic safety problems;**
6. **The severe traffic affecting the main (retail) activity spines,** generated by an urban mobility policy based on the use of private cars and an under-developed public transport system;
7. **Large discrepancies between local retail policies and retail policies for peri-urban areas.**

A significant part of the study was focused on the analysis of four key activity spines since those are the areas most affected by the developments of the retail market, namely:

- Activity Spine I: High streets
- Activity Spine II: Primary roads
- Activity Spine III: Local roads
- Activity Spine IV: Tourist roads

Ms Caramondani summarized that a number of trends emerged from the mapping of retail developments along the four activity spines. Concretely, it was demonstrated that the retail activity was rapidly growing in out-of-town locations (Activity Spines II; III; IV) while, on the contrary, high streets in urban centres (Activity Spine I) were experiencing a negative development. Another aspect underlined was that the uncontrolled development of the different outlets all along primary, local and tourist roads, determined an increase of the length of customers' car journeys, producing in this way also more traffic safety problems and pollution.

Ms Caramondani added that the 2010 retail sector study was also the first to generate a primary set of indicators based on EU standards, which were useful to determine under what circumstances new developments of the retail sector could be allowed. For instance, the study showed that only the cities of Limassol, Larnaca and Paphos were suitable for developing new shopping malls, while the retail markets of Nicosia was already saturated. The study also indicated which of the four major urban centres could permit further retail developments along the main activity spines and the constitution of new regional commercial centres.

In view of the development of a new dedicated retail policy for Cyprus, Ms Caramondani provided four main recommendations:

1. **Simplify and improve the policy for retail development in residential areas**;
2. **Re-organize small retailers'** (e.g. bakeries and convenience stores) **spatial localization** so to reduce the occurrence of market saturation circumstances;
3. **Delineate an improved policy to sustain the development of local commercial centres**;
4. **Revitalize traditional urban centres** with integrated policies aimed to attract businesses by using incentives and other planning tools.

In addition, she encouraged the creation of the following documents:

- A study (or multiple studies) focusing on the impact that the retail sector has on urban mobility and urban environment. So that the monitoring and evaluation procedures of further retail developments, will be based also on this type of information.
- Development schemes for city centres with the purposes of reorganising the presence of retail outlets and revitalising the area.

Ms Caramondani concluded her intervention highlighting the relevance of the assessment plan of Cyprus' retail market that is to be conducted in the first half of 2018, as it will offer the necessary means to develop a new policy for this sector.

Retail policy and the Functional Urban Area

Mr Martijn Kanters, Bureau Stedelijke Planning, Amsterdam/Gouda, The Netherlands

Mr Kanters started his intervention affirming that the Netherlands should represent a source of inspiration for any country moving toward the development of an urban plan for the retail sector. This has to do with the sophisticated urban planning system that the country achieved, thanks to the availability of constantly updated and detailed data. Notwithstanding, in many other countries, a retail planning policy is either a novelty or is differently understood. Mr Kanters described the role and shape of a retail policy by exposing the reasons for its relevance and explaining how it could be organized.

A retail policy is commonly an integrant part of a larger urban planning regime. Depending on the different policy layers, it details urban planning objectives specifically for the retail sector. In this respect, the "retail sector" is defined as the spatial structure of retail businesses, usually with at least the following classifications:

1. **City centre retail core**: the retail infrastructure (collection of shops) in the downtown area of a city, usually small-scale retail shops in so-called high-streets;

2. **Inner-city shopping centres**. Larger (>10,000 sqm) shopping centres located within the urbanized core;

3. **Neighbourhood centres**. Small- to medium-sized shopping centres serving local residential districts, usually in the shape of an alignment of convenience shops serving customers daily needs;
4. **Out-of-town retail** (retail parks). Larger concentrations of stand-alone big boxes (Hypermarkets, DIY, furniture stores) in peripheral locations.

Mr Kanters explained that any retail policy should identify at least these 4 types of retail spatial distribution pattern. Together, they constitute a city's retail sector.

The significance of Planning policy for the city's retail sector cannot be underestimated for three main reasons:

- The retail sector is usually the largest economic sector in terms of employment and often also in terms of value added;
- The retail sector is a highly sensitive sector and almost all retail markets feature imbalances between demand and supply, varying per segment.
- New entrants can have a highly disruptive impact on the existing retail market. In this respect, two types of new entrants deserve special attention: **dominant international retailers**, sometimes known as "category killers" (including chains such as IKEA, H&M and Tesco) and **over-sized shopping centres**.

The retail sector and its development have a strong impact on several spatial factors, like **urban sprawl**, **traffic and mobility** and the **vitality of city centres and neighbourhoods**. If left unchecked by planning authorities, retail sector developments can create sprawl by directing consumer flows to out-of-town locations, often with the added consequence of increasing residential developments. The location pattern of a city's retail infrastructure has a strong impact on traffic flows in a city. A smart retail planning policy recognizes this and should stimulate the development of a retail infrastructure that is closely aligned to consumer catchment areas to minimize traffic flows and congestion. Retail is a key "footfall driver", attracting residents and visitors to an area. Therefore, a balanced and vital retail infrastructure has a major impact on the vitality and quality of life in an area, be it a (historic) city centre or a residential neighbourhood.

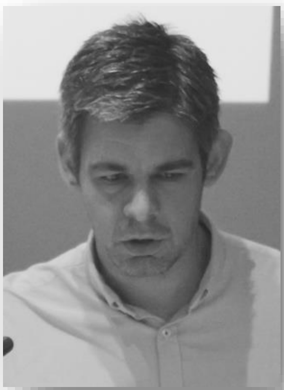
Once the need for a retail policy is recognized, the next step comports defining the necessary components and initial input. To start with input, it is generally necessary to: first, **define wider spatial and economic objectives of the area** and align the new retail policy to them. Second, to **create a market environment summary** based on a survey of the supply and demand sides of the retail sector. These result of these two actions should be integrated into a retail policy document, which is usually updated every 2-3 years and formulated by the following components:

1. **The rationale of the retail policy** and its role in the wider urban planning policy;
2. **Recent trends and development in the retail sector**:
   a. Sectoral-specific trends such as consumer behaviour, demographic trends, retailer behaviour (expansion, new retail formats, etc.)
   b. Planning trends: relevant policy developments
3. **Retail market analysis**
4. **Main objectives of the retail policy**, such as (for example):
   a. Preventing urban sprawl: identification of retail zones and restrictions on retail developments outside these zones;
   b. Protection of small-scale inner-city retail
   c. Stimulating more diversity
   d. Etc.

5. **Policy instruments**, such as (for example):
    a. Outline development perspectives for the key existing retail concentration areas
    b. Restrictions/requirements for new developments (e.g. by designation in the municipal zoning plan)
    c. Segmentation in zoning plans (which types of retail are allowed on what type of location)
    d. Additional requirements for large new shopping centres/retail parks
    e. Rezoning options for non-retail into retail or vice versa
    f. Etc.

Mr Kanters concluded with a set of general recommendations for developing a new Cyprus' retail policy. The new retail policy should adopt a strategic perspective by outlining the key challenges of the sector, identifying its imbalances and outlining a vision for its optimal development by taking into account both economic and spatial considerations. A strong retail sector has to contribute to an area's economic competitiveness and spatial structure. In addition, the new retail policy should assess the current policy's strategic perspective and avoid an excessive focus on detailed zoning regulations. Lastly, it should achieve a balance between regulation, stimulation and related instruments.

Guidelines for retail establishments



Mr Spyros Triantafyllides, Ministry of Energy, Commerce, Industry and Tourism, Cyprus

Mr Triantafyllides reported the position of the Ministry of Energy, Commerce, Industry and Tourism regarding the EU Directive on Services and linked it to the fact that the retail market will be a primary target of reforms in Cyprus.

He pointed out that the main input for the reforms a Ministerial Committee is working on are, indeed, related to the EU Directive on Services of 2009. Mr Triantafyllides explained that the scope of the Directive is to optimise the EU internal market by removing barriers impeding a free establishment of service providers within Member states. It is based on an analysis carried out by the European Commission, demonstrating that the related regulatory framework of many EU Members generated unfair situations, such as monopolies, disrupting the rise of healthier and competitive markets. At the same time, the EU Directive on Services was meant to provide a response to the 2008 financial crisis and to assure the economic vibrancy of two important European markets: the financial market and the retail market. With this Directive, EU Members were called upon to assess whether regulations are proportionate and reasonable, and further implement measures to boost their internal market competitiveness.

Mr Triantafyllides highlighted that the EU Directive on Services represents a horizontal regulatory framework for EU Members and that internal regulation of EU national authorities must comply with the EU regulation. For instance, regulations and measures targeting retailers are not supposed to abolish any discriminatory requirements for their establishment, for instance regarding the nationality or typology of the retailer. By the same token, further barriers should not be created. Similarly, licencing authorities cannot ask for a feasibility study prior to the establishment of shopping malls or shopping centres without demonstrating that there is a clear demand for those shopping malls or centres. Also, licencing authorities can ask for environmental planning but not for financial planning. Mr Triantafyllides explained that the EU Directive on Services implies the respect of several rules, and that this is often not well acknowledged from neither the public nor the private sector. To address this issue, Cyprus has set-up one-stop-shop information centres to support the establishment of new businesses in line with the current regulation by providing expert information. Mr Triantafyllides concluded by underlining that complying with the EU Directive on Service is a prerequisite to developing a plan for the Cyprus retail market and that optimal results can only be reached when all authorities involved cooperate.

Open discussion session

After the presentations of the experts, there was a Q&A session allowing the audience to raise any question. This open session was used for a moderated discussion on the main topics addressed in this open session.

In Cyprus bakeries and convenience stores were opened regardless of market saturation in specific areas. Is there a strategy which limits and controls the spatial development of a certain type of retail shops?

Mr Kanters pointed out that this issue has mainly to do with two aspects: 1) the existence of a retail policy that distinguishes between different retail branches, and 2) the retail urban hierarchy. In the Netherlands, there is a clear distinction between the different retail branches (e.g. food, fashion, electronic etc.) and the hierarchical differentiation of urban areas (e.g. top shopping areas in city centres, locations outside city centres). This approach comports that only certain retail branches are allowed in city centres (e.g. fashion, electronic, footwear) while the one satisfying daily shopping needs (e.g. groceries or convenience shop) are not. As results, the market saturation of specific areas is avoided, and, at the same time, the vitality of traditional city centres is protected.

Is it possible to establish a policy allowing to prohibit further development of large shopping malls in a specific area?

Mr Kanters answered that this is indeed possible, and he gave the example of the Amsterdam Retail Planning Policy. In fact, this policy strictly prohibited the construction of a new, large and out of town regional shopping centre around the city of Amsterdam.

Cyprus' retailers were allowed to develop in cities' outskirts along those major roads functioning as entry points to the urban centres. How could that be possible, considering that previous studies demonstrated that the retail market was already over-saturated in those specific cities?

Concerning this issue, Mr Kanters explained that keeping in consideration benchmark data of the retail sector size in other countries can offer a good comparison. Often, planning authorities define oversupplied market areas as an area with more than one and half square meter per person covered by retailers (benchmark data may change accordingly to the different country or city). The retail market in Amsterdam is an example of retail oversupply, as the number of square meter retail per person equals almost two. This also explains why Amsterdam has a strict retail policy prohibiting additional large development of the retail sector. The dates he referred to go back to 2010, and for a more precise answer, updated data on the retail market of that area would be needed.

It has been demonstrated that retailers in Cyprus commonly stretch along specific activity spines. This kind of trend generated a linear type of development that does not seem to stop. What alternatives are there to change or reverse this type of development?

The linear development described was noted in one of the main activity spines of Nicosia, where a complex densification of many different types of retailers stretched along a single commercial street. The experts in the Policy Lab stated that a possible solution to this type of development has already been already mentioned in a previous answer. The solution should be to develop an urban zoning system defining which type of retailer can open in a specific area.

Is the success of large out of town shopping malls related to the fact that they are better accessible than shops in city centres? Precisely, because they offer a large number of free parking spots in comparison to small and medium retailers located in the inner-city areas.

Mr Kanters replied by emphasizing that it is crucial to explore the strategic inter-relation between a retail policy and mobility policy in order to generate positive changes for both sectors. A positive example is the case of Prague, where an advanced transport system has been well-connected with the retail market of the city. This is due to a local administration that appositely permitted further development of the retail market only around metro stations or principal nodes of the city transport system. Thanks to this approach, the need of using private cars for daily shopping decreased drastically and, at the same time, it significantly changed how the accessibility to the retail market was defined.

Moderated discussion and closure

In the last session, two key aspects were discussed, since they were emerged as central to the formation of a new retail policy in Cyprus

- Data & Methodology,
- Mobility.

It was widely understood and acknowledged that the authorities in Cyprus required detailed data on the retail market in order to formulate their new retail policy. During the second session, more details were provided on the methodology necessary to analyse retail markets. For instance, Mr

Kanters explained how to calculate a feasible level of retail supply in a specific area. Even with the limited availability of data, benchmark numbers (e.g. on floor space productivity) can be used in combination with statistical data. It was also acknowledged that policy-makers and the private sector should cooperate to combat retail oversupply in certain areas and to improve permitting procedures. Due to the need for data and a clear methodology and given the fact that relatively "quick and easy" solutions do exist, a follow-up meeting of this Policy Lab would be interesting. Such a meeting should be focused on data and mobility, probably in a smaller "working session" format.

On a strategic level, it was acknowledged that the country's high dependency on individual car transportation has a disproportionately large impact on its retail market. Any retail policy should, therefore, be inextricably linked to policies on mobility and transport. A good practice example in this respect is the city of Prague (Czech Republic, 1.2 million inhabitants, like Cyprus), where the settlement of larger shopping centres (both out-of-town and inner-city) has been guided towards metro stations: every larger retail area (often more than 100,000 sqm) is directly accessible via the city's vast public transport system, comprising of three metro lines and a large number of intersecting tram and bus lines. Also, Belgium's "coast tram" system showed how a public transport system can become an integral part of a region's tourism infrastructure and stimulate a behavioural change in residents and tourists alike.

The European dimension was also debated during the Policy Lab, with respect to the influence of the Services Directive (2006/123/EG) on Member State's retail policymaking. A critical aspect thereof is the prohibition to include market tests in permitting procedures, which is in fact an integral part of retail policy in the Netherlands. The Dutch authorities have attempted to circumvent this issue by deeming retail not a part of the services industry, a policy measure judged by the European Court of Justice on 30 January 2018[1].

Other issues discussed include governance and the specific challenges. As a divided country, Cyprus has issues with regard to land / property ownership. The island's fragmented ownership structure, with limited amounts owned by the government, further complicates an active retail policy, especially with respect to its relation to mobility.

General conclusions

A repeatedly mentioned aspect was that a new retail policy, if strategically developed in parallel with other policy initiatives, could promote comprehensive changes in the way Cypriots live, move and shop. The retail market can be re-organized in such a way that the localization of specific retail branches helps providing a strong and recognizable identity to specific areas, revitalizing deprived neighbourhoods and influencing people's mobility behaviours. In order to deliver meaningful advantages for all stakeholders, the retail environment should not be based on retailers' interests only. Instead, a retail market plan should be elaborated to respond to a wider and long-term strategy, capable of limiting and controlling negative dynamics within the retail sector and, by way of that, assuring long-term benefits for the entire economy and community.

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[1] The European Court of Justice provided an interpretation of the of the Directive 2006/123 confirming that the Netherlands must take the Services Directive into account in its planning system. See: http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:62015CJ0360

The principal recommendation is to start a general assessment of Cyprus' retail market and to start generating a detailed retail database. The step forward would be to modify the current regulatory framework, a goal that will almost surely necessitate robust political support, and active participation of the civil society and of all stakeholders involved. At the same time, it was recommended to get inspiration from good practices in other countries and to consider how benchmarking data were formulated for their retail sector to develop a tailor-made plan for Cyprus. In this sense, the EUKN Policy Lab represented an excellent occasion to open the perspective on several positive international examples, ranging from the Netherlands to the Czech Republic, of approaches and planning strategies for a sustainable retail policy in Cyprus.