

Craigieburn Restricted Retail / Showroom Precinct Demand Analysis

Draft Report – 1 December 2010

Growth Areas Authority

This report has been prepared for:



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1 Introduction

1.1 Purpose

The Growth Areas Authority (GAA) is in the early stages of scoping the preparation of Precinct Structure Plans (PSPs) in Craigieburn and surrounds. As part of this process, the GAA seeks to understand the potential for establishing a restricted retail / showroom precinct along the Hume Highway corridor in Craigieburn to 'kick start' investment and development in the area. This will require an understanding of supply and demand for the subject use in a regional context.

The purpose of the project (as noted in the project brief) is to provide advice on:

- *The demand for restricted retail/showroom uses within the locality, noting that there is some bulky goods proposed within the Craigieburn Town Centre.*
- *The suitability of the site for restricted retail in terms of access to population, frontage etc.*
- *The extent of restricted retail/showroom uses which could be supported within this PSP.*

1.2 Definitions

The focus of this study is on restricted retail and showroom uses. For the purpose of this project, these are defined as follows.

'Restricted Retail Premises' in Victorian Planning Provisions (VPPs) is defined as "*Land used to sell or hire: a) automotive parts and accessories; b) camping equipment; c) electric light fittings; d) equestrian supplies; e) floor and window coverings; f) furniture, bedding, furnishings, fabric and manchester; g) household appliances, household electrical goods and home entertainment goods; h) party supplies; i) swimming pools; or j) office equipment and supplies.*" These uses are more generally referred to as bulky goods retail.

A further description of the uses is provided by the Bulky Goods Retailers Association, which defines bulky goods as "*large items in terms of size, shape and weight*". The retailers generally sell "*homemaker products including furniture, electrical, furnishings, bedding, building materials, household fixtures, and fittings ... Examples of bulky goods store brands include Freedom Furniture, Beacon Lighting, Spotlight, Supercheap Auto, The Good Guys, Fantastic Furniture, Barbeques Galore, Harvey Norman, Forty Winks, OZ Design Furniture and Bunnings*".

A showroom is a type of building that accommodates a number of the above-mentioned land uses. Showrooms typically have glazed frontages to enable customers to view products on display, such as furniture, motor vehicles and related products. Showrooms can provide a high amenity frontage to streets if designed well.

1.3 Study Area

The proposed location for restricted retail / showroom uses is indicatively shown in Figure 1 below. The Study Area is land generally along:

- Land to the east of the Hume Highway frontage between Craigieburn Road and Mount Ridley and Summerhill Roads; and
- Land on both east and west frontages of Hume Freeway between Mount Ridley and Summerhill Roads and Donnybrook Road.

A Bunnings store has recently been constructed near the junction of Amaroo Road and Hume Highway.

Figure 1 – Study Area



1.4 Report Structure

This report is structured as follows.

Section 2 provides an overview of the **activity centre context** within which restricted retail and showroom planning can take place. This explores the distribution of centres and the theory behind activity centre planning.

Section 3 provides an overall **demand estimate for restricted retail and showroom uses**. An indicative catchment area is identified for the Study Area and spending and supportable floorspace estimates are provided. A number of share or apportionment scenarios are provided for the Study Area.

Section 4 provides a broad **site analysis** and provides guidance on possible land use and design solutions for the area. The focus of the analysis is on access and exposure characteristics of the study area.

Section 5 presents a summary of the **findings** of the report.

2 Activity Centre Context

2.1 Retail Systems

Retail Hierarchies

Retail activities are generally arranged in a hierarchy of centres. The hierarchy describes levels in the retail network whereby there are a small number of 'large' centres and a larger number of 'smaller' centres.

Retail and other land uses agglomerate in centres within the hierarchy depending on their catchment characteristics and their capacity to pay rent. A catchment is an area from which a shop or centre draws its regular customers.

Centres in the retail hierarchy are generally 'anchored' by a major retail business or group of major businesses. A retail anchor has significant customer drawing power (or retail gravity) upon which regular trips are generated. Specialty stores and other businesses and services are able to locate near retail anchors to attract customers. On that basis, the typical retail hierarchy is defined by the retail anchor businesses, upon which other smaller businesses agglomerate.

The lowest level of the hierarchy is a cluster of local shops that offer convenience retail and related services. The next level up is a supermarket based neighbourhood centre, which would generally offer daily and weekly convenience shopping services. From that level, sub-regional and regional centres define the network.

Bulky Goods

Bulky goods stores consume large floorplates and sites and generally achieve a lower turnover per unit area of floorspace compared with core retail services. The trend has been for modern bulky goods retailers to develop cost-effective buildings at highly visible road locations on sites with ample car parking.

Hume City Council's Retail Strategy¹ explored options for the management of bulky goods recognising the land extensive nature of the activity and the trend to provide the use both within designated activity centres in some situations and outside designated activity centres in other situations (usually along main roads).

That strategy recommended that a hierarchy for bulky goods retailing be developed that addresses different typologies in different ways, as follows:

1. *Large-scale and low density bulky goods - A number of regional-scale specialised bulky goods centres are established to service regional catchments, similar to the function of the Nunawading homemaker cluster in eastern Melbourne;*

¹ SGS Economics and Planning for Hume City Council, Hume City Retail Strategy, Final Report - 18 September 2009 (Version 2).

2. *Lower-scale and / or high density bulky goods - This form of bulky goods can be accommodated in designated activity centres in addition to the above, but only where the activity is integrated in higher density formats; and*
3. *The general dispersal of bulky goods in other locations is prohibited unless it can be proven that there is insufficient capacity in the bulky goods hierarchy.*

This approach was recommended to respond to the characteristics of this business type as follows:

- *Bulky goods shopping is an infrequent and generally high cost shopping activity, and as such consumers are generally prepared to travel longer distances for such items;*
- *A significant concentration of bulky goods retailers in the one specialised centre can provide consumers from a wider regional catchment the opportunity to visit one location for comparison shopping;*
- *Clustering bulky goods in a specialised centre provides the opportunity to provide integrated road and public transport services and shared car parking solutions; and*
- *Land in core activity centres is released for higher density and higher value land uses if large scale and low density bulky goods is located in specialised centres. The land take of bulky goods can be extensive and job density low, and as such the activity is often not perfectly suited for a mixed use centre that focuses on high density urban forms including food and convenience retailing, personal and business services, high density housing and public transport activation.*

Planning Directions

The State Government's Retail Policy Review Discussion Paper proposes to exclude Restricted Retail (or bulky goods) from industrial zones, meaning that land specifically zoned for the purpose would need to be provided. The Bulky Goods Retailers Association has expressed concern at that proposal because it has the view that insufficient land has been provided for the sector in the past, and that implementation of such a proposal must be accompanied with a clear and appropriate land release strategy.

2.2 Activity Centre Structure

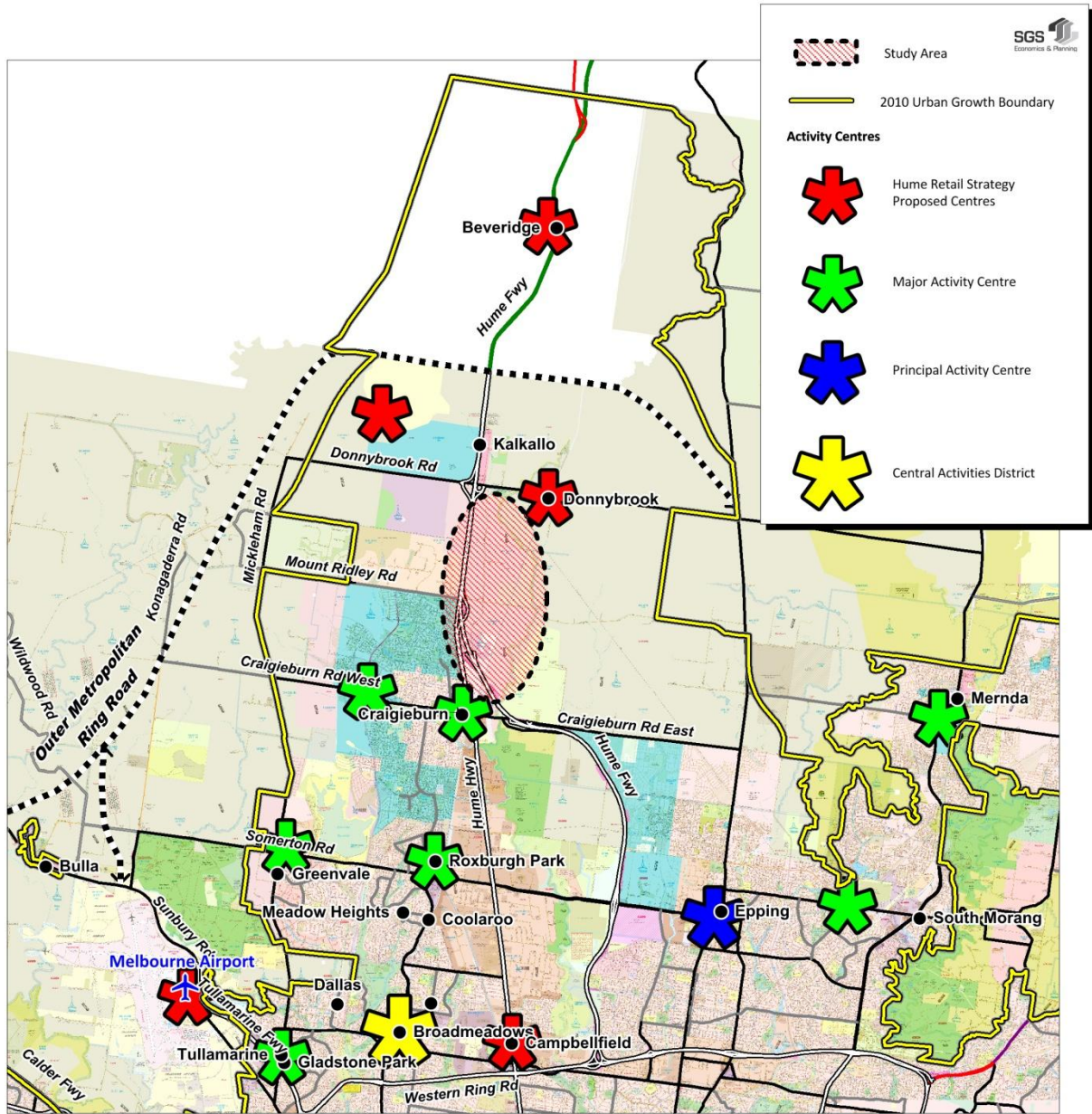
The activity centre system in the vicinity of the Study Area is summarised in Figure 2 below. This focuses on Major Activity Centres and above.

Figure 2 shows the Study Area in context of existing activity centres and proposed activity centres as noted in the Hume's Retail Strategy.

Three regional-scale specialised bulky goods centres were proposed by the Hume Retail Strategy for the Hume growth corridor, these being:

- Generally near Campbellfield, along Hume Highway and Mahoneys Road (shown as a red asterisk);
- At Melbourne Airport (shown as a red asterisk); and
- At a centre in the Craigieburn region at a location to be identified.

Figure 2 – Regional Activity Centre Structure



2.3 Summary

Bulky goods stores consume large floorplates and sites and as such the trend has been for modern bulky goods retailers to develop cost-effective buildings at highly visible road locations on sites with ample car parking.

Hume's Retail Strategy proposes that a hierarchy for bulky goods retailing be developed as follows:

1. *Large-scale and low density bulky goods - A number of regional-scale specialised bulky goods centres are established to service regional catchments, similar to the function of the Nunawading homemaker cluster in eastern Melbourne;*
2. *Lower-scale and / or high density bulky goods - This form of bulky goods can be accommodated in designated activity centres in addition to the above, but only where the activity is integrated in higher density formats; and*
3. *The general dispersal of bulky goods in other locations is prohibited unless it can be proven that there is insufficient capacity in the bulky goods hierarchy.*

The Study Area is well positioned to perform the role of a Craigieburn region specialised bulky goods centre.

An appropriate zoning (e.g. Business 4) will need to be provided to facilitate this outcome consistent with the State's Retail Policy Review.

3 Demand Estimate

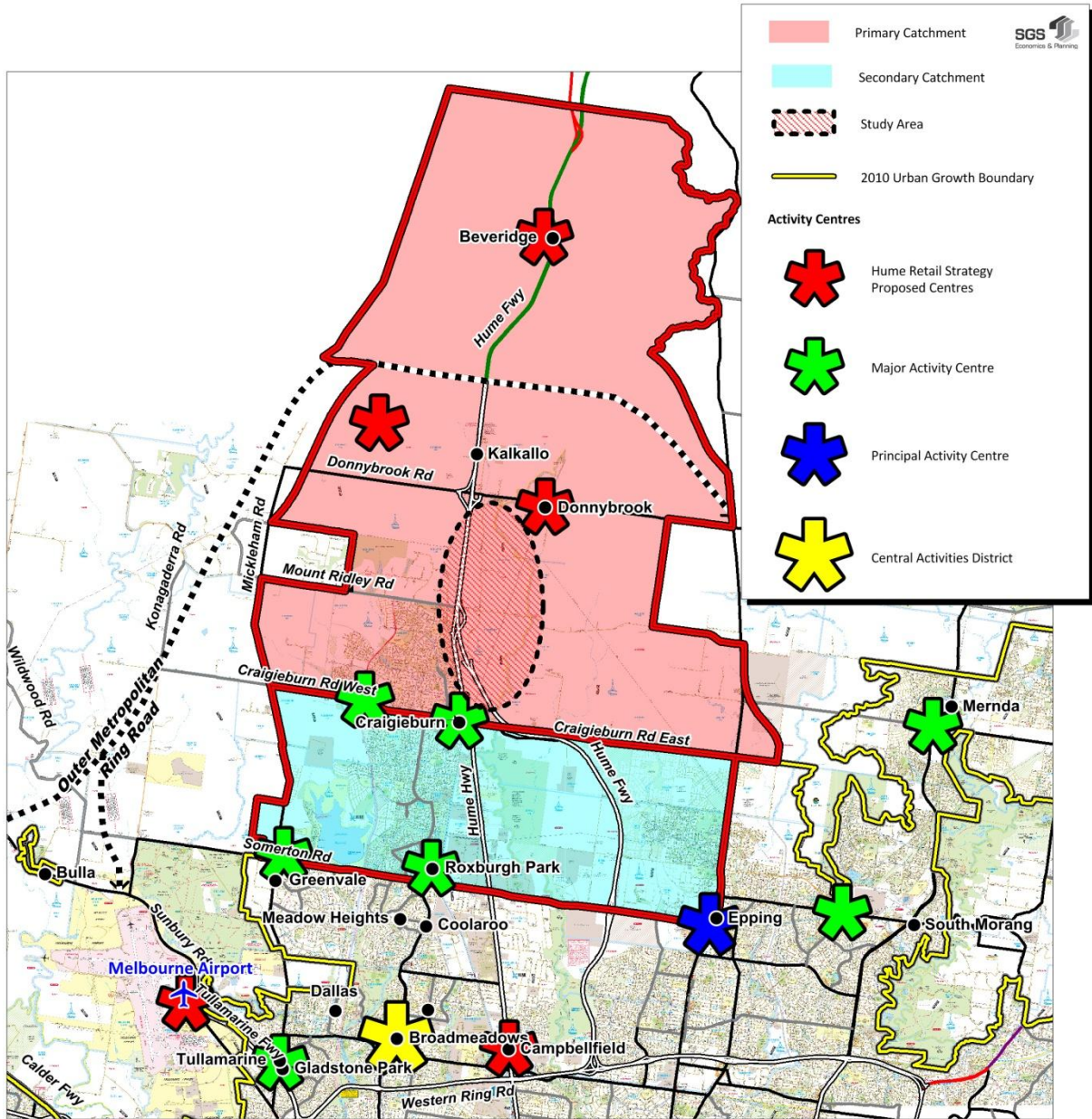
3.1 Catchment

The catchment for the Study Area as a specialised and regional-scale bulky goods centre is shown in Figure 3 below. This is assessed as a reasonable future catchment based on:

- The position of the Urban Growth Boundary;
- The existing and potential future network of activity centres in the region;
- The existing and potential future road network in the region; and
- The propensity for households that live on the urban fringe to shop in large centres that are located towards the city centre (i.e. inbound shopping movements).

It is assessed that the Primary Trade Area of such a centre is the area generally north of Craigieburn Road (within the Urban Growth Boundary). A Secondary Trade Area is the area generally between Craigieburn Road and Somerton Road. In the southern part of the region, an existing network of bulky goods activities is reasonably well established, and this network is expected to grow in the future.

Figure 3 – Catchment Area



3.2 Population

Trade Area population and dwelling estimates are shown in Figure 4 below. This shows that the Trade Area as a whole had around 41,600 residents in 2006 and this is expected to increase to around 304,000 residents at full development.

Figure 4 – Population and Dwelling Estimates

	2006 DATA			FULL DEVELOPMENT ESTIMATE		
	Population	Dwellings	PPD	Population	Dwellings	PPD
Primary Trade Area - UGB V3 Addition (1)	730	274	2.7	125,000	45,000	2.8
Primary Trade Area - UGB V2 (2)	11,430	3,863	3.0	64,620	24,000	2.7
Total Primary Trade Area	12,160	4,137	2.9	189,620	69,000	2.7
Secondary Trade Area - Hume Component (3)	28,370	8,895	3.2	78,960	27,811	2.8
Secondary Trade Area - Whittlesea Component (4)	1050	793	1.3	35478	12,671	2.8
Total Secondary Trade Area	29,420	9,688	3.0	114,438	40,482	2.8
Total Trade Area	41,580	13,825	3.0	304,058	109,482	2.8

Sources:
 (1), (2), (3) and (4) 2006 = derived from ABS Census 2006
 (1) Full Development = mid point of range provided by GAA
 (2) Full Development = SGS estimate from Hume Retail Strategy
 (3) Full Development = SGS estimate from Hume Retail Strategy
 (4) Full Development = SGS estimate

For the purpose of this assignment, it is assumed that full development is achieved at 2046. This is an assumption.

In terms of timing of development and population growth, it is further assumed that growth occurs in a straight line fashion between 2006 and 2046. Development is unlikely to take this pattern in reality however for the purposes of this indicative assessment this assumption is used to provide a simple guide to the timing of demand. Figure 5 below shows the results of this assumption.

Figure 5 – Assumed Growth Pattern to 2046

Year	Primary Trade Area		Secondary Trade Area		Total Trade Area	
	Population	Dwellings	Population	Dwellings	Population	Dwellings
2006	12,160	4,137	29,420	9,688	41,580	13,825
2007	16,597	5,758	31,545	10,458	48,142	16,216
2008	21,033	7,380	33,671	11,227	54,704	18,607
2009	25,470	9,002	35,796	11,997	61,266	20,999
2010	29,906	10,623	37,922	12,767	67,828	23,390
2011	34,343	12,245	40,047	13,537	74,390	25,782
2012	38,779	13,866	42,173	14,307	80,952	28,173
2013	43,216	15,488	44,298	15,077	87,514	30,565
2014	47,652	17,109	46,424	15,846	94,076	32,956
2015	52,089	18,731	48,549	16,616	100,638	35,347
2016	56,525	20,353	50,675	17,386	107,200	37,739
2017	60,962	21,974	52,800	18,156	113,761	40,130
2018	65,398	23,596	54,925	18,926	120,323	42,522
2019	69,835	25,217	57,051	19,696	126,885	44,913
2020	74,271	26,839	59,176	20,466	133,447	47,305
2021	78,708	28,461	61,302	21,235	140,009	49,696
2022	83,144	30,082	63,427	22,005	146,571	52,087
2023	87,581	31,704	65,553	22,775	153,133	54,479
2024	92,017	33,325	67,678	23,545	159,695	56,870
2025	96,454	34,947	69,804	24,315	166,257	59,262
2026	100,890	36,568	71,929	25,085	172,819	61,653
2027	105,327	38,190	74,054	25,854	179,381	64,044
2028	109,763	39,812	76,180	26,624	185,943	66,436
2029	114,200	41,433	78,305	27,394	192,505	68,827
2030	118,636	43,055	80,431	28,164	199,067	71,219
2031	123,073	44,676	82,556	28,934	205,629	73,610
2032	127,509	46,298	84,682	29,704	212,191	76,002
2033	131,946	47,919	86,807	30,474	218,753	78,393
2034	136,382	49,541	88,933	31,243	225,315	80,784
2035	140,819	51,163	91,058	32,013	231,877	83,176
2036	145,255	52,784	93,183	32,783	238,439	85,567
2037	149,692	54,406	95,309	33,553	245,000	87,959
2038	154,128	56,027	97,434	34,323	251,562	90,350
2039	158,565	57,649	99,560	35,093	258,124	92,742
2040	163,001	59,271	101,685	35,862	264,686	95,133
2041	167,438	60,892	103,811	36,632	271,248	97,524
2042	171,874	62,514	105,936	37,402	277,810	99,916
2043	176,311	64,135	108,062	38,172	284,372	102,307
2044	180,747	65,757	110,187	38,942	290,934	104,699
2045	185,184	67,378	112,313	39,712	297,496	107,090
2046	189,620	69,000	114,438	40,482	304,058	109,482

3.3 Retail Spending Per Capita

To estimate the changing patterns of retail spending, regression analysis was performed on retail turnover data from 1983 as published in the ABS Retail Trade publication (8501.0). This enabled an estimate of how real growth in state expenditure per capita has changed over time and is likely to change in the future. An overview of the projected retail expenditure per capita results is shown in Figure 6 below.

Figure 6 - Victoria State Retail Expenditure Per Capita (2010\$)

	2010	2011	2016	2021	2026	2031+
Food	\$4,114	\$4,251	\$4,563	\$4,899	\$5,128	\$5,367
Clothing	\$2,005	\$2,087	\$2,185	\$2,287	\$2,373	\$2,464
Household goods	\$3,182	\$3,246	\$3,439	\$3,643	\$3,851	\$4,071
Other retail	\$2,295	\$2,254	\$2,627	\$3,061	\$3,297	\$3,552
Hospitality and services	\$1,383	\$1,283	\$1,304	\$1,325	\$1,395	\$1,469
Total	\$12,979	\$13,121	\$14,118	\$15,215	\$16,044	\$16,923

Source: SGS estimate derived from ABS Retail Trade Publication (8501.0)

From the above list of commodity groups, 'household goods' approximates to restricted retailing or bulky goods. This commodity group includes Furniture Retailing, Floor Coverings Retailing, Electrical, Electronic and Gas Appliances, Hardware and Building Supplies Retailing, Garden Supplies Retailing, Sport and Camping Equipment Retailing and Marine Equipment Retailing.

3.4 Total Household Goods Expenditure and Floorspace

The household goods expenditure figures shown above from 2010 to 2031 are applied to the population estimates shown in Figure 5 to estimate total expenditure generation from the Trade Area. It should be noted that the spending data is assumed to remain constant in real terms from 2031 due to no alternative data being available from that point. The results are shown in Figure 7 below.

This shows that Total Trade Area spending on household goods is expected to increase from around \$215.8m in 2010 to around \$1,237.8m in 2046. This represents expenditure from the Trade Area residents and not necessarily capture by Trade Area businesses.

Figure 7 also shows the level of household goods floorspace this level of expenditure will support over time, based on a 2010 retail turnover density (RTD) of \$3,404 / sqm (and inflated in line with real expenditure inflation). This RTD is an estimate prepared by SGS for Victoria.

This shows that, in 2010, the population in the Trade Area supports about 63,400 sqm of household goods space across the retail economy. Based on the estimates shown in this report, this figure is expected to increase to about 284,300 sqm in 2046.

Figure 7 – Household Goods Expenditure and Floorspace (2010\$)

Year	HHG RTD (\$/sqm)	Primary Trade Area		Secondary Trade Area		Total Trade Area	
		HHG Expenditure	Floorspace	HHG Expenditure	Floorspace	HHG Expenditure	Floorspace
2010	\$3,403	\$95,160,892	27,964	\$120,667,168	35,459	\$215,828,060	63,423
2011	\$3,471	\$111,475,755	32,112	\$129,993,374	37,446	\$241,469,129	69,559
2012	\$3,513	\$127,373,503	36,261	\$138,520,450	39,434	\$265,893,954	75,694
2013	\$3,554	\$143,613,750	40,409	\$147,211,612	41,421	\$290,825,362	81,830
2014	\$3,595	\$160,196,494	44,557	\$156,066,858	43,409	\$316,263,352	87,966
2015	\$3,637	\$177,121,735	48,706	\$165,086,190	45,396	\$342,207,925	94,102
2016	\$3,678	\$194,389,475	52,854	\$174,269,606	47,384	\$368,659,081	100,238
2017	\$3,721	\$212,133,828	57,002	\$183,733,266	49,371	\$395,867,094	106,373
2018	\$3,765	\$230,240,199	61,151	\$193,370,363	51,358	\$423,610,562	112,509
2019	\$3,809	\$248,708,588	65,299	\$203,180,897	53,346	\$451,889,485	118,645
2020	\$3,852	\$267,538,996	69,448	\$213,164,868	55,333	\$480,703,864	124,781
2021	\$3,896	\$286,731,423	73,596	\$223,322,275	57,321	\$510,053,698	130,917
2022	\$3,941	\$306,352,382	77,744	\$233,703,861	59,308	\$540,056,244	137,052
2023	\$3,985	\$326,342,459	81,893	\$244,262,284	61,295	\$570,604,744	143,188
2024	\$4,029	\$346,701,653	86,041	\$254,997,545	63,283	\$601,699,198	149,324
2025	\$4,074	\$367,429,963	90,190	\$265,909,643	65,270	\$633,339,606	155,460
2026	\$4,118	\$388,527,390	94,338	\$276,998,579	67,258	\$665,525,969	161,596
2027	\$4,166	\$410,246,718	98,486	\$288,442,083	69,245	\$698,688,800	167,731
2028	\$4,213	\$432,356,457	102,635	\$300,072,626	71,233	\$732,429,083	173,867
2029	\$4,260	\$454,856,609	106,783	\$311,890,209	73,220	\$766,746,818	180,003
2030	\$4,307	\$477,747,172	110,931	\$323,894,832	75,207	\$801,642,004	186,139
2031	\$4,354	\$501,028,148	115,080	\$336,086,494	77,195	\$837,114,641	192,275
2032	\$4,354	\$519,089,139	119,228	\$344,739,201	79,182	\$863,828,340	198,410
2033	\$4,354	\$537,150,131	123,377	\$353,391,908	81,170	\$890,542,038	204,546
2034	\$4,354	\$555,211,122	127,525	\$362,044,615	83,157	\$917,255,737	210,682
2035	\$4,354	\$573,272,114	131,673	\$370,697,322	85,144	\$943,969,435	216,818
2036	\$4,354	\$591,333,105	135,822	\$379,350,029	87,132	\$970,683,134	222,954
2037	\$4,354	\$609,394,097	139,970	\$388,002,735	89,119	\$997,396,832	229,089
2038	\$4,354	\$627,455,088	144,119	\$396,655,442	91,107	\$1,024,110,530	235,225
2039	\$4,354	\$645,516,080	148,267	\$405,308,149	93,094	\$1,050,824,229	241,361
2040	\$4,354	\$663,577,071	152,415	\$413,960,856	95,082	\$1,077,537,927	247,497
2041	\$4,354	\$681,638,063	156,564	\$422,613,563	97,069	\$1,104,251,626	253,633
2042	\$4,354	\$699,699,054	160,712	\$431,266,270	99,056	\$1,130,965,324	259,768
2043	\$4,354	\$717,760,046	164,860	\$439,918,977	101,044	\$1,157,679,023	265,904
2044	\$4,354	\$735,821,037	169,009	\$448,571,684	103,031	\$1,184,392,721	272,040
2045	\$4,354	\$753,882,029	173,157	\$457,224,391	105,019	\$1,211,106,420	278,176
2046	\$4,354	\$771,943,020	177,306	\$465,877,098	107,006	\$1,237,820,118	284,312

3.5 Expenditure Capture

The next question is what level of this expenditure and space can reasonable be captured in the Study Area based on the competitive context.

For the purpose of this assignment, it is assumed that the long term capture of household goods expenditure in region will grow to 90% (in net terms). This makes a 10% escape expenditure allowance at full development in order to recognise the outer urban position of the area and role of central metropolitan centres.

Primary Trade Area Capture

Of this level of possible expenditure capture, the next question is what share will be captured in the Study Area. There is no precise way of estimating this because it will depend on the number of centres in the area and the attractiveness of those centres to the market. It is the view here that a reasonable range for the Study Area will be somewhere between a one-sixth share and one-third share (as an upper estimate). The one-sixth share is simply based on the Study Area being one of six major centres proposed for the Primary Trade Area. The one-third share is an assumption. This assumes the Study Area is established as a region-scale centre for the activity and the residual two-thirds is distributed to the other five major centres planned for the Primary Trade Area.

Secondary Trade Area Capture

For the Secondary Trade Area, a lower capture by the Study Area is assumed. The range is assumed to be between a one-twelfth share (based on there being 12 major centres south of the Study Area in the region) and a one-eighth share (which is an assumption).

Figure 8 – Study Area Expenditure Capture Scenarios

	Regional Retention	Study Area Share Scenario	
Primary Trade Area	90.0%	16.7%	15.0%
		33.3%	30.0%
Secondary Trade Area	90.0%	8.3%	7.5%
		12.5%	11.3%

3.6 Household Goods Floorspace Estimates for Study Area

Applying the share scenarios shown above to the total floorspace generation estimates (from the Trade Areas) yields the floorspace figures shown in Figure 9 below. This suggests that the Study Area could be positioned to capture (at full development of the Trade Areas) between about 35,000 sqm and 65,000 sqm of household goods floorspace.

This equates to between about 11.7 hectares and 21.7 hectares of land for business purposes assuming the floorspace to site area ratio is 30%.

It should be noted that the share estimates are held constant over time including from 2010 in this indicative analysis. This is a very coarse estimate for this purpose and as such the timing of demand should be interpreted with caution.

Figure 9 – Household Goods Floorspace Estimates for Study Area

Year	Primary Trade Area			Secondary Trade Area			Study Area sqm	
	PTA Floorspace	Study Area Share Scenario		STA Floorspace	Study Area Share Scenario		Low Estimate	High Estimate
		15.0%	30.0%		7.5%	11.3%		
2010	27,964	4,195	8,389	35,459	2,659	3,989	6,854	12,378
2011	32,112	4,817	9,634	37,446	2,808	4,213	7,625	13,846
2012	36,261	5,439	10,878	39,434	2,958	4,436	8,397	15,314
2013	40,409	6,061	12,123	41,421	3,107	4,660	9,168	16,783
2014	44,557	6,684	13,367	43,409	3,256	4,883	9,939	18,251
2015	48,706	7,306	14,612	45,396	3,405	5,107	10,711	19,719
2016	52,854	7,928	15,856	47,384	3,554	5,331	11,482	21,187
2017	57,002	8,550	17,101	49,371	3,703	5,554	12,253	22,655
2018	61,151	9,173	18,345	51,358	3,852	5,778	13,025	24,123
2019	65,299	9,795	19,590	53,346	4,001	6,001	13,796	25,591
2020	69,448	10,417	20,834	55,333	4,150	6,225	14,567	27,059
2021	73,596	11,039	22,079	57,321	4,299	6,449	15,338	28,527
2022	77,744	11,662	23,323	59,308	4,448	6,672	16,110	29,995
2023	81,893	12,284	24,568	61,295	4,597	6,896	16,881	31,464
2024	86,041	12,906	25,812	63,283	4,746	7,119	17,652	32,932
2025	90,190	13,528	27,057	65,270	4,895	7,343	18,424	34,400
2026	94,338	14,151	28,301	67,258	5,044	7,566	19,195	35,868
2027	98,486	14,773	29,546	69,245	5,193	7,790	19,966	37,336
2028	102,635	15,395	30,790	71,233	5,342	8,014	20,738	38,804
2029	106,783	16,017	32,035	73,220	5,491	8,237	21,509	40,272
2030	110,931	16,640	33,279	75,207	5,641	8,461	22,280	41,740
2031	115,080	17,262	34,524	77,195	5,790	8,684	23,052	43,208
2032	119,228	17,884	35,768	79,182	5,939	8,908	23,823	44,676
2033	123,377	18,506	37,013	81,170	6,088	9,132	24,594	46,145
2034	127,525	19,129	38,257	83,157	6,237	9,355	25,366	47,613
2035	131,673	19,751	39,502	85,144	6,386	9,579	26,137	49,081
2036	135,822	20,373	40,747	87,132	6,535	9,802	26,908	50,549
2037	139,970	20,996	41,991	89,119	6,684	10,026	27,679	52,017
2038	144,119	21,618	43,236	91,107	6,833	10,250	28,451	53,485
2039	148,267	22,240	44,480	93,094	6,982	10,473	29,222	54,953
2040	152,415	22,862	45,725	95,082	7,131	10,697	29,993	56,421
2041	156,564	23,485	46,969	97,069	7,280	10,920	30,765	57,889
2042	160,712	24,107	48,214	99,056	7,429	11,144	31,536	59,357
2043	164,860	24,729	49,458	101,044	7,578	11,367	32,307	60,826
2044	169,009	25,351	50,703	103,031	7,727	11,591	33,079	62,294
2045	173,157	25,974	51,947	105,019	7,876	11,815	33,850	63,762
2046	177,306	26,596	53,192	107,006	8,025	12,038	34,621	65,230

3.7 Motor Vehicle Related Sales

The above list does not include Car Retailing, Motor Cycle Retailing and Trailer and Other Motor Vehicle Retailing – which can be included in a showroom cluster. At the time of the 2006 Census, these retail sectors had 13,321 jobs in Victoria. This represents a ratio of 385 residents for one job in these sectors combined (on a 2006 estimated resident population of 5,128,310 in Victoria in 2006).

This means that a full development population of 304,058 in the Trade Area extrapolates to 789 jobs in these sectors combined.

City of Melbourne Census of Land Use and Employment Data suggests that these sectors have a floorspace ratio of 88 sqm per job. On that basis, 789 jobs equates to 69,432 sqm of floorspace.

The same share scenarios that are used for household goods are applied to this gross floorspace figure. The results are shown in Figure 10.

This shows that motor vehicle retailing floorspace demand could be in the range of about 8,500 sqm to about 16,000 sqm at full development.

This equates to around 2.8 hectares to 5.3 hectares at full development assuming floorspace equates to 30% of business site area.

Figure 10 – Motor Vehicle Related Sales Floorspace Estimate for Study Area

Year	Primary Trade Area			Secondary Trade Area			Study Area sqm	
	PTA Floorspace	Study Area Share Scenario		STA Floorspace	Study Area Share Scenario		Low Estimate	High Estimate
		15.0%	30.0%		7.5%	11.3%		
2010	6,836	1,025	2,051	8,668	650	975	1,675	3,026
2011	7,850	1,177	2,355	9,154	687	1,030	1,864	3,385
2012	8,864	1,330	2,659	9,639	723	1,084	2,053	3,744
2013	9,878	1,482	2,963	10,125	759	1,139	2,241	4,102
2014	10,892	1,634	3,268	10,611	796	1,194	2,430	4,461
2015	11,906	1,786	3,572	11,097	832	1,248	2,618	4,820
2016	12,920	1,938	3,876	11,583	869	1,303	2,807	5,179
2017	13,934	2,090	4,180	12,069	905	1,358	2,995	5,538
2018	14,948	2,242	4,484	12,554	942	1,412	3,184	5,897
2019	15,962	2,394	4,789	13,040	978	1,467	3,372	6,256
2020	16,976	2,546	5,093	13,526	1,014	1,522	3,561	6,615
2021	17,990	2,699	5,397	14,012	1,051	1,576	3,749	6,973
2022	19,004	2,851	5,701	14,498	1,087	1,631	3,938	7,332
2023	20,018	3,003	6,006	14,983	1,124	1,686	4,127	7,691
2024	21,032	3,155	6,310	15,469	1,160	1,740	4,315	8,050
2025	22,047	3,307	6,614	15,955	1,197	1,795	4,504	8,409
2026	23,061	3,459	6,918	16,441	1,233	1,850	4,692	8,768
2027	24,075	3,611	7,222	16,927	1,270	1,904	4,881	9,127
2028	25,089	3,763	7,527	17,413	1,306	1,959	5,069	9,486
2029	26,103	3,915	7,831	17,898	1,342	2,014	5,258	9,844
2030	27,117	4,068	8,135	18,384	1,379	2,068	5,446	10,203
2031	28,131	4,220	8,439	18,870	1,415	2,123	5,635	10,562
2032	29,145	4,372	8,743	19,356	1,452	2,178	5,823	10,921
2033	30,159	4,524	9,048	19,842	1,488	2,232	6,012	11,280
2034	31,173	4,676	9,352	20,327	1,525	2,287	6,201	11,639
2035	32,187	4,828	9,656	20,813	1,561	2,341	6,389	11,998
2036	33,201	4,980	9,960	21,299	1,597	2,396	6,578	12,356
2037	34,215	5,132	10,265	21,785	1,634	2,451	6,766	12,715
2038	35,229	5,284	10,569	22,271	1,670	2,505	6,955	13,074
2039	36,243	5,436	10,873	22,757	1,707	2,560	7,143	13,433
2040	37,257	5,589	11,177	23,242	1,743	2,615	7,332	13,792
2041	38,271	5,741	11,481	23,728	1,780	2,669	7,520	14,151
2042	39,285	5,893	11,786	24,214	1,816	2,724	7,709	14,510
2043	40,300	6,045	12,090	24,700	1,852	2,779	7,897	14,869
2044	41,314	6,197	12,394	25,186	1,889	2,833	8,086	15,227
2045	42,328	6,349	12,698	25,671	1,925	2,888	8,275	15,586
2046	43,342	6,501	13,003	26,157	1,962	2,943	8,463	15,945

3.8 Summary

The Trade Area for the Study Area is assessed to be the urban areas (existing and future) generally north of Somerton Road, with the Primary Trade Area being north of Craigieburn Road. The Trade Area as a whole had around 41,600 residents in 2006 and this is expected to increase to around 304,000 at full development

The Study Area is one of 15 major centres in the region, which includes existing and proposed centres in and around the Trade Area. The extent to which the Study Area can capture floorspace will depend on its offer and positioning in relation to this competitive context.

It is estimated that the Study Area could be positioned to capture (at full development):

- Between about 35,000 sqm and 65,000 sqm of household goods (restricted retail) floorspace. This equates to between about 11.7 hectares and 21.7 hectares of land for business purposes; and
- Between about 8,500 sqm and 16,000 sqm of motor vehicle retailing floorspace. This equates to around 2.8 hectares to 5.3 hectares of land at full development.

The total land allowance is therefore between 14.5 hectares and 27.0 hectares for business purposes, not including an allowance for estate roads, open space and other shared assets.

4 Site Analysis

4.1 Optimal Characteristics

The success of a restricted retail / showroom precinct relates to its access, exposure, agglomeration and integration attributes (assuming a sufficient catchment is in place to support the centre). These attributes are explained as follows.

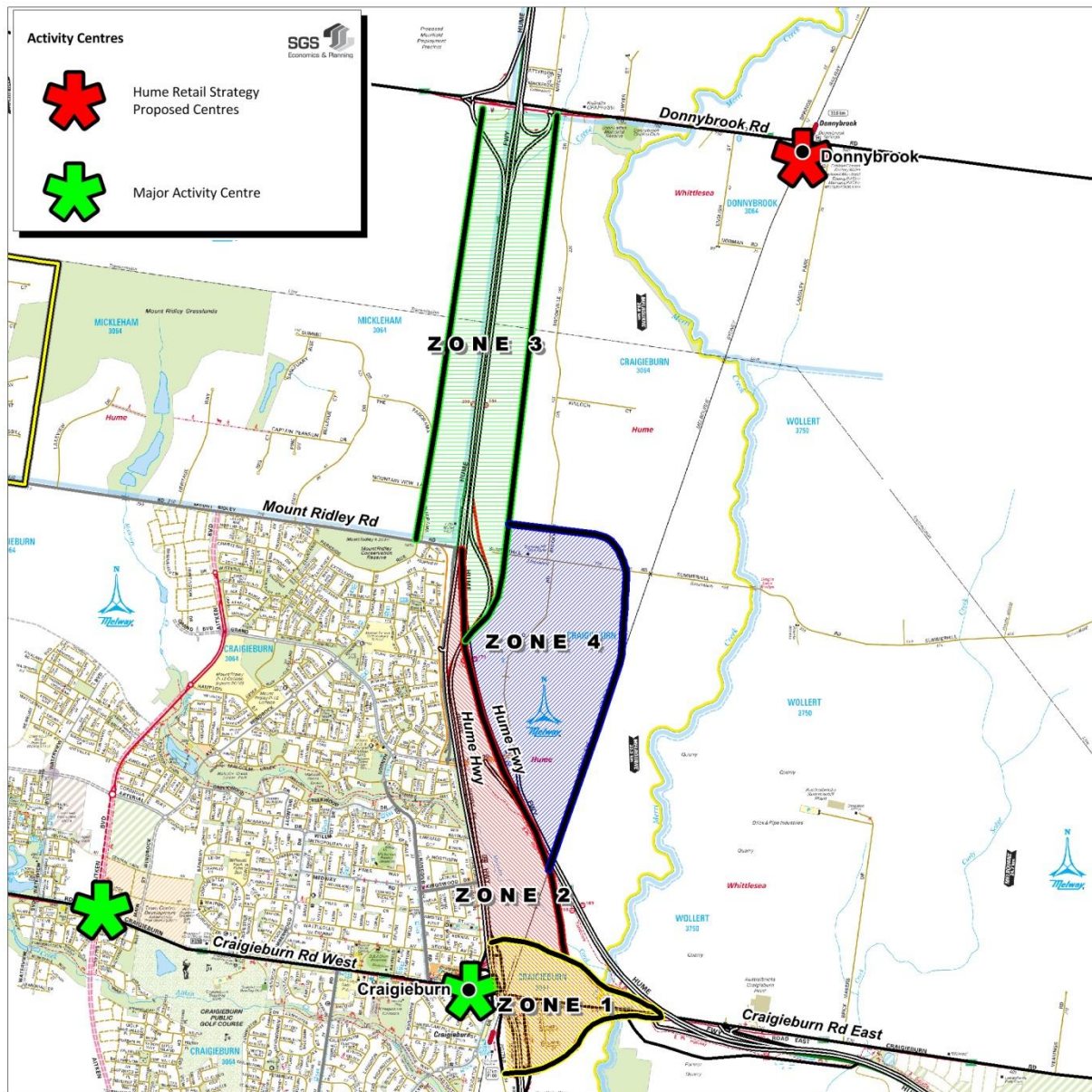
- **Accessibility** - The accessibility of a precinct to its regional catchment is a critical success factor. A highly accessible precinct is usually located on a major road or highway and near the junction of other major roads. The optimal access system for a restricted retail / showroom precinct is a radial road network that connects the precinct with its catchment in multiple directions.
- **Exposure** - Related to the above point, businesses that establish in restricted retail / showroom precincts benefit from being located on the main road frontage due to the exposure it provides to its regional catchment base. Businesses are able to be better recognised and patronised by being in a visible location.
- **Agglomeration** - A critical mass of restricted retail / showroom businesses adds to the gravity of the precinct by expanding its catchment and catchment penetration. Customers are drawn to precincts with a large number of similar businesses due to the comparison shopping benefits a large and consolidated precinct can offer.
- **Integration** - Agglomeration benefits can be enhanced or diminished by the level of linkage and integration between businesses in the precinct. Ideally, precincts should offer the capacity for customers to park in zones and walk to numerous businesses without having to drive to each business.

In short, successful restricted retail / showroom precincts are attractive to their large catchments because of their comparison offer and ease of access to and within precincts.

4.2 Study Area Analysis

The Study Area is assessed to have four broad zones with variable characteristics from the perspective of restricted retail / showroom uses. The four zones are shown in Figure 11 below.

Figure 11 – Site Analysis Zones



Zone 1 – Hume Highway and Craigieburn Road Junction

This is potentially a prime business node in the study area region. The success of this zone as a business junction may be contingent on the Hume Highway and Craigieburn Road junction being redeveloped to form a proper cross street format with rail underpass or similar. The current junction configuration presents poor integration and legibility.



Assuming the above engineering solution was delivered, this junction could be established as a focal point for restricted retail / showroom uses due to its position on Hume Highway (north-south accessibility and exposure), Craigieburn Road (east-west accessibility and exposure) and Hume Freeway (north-south east accessibility and exposure). The Craigieburn Road link has the potential to provide a high level of penetration into the vast residential catchment to the west and tap the Whittlesea growth area to the more distant east. In addition to these advantages, Craigieburn Station provides access via train services.

It is also important that Hume Highway has lower traffic speeds and greater capacity for traffic management compared to Hume Freeway (which connects with the Highway north of Summerhill and Mount Ridley Roads).

Advantages:

- North-south access and exposure;
- East-west access and exposure (which can be improved subject to road works);
- Highway section of road (which provides capacity for traffic management);
- Land availability on east side of Hume Highway; and
- Access to Craigieburn Station.

Disadvantages:

- Land not availability on west side of Hume Highway.

Zone 2 – Hume Highway Between Craigieburn Road and Summerhill Road

The strip along the east side of Hume Highway could be established as a successful restricted retail / showroom strip. Bunnings has established a store here which can perform the role of anchor tenant for the area.



The benefits of this zone are similar to Zone 1. Additional linkages could be provided with extensions to Amaroo Road to the east and Summerhill Road (east) and Mount Ridley Road (west).

Hume Highway has lower traffic speeds than the Freeway and greater capacity for traffic management. This means the capacity to build a high amenity and integrated environment may be easier in this zone compared to Zone 3.

Advantages:

- North-south access and exposure;
- East-west access and exposure (which can be improved subject to road works);
- Highway section of road (which provides capacity for traffic management);
- Land availability on east side of Hume Highway; and
- Existing Bunnings store will act as anchor for other businesses.

Disadvantages:

- Land not availability on west side of Hume Highway.

Zone 3 – Hume Freeway Between Donnybrook Road and Mount Ridley and Summerhill Roads

This zone provides an opportunity to establish uses on both sides of the Freeway or on one side if desired. It may be difficult to link and integrate the two sides due to the Freeway status of this section of road and as such an arterial road to one side of the Freeway may be the most suitable solution here. If this was the solution, access would be excellent from one direction and more difficult from the other direction unless a suitable interchange was provided to aid accessibility.



Advantages:

- Potential north-south access and exposure (subject to road works);
- Potential future east-west access and exposure (subject to road works); and
- Land availability on east and west sides of Hume Freeway.

Disadvantages:

- Freeway location, which presents access challenges (without a new road junction).

Zone 4 – East of Hume Freeway Generally South of Summerhill Road

This precinct currently has limited access and exposure and its success for restricted retail / showroom uses is contingent on road works in the area. Without provision of one or more arterial or Highway level roads, which connects the zone to the wider catchment, this zone is likely to be best suited to businesses that do not require direct linkages to catchments, such as office park, industry and warehouse uses.



Advantages:

- Close to freeway and highway junctions; and
- Land availability.

Disadvantages:

- Limited access and exposure to catchment areas

4.3 Summary

Successful restricted retail / showroom precincts are attractive to their large catchments because of their comparison offer and ease of access to and within precincts.

Based on existing conditions, it is recommended that the best solution for restricted retail / showroom activities is to focus activity generally in zones 2 and 1 as defined in this report. These zones provide an existing highway road system with reasonable catchment linkages and capacity to leverage off the Bunnings store in the north and Craigieburn Station in the south.

It will be important to ensure development is agglomerated to the extent possible, by developing areas in stages. It will also be important to ensure that road works, parking, footpath and design treatments are used to integrate businesses in both functional and amenity terms.

Zone 4 can be used for a range of businesses and provide capacity for additional restricted retail / showroom activities in the more distant future, if the demand arises.

The above approach is linked to existing road network characteristics, and the recommendations could change if the road network was modified. Under current conditions, it is felt that the Freeway status of zone 3 and limited existing interchanges presents difficulties in establishing a restricted retail / showroom precinct there in the short term.

5 Summary of Findings

The Study Area is well positioned to perform the role of a Craigieburn region specialised bulky goods centre.

An appropriate zoning (e.g. Business 4) will need to be provided to facilitate this outcome consistent with the State's Retail Policy Review.

The Study Area is one of 15 major centres in the region, which includes existing and proposed centres in and around the Trade Area. The extent to which the Study Area can capture floorspace will depend on its offer and positioning in relation to this competitive context.

It is estimated that the Study Area could be positioned to capture (at full development):

- Between about 35,000 sqm and 65,000 sqm of household goods (restricted retail) floorspace. This equates to between about 11.7 hectares and 21.7 hectares of land for business purposes; and
- Between about 8,500 sqm and 16,000 sqm of motor vehicle retailing floorspace. This equates to around 2.8 hectares to 5.3 hectares of land at full development.

The total land allowance is therefore between 14.5 hectares and 27.0 hectares for business purposes, not including an allowance for estate roads, open space and other shared assets.

Successful restricted retail / showroom precincts are attractive to their large catchments because of their comparison offer and ease of access to and within precincts.

Based on existing conditions, it is recommended that the best solution for restricted retail / showroom activities is to focus activity generally in zones 2 and 1 as defined in this report. These zones provide an existing highway road system with reasonable catchment linkages and capacity to leverage off the Bunnings store in the north and Craigieburn Station in the south.

It will be important to ensure development is agglomerated to the extent possible, by developing areas in stages. It will also be important to ensure that road works, parking, footpath and design treatments are used to integrate businesses in both functional and amenity terms.

The above approach is linked to existing road network characteristics, and the recommendations could change if the road network was modified.