



ESSENTIAL ECONOMICS

Review of Retail Floorspace Potential  
for  
Casey Central Town Centre

Prepared for

City of Casey

by

Essential Economics Pty Ltd

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## Authorship

Report stage	Author	Date	Review	Date
Original report	Sean Stephens	08.2006		
Updated Draft report	Austin Miller	13.10.2008	John Henshall	14.10.08
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## Contact details

For further details please contact:

Essential Economics Pty Ltd  
96 Pelham Street  
Carlton  
Victoria 3053  
Australia  
PH 61 3 9347 5255  
FAX 61 3 9347 5355  
EMAIL [mail@essentialeconomics.com](mailto:mail@essentialeconomics.com)  
WEB [www.essentialeconomics.com](http://www.essentialeconomics.com)

ABN 38 894 627 397

Job Code: 08136

# Contents

Introduction .....	1
<b>1 Casey Central Retail Trade Area.....</b>	<b>3</b>
1.1 Introduction.....	3
1.2 Existing and Future Role of Casey Central.....	3
1.3 Trade Area Boundaries .....	3
1.4 Trade Area Population.....	6
1.5 Summary .....	7
<b>2 Retail Spending of Trade Area Residents .....</b>	<b>8</b>
2.1 Introduction.....	8
2.2 Existing and Forecast Spending Patterns .....	8
2.3 Summary .....	10
<b>3 Estimated Supportable Retail Floorspace of Trade Area Residents .....</b>	<b>11</b>
3.1 Introduction.....	11
3.2 Retail Floorspace by Type Proposed at Casey Central .....	11
3.3 Supportable Retail Floorspace of Trade Area Residents .....	14
3.4 Supportable Retail Floorspace at Casey Central, 2030 .....	15
3.5 Summary .....	19
<b>4 Conclusions.....</b>	<b>21</b>

## INTRODUCTION

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### *Background*

This report has been prepared for the City of Casey and relates to the Casey Central Town Centre. The centre is located on the south-east corner of Narre Warren - Cranbourne Road and Littlecroft Avenue in Narre Warren South.

Casey Central is identified as a Major Activity Centre under *Melbourne 2030* and is identified as a future sub-regional centre under Council's Activity Centres Strategy (2005).

The Activity Centres Strategy (p37) highlights the potential for the centre to accommodate some 50,000 m<sup>2</sup> of retail floorspace by around 2030, at least 50% of which would be allocated to restricted retail. This potential is confirmed in research undertaken for the Casey Central Town Centre Structure Plan (2006, p25), which also indicates (p24) that the centre may potentially accommodate significant areas of office floorspace (with estimates ranging from 25,000 m<sup>2</sup> to 72,000 m<sup>2</sup>, depending on the development outlook).

Considerable work has been undertaken from a strategic planning perspective in developing the draft Casey Central Town Centre Structure Plan. In 2006, Council commissioned a review of the potential floorspace at Casey Central (Essential Economics Pty Ltd, August 2006) to inform the preparation of the Draft Casey Central Town Centre Structure Plan.

Due to the passage of time, Council in October 2008 has requested Essential Economics Pty Ltd to prepare an update of the original report. This updated report utilises new data from the 2006 ABS Census of Housing and Population and City of Casey Population Forecast Review, as well as additional residential development plans shown in the Urban Development Program.

### *Approach*

The report provides an assessment of retail floorspace potential to 2030, including:

- catchment area boundaries,
- competing centres,
- existing and forecast resident population levels,
- existing and forecast retail spending levels, and
- estimates of supportable retail floorspace to 2030.

This approach provides the most appropriate means by which to forecast retail floorspace requirements for Casey Central. In essence, the area of retail floorspace supportable by the catchment population is determined by:

- (a) allowance for a share of residents' retail available spending to be directed to Casey Central; and
- (b) allowance for a share of retail sales at the centre to be supported by shoppers attracted from beyond the catchment boundaries.

Note that some of the available spending of residents will also be directed to other centres across the activity centre hierarchy (ranging from local convenience shops and neighbourhood centres, to homemaker centres and regional centres).

Note that in this updated version of the report (October 2008), consideration has been given to the update of data rather than a review of policy and other planning and development considerations.

# 1 CASEY CENTRAL RETAIL TRADE AREA

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## 1.1 Introduction

This Chapter identifies the trade area that would be served by Casey Central Town Centre in its role as a sub-regional shopping centre. Factors taken into account in determining the trade area boundaries are identified, and existing and forecast population levels in the trade area are highlighted.

## 1.2 Existing and Future Role of Casey Central

The existing Casey Central shopping centre comprises 7,197 m<sup>2</sup> of retail floorspace and performs the role of a Neighbourhood Activity Centre. The centre includes a supermarket as the anchor tenant, plus 15 specialty shops, 3 kiosks and 1 vacant shop.

According to planning documents noted in the Introduction, Casey Central would perform a sub-regional shopping role, possibly by around 2030, and would comprise some 50,000 m<sup>2</sup> of retail floorspace, with at least 50% of this retail floorspace allocated to restricted retailing.

## 1.3 Trade Area Boundaries

Trade area boundaries for the Casey Central Town Centre in its future role as a sub-regional shopping centre will be influenced by the following features:

- Role of a sub-regional shopping centre, typically comprising one or two discount department stores (DDSs), two supermarkets (a full-line supermarket and a smaller discount supermarket), a range of specialty shops and retail services, and a range of community facilities and services (such as library, child care, and the like).
- Location of competing centres, especially the regional centres at Fountain Gate / Narre Warren to the north and at Cranbourne Town Centre to the south. The enclosed components of these centres currently comprising the following retail floorspace: Westfield Fountain Gate 141,103 m<sup>2</sup>; and Cranbourne Park Shopping Centre 31,367 m<sup>2</sup> (Property Council of Australia, *Shopping Centre Directory 2007*), and noting future additional retail floorspace allocation to the town centre (25,000 m<sup>2</sup>) at Narre Warren. Small neighbourhood centres are located at Amberly Park to the north-west, and Eden Rise to the north-east.
- Road access, including Narre Warren - Cranbourne Road and Thompsons Road, the planned future extensions of Glasscocks Road, and the potential duplication of Pound Road.

- Barriers to movement, including creeks, power transmission line easements, etc.
- Location of the Urban Growth Boundary (UGB) to the east of the locality.

One of the main features influencing the identification of trade area boundaries for the Casey Central Town Centre is the location of competing DDS facilities at Westfield Fountain Gate (Big W, Kmart, Target) and at Cranbourne Park Shopping Centre (Kmart). As noted above, DDS facilities are the main features of the typical sub-regional shopping centre. While this feature may change over time with new trends in retailing, the presence of a DDS is a useful element in defining a sub-regional shopping centre. Similarly, the presence of a department store is a typical component in a regional shopping centre (and provision for such a retailer is being planned for Westfield Fountain Gate).

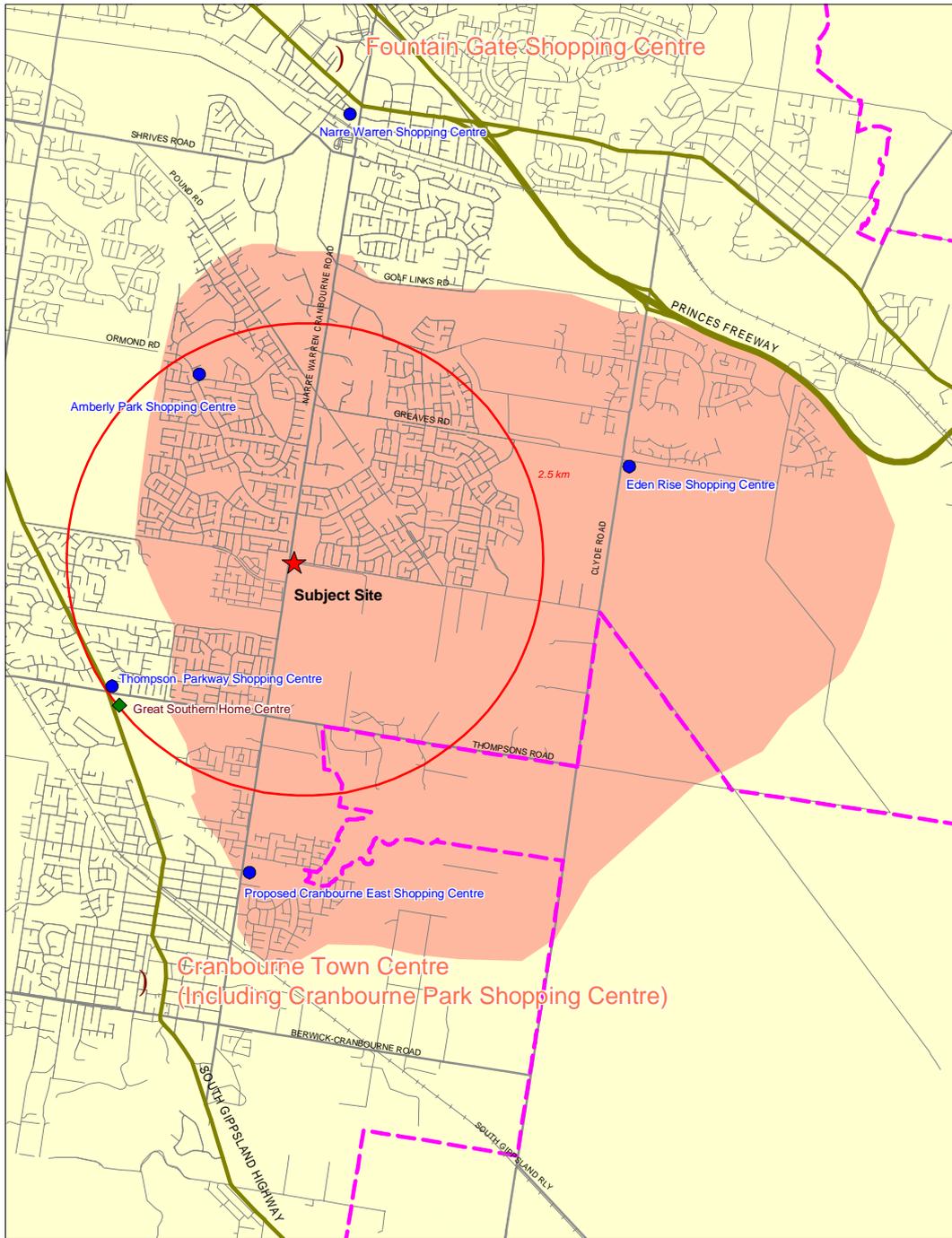
Having regard for the above-mentioned features, Figure 1 illustrates the Casey Central trade area boundaries for the centre in its future role as a sub-regional shopping centre. The boundaries are generally defined as follows:

- To the north: Golf Links Road
- To the south: the competitive influence of the Cranbourne Town Centre and the proposed activity centre at Linsell Boulevard, the former South Gippsland railway line easement to the south-west, and the Berwick-Cranbourne Road to the south-east
- To the east: current and proposed residential developments in Berwick and Clyde North
- To the west: residential developments in Narre Warren South, Cranbourne North and Cranbourne that have easy access to the subject site

In 2008, this sub-regional trade area has an estimated resident population of 58,810 persons, but noting that the centre is currently performing as a neighbourhood shopping centre to only a section of this wider trade area.

By 2021, the trade area population is expected to have reached in the order of 109,200 persons, and by this time the centre will have developed its wider role as a sub-regional shopping centre.

These population estimates are explained in the following Section.



Map 1. Casey Central Town Centre: Sub-regional Catchment Source: MapInfo  
Produced by: Essential Economics

★ Subject Site	● Subregional Shopping Centre	◆ Home Centre
■ Main Trade Area	● Other Shopping Centre	— UGB



## 1.4 Trade Area Population

### *Existing Resident Population*

The Casey Central trade area has an existing (2008) resident population estimated to be 58,810 persons. This estimate is based on the trade area boundaries identified in Section 1.2 and reference to Estimated Resident Population data prepared by the Australian Bureau of Statistics (ABS). Note that this is a sub-regional trade area, as the centre will eventually be performing a sub-regional retailing role (and this is the subject of this report).

### *Forecast Population at Full Development*

With reference to areas identified for future residential development in the Urban Development Program (UDP 2007), the total population at full development is estimated to be in the order of approximately 109,200 persons. This figure is expected to be reached by 2021, having regard for current residential growth rates and land development programs. Further new and infill residential development would see an expansion in the total number of residents in the trade area to at least the year 2030 (but this potential increase beyond 2021 has not been estimated in this report).

Table 1 shows these estimates of existing and future resident population levels in the Casey Central trade area.

Table 1: Existing and Forecast Resident Population in Main Trade Area, Casey Central Sub-Regional Retail Catchment, 2001 - 2021

	2001	2006	2008	2011	2016	2021
<u>Population (no.)</u>	26,600	49,460	57,810	73,050	93,170	109,200
<u>Average Annual Growth (%)</u>	-	+13.2%	+8.1%	+8.1%	+5.0%	+3.2%
<u>Average Annual Growth (no.)</u>	-	+4,570	+4,180	+5,080	+4,020	+3,210

Source: Essential Economics, ABS Regional Population Statistics, City of Casey Population Forecasting Review 2007

Note: Totals rounded

## 1.5 Summary

Casey Central Town Centre is identified as a future sub-regional shopping centre in the City of Casey Hierarchy of Centres. This trade area has an existing resident population estimated at 58,810 persons, and is forecast to reach 109,200 persons by 2021. Further growth to 2030 is likely, but has not been estimated in this report.

## 2 RETAIL SPENDING OF TRADE AREA RESIDENTS

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### 2.1 Introduction

This Chapter provides estimates of retail spending of trade area residents, both existing (2008) and forecast (to 2021). These spending estimates are subsequently used as input in determining the area of retail floorspace that is supportable by trade area residents, and the proportion that should be allocated to Casey Central in its future role as a sub-regional shopping centre.

Further growth in retail spending to 2030 can be expected, but separate estimates for that year have not been prepared; this is principally due to the difficulties associated with long-term forecasting, especially in retailing which is one of the most dynamic sectors in the economy.

### 2.2 Existing and Forecast Spending Patterns

In 2008, residents in the Casey Central trade area have total retail spending estimated at \$645 million. By 2021, this level of available spending by trade area residents is forecast to reach \$1,492 million (in constant 2008 dollars), with this increase due to growth in trade area population and real spending per capita.

Estimates of retail spending by trade area residents have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model prepared by MDS Pty Ltd which utilises data from the Household Expenditure Survey (HES), the Census of Population and Housing, National Accounts and other sources, to derive estimates of retail spending levels on a small area basis. *MarketInfo* is widely used in the retail and property sector.

These estimates of per capita and total spending are summarised in Table 2.

Table 2: Existing and Forecast Retail Spending by Residents, Casey Central Sub-Regional Retail Trade Area, 2006 to 2021 (in constant \$2008)

	2008	2011	2016	2021
Trade Area Residents (No. Persons)	57,810	73,050	93,170	109,200
Per Capita Food Spend	\$5,940/cap	\$6,100/cap	\$6,310/cap	\$6,650/cap
Total Food Spend	\$343 m	\$446 m	\$588 m	\$726 m
Per Capita Non-Food Spend	\$4,830/cap	\$5,170/cap	\$5,790/cap	\$6,500/cap
Total Non-Food Spend	\$279 m	\$378 m	\$539 m	\$710 m
<b>Total Retail Spending</b>	<b>\$622 m</b>	<b>\$824 m</b>	<b>\$1,127 m</b>	<b>\$1,436 m</b>

Source: MarketInfo; Essential Economics

Note: Totals rounded

Although catchment residents have available retail spending of \$622 million in 2008, some of this spending is directed to other centres in the retail hierarchy, as previously noted. Similarly, by 2021 when the level of available retail spending of catchment residents is expected to have reached \$1,436 million (in constant 2008 prices), a share of this spending would be directed to other centres including, for example, Fountain Gate and Cranbourne, as well as centres further afield (eg, spending associated with travel to/from work).

In 2008, the amount of residents' retail spending which is captured at the existing Casey Central shopping centre (in its role as a neighbourhood shopping centre) is estimated at approximately \$44 million, or equivalent to 7% of total available spending. These estimates are based on total estimated sales at the existing centre of approximately \$49 million, with allowance for 90% of these sales to come from the surrounding catchment and the balance of 10% captured from shoppers from beyond the catchment. These figures are summarised in Table 3.

Table 3: Estimate of Existing Retail Sales at Casey Central, 2008

	Retail Floorspace	Average Sales/m <sup>2</sup>	Total Retail Sales	Share of Sales to Trade Area	Estimated Sales to Residents	Share of Residents' Spending
Food	4,850 m <sup>2</sup>	\$8,7501/m <sup>2</sup>	\$42.4 m	90%	\$38.2	11.1%
Non-Food	1,430 m <sup>2</sup>	\$4,250/m <sup>2</sup>	\$6.1 m	90%	\$5.5	2.0%
<b>Total</b>	<b>6,280 m<sup>2</sup></b>	<b>\$7,760/m<sup>2</sup></b>	<b>\$48.5 m</b>	<b>90%</b>	<b>\$43.7</b>	<b>7.0%</b>

Source: MarketInfo and Essential Economic, Refer Table 1 for existing available retail spending.

By the time Casey Central has developed its role as a sub-regional shopping centre, it can be expected that the centre would capture a higher share of its sales from beyond the catchment, having regard for this expanded role in the retail hierarchy. These aspects are addressed in the following chapter.

### 2.3 Summary

In 2008, residents in the Casey Central trade area have total retail spending estimated at \$622 million. By 2021, this catchment is expected to be generating very significant volumes of retail spending due to growth in catchment population numbers and in real spending per capita, with the total amount of available spending forecast at \$1,436 million (in constant 2008 dollars).

In 2008, the centre is likely to be achieving total sales of approximately \$48 million in its role as a neighbourhood shopping centre, based on the assumptions presented above.

Of these total sales, an estimated \$44 million is captured from trade area residents, and this is equivalent to 7% of the available spending of residents in 2008.

As the centre expands its role to that of a sub-regional centre, an increasing share of residents' spending will be captured due to the expanded range of retail goods and services on offer at this centre. These aspects are addressed in the next chapter where forecasts of supportable retail floorspace at Casey Central are provided.

## 3 ESTIMATED SUPPORTABLE RETAIL FLOORSPACE OF TRADE AREA RESIDENTS

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### 3.1 Introduction

This Chapter -

- describes the types of retail floorspace that are envisaged for Casey Central (namely, a sub-regional retail component and a restricted retail component), and
- provides estimates of the amount of retail floorspace that would be supportable by the centre in 2021, with very broad estimates for 2030.

The floorspace figures for 2021 (and in broad terms to 2030) are based on estimates of available retail spending of catchment residents, and these spending estimates are then converted to retail floorspace through the application of appropriate retail turnover density ratios (ie, \$ per sqm).

### 3.2 Retail Floorspace by Type Proposed at Casey Central

Planning documents for Casey Central (as earlier noted) identify potential for some 50,000 m<sup>2</sup> in retail floorspace, and this would comprise floorspace allocated to (a) a sub-regional shopping centre and (b) for restricted retail. These retail formats are outlined below.

#### *Sub-Regional Shopping Centre*

This component typically comprises the following:

- a DDS (up to 8,000 m<sup>2</sup>),
- a full-line supermarket (3,500 m<sup>2</sup>),
- a discount supermarket (1,500 m<sup>2</sup>), and
- a range of specialty shops (from 2,000 m<sup>2</sup> to 10,000 m<sup>2</sup>).

The typical format for a sub-regional shopping centre ranges between approximately 15,000 m<sup>2</sup> and 25,000 m<sup>2</sup>. The number of specialty shops is one of the main factors accounting for the variation in centre size.

As a guide for comparison, Table 4 provides a listing of sub-regional shopping centres in Melbourne and is sourced from the Property Council of Australia 2007 Directory, showing total retail floorspace and main tenancies.

Table 4: Examples of Sub-Regional Shopping Centres, Melbourne 2007

Sub-Regional Shopping Centre	Retail Floor-space for Major Tenants	Retail Floor-space for Specialty Tenants	Total Retail Floor-space	Major Tenants	No. Specialty Shops
Altona Gate	16,849 m <sup>2</sup>	9,040 m <sup>2</sup>	25,889 m <sup>2</sup>	Kmart, Safeway, Coles, Best & Less	80
Barkly Square	13,878 m <sup>2</sup>	3,099 m <sup>2</sup>	17,036 m <sup>2</sup>	Kmart, Coles, Safeway	43
Boronia Mall	12,290 m <sup>2</sup>	2,306 m <sup>2</sup>	14,596 m <sup>2</sup>	Kmart, Go-Lo, Coles	37
Campbellfield Plaza	16,337 m <sup>2</sup>	1,729 m <sup>2</sup>	18,116 m <sup>2</sup>	Kmart, Coles, Office Works	22
Carrum Downs	13,894 m <sup>2</sup>	4,667 m <sup>2</sup>	18,561 m <sup>2</sup>	Maxi Food Supermarket, Safeway, The Warehouse	40
Centro Box Hill	11,714 m <sup>2</sup>	10,519 m <sup>2</sup>	22,223 m <sup>2</sup>	Target, Safeway	106
Centro Brandon Park	12,248 m <sup>2</sup>	10,521 m <sup>2</sup>	22,769 m <sup>2</sup>	Kmart, Coles, Aldi	97
Centro Karingal	15,555 m <sup>2</sup>	15,407 m <sup>2</sup>	30,962 m <sup>2</sup>	Big W, Safeway (2)	126
Centro Oakleigh	7,639 m <sup>2</sup>	5,508 m <sup>2</sup>	13,151 m <sup>2</sup>	Coles, Safeway	49
Centro Whitehorse	3,259 m <sup>2</sup>	7,697 m <sup>2</sup>	10,956 m <sup>2</sup>	Coles	79
Endeavour Hills	21,914 m <sup>2</sup>	10,317 m <sup>2</sup>	32,231 m <sup>2</sup>	Big W, Coles, Safeway, Franklins, Go-Lo, Best & Less	73
Footscray Plaza	11,714 m <sup>2</sup>	861 m <sup>2</sup>	13,923 m <sup>2</sup>	Kmart, Coles	12
Gladstone Park	11,071 m <sup>2</sup>	10,280 m <sup>2</sup>	21,351 m <sup>2</sup>	Safeway, Dimmeys, Supa IGA, Safeway Liquor	90
Malvern Central	10,911 m <sup>2</sup>	4,026 m <sup>2</sup>	14,937 m <sup>2</sup>	Target, Safeway	47
Northcote Plaza	14,075 m <sup>2</sup>	4,992 m <sup>2</sup>	19,067 m <sup>2</sup>	Kmart Tyre & Auto, Coles (2),	64
Pakenham Place	12,405 m <sup>2</sup>	3,442 m <sup>2</sup>	15,847 m <sup>2</sup>	Target, Safeway, Coles	29
Centro Ringwood	13,207 m <sup>2</sup>	2,927 m <sup>2</sup>	16,134 m <sup>2</sup>	Target, Coles, Aldi, 1 <sup>st</sup> Choice Liquor	38
Rosebud Plaza	13,994 m <sup>2</sup>	6,146 m <sup>2</sup>	20,140 m <sup>2</sup>	Kmart, Target	60
Stockland Wendouree	13,747 m <sup>2</sup>	7,740 m <sup>2</sup>	21,487 m <sup>2</sup>	Kmart, Safeway, Coles	64
Stud Park	19,875 m <sup>2</sup>	6,207 m <sup>2</sup>	26,082 m <sup>2</sup>	Kmart, Safeway, Coles, The Warehouse	64
Sunshine Marketplace	11,280 m <sup>2</sup>	10,072 m <sup>2</sup>	21,352 m <sup>2</sup>	Big W, Safeway	70
Sunshine Plaza	14,859 m <sup>2</sup>	5,758 m <sup>2</sup>	20,617 m <sup>2</sup>	Target, Safeway, Supa IGA	64
Victoria Gardens	10,834 m <sup>2</sup>	11,500 m <sup>2</sup>	31,061 m <sup>2</sup>	Kmart, Coles (c 40,000 m <sup>2</sup> with IKEA)	78
Watergardens	26,842 m <sup>2</sup>	23,977 m <sup>2</sup>	50,819 m <sup>2</sup>	Target, Safeway (2), Big W, Coles	220
Waverly Gardens	22,195 m <sup>2</sup>	13,303 m <sup>2</sup>	39,666 m <sup>2</sup>	Target, Big W, Safeway, Coles,	98

Source: Property Council of Australia, *Victoria Shopping Centre Directory*, 2007

### *Restricted Retail*

Typically, the restricted retail component takes the form of a “homemaker centre” where there is an agglomeration of co-located retailers involved in furniture, furnishings, electrical goods, and the like. This form of retailing is generally in the range 10,000 to 20,000 m<sup>2</sup>, although a centre of 20,000 m<sup>2</sup> is popular for the critical mass that it provides and therefore the significant shopper patronage that results. There are also examples of homemaker centres that are in the order of some 30,000 m<sup>2</sup> in retail floorspace.

Restricted retail or Homemaker centres generally serve a regional trade area, although a large sub-regional trade area may also support this form of retail facility. The main factors which influence the location of these types of retail include the following:

- access to an expanding residential trade area (ie, growth in dwellings to be furnished);
- access to regional or sub-regional road network;
- main road frontage providing exposure to passing trade;
- relatively low property costs; and
- ability to co-locate with other similar ‘restricted retail’ tenants where large floorspace footprints are the norm (generally in the range 1,000 to 3,000 m<sup>2</sup>) that can accommodate the display and storage of bulky goods.

As a guide for comparison, Table 5 on the following page provides a listing of bulky goods or homemaker centres, showing total retail floorspace and main tenancies.

In summary, the overall size of the Casey Central retail floorspace components (ie, sub-regional retailing and restricted retailing) will be based on the likely share of retail spending of catchment residents that can be captured by the centre. These aspects are addressed in the following section.

Table 5: Examples of Homemaker / Bulky Goods Centres, Melbourne 2007

Homemaker Centre	Retail Floorspace for Major Tenants	Retail Floorspace for Specialty Tenants	Total Retail Floorspace	Major Tenants	No. Specialty Shops
Homemaker City Epping	13,950 m <sup>2</sup>	6,443 m <sup>2</sup>	20,393 m <sup>2</sup>	The Warehouse, Rug Rats, Adriatic Furniture, Snooze, Retarvision, etc	10
Homemaker City Maribyrnong	23,512 m <sup>2</sup>	76 m <sup>2</sup>	23,588 m <sup>2</sup>	Fantastic Furniture, Berkowitz Furniture, Freedom Furniture, The Good Guys, Oz Design, Barbeques galore, Babyco, Snooze, etc	1
Homemaker Moorabbin	10,978 m <sup>2</sup>	2,999 m <sup>2</sup>	13,997 m <sup>2</sup>	Spotlight, Guests Furniture, Snooze, Forty Winks, Oz Design, Thomson Lighting, etc	6
Knox Ozone	6,763 m <sup>2</sup>	22,476 m <sup>2</sup>	29,239 m <sup>2</sup>	Fantastic Furniture, Dick Smith, JB Hi-Fi, Retravision	47
Northland Homemaker	24,600 m <sup>2</sup>	4,330 m <sup>2</sup>	28,930 m <sup>2</sup>	Fantastic Furniture, Freedom Furniture, Snooze, JB Hi-Fi, Brashes, Forty Winks, etc	9
Ringwood Homemaker	3,725 m <sup>2</sup>	487 m <sup>2</sup>	4,212 m <sup>2</sup>	Betta Electrical, Baby Bunting, Ringwood Floorworld	2
Thomastown Homemaker	10,505 m <sup>2</sup>	5,996 m <sup>2</sup>	16,501 m <sup>2</sup>	Myer Megamart, Furniture Galore	7

Source: Property Council of Australia, *Victoria Shopping Centre Directory*, 2007

### 3.3 Supportable Retail Floorspace of Trade Area Residents

In 2021, the Casey Central sub-regional trade area is forecast to have a total population of 109,200 persons and with annual retail spending estimated at \$1,436 million (in constant 2008 dollars).

This volume of available spending would support approximately 246,000 m<sup>2</sup> of retail floorspace, as indicated in Table 6. As later indicated, a share of this retail floorspace would be attributable to Casey Central in its sub-regional shopping centre role.

Table 6: Estimate of Retail Floorspace Supportable by Casey Central Trade Area, 2021 (in constant \$2008)

Retail Category	Available Retail Spending	Average Sales	Supportable Floorspace	Supportable Floorspace (rounded)
Food	\$726 m	\$8,300/m <sup>2</sup>	87,470 m <sup>2</sup>	88,000 m <sup>2</sup>
Non-Food	\$710 m	\$4,500/m <sup>2</sup>	157,780 m <sup>2</sup>	158,000 m <sup>2</sup>
Total	\$1,436 m	5,840/m <sup>2</sup>	240,750 m <sup>2</sup>	246,000 m <sup>2</sup>

Source: Essential Economics (rounded figures). Allow average annual growth in sales/m<sup>2</sup> of 0.5% pa, 2008-2021

The retail turnover densities (sales per sq metre) are based on data published in the *JHD Retail Averages* and from industry sources, and are applicable to sub-regional shopping centres. These figures have been increased at an average annual rate of 0.5% to allow for real growth in sales per sq metre of floorspace.

Three points need to be made regarding the total amount of retail floorspace that Casey Central may support:

- *A Share of Residents' Spending will be Captured by Casey Central:* The Centre will be functioning as a sub-regional shopping centre, and therefore this will be the main centre where many residents living in the trade area will choose to undertake their regular shopping as this is the most-conveniently located centre providing DDS, major supermarkets and other retail facilities typically provided at a sub-regional centre.
- *Residents' Spending to Other Centres:* Due to the fact that the trade area residents also visit a range of shopping centres (from small local and neighbourhood centres to large regional centres), only a share of the retail floorspace supportable by residents of the Casey Central sub-regional trade area will actually be supportable at this centre.
- *Spending Attracted from Shoppers Living Beyond the Trade Area:* The sub-regional shopping facilities (and which would be expected to include a DDS, major supermarkets and specialty shops) would attract shoppers from beyond the trade area, while the restricted retail component (appropriately described as a 'homemaker centre') would attract shoppers from a wider, regional trade area (depending on the profile and trading strength of the major tenants in furniture, electrical goods, furnishings, etc).

These aspects are described below in reaching a conclusion regarding the potential for retail floorspace provision at Casey Central by 2030.

### 3.4 Supportable Retail Floorspace at Casey Central, 2030

In 2021, Casey Central Town Centre can expect to support an estimated total of 51,000 m<sup>2</sup> of retail floorspace to meet the centre's role as a sub-regional shopping centre and as a homemaker centre. By 2030, this level of supportable retail floorspace in Casey Central can be expected to exceed 50,000 m<sup>2</sup> identified in the current planning policy in view of continuing growth in trade area population and in real spending per capita.

These estimates are based on assessment of the two distinct, but inter-related, roles of –

- a sub-regional centre serving the surrounding trade area, and
- a homemaker centre which builds on significant locational attributes and accessibility and serves a wider regional trade area in this eastern part of the City of Casey.

### *Sub-Regional Shopping Centre*

The Casey Central trade area population, with \$1,436 million in spending per annum, can support an estimated total of 246,000 m<sup>2</sup> of retail floorspace by 2021, as earlier shown in Table 6. Allowing for Casey Central to capture a share of approximately 10% of this retail market, plus allowance for 15% of sales to be captured from beyond the catchment (as noted with sub-regional and larger centres), the centre would be able to support 27,000 m<sup>2</sup> in retail floorspace. This is a typical size for a sub-regional shopping centre. These figures are shown in Table 7.

Table 7: Forecast Trading Patterns, Casey Central Sub-Regional Shopping Centre, 2021

Factor	Unit
Available retail spend of MTA residents	\$1,436 m
Estimated market share of Casey Central (2021)	10%
Estimated capture of residents' spend at Casey Central (equivalent to 85% of sales)	\$144 m
Estimated balance of 15% of sales at Casey Central from beyond the MTA	\$25 m
Estimated total sales at Casey Central	\$169 m
Estimated average sales per m <sup>2</sup>	\$5,840/m <sup>2</sup>
	28,940 m <sup>2</sup>
<b>Estimated Retail Floorspace Supportable at Casey Central</b>	<b>Say 29,000 m<sup>2</sup></b>

*Note: The 85% share of sales at the centre attributed to catchment residents is equivalent to 23,800 m<sup>2</sup> of retail floorspace, i.e. a total of 28,000 m<sup>2</sup> of retail floorspace at the centre x 85% = 23,800 m<sup>2</sup> attributable to the catchment residents*

As noted, residents in the Casey Central catchment are expected to support 246,000 m<sup>2</sup> in retail floorspace by 2021 (Table 6). As a total of 29,000 m<sup>2</sup> in retail floorspace at Casey Central in its sub-regional shopping role will be attributed to these catchment residents (Table 7), the balance in their supportable retail floorspace is approximately 217,000 m<sup>2</sup> (ie, 246,000 m<sup>2</sup> less 29,000 m<sup>2</sup>). This balance in supportable retail floorspace would be located in other shopping centres, some of which are located in the City of Casey (eg, Fountain Gate, Cranbourne), while other centres would be located further afield where spending is associated with work trips or visiting friends, etc.

In addition, some of the retail floorspace that is not allocated to conventional retail (and this "conventional retail" includes DDSs, supermarkets and small shops) would be allocated to homemaker retail (or restricted retail), and Casey Central would be well-placed to capture a share of this retail floorspace as well, as indicated below.

### *Homemaker Centre*

A homemaker centre typically serves a wide regional trade area, and in this context consideration is given to the existing and forecast City of Casey resident population, while noting that a share of trade will also be drawn from beyond the municipal boundaries.

In 2008, the City has a total estimated resident population of approximately 237,500 persons. By 2021, this population level is forecast to have reached an estimated 315,000 persons, reflecting a net increase of 77,500 persons (all figures rounded). These figures are taken from the City of Casey's Population Forecasting Review 2007, and are generally higher than forecasts provided in the DSE's *Victoria in Future 2004*. Note that the City of Casey is of the view that population forecasts prepared by DSE represent an under-statement of the actual situation and likely growth outcomes in regard to population numbers. This is a matter that has been the subject of detailed discussion between Council, (the then) DSE and Council's consultants in recent times. The City of Casey's population forecasts have been based on data from the Census 2006, which supported the Council's view that the DSE forecasts prepared in 2004 have underestimated the level of population growth in the municipality.

In forecasting homemaker retail demand, the net increase in population in the City of Casey is forecast to be approximately 77,500 persons between 2008 and 2021. Homemaker spending represented by Homemaker type retail expenditure (as derived from MarketInfo data) is applied to give an estimate of total homemaker spending by residents in the City of Casey. By applying the appropriate average sales figure, the resultant calculation shows that the additional population in the municipality would support approximately 158,000 m<sup>2</sup> of homemaker floorspace by 2021. On this basis, and noting that the existing resident population would support an estimated 100,100 m<sup>2</sup> of homemaker floorspace, population growth in the City of Casey by 2021 would support an estimated additional 57,000 m<sup>2</sup> (approximately) of homemaker floorspace.

These calculations are shown in Table 8.

Table 8: Supportable Homemaker Floorspace, City of Casey, 2021

	2008	2021	Growth 2006-2021
Estimated Population	237,500	315,000	+77,500
Per capita Homemaker type retail spending	\$1,485/capita	\$2,010/capita	+\$520/capita
Total Homemaker retail spending of City of Casey residents	\$353 m	\$633 m	+\$280 m
Average Homemaker turnover per square metre	\$3,500m <sup>2</sup>	\$4,000m <sup>2</sup>	+\$500m <sup>2</sup>
Supportable Homemaker Retail Floorspace (rounded)	100,900 m <sup>2</sup>	158,250	+57,350m <sup>2</sup>

Source: Essential Economics. Figure rounded.

In view of the location of the proposed Casey Central sub-regional centre in proximity to substantial residential development over the next couple of decades, it is reasonable to expect that Casey Central would account for a significant share of the potential new floorspace to be allocated to homemaker retailing. In this respect, over the period 2008 to 2021 the Casey Central trade area is forecast to accommodate an additional 51,390 residents (refer Table 1)

and this accounts for 66% of the municipality's net increase in population over that period of approximately 77,500 persons (refer Table 8). Allowing for a share of this spending growth to be directed to existing homemaker retailers, the Casey Central trade area would account for 66% of the possible 57,000 m<sup>2</sup> in additional homemaker retail floorspace, or a total of 37,000 m<sup>2</sup> (rounded). This additional homemaker floorspace supported by Casey Central trade area residents would be accommodated at Casey Central. Note that the physical ability of Casey Central to accommodate such an amount of homemaker floorspace (plus parking and landscaping, etc) has not been assessed in this update of floorspace and other data.

Allowing for homemaker retailers at Casey Central to attract (say) 20% of their sales from beyond the trade area (and this includes parts of the extended Urban Growth Boundary), then the total supportable level of homemaker floorspace at Casey Central in 2021 would be in the order of 46,000 m<sup>2</sup> (ie, 37,000 m<sup>2</sup> / 80%). In this regard, note that the homemaker trade area would be of 'regional' magnitude, compared with the smaller 'sub-regional' trade area that the conventional retail components at Casey Central would serve.

The balance in homemaker retailing of 20,000 m<sup>2</sup> supportable by the municipal population (57,000 m<sup>2</sup> less 37,000 m<sup>2</sup>) would be allocated to other major homemaker centres in Casey, including Fountain Gate / Narre Warren, Great Southern Homemaker Centre, Cranbourne Town Centre and Lyndhurst. In addition, allowance would also have to be made for the additional homemaker floorspace that these other centres would support where they serve shoppers from beyond the municipal boundaries (and especially from the east where further residential growth is occurring).

Note that a previous study of homemaker floorspace in the City of Casey identified an existing provision of some 165,000 m<sup>2</sup> in such floorspace. Note that this homemaker floorspace also serves shoppers coming from beyond the municipality, and therefore the figure is not comparable to that shown in Table 8 for homemaker floorspace 'supportable' by Casey residents.

Table 9: Estimate of Bulky Goods Floorspace in City of Casey

Location	Floorspace (m2)
Fountain Gate - Narre Warren CBD	58,250
Great Southern Home Centre – Cranbourne	46,000
Princes Highway, Doveton/Eumemmerring	22,400
Casey Lifestyle Centre	18,100
Lyndhurst	<u>20,000</u>
<b>Total</b>	<b>164,750</b>

Source: Charter Keck Cramer (July 2004), *Economic Assessment-Proposed Restricted Retail Development (Victor Crescent & Verdun Drive, Narre Warren)*. Updated 2008

On a per capita basis for the City of Casey, these facilities provide some 0.7 m<sup>2</sup> of homemaker floorspace per capita, but this floorspace also serves shoppers who come from beyond the municipality.

### *Total Retail Floorspace Supportable at Casey Central*

In total, Casey Central would be able to support a total of some 75,000 m<sup>2</sup> of retail floorspace by 2021, and this would comprise –

- 29,000 m<sup>2</sup> in the sub-regional shopping centre role, and
- 46,000 m<sup>2</sup> in the homemaker centre (regional) role.

Thus, in light of the updated information to 2008 (and with higher forecasts than previously adopted) showing the accelerated population and spending growth in the Casey Central main trade area, the Casey Central Town Centre would readily support at least its earlier-nominated 50,000 m<sup>2</sup> of retail floorspace by 2021, and very likely a significantly higher level of retail floorspace (and possibly approaching 75,000 m<sup>2</sup>).

However, an alternative consideration may be that the activity centre hierarchy in this part of the municipality should be reviewed in order to assess if there are opportunities for existing, new or planned centres to have larger provisions of retail floorspace than earlier planned.

In any event, it is most likely that by 2030 the Casey Central Town Centre would be able to support a figure significantly exceeding the 50,000 m<sup>2</sup> figure identified in current planning documents.

It is important to note in this exercise that the homemaker centre at Casey Central would be performing a regional retailing role, and this is in contrast to the centre's planned sub-regional role in terms of its provision of conventional retailing (ie, supermarkets, DDS, shops). The regional role in homemaker retailing reflects the centre's excellent accessibility by main roads and the centre's significant location from which it can serve the expanding residential areas in the eastern part of the municipality.

### 3.5 Summary

Combining the potential retail floorspace for the sub-regional shopping role (27,000 m<sup>2</sup>) and for the (regional) homemaker centre role (46,000 m<sup>2</sup>), Casey Central would accommodate a total of 75,000 m<sup>2</sup> in retail floorspace by 2021. However, having regard for the accelerated growth in trade area population and in available retail spending identified in this update report, it may be prudent to review the existing and planned hierarchy of centres in order to assess requirements for new and expanded retail provision in activity centres.

These estimates are based on consideration of the centre's sub-regional and regional catchments, the likely number of people living in these catchments by 2021, and their spending patterns.

By 2030, it would be expected that Casey Central would be in the position to support a total level of retail floorspace that significantly exceeds the levels shown above for 2021. In summary, it is expected that by 2030 the Casey Central Town Centre could certainly support total retail floorspace exceeding the 50,000 m<sup>2</sup> contained in the centre's Structure Plan (2006, p25).

## 4 CONCLUSIONS

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- 1 By 2021, Casey Central would be well-placed to support a total of 75,000 m<sup>2</sup> of retail floorspace, and this would comprise –
  - 29,000 m<sup>2</sup> in the sub-regional shopping centre role, and
  - 46,000 m<sup>2</sup> in the homemaker centre (regional) role.
- 2 By 2030, it is expected that the Casey Central Town Centre would certainly be able to support a total retail floorspace level significantly in excess of the 50,000 m<sup>2</sup> figure identified in current planning documents.
- 3 It is necessary to have regard for the fact that it is very difficult, if not impossible, to forecast retail growth some 25 years hence, especially in view of the very dynamic nature of the retail sector. In this regard, it is significant to note that many of the retail formats that are so prominent in 2008 (such as homemaker centres, factory outlets and larger format specialty shops) were simply not in existence in the Australian retailing context some 10 or 15 years ago.
- 4 The forecasts of significant potential levels of retail floorspace supportable in the City of Casey and, more particularly, in the Casey Central trade area, may give reason for a review of the existing and planned hierarchy of activity centres serving the municipality.