

Tim Nott

economic analysis + strategy

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▶ **David Portelli**

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Dear David

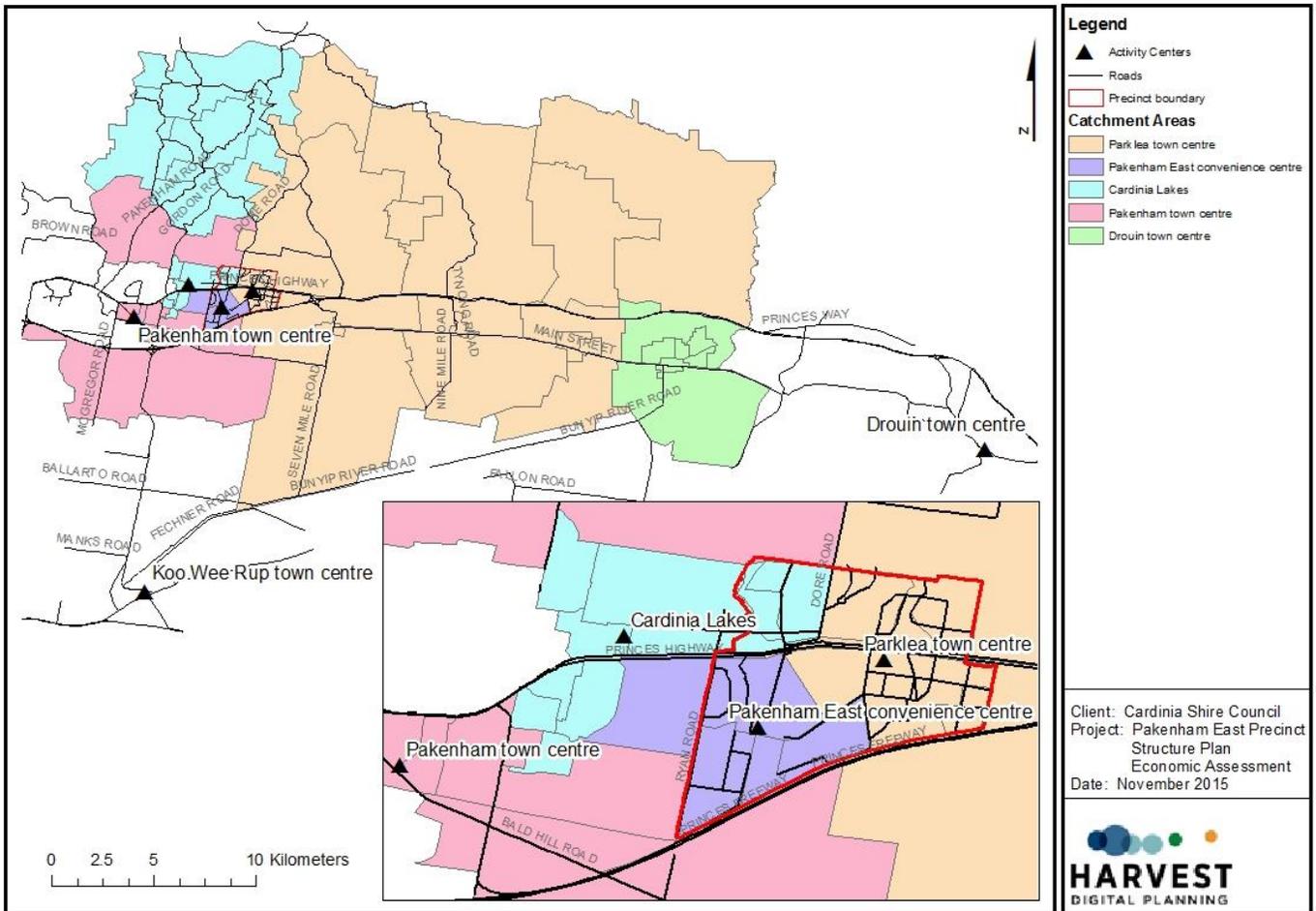
Pakenham East Activity Centres – Further Advice

Following your request, I have reviewed the several new population scenarios for the Pakenham East PSP and their impacts on the size of the proposed activity centres in the area. You have provided the following additional scenarios for the total population of the PSP:

- 20,014 people (based on 2.8 persons per dwelling)
- 22,158 people (based on 3.1 persons per dwelling)
- 24,500 people (based on the impact of a possible increase in dwelling densities in the walkable catchment of the activity centres)

I have assumed that the additional population will be distributed to the various cells in the PSP area in the same proportions as in my former report. You will recall that the trade area for each of the proposed centres in Pakenham East is made of residents within the PSP and some residents in nearby areas for whom the respective centres will provide the closest comprehensive grocery service. The extent of the trade areas is shown in the following map from my original report.

Figure 1: Trade areas of activity centres in the Pakenham East PSP



Source: Tim Nott, 2015, *Pakenham East PSP – Economic Assessment*, for Cardinia Shire Council

The following tables identify the total population of the trade area at full development for each centre and provide an estimate of the retail and commercial floorspace that will be supported under each scenario.

Table 1: Population and floorspace scenarios for Parklea Local Town Centre

Scenarios	Parklea LTC trade area population			Retail floorspace per person	Retail floorspace	Non-Retail floorspace	Total floorspace
	Within PSP	Outside PSP	Total	sqm	sqm	30% of total	sqm
Former trade area estimate	8,174	6,473	14,647	0.62	9,100	3,900	13,000
Population @2.8 dwellings/hectare	10,168	6,473	16,642	0.62	10,300	4,400	14,700
Population @3.1 dwellings/hectare	11,258	6,473	17,731	0.62	11,000	4,700	15,700
Higher density walkable catchment	12,448	6,473	18,921	0.62	11,700	5,000	16,700

Source: Tim Nott

Notes: The retail floorspace per person is that which is assumed to be required at the neighbourhood centre level at full development. The figure has been taken from my original report.

Non-retail space is likely to accommodate some activities that could locate in shop-fronts such as banks, real estate agents, travel agents etc as well as office tenants (medical suites etc) and purpose built facilities such as gyms, child-care, maternal and child health facilities, libraries and so on.

The new population scenarios result in total floorspace for the Parklea Local Town Centre (LTC) of between 14,700 sqm to 16,700 sqm. These figures provide for a large neighbourhood centre with two supermarkets at full development as well as a wide range of specialty stores and significant non-retail elements. I note in your latest email to me (22 August 2018) you have identified that the core and specialty retail floorspace in the plans for the LTC is 11,950 sqm. This could be supportable under any scenario as long as it is clear that some of that floorspace will be taken up by non-retail activities such as banks, real estate agents, travel agents and so on.

Table 2: Population and floorspace scenarios for Pakenham East Local Convenience Centre

Scenarios	Pakenham East LCC trade area population			Retail floorspace per person	Retail floorspace	Non-Retail floorspace	Total floorspace
	Within PSP	Outside PSP	Total	sqm	sqm	20%-30% of total	sqm
Original trade area estimate	6,102	470	6,572	0.62	4,100	1,000	5,100
Population @2.8 dwellings/hectare	7,591	470	8,062	0.41	3,300	800	4,100
Population @3.1 dwellings/hectare	8,404	470	8,875	0.41	3,600	900	4,500
Higher density walkable catchment	9,293	470	9,763	0.62	6,100	2,600	8,700

Source: Tim Nott

Note: The estimate in my original report anticipated that the LCC would attract 0.62 sqm per person in its trade area – the same as the LTC. However, it is more likely that the restricted services at such a centre would attract a lower share of resident spending. Accordingly, a figure of 0.41 sqm per person has been assumed for the other LCC scenarios (although see below).

My original report made no distinction between the retail floorspace per person likely to be required at the LTC and the LCC. In reality, though, the smaller grocery and other retail service at the LCC is likely to attract a smaller share of resident spending. Accordingly, in Table 2, I have anticipated that the LCC will attract a smaller retail floorspace per person under most scenarios (0.41 sqm per person compared with 0.62 sqm in my original report). However, once the trade area population gets beyond about 9,000, as it does in the highest population scenario, a

full-line supermarket should become viable. This is the trigger for a higher share of resident spending being attracted to the centre and a higher level of floorspace per person. I have also assumed that this type of centre would be able to attract a higher share of non-retail floorspace (30% of the total compared with 20% under the other scenarios).

To be clear then, the Pakenham East LCC would be able to support a mid-sized supermarket, some specialty shops and non-retail activities under most population scenarios; however, the highest population scenario would generate sufficient demand to warrant a full-line supermarket at full development, and probably a shift in status to a Local Town Centre, with higher levels of non-retail activity.

I trust this is sufficient for your present purposes. Please give me a call if you would like further information or if I can be of further assistance.

Best regards



Tim Nott

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23 August 2018