

KU-RING-GAI RETAIL CENTRES STUDY

Prepared for
Ku-ring-gai Council

July 2005

SYDNEY CANBERRA

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1. EXECUTIVE SUMMARY

Purpose of this Study

Ku-ring-gai council is under a direction from the Minister for Infrastructure and Planning to provide additional multi unit housing in and around its commercial areas and to provide for the retail and commercial needs of the local community. This additional housing is stage 2 of Council's residential development strategy.

Stage 1 saw the gazettal of LEP 194 and LEP 200 in 2004 which rezoned land for medium density housing along the Railway/Pacific highway corridor and around St Ives centre.

The purpose of this study is to enhance understanding of the retail and commercial sectors within Ku-Ring-Gai. It includes an analysis and forecast of demand for retail space and commercial services resulting from the implementation of the urban consolidation policies in Ku-ring-gai and will inform planning for retail and commercial activities in Ku-ring-gai's town centres.

Objectives of the Retail Strategy

In order to develop and evaluate a range of options for the planning and management of retailing in Ku-ring-gai LGA it is necessary to have a clear set of objectives. At the commencement of the study key objectives were established. These are listed below

- Ensure residents have the widest possible range of shopping opportunities and commercial services;
- Provide quantity, quality and convenience for consumers;
- Provide for further growth in retail space to meet growth in demand generated by population growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a useful community function;
- Protect current local employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Provide opportunities for local employment and start-up businesses for local residents; and
- Balance social, economic and environmental considerations and focus on local ESD principles including reduction in transport demand.

The Retail Centres in Ku-ring-gai

Sydney is served by an extensive network of between 600 and 700 shopping centres of varying sizes. Ku-ring-gai LGA has 23 retail centres comprising 835 shop front premises of which 637 of them are used for the retail of goods, 177 are used for commercial services (eg banks and real estate agents) and 21 are vacant. Total area of shop front retail floor space is 110,000sqm of

which around 90,000sqm is used for retailing, 11,000sqm is used for commercial services and 1,200sqm is vacant.

The current retail hierarchy is as follows:

Table 1 - Existing Retail Hierarchy

Hierarchy	General Size (sqm)*	Majors	No.	Names of Centres
Regional	More than 80,000	Myer and/or David Jones and at least one DDS**	Nil	
Sub-regional	40,000 – 80,000	Usually one or more DDS* and two supermarkets	Nil	
District	20,000 – 40,000	Usually two supermarkets and possible DDS	2	Gordon*** and St Ives
Large Neighbourhood	10,000 – 20,000	One or two supermarkets	2	Turramurra and Lindfield
Small Neighbourhood	2,500 – 10,000	Usually one supermarket****	3	Wahroonga, Pymble and Roseville
Local	Less than 2,500	Mini-supermarket or no anchor tenant	16	South Turramurra, North Turramurra, St Ives Chase, East Lindfield, etc
Peripheral	Any size	Bulky goods retailers	Nil	

* Shop front space including non-retail commercial services such as banks and real estate agents

** DDS means discount department store – usually Big W, Target or Kmart

*** Note that Gordon is just short of 20,000sqm of space and has only one supermarket. It does however have a Harvey Norman store (usually found in a regional or sub-regional centre or peripheral cluster), Bunnings and Re-travision stores giving it a higher profile than a neighbourhood centre.

**** Note that not all neighbourhood centres have supermarkets including Pymble and Roseville

Ku-ring-gai has no regional or sub-regional centres, no department stores or discount department stores and no large peripheral or bulky goods clusters. As such 43% of household expenditure generated in the LGA escapes to the regional centres of Hornsby, Macquarie, Chatswood and Sydney CBD and also to bulky goods clusters of Moore Park, Crows Nest and others. Some of that escape expenditure is even regular food and grocery shopping being captured by centres such as Hornsby, Macquarie, Chatswood, Frenchs Forest and Forestville.

There is also a current undersupply of retail space in some of the centres. St Ives in particular is trading at almost \$10,000/sqm – almost twice the national average. Gordon and Lindfield are also trading strongly at around 30% or more above the national average. With two national supermarkets Turramurra is also trading well – around 10% or more above national average.

As neighbourhood centres Roseville and Pymble are believed to be trading below average. This is partly attributable to their locations being in close proximity to higher order retail centres with greater retail offer. But largely it is due to not having a medium size supermarket as an anchor tenant.

Demand for Retail Space

There are currently around 34,000 households in Ku-ring-gai. LEP 194, LEP 200 and the Minister's targeted sites under SEPP 53 will add a further 10,000 households in locations around the existing railway stations and St Ives shopping centre. Without altering the retail hierarchy

(and without adjusting the proportion of expenditure that escapes the LGA) growth in household expenditure will demand a further 50,000sqm of shop front floor space in the LGA. Even more floor space could be accommodated to capture some escape expenditure – particularly in department store, clothing and bulky goods expenditure.

Options for Expansion

Three options for expansion of shop front space are presented below.

- Option 1 – minimal expansion with no alteration to the retail hierarchy;
- Option 2 – Expand St Ives to the principal centre of 50,000 – 60,000sqm;
- Option 3 – Expand Gordon to the principal centre of 50,000 – 60,000sqm;

There are further sub-options being:

- a bulky goods cluster (around 20,000 to 30,000sqm – the most appropriate location being between on the Pacific Highway between Gordon retail centre and Mona Vale Road); and
- a factory outlet centre (around 10,000 to 15,000sqm – the most appropriate location being in the principal centre)

Target floor space increases are as follows:

Table 2 - Target floor space increase (sqm)*

	Option1 Minimal Expansion	Option 2 St Ives as the principal Centre	Option 3 Gordon as the principal Centre	Option 3 & 3a With Bulky Goods	Maximum Expansion**
Gordon	15,000	10,000	35,000	35,000	45,000
St Ives	15,000	35,000	12,000	12,000	12,000
Turrumurra	4,000	4,000	4,000	4,000	4,000
Lindfield***	6,000	6,000	6,000	6,000	6,000
Others	5,000	5,000	5,000	5,000	5,000
Peripheral				25,000	25,000
APPROX. TOTAL	45,000	60,000	60,000	85,000	95,000

* Shop front space including commercial services such as banks and real estate agents but excluding entertainment space such as cinemas

** Allowing for 10,000sqm factory outlet in Gordon centre (first preference). Alternative locations (but less preferable) include St Ives or the peripheral area.

*** Alternatively Lindfield could have minor or no expansion if Roseville (and to a lesser extent Pymble) were to have more significant expansion with a medium to large supermarket.

Option 1 satisfies growth in demand to some extent, but it does not fulfil the objectives of the study – namely to ensure that residents have the widest possible range of shopping opportunities and commercial services and to provide quantity, quality and convenience. It recognises that expenditure will continue to escape Ku-ring-gai to the other LGAs and the associated costs of additional travel and car dependency.

Option 2 would enable considerable capture of escape expenditure, particularly in department store merchandise. However the greatest impediment to such a major expansion of St Ives into the principal centre is availability of land supply, traffic congestion and parking constraints. To

some extent the option becomes self-defeating as increased congestion and parking problems results in a loss of trade as shoppers seek convenience.

Option 3 – expanding Gordon to the principal centre – is constrained by multiple land holdings. Despite this it is a better option than Option 2 in terms of meeting the principles of Draft SEPP 66, State Government centres policies and land use / transport policies. Gordon is on the railway line and central in the LGA.

Principles under Option 3 include the following:

- Discount department stores, factory outlets and other large majors normally found in regional and sub-regional centres should be encouraged in Gordon and prevented in the other centres until Gordon has established itself as the major centre in the LGA;
- Entertainment uses such as cinemas should be encouraged in Gordon and prevented in other centres;
- Peripheral retailing needs to be controlled by type and possibly size to ensure that it does not attract retailers that otherwise should be in the retail centres;
- If a factory outlet were to locate in Ku-ring-gai, as first priority it should be located in Gordon;
- St Ives should be allowed to have some expansion around 8,000sqm to 13,000sqm to meet demand and provide an incentive to address some of its current problems with redevelopment;
- Part of the additional space in St Ives could be accommodated with an additional supermarket based centre (around 5,000sqm) somewhere in the St Ives trade area and preferably on the east side of Mona Vale Road;
- Some minor expansion in Turramurra should be allowed – particularly with the two existing supermarkets which are currently under sized;
- Some expansion of Pymble and Roseville should be allowed to each accommodate a medium to large supermarket (1,500 to 3,000sqm);
- Lindfield could be expanded. Alternatively if Roseville were to be expanded with a supermarket and associated specialty retail then only minor expansion in Lindfield should occur.

2. INTRODUCTION

2.1 Background

Stage 1 of Ku-Ring-Gai Council's Residential strategy culminated with the Gazettal of Ku-Ring-Gai Local Environmental Plan (LEP) 194 on the 28th May 2004, which rezoned land for medium density housing along the Railway/Pacific highway corridor and around St Ives centre. This was supplemented by further rezoning for medium density under LEP 200.

The Minister for Infrastructure and Planning gave direction to Council to prepare an LEP in relation to areas in and around existing retail and commercial centres along the railway/Pacific Highway corridor and St Ives Centre as stage 2 of its residential strategy. The direction required Council to consider retail and commercial needs of the local community as well as planning for new opportunities for further medium density residential development.

Council commissioned the professional services of Hill PDA to undertake a study to enhance understanding of the retail and commercial sectors within Ku-Ring-Gai. Included in the analysis is a forecast of demand for retail space and commercial services resulting from the implementation of the urban consolidation policies.

In any study of retailing activity, it is of fundamental importance to recognise its dynamic nature. It is an industry that has and will continue to undergo significant change in both form and function. It is an industry that plays a core role in the character and vitality of not just the economy but also the physical manifestations of urban systems.

The impacts of demographic change on retail demand, coupled with significant advances in retailing technology (such as the internet), product designs and technologies, and social and lifestyle dynamics that give rise to new retail concepts, strategies, formats and experiences.

Retail and commercial development in the Sydney region has and continues to be managed through a plethora of State and local government policies and strategies. At a regional level, a range of strategies have been pursued over several decades. Essentially these have included "The Sydney Region Outline Plan" (1968), "Sydney into its Third Century" (1988), "Cities for the 21st Century" (1995) and "Shaping our Cities" (1998). A new metropolitan strategy is expected soon.

2.2 Why have a Retail Centres Study?

Having a Retail Centres Study reflects an understanding of the investment by the community in the planning of our commercial centres and in suitably guiding other aspects of development.

The reasons for having a Retail Study are as follows:

- ***Retailing is a major sector in the economy:*** In 2001 the retail sector provided employment for an estimated 5,400 persons living in the Ku-ring-gai LGA. This accounted for around 11.5% of all employment. A further 1,700 persons (3.6% of total employed persons) were employed in the hospitality industry including restaurants.

Retail turnover generated in the LGA amounts to almost one billion dollars each year. And the sector provides an extensive range of goods and services for the region's residents and visitors.

- ***A Study provides the background material for guidance in retail planning and development:*** Given the economic significance of the retail sector and its role in providing goods and services to the community, it is very important to ensure that appropriate planning is undertaken so that retail facilities are provided in a sensible way, having regard for supply and demand issues, locational trends and preferences, and other relevant factors.
- ***Population growth generates retail growth:*** Ku-ring-gai LGA will experience growth due to urban consolidation initiatives over the next decade or two. The implications of this growth on the locational and functional characteristics of retailing activity have and will continue to be significant. It is important to take into account the location of new population growth in the region so that retail demand in these new and expanding areas can be met in an effective way through appropriate increase in retail supply. Similarly, it is important to note those areas where population levels are stable or even in decline, as this, too, will have an effect on retail demand levels.
- ***The retail sector is dynamic, with significant on-going changes that need to be taken into account:*** The pace and dimensions of change in retailing over the past three decades have been dramatic. Fuelled by significant advances in technology, and changes in consumer needs and behaviour, the retail industry has had to innovate and adopt new concepts, strategies and formats. It is evolving into a global high tech business. Entertaining and educational experiences are being integrated. It is generating the emergence of new and increasingly diverse focuses of activity. New forms are being developed - designer warehouses, bulky goods outlets, category specialists, home improvement or "power" centres. The implications for planning and property are becoming increasingly complex. A retail study assists in understanding these dynamics and driving forces.
- ***The hierarchy of retail centres is important in helping to identify where particular types of new or expanded retail should locate:*** The Retail Study needs to have regard for the hierarchy, which is a useful planning tool as each level in the hierarchy relates to centres with different roles and functions from other levels in the hierarchy.
- ***Development proposals affect the economic and social vitality of retail centres:*** A retail study sets the framework for understanding the economic and social impacts that specific proposals may have in the locality – particularly on established and proposed retail centres.
- ***Influence of Retailing outside the LGA affects investment decisions:*** The study needs to have regard for the existing and planned role and location of retail centres and recognition of expenditure that escapes the LGA (as well as potential capture of expenditure from outside). It also needs to recognise potential threats of proposed centres outside the LGA.

- **Commercial offices in town (city) centres are economic multipliers:** Commercial uses in Gordon CBD and other centres creates tax revenues and develop a critical mass of potential users for spending in restaurants, shopping and entertainment. In other words they provide employment which then supports the retail industry through secondary spending.
- **City Centres attract creative and entertainment industries:** In Australia the creative industries contribute \$11 billion or 2% of GDP. Furthermore such cultural activities not only generate employment but provide for a sense a place, a catalyst for urban renewal and incubators for new growth business. Though small in context of floor space occupied they are significant in defining the quality of space and public recognition. Research suggests there is strong correlation between economic competitiveness and the diversity of land uses for cultural activities.
- **Residential Living in Town Centres is recognised as important element of fostering the living city concept.** In Ku-ring-gai to date there has been little residential development in the retail centres. A town centre study needs to identify how best to foster this trend and how to eliminate some other negative impacts such as disruption to retail frontages with car access and the “crowding out” of lower order retail and commercial uses.

2.3 Objectives of the Retail Centres Strategy

In order to develop and evaluate a range of options for the planning and management of retailing in Ku-ring-gai LGA it is necessary to have a clear set of objectives. At the commencement of the study key objectives were established. These are listed below

- Ensure residents have the widest possible range of shopping opportunities and commercial services;
- Provide quantity, quality and convenience for consumers;
- Provide for further growth in retail space to meet growth in demand generated by population growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a useful community function;
- Protect current employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Provide opportunities for local employment and start-up businesses for local residents; and
- Balance social, economic and environmental considerations and focus on local ecological sustainable development (ESD) principles including reduction in transport demand

2.4 Under or Oversupply of Retail and Commercial Floor Space

An important objective of any retail strategy is to achieve the right level of shop front retail and commercial floor space. An undersupply of floor space creates the following problems:

- It undermines the objective of residents having the widest possible range of shopping opportunities and commercial services;
- It undermines the objective of providing quantity, quality and convenience for consumers;
- It results in considerable expenditure escaping the LGA to other areas;
- It results in longer travel times for shopping and increased car use;
- It results in increased congestion, parking difficulties and loss of convenience.

An oversupply of shop front retail and commercial floor space results in:

- High vacancies, low rents and neglect of retail centres;
- Inefficient use of land and other resources;
- An uninviting appearance and ambience with lack of users;

In many cases an oversupply of shop front space occurs as a result of intense competition in the retail industry with competitors trying to be first. In high growth areas (for example Narellan) oversupply is only a short term problem. However in areas of stagnant population growth, oversupply is an issue that is more difficult to address.

3. RETAIL TRENDS

In the 1980s, Australian retail floor space totalled approximately 1.8 square metres per person (excluding commercial space and automotive retailing), which was roughly divided equally amongst regional, district and neighbourhood/local centres. The dynamic nature of the retail industry is driven largely by the need to anticipate and effectively respond to consumer behaviour, needs and desires. Changing demographics and lifestyles demand that retailers and shopping centres constantly monitor the often subtle shifts and respond accordingly by repositioning their retail offer, presentation and mode of operation.

Some of the key drivers of change in the nature and form of retailing activity include:

- Population and household growth;
- Declining average household size;
- An aging population;
- Increasing part time employment;
- Longer working hours; and
- Increasing workforce participation rate.

The combined impacts of continued population growth and demographic change are now being reflected in a rapid increase in the quantum of retail floor space, and the introduction of new technologies, product designs and more creative retail concepts, strategies, formats and experiences.

The key trends and issues relevant to the present exercise are diverse and complex. Broadly they include a deregulation in the hours of shopping, the development of larger supermarkets and the emergence of smaller supermarket operators, the development of out of centre retailing complexes, and the development of discount department stores, a diversification in the retail experience, and the emergence of electronic shopping.

Deregulation of Shopping Hours

While most forms of retail activity now operate with extended hours, the most significant impact of deregulated shopping hours has been on the trading patterns of supermarkets. Late-night trading seven days a week and in some cases twenty four hour trading in supermarkets, has largely been a response to the growth in food expenditure captured by convenience stores operating on a twenty four hour basis (Seven Eleven etc). There has also been a blurring of the hierarchical distinction in function between centres, as supermarkets which trade with extended hours in district or neighbourhood centres compete more directly with more traditional local convenience stores.

The physical location of centres is therefore critical in ensuring that the higher order centres do not monopolise the market and a role is maintained for easily accessible small local centres or convenience stores. The broader spread of shopping hours also appears to be significantly flattening the peaks in trading patterns and may allow for some relaxation in car parking requirements at neighbourhood or convenience centres.

Supermarkets

Paralleling the deregulation of trading hours has been a trend towards the development of larger supermarkets. While in most cases the impacts can be seen in lower prices and increased product ranges, this trend has placed considerable pressure on the ability of smaller local centres to compete, with consequential impacts often being reflected in a decline in their long term sustainability. Planning policies therefore need to be framed to ensure that supermarkets remain competitive in neighbourhood centres as well as district centres to maintain an acceptable level of access for regular food shopping.

A spin-off of the trend towards larger main line supermarkets is an increase in the number of smaller supermarket operators. It is these supermarkets which form the core or anchor for modern neighbourhood centres, further reinforcing the need for planning policies to balance district and neighbourhood level food shopping.

This trend is now widely apparent in the northern suburbs. Westfields Hornsby has recently completed a range of additions and both Woolworths and Franklins in Macquarie were recently expanded significantly. These centres, which are generally the newer fully enclosed retail “model”, are all consolidating their already significant market presence; and generating significant pressure on smaller supermarkets located in the traditional street based centres to initiate plans to expand also in order to maintain market share.

Apart from large supermarkets there has been a recent trend with the introduction of discount supermarkets, such as ALDI and Bi-Lo. These supermarkets have largely been established for more price conscious rather than convenience conscious consumers. These supermarkets have established themselves in all levels of the hierarchy from regional to neighbourhood centres, and even outside town centres (usually on major roads to attract passing trade as well as local trade).

Out of Centre Retailing

A prominent trend to emerge over the past two decades has been the development of out of town centres. These are most often characterised by activities which have a primary orientation to bulky goods retailing, activities which require larger floor areas and lower rent structures than those found in traditional centres. Although furnishings, lighting and other home related merchandise have and continue to remain the primary focus of retailing, the range of activities has become more diversified.

Increasingly they are embracing several category specialists, or ‘category killers’, which provide an extensive range and depth of competitively priced merchandise within a single market segment (eg IKEA, Officeworks, Bunnings, Toys R Us, Babyco, etc). Also factory outlets and clearance centres, which integrate warehousing with retail space, are also recent occupants of space in these out of town centres. Increasingly they are becoming destination shopping venues, offering a substantial range of merchandise at more competitive prices than can be offered by traditional department, discount department and specialty stores, with resulting impacts on the overall sustainability of traditional centres.

More recently there has been other retail store types attracted to “out of centre” locations including discount variety stores such as The Warehouse Group, fast foods and convenience stores.

Out of centre retailing has and continues to have significant impacts on the structure and dynamics of urban systems. In particular, these are being felt by traditional nodes of retail activity, which are now experiencing a loss in trade. And the impacts are being seen the way in which transport infrastructure is used with out of town centres most often being removed from public transport infrastructure and dependent efficient car access.

Increased Diversification

Traditionally retailing has followed a hierarchy from regional through district to small neighbourhood centres. With the introduction of the discount department store in the mid 1960s, however a wave of new centre development and expansion was spawned. Since then, ever larger indoor shopping centres have and continue to be developed. Today, centres covering in excess of 70,000m² of floor space are commonplace.

Increasingly these newer centres are diversifying the retail experience with the incorporation of food courts, in-centre cinemas, family entertainment centres and larger supermarkets, department stores (David Jones, Myer), and other major tenants. Some are incorporating community facilities such as libraries, child care centres, “market squares” and community meeting rooms.

These centres are emerging as significant destinations for large populations of people. They are encroaching into the trade areas of smaller centres and in turn reducing their sustainability. On the Central Coast the most prominent example of this trend can be seen at Erina Fair, which has recently been expanded to accommodate a range of additional community facilities.

Convenience Shopping

A recently emerging trend in retailing has been the development of convenience shopping facilities. These are centred on the concept of quick, convenient shopping, meeting the needs of workers travelling home by car and consumers who prefer to spend less time shopping for food and grocery shopping and other weekly needs.

One dimension of this trend is a focus on a “convenience community centres”, which is usually dominated by a supermarket to meet daily and weekly shopping needs, and supported by a range of specialty shops such as butcher, fruit shop, liquor shop, take-away food, video rental and petrol station. These centres are distinguished by a dependence on commuters making their way home and hence located to enable convenient access and parking (eg Woolworths Marketplace¹).

Another dimension has been the emergence of ‘convenience service centres’, often centred on petrol stations adjacent to main highways. These offer a range of groceries and fast foods which

¹. Woolworths Marketplaces have developed in recent times. These are enclosed buildings anchored by a supermarket with around 5-10 specialty stores with at grade car parking in front of the building.

typically occupy a floor area of around 100-300m² and rather than being a primary destination for food and grocery shopping; they seek to meet the needs of ‘just-in-time’, impulse shoppers. Often they collocate with operators such as McDonalds Family Restaurant, Burger King, KFC, Quix, BP Shop, etc)

In some cases these outlets take the form of “front of centre/car park” including drive through retailing. The concept is for the car parking to have strong visual exposure to the main road enabling shoppers to clearly see available parking before entering.

Electronic Retailing

Electronic retailing (also called e-tailing and Internet retailing) is a retail format in which the retailer and customer communicate with each other through an interactive electronic network. Currently, electronic retailing represents less than 1% of retail sales in the US and even smaller percentage of retail sales in Europe and Asia. However the annual growth of US electronic retail sales is over 100%. If this growth continues, electronic retailing is expected to have a major impact on the retail industry, significantly decreasing retail sales in stores (N. Byrnes, “Retailing: Confronting the Challenges That Face Bricks and Mortar Stores”, Harvard Business Review, July 1999).

Electronic retailing is thus generally considered to have substantial growth potential. But this will be dependent on whether or not it can and is perceived to provide superior benefits over existing retail formats. The critical benefit that electronic retailers can offer is the opportunity for consumers to search across a broad range of alternatives, develop a smaller set of alternatives based on their needs, and get specific information about alternatives they want.

The type of merchandise sold by electronic retailers depends on delivery costs, the consumers need for immediacy; and the degree to which electronic retailers can provide purchase information that helps customers determine whether they will be satisfied with the purchase. It is in this respect that the influence of electronic retailing on the nature and form of retailing should be considered. Significantly it is giving rise to increased pressure on “bricks and mortar” retailing activity to seek and adopt new concepts, strategies, formats and experiences. It is also increasing pressure to develop new supply chain networks which enable rapid and efficient movement of goods. This is now evident in the development of large new warehouse distribution centres adjacent to major transport infrastructure.

The Implications

The trends described above are polarising the retail hierarchy. The larger regional centres are positioning themselves for a more dominant role in the provision of entertainment and customer services matched with increased retail floor space. For the northern suburbs, this is evident by the recent expansions of Hornsby, Chatswood and Macquarie.

The more successful smaller centres have moved towards a consolidation of their role as convenience centres with greater emphasis on food retailing, just-in-time shopping, fast foods, local services and petrol. In traditional town centres pressure is increasing, where opportunities permit,

for an expansion of supermarket floor space, in order that a more competitive range of goods can be offered.

There is also evidence of growing pressure to develop the concept of convenience with new retail formats. This can now be seen with the Woolworths Market Place concept, which is a new out of centre complex offering an extensive range and depth of competitively priced merchandise within a single market segment. These centres are almost entirely car based and rely on a high level of road access.

Significant shifts in trade have and continue to occur. In competing for consumer patronage, some centres are succeeding, and some are losing. Regional and super-regional centres are expanding and absorbing trade from district centres and even some neighbourhood centres. Convenience centres located adjacent to major roads are drawing trade from the traditional neighbourhood centres, centres that are often a focus for public transport.

Out of centre complexes centres are strengthening their presence – between 1991 and 1998 the proportion of turnover in department stores represented by bulky goods commodities fell from 40% to 25% by 1998². Also the emergence of internet shopping is generating a new form of retailing which has impacts on the industry.

2. ABS Retail Surveys 1991, 1999

4. ANALYSIS OF EXISTING CENTRES

Sydney is served by an extensive network of between 600 and 700 shopping centres of varying sizes.

Ku-ring-gai has 23 retail centres comprising 835 shop front premises of which 637 of them are used for the retail of goods, 177 are used for commercial services and 21 are vacant. Total area of shop front retail floor space is 110,000sqm of which around 90,000sqm is used for retailing, 11,000sqm is used for commercial purposes and 1,200sqm is vacant.

4.1 Retail Centres Hierarchy

There are several limitations with defining a retail hierarchy – most notably that retail centres can perform different roles. In some cases a retail centre can have more than one role and have different trade areas for each role or function. In other cases a retail centre may not have a clearly defined trade area.

Regional Centre

A regional centre has more than 80,000sqm of retail floor space serving a large trade area of more than 150,000 people. It comprises at least 250 stores including at least one national department store (Myer or David Jones), at least one discount department store and 2 or more full-line supermarkets.

A regional centre has an emphasis on providing higher-order comparison shopping (including clothing and household goods, etc), and has a high representation of national brands. Convenience shopping is more of a secondary role. A regional centre also has a high emphasis on entertainment and may include a cinema complex, ice rink, ten-pin bowling and/or other such uses.

There are no regional centres in the Ku-ring-gai LGA but there are regional centres in adjoining LGAs. These centres are Hornsby, Macquarie, Chatswood and Warringah Mall. It is important to realise that economies are not closed and that considerable expenditure escapes the LGA to these centres.

Sub-Regional Centre

A sub-regional centre has 40,000 to 80,000sqm of retail floor space and between 100 and 250 stores. It has at least one department store or one discount department store (Big W, Target or Kmart), and at least 2 supermarkets. These centres have a trade area of more than 60,000 people.

Sub-regional centres also have a range of specialty shops and non-retail services such as banks and community services. There is a strong emphasis on comparative shopping but there is also a strong emphasis on providing convenience shopping (for weekly food and groceries).

There are no sub-regional centres in Ku-ring-gai. Examples of sub-regional centres in Sydney include Ashfield, Mt Druitt, Roselands, Merrylands and Fairfield.

District Centre

A district centre has 20,000 to 40,000sqm of retail floor space and between 50 and 150 stores. Most district centres are anchored by a discount department store (Big W, Target or Kmart), and at least 2 supermarkets of which at least one is full-line supermarket. These centres have a trade area of more than 50,000 people.

District centres also have a range of specialty shops and non-retail services such as banks and community services. The emphasis on comparative shopping is less strong than it is in the regional and sub-regional centres.

There are two district centres in Ku-ring-gai – St Ives and Gordon – although interestingly neither has a discount department store. For that matter there are no discount department stores in the LGA.

Neighbourhood Centre

Neighbourhood centres have an emphasis on providing regular food and grocery shopping and services for the local area. These centres are generally anchored by one or more supermarkets. Neighbourhood centres could be further subdivided into large and small.

Large neighbourhood centres are around 10,000 to 20,000sqm. There are two such centres in Ku-ring-gai LGA – Lindfield and Turramurra. Both of these centres are anchored by two supermarkets each.

Small neighbourhood centres are less than 10,000sqm and are usually anchored by a supermarket of at least 800sqm in size. Included in this category is Wahroonga. Pymble and Roseville are also neighbourhood centres but do not have any anchor supermarket.

Local Centre

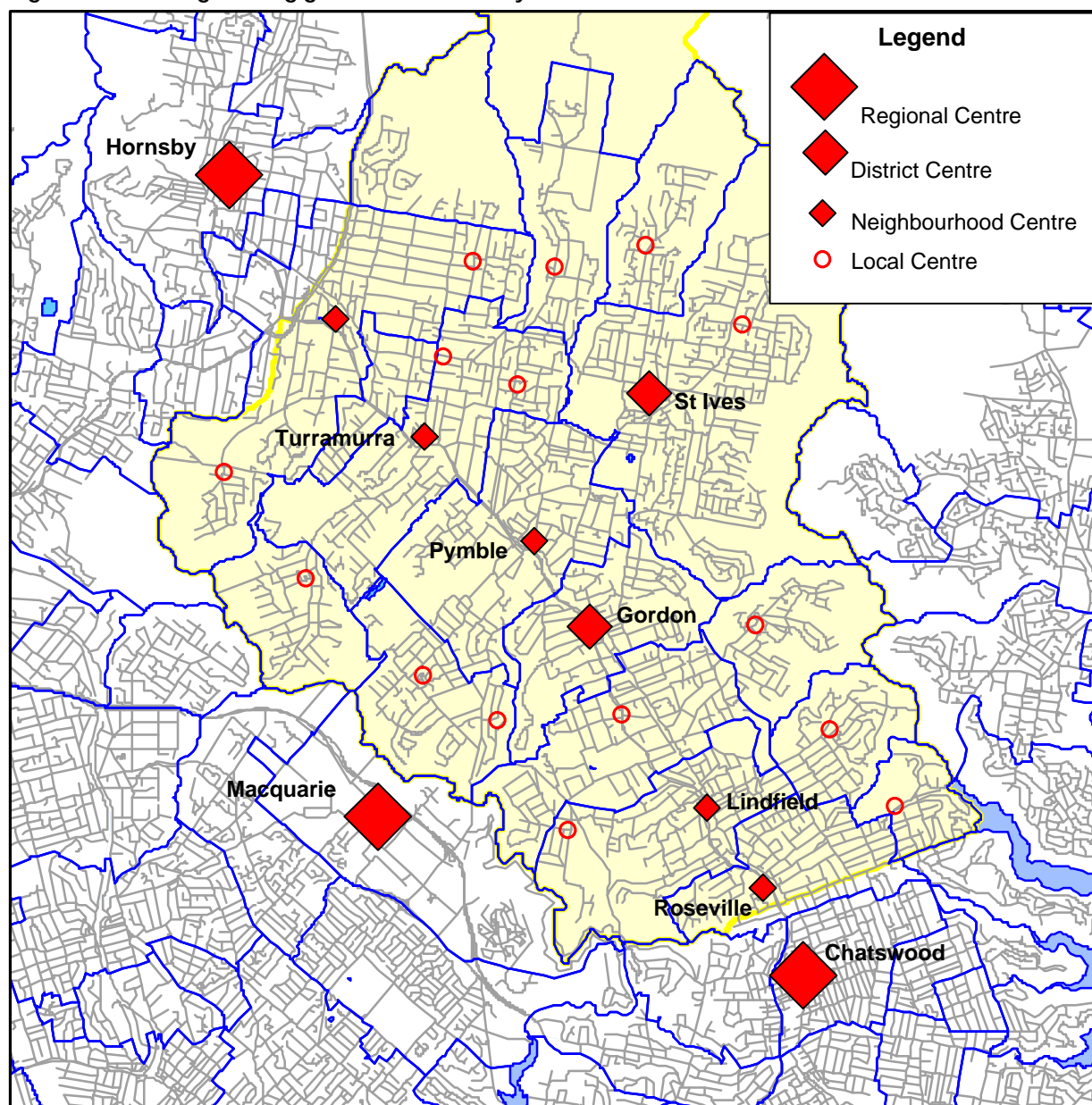
Local centres are small centres generally less than 2,000sqm with either a mini-supermarket / convenience store as an anchor tenant or no anchor tenant at all. These centres provide convenient “top-up” shopping (sometimes referred to as “mum-forgot” shop). There are 12 centres in this category including for example Hampden Avenue, Fox Valley, North Turramurra, St Ives Chase, East Killara, West Pymble and Roseville Chase.

Peripheral Retailing

Peripheral retailing refers to “out-of-centre” retailing which is usually “bulky goods” or “home-makers” in character. Whilst there are some bulky goods retailers in Ku-ring-gai there is no centre or concentration of such stores. As a result a considerable level of expenditure escapes to bulky goods locations such as Moore Park, Manly Vale and Crows Nest.

A diagram of the present retail hierarchy is provided below.

Figure 1 - Existing Ku-ring-gai Retail Hierarchy



4.2 Supply of Retail Floor Space

Supply of retail floor space is measured by a combination of the number of stores and floor space (square metres). Floor space is measured by lettable area (the area leased or potentially leased to a store operator and includes back of house storage and office) and excludes common areas, plant rooms and loading docks. In the case of indoor centres such as St Ives Village it includes the area leased to the shop owners but excludes common areas, car parking, toilets, plant rooms, fire egress, etc.

The number of businesses in the retail centres is provided in the table below.

Table 3 - Number of Establishments in Ku-ring-gai Retail Centres by Retail Store Type

Retail Centre	Super-markets	Specialty Food	Clothing	Bulky Goods	Other	Personal Services	Total Retail	Commercial	Vacant	TOTAL
Wahroonga	1	14	3	-	14	15	47	22	1	70
Hampden Ave Wahroonga	1	4	-	1	2	1	9	2	-	11
Fox Valley Store	1	1	-	-	-	-	2	1	-	3
Fox Valley	-	2	-	-	3	2	7	1	1	9
Turramurra	2	18	3	3	27	25	78	30	4	112
North Turramurra	-	7	-	1	3	7	18	5	1	24
Eastern Road Turramurra	1	4	-	-	1	1	7	1	-	8
Princes St Turramurra	1	3	-	-	3	1	8	2	-	10
South Turramurra	-	3	-	-	2	-	5	1	1	7
Pymble	-	7	-	1	14	10	32	22	4	58
West Pymble	1	7	-	-	6	5	19	4	-	23
West Gordon	-	1	-	-	1	2	4	2	-	6
St Ives	2	27	31	3	47	29	139	20	2	161
St Ives Chase	-	1	-	-	2	1	4	1	-	5
St Ives Plaza	-	3	-	-	2	3	8	2	-	10
Gordon	1	18	7	5	25	19	75	20	3	98
Killara	-	5	-	1	7	3	16	5	-	21
East Lindfield	1	3	-	1	1	-	6	1	-	7
Lindfield	2	19	8	1	13	18	61	32	-	93
West Lindfield	-	4	-	-	12	4	20	2	1	23
Roseville	-	11	4	4	15	13	47	12	2	61
East Killara	-	4	-	2	4	3	13	-	-	13
Roseville Chase	-	-	-	-	8	4	12	-	1	13
TOTAL	14	166	56	23	212	166	637	188	21	846

Notes:

Personal services includes restaurants, coffee lounges, hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals

Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates.

Sources: Australian Property Council Shopping Directory and Hill PDA Floor Space Surveys 2005

Total floor area is estimated as follows:

Table 4 - Total Floor Space by Retail Centre by Retail Store Type

Retail Centre	Super-markets	Specialty Food	Clothing	Bulky Goods	Other	Personal Services	Total Retail	Commercial	Vacant	TOTAL
Wahroonga	462	1,400	300	0	1,400	1,500	5,062	2,200	100	7,362
Hampden Ave Wahroonga	190	400	0	100	200	100	990	200	0	1,190
Fox Valley Store	90	50	0	0	0	0	140	130	0	270
Fox Valley	0	140	0	0	210	140	490	70	70	630
Turramurra	2,800	2,360	330	1,204	2,970	2,750	12,413	3,300	440	16,153
North Turramurra	0	743	0	100	300	700	1,843	500	100	2,443
Eastern Road Turramurra	295	440	0	0	110	110	955	110	0	1,065
Princes St Turramurra	242	210	0	0	330	110	892	220	0	1,112
South Turramurra	0	210	0	0	220	0	430	110	110	650
Pymble	0	700	0	100	1,400	1,000	3,200	2,200	400	5,800
West Pymble	219	630	0	0	540	450	1,839	360	0	2,199
West Gordon	0	120	0	0	100	300	520	200	0	720
St Ives	5,256	2,862	2,911	800	4,674	2,852	19,355	2,179	275	21,809
St Ives Chase	0	70	0	0	160	80	310	80	0	390
St Ives Plaza	0	544	0	0	160	240	944	160	0	1,104
Gordon	3,132	1,683	635	5,017	2,371	1,874	14,711	2,065	249	17,025
Killara	0	550	0	300	770	330	1,950	550	0	2,500
East Lindfield	300	220	0	80	80	0	680	100	0	780
Lindfield	4,750	2,090	880	110	1,430	1,980	11,240	3,520	0	14,760
West Lindfield	0	656	0	0	875	292	1,823	146	73	2,041
Roseville	0	1,210	440	1,580	1,650	1,430	6,310	1,320	220	7,850
East Killara	0	440	0	932	440	470	2,282	0	0	2,282
Roseville Chase	0	0	0	0	560	280	840	0	70	910
TOTAL	17,735	17,728	5,495	10,322	20,950	16,987	89,218	19,719	2,107	111,044

Notes:

Personal services includes restaurants, coffee lounges, hair and beauty salons, photo processing, dry cleaners, tailors, key cutters, opticians and video rentals

Commercial refers to shop front commercial users such as real estate agents and banks. It excludes stand alone commercial buildings and business estates.

Sources: Australian Property Council Shopping Directory and Hill PDA Floor Space Surveys 2005

4.3 Profile of Centres

Gordon

Gordon is defined as a district centre and is the second largest retail centre in Ku-ring-gai. Whilst its trade area is perhaps not as extensive as St Ives for regular shopping it does have a few large tenants with an extended trade area. These tenants are Harvey Norman, Bunnings and to a lesser extent Retravisson.

Gordon has around 100 individual shops of which 20 are being used for commercial services (banks, real estate agents, etc) and three are vacant. Total lettable floor area is around 17,000sqm, of which 14,700sqm is used for retail of goods. The centre is predominantly a strip retail centre on both sides of the Pacific Highway. There are two indoor centres either side of the Highway joined by a pedestrian overpass. The larger of the two – Gordon Centre on the south side of the Highway – comprises 21 shops occupying 8,566sqm of space and 3,000sqm of office space. Anchor tenants include a 3,547sqm Harvey Norman and a 3,132sqm Woolworths supermarket. The smaller centre – Gordon Village Arcade on the north side – has 26 specialties occupying 1,846sqm and no anchor tenant. Both centres have the same ownership and both are managed by Centro.



Pacific Highway with Gordon Centre on the right

There are around 50 shop front premises in the strip retail fronting the Highway of which 15 are used for commercial services. Anchor tenants include a Bunnings (former 1,000sqm BBC Hardware store) and a 250sqm Retravisson electricals store.

St Ives

With the exception of the local centres (less than 2,000sqm) St Ives is the only centre in Ku-ring-gai that was not established at a railway station. The centre is classified as a district centre with around 160 shops of which 20 are used for commercial services. Total shop front floor space is nearly 22,000sqm of which just under 20,000sqm is used for retail and the remainder for commercial services. There are only 3 vacant premises.

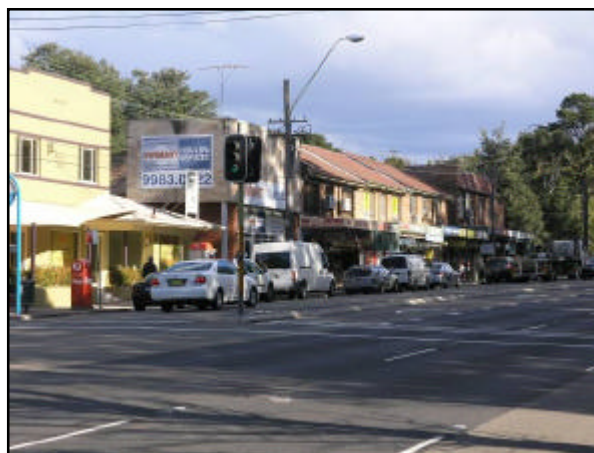
The majority of floor space is within the St Ives Village – an indoor centre of around 16,000sqm of lettable space. Anchor tenants



Inside St Ives Shopping Village

includes a 3,151sqm Woolworths supermarket and a 2,105sqm Franklins supermarket. It comprises a 111 specialty shops of which 17 are specialty foods, 29 are fashion and 13 are restaurants.

St Ives has around 5,000sqm of strip retail floor space on both sides of Mona Vale Road. The main tenants include Commonwealth Bank and a Mitre 10 hardware store, both on the St Ives Village side of the main road. The strip retail is fragmented with Mona Vale Road being a major severing barrier. On the east side the retail space is in two clusters – corner of Stanley Street and corner of Shinfield Avenue – the latter being quite isolated from the main activity.



Strip retail on the east side of Mona Vale Rd

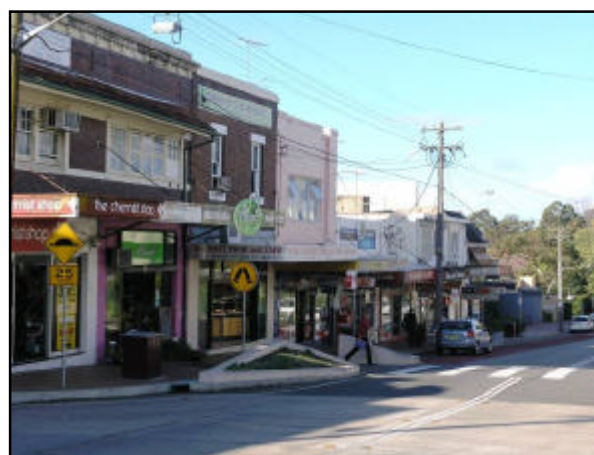
Turramurra

Turramurra is a large neighbourhood centre with around 112 shop front premises of which 30 are used for commercial services and 4 are vacant. Total shop front space is around 16,000sqm of which 12,400sqm is used for retail.

The centre is in three clusters – separated by the Pacific Highway and the railway. On the south side of the Highway is the only indoor centre being Turramurra Plaza. It has an anchor tenant – a 1,280sqm Franklins supermarket – and 14 specialty shops. West of the railway line on the north side of the highway is a number of strip retail shops. Behind these is a 1,500sqm Coles supermarket and a Freedom furniture and homeware shop. East of the railway line are specialty shops facing Rohini Street and the Highway.

Pymble

Pymble is a neighbourhood strip retail centre with shops fronting the Pacific Highway (mainly on the north side) and Grandview Street opposite the railway station. It has 58 shop front premises of which 22 (38%) are being used for commercial non-retail purposes and four are vacant. Total shop front space is 5,800sqm of which 3,200sqm is being used for retail.



Strip Shops on Grandview Street opposite the station

The high proportion of non-retail uses and vacancies is an indication of lower than average rents. The poor performance of the centre is partly a reflection of its lack of an anchor tenant such as a supermarket. Its also a reflection of its location between two larger retail centres (Gordon and Turramurra) that have a vastly superior retail offer.

Lindfield

Lindfield is a large neighbourhood centre of strip shops fronting both the Pacific Highway and Lindfield Avenue at the railway station. It has 91 shops of which 32 (35%) are being used for non-retail commercial services. There are no vacant shops. Total shop front floor area is 15,000sqm of which 11,200sqm is used for retail.



Shops along Lindfield Avenue in Lindfield



Shops along Pacific Highway in Lindfield

About half of the centre is on the east side of the railway. The anchor tenant is a 1,500sqm Franklins supermarket. The retail on the other side of the railway fronts the Highway and comprises a range of shop types. The anchor tenant on this side towards the northern end is a 3,300sqm Coles supermarket.

Roseville

Roseville is a neighbourhood strip retail centre with shops fronting the western side of the Pacific Highway and the eastern side of Hill Street opposite the railway station. It has 61 shop front premises of which 12 (20%) are being used for commercial non-retail purposes and two are vacant. Total shop front space is 7,800sqm of which 6,300sqm is retail.



The Roseville Theatre



Shops along Hill Street in Roseville

The Roseville Theatre is an attractor. The First Estate Food and Wine is a mini-major. Otherwise there are no anchor retailers and no medium or large supermarket. Roseville is position between two centres with vastly higher retail offers – Lindfield and Chatswood – which limits its potential considerably.

Wahroonga

Wahroonga is a small neighbourhood centre comprising 70 shop front premises and is anchored by an IGA Riteway supermarket. Wahroonga is outside the Stage 2 of the residential strategy and an integrated plan is not being prepared for this centre at this stage.

Local Centres

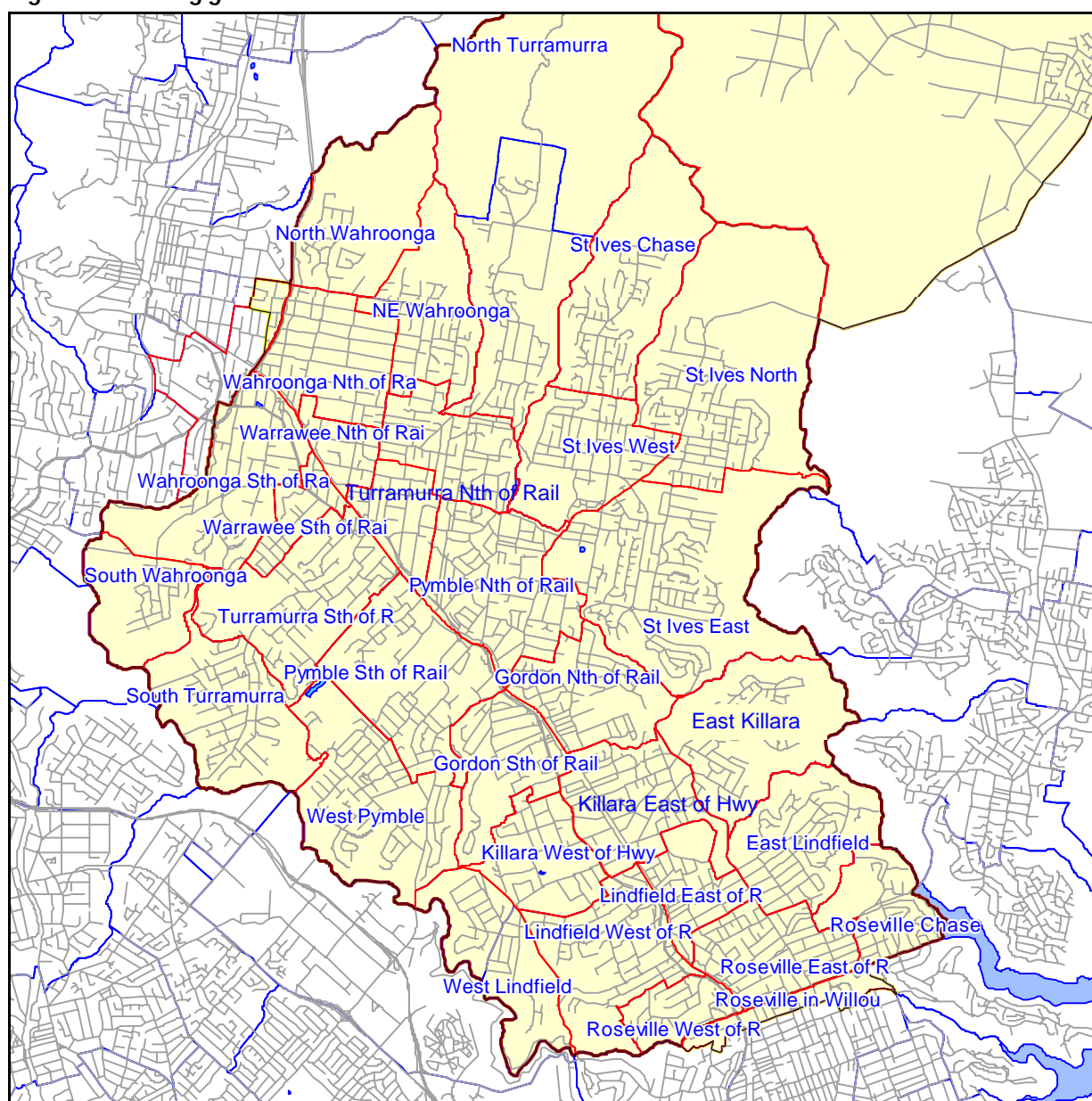
There are 17 local centres in Ku-ring-gai averaging only 1,600sqm in size. Together they make a considerable contribution to supply – around 25% of Ku-ring-gai's total shop front floor space. With the exception of Killara (which is several unrelated retailers with exposure to the Pacific Highway) all these centres front collector or local streets. Their primary role is to provide local convenience retail for the immediate residential area.

5. TRADE AREA ANALYSIS

A centre's trade area refers to a geographical area with a boundary whereby the majority of expenditure within that area is captured by the subject retail centre. Alternatively it refers to a major proportion of expenditure where trade areas overlap. There may be different trade areas for different types of retail stores or commodities.

To assist in defining trade areas we divided the LGA into 31 trade zones as depicted in the figure below.

Figure 2 - Ku-ring-gai LGA Trade Zones



Shopper Surveys

To assist in defining trade areas a series of surveys was undertaken by both Council and Hill PDA. Council had completed questionnaire surveys of residents in St Ives, Turramurra and Gordon/Killara postcode areas. Hill PDA completed 225 telephone survey of residents in the post code areas of Pymble, Lindfield and Roseville. The information was used to assist in defining the trade areas for food and grocery shopping, clothing and bulky goods, and to measure the performance of each of the shopping centres.

The telephone survey was carried out during the week commencing 6 June. The majority of phone calls were made during the times of 5.30pm to 8.30pm. A total of 225 completed responses were achieved. The sample from both surveys is provided below.

Suburb	No.	Survey by*
Turramurra Postcode	1,950	Council
Gordon/Killara Postcode	2,110	Council
St Ives Postcode	2,400	Council
Pymble north of railway	25	Hill PDA
Pymble south of railway	25	Hill PDA
West Pymble	25	Hill PDA
East Lindfield	25	Hill PDA
Lindfield east of railway	20	Hill PDA
Lindfield west of railway	20	Hill PDA
West Lindfield	25	Hill PDA
Roseville Chase	20	Hill PDA
Roseville	20	Hill PDA
Roseville West of Railway	20	Hill PDA
TOTAL	6,685	

* Council survey was questionnaire form
Hill PDA Survey was telephone interview

A limitation with the Council survey was that the results were recorded at a postcode level and could not be subdivided further into the trade zones. By applying gravity theory (ie shopper selection is based on the size of the retail offer and travel distance or time) we apportioned the results of the Council surveys between the trade zones. The results are summarised in the following sections.

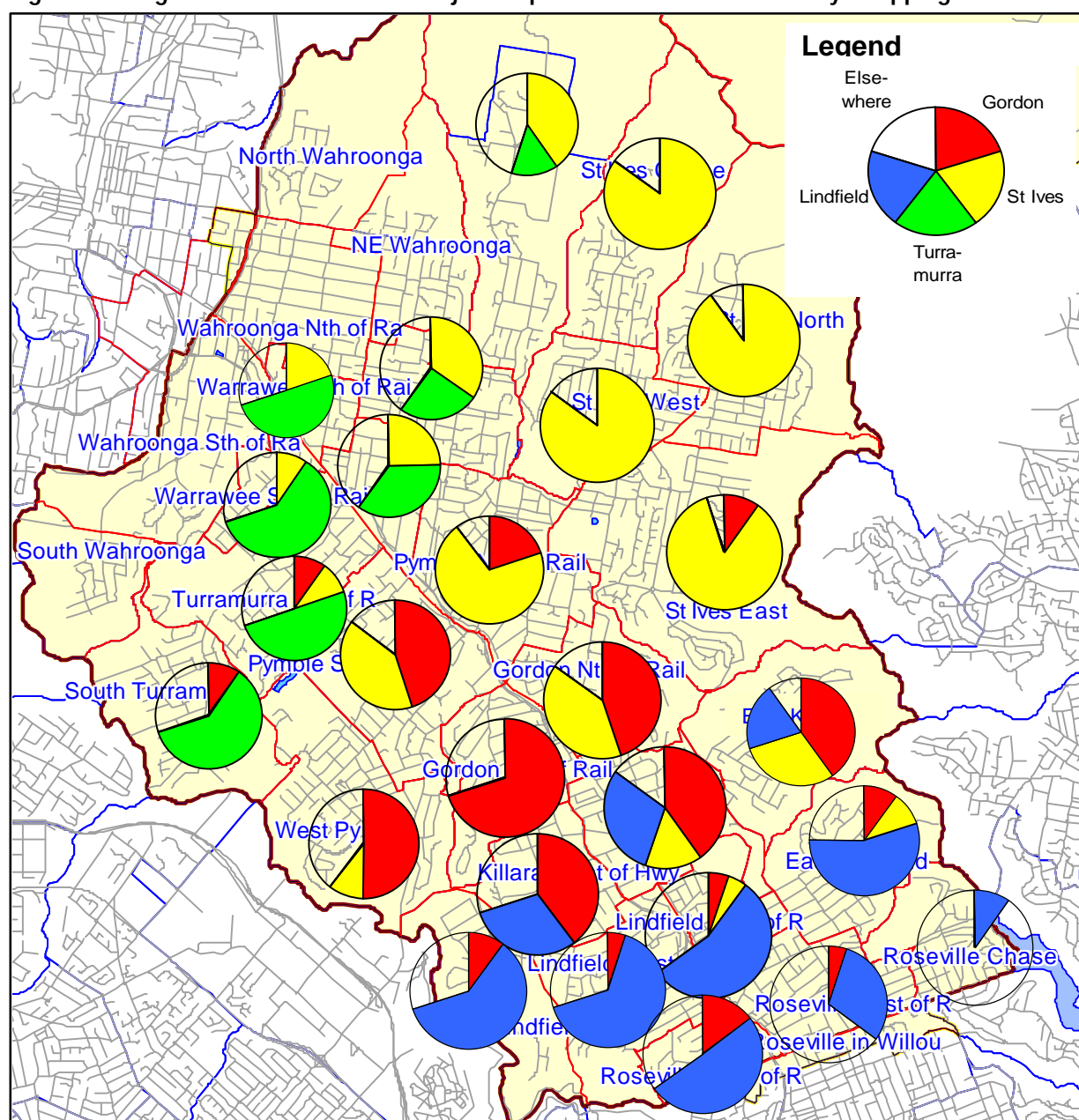
Main Destination for Food and Grocery Shopping

The main destination for food and grocery shopping by origin (suburb or locality) is provided in the table and chart below.

Table 5 - Origin and Destination for Major Proportion of Food and Grocery Shopping

Trade Zone	No. of Households	Gordon	St Ives	Turramurra	Lindfield	Pymble	Roseville	Hornsby	Macquarie	Chatswood	Elsewhere	TOTAL
North Turramurra	508	-	35%	12%	-	-	-	30%	-	-	23%	100%
Northeast Turramurra	859	-	35%	22%	-	-	-	30%	-	-	13%	100%
Turramurra North of Rail	1,050	5%	25%	34%	-	-	-	20%	5%	5%	6%	100%
Turramurra South of Rail	1,279	5%	10%	50%	-	-	-	10%	12%	5%	8%	100%
South Turramurra	418	5%	-	58%	-	-	-	5%	12%	5%	15%	100%
Warrawee North of Rail	1,226	-	20%	44%	-	-	-	25%	5%	-	6%	100%
Warrawee South of Rail	1,188	-	10%	62%	-	-	-	15%	5%	-	8%	100%
Pymble Nth side of the Railway	912	16%	76%	-	-	4%	-	-	-	4%	-	100%
Pymble south of the railway	1,581	42%	38%	4%	-	4%	-	8%	4%	-	-	100%
West Pymble	985	48%	12%	4%	-	-	-	4%	20%	-	12%	100%
St Ives Chase	459	-	84%	2%	-	-	-	10%	1%	1%	2%	100%
St Ives North	1,753	-	96%	-	-	-	-	2%	1%	1%	-	100%
St Ives West	1,289	-	84%	2%	-	-	-	10%	1%	1%	2%	100%
St Ives East	1,638	12%	84%	-	-	-	-	2%	1%	1%	-	100%
Gordon North of Railway	0	43%	40%	-	-	-	-	5%	5%	5%	2%	100%
Gordon South of Railway	991	66%	-	-	-	-	-	5%	22%	5%	2%	100%
East Killara	1,467	38%	25%	-	20%	-	-	-	-	15%	2%	100%
Killara East of Highway	1,025	38%	12%	-	30%	-	-	-	3%	15%	2%	100%
Killara West of Highway	2,178	40%	-	-	30%	-	-	-	13%	15%	2%	100%
East Lindfield	1,012	8%	8%	-	52%	-	-	-	-	20%	12%	100%
Lindfield East of the Railway	1,058	5%	5%	-	50%	-	-	-	-	30%	10%	100%
Lindfield west of the railway	905	-	-	-	65%	-	-	-	-	25%	10%	100%
West Lindfield	1,287	12%	-	-	58%	-	-	-	27%	4%	-	100%
Roseville Chase	1,024	-	5%	-	5%	-	-	-	-	45%	45%	100%
Roseville East of Railway	1,175	5%	5%	-	25%	-	5%	-	-	40%	20%	100%
Roseville West of Railway	841	15%	-	-	50%	-	5%	-	-	30%	-	100%

Figure 3 - Origin and Destination for Major Proportion of Food and Grocery Shopping



The above table and chart provides few surprises. For food and grocery shopping people generally choose a retail centre closer to where they live provided that the retail offer is satisfactory – in particular if the centre has a medium to large supermarket. From the Hill PDA telephone survey we found that “location or proximity to home” is the prime reason for selection as shown in the table below.

Table 6 - Reason for Retail Centre Selection (Number of Responses)

Retail Centre	Total No. of Responses	Location/ Close to Home	Familiarity/ Awareness	Environment / Design of Shops	Parking	Price	Service	Variety/ Range of Goods	Other
Gordon	37	27	2	0	3	4	0	12	0
St Ives	37	22	3	1	6	0	0	18	1
Turrumurra	2	1	1	0	1	0	0	1	0
Lindfield	67	61	1	0	2	0	0	6	3
West Pymble	3	2	1	0	0	0	1	1	0
Hornsby	3	1	0	0	0	0	0	2	0
Macquarie	13	6	0	1	2	0	0	6	0
Chatswood	41	18	1	4	2	0	1	19	0
TOTAL	203	138	9	6	16	4	2	65	4

An important reason for selecting a regional centre is the greater retail offer. Likewise the primary reason for not selecting the local shopping centre is the poor range of goods and services. This is particularly the case with Pymble, Roseville and the local centres.

Table 7 - Reason for Not Selecting Local Centre (No. of Responses)

Retail Centre	Total No. of Responses	Location/ Not Close to Home	Environment/ Design of Shops	Parking Difficult	Access Difficult	Expensive	Poor Range of Goods & Services	Other
Lindfield	40	1	2	5	1	0	29	4
Pymble	74	22	1	7	3	10	44	1
Roseville	58	6	2	0	0	2	49	5
Chatswood	55	18	0	5	3	0	0	0
TOTAL	227	47	5	17	7	12	122	10

Main Destination for Clothes Shopping

The choice of retail centres for clothing shopping is more limited. In this case shopping for clothes is quasi-entertainment rather than a chore. Often it's a case of comparing items in different stores and so shoppers will travel further to centres with a greater retail offer.

Table 8 - Origin and Destination for Major Proportion of Shopping for Clothing

Trade Zone	No. of Households	Gordon	St Ives	Chatswood	Hornsby	Macquarie	Elsewhere	Total
North Turrumurra	1,226	1%	8%	25%	37%	22%	7%	100%
Northeast Turrumurra	1,188	1%	8%	25%	37%	22%	7%	100%
Turrumurra North of Rail	912	1%	8%	25%	37%	22%	7%	100%
Turrumurra South of Rail	1,581	1%	8%	25%	37%	22%	7%	100%
South Turrumurra	985	1%	8%	25%	37%	22%	7%	100%
Warrawee North of Rail	312	1%	8%	25%	37%	22%	7%	100%
Warrawee South of Rail	459	1%	8%	25%	37%	22%	7%	100%
Pymble Nth side of the Railway	1,753	4%	12%	36%	8%	28%	12%	100%
Pymble south of the railway	1,289	0%	0%	54%	12%	19%	15%	100%
West Pymble	1,638	0%	16%	16%	4%	56%	8%	100%
St Ives Chase	991	0%	23%	30%	21%	24%	2%	100%
St Ives North	1,467	0%	23%	30%	21%	24%	2%	100%
St Ives West	1,025	0%	23%	30%	21%	24%	2%	100%
St Ives East	2,178	0%	23%	30%	21%	24%	2%	100%
Gordon North of Railway	1,012	11%	11%	42%	6%	22%	8%	100%
Gordon South of Railway	1,058	11%	11%	42%	6%	22%	8%	100%
East Killara	905	11%	11%	42%	6%	22%	8%	100%
Killara East of Highway	1,287	11%	11%	42%	6%	22%	8%	100%
Killara West of Highway	1,024	11%	11%	42%	6%	22%	8%	100%
East Lindfield	1,175	4%	0%	76%	0%	4%	16%	100%
Lindfield East of the Railway	841	0%	0%	85%	0%	0%	15%	100%
Lindfield west of the railway	1,819	0%	0%	75%	0%	5%	20%	100%
West Lindfield	680	4%	0%	62%	0%	35%	0%	100%
Roseville Chase	1,379	0%	0%	95%	0%	0%	5%	100%
Roseville East of Railway	850	0%	0%	90%	0%	0%	10%	100%
Roseville West of Railway	529	0%	0%	95%	0%	0%	5%	100%

In this case the major destinations for clothes shopping are the larger regional centres – in particular Hornsby, Macquarie, Chatswood and to a lesser extent St Ives. Gordon had a few responses and the other centres in Ku-ring-gai had almost none.

Main Destination for Bulky Goods Shopping

For bulky goods shopping the trade areas are effectively just as broad, if not broader. Again the regional centres capture a fair proportion but so do some of the bulky goods areas such as Moore Park Supacentra and Crows Nest.

Table 9 - Origin and Destination for Major Proportion of Shopping for Bulky Goods

Post Code Area	Chatswood	Crows Nest	Gordon	Hornsby	Macquarie	Moore Park	Not Stated	Other	Total
Turrumurra	26%	0%	11%	36%	15%	0%	0%	12%	100%
Pymble	21%	4%	20%	2%	18%	2%	24%	8%	100%
St Ives	38%	0%	14%	18%	16%	0%	0%	14%	100%
Gordon / Killara	35%	0%	45%	4%	10%	0%	0%	6%	100%
Lindfield	48%	4%	19%	0%	5%	6%	17%	2%	100%
Roseville	70%	7%	1%	0%	0%	3%	16%	3%	100%

6. DEMAND FOR RETAIL SPACE

Demand for retail space within a trade area is dependent upon household expenditure. Household expenditure is dependent upon population, the number of households and the socio-demographic characteristics of those households. Most notably there is a strong positive correlation between household income levels and expenditure.

6.1 Household Expenditure

These households will generate retail expenditure. This is estimated from an expenditure model developed by Hill PDA using data from the ABS Household Expenditure Survey 1998-99 as well as data from the ABS Retail Industry Survey 1998-99. Since 1991 households have increased expenditure in real terms (based on ABS retail trade figures). For the purpose of this study we have assumed that growth in real expenditure will continue at 1% per annum for food, groceries and meals in restaurants and 0.5% for all other commodities. Expenditure by retail store type by trade area is provided in the following table.

Table 10 - Expenditure by F&G Trade Area by Retail Store Type by Year

Trade Area	No. of Households	Supermarkets & Grocery Stores	Specialty Food and Take Away	Department Stores	Clothing	Bulky Goods	Other	Restaurants	Select Personal Services	Total
Wahroonga	4,176	34.8	19.5	12.8	9.2	18.1	15.8	7.8	4.0	121.9
Warrawee North of Railway	317	2.8	1.6	1.1	0.8	1.5	1.3	0.7	0.3	10.0
Warrawee South of Railway	466	3.9	2.2	1.5	1.0	2.1	1.8	0.9	0.5	13.8
North Turrumurra	1,244	10.0	5.5	3.5	2.5	5.1	4.4	2.1	1.1	34.3
NE Turrumurra	1,206	9.8	5.4	3.5	2.5	5.0	4.4	2.1	1.1	33.9
Turrumurra North of Railway	926	6.9	3.7	2.4	1.7	3.5	3.0	1.4	0.8	23.4
Turrumurra South of Railway	1,605	12.8	7.1	4.6	3.3	6.6	5.7	2.8	1.4	44.2
South Turrumurra	1,000	8.1	4.5	2.9	2.1	4.2	3.6	1.8	0.9	28.0
Pymble North of Railway	1,779	14.9	8.4	5.5	4.0	7.8	6.8	3.4	1.7	52.6
Pymble South of Railway	1,308	11.0	6.2	4.1	2.9	5.8	5.0	2.5	1.3	38.7
West Pymble	1,663	13.1	7.2	4.6	3.3	6.7	5.8	2.8	1.5	45.0
St Ives West	1,040	8.6	4.8	3.1	2.2	4.5	3.9	1.9	1.0	30.0
St Ives North	1,489	12.3	6.9	4.5	3.2	6.4	5.6	2.7	1.4	42.9
St Ives East	2,211	18.2	10.2	6.6	4.7	9.5	8.2	4.1	2.1	63.6
St Ives Chase	1,006	8.5	4.8	3.2	2.3	4.5	3.9	1.9	1.0	30.0
Gordon North of Railway	1,027	8.5	4.8	3.2	2.3	4.5	3.9	1.9	1.0	30.1
Gordon South of Railway	1,074	8.4	4.6	3.0	2.1	4.3	3.7	1.8	0.9	28.9
East Killara	919	7.7	4.3	2.8	2.0	4.0	3.5	1.7	0.9	27.1
Killara East of Highway	1,306	10.8	6.1	4.0	2.9	5.6	4.9	2.4	1.2	38.0
Killara West of Highway	1,039	8.4	4.7	3.0	2.2	4.4	3.8	1.9	1.0	29.3
East Lindfield	1,193	9.8	5.4	3.5	2.5	5.1	4.4	2.2	1.1	34.0
Lindfield East of Railway	854	6.9	3.9	2.5	1.8	3.6	3.1	1.5	0.8	24.2
Lindfield West of Railway	1,846	14.3	7.8	5.0	3.6	7.3	6.3	3.0	1.6	48.8
West Lindfield	690	5.4	3.0	1.9	1.4	2.8	2.4	1.2	0.6	18.7
Roseville East of Railway	1,400	11.8	6.6	4.4	3.1	6.2	5.4	2.7	1.4	41.5
Roseville West of Railway	863	7.0	3.9	2.5	1.8	3.6	3.1	1.5	0.8	24.2
Roseville Chase	537	4.4	2.5	1.6	1.1	2.3	2.0	1.0	0.5	15.4
TOTAL	34,184	279.0	155.4	101.4	72.5	144.7	125.8	61.8	31.8	972.3

Source: Hill PDA estimate from Expenditure Modelling using data from ABS Household Expenditure Survey 1998-99, ABS Census 2001 and Household Surveys

6.2 Estimated Performances of the Retail Centres

The performance of the retail centres can be estimated to some extent from expenditure analysis and the

By multiplying household expenditure in the above table by the origin destination tables in the preceding section we are able to estimate turnover in the retail centres. Some calibration was performed to ensure greater accuracy of results³. The results are provided below.

Table 11 - Estimated Turnover Levels by Retail Centre by Retail Store Type (\$m 2004)

Retail Centre	Super-markets	Specialty Foods	Restaurants	Clothing	Bulky Goods	Other	Personl Services	TOTAL
Gordon	40.9	18.0	9.5	2.8	18.0	11.6	4.4	105.3
St Ives	87.4	35.5	17.7	14.0	3.0	21.6	9.1	188.4
Turramurra	31.1	15.7	6.2	1.3	3.5	8.3	3.2	69.4
Lindfield	40.1	16.2	7.0	3.0		9.0	3.7	79.0
Others in LGA	15.0	47.0	10.0	3.0	9.0	25.0	7.0	116.1
TOTAL	214.7	132.4	50.5	24.1	33.5	75.5	27.4	558.1

Source: Hill PDA estimate from expenditure modelling and household surveys

Average turnover levels can be compared to benchmark turnovers (national average adopted for the purpose of this study) to determine levels of performance and under/over supply and forecast demand for floor space. The results are shown below

Table 12 - Estimated Turnover (\$/sqm) by Retail Centre by Retail Store Type

Retail Centre	Super-markets	Specialty Food	Clothing	Bulky Goods	Other*	Total
Gordon	13,000	10,600	4,300	3,600	6,100	7,200
St Ives	16,700	12,500	4,800	3,800	6,500	9,800
Turramurra	11,100	6,700	3,700	2,900	3,100	5,600
Lindfield	8,400	7,700	3,300	-	5,700	7,000
Remaining Centres in LGA	8,400	5,400	4,000	2,800	2,500	3,700
National Average**	9,000	6,800	4,400	3,500	4,400	5,100

Source: Estimated by Hill PDA from Expenditure Analysis and Floor Space Estimates

* Other includes restaurants and selected personal services

** Source: ABS Retail Survey 1998-99 indexed to Year 2004 at CPI. Total excludes Bulky Goods

St Ives is clearly outperforming all other centres and is trading at twice the national average. This is confirmed by the reported turnover of St Ives Village at \$155m in 2002-03 which equates to \$9,700 per square metre per annum.

St Ives has a very large trade area that extends from Northeast Wahroonga, through Pymble to East Killara. It also has a strong secondary trade area encompassing other suburbs of Ku-ring-gai and also northward to Terry Hills and Duffys Forest.

Gordon and Lindfield are trading at around 30% above national average and Turramurra is trading at around 10% above national average. The results of Gordon are confirmed by reported

³ There are types of shops in each of the centres that are obviously trading but, from the questionnaire surveys, would show very little or no turnover. This is because these shops often rely on passing trade and are not the main destination for shopping for any household for that particular retail category.

turnover figures for Gordon Centre – \$80.2m in 2002-03 which equates to 7,000/sqm of GLA and \$9,363/sqm of retail GLA.

As expected those centres without supermarkets are under performing – most likely at around 20% to 30% below national average. Anecdotal evidence suggests that the worst performing neighbourhood centre is Pymble. This centre may well be trading at no more than half the national average.

6.3 Forecast Demand for Retail Space

Population and Household Growth

Population forecasts were sourced from Council from estimates of development potential under the LEP 194.

Table 13 - Additional Dwellings

Suburb	LEP 194	LEP 200	Minister's Sites	Total
Roseville	432	112	-	544
Lindfield	1,303	-	286	1,589
Killara	1,598	59	-	1,657
Gordon	1,144	59	149	1,352
Pymble	528	-	304	832
Turramurra	1,163	-	-	1,163
Warrawee	284	17	50	351
Wahroonga	946	53	-	999
St Ives	1,548	267	-	1,815
Total	8,946	567	789	10,302

* Source: Ku-ring-gai Council

Growth in Household Expenditure

In addition to the above there is expected real growth in expenditure per household. Since 1991 expenditure on food, groceries, take-away food and restaurants has increased at around 1.5% per annum and most other commodity groups have increased at around 1% per annum. Although this trend began from a recession real growth is still expected to continue but perhaps at a more subdued level. For the purpose of the forecast we have assumed 1% for foods and restaurants and 0.5% per annum for all other commodities.

Forecast Expenditure

Given the above growth assumptions expenditure in 2011 (assuming full take-up of potential dwellings) is estimated as follows:

Table 14 - Forecast Household Expenditure by Trade Area in 2011 (2004 \$m)

Trade Area	No. of Households	Supermarkets & Grocery Stores	Specialty Food and Take Away	Department Stores	Clothing	Bulky Goods	Other	Restaurants	Select Personal Services	Total
Wahroonga	5,122	45.5	25.6	16.3	11.6	23.0	20.1	10.3	5.1	157.5
Warrawee North of Railway	494	4.6	2.7	1.7	1.2	2.4	2.1	1.1	0.5	16.4
Warrawee South of Railway	644	5.8	3.3	2.1	1.5	2.9	2.6	1.3	0.6	20.1
North Turrumurra	1,244	10.6	5.9	3.7	2.6	5.3	4.6	2.3	1.2	36.1
NE Turrumurra	1,206	10.4	5.8	3.7	2.6	5.2	4.6	2.3	1.1	35.7
Turrumurra North of Railway	1,516	12.0	6.5	4.1	2.9	5.9	5.1	2.5	1.3	40.3
Turrumurra South of Railway	2,195	18.7	10.4	6.5	4.6	9.3	8.1	4.1	2.0	63.7
South Turrumurra	1,000	8.6	4.8	3.0	2.1	4.3	3.7	1.9	0.9	29.4
Pymble North of Railway	2,202	19.7	11.1	7.1	5.1	10.0	8.8	4.5	2.2	68.5
Pymble South of Railway	1,731	15.5	8.8	5.6	4.0	7.9	6.9	3.5	1.7	53.9
West Pymble	1,663	14.0	7.7	4.8	3.4	6.9	6.0	3.0	1.5	47.4
St Ives West	1,961	17.3	9.7	6.1	4.4	8.7	7.6	3.9	1.9	59.6
St Ives North	1,489	13.1	7.4	4.7	3.3	6.6	5.8	2.9	1.5	45.2
St Ives East	3,132	27.5	15.4	9.7	7.0	13.9	12.1	6.2	3.0	94.8
St Ives Chase	1,006	9.1	5.1	3.3	2.3	4.6	4.0	2.1	1.0	31.6
Gordon North of Railway	1,713	15.2	8.6	5.5	3.9	7.7	6.7	3.5	1.7	52.8
Gordon South of Railway	1,760	14.7	8.1	5.1	3.6	7.3	6.3	3.2	1.6	49.9
East Killara	919	8.2	4.6	2.9	2.1	4.2	3.6	1.9	0.9	28.5
Killara East of Highway	2,147	19.0	10.7	6.8	4.9	9.6	8.4	4.3	2.1	65.7
Killara West of Highway	1,880	16.2	9.1	5.7	4.1	8.2	7.1	3.6	1.8	55.8
East Lindfield	1,193	10.4	5.8	3.7	2.6	5.2	4.6	2.3	1.2	35.8
Lindfield East of Railway	1,660	14.4	8.1	5.1	3.6	7.3	6.3	3.2	1.6	49.6
Lindfield West of Railway	2,652	21.9	12.0	7.5	5.3	10.8	9.4	4.7	2.4	73.8
West Lindfield	690	5.8	3.2	2.0	1.4	2.9	2.5	1.2	0.6	19.6
Roseville East of Railway	1,676	15.0	8.5	5.4	3.9	7.7	6.7	3.4	1.7	52.3
Roseville West of Railway	1,139	9.8	5.5	3.4	2.4	4.9	4.3	2.2	1.1	33.6
Roseville Chase	537	4.7	2.6	1.7	1.2	2.4	2.1	1.0	0.5	16.2
TOTAL	44,569	388.0	216.9	137.1	97.8	195.2	169.9	86.3	42.9	1334.0

Source: Hill PDA Estimate

Demand for Additional Retail Space

Assuming no adjustments in the trade area then expenditure by retail centre would be as follows.

Table 15 - Estimated Turnover Levels by Retail Centre by Retail Store Type in 2011 (2004 \$m)

Retail Centre	Supermarkets	Specialty Foods	Restaurants	Clothing	Bulky Goods	Other	Personl Services	TOTAL
Gordon	60.4	26.6	14.1	4.1	26.4	16.7	6.3	154.7
St Ives	119.6	48.8	24.4	19.0	4.1	28.7	12.1	256.6
Turrumurra	41.6	21.1	8.4	1.7	4.7	11.6	4.2	93.2
Lindfield	58.8	23.8	10.2	4.4	0.0	12.8	5.3	115.3
Others in LGA	19.0	63.7	13.4	4.0	12.1	33.5	9.4	155.1
TOTAL	299.4	184.0	70.4	33.3	47.2	103.3	37.2	774.8

Source: Hill PDA estimate from expenditure modelling and household surveys

The following target turnover rates were adopted.

Table 16 - Target Turnover Rates by Centre by Retail Store type (\$/sqm/ann)*

Retail Centre	Supermarket	Spec. Food	Clothing	Bulky Goods	Other
Gordon	10,000	7,500	4,800	3,800	4,600
St Ives	10,000	7,500	4,800	3,800	4,600
Turramurra	9,000	7,000	4,400	3,500	4,200
Lindfield	9,000	7,000	4,400	3,500	4,200
Others in LGA	8,000	6,000	4,000	3,000	3,500

* Source: Hill PDA estimates from various sources including JHD Retail Averages and ABS Retail Survey 1998-99.

Variations were allowed for based on relative attractiveness of the centres – that is higher rents are expected in the higher order centres of St Ives and Gordon.

Additional retail space is calculated by dividing turnover by the target per square metre rates and subtracting existing floor space.

Table 17 - Required Additional Retail Floor Space in Year 2011 (GLA sqm)

Retail Centre	Supermarket	Spec. Food	Clothing	Bulk Goods	Other	TOTAL
Gordon	2,900	1,900	200	2,000	3,900	10,900
St Ives	6,700	3,700	1,100	300	6,700	18,500
Turramurra	1,800	700	-	100	-	2,600
Lindfield	1,800	1,300	100	-100	3,300	6,400
Others in LGA	900	2,200	300	900	-500	3,800
TOTAL	14,100	9,800	1,700	3,200	13,400	42,200

Source: Hill PPDA estimate of demand (turnover divided by target turnover rates) less existing supply.

In addition to this is demand for vacant space (4% to 5% is considered to be a healthy rate) plus shop front space for non-retailers such as banks, real estate agents, travel agents and the like. This escalates demand by a further 20% to 30% of net retail area depending upon location. Hence additional floor space required is as follows:

Table 18 - Required Additional Shop Front Floor Space in Year 2011 (GLA sqm)

Retail Centre	Sqm
Gordon	13,600
St Ives	23,100
Turramurra	3,300
Lindfield	8,000
Others in LGA	4,800
TOTAL	52,800

6.4 Distribution of Floor Space

The above table distributes additional floor space requirements assuming no adjustments to trade area boundaries. Trade areas do however overlap and these boundaries are adjusted by expansions of retail centres. There are numerous examples of retail centres whose trade areas have contracted as a result of a new retail centre, or major expansion of an existing centre.

In particular Roseville and Pymble are centres that are under trading and experiencing some neglect. Largely this is a problem with having no anchor tenant, such as a supermarket. The addition of a medium to large supermarket in these centres is an option that would result in creating new trade areas and contracting the neighbouring trade areas.

There is also overlapping trade areas (and hence competition) between the two district centres of Gordon and St Ives. Hence a major expansion of one of these centres would reduce the market share and influence of the other.

Lindfield has quite an extensive trade area incorporating several suburbs including Killara, Lindfield East, Lindfield West and Roseville. However any expansion of Roseville with a large anchor tenant (supermarket) would result in a contraction of Lindfield's trade area.

6.5 Escape Expenditure

Escape expenditure refers to expenditure escaping a trade area, or in this case, expenditure generated by Ku-ring-gai LGA but currently escaping the LGA. From the origin destination surveys we have estimated escape expenditure to be as follows:

Table 19 - Escape Expenditure in 2004

	Super- markets	Specly Food	Dept Stores	Rest- aurants	Clothing	Bulky Goods	Other	Personl Service	TOTAL
\$m/ann	66.6	24.1	101.4	11.8	48.4	111.2	50.3	4.3	418.1
% of Total Expenditure	24%	15%	100%	19%	67%	77%	40%	14%	43%

Source: Hill PDA Estimate

This is an expected result. Ku-ring-gai is losing more than 40% of its total expenditure. In this case most escape expenditure is captured by Hornsby, Chatswood and Macquarie regional centres. Sydney CBD would also be capturing some proportion, particularly in clothing. Even with food and grocery expenditure Hornsby is capturing a high proportion from Wahroonga and Turramurra and Chatswood is capturing much of Roseville's expenditure. Frenchs Forest and Forestville has strong influence on Roseville Chase and Macquarie has a strong influence on West Pymble, West Lindfield and Gordon south of the Highway. Bulky goods expenditure escapes to a range of localities including Crows Nest, Moore Park, Alexandria, Manly Vale, and Auburn.

A significant proportion of escape expenditure can be captured largely in two ways:

- Expansion of either St Ives or Gordon into the principal retail centre to include at least one discount department store and additional specialties – in particular fashion;
- Development of a bulky goods cluster with a minimum floor area of 20,000sqm and preferably 25,000 to 30,000sqm. The Pacific Highway between Gordon and Mona Vale Road is an ideal location if it is achievable;

These two scenarios would contribute to a significant level of capture. A possible third method is the development of a direct factory outlet (say between 10,000sqm and 15,000sqm).

7. EXPANSION OPTIONS

Having regard to the above a series of options have been developed as described below.

Option 1- Minimal Expansion Option

This option includes the following components:

- No redefinition of centres or change in the retail hierarchy;
- Expansion of the centres as follows:

Gordon	15,000sqm
St Ives	15,000sqm
Turramurra	4,000sqm
Lindfield	6,000sqm
Others	6,000sqm
TOTAL	45,000sqm

This option provides a reasonable supply of space to meet current undersupply of floor space and rising demand. It does not redefine any of the retail centres. Both St Ives and Gordon would retain their district classification in relative size and function within Ku-ring-gai. Under this option we would still expect a considerable level of escape expenditure to the regional centres in the neighbouring LGAs.

Option 2 – Maximum Expansion at St Ives

This option includes the following components:

- Reclassification of St Ives as Ku-ring-gai's Principal Centre;
 - Expansion of the centres as follows:
- | | |
|------------|--------------------|
| Gordon | 8,000 – 13,000sqm |
| St Ives | 30,000 – 40,000sqm |
| Turramurra | 4,000sqm |
| Lindfield | 6,000sqm |
| Others | 6,000sqm |
| TOTAL | 55,000 – 65,000sqm |
- At least one discount department store (DDS) in St Ives (7,000sqm to 8,000sqm);
 - Possible additional recreational facilities in St Ives such as a cinema complex (over and above the retail expansion).

Under this option St Ives would be the principal centre of Ku-ring-gai with around 50,000 to 60,000sqm of shop front space with a further potential of 5,000sqm or more for entertainment uses. Its retail component is likely to include one or possibly two DDSs, three supermarkets and around 150 to 200 specialty shops. This option would considerably enlarge St Ives trade area and would capture some escape expenditure – particularly with the addition of at least one DDS.

Difficulties with this option include:

- Finding suitable land for expansion; and
- Traffic and parking constraints.

Option 3 – Maximum Expansion at Gordon

This option includes the following components:

- Reclassification of Gordon as Ku-ring-gai's Principal Centre;
- Expansion of the centres as follows:

Gordon	30,000 – 40,000sqm
St Ives	12,000sqm
Turramurra	4,000sqm
Lindfield	6,000sqm
Others	6,000sqm
TOTAL	55,000 – 65,000sqm
- Including at least one DDS in Gordon (7,000sqm to 8,000sqm) and possibly two;
- Adding some additional recreational facilities in Gordon such as a cinema complex (over and above the retail expansion).

Under this option Gordon would be the principal centre rather than St Ives with a retail area of around 50,000 to 60,000sqm and a further potential of 5,000sqm or more for entertainment uses. Its retail component is likely to include one or possibly two DDSs, two to three supermarkets and around 150 to 200 specialty shops. This option would considerably enlarge Gordon's trade area and would capture some escape expenditure – particularly with the addition of at least one DDS.

Advantages with this option include Gordon's position on the Pacific Highway and the railway line enjoying stronger public transport integration.

Difficulties include finding suitable sites for expansion.

Sub-Option 3a – Maximum Expansion Option at Gordon plus Peripheral Retailing

This is the same as Option 3 but with additional peripheral retailing – most likely location being between Gordon retail centre and Mona Vale Road along the Pacific Highway. The market could clearly support around 20,000 to 30,000sqm.

The format may be a single enclosed centre (eg Moorepark Supacentra, Auburn Megamall) or it may be "strip" retail (eg. Manly Vale, Crows Nest).

Whilst the sub-option of peripheral retailing could combine with Option 2 it is preferable to have the peripheral retailing adjacent to the principal centre. A potential problem with Option 2 is that the existing bulky goods tenants in Gordon, such as Bunnings and Harvey Norman, could relocate to the periphery leaving vacant space in Gordon. This is less of a problem if expansion in St Ives is constrained and Gordon was developing as the principal centre. Any vacancies in Gordon are then likely to be short-term.

Sub-Option 3b – Factory Outlet

This sub-option includes a factory outlet – the ideal size being around 10,000 to 15,000sqm. The factory outlet should be located in the principal centre. Only if it is not practical to do so should an “out-of-centre” location be considered. Even then preference should be given to a location adjacent to an existing district or principal centre.

Summary of Options

Floor space growth under each of the options is summarised as follows:

Table 20 - Expansion Options for Additional Shop Front Floor Space (sqm)*

	Option1 Minimal Expansion	Option 2 St Ives as the Principal Centre	Option 3 Gordon as the Principal Centre	Option 3 & 3a With Bulky Goods	Maximum Expansion **
Gordon	15,000	10,000	35,000	35,000	45,000
St Ives	15,000	35,000	10,000	10,000	10,000
Turramurra	4,000	4,000	4,000	4,000	4,000
Lindfield	6,000	6,000	6,000	6,000	6,000
Others	5,000	5,000	5,000	5,000	5,000
Peripheral				25,000	25,000
TOTAL	45,000	60,000	60,000	85,000	95,000

* Shop front space including commercial services such as banks and real estate agents but excluding entertainment space such as cinemas

** Allowing for 10,000sqm factory outlet in Gordon. Alternative locations include St Ives or the peripheral area.

Sub-Option 3c – Distribution within Neighbourhood Centres

This option involves containing expansion in Turramurra and Lindfield and introducing supermarket based centres for Pymble and Roseville. Under this sub-option Turramurra and Lindfield would expand by no more than around 3,000sqm each whilst Pymble and Roseville would each have around 3,000sqm to 4,000sqm expansion – through introducing a supermarket based centre. Note that if supermarket based centres were introduced in Pymble and Roseville then there would be little demand to expand the supermarkets in the other neighbourhood centres other than some minor expansion of the two existing supermarkets in Turramurra due to their small size.

8. RETAIL CENTRES STRATEGY

8.1 Objectives of the Retail Centres Strategy

In order to develop and evaluate a range of options for the planning and management of retailing in Ku-ring-gai LGA it is necessary to have a clear set of objectives. At the commencement of the study key objectives were established. These are listed below

- Ensure residents have the widest possible range of shopping opportunities and commercial services;
- Provide quantity, quality and convenience for consumers;
- Provide for further growth in retail space to meet growth in demand generated by population growth;
- Protect the integrity and viability of existing centres to the extent that they continue to perform a useful community function;
- Protect current employment levels in retailing and hospitality industries for the residents of the LGA and expand opportunities for further employment;
- Provide opportunities for local employment and start-up businesses for local residents; and
- Balance social, economic and environmental considerations and focus on local ESD principles including reduction in transport demand.

8.2 Development Principles

Consistent with the above objectives are development principles that will guide the planning, development and management of retail and commercial centres. These are:

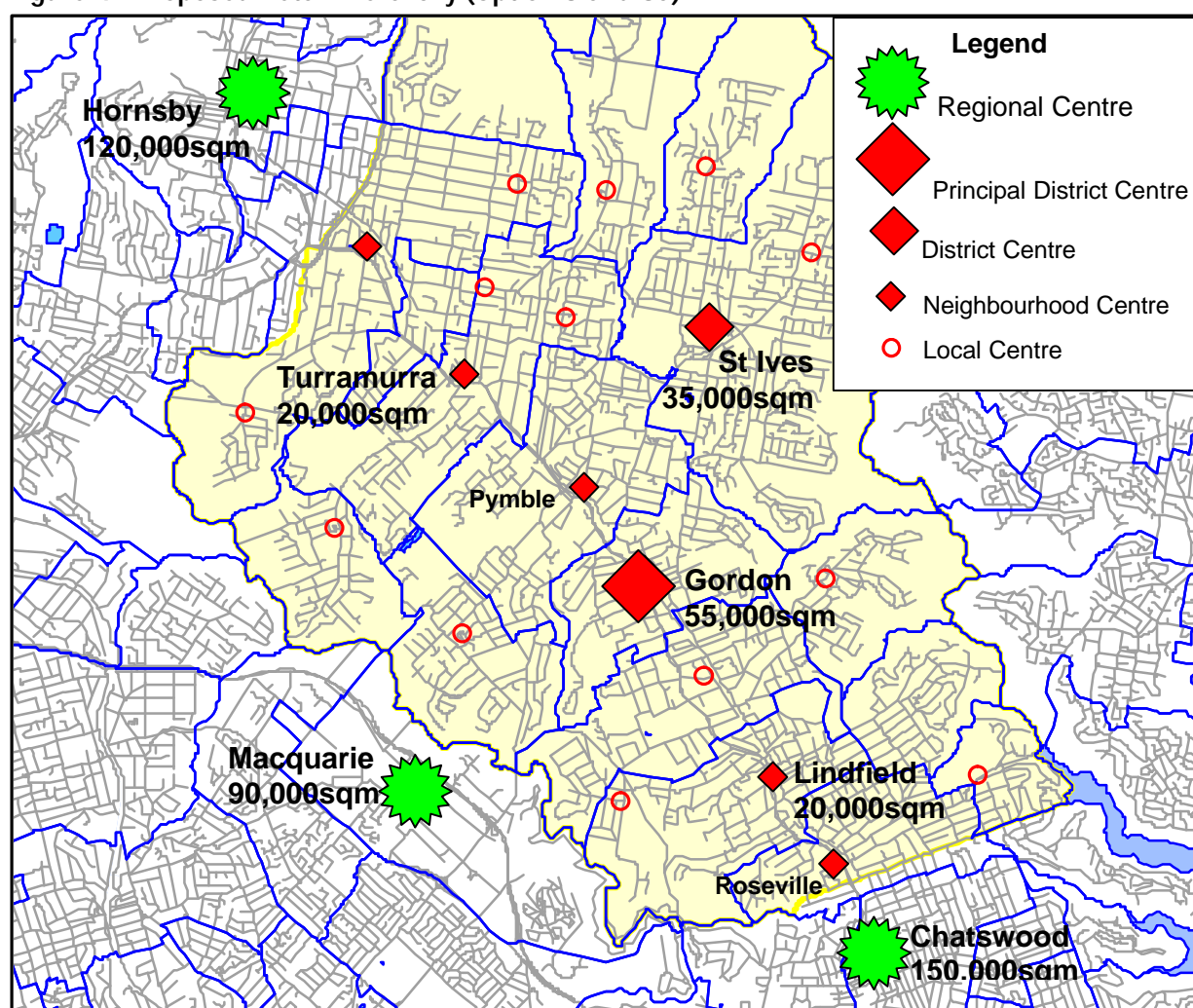
- Adopt a retail hierarchy which is a useful planning tool as each level in the hierarchy relates to centres with different roles and functions from other levels in the hierarchy.
- Having regard to current plans for urban growth maximise access to existing retail services.
- Ensure planning instruments are flexible enough to accommodate innovation and new forms of retailing and experiences.
- Protect the integrity and viability of existing centres from threats generated by new centres, expansion of existing centres, changes in the retail hierarchy, “out-of-centre” and other forms of retailing.
- Protect and improve the integrity and viability of existing centres through programs that improve their convenience level, retail offer, accessibility, beautification, ambience, and the like.

- Contain retailing (as oppose to dispersing or spreading it) to minimise travel times, improve convenience and improve competition within retail centres;
- Encourage the development of convenient and price competitive supermarkets in neighbourhood centres that lack such offer.
- Define bulky goods retailing to ensure the protection of existing centres and prohibit retailing in the industrial areas (other than ancillary retail and services).
- Allow bulky goods retailing only in areas designated for it adjacent to retail centres.
- Provide the planning framework for properly assessing applications in relation to retail and services in terms of economic and social impact.

8.3 Retail Hierarchy

The following retail hierarchy is recommended.

Figure 4 - Proposed Retail Hierarchy (Option 3 and 3a)



By adopting this hierarchy Council can be guided in the assessment of future proposals for new centres and expansion of existing centres. The purpose of the hierarchy is to ensure that the roles of these centres are clearly defined and that expansion of one centre will not threaten the role of another centre further up the hierarchy.

The study has identified a need to increase floor area to meet growth in demand. The options for increasing floor area are based on the need to maintain a functional hierarchy of centres and to balance the retail offer, competitiveness and accessibility for consumers.

8.4 Criteria for Assessing New Development

In assessing new development a number of new criteria should be established in the planning frameworks.

Economic Impact & Location Suitability

All development applications and rezoning proposals for commercial, residential, retail and leisure uses should be assessed on their economic impact to the maintenance and growth of the centre hierarchy with the primary objective to foster vital and viable centres. This applies equally to development proposals both located in and outside existing centres.

Wherever possible, growth should be accommodated within existing centres. Where growth cannot be accommodated in identified existing centres consideration should be first given to extending the boundaries of that centre before considering an out of centre location.

Where extensions of town centres are proposed, these should be carefully integrated with the existing centre in terms of design, land use, transport networks, public/civic amenities, and pedestrian access and circulation.

Infrastructure by Design

In addition to Section 94 and development standards set by the LEPs for public works and upgrading, consideration should be given to developer agreements to contribute further to the public infrastructure in centres. Such agreements might relate to pedestrian overpasses, inclusion of public car parking on site or contribution to a nearby public car park to use that park for their employees, and dedication and embellishment of public open space on site or adjoining. Enabling provisions within the Environmental Planning and Assessment Act 1979 for allowing developer agreements have now been enacted, and LEP provisions would also be required.

8.5 Initiatives to Revitalising Existing Town Centres

Initiatives identified to revitalising town centres include:

1. Actively promote and manage change in town centres through the introduction of special rate levies for each town centre. Key stakeholders would be invited as an advisory committee to recommend how this special rate levy is best spent. This might include funding for better development assessment, a promotion/marketing campaign, footpath, park and street

furniture upgrades, night bus/taxi for late workers to the station or remote car park, increased security/cleaning etc. The special rate levy would be incorporated within the existing council rates.

2. Market the town centre and its attributes for commercial/retail development as one would for a stand alone business park or shopping centre. Initiatives might include:
 - a. providing subsidised child care;
 - b. Improvement to recreational activities including membership;
 - c. Shuttle bus to educational and sporting establishments;
 - d. National advertising and brochures; and
 - e. Survey of available site for sale or lease.
3. Identify sites suitable for large scale development, by accommodating more efficient use of land and building within or surrounding existing centres.
4. Revitalisation strategies from time to time will require amendment to the centre boundaries to permit large scale development including supermarket and bulky goods retailing and redevelopment for mixed use high density residential development.
5. Encourage and accommodate for an anchor tenant such as a 1,500 to 3,000sqm supermarket (plus some additional specialties at say 1,000sqm) in those neighbourhood centres that lack them (Pymble and Roseville). This will raise the profile of those centres making them destination centres for regular food and grocery shopping.
6. Encourage more intense development within the centres including shop top housing to help foster the “living cities” or “urban village” concept. Additional residents generate demand for local retail services as well as demand for regional services. Within the neighbourhood centres every new dwelling requires an additional 2 to 2.5sqm of retail floor space.
7. Prepare master plans for each of the neighbourhood and district centres to assist in identifying options for growth, to guide future development and set the guiding principles for statutory plans.
8. Adopt a vision led approach to planning whereby the vision has public support for the long term plan which fosters confidence in the business community to invest and support the success of implementing the plan. This vision acts both as a marketing tool to stimulate demand and secondly as guide for businesses to frame their plan.

8.6 Principles in Relation to Specific Centres

Gordon

Demand for additional retail space in Gordon will increase over the next decade or so for all expansion options – particularly for Option 3 which involves at least a three-fold increase in retail floor space.

A masterplan should be prepared to identify all possible options for expansion of the centre. Objectives should include:

- Maximising concentration of activity in the centre including commercial and residential as well as retail floor space. Based on Option 3 this may mean incorporating higher FSR and building heights;
- Containment of the centre and minimisation of retail sprawl;
- Improvement of pedestrian links across the highway and a greater priority given to pedestrians rather than cars through the centre;
- Improvement of relationship between the railway station and the retail.

Large areas are required to accommodate some major tenants including a second supermarket, at least one, if not two, discount department stores and possibly entertainment uses such as a cinema complex. Options for expansion of retail space include the multi-level Council car park, the Gordon Centre car park and the Council Library site as well as site amalgamations of strip shops.

St Ives

Whilst demand for retail floor space in St Ives is strong, traffic and parking issues remain a high constraint and if levels of expansion are too high it would potentially undermine the role of Gordon being developed as the principal centre under Option 3.

Even under Option 3 some expansion of St Ives Village should be allowed to take advantage of potential fixing of traffic, access and parking problems. Shop top housing may also improve the viability of addressing some of the current problems. Objectives for St Ives Village include:

- Providing a better front address to Mona Vale Road;
- Integrating the indoor centre better with the strip retail;
- Improving the pedestrian links from the Village Green area;
- Increasing more car parking spaces;

If Option 3 is selected (Gordon to be the principal centre) then expansion of St Ives should be contained to around 12,000sqm (15,000sqm absolute maximum) and preferably it should not have a DDS in the short-term – not at least until a DDS is established in Gordon. Furthermore St Ives should not have entertainment uses with large trade areas (such as cinema complex) as these uses should be located in the principal centre at Gordon where integration with public transport is stronger.

There is still the sub-option of another neighbourhood centre in St Ives preferably on the east side of Mona Vale Road (such as the Eden Brae site) comprising a supermarket (2,500sqm to 3,500sqm) and around 10 to 15 specialty shops (1,000sqm to 1,500sqm). This sub-option would alleviate some of the traffic pressures around St Ives Village. With this sub-option expansion of St Ives Village should be contained to around 8,000sqm (10,000sqm absolute maximum).

Turramurra

Turramurra can be allowed to have some expansion (up to around 4,000sqm). Some of this would be in the expansion of the two existing supermarkets, which are both undersized for modern supermarkets.

There are several options being investigated for the retail centre including one option to remove the retail on the south side of the Highway. The disadvantage with that option is that it results in an undersupply for the trade area south of the Highway. Turramurra residents north of the highway have good access to a range of centres including Hornsby and St Ives, whereas residents south of the Highway are less serviced. Removing the retail south of the Highway would undermine convenience and accessibility for these households, forcing them to travel further and/or travel across the highway.

Lindfield

Lindfield requires some expansion up to around 6,000sqm to meet future demand. Alternatively if Roseville were to expand with the addition of supermarkets then expansion of Lindfield should be minor.

In some respects Lindfield is a good model with two anchors (Coles and Franklins) at either end of the town centre and at either side of the railway line. The two anchors are more or less joined by strip retail in between. However the centre is not well contained. The distance between the two anchors is probably too excessive (or perceived to be too excessive) for most people to traverse and the Highway creates an unpleasant ambience.

Pymble

The single best option for Pymble is to gain a medium to large supermarket (1,500 to 3,000sqm) to provide for regular food and grocery shopping for the immediate residents of the area. This would significantly improve investment interest and the neighbourhood role of the centre.

Roseville

As with Pymble the single best option for Roseville is to gain a medium to large supermarket (1,500 to 3,000sqm) to provide for regular food and grocery shopping for the immediate residents of the area.

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