

# 141 Jones Road, North Buderim

## Assessment of bulky goods potential

September 2015



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## Executive summary

We have summarised our key findings as follows:

### Critical mass to drive trade from an extensive trade area

- A previous approval was granted for 6,350sq.m GFA of retail showroom space (3,000sq.m, 2,500sq.m and 850sq.m) plus 127 car parking provision. This scale of development is not sufficient to drive a regional catchment of any significance, particularly given the context of major existing and expanding offerings in Maroochydore. Indeed, we estimate that the potential trade area served by the proposed development to be less than 30,000 persons, whereas typically bulky goods developments/precincts serve trade areas of 100,000 persons or more.

### Regional road accessibility

- The site is located on the corner of Jones Road and Maroochydore Road. Maroochydore Road is an east-west arterial road that connects Maroochydore and the Sunshine Coast Motorway to the Bruce Highway. The site is very accessible from a regional perspective.

### Site exposure, accessibility and car parking

- The site also enjoys excellent visibility, with frontages on both Jones Road and Maroochydore Road.
- The original bulky goods DA allowed for 127 car parks which is considered to be adequate based on the location and allowable GFA of 6,350sq.m (1:50).

### Future population and bulky goods demand growth

- Moderate population growth is expected over the forecast period, with an average annual growth rate of 400 – 450 residents per year over the next 11 years or 1.6% per annum, which is estimated to drive demand for just 700 sq.m of bulky goods floorspace by 2026, within the main trade area.

**Established bulky goods hierarchy limits potential trade area and subsequently the amount of the supportable bulky goods floorspace at the subject site**

- The bulky goods hierarchy on the Sunshine Coast is well established and is dominated by two major precincts, i.e. Maroochydore and Kawana.
- These precincts include large dedicated homemaker (greater than 25,000 sq.m) including Sunshine Homemaker Centre, the Maroochydore Homemaker Centre and Home Central Kawana.
- Major competitive precincts located in Maroochydore, Kawana and Nambour severely limit the potential trade area that could be served by bulky goods retail at the subject site.
- We consider that no market gap or commercial opportunity exists for bulky goods at the subject site, either now or across the forecast period, as the subject site cannot sustain a significant critical mass of bulky goods floorspace in the context of the surrounding bulky goods hierarchy and the likely small trade area that such development could serve.
- We therefore consider the opportunity for bulky goods at the subject to be very weak and we do not recommend the site for this use.

## Introduction

This report presents a detailed overview of the bulky goods market across the Sunshine Coast and an independent assessment as to the suitability for bulky goods development at 141 Jones Road, North Buderim.

The report has been prepared in accordance with instructions received from Taylor Bridge, and is structured as follows:

- **Section 1** describes the local and regional context of the subject site, the background of bulky goods development on site and outlines the key report objectives.
- **Section 2** outlines the competitive environment within which any bulky goods development on the subject site would operate, including new/recent developments and any planned changes to centres throughout the region.
- **Section 3** examines the potential trade area for the subject site, including analysis of population growth, bulky goods expenditure growth and the ultimate market capacity and suitability of the site for bulky goods development.

## Section 1: Site context, proposed development and report objectives

### 1.1 Site location and regional context

The subject site at 141 Jones Road is located in the suburb of North Buderim in the Sunshine Coast Local Government Area (LGA), approximately 6 km west of Maroochydore.

The 19,620 sq.m site is located on the corner of Jones Road and Maroochydore Road (Figure 1.1), a busy intersection located north of the Buderim Town Centre. Maroochydore Road is an east-west arterial road that connects Maroochydore and the Sunshine Coast Motorway to the Bruce Highway.



The site is readily accessible from a broad region within the Sunshine Coast and beyond due to its corner location on Jones and Maroochydore Roads. The site also enjoys excellent visibility, with frontages on both Jones Road and Maroochydore Road.



Section 1: Site context, proposed development and report objectives

1.2 Approval history

Whilst the site currently remains vacant, it is understood that a development application for retail showroom use received approval in September 2006, comprising 6,350 sq.m GFA of retail showroom space (3,000sq.m, 2,500sq.m and 850sq.m) plus provision for 127 car spaces. It is also understood that this was received under the now superseded Maroochy Plan 2000 and the approval is still current.

The site is currently classified as Specialised Centre Zone within the Sunshine Coast Planning Scheme 2014, which stated purpose is to 'provide for large floor plate retail business activities and other activities which because of their size, requirement for high levels of accessibility to private motor vehicle traffic, or other characteristics, are best located outside of activity centres, adjacent to major roads (Figure 1.2)'.

Within this zone, development provides for a range of retail business activities predominantly in the form of showrooms, garden centres, hardware and trade supplies and outdoor sales that have large floor plates and require high levels of visibility and accessibility to major roads.

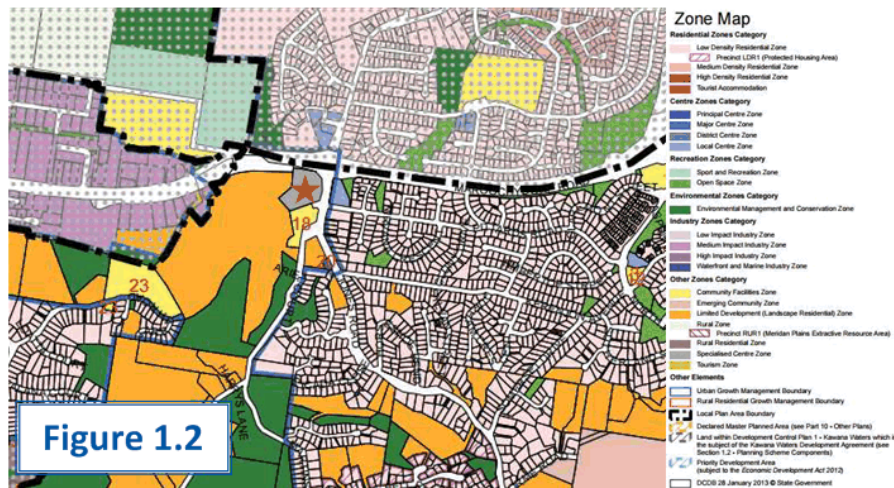


Figure 1.2



Section 1: Site context, proposed development and report objectives

### 1.3 Report objectives

A proposed supermarket development is currently being planned for the site, with the proposed including a total retail GLA of 4,988sq.m, anchored by a 3,906sq.m supermarket. MacroPlan Dimasi has previously prepared an Economic Impact Assessment (EIA)<sup>1</sup> to support this proposal in accordance with instructions received from Taylor Bridge.

This report provides an addendum to the previously mentioned and completed EIA, with the primary objective of examining the suitability of the subject site for bulky goods development.

In order to assess suitability for bulky goods development, MacroPlan Dimasi has prepared a detailed overview of the bulky goods market across the Sunshine Coast, including context around the network of bulky goods facilities.

This assessment includes an overview of the key bulky goods precincts including an assessment of the size, surrounding uses, key anchors and role & function, with the intention to highlight how bulky goods retail 'works' in a practical sense, and at a catchment level.

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<sup>1</sup> North Buderim Supermarket Centre, QLD Economic Impact Assessment, July 2015

## Section 2: Bulky goods hierarchy

This section of the report outlines the competitive context facing a bulky development at the subject site, including an overview of the major bulky goods precincts across the Sunshine Coast, an assessment of the size, surrounding uses, key anchors and role & function.

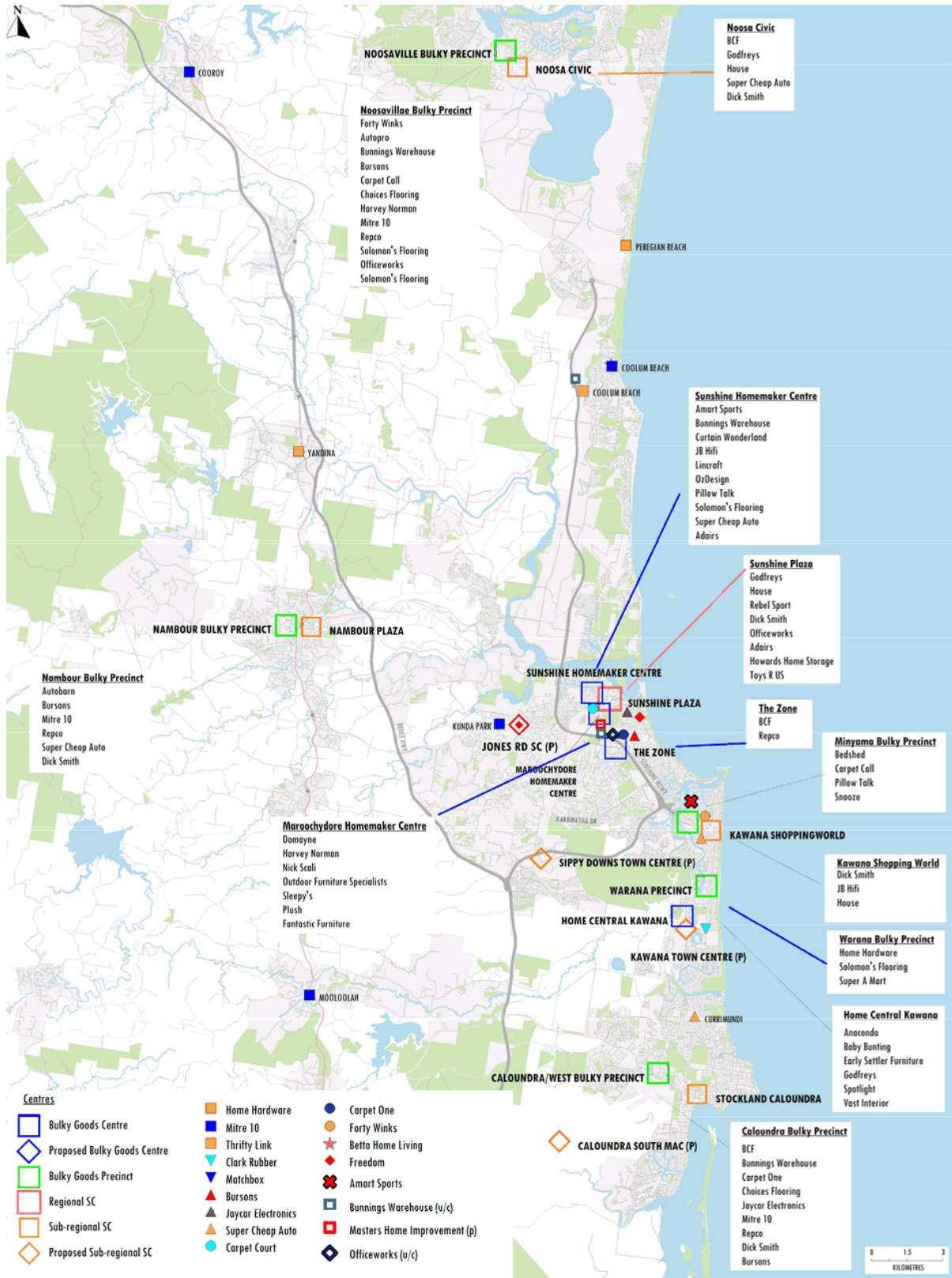
### 2.1 Bulky goods trends

Bulky goods retailing emerged in the 1970's, first appearing as showrooms attached to distribution and warehousing industries selling items such as whitegoods and furniture. At the time this was seen as ancillary sales, however, over time critical masses of these retail outlets started to form in light industrial areas which led to a comparison shopping destination for consumers.

By the late 1990's, bulky goods had become a new form of land use in its own right. Across many different land use types in Australia bulky goods was no longer allowed in traditional industrial zones, but critical mass of bulky goods was also unable to locate in retail or commercial zoning. In many instances, bulky goods locations evolved in 'out of centre' locations from ad hoc developments occurring in high visibility locations, with retailers identifying financial benefits in lower occupancy costs and economies of scale outside of established high-rent and high-cost retail centres.

Over the last decade, bulky goods have been the fastest growing form 'bricks and mortar' retail format, with average real growth in spend on bulky goods outstripping that of other retail formats. While there have been attempts by many municipalities throughout Australia to prevent the 'out of centre' bulky goods developments from occurring, it is clear that there is strong consumer demand for the retail formats. In many cases the evolution of bulky goods centres has help relieve pressures on other land uses – particularly core retail (commercial) and industrial uses.

On the ground, bulky goods can take the form of strip retailing along a major arterial routes (e.g. Nicklin Way, Minyama), a centre-based cluster of stores (e.g. Maroochydore Homemaker Centre) or a stand-alone building (e.g. Mitre 10 Kunda Park).



Map 2.1: Sunshine Coast Bulky goods hierarchy



## Section 2: Bulky goods hierarchy

More recently there have been non-bulky goods retailers attracted to these peripheral locations including for example fast food retailers (such as McDonalds, Pizza Hut and KFC) and even convenience stores.

## 2.2 Bulky goods competition

The current and potential future supply of bulky goods retail has been identified based on analysis of the Property Council of Australia Shopping Centre Directory and MacroPlan Dimasi databases, and is presented in Table 2.1. The list may not be completely exhaustive, as it predominately focuses on major precincts and centres only, but we consider it to provide a valuable overview of current and future supply levels.

Table 2.1 Schedule of competing retail facilities			
Centre	Est. Retail GLA (sq.m)	Major traders	Dist. by road from Jones Rd Buderim (km)
Kunda Park	4,000	Mitre 10	1.0
<u>Maroochydore</u>	<u>72,500</u>		<u>8.0</u>
• Sunshine Plaza*	5,500	Rebel Sport, Officeworks, Toys R Us/Babies R Us	
• Sunshine Homemaker Centre	26,500	Bunnings, Amart Sports, JB Hi-Fi, Lincraft	
• Maroochydore Homemaker Centre	25,500	Harvey Norman, Domayne, Fantastic Furniture	
• The Zone Maroochydore	5,000	Repco, BCF	
• Remainder	10,000	Freedom, Bursons, Jaycar, Carpet Court, Carpet One	
Nambour	10,000	Mitre 10, Super Cheap Auto, Repco, Autobarn, Bursons	12.0
<u>Kawana</u>	<u>47,250</u>		<u>13.0</u>
• Kawana Shoppingworld*	1,850	JB Hi-Fi, Dick Smith	
• Home Central Kawana	25,900	Anaconda, Spotlight, Early Settler Furniture	
• Miniyama	10,000	Bed Shed, Pillow Talk, Snooze, Carpet Call	
• Warana	6,500	Super Amart, Home Hardware, Solomon's Flooring	
• Remainder	3,000	Amart Sports	
Caloundra/Caloundra West	15-20,000	Bunnings, Mitre 10, BCF, Repco, Bursons	24.0
<u>Noosaville</u>	<u>18,000</u>		<u>35.0</u>
• Noosa Civic*	3,000	BCF, Super Cheap Auto, Dick Smith	
• Remainder	15,000	Bunnings, Harvey Norman, Officeworks, Mitre 10	
<b>Future retail facilities</b>			
Bunnings Maroochydore (u/c)	16,500	Bunnings (u/c)	8.0
Masters Maroochydore (p)	13,562	Masters (p)	8.0
Officeworks Maroochydore (u/c)	2,160	Officeworks (u/c)	8.0
Bunnings Coolool (p)	12,750	Bunnings (p)	18.0
* Only bulky retailer floorspace shown Source: Property Council of Australia; MacroPlan Dimasi			

2.2.1 Existing

**Maroochydore**

The Maroochydore precinct is the dominant bulky goods offer on the Sunshine Coast, and includes more than 70,000 sq.m of bulky goods retail floorspace with the majority of this floorspace contained in two major facilities, the Sunshine Homemaker Centre and Maroochydore Homemaker Centre.

Sunshine Plaza

Sunshine Plaza is the largest shopping centre on the Sunshine Coast with around 59,000sq.m GLA and 220 specialty stores together with 12-screen Birch Carroll and Coyle Cinemas, Best & Less, Coles, Kmart, Myer and Target. In terms of bulky goods, the centre has an estimated 5,500sq.m of floorspace including Rebel Sport, Officeworks and Toys 'R' Us.

Sunshine Homemaker Centre

The Sunshine Homemaker Centre is also located within Maroochydore, north-west of Sunshine Plaza, on northern-side of Maroochydore Road.

The centre has a significant critical mass, with a total GFA estimated at 26,500sq.m and is anchored by a Bunnings, and includes major national retailers such as Adairs, Beacon Lighting, Curtain Wonderland, JB-Hi-Fi, Pillow Talk, Solomons Flooring, Supercheap Auto and Trade Secret.

The centre contains 800 parking spaces at-grade, with signalised left and right in access off Maroochydore Road.





Section 2: Bulky goods hierarchy

Maroochydore Homemaker Centre

The Maroochydore Homemaker Centre is located on the former Wisers Farm land fronting Maroochy Boulevard, in Maroochydore. It is located proximate to Sunshine Plaza and adjoins the 62 ha Maroochydore City Centre Priority Development Area (PDA) to the east.



Maroochydore Homemaker Centre contains 20 stores and 25,500sq.m of GFA anchored by the only Harvey Norman store on the Sunshine Coast and Domayne. Other major tenants include Nick Scali, Outdoor Furniture Specialists, Sleepy's, Plush and Fantastic Furniture. The centre has 900 undercover car parks with signalised left and right in access from Maroochy Boulevard.

The Zone Maroochydore

The Zone Maroochydore is located on Wisers Road, just off the Sunshine Motorway, about 3 km south of the Maroochydore CBD.

It is designed in a typical "U" shaped bulky goods centre format, with major large format tenants including BCF, Rays Outdoors, Drummond Golf and Repco. The centre also includes a range of other retailing types such as including convenience (IGA), fast food (Subway) and liquor retailing (Celebrations).



The centre has a total estimated GFA of 5,000sq.m, however is co-located along Wisers Road with a significant amount of other specialist centre zoned land which adds to the overall critical mass of the precinct. Other major tenancies along Wisers Road include Ideal Electrical, Petbarn and Chemist Warehouse.



Section 2: Bulky goods hierarchy

The Zone Maroochydore is considered to provide less of a regional role than both the Maroochydore and Sunshine Homemaker Centres, with a focus on both destination/comparison shopping at the large format retailers and local convenience provided for by the IGA, post office and small bottleshop. However, this centre effectively forms part of the consolidated Maroochydore bulky goods offer.

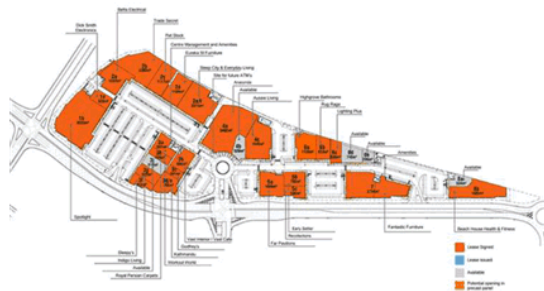
**Kawana**

Home Central Kawana

Home Central Kawana is located in Kawana Waters, north of and adjoining land designated for the future Kawana Town Centre. The centre contains a total GFA of 25,900sq.m and is anchored by Anaconda and Spotlight, but also includes major tenants such as Baby Bunting; Early Settler; Eureka Street Furniture; Far Pavilions; Godfreys; Kathmandu; Mountain Designs and Trade Secret.

The centre is afforded easy access off Kawana Way via a left and right in signalised intersection.

While not on Nicklin way, its location as part of the emerging Town Centre, combined with critical mass and unique anchors to the Sunshine Coast (Anaconda and Spotlight), means the centre provides a regional destination role and function.



Nicklin Way, Warana and Minyama

There is a significant quantum of bulky goods retailing which has evolved around Nicklin Way in separate clusters in Warana (6,500sq.m) and in Minyama (10,000sq.m), which effectively form part of the broader Kawana precinct.

### Noosa Civic

Noosa Civic is a sub-regional shopping centre located in Noosaville, anchored by a Big W discount department store (DDS) and Woolworth's supermarket. The centre also has a small grouping of bulky goods retailers, separate from the centre, on the northern edge of the car park. The bulky goods retailers have a total GFA of 3,000sqm and include major retailers such as BCF, Dick Smith, Supercheap and Petbarn.

The centre is easily accessed via roundabout off either Eenie Creek Road or Walter Hay Drive.

Given the existing tenancy mix and relatively small critical mass, Noosa Civic is considered to be a predominately sub-regional destination for bulky goods shopping.

### Major standalone/strip:

- **Nambour:** There are range of bulky good stores distributed throughout Nambour and primarily service the town and surrounding areas. Our analysis estimates approximately 10,000sq.m and includes key tenants such as Mitre 10, Supercheap Auto, Repco and Autobarn.
- **Mitre 10 – Kunda Park:** The closest bulky goods outlet to the subject site is a 4,000sqm Mitre 10 store located approximately 1km West on Maroochydore Road. It has a significant trade centre component and is accessible via a service Road at the Pike Street intersection.

### 2.2.2 Proposed

The following outlines the potential future bulky goods supply across the region identified on Map 2.1 and has been identified based on analysis of Council records (PDOnline) and other strategic documents and information sources.

The **Maroochydore City Centre Property Development Area (PDA)** intends to allow for additional showroom, hardware and trade supplies floorspace.

Specifically, the Dalton Drive Precinct is intended to accommodate a range of land uses which deliver a scale, character, intensity and function of development suited to the periphery of the new city centre and compatible with existing adjoining uses. Three specific developments have been identified for the area:

- **Bunnings Maroochydore:** Currently under construction is a new 16,500sq.m Bunnings Warehouse store, located just south of the Maroochydore Homemaker Centre on Dalton Drive.
- **Approved Masters Maroochydore:** A Masters Home Improvement store has been approved at 59 – 93 Dalton Drive. We understand that the proponents of this development have abandoned plans to construct this facility, most likely due to recent uncertainty in relation to the direction of the Masters business.
- **Officeworks Maroochydore:** A 2,160 sq.m Officeworks store is under construction on Dalton Drive (Lot 900 SP 257385, Proposed Lots 1 & 2 SP 257385).

There is also a 12,750sqm Bunnings Warehouse store proposed at 39 Barns Lane, Coolum. The proposal also includes a 300sq m stand-alone fast food restaurant and a 300sq m service station with 8 fuel bowsers.

### 2.3 Summary/key findings

From a locational requirement perspective, our experience indicates that the considerations for bulky goods retailers have traditionally been broadly based on some or all of the following:

1. Synergistic and/or functional connections and clustering;
2. Requirements of comparison shopping;
3. High visibility and significant volumes of passing traffic; or
4. Excellent regional accessibility.

Further, by their nature bulky goods retail trips tend to be predominantly car based. It is also noted that unlike retailers selling frequently purchased goods, such as grocery stores, which can survive on a much smaller trade area, bulky goods retailers which sell more infrequently purchased 'comparison' goods, need considerably larger catchments, from which they tend to draw much lower market shares.

It is also important to understand that some bulky goods 'retailers' derive a significant proportion of their trade from business/trade purchases (i.e. Officeworks, Bunnings, Masters), which can influence the locational decision making.

With consideration of the above, and based on both the preceding analysis of existing competition and our experience in the delivery and development assessment of bulky goods nationally, we have outlined following the key site requirements we consider essential for successful bulky goods development:

- The ability to deliver **critical mass** to drive trade from a large and extensive trade area. As a destination retailing segment, the ability to cluster in centres and/or precincts is vitally important to the success of a bulky goods tenants. In our experience, centres with more critical mass benefit from a larger catchment and consequently greater visitation.

Section 2: Bulky goods hierarchy

A minimum critical mass of 10,000sq.m – 15,000sq.m of floorspace collectively or contiguously is preferred. As evidenced in Table 3.1, most of the Sunshine Coast bulky goods floorspace is clustered in precincts of 10,000 sq.m or greater.

- A site location with **regional road accessibility**. As previously mentioned, given the infrequent nature of bulky goods shopping, the majority of trips are predominately car based. On this basis being central to large regional trade area with regional road accessibility, which is defined as being located on a major arterial or preferably an intersection of major arterial routes is preferable.
- **Site exposure and accessibility** is a key determinant in the success or otherwise of bulky goods traders. In addition to being located on a major road, this includes strong store and signage visibility to passing traffic, easily accessible ingress and egress points, preferably from both directions and an adequate volume of at-grade car parking.

In addition to the above site location criteria, key and market success factors include the ability to serve a broad trade area (i.e. in excess of 100,000 people), and a lack of competitive facilities or market gap.

Each of these factors are discussed in relation to the subject site in the more detail in the following section.

## Section 3: Site suitability assessment

The following section of the report examines the potential trade area for the subject site under the previously approved bulky goods scenario, including analysis of population growth, bulky goods expenditure growth and ultimately market capacity. Having regard to this capacity and the key site location criteria identified previously, the site's suitability for bulky goods development will be assessed against these key variables.

### 3.1 Potential trade area

The potential trade area for bulky goods for has been defined taking into account the following key determining factors:

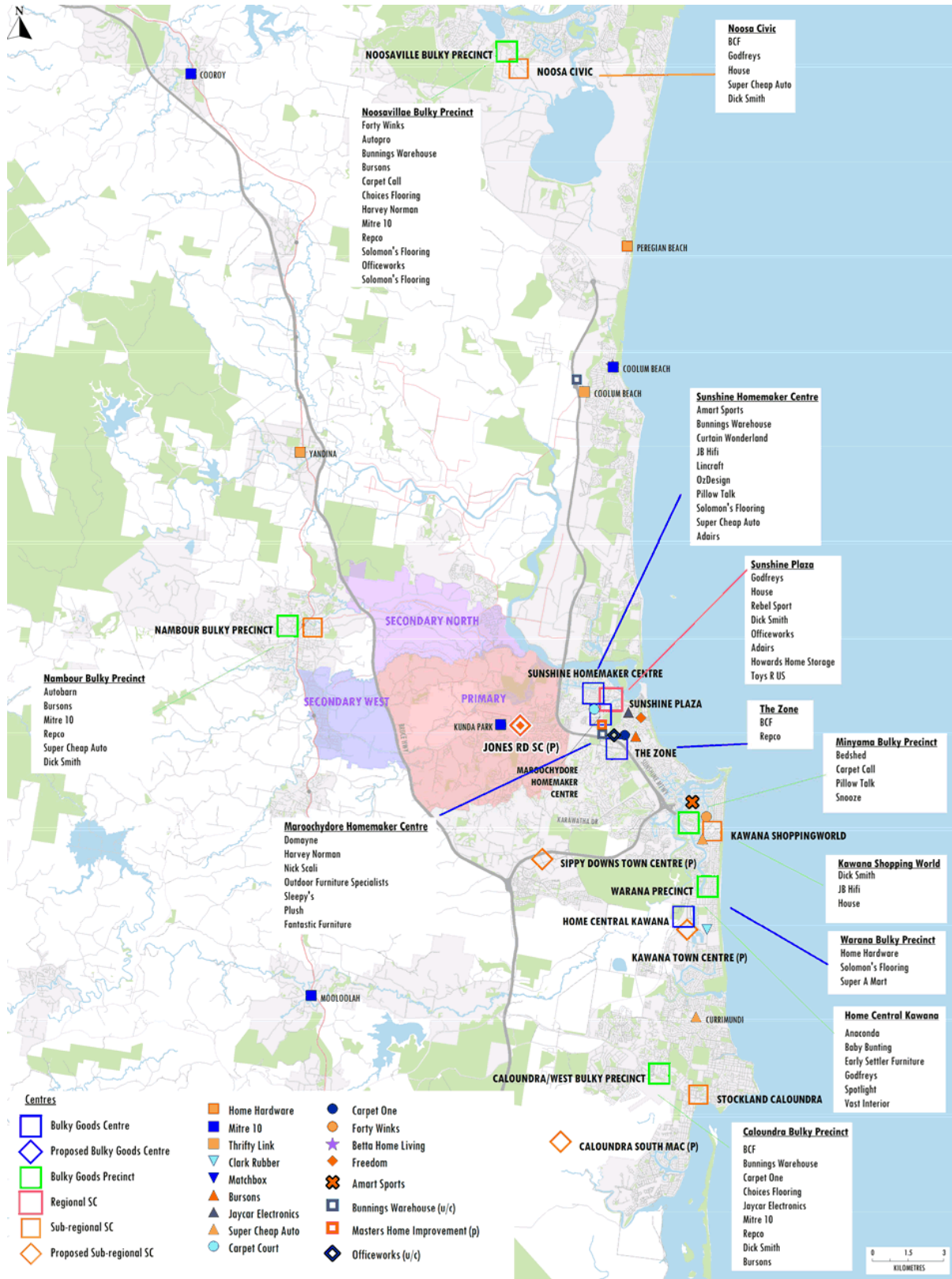
- The role and function of the subject centre;
- The location, role and function of other competing retail facilities; and
- The location and traffic flows of main arterial roads, including the impact of natural and man-made barriers.

Based on the above, the potential trade area which is likely to be served is highlighted on the following Map 3.1. The trade area is defined to include two main sectors as follows:

The primary sector is generally bound by the Sunshine Motorway in the east, the Bruce Highway in the west. The extent of this area is generally constrained by the existing and proposed competitive framework and the existing road network.

The secondary areas (west and north) expands to include accessible areas west of the Bruce Highway and south of Nambour (i.e. Woombye) and areas north of Petrie Creek and east of the Bruce Highway includes parts of Bli Bli. Again, the extent of these areas is generally constrained by the existing and proposed competitive framework and the existing road network.





Map 3.1: 141 Jones Road, North Buderim Trade area and competition



### 3.2 Population growth

Table 3.1 details the recent and projected population levels within the defined trade area. Population trends and forecasts for the trade area population have been based on the following:

- The 2011 Census of Population and Housing by the Australian Bureau of Statistics (ABS).
- Population projections prepared by the Queensland Office of Economic and Statistical Research, released in 2014.
- Investigations of residential development throughout the region, undertaken by this office.

As show in Table 3.1, the defined bulky goods main trade area population is currently estimated at around 24,500 people, including 17,980 residents within the primary sector.

Going forward, moderate population growth is expected, with average annual growth of 400 – 450 residents per year over the next 11 years or 1.6% per annum, reaching 27,300 residents by 2026.

### 3.3 Trade area spending (Homemaker/bulky goods)

The estimated bulky goods retail expenditure capacity of the defined trade area population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises the results of the Household Expenditure Survey (HES) and a detailed micro simulation model of household expenditure behaviour for all residents of Australia.

Chart 3.1 presents a comparison of the bulky goods retail spending behaviour of the trade area residents with the South-East Queensland (SEQ) averages. The estimated level of total bulky goods spending per person across the trade area is \$2,909 per annum, which is about 5% greater than the SEQ average of \$2,779.

## Section 3: Site suitability assessment

Table 3.1 Jones Rd Buderim trade area population, 2006-2026*						
Trade area	Estimated population			Forecast population		
	2006	2011	2015	2018	2021	2026
Primary sector	16,180	17,020	17,980	18,910	19,840	21,240
Secondary sectors						
• North	3,070	3,100	3,220	3,400	3,580	3,780
• West	2,170	2,860	3,300	3,540	3,780	4,280
Total secondary	5,240	5,960	6,520	6,940	7,360	8,060
<b>Main trade area</b>	<b>21,420</b>	<b>22,980</b>	<b>24,500</b>	<b>25,850</b>	<b>27,200</b>	<b>29,300</b>
Trade area	Average annual growth (no.)					
	2006-11	2011-15	2015-18	2018-21	2021-26	
Primary sector	168	240	310	310	280	
Secondary sectors						
• North	6	30	60	60	40	
• West	138	110	80	80	100	
Total secondary	144	140	140	140	140	
<b>Main trade area</b>	<b>312</b>	<b>380</b>	<b>450</b>	<b>450</b>	<b>420</b>	
Trade area	Average annual growth (%)					
	2006-11	2011-15	2015-18	2018-21	2021-26	
Primary sector	1.0%	1.4%	1.7%	1.6%	1.4%	
Secondary sectors						
• North	0.2%	1.0%	1.8%	1.7%	1.1%	
• West	5.7%	3.6%	2.4%	2.2%	2.5%	
Total secondary	2.6%	2.3%	2.1%	2.0%	1.8%	
<b>Main trade area</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.7%</b>	<b>1.5%</b>	

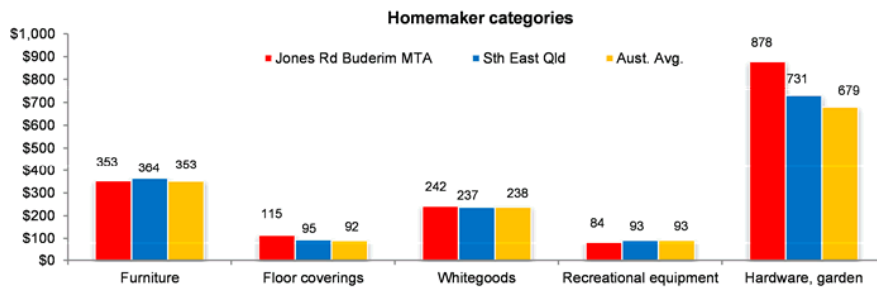
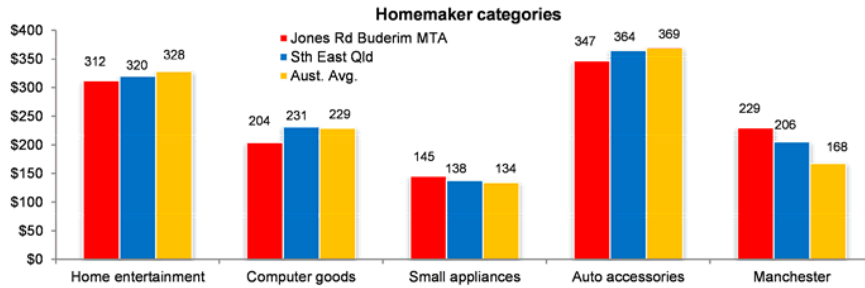
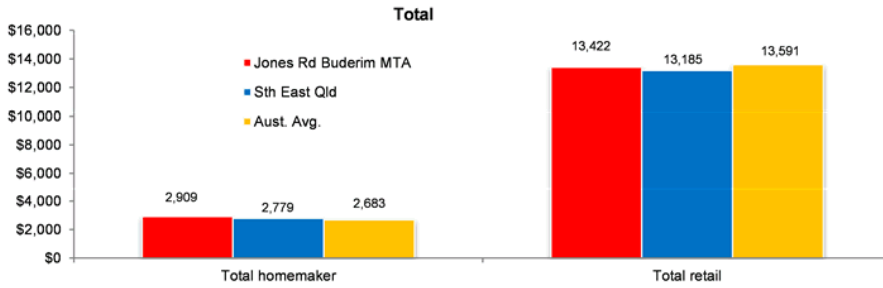
\*As at June  
Source: ABS Census 2011; QLD Office of Economic and Statistical Research, May 2012; MacroPlan Dimasi

As illustrated in Chart 3.1, the hardware/garden and Manchester categories are segments in which trade area expenditure is significantly above the non-metropolitan average.

All other categories are largely in-line with non-metropolitan averages.

Section 3: Site suitability assessment

**Chart 3.1**  
Jones Rd Buderim trade area - spend per person, 2014/15\*



\*Including GST  
Source: MarketInfo; MacroPlan Dimasi

## Section 3: Site suitability assessment

Table 3.2 summarises the total bulky goods spending capacity of the defined trade area population, for the period from 2015 to 2026. Spending forecasts presented in this analysis are expressed in constant 2014/15 dollars (i.e. excluding inflation).

Table 3.2 Jones Rd Buderim main trade area - homemaker expenditure (\$M), 2015-2026*				
Year ending June	Primary sector	Secondary sectors		Main TA
		North	West	
2015	52.7	8.7	9.4	70.7
2016	53.9	8.9	9.7	72.5
2017	55.2	9.1	10.0	74.3
2018	56.6	9.3	10.3	76.2
2019	58.0	9.6	10.7	78.2
2020	59.4	9.8	11.0	80.2
2021	60.9	10.1	11.3	82.3
2022	62.4	10.3	11.7	84.4
2023	63.9	10.5	12.1	86.5
2024	65.3	10.7	12.5	88.6
2025	66.9	11.0	13.0	90.8
2026	68.4	11.2	13.4	93.0
<u>Average annual growth (\$M)</u>				
2015-2026	1.4	0.2	0.4	2.0
<u>Average annual growth (%)</u>				
2015-2026	2.4%	2.3%	3.3%	2.5%
*Constant 2014/15 dollars & including GST Source: MarketInfo; MacroPlan Dimasi				

As illustrated above in Table 3.2, the homemaker expenditure of the trade area population is currently estimated at \$70.7 million. This expenditure capacity is forecast to increase only moderately over the forecast period to \$93 million for the trade area population, an increase of \$22-23 million over the period to 2026.

### 3.4 Sustainable bulky goods floorspace

To translate the previously estimated retail expenditure pool into an estimate of bulky good floorspace demand, MacroPlan Dimasi has applied appropriate industry standard retail turnover densities (RTD's) and what we consider to be reasonable achievable market shares.

Typically across Australia bulky goods retailers generally trade, on average, at around \$3,500 – \$4,000 per sq.m, although RTDs varied by retail category and store size.

We have therefore applied an RTD of \$3,750 per sq.m in 2014/15, and allowed a real growth rate of 0.5% per annum over the forecast period.

Given the surrounding network of bulky goods competition, relative proximity of Maroochydore for trade area residents, and the size/physical constraints of the subject site, any bulky goods development at the subject site would only be able to attract thin market shares of the available main trade area bulky goods market.

Most of the bulky goods retail expenditure generated by the main trade area residents would continue to be directed to the larger bulky goods precincts on the Sunshine Coast.

In this context, we have applied a market share of around 20% for primary sector residents and around 10% for secondary sector residents to provide an indication as to the potential bulky goods floorspace that could theoretically be sustained within the trade area.

As illustrated in Table 3.3, applying these rates to trade area demand results in supportable bulky goods floorspace of approximately 3,000sq.m as of 2015, growing to 3,740sq.m by 2026.

Even when allowing for some trade from beyond the trade area, and having regard to the existing 4,000sq.m Mitre 10 within the catchment, indicates to be limited potential for a bulky goods offer of reasonable critical mass to be supported within the trade area at the subject site.



## Section 3: Site suitability assessment

The opportunity is not expected to improve over the forecast period, with only an additional 1,395sq.m of supportable bulky goods floorspace projected.

Year ending	Primary sector	Secondary sectors		Main TA
		North	West	
2015	2,809	231	250	3,040
2016	2,860	235	258	3,095
2017	2,915	240	265	3,155
2018	2,972	245	271	3,217
2019	3,030	250	279	3,280
2020	3,090	255	286	3,345
2021	3,152	261	293	3,413
2022	3,214	266	301	3,479
2023	3,272	270	310	3,542
2024	3,332	274	320	3,606
2025	3,393	278	329	3,671
2026	3,455	282	339	3,737

\*Constant 2014/15 dollars & including GST  
NB: Assumes Primary sector market share of 20% and secondary sector market shares of 10%  
Source: MarketInfo; MacroPlan Dimasi

Table 3.3 shows the opportunity for bulky goods at the subject to be very weak and we do not recommend the site for this use.

Indeed, we consider that no market gap or commercial opportunity exists for bulky goods at the subject site, either now or across the forecast period, as the subject site cannot sustain a significant critical mass of bulky goods floorspace in the context of the surrounding bulky goods hierarchy and the likely small trade area that such development could serve.

Major competitive precincts located in Maroochydore, Kawana and Nambour severely limit the potential trade area that could be served by bulky goods retail at the subject site.

