

# North Buderim Supermarket Centre, QLD

## Economic Impact Assessment

September 2015



**MacroPlan Dimasi**MELBOURNE

Level 4  
356 Collins Street  
Melbourne VIC 3000  
(03) 9600 0500

BRISBANE

Level 15  
111 Eagle Street  
Brisbane QLD 4000  
(07) 3221 8166

ADELAIDE

Ground Floor  
89 King William Street  
Adelaide SA 5000  
(08) 8221 6332

SYDNEY

Level 4  
39 Martin Place  
Sydney NSW 2000  
(02) 9221 5211

GOLD COAST

Level 2  
89 – 91 Surf Parade  
Broadbeach QLD 4218  
(07) 3221 8166

PERTH

Level 1  
89 St Georges Terrace  
Perth WA 6000  
(08) 9225 7200

**Prepared for: Taylor Bridge**

**MacroPlan Dimasi staff responsible for this report:**

Tony Dimasi, Managing Director – Retail

James Turnbull, Senior Manager – Retail

Fraser Brown, Senior Consultant – Retail

Adelaide Timbrell, Analyst

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## Executive summary

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### Site location and proposed development

- The subject site is located in the suburb of North Buderim in the Sunshine Coast Local Government Area (LGA), approximately 6 km west of Maroochydore.
- The proposed development is planned to include a 3,906 sq.m supermarket, 879 sq.m of supporting specialty shopfront space, a 250 sq.m fast food pad site and a car park with 292 bays.
- The proposed centre will have excellent visibility, and be easily accessible from a broad region, due to its location at the intersection of Maroochydore Road and Jones Road.

### Trade area analysis

- The resident population within the main trade area that would be served by the proposed supermarket centre is estimated at 10,630, including 8,360 in the key primary sector, at June 2015. The main trade area population is forecast to grow to 12,840 persons by 2026, at an average annual growth rate of 1.7%.
- The socio-demographic profile of the main trade area population is characterised by high home ownership levels and popularity with families and retirees.
- The retail expenditure capacity of main trade area residents is projected to increase from \$139.5 million in 2015 to \$188.6 million in 2026 (in constant 2014/15 dollars), reflecting an annual average (real) growth rate of 2.8%.

## Executive summary

### Competition

- Given the nature and scale of the proposed development, the most relevant competitive facilities are the lower order centres located within the defined trade area, in particular:
  - The existing North Buderim Centre, where the previously very small IGA supermarket has recently been redeveloped and expanded.
  - The small group of shops at the rear of the McDonald's store on the north-western corner of the Jones Road/Maroochydore Road intersection.
  - The very small facility situated at the corner of Tallow Wood Drive and Melaleuca Street in Kuluin, known as Kuluin Central.
  - A very small local centre, Lakeshore Convenience Centre, which is situated at the corner of Pittards Road and Lakeshore Avenue in North Buderim.
- At present, the only supermarket facility within the defined trade area is the recently developed IGA store, of approximately 1,100 sq.m, at North Buderim. The bulk of the supermarket expenditure of residents of the defined trade area is escaping to supermarket facilities located beyond the trade area, primarily at Maroochydore and Buderim District Centre.

### Supermarket need and demand

- The analysis shows that there is at present a very substantial gap in the provision of supermarket floorspace to serve the local population of Buderim North/Kuluin. While not all of the available supermarket business generated by this population would be expected to be retained locally, it is reasonable that the bulk of that business should be able to be spent at a convenient, local supermarket centre, particularly given the distances involved to access the nearest full range national chain supermarkets at present – Buderim District Centre, which involves a drive of some 4 km, and includes a steep ascent, or the Maroochydore Central Business District, which involves an even longer drive, of around 6.4 km, and significant congestion and inconvenience much of the time.

### Executive summary

- Throughout the surrounding region there are many supermarket facilities provided as part of Local (Full Service) Centres, which are well located to serve such needs for their respective local communities, but no such facility at Buderim North. The addition of a supermarket at the Jones Road site would be able to service a similar need for the North Buderim/Kuluin local population.
- The estimated sales potential for the proposed centre is \$40.3 million at 2017/18, including \$33.7 million of supermarket sales.

#### Economic impacts and benefits

- At 2018, the projected impacts on the various centres within and surrounding the identified North Buderim trade area are generally minor to moderate, being in excess of 10% only for the Buderim District Centre and the existing North Buderim Centre. For these two centres, the estimated impacts at 2017/18 are 13.6% and 11.6% respectively.
- On the basis of this assessment, none of the existing centres will face any threats in terms of being able to provide the surrounding community with levels of service that are at least equivalent to the current (2014/15) situation. In other words, the proposed development will not impact the viability of any existing centres, including the North Buderim Centre.
- The proposed development will result in additional economic and community benefits including:
  - Increased choice, convenience and amenity for the population of the defined main trade area, and particularly for residents of the primary sector.
  - Reduction of the supermarket floorspace demand/supply gap, ensuring sufficient supermarket floorspace is provided for those main trade area residents.
  - Retention of escape spending, which would have positive flow-on benefits to other retail stores and services in the Buderim North.
  - A strengthening of the Buderim North centre, through the provision of a significant anchor tenant which would greatly increase visitation to the centre, to the potential benefit of existing small retailers.

### Executive summary

- Savings on time and fuel for those main trade area residents, due to a much better provision of food and grocery shopping facilities for the local level, particularly for customers who prefer to use a full-scale supermarket.



## Introduction

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This report presents an independent assessment of the need and demand, as well as the estimated sales potential for a proposed supermarket development at 141 Jones Road, North Buderim, which is located in the Sunshine Coast Local Government Area (LGA), some 6 km west of Maroochydore.

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 proposed supermarket centre site and details the proposed development at the site.
- **Section 2** examines the trade area that could potentially be served by the proposed supermarket centre, including current and projected population and retail spending levels and the socio-demographic profile of trade area residents.
- **Section 3** outlines the competitive environment within which the proposed supermarket centre will operate, including new/recent developments and any planned changes to existing centres throughout the region.
- **Section 4** assesses the supermarket floorspace gap within the trade area, and the estimated retail sales potential and market share potential of the proposed facility. The key issues relating to economic impact consideration are also discussed in this section.
- **Section 5** presents our estimates of likely trading impacts on the surrounding retail network and examines the implications of these impacts.
- **Section 6** examines the economic and community benefits from the proposed development, including employment generation.

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## Section 1: Site location and proposed development

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### 1.1 Site location and 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 site is located on the corner of Jones Road and Maroochydore Road, 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 proposed supermarket centre is easily 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.

The Sunshine Coast is one of Queensland's most popular holiday destinations, attracting a significant volume of domestic visitors but also serving a growing international tourist visitor market. The Sunshine Coast Regional Snapshot, produced by Tourism Research Australia, indicates that for the year ending September 2014 there were approximately 3.2 million overnight visitors (domestic and international) to the region, in addition to 5.1 million domestic daytrippers. These visitors spent a total of 13.6 million nights in the Sunshine Coast region over the year. In combination with domestic day trippers to the region, totalling 5.1 million, the visitor market equates to an equivalent to a year round daily population of over 44,000 persons.

The Sunshine Coast LGA is served by one department store anchored shopping centre (i.e. Sunshine Plaza at Maroochydore), and three discount department store based centres, i.e. Kawana Shoppingworld, Nambour Plaza and Stockland Caloundra. Significant future population growth is planned to be accommodated across the Sunshine Coast which will support the establishment of new centres and drive increased demand for expansions to existing centres.

## Section 1: Site location and proposed development

### 1.2 Proposed development

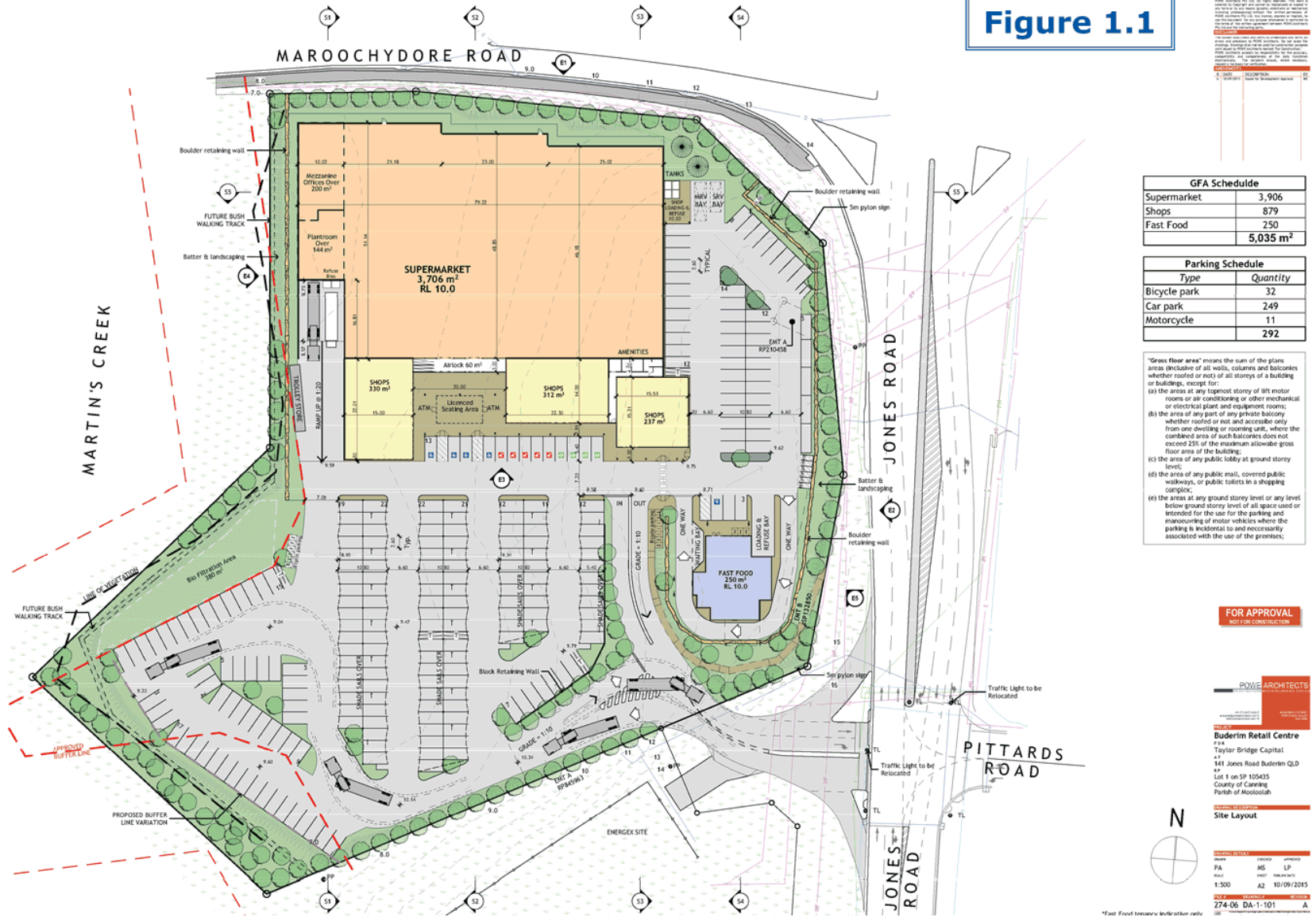
Table 1.1 summarises the composition of the proposed development at the subject site, while Figure 1.1 shows the layout of the proposed centre. The centre is planned to include:

- A supermarket anchor of 3,906 sq.m, which will account for over three quarters (77.6%) of the proposed retail floorspace at the centre.
- A small provision of supporting shopfront floorspace, in the order of 879 sq.m, not all of which will necessarily be occupied by retail uses.
- A fast food pad site, which is planned to account for 250 sq.m of floorspace.
- A 292 bay customer carpark at the south of the centre, including 11 motorcycle parks and 32 bicycle parks, with access via Jones Road.

Category	Floorspace (GLA)	
	(sq.m)	(% of retail)
Supermarket	3,906	77.6%
<u>Other floorspace</u>		
Fast Food	250	5.0%
Other specialties	879	17.5%
Total other floorspace	1,129	22.4%
<b>Total centre</b>	<b>5,035</b>	<b>100.0%</b>

*Source: Taylor Bridge; MacroPlan Dimasi*

**Figure 1.1**



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## Section 2: Trade area analysis

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This section of the report examines the trade area that could potentially be served by the proposed supermarket centre, including the current and projected population, the socio-demographic profile and the estimated current and future retail expenditure capacity of trade area residents.

### 2.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre or retail facility is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and carparking, including access and ease of use.
- The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.
- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre.
- Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre.

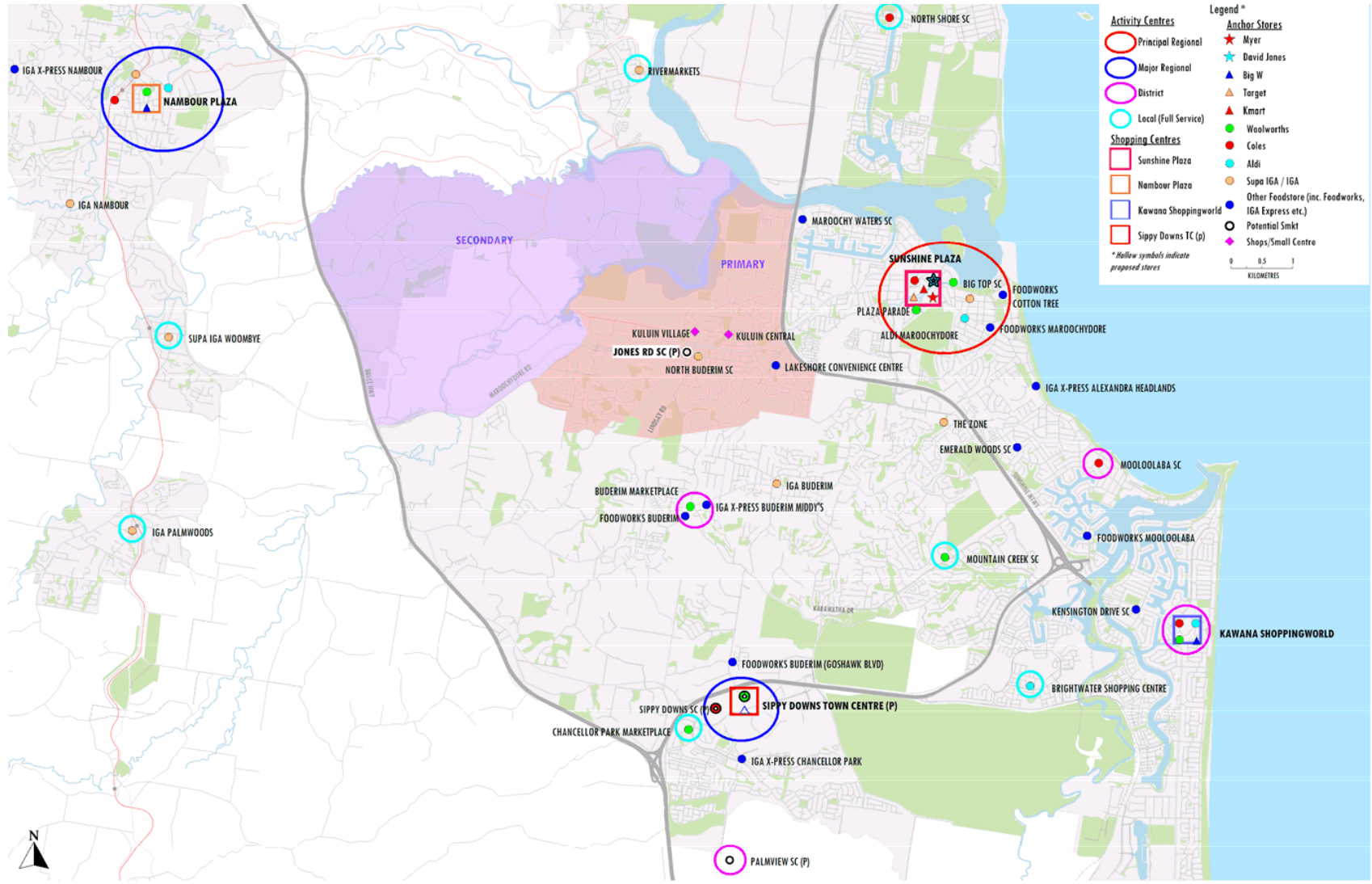
## Section 2: Trade area analysis

The trade area that would be served by the proposed supermarket centre has been defined taking into consideration all of the above factors, and includes one primary sector and one secondary sector, described as follows (refer Map 2.1):

- The **primary sector** incorporates the suburbs of Kuluin and Kunda Park, as well as parts of Buderim, Maroochydore and Forest Glen. This sector is generally bound by Eudlo Creek to the north and the Sunshine Motorway to the east.
- The **secondary sector** is generally bound by Paynter Creek to the north, Eudlo Creek to the east, Maroochydore road to the south and Bruce Highway to the west. This sector consists of the suburbs of Kiels Mountain, Diddillibah and part of Forest Glen.

The defined main trade area reflects the absence of full-scale supermarket facilities from the North Buderim area, and the relatively limited provision of retail facilities overall. The recent construction of the IGA store at North Buderim (discussed further in the following section of the report) has added an independent supermarket of approximately 1,100 sq.m, replacing a previously existing and smaller IGA foodstore at the site. However, the local population served by the North Buderim facilities, particularly within the defined primary trade area as outlined above, is substantial, and as shown later in this report, there is greater (unmet) need and demand for supermarket facilities at North Buderim than will be provided by the recently built IGA store.





Map 2.1: North Buderim



## Section 2: Trade area analysis

### 2.2 Trade area population

Table 2.1 details the current and projected population levels within the main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing (2006 and 2011);
- Australian Bureau of Statistics Dwelling Approvals Data (2010–13);
- Australian Bureau of Statistics Estimated Residential Population Data (ERP) (2011, 2012 and 2013);
- Queensland Treasury Office of Economic and Statistical Research (OESR) population projections (2013 edition); and
- Other investigations of future residential development, undertaken by this office.

The main trade area population is estimated at 10,630 as at June 2015, including 8,360 residents within the key primary sector. Over the most recent intercensal period (2006-2011), the main trade area population increased at an average rate of 1.4% per annum, or by around 140 residents per annum.

A major residential development proposed within the trade area is Maroochy Palms Estate in Maroochydhore. Maroochy Palms Estate is deferred, but if it proceeds could replace the Maroochy Palms Big 4 Caravan Park and deliver 196 dwellings on small lots in the medium term. Apart from this development, the trade area consists of generally established areas, where most population growth comes from natural growth (i.e. children being born to residents in the trade area).

Having regard to the above, the main trade area population is estimated to reach 12,840 by 2026, reflecting average annual growth of 1.7%. The primary sector population is estimated to grow at an average annual rate of 1.8% to reach 10,130 by 2026.

## Section 2: Trade area analysis

Table 2.1 North Buderim trade area population, 2006-2026*						
Trade area sector	Estimated population			Forecast population		
	2006	2011	2015	2018	2021	2026
Primary	7,220	7,800	8,360	8,870	9,380	10,130
Secondary	<u>2,010</u>	<u>2,110</u>	<u>2,270</u>	<u>2,390</u>	<u>2,510</u>	<u>2,710</u>
<b>Main trade area</b>	<b>9,230</b>	<b>9,910</b>	<b>10,630</b>	<b>11,260</b>	<b>11,890</b>	<b>12,840</b>
Trade area sector	Average annual growth (no.)					
	2006-11	2011-15	2015-18	2018-21	2021-26	
Primary		116	140	170	150	
Secondary		<u>20</u>	<u>40</u>	<u>40</u>	<u>40</u>	
<b>Main trade area</b>		<b>136</b>	<b>180</b>	<b>210</b>	<b>190</b>	
Trade area sector	Average annual growth (%)					
	2006-11	2011-15	2015-18	2018-21	2021-26	
Primary		1.6%	1.7%	2.0%	1.6%	
Secondary		<u>1.0%</u>	<u>1.8%</u>	<u>1.7%</u>	<u>1.5%</u>	
<b>Main trade area</b>		<b>1.4%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.5%</b>	

\*As at June  
Source: ABS Census 2011; QLD Office of Economic and Statistical Research, May 2013; MacroPlan Dimasi

## Section 2: Trade area analysis

### 2.3 Socio-demographic profile

Table 2.2 illustrates the socio-demographic profile of the defined main trade area population, compared with benchmarks for non-metropolitan QLD and Australia, with the key highlights as follows:

- Average household income in the primary sector is generally in line with the non-metropolitan QLD average, while average household income in the secondary sector is 4.0% above the benchmark.
- The average age of main trade area residents is 39.3 years, which is slightly higher than the non-metropolitan QLD average of 38.0 years. This reflects the area's popularity with families and retirees (i.e. people aged over 60), particularly in the secondary sector, which has an above average proportion of residents over the age of 60 and a below average proportion of people aged 20-29.
- The home ownership level of the Buderim main trade area is 76.6%, which is significantly above the non-metropolitan QLD average (64.7%).
- Australian born residents account for 80.1% of the main trade area population, which is lower than the non-metropolitan QLD average of 82.2%. There is a high proportion of European born residents compared with the benchmark.
- Traditional families (i.e. couples with dependent children) account for 45.4% of households in the main trade area, which is above the non-metropolitan QLD benchmark (43.3%). The secondary sector has a particularly high proportion of traditional families (48.9%).

The main trade area is characterised by high home ownership levels and a mix of families and retirees.

## Section 2: Trade area analysis

Table 2.2 North Buderim main trade area - socio-demographic profile, 2011					
Census item	Primary sector	Secondary sector	Main TA	Non-metro Qld avg.	Aust. avg.
Per capita income	\$30,684	\$29,869	\$30,511	\$31,620	\$34,467
<i>Var. from Non-metro Qld benchmark</i>	-3.0%	-5.5%	-3.5%		
Avg. household income	\$79,073	\$82,237	\$79,713	\$79,049	\$88,205
<i>Var. from Non-metro Qld benchmark</i>	0.0%	4.0%	0.8%		
Avg. household size	2.6	2.8	2.6	2.5	2.6
<u>Age distribution (% of population)</u>					
Aged 0-14	19.8%	19.7%	19.8%	20.4%	19.3%
Aged 15-19	6.5%	7.3%	6.7%	6.7%	6.5%
Aged 20-29	10.5%	5.0%	9.4%	12.3%	13.8%
Aged 30-39	12.4%	10.6%	12.0%	12.9%	13.8%
Aged 40-49	15.1%	18.4%	15.8%	14.2%	14.2%
Aged 50-59	14.0%	15.9%	14.4%	13.2%	12.8%
Aged 60+	21.6%	23.0%	21.9%	20.3%	19.6%
Average age	39.0	40.4	39.3	38.0	37.9
<u>Housing status (% of households)</u>					
Owner (total)	75.1%	82.4%	76.6%	64.7%	68.7%
• Owner (outright)	35.1%	44.0%	37.0%	31.3%	32.9%
• Owner (with mortgage)	39.9%	38.4%	39.6%	33.3%	35.8%
Renter	24.4%	17.2%	22.8%	34.3%	30.4%
Other	0.6%	0.4%	0.5%	1.1%	0.9%
<u>Birthplace (% of population)</u>					
Australian born	80.1%	80.3%	80.1%	82.2%	74.0%
Overseas born	19.9%	19.7%	19.9%	17.8%	26.0%
• Asia	1.6%	1.9%	1.6%	2.9%	8.6%
• Europe	9.9%	10.8%	10.1%	7.7%	10.5%
• Other	8.5%	7.0%	8.2%	7.3%	7.0%
<u>Family type (% of households)</u>					
Couple with dep't children	44.5%	48.9%	45.4%	43.3%	45.3%
Couple with non-dep't child.	7.3%	7.8%	7.4%	6.4%	7.7%
Couple without children	26.2%	25.4%	26.0%	25.9%	23.0%
One parent with dep't child.	9.5%	5.6%	8.7%	10.3%	9.2%
One parent w non-dep't child.	3.4%	3.1%	3.3%	3.1%	3.5%
Other family	0.7%	0.4%	0.6%	0.9%	1.1%
Lone person	8.5%	8.8%	8.6%	10.2%	10.2%

Source: ABS Census of Population & Housing, 2011; MacroPlan Dimasi

## Section 2: Trade area analysis

### 2.4 Retail expenditure capacity

MacroPlan Dimasi estimates retail expenditure capacity generated by the main trade area residents based on information sourced from Market Data Systems (MDS), which utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. We consider MarketInfo data to be quite an accurate measure of available retail expenditure and it is widely relied on in the retail industry.

Total retail expenditure is detailed in a number of categories, as follows:

- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores.
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets.
- Food catering – cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- Apparel – clothing, footwear, fashion and accessories.
- Household Goods – giftware, electrical, computers, furniture, homewares, and hardware goods.
- Leisure – sporting goods, music, DVDs, games, books, newsagents and film processing/photography.
- General Retail – pharmaceutical goods, cosmetics, toys, florists, mobile phones.
- Retail Services – retail services such as key cutting, shoe repairs, hair and beauty.

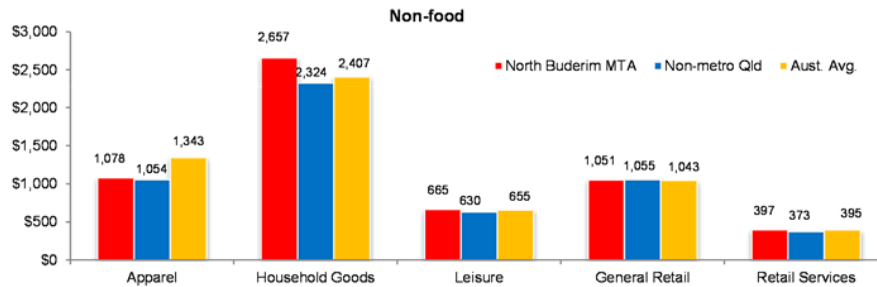
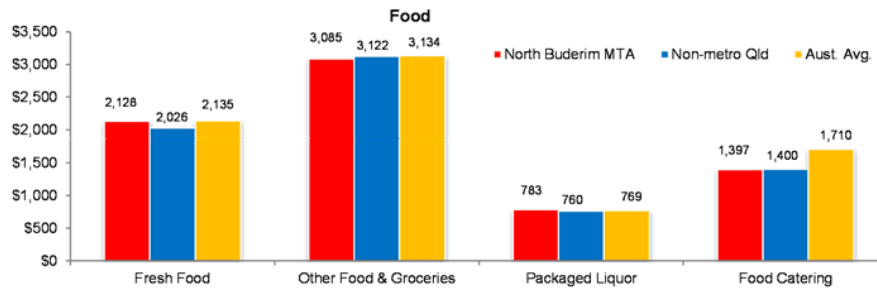
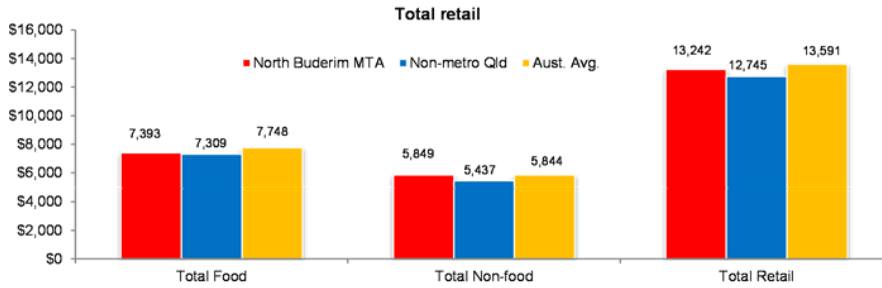
## Section 2: Trade area analysis

Chart 2.1 shows the retail expenditure capacity per person for residents of the identified main trade area for the year 2014/15, and compares these estimates with the average for non-metropolitan Queensland and Australia. Spending estimates are presented inclusive of GST. The following points are noted:

- Overall, retail expenditure per capita is estimated to be 3.9% above the non-metropolitan QLD average.
- Spend per capita on fresh food, a key category of relevance to supermarkets, is 5.0% greater than the non-metropolitan QLD average.
- Spend per capita on food catering, at about \$1,400, is generally in line with the non-metropolitan QLD average.
- Spend per capita on discretionary retail categories is 7.6% above the non-metropolitan QLD average. Spend on household goods is particularly high, at 14.3% above the non-metropolitan QLD benchmark.

Section 2: Trade area analysis

**Chart 2.1**  
North Buderim trade area - retail spending per person, 2014/15\*



\*Including GST  
Source: MarketInfo; MacroPlan Dimasi



## Section 2: Trade area analysis

Table 2.3 presents projections of total retail spending generated by the main trade area population, by trade area sector, over the period from 2015 to 2026. Spending forecasts are presented inclusive of GST and in constant 2014/15 dollars.

Total retail expenditure by main trade area residents is estimated to grow at an average annual rate of 2.8% from \$139.5 million in 2015 to \$188.6 million by 2026 in constant 2014/15 dollars. The average annual growth rate of 2.8% comprises two components, as follows:

- Residential population growth, which is expected to average 1.7% per annum;
- Real growth in per capita retail expenditure, which is expected to average 1.0% per annum over the forecast period; and

The total retail expenditure capacity of primary sector residents is estimated to grow at 2.8% per annum, from \$108.5 million at 2015 to \$147.2 million by 2026.

Table 2.4 presents estimates of spending for the main trade area by retail category. FLG expenditure (take-home food and groceries including packaged liquor) is estimated at \$63.2 million in 2015, and accounts for 45% of all retail expenditure in the trade area. FLG expenditure by trade area residents is forecast to increase to \$86.3 million by 2026, reflecting average annual growth of 2.9%.

## Section 2: Trade area analysis

Table 2.3 North Buderim main trade area - retail expenditure (\$M), 2015-2026*			
Year ending June	Primary sector	Secondary sector	Main TA
2015	108.5	31.0	139.5
2016	111.6	31.8	143.4
2017	114.8	32.7	147.5
2018	118.1	33.5	151.7
2019	121.6	34.4	156.0
2020	125.1	35.3	160.4
2021	128.8	36.3	165.1
2022	132.5	37.3	169.7
2023	136.0	38.3	174.3
2024	139.6	39.3	178.9
2025	143.4	40.3	183.7
2026	147.2	41.4	188.6
<u>Average annual growth (\$M)</u>			
2015-2026	3.5	0.9	4.5
<u>Average annual growth (%)</u>			
2015-2026	2.8%	2.7%	2.8%
*Constant 2014/15 dollars & including GST Source: MarketInfo; MacroPlan Dimasi			

## Section 2: Trade area analysis

Table 2.4 North Buderim main trade area - retail expenditure by product group (\$M), 2015-2026*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2015	63.2	14.7	11.4	28.0	7.0	11.1	4.2	139.5
2016	65.0	15.2	11.6	28.7	7.2	11.3	4.3	143.4
2017	66.9	15.7	11.9	29.5	7.3	11.6	4.4	147.5
2018	68.9	16.3	12.2	30.3	7.5	11.9	4.6	151.7
2019	70.9	16.9	12.5	31.1	7.7	12.2	4.7	156.0
2020	73.0	17.4	12.8	32.0	7.9	12.5	4.8	160.4
2021	75.2	18.0	13.1	32.8	8.1	12.8	5.0	165.1
2022	77.4	18.7	13.4	33.7	8.3	13.1	5.1	169.7
2023	79.5	19.3	13.8	34.6	8.5	13.4	5.3	174.3
2024	81.7	19.9	14.1	35.4	8.7	13.7	5.4	178.9
2025	84.0	20.6	14.4	36.3	8.9	14.0	5.6	183.7
2026	86.3	21.2	14.7	37.2	9.1	14.3	5.7	188.6
<u>Average annual growth (\$M)</u>								
2015-2026	2.1	0.6	0.3	0.8	0.2	0.3	0.1	4.5
<u>Average annual growth (%)</u>								
2015-2026	2.9%	3.4%	2.4%	2.6%	2.4%	2.4%	2.9%	2.8%

\*Constant 2014/15 dollars & including GST  
Source: MarketInfo; MacroPlan Dimasi

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

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## Section 3: Competitive context

This section of the report outlines the competitive context facing a prospective new development at the subject site, including any proposed developments of relevance.

### 3.1 Competitive facilities

Table 3.1 details the facilities of competitive relevance to the proposed development at 141 Jones Road, while the previous Map 2.1 illustrates their locations.

Table 3.1 North Buderim - schedule of competing retail facilities			
Centre	Est. Retail GLA (sq.m)	Major traders	Dist. by road from North Buderim (km)
<b>Within trade area</b>			
North Buderim SC	2,170	IGA	-
<u>Kuluin</u>			1.0
• Kuluin Village	300	n.a.	
• Kuluin Central	200	n.a.	
Lakeshore convenience centre	400	IGA Friendly Grocer	1.8
<b>Beyond trade area</b>			
<u>Buderim District Centre</u>	<u>7,870</u>		4.0
• Buderim Marketplace	3,870	Woolworths	
• Burnett Street Strip	4,000	Foodworks	
IGA Buderim	1,500	IGA	3.2
Maroochy Waters	1,200	IGA X-Press	5.4
<u>Maroochydoore</u>	<u>76,570</u>		6.4
• Sunshine Plaza (existing)	54,270	Myer, Target, Kmart, Coles	
• Sunshine Plaza (proposed)	35,730	David Jones (p)	
• Big Top Market Fresh	10,000	Woolworths	
• Plaza Parade	4,800	Woolworths	
• Other	7,500	Aldi, IGA x 2, Foodworks x 2	
Rivermarkets (Bli Bli)	3,500	IGA	11.3
Source: Property Council of Australia; MacroPlan Dimasi			

### Section 3: Competitive context

Given the nature and scale of the proposed development, the most relevant competitive facilities are the lower order centres located within the defined trade area, in particular:

- The North Buderim Centre situated directly opposite the site, which contains as its anchor a recently built IGA supermarket of approximately 1,100 sq.m. The remainder of the facilities at this centre includes a BWS liquor store, a bakery, a butcher, a Guardian Pharmacy, a fish & chips store plus a florist. Adjacent to this facility, in a separate development, is another small group of shops fronting Pittards Road which provides a hairdresser and a few take-away food stores.
- The small group of shops at the rear of the McDonald's store on the north-western corner of the Jones Road/Maroochydore Road intersection, known as Kuluin Village. The facilities provided in this little group of shops are quite limited in extent, with no supermarket but a bakery, a video rental store and a milk bar.
- The very small facility situated at the corner of Tallow Wood Drive and Melaleuca Street in Kuluin, known as Kuluin Central, but which contains no supermarket/foodstore, and minimal retail floorspace. This facility appears to have failed as a retail centre of any significance. On inspection it contained a local dance school with associated dancewear outlet; a café, which was closed until further notice; a hairdresser; a small gymnasium; and a solicitor's office. There were also three vacancies. In effect therefore, there is almost no retail amenity provided to the local population by this facility.
- A very small centre, Lakeshore convenience centre, which is situated at the corner of Pittards Road and Lakeshore Avenue in North Buderim, and which has an IGA Friendly Grocer as part of its mix. The other facilities provided at this location included a Chinese take-away food store, a hairdresser and a computer repairs outlet.

Outside the trade area the most relevant competitive facilities are the Buderim District Centre, which contains an estimated 8,000 sq.m of retail space, including a Woolworths supermarket of 2,456 sq.m; the Buderim IGA store of

### Section 3: Competitive context

approximately 400 sq.m, with a few associated shops, situated at the intersection of King Street and Mill Road, about 2 km east of the Buderim District Centre; the small Maroochy Waters convenience centre; and the Maroochydore Central Business District, which is the designated Principal Regional Centre for the Sunshine Coast Local Government Area.

#### 3.2 Spatial distribution of retail facilities

Map 2.1 previously shows the locations of all of these lower order centres, as well as the surrounding network of centres generally, including Buderim District Centre and Maroochydore Principal Regional Centre. Also shown on Map 2.1 is the network of *Local (Full Service) Centres* in the surrounding region. These centres are defined in the Sunshine Coast Planning Scheme 2014 as centres which provide for a wide range of local shopping, local employment, commercial, cafés & dining, entertainment, community services together with residential development where it can integrate and enhance the fabric of the activity centre.

At present, within the area generally surrounding Buderim, such centres are provided at Chancellor Park West, Mountain Creek, Bli Bli (Rivermarkets) and North Shore. There is, however, no Local (Full Service) Centre in the Buderim North area, and there is a clearly evident spatial gap in the provision of such facilities to directly and conveniently serve Buderim North.

It is strongly arguable, in our view, that the recent expansion of the existing IGA supermarket at North Buderim, directly opposite the Jones Road site, together with the various other facilities now provided both on the North Buderim IGA site and on the diagonally opposite site which accommodates the McDonald's store plus the Kuluin Village shops, is moving towards the creation of a Local (Full Service) Centre at the locality. The addition of a Woolworths supermarket on the Jones Road site would complement those facilities, and round out the centre, providing a needed facility for the local community. It is noteworthy that the Local (Full Service) Centres at Chancellor Park West, Mountain Creek and North Shore all contain Woolworths or Coles supermarkets as anchor supermarkets, while the centre at Brightwater contains an Aldi supermarket.

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## Section 4: Supermarket need and demand

This section of the report assesses the supermarket floorspace gap within the trade area, as well as the estimated sales potential of the proposed supermarket. The key issues relating to economic impact are also briefly outlined.

### 4.1 Supermarket floorspace market gap

Table 4.1 compares the demand for supermarket floorspace generated by residents of the main trade area with the existing and proposed supply of supermarket floorspace, thereby estimating the current and future market gap for supermarket floorspace within the main trade area.

Factor	2015	2018	2021	2026
Main trade area population	10,630	11,260	11,890	12,840
F&G Spend per capita* (\$)	<u>\$5,213</u>	<u>\$5,371</u>	<u>\$5,550</u>	<u>\$5,891</u>
Total F&G exp. (\$M)	\$55.4	\$60.5	\$66.0	\$75.6
F&G expenditure to smkts at 75% (\$M)	\$41.6	\$45.4	\$49.5	\$56.7
6% of smkt sales from GM (\$M)	\$2.7	\$2.9	\$3.2	\$3.6
<b>Total available smkt expenditure (\$M)</b>	<b>\$44.2</b>	<b>\$48.3</b>	<b>\$52.6</b>	<b>\$60.4</b>
RTD @ \$9,000 increasing at 0.5% p.a.	\$9,000	\$9,136	\$9,273	\$9,508
<b>Supportable smkt floorspace (sq.m)</b>	<b>4,912</b>	<b>5,282</b>	<b>5,677</b>	<b>6,348</b>
<b>Supermarket supply (sq.m)**</b>	<b>1,100</b>	<b>5,006</b>	<b>5,006</b>	<b>5,006</b>
141 Jones Road (sq.m)***		<u>3,906</u>		
<b>Total supermarket gap (sq.m)</b>	<b>3,812</b>	<b>276</b>	<b>671</b>	<b>1,342</b>
% of total demand	78%	5%	12%	21%

\*Constant 2014/15 dollars & including GST  
\*\*Includes the IGA at North Buderim SC  
\*\*\*Assumes the proposed development at the subject site enters the competitive supply network by June 2017  
Source: MarketInfo; MacroPlan Dimasi

#### Section 4: Supermarket need and demand

For the purposes of calculating the estimated gap we have undertaken the following steps:

- Estimated the current and future population within the Buderim main trade area, as detailed in Section 2.
- Estimated per capita expenditure on take-home food and groceries (F&G) using MarketInfo data, as also detailed in Section 2.
- Multiplied per capita F&G expenditure, by the main trade area population, to determine the total available F&G expenditure pool generated by the available population.
- Allowed for 75% of F&G expenditure to be directed to supermarkets, defined as food and grocery stores of at least 500 sq.m. This estimate is consistent with national benchmarks for comparable areas (i.e. regional and non-metropolitan areas throughout Australia), and allows for the remaining 25% to be allocated to smaller foodstores (e.g. smaller IGA convenience stores such as Friendly Grocer at Lakeshore Convenience Centre), food specialty stores and other general retail stores.
- Allowed for 6% of supermarket sales turnover to comprise of general merchandise (i.e. non-food items), which is typical across most supermarkets.
- Translated the total supermarket expenditure pool into supermarket floorspace demand by dividing by an applied Retail Turnover Density (RTD).
- Applied an RTD for supermarkets of \$9,000 per sq.m in 2015, which, as an average, would be a successful and profitable average trading level. We have provided evidence in Appendix 1 of this report as to why we consider this RTD to be appropriate for assessing potential retail floorspace demand.
- Allowed for some real growth in this RTD, averaging 0.5% per annum from 2015.
- Estimated supermarket floorspace demand, based on the above methodology, to be 4,912 sq.m at 2015, which is projected to increase to 6,348 sq.m by 2026.

#### Section 4: Supermarket need and demand

- Estimated the supply of supermarket floorspace within the defined main trade area, which comprises the recently redeveloped IGA supermarket at North Buderim shopping centre.
- Subtracted the supermarket floorspace supply from estimated supermarket floorspace demand, which has identified an **existing market gap of 3,812 sq.m** at 2015.

Following the addition of the proposed supermarket at the subject site (net addition of 3,906 sq.m), a small supermarket floorspace gap of 671 sq.m would exist by 2021, increasing to 1,342 sq.m at 2026.

This analysis shows that there is at present a substantial gap in the provision of supermarket floorspace to serve the local population of Buderim North/Kuluin. While it is arguable that not all of the available supermarket business generated by this population would be retained locally, it is reasonable that the bulk of that business should be able to be spent at a convenient, local supermarket centre, particularly given the distances involved to access the nearest full range national chain supermarkets at present – Buderim District Centre, which involves a drive of some 4 km, and includes a steep ascent, or the Maroochydore Central Business District, which involves an even longer drive, of around 6.4 km, and significant congestion and inconvenience much of the time.

Offsetting the fact that some of the local supermarket expenditure would be expected to be directed to the full scale supermarkets located at both Buderim and Maroochydore, is the fact that a Woolworths supermarket at the subject site would attract some business from beyond the defined trade area, given the exposure and visibility of the site, and given the traffic volumes along both Maroochydore Road and Jones Road.

Again, as previously noted, throughout the surrounding region supermarket facilities are provided at various locations as part of Local (Full Service) Centres, which are well located to serve such needs for their respective local communities. The addition of a Woolworths supermarket at the Jones Road site would be able to service a similar need for the North Buderim/Kuluin local population.

## Section 4: Supermarket need and demand

### 4.2 Supermarket and centre sales potential

Table 4.2 summarises our estimates of sales potential which the proposed Woolworths supermarket at North Buderim is likely to achieve.

We have assumed that the proposed retail development would be completed prior to July 2017, and therefore, the first full year of trade would be financial year 2017/18.

Table 4.2 North Buderim - trade area supermarket potential (\$M), 2017/18*	
Items	Sales (\$M)
Available trade area spend on F&G	<u>59.9</u>
• Primary	47.0
• Secondary	12.9
F&G spending potential to smkts (@ 75%)	<u>44.9</u>
• Primary (@ 75%)	35.2
• Secondary (@ 75%)	9.7
Spending retained by TA smkts (@ 80%)	<u>35.9</u>
• Primary (@ 80%)	28.2
• Secondary (@ 80%)	7.7
Subject site market share of retained spending (@ 75%)	<u>27.0</u>
• Primary (@ 75%)	21.1
• Secondary (@ 75%)	5.8
Plus sales from beyond TA (@ 15%)	<u>4.8</u>
<b>Total F&amp;G spending to TA smkts</b>	<b>31.7</b>
Plus GM sales (@ 6%)	<u>2.0</u>
<b>Total smkt spending to TA smkts (incl. GST)</b>	<b>33.7</b>
Smkt floorspace (sq.m)	3,906
Average trading level (\$/sq.m)	8,637
*Constant 2014/15 dollars and including GST Source: MacroPlan Dimasi	

#### Section 4: Supermarket need and demand

The estimates shown in Table 4.2 above are based on the following assessment:

- 75% of available take-home food and grocery expenditure from the main trade area population is estimated to be directed to supermarkets.
- Of that total, 80% is estimated to be retained within the defined main trade area (i.e. at the proposed Woolworths store and the existing IGA supermarket at Buderim North) with the balance escaping primarily to the supermarket facilities at Buderim District Centre and Maroochydore.
- The new Woolworths supermarket is estimated to account for around 75% of the total supermarket business which is retained within the main trade area, with the balance going to the expanded North Buderim IGA store.
- The Woolworths store is estimated to attract 15% of store sales from beyond the main trade area, including from passing traffic, and 6% of total store sales in general merchandise items.

The estimated sales potential for the Woolworths supermarket, at 2017/18 is \$33.7 million. Having regard to the projected trading performance of the supermarket anchor, and the composition of the remainder of the centre, Table 4.3 shows the estimated sales potential for the total centre at 2017/18.

Category	GLA (sq.m)	North Buderim	
		Est. sales (\$'000)	Est. sales (\$/sq.m)
Supermarket	3,906	33,734	8,637
<u>Specialties</u>			
Fast food	250	1,750	7,000
Other shopfront space **	879	4,835	5,500
Total specialties	1,129	6,585	5,832
<b>Total centre - retail</b>	<b>5,035</b>	<b>40,319</b>	<b>8,008</b>

\*Constant 2014/15 dollars & including GST  
\*\*Including retail and non-retail uses  
Source: MacroPlan Dimasi

#### Section 4: Supermarket need and demand

Total centre sales potential is estimated at \$40.3 million at 2017/18, expressed in constant 2014/15 dollar terms. The market shares of available main trade area retail expenditure which the centre is estimated to achieve, are shown in Table 4.4 below, highlighting the following:

- The centre is estimated to achieve a 22.6% market share of main trade area expenditure, including a 35.6% market share of food expenditure and a 6.0% market share of non-food expenditure.
- Business drawn from beyond the trade area is estimated to account for 15% of total centre sales.

Trade area	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary	66.6	51.5	118.1	23.8	3.1	26.9	35.7%	6.0%	22.8%
Secondary	<u>18.5</u>	<u>15.0</u>	<u>33.5</u>	<u>6.5</u>	<u>0.9</u>	<u>7.4</u>	<u>35.2%</u>	<u>5.7%</u>	<u>22.0%</u>
<b>Main TA</b>	<b>85.2</b>	<b>66.5</b>	<b>151.7</b>	<b>30.3</b>	<b>4.0</b>	<b>34.3</b>	<b>35.6%</b>	<b>6.0%</b>	<b>22.6%</b>
Sales from beyond TA				<u>5.3</u>	<u>0.7</u>	<u>6.0</u>			
<b>Total centre sales</b>				<b>35.7</b>	<b>4.7</b>	<b>40.3</b>			

\*Constant 2014/15 dollars & including GST  
\*Constant 2014/15 dollars & including GST

## Section 5: Impacts analysis

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This section of the report sets out our estimates of the likely trading impacts that will result from the proposed Woolworths development at North Buderim on the surrounding network of centres.

### 5.1 Purpose of assessing trading impacts

The purpose of an impact assessment is to provide guidance as to whether or not there is likely to be a net community benefit or disbenefit from any proposed development. In particular, if there is a real possibility of some existing facilities potentially being impacted to such a degree that they may be lost to the community and if the service or services provided by those facilities are not at the very least replaced by the proposed new facilities, then a community disbenefit could result.

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network if the proposed supermarket based development at the subject site were to proceed as planned.

These estimates provide indications as to whether the scale of the proposed retail development is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the proposed retail development.

In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes. The competitive response of each relevant centre or trader is one such factor, as are further redevelopments/improvements which one or more of the competitive network of centres might implement.

## Section 5: Impacts analysis

### 5.2 Impacts methodology

The following factors are typically considered when assessing the potential impacts of a new retail development, or expansion, on each existing facility or centre:

- The distance of the (impacted) centre, or retail precinct, by road, from the proposed development.
- The size of the centre or precinct, in terms of total retail floorspace.
- The amount of supermarket floorspace, and brands of these supermarkets.
- The role and function of the centre or precinct.
- Relative accessibility and relative convenience compared with the proposed retail development.
- The estimated performance of the centre/precinct (in current sales) and future performance (in the impact year). This accounts for any future developments in the region that may also impact on the future sales of existing centres.
- The share of available expenditure which the centre/precinct attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified trade area of the proposed development but its main trade area may extend to include parts, or all, of the trade area. For example, the trade area for large regional shopping centre typically includes several hundred thousand persons. Such a trade area is likely to include (partially or completely) trade areas for smaller convenience based centres, sub-regional centres, retail strips and stand-alone supermarkets.

The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:

- The greatest impacts are typically absorbed by the closest comparable centres. For example, a new Woolworths supermarket is generally likely to impact the closest nearby Woolworths supermarket to the greatest extent, followed by



## Section 5: Impacts analysis

impacts on other comparable large supermarkets (e.g. Coles), and at the lower end of the spectrum, by smaller scale supermarkets/food stores, which serve much more limited roles.

Impacts on small scale, local supermarkets/food stores, tend to be relatively smaller in scale, as these stores normally attract a small market share of available main trade area expenditure and perform a different role and function in the hierarchy, often serving the local walkable catchments surrounding them, and/or serving more specialised/discerning needs (e.g. specialty food stores).

Table 5.1 presents a summary of the key metrics for the surrounding centres of relevance to the proposed development. This table summarises the distance of each centre or store from the subject site (Column 1); the amount of retail floorspace provided at the centre (Column 2); the amount of supermarket (i.e. food and grocery stores greater than 500 sq.m in size) floorspace at the centre (Column 3); the nature of supermarket tenants (Column 4); and the estimated sales for the year 2014/15 (Column 5).

We have estimated that the proposed development will result in a sales volume of about \$40.3 million in the year 2017/18. We have attributed 85% of this impact to the identified centres (i.e. \$34.3 million). The remaining 15% is expected to be absorbed by other retail centres/shops elsewhere, across the broader region and/or online.

The various locations from which the sales drawn to the proposed development would be diverted, and the extent of such diversion from each location, will depend on the factors outlined above, in particular the location of each centre relative to the subject site; the provision of supermarket facilities, and the brand of supermarket at each location; and the ease of use of the various supermarket facilities at each location for the trade area residents. Taking each of those factors into account, the final two columns in Table 5.1 set out our estimated allocation of sales diversion from each centre that is expected to be impacted.

## Section 5: Impacts analysis

Table 5.1 North Buderim - estimated sales transfer on specific centres, 2017/18*							
Centre	Distance from site (km) (1)	Centre GLA (sq.m) (2)	Supermarket floorspace GLA (sq.m) (3)	Brand (4)	Est. centre sales (\$M) 2014/15 (5)	Est. Impact* (2017/18) (\$M) (6)	Est. Impact % of total (%) (7)
<b>Within trade area</b>							
North Buderim	-	2,116	1,111	IGA	16.0	-2.0	5.0%
Kuluin**	1.0	500	n.a.		2.8	-0.2	0.5%
Lakeshore	1.8	<u>400</u>	n.a.		2.5	-0.2	0.5%
<b>Beyond trade area</b>							
Buderim District Centre	3.9	7,870	2,456	WOW	68.2	-10.1	25.0%
Mill Road Local Centre	2.0	1,500	n.a.		9.0	-0.4	1.0%
Maroochy Waters	5.4	500	n.a.		3.0	-0.2	0.5%
Maroochydhore CBA	6.4	76,570	17,670	WOW (2), Coles, Aldi, IGA	660.0	-20.2	50.0%
Rivermarkets (Bli Bli)	11.3	<u>3,500</u>	<u>2,000</u>	IGA	<u>24.0</u>	<u>-1.0</u>	<u>2.5%</u>
<b>Total identified centres</b>		<b>92,956</b>	<b>23,237</b>		<b>785.5</b>	<b>-34.3</b>	<b>85.0%</b>
Other						<u>-6.0</u>	<u>15.0%</u>
<b>Total identified centres</b>						<b>-40.3</b>	<b>100.0%</b>

\*Constant 2014/15 dollars & including GST  
\*\*Includes Kuluin Village and Kuluin Central  
Source: Shopping Centre News; MacroPlan Dimasi

As shown, the majority of the sales diversion is expected to occur from the Maroochydhore CBA and the Buderim District Centre, for the following key reasons:

- Within the Maroochydhore CBA there are five full range supermarkets, two of which are Woolworths supermarkets, at Plaza Parade and Big Top, with Coles and Aldi also represented.
- The Buderim District Centre contains the closest full range supermarket for residents of the defined main trade area, and that store is a Woolworths supermarket, albeit one of lower than average size for a full range store, at 2,590 sq.m.
- Amongst the remaining centres, the two closest other facilities which offer moderately sized supermarkets, being IGA stores of approximately 1,100 sq.m and 2,000 sq.m respectively, are the North Buderim IGA anchored centre directly opposite the subject site and the Rivermarkets centre at Bli Bli. Small amounts of sales are also expected to be diverted from those stores.

## Section 5: Impacts analysis

- The various small local centres within and around the North Buderim area – at Kuluin, Lakeshore, Mill Road and Maroochy Waters, all contain very limited local facilities and no supermarkets, although some of these centres do have small convenience stores. There is minimal trade diversion expected from each of these centres, since they do not offer the opportunity for a full food and grocery shopping experience as will be offered by the proposed Woolworths supermarket.

### 5.3 Estimated trading impacts on specific centres

Table 5.2 shows the estimated trading impacts expected across the surrounding network of centres, expressed in dollar terms and also in percentage terms, as a share of sales that would be expected without the development, in the year 2017/18. We have estimated the percentage trading impacts by following the following methodology:

- First, as detailed previously, the sales potential of the proposed supermarket based development at the subject site is estimated at \$40.3 million in its first year (i.e. 2017/18).
- Sales are then estimated across the surrounding competitive supply network as at 2014/15 based on detailed inspections of the various facilities, plus other known public information.
- Potential sales for the surrounding competitive supply network in 2017/18 are then estimated, assuming the proposed development does not occur.
- Sales for all competitive centres as at 2017/18 are then estimated, assuming the proposed development at the subject site does proceed.
- An assessment of likely trading impacts is then made by comparing the estimated sales potential for each centre, at 2017/18, with and without the proposed development.

## Section 5: Impacts analysis

Table 5.2 North Buderim - estimated impact on specific centres, 2017/18 (\$M)*						
Centre	Est. Sales 2014/15	Projected 2017/18		Impact, 2018		Total change (with dev't) 2015-18
		No dev't	With dev't	\$M	%	
<b>Within trade area</b>						
North Buderim	16.0	17.4	15.4	-2.0	-11.6%	-3.9%
Kuluin**	2.8	3.0	2.8	-0.2	-6.7%	1.4%
Lakeshore	2.5	2.7	2.5	-0.2	-7.4%	0.6%
<b>Beyond trade area</b>						
Buderim District Centre	68.2	74.2	64.1	-10.1	-13.6%	-6.1%
Mill Road Local Centre	9.0	9.7	9.3	-0.4	-4.1%	4.2%
Maroochy Waters	3.0	3.3	3.0	-0.2	-6.2%	2.0%
Maroochydoore CBA	660.0	721.2	701.0	-20.2	-2.8%	6.2%
Rivermarkets (Bli Bli)	<u>24.0</u>	<u>26.1</u>	<u>25.1</u>	<u>-1.0</u>	<u>-3.9%</u>	<u>4.5%</u>
<b>Total identified centres</b>	<b>785.5</b>	<b>857.6</b>	<b>823.3</b>	<b>-34.3</b>	<b>-4.0%</b>	<b>4.8%</b>
Other				<u>-6.0</u>		
<b>Total</b>				<b>-40.3</b>		

\*Constant 2014/15 dollars & including GST  
Source: Shopping Centre News; MacroPlan Dimasi

The key points to note regarding the estimated impacts across the surrounding network of centres, as presented in Table 5.2, and the likely consequences of such impacts, are the following:

- Generally, retail trading impacts between 10% and 15% are considered by the industry to be significant but acceptable, with impacts less than 10% considered relatively moderate, and impacts less than 5% generally considered minor/negligible. However, other factors such as the current trading performance, any potential loss of services to the community, expected growth in the relevant area/region post-impact, and overall net community benefit should also be considered.
- At 2018, the projected impacts on the various centres within and surrounding the identified North Buderim trade area are generally minor to moderate, being in excess of 10% only for the Buderim District Centre and the existing North Buderim Centre. For these two centres, the estimated impacts at 2017/18 are 13.6% and 11.6% respectively.

### Section 5: Impacts analysis

- The final column of Table 5.2 shows a comparison of the estimated sales at 2017/18, following the impacts of the proposed Woolworths development for each relevant centre, with the estimated sales achieved at 2014/15. For all centres other than Buderim District Centre and the existing North Buderim facilities, estimated sales are the same or higher, in real terms, at 2018 than current levels. For Buderim District Centre and the existing North Buderim Centre, the estimated sales levels at 2017/18 are 6.3% and 3.9% lower, respectively, than 2014/15 estimates.
- On the basis of this assessment, none of the existing centres will face any threats in terms of being able to provide the surrounding community with levels of service that are at least equivalent to the current (2014/15) situation. In other words, the proposed development will not impact the viability of any existing centres, including the IGA at North Buderim.

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## Section 6: Economic and social benefits

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This section of the report examines the net community benefits of the proposed retail development at the subject site, and includes an assessment of estimated employment generation resulting from the development.

### 6.1 Employment creation

The development of the proposed retail facility will result in substantial future long-term employment on site, as well as further jobs throughout the supply chain, including those in industries servicing the retail tenants at the site, such as transport workers, wholesalers and the like.

In addition, the construction phase of the project will generate construction employment, as well as additional jobs through the broader economic supply chain (i.e. multiplier impacts).

Table 6.1 illustrates the estimated net increase in direct retail employment that would be created if the proposed development at the subject site were to proceed. We have relied upon various data sources, including data from retailers, the ABS, state and local government agencies, as well as 30 years of experience in preparing assessments of this nature.

We estimate the proposed retail development at the subject site will support around 143 jobs once it is fully operational. Allowing for some minor impacts on employment across other retail centres in the hierarchy, estimated to be in the order of 5%, the overall net employment created at the centre is expected to be in the order of 136 jobs.

## Section 6: Economic and social benefits

Table 6.1 North Buderim - estimated centre employment levels			
Type of use	Estimated employment per '000 sq.m	North Buderim	
		GLA (sq.m)	Employment (persons)
Supermarket	25	3,906	98
Other floorspace	40	1,129	45
<b>Total centre</b>		<b>5,035</b>	<b>143</b>
<b>Net increase<sup>^</sup></b>			<b>136</b>

<sup>^</sup> Net increase includes an allowance for reduced employment levels at impacted centres, estimated at 5% of the total increase  
Source: Taylor Bridge; MacroPlan Dimasi

Table 6.2 provides an estimate of the total additional employment that would be created as a result of the proposed development, including both on-going direct and indirect (multiplier induced) employment from the construction phase of the project.

To calculate the likely total economic stimulus that can be attributed to the proposed retail facility, both due to the direct employment which it will create, and also due to its construction, we have had regard to ABS Australian National Accounts Input/Output multipliers.

We are informed by Woolworths Limited that the estimated capital cost of the project is expected to total \$14.7 million. Based on estimated construction costs of \$14.7 million, and with construction of the development expected to occur over a period of one year, estimated employment resulting from the construction phase of the project is estimated to be about 163 jobs per annum, including around 63 jobs created directly and a further 100 resulting from multiplier induced effects.

As previously outlined, direct net employment resulting from the proposed development is estimated at 136 jobs. Based upon ABS employment multipliers for the relevant industries, we estimate this would also lead to an additional 54 multiplier induced jobs across the broader economy.



## Section 6: Economic and social benefits

Table 6.2 North Buderim - estimated future additional centre employment levels*					
Original stimulus	Direct employment (long-term)	Direct employment (const'n period)	Supplier employment multiplier effects	Total	
Centre employment <sup>1</sup>	136		54	190	
Construction of project (\$14.7m. est. capital costs)		63	100	163	Job years <sup>2</sup>

\* Employment totals include both full-time and part-time work  
 1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development  
 2. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year  
 Source: Taylor Bridge; MacroPlan Dimasi

## 6.2 Other community benefits

The proposed supermarket development at the subject site would generate a range of other economic benefits, in particular the following:

- Increased choice, convenience and amenity for the population of the defined main trade area, and particularly for residents of the primary sector.
- Reduction of the supermarket floorspace demand/supply gap, ensuring sufficient supermarket floorspace is provided for those main trade area residents. The main trade area is currently significantly under-supplied in terms of supermarket floorspace, in particular, full scale supermarket facilities.
- Retention of escape spending, which would have positive flow on benefits to other retail stores at Buderim North, including potentially the various small operators on the southern side of Jones Road.
- A strengthening of the existing Buderim North centre, through the provision of a significant anchor tenant which would greatly increase visitation to the centre.

#### Section 6: Economic and social benefits

- Savings on time and fuel for those main trade area residents, due to a much better provision of food and grocery shopping facilities at the local level, particularly for customers who prefer to use a full-scale supermarket.



