Ewingsdale - Byron Bay, New South Wales

Retail Floorspace Analysis

Prepared for Belbeck Investments Pty Ltd

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INTRODUCTION

This report presents an updated independent assessment of the retail floorspace potential within the Byron Bay region, situated on the Far North Coast of New South Wales in connection with a planning proposal being submitted on behalf of Belbeck Investments Pty Ltd on Lot 101 in DP1140936 (the **Subject Site**). This office previously prepared an independent assessment in November 2010 and this report provides an update of that assessment based on the latest available information.

This report has been prepared in accordance with instructions received from Belbeck Investments Pty Ltd and is structured and presented as follows:

- **Section 1** outlines the regional and local context of Byron Bay.
- **Section 2** details the trade area likely to be served by retail facilities within the Byron Bay locality, including current and projected population and retail spending levels over the period to 2026.
- **Section 3** summarises the existing and proposed competitive environment within the immediate Byron Bay region.
- **Section 4** provides an assessment of the potential for retail facilities within Byron Bay. This includes an indicative view on the amount of supportable floorspace as well a review of suitable locations for additional retail facilities. Commentary on likely benefits to the local community is also provided.
- **Section 5** presents a summary of the key findings of the report.

EXECUTIVE SUMMARY

The key points of this report, regarding the potential for additional retail floorspace within the Byron Bay locality, include:

- Byron Bay is a coastal town situated on the Far North Coast of New South Wales. The region has been experiencing solid population growth in recent years and this trend is likely to continue in the future.
- The defined trade area for Byron Bay, being the southern portion of the Byron Shire municipality, contained 16,750 persons in 2011. This population is projected to grow steadily to 20,400 persons by 2026. The majority of this future growth will be situated within Byron Bay and Suffolk Beach, along the coastline.
- Total retail expenditure generated by residents within the Byron Bay trade area was estimated at $218.8 million in 2011. This level is projected to increase to $378.7 million by 2026, representing an average annual growth rate of 4.0%. Figures are presented in inflated dollars and including inflation. Tourists would add significantly to the level of available expenditure for retail facilities in the Byron Bay trade area.
- Some 50,342 sq.m of retail floorspace could be supported by the current main trade area population of 16,950 persons in 2012, assuming the Australian average provision of 2.2 sq.m per person and additional business generated by tourists to the region. There is currently around 39,000 sq.m of retail floorspace provided within the immediate region, indicating a shortfall of 11,342 sq.m.
- There is currently an underprovision of retail floorspace within the Byron Bay region and as such, the retail market is in need of additional competition as there is a current outflow of expenditure from the region to neighbouring towns. As the region continues to be developed for residential purposes, additional retail floorspace will be required to service this growing population and to help retain escape expenditure.

- There is a limited availability of vacant or suitable sites for additional retail floorspace within the Byron Town Centre due to the small size of the sites, existing uses, traffic congestion as well as the lack of accessibility and exposure to the broader surrounding population.

- The congestion of the Byron Bay Town Centre, particularly during peak tourist seasons, combined with the limited availability of suitable land for retail development, means that it is unlikely that significant additional retail floorspace could be contained within the Town Centre itself. A retail centre should be provided at a location, such as the Subject Site, that is easily accessible to the broader Byron Bay region, including future growth areas.

- The Byron Bay Town Centre plays a unique role within the retail hierarchy, with residents and tourists attracted by the cafes/restaurants, boutique dining and shopping uses. This role will not be jeopardised by any future retail floorspace outside the Town Centre in the region.

- The Subject Site could cater for the future retail demand in the Byron Bay area as it is located between the Town Centre and the Pacific Highway. A retail development within this region would be an ideal location, given the accessibility to both the existing and future residential population within the Byron Bay region and could cater for future retail demand.

- It is our view that there is potential for additional retail floorspace within Byron Bay, including potential for a full-line supermarket, particularly in the location of the Subject Site. As a minimum, we would recommend a retail centre of around 2,500-3,000 sq.m within the Byron Bay region at the Subject Site. The current market requires increased competition and as such, it is our view that a supermarket of at least 1,500-2,000 sq.m should be provided as well as a provision of 10-15 specialty traders which would complement the supermarket anchor. This provision of retail floorspace would provide for a convenience based retail centre, aimed at serving the substantial existing population as well as future growth in the region.

- The proposed retail centre at the Subject Site is planned to be located within a key community precinct, with a range of other uses also proposed on the site including seniors living, aged care facility and medical centre, as well as an adjoining public hospital.
- The development of a retail centre, anchored by a supermarket, will result in a range of community benefits for the local population including increased employment, range and price competition as well as reduced travel time and fuel costs.

1 LOCATION AND COMPOSITION

This section reviews the regional and local context of Byron Bay.

1.1 Regional Context

i. Byron Bay is a coastal town within the Byron Shire municipality, situated on the Far North Coast of New South Wales. Byron Bay is situated some 65 km south of Tweed Heads (refer Map 1.1).

ii. Other major towns situated within the Byron Shire include Mullumbimby, Ocean Shores, Brunswick Heads, Suffolk Park and Bangalow.

iii. The town of Byron Bay supports an established residential population and is also a very popular tourist destination, with a number of facilities catering to the tourist market. In recent times the area surrounding the town has been experiencing some population growth, with this growth expected to continue in the future.

iv. Byron Bay is easily accessible by both private and public transport with the Pacific Highway situated around 6 km west of the existing Town Centre and a train station and bus depot also provided within the Town Centre.

MAP 1.1 – REGIONAL CONTEXT

Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

1.2 Local Context

i. Byron Bay is a popular coastal community situated to the east of the Pacific Highway. The existing Byron Bay Town Centre is situated along the coastline and is generally provided along Jonson Street, to the east of the railway line.

ii. Over time, however, as the population within Byron Bay has continued to grow, there has been an increase in development to the west of the railway line/Byron Bay Town Centre. This is projected to continue to occur as the Byron Bay region becomes more developed and additional land for future development is required.

iii. Key facilities provided within the Byron Bay locality include:

- Byron District Hospital
- Educational facilities
- Local retail facilities
- Sporting fields
- Community Halls

2 TRADE AREA ANALYSIS

This section outlines the trade area likely to be served by retail facilities within the Byron Bay locality, including existing and projected population and spending levels within the region. A brief review of the socio-economic profile is also provided.

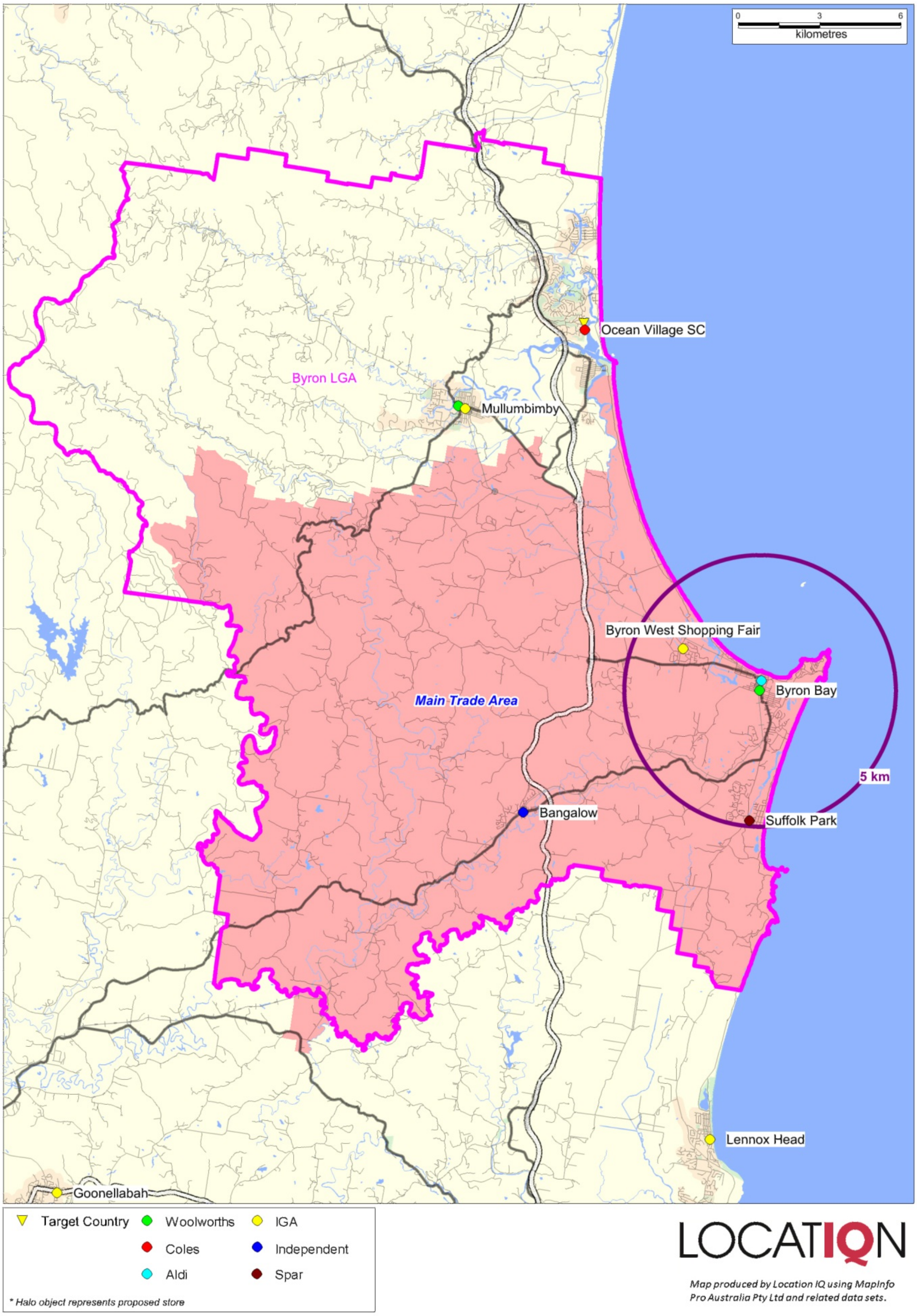
2.1 Trade Area Definition

i. Map 2.1 illustrates the defined trade area likely to be served by retail facilities within the Byron Bay locality.

ii. A main trade area has been defined to include the southern portion of the Byron Shire municipality and extends along the coastline from Suffolk Park in the south up to (but not including) Brunswick Heads in the north. The main trade area is limited by the coastline to the east, Skinners Creek to the south, Coopers Creek to the west and retail facilities at Mullumbimby and Ocean Shores to the north.

iii. The northern portion of the Byron Shire includes the key towns of Mullumbimby and Ocean Shores, which also include a number of retail facilities, including supermarket floorspace.

MAP 2.1 – BYRON BAY MAIN TRADE AREA & COMPETITION



2.2 Trade Area Population

i. Table 2.1 details the current and projected main trade area population. This information is sourced from the following:

   – The 2006 and 2011 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);

   – The New South Wales Department of Planning;

   – The Far-North Coast Regional Strategy;

   – Council documents, including Settlement Strategies released for Byron Bay and Suffolk Park, Brunswick Heads, Mullumbimby and Bangalow; and

   – Investigations by this office into new residential developments in the Byron Bay region.

ii. The Byron Bay trade area population was estimated at 16,750 persons in 2011 and is projected to increase to 20,400 persons by 2026. This represents an average annual growth rate of around 1.3%, or around 200-250 persons over the forecast period.

iii. The population within the overall Byron Shire was estimated at 30,875 persons in 2011. The defined Byron Bay trade area encompasses the southern portion of the Byron Shire and with a population of 16,750, represents just over half (54.3%) of the total Shire population.

iv. New Dwelling Approval (NDA) data released by the Australian Bureau of Statistics indicate that between 2007 and 2011 an average of 52 houses and 52 other dwellings have been approved throughout the main trade area over this period.

TABLE 2.1 – MAIN TRADE AREA POPULATION, 2006-2026

Trade Area Sector	Estimated Resident Population 2006	2011	2013	Forecast Population 2016	2021	2026
Main Trade Area	16,140	16,750	17,150	17,900	19,150	20,400
		Average Annual Change (No.)				
		2006-2011	2011-2013	2013-2016	2016-2021	2021-2026
Main Trade Area		122	200	250	250	250
		Average Annual Change (%)				
		2006-2011	2011-2013	2013-2016	2016-2021	2021-2026
Main Trade Area		0.7%	1.2%	1.4%	1.4%	1.3%
Australian Average		*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.2%*

All figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.
Sources : ABS; NSW Department of Planning

2.3 Socio-economic Profile

i. Tables 2.2 summarises the socio-economic characteristics of the Byron Bay main trade area population. This information is based on results from the latest 2011 Census of Population and Housing. The key results include:

- The average age of trade area residents at 40.1 years is in-line with the non-metropolitan New South Wales average but with a higher proportion of 40-60 year olds.
- Residents earn slightly higher than average income levels.
- The main trade area population is largely Australian born.
- There are a higher proportion of households consisting of single parents with dependent children as well as lone person households as compared with the benchmark.

ii. While there is an established older population within the Byron Bay locality, there are also a number of young families. It is important that both of these groups of residents are provided with a range of convenience oriented retail facilities within close proximity to their homes.

TABLE 2.2 – MAIN TRADE AREA SOCIO-ECONOMIC CHARACTERISTICS, 2011 CENSUS

Characteristics	Main TA	Non Metro NSW Average	Aust Average
Income Levels			
Average Per Capita Income	$31,096	$29,579	$34,201
Per Capita Income Variation	5.1%	n.a.	n.a.
Average Household Income	$74,286	$72,680	$87,928
Household Income Variation	2.2%	n.a.	n.a.
Average Household Size	2.4	2.5	2.6
Age Distribution (% of Pop'n)			
Aged 0-14	17.2%	19.4%	19.3%
Aged 15-19	5.5%	6.6%	6.5%
Aged 20-29	9.9%	10.9%	13.8%
Aged 30-39	13.5%	11.3%	13.8%
Aged 40-49	16.1%	13.4%	14.2%
Aged 50-59	18.5%	13.9%	12.8%
Aged 60+	19.2%	24.4%	19.6%
Average Age	40.1	40.1	37.9
Housing Status (% of H'holds)			
Owner/Purchaser	65.3%	71.3%	69.3%
Renter	34.7%	28.7%	30.7%
Birthplace (% of Pop'n)			
Australian Born	79.6%	88.5%	73.9%
Overseas Born	20.4%	11.5%	26.1%
• Asia	2.2%	1.6%	7.6%
• Europe	9.2%	6.1%	9.4%
• Other	9.0%	3.8%	9.1%
Family Type (% of Pop'n)			
Couple with dep't children	40.7%	40.7%	45.3%
Couple with non-dep't child.	5.9%	7.0%	7.7%
Couple without children	24.6%	25.7%	23.0%
Single with dep't child.	11.3%	10.6%	9.2%
Single with non-dep't child.	3.4%	3.5%	3.5%
Other family	0.7%	0.9%	1.1%
Lone person	13.4%	11.7%	10.2%

Sources : ABS Census of Population and Housing 2011

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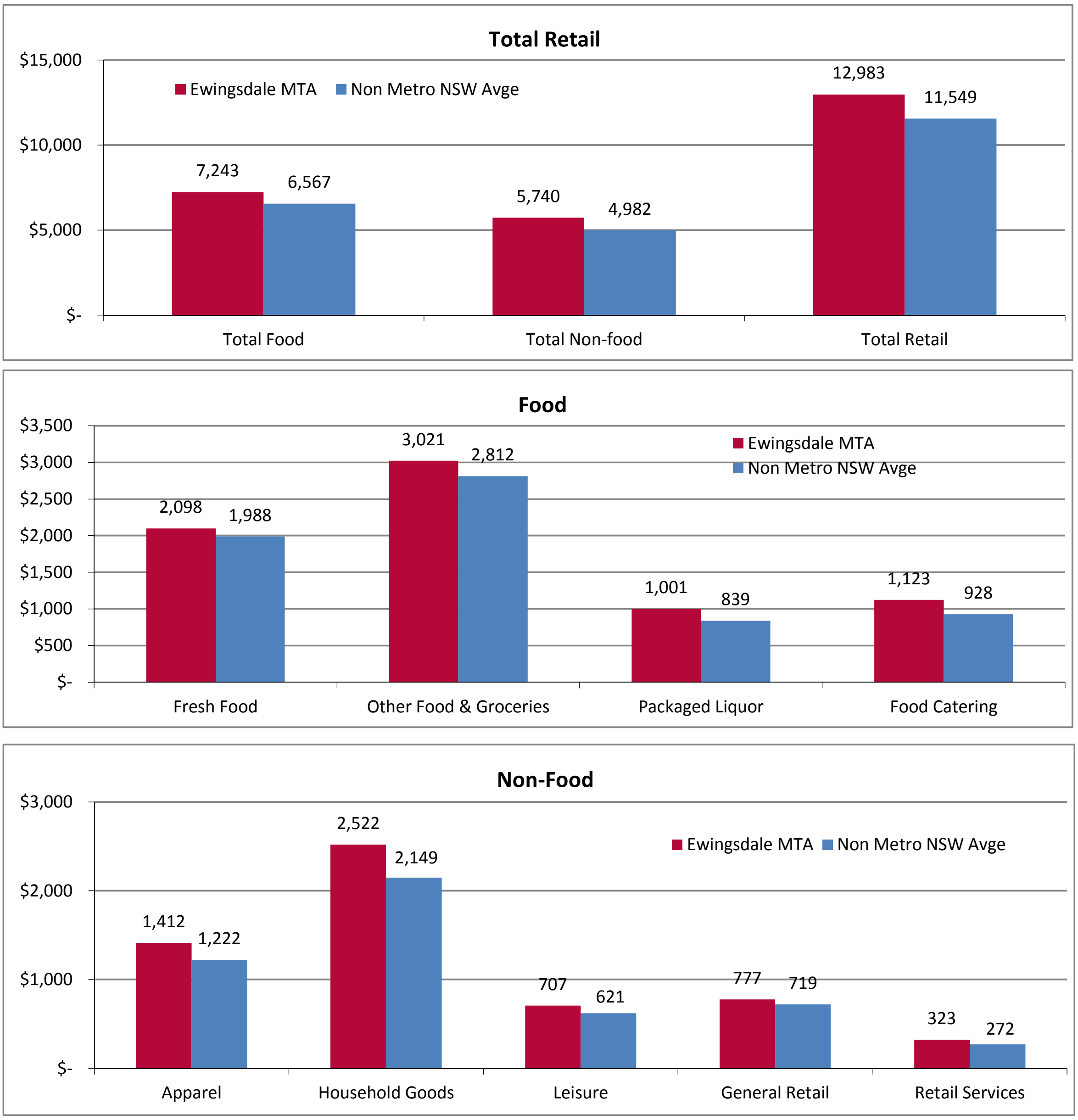
2.4 Trade Area Retail Expenditure Capacity

i. Chart 2.1 illustrates the level of retail spending per person by category for residents of the Byron Bay main trade area. Overall, retail spending levels are generally higher than non-metropolitan New South Wales benchmarks across all categories.

ii. Table 2.3 details the level of retail expenditure generated by the main trade area population. Total main trade area retail spending is currently estimated at $218.8 million and is projected to increase to $378.7 million by 2026. These spending levels include GST and assume retail inflation of 2.5% per annum for food items and 1.0% per annum for non-food items.

iii. Table 2.4 details the main trade area retail expenditure by key commodity group, indicating the largest spending market is food and liquor at $103.1 million, representing 47.1% of the total spending market.

CHART 2.1 – MAIN TRADE AREA SPENDING LEVELS PER PERSON, 2011/12



Source : Marketinfo

TABLE 2.3 – MAIN TRADE AREA TOTAL RETAIL EXPENDITURE, 2012-2026

Y/E June	Main TA
2012	218.8
2013	227.1
2014	236.1
2015	245.8
2016	255.9
2017	266.3
2018	277.0
2019	288.1
2020	299.7
2021	311.8
2022	324.3
2023	337.1
2024	350.4
2025	364.3
2026	378.7
Expenditure Growth	
2012-2015	27.1
2015-2017	20.5
2017-2021	45.6
2021-2026	66.9
2012-2026	159.9
Average Annual Growth Rate	
2012-2015	4.0%
2015-2017	4.1%
2017-2021	4.0%
2021-2026	4.0%
2012-2026	4.0%

**Inflated dollars & Including GST*
Source : Marketinfo

TABLE 2.4 – MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2012-2026

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2012	103.1	18.9	23.8	42.5	11.9	13.1	5.4
2013	107.5	19.8	24.6	43.9	12.3	13.5	5.6
2014	112.2	20.8	25.4	45.3	12.7	14.0	5.8
2015	117.2	21.8	26.3	46.9	13.1	14.4	6.0
2016	122.5	22.9	27.2	48.5	13.6	14.9	6.2
2017	127.9	24.1	28.1	50.2	14.1	15.5	6.4
2018	133.6	25.3	29.1	51.9	14.5	16.0	6.6
2019	139.5	26.5	30.0	53.7	15.0	16.5	6.9
2020	145.6	27.8	31.1	55.5	15.5	17.1	7.1
2021	152.1	29.2	32.1	57.4	16.1	17.7	7.3
2022	158.7	30.6	33.2	59.3	16.6	18.3	7.6
2023	165.6	32.1	34.3	61.3	17.2	18.9	7.8
2024	172.7	33.6	35.4	63.3	17.7	19.5	8.1
2025	180.2	35.3	36.6	65.4	18.3	20.1	8.4
2026	188.0	37.0	37.8	67.6	18.9	20.8	8.6
Expenditure Growth							
2012-2015	14.1	2.9	2.5	4.4	1.2	1.4	0.6
2015-2017	10.7	2.2	1.8	3.3	0.9	1.0	0.4
2017-2021	24.1	5.1	4.0	7.2	2.0	2.2	0.9
2021-2026	35.9	7.8	5.7	10.2	2.8	3.1	1.3
2012-2026	84.9	18.1	14.0	25.1	7.0	7.7	3.2
Average Annual Growth Rate							
2012-2015	4.4%	4.9%	3.3%	3.3%	3.3%	3.3%	3.3%
2015-2017	4.5%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%
2017-2021	4.4%	4.9%	3.4%	3.4%	3.4%	3.4%	3.4%
2021-2026	4.3%	4.9%	3.3%	3.3%	3.3%	3.3%	3.3%
2012-2026	4.4%	4.9%	3.4%	3.4%	3.4%	3.4%	3.4%

**Inflated dollars & Including GST*
Source : Marketinfo

2.5 Additional Tourist Market

i. Based on information sourced from Destination New South Wales for the four year average to September 2011, the Byron Shire Local Government Area (LGA) attracted some 180,000 international and 434,000 domestic overnight visitors, who stayed a total of 2.89 million nights. Dividing the number of nights stayed by 365 (i.e. days in a year) indicates that the domestic overnight tourists to the region are equivalent to an additional permanent resident population of some 7,917. This represents an additional 25.6% of the total 30,875 persons within the Byron Shire.

ii. Byron Bay is a key destination for tourists in Byron Shire and as such, the large majority of the tourist population to the Byron Shire would be situated within the Byron Bay township itself.

iii. The Byron Bay main trade area accommodates a resident population of around 16,750. International and domestic overnight tourism is estimated to account for around 25% of the permanent resident population. As such, these visitors would account for additional retail spending for facilities in the region, particularly for the popular coastal towns, such as Byron Bay, during the peak summer period. The Byron region also attracts 818,000 domestic day trippers who would also undertake expenditure within the area.

iv. Tourist expenditure would be directed across a range of categories, including supermarket shopping, food catering and apparel/surfwear. The majority of the tourist population would be situated along the coast. Byron Bay, being the major tourist destination within Byron Shire would, therefore, attract the largest proportion of retail expenditure from the tourist market.

3 COMPETITIVE ENVIRONMENT

This section provides a brief summary of the competitive retail environment within the immediate Byron Bay region.

The major retail facilities serving residents of the Byron Bay main trade area are summarised in Table 3.1 and illustrated on the previous Map 2.1.

Key retail facilities for Byron Bay are described below.

TABLE 3.1 – COMPETITIVE RETAIL FACILITIES

Centre	Est. Retail GLA (sq.m)	**Anchor Tenants**	Dist. From Byron Bay (km)
Within Main Trade Area			
Byron Bay	*33,000*		-
• Byron Bay Town Centre	30,000	Woolworths (2,254), Aldi (1,100)	
• Byron West Shopping Fair	3,000	Supa IGA (1,800)	
Suffolk Park	1,500	SPAR (400)	5.0
Bangalow	4,500	Foodworks (300)	12.0
Beyond Main Trade Area			
Mullumbimby	5,500	IGA (500), Woolworths (2,444)	18.0
Ocean Shores	5,000	Coles (2,200), Target Country (1,600)	19.0

Source : Australian Shopping Centre Council Database

3.1 Byron Bay

i. The Byron Bay Town Centre forms the major retail destination within the region and is estimated to incorporate around 30,000 sq.m of retail floorspace.

   The retail provision within the Byron Bay Town Centre includes a focus on the tourist market and convenience retailing, providing a large provision of apparel traders, food catering facilities as well as fresh food providers, pharmacies, newsagencies and retail services traders such as hairdressers and the like.

ii. There are currently a number of supermarkets provided within Byron Bay including:

- A Woolworths supermarket of 2,254 sq.m within the Byron Bay Town Centre. This store is situated along Jonson Street and is understood to trade strongly.
- A Supa IGA of 1,800 sq.m is provided at Byron West Shopping Fair to the west of the Town Centre. This centre totals around 3,000 sq.m of retail floorspace and also incorporates a number of convenience based specialty traders.
- An Aldi supermarket of 1,100 sq.m has replaced the former Spar supermarket within the Byron Bay Town Centre.

3.2 Suffolk Park

i. A small Spar foodstore of around 400 sq.m is provided at Suffolk Park, around 5.0 km south of Byron Bay. This store primarily serves a convenience role for the immediate surrounding population.

3.3 Bangalow

i. A Foodworks supermarket of around 300 sq.m is provided at Bangalow, around 12.0 km west of Byron Bay. This store forms part of a larger, convenience focused retail strip.

3.4 Beyond Main Trade Area

i. A number of retail facilities are provided immediately beyond the defined main trade area, with the most significant including:

- Facilities provided at Mullumbimby, around 18.0 km north-west of Byron Bay, estimated to total some 5,500 sq.m of retail floorspace. Major tenants include a Woolworths supermarket of 2,444 sq.m as well as an IGA supermarket of 500 sq.m.
- Ocean Shores is situated around 19 km north of Byron Bay. The major supermarket provided within Ocean Shores is Coles (2,200 sq.m) at Ocean Shores

Plaza. This centre has recently completed an expansion and now includes Target Country.

ii. In addition to the above, residents within the Byron Bay catchment would likely travel to major retail facilities at Ballina, Lismore and Tweed Heads on a regular basis, particularly for non-food shopping (discount department stores and bulky goods stores). These facilities are between 35-65 km from Byron, indicating between a 70-130 km round trip.

3.5 Proposed Developments

i. A number of retail developments are proposed within the immediate Byron Bay region including:

– Around 1,200 sq.m of retail floorspace is currently proposed at Bayshore Village, along Bayshore Drive. It is understood that the retail provision will include a health spa, cafe and shops. It is unlikely that this development will include a supermarket component, particularly given the close proximity to the existing Supa IGA.

– Several other mixed use developments are also planned to be provided within the Byron Bay region, including within the Byron Bay Town Centre. Each of these developments will include a small retail component that will primarily serve a localised role. No supermarkets are assumed to be provided.

ii. A Bunnings Warehouse has received approved along Bayshore Drive in Byron Bay.

iii. An expansion of Suffolk Park Shopping Centre has also been approved to include a provision of some 680 sq.m of commercial office floorspace.

3.6 Retail Hierarchy

i. Byron Bay forms a key destination on the Far North Coast of New South Wales, however, the larger retail centres of Tweed Heads and Lismore will continue to form the main retail destinations throughout the surrounding region.

ii. The Byron Shire is, however, projected to continue to grow in the future and will remain a key gateway for tourism and as such, it is important for the retail provision in Byron Bay to continue to develop and serve the substantial existing population as well as the growing residential and tourist population.

3.7 Summary

i. Supermarkets are typically defined in planning documents and courts as “grocery and dry goods stores of at least 500 sq.m”, with smaller stores classified as “foodstores.” A full-line supermarket is considered to be at least 2,500 sq.m in size, while a major full-line supermarket is used to describe a store of 3,200 sq.m or more.

ii. Byron Bay contains a provision of retail facilities aimed at serving both local residents and the tourist population. There are only three small supermarket facilities currently provided within the defined Byron Bay main trade area, none of which are full-line, with remaining foodstores smaller than 500 sq.m.

iii. Ballina, Lismore and Tweed Heads provide the main retail destinations on the Far Northern New South Wales coast, particularly for non-food items. This trend is unlikely to change in the future.

iv. It is important that Byron Bay includes a competitive range of convenient retail facilities, particularly supermarkets, to meet the demand of residents and tourists. Byron Bay also includes a large number of young families and retirees who should be provided with a range of convenient retail facilities close to their homes.

4 FUTURE POTENTIAL

This section of the report presents our assessment of the future potential for retail floorspace at Byron Bay, including the likely provision of supportable floorspace currently and in the longer term.

4.1 Australian Retail Floorspace Provision

i. In Australia, there is around 2.2 sq.m of retail floorspace provided for every resident. This is the generally accepted standard provision used throughout the Australian retail industry with the last Retail Census undertaken by the ABS in 1991/92. The provision of retail floorspace has increased from around 1.8 sq.m in the late 1980's, representing an average annual increase of 1.7% over this period.

ii. The increase in the retail floorspace provision per person reflects a number of key factors including:

   - Real incomes earned by Australian residents have increased and as Australians have become wealthier they have spent an increasing proportion of their income on retail items.
   - The range and size of tenants in the Australian market has increased substantially with many new mini-major tenants such as Toys R Us, JB Hi-Fi and the like.
   - New retail concepts such as Homemaker Centres and Factory Outlet Centres.
   - Improved and more efficient operations, including warehousing, resulting in costs savings which allow more costs to be devoted to trading floorspace for retail goods.

iii. Assuming the provision of retail floorspace per person was to continue to increase, in-line with historical trends, at an average rate of 1.7% annually, the provision would be 2.8 sq.m per person by 2026. Even if the rate of increase slowed to 0.85% annually, half the rate of the past twenty years, the provision would be 2.5 sq.m per person by 2026.

iv. In order to take a more conservative approach in this analysis and reflecting the prevalence of the internet in retail spending, the provision of retail floorspace is assumed to remain at 2.2 sq.m per person in the future.

v. Table 4.1 outlines the provision of retail floorspace within the Byron Bay region currently. The 39,000 sq.m provision represents around 2.3 sq.m per 1,000 persons. The higher than average provision reflects the tourist market, with tourists estimated to account for an additional 35%-40% of retail trade in the southern Byron Bay region. After factoring in tourists, this would indicate an undersupply of retail floorspace in the Byron Bay catchment currently, with this undersupply likely to increase as the population grows.

TABLE 4.1 – BYRON BAY RETAIL FLOORSPACE PROVISION

Trade Area Sector	Total Retail	2012 Population	Sq.m per person
Main Trade Area Residents	39,000	16,950	2.3
Additional Tourist Market (@35%)*		5,933	
Total Main Trade Area	**39,000**	**22,883**	**1.7**

**Equivalent to additional 35% of residents*

4.2 Trade Area Retail Floorspace Demand

i. Table 4.2 details the demand for retail floorspace in the Byron Bay main trade area, allowing for additional business from tourists at 35% of total demand.

ii. The Byron Bay main trade area population is projected to increase to 20,400 in 2026. This population level is in-line with projections outlined in Council documentation as well as New South Wales Department of Planning projections.

iii. The calculations in Table 4.2 go through a series of simple steps as follows:

- The current Byron Bay main trade area population (2012) of 16,950 persons could support 37,290 sq.m of retail floorspace at a rate of 2.2 sq.m per person.

- Tourists add an estimated 35% to demand for floorspace, indicating total retail floorspace demand of 50,342 sq.m.
- The total retail floorspace demand can be compared with the current provision of retail floorspace, indicated previously in Section 3, of 39,000 sq.m. This indicates a shortfall of 11,342 sq.m currently.

iv. Not all of the trade area resident's demand would be catered for locally. As indicated previously, some spending would be directed to facilities at Ballina, Lismore and Tweed Heads, particularly non-food spending. Over time, as the population in the main trade area increases, a greater range of retail facilities will be supportable in the main trade area and the level of escape spending should reduce.

v. The next step in the analysis is to determine the increase in retail floorspace demand from growth in the Byron Bay trade area population base and also the increase in the provision of retail floorspace per person.

- The population base in the main trade area is projected to increase by 3,450 persons between 2012 and 2026. At the current floorspace provision of 2.2 sq.m per person, this represents demand for an additional 7,590 sq.m of retail floorspace.

vi. The steps detailed above generate a total retail floorspace demand in the Byron Bay main trade area of 44,880 sq.m over the period to 2026. Allowing for a further 35% from tourists increases demand to 60,588 sq.m by this time.

vii. In our view, a significant proportion of this floorspace demand should be accommodated in the Byron Bay locality, as discussed in the next sub-section. Spending on large non-food items would continue to be directed to larger order retail centres, such as Ballina, Lismore and Tweed Heads, however, convenience based retailing should be retained locally. As the Byron Bay main trade area population increases, the ability to support a wider range of retail facilities also increases.

viii. Overall, it can be seen that there is a shortfall of retail floorspace within the Byron Bay locality currently, with this shortfall projected to increase substantially in the future. As a result, additional retail floorspace needs to be provided at Byron Bay in order to increase competition and retain some of the expenditure that is currently escaping from the region.

TABLE 4.2 – RETAIL FLOORSPACE DEMAND

	Factor	Unit	
	2012		
(1)	Main Trade Population	(No.)	16,950
	Retail Floorspace Demand (@ 2.2 sq.m per person)		
(2) = (1) * 2.2	• Residents Retail Floorspace Demand	(Sq.m)	37,290
(3) = (2) * 0.35	• Other market segments demand (@35% of residents)	(Sq.m)	13,052
(4) = (2) + (3)	**• Total Retail Floorspace Demand**	**(Sq.m)**	**50,342**
(5)	Current Retail Floorspace	(Sq.m)	39,000
(6) = (5) - (4)	• Undersupply	(Sq.m)	-11,342
	2026		
(7)	Main Trade Population	(No.)	20,400
	Retail Floorspace Demand (@ 2.2 sq.m per person)		
(8) = (7) * 2.2	• Residents Retail Floorspace Demand	(Sq.m)	44,880
(9) = (8)*.35	• Other market segments demand (@35% of residents)	(Sq.m)	15,708
(10)=(9)+(8)	**Total Retail Floorspace Demand 2026**	**(Sq.m)**	**60,588**
(11)	Current Retail Floorspace	(Sq.m)	39,000
(12) = (11) - (10)	• Undersupply	(Sq.m)	-21,588

LOCATIQN

4.3 Supportable Floorspace – Byron Bay

i. As indicated in the previous Table 4.1, the Byron Bay locality currently includes some 39,000 sq.m of retail floorspace, in-line with the Australian average of 2.2 sq.m per person, however, below average once business from tourists is taken into account.

ii. Of this 2.2 sq.m provision for the Australian retail floorspace average, around half (or 1.1 sq.m) is typically provided for by food grocery and food catering facilities. It is our view that this food provision should be provided locally in Byron Bay, as products within these categories are typically everyday shopping items. Non-food facilities then make up the remaining proportion of retail floorspace, and around 60% should be provided at Byron Bay Road (0.66 sq.m). Non-food retail facilities that should be included at Byron Bay include convenience based facilities such as pharmacies, hairdressers, newsagents, some apparel traders and the like.

iii. As a result, while it is unlikely that all of the retail demand (2.2 sq.m per person) will be provided within the Byron Bay region, a proportion should be supportable locally. In this instance, it is our view that around 1.76 sq.m per person (1.1 sq.m + 0.66 sq.m) should be accommodated within Byron Bay or around 80% of the total demand.

iv. Table 4.3 outlines the total provision of retail floorspace that is likely to be supportable within Byron Bay in 2012 and over the period to 2026, taking into account an 80% share of total demand. This indicates demand for 40,273 sq.m currently in 2012 (resulting in a current undersupply of 1,273 sq.m) .

v. Furthermore, with the growth in population and retail provision per person, the supportable retail provision will increase further in the future, to 48,470 sq.m by 2026 (resulting in a potential future undersupply of 9,470 sq.m).

TABLE 4.3 – BYRON BAY SUPPORTABLE RETAIL FLOORSPACE PROVISION

	Factor	Unit	
	2012		
	Main Trade Population	(No.)	16,950
(1)	• Current Retail Floorspace Demand	(Sq.m)	50,342
(2) = (1) * 0.8	• Byron Bay Supportable Provision (@80% of total)	(Sq.m)	**40,273**
(3)	Current Retail Floorspace	(Sq.m)	39,000
(4) = (3) - (2)	• Undersupply	(Sq.m)	-1,273
	2026		
	Main Trade Population	(No.)	20,400
(5)	• Retail Floorspace Demand	(Sq.m)	60,588
(6) = (5) * 0.8	• Byron Bay Supportable Provision (@80% of total)	(Sq.m)	**48,470**
(7)	Current Retail Floorspace	(Sq.m)	39,000
(8) = (7) - (6)	• Undersupply	(Sq.m)	-9,470
			LOCATIQN

4.4 Major Tenant - Supermarket Floorspace

i. Supermarkets are typically defined in planning documents and courts as "grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores." As result, the Byron Bay region only includes three supermarkets. Furthermore, a full-line supermarket is considered to be at least 2,500 sq.m in size, while a major full-line supermarket is generally 3,000 sq.m or larger. The nearest full-line supermarkets are provided over 35 km from Byron Bay.

ii. Table 4.4 presents a summary of the current supermarket floorspace provision within the Byron Shire. Taking into account the non-metropolitan New South Wales average of 350 sq.m per 1,000 persons, it can be seen that there is a substantial underprovision of supermarket floorspace within the defined Byron Bay main trade area. Following the recent development of the Woolworths at Mullumbimby the provision of supermarket floorspace within the northern parts of the Byron Shire is in-line with the average. Overall, the Byron Shire indicates a supermarket floorspace provision that is below the non-metropolitan New South Wales benchmark.

iii. Table 4.5 details the likely provision of supportable supermarket floorspace within Byron Bay taking into account the non-metropolitan New South Wales average of 350 sq.m per 1,000 persons.

iv. With a supportable supermarket provision of 350 sq.m per 1,000 persons, this indicates demand for some 5,933 sq.m of supermarket floorspace currently. Assuming an additional 35% for the tourist demand, this results in total supermarket demand of 8,009 sq.m. There are currently three existing supermarkets within the Byron trade area and as such, this represents a current shortfall of 2,605 sq.m. This shortfall of supermarket floorspace would then increase to 4,235 sq.m by 2026.

v. In addition, there are currently no full-line or major full-line supermarkets represented within the defined Byron Bay main trade area.

vi. Taking the above into account, there is significant scope to increase the provision of supermarket floorspace within the Byron Bay region currently. With the growth in population that is projected to occur within the Byron Bay region, this supportable level would increase further in the future.

vii. As such, the Byron Bay population is not provided with a proper range of choice or competition currently. The provision of additional supermarket floorspace would provide the Byron Bay main trade area population with additional choice, promote price competition and would also help to retain some of the retail expenditure currently being directed to other towns within the region.

viii. It is our view that there is potential for a retail centre, anchored by a full-line supermarket within Byron Bay. As a minimum, a centre of 2,500-3,000 sq.m is recommended, anchored by a small 1,500-2,000 sq.m supermarket and some 10-15 convenience focused specialty stores.

TABLE 4.4 – BYRON SHIRE EXISTING SUPERMARKET FLOORSPACE PROVISION

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2012 Population	GLA per 1,000 persons
Main Trade Area	**3**	**5,404**	**16,950**	**319**
Byron Shire Remainder**	3	5,144	14,365	358
Total Byron Shire	6	10,548	31,315	337
Non-Metro NSW Average				*350*
Australian Average				*314*

** Defined as 500 sq.m or larger*

TABLE 4.5 – SUPERMARKET FLOORSPACE PROVISION

Trade Area Sector	2012	2026
Main Trade Area Resident Population	16,950	20,400
*Non-Metro NSW Average**	*350*	*350*
Supportable Resident Supermarket Provision	5,933	7,140
Additional Tourist Demand (@35%)	2,076	2,499
Total Supermarket Demand	**8,009**	**9,639**
Existing Supermarket Provision	5,404	5,404
Supermarket Shortfall (sq.m)	**-2,605**	**-4,235**

**Sq.m per 1,000 persons*

4.5 Retail Locations

i. An indicative review of the Byron Bay Town Centre indicates that there are few sites available within the Town Centre that, in our view, would be deemed appropriate for a supermarket based development. This is due to a number of factors, namely:

– Limited provision of suitable vacant sites within the Town Centre currently.

– Sites within the Town Centre have existing uses which would be more financially attractive than a large low paying supermarket.

– Narrow roads will make loading for the trucks an issue.

- The Town Centre is already congested and busy during peak periods. This would increase further with the provision of additional supermarket floorspace and associated traffic/carparking.

ii. It may be the view of local authorities that the preferred location for additional retail floorspace be located within Town Centres in order to solidify their role within the hierarchy. The reason for this is due to the view that a supermarket situated beyond the Town Centre would draw business away from the Town Centre.

iii. In reality, this is not the case, as there are many examples where supermarkets in coastal locations have successfully located outside of the traditional Town Centres without impacting on the viability of the Town Centre itself.

iv. An example of a supermarket operating outside of the town centre is at Coolum, on the Sunshine Coast of Queensland, where Woolworths were unable to secure a site within the village centre due to the lack of available sites and instead located outside of the village centre. Both the Woolworths store and the village centre continue to trade strongly.

v. Another local example is the newly opened Woolworths supermarket at Mullumbimby, which located on the periphery of the Town Centre. Despite the initial controversy surrounding the proposal, there have been no reports of substantial impacts on existing Town Centre retailers.

vi. The Byron Bay Town Centre will always continue to attract business from the local and tourist population. This would be due to the proximity to the coast, the tourist accommodation facilities as well as the majority of the residential population. The Town Centre includes a large provision of cafe/restaurant facilities, apparel, general convenience and leisure traders operating within the Town Centre. In addition, the adjoining facilities, such as sporting facilities, educational facilities and the like will always result in the Town Centre being a successful retail destination.

vii. A retail centre outside the Town Centre will seek to provide a convenience focused alternative, the opportunity for cross shopping between locations and will help to retain resident spending in the local area.

viii. A retail centre situated outside of the Town Centre has a different role and appeal to retail facilities within the Byron Bay Town Centre. The local population and tourists would continue to use facilities within the Town Centre for its size and range of traders, convenience, atmosphere and tenant mix, particularly with the focus on apparel, food catering and dining facilities.

ix. It is our view that a retail centre located on the western side of the Byron Bay Town Centre, at the Subject Site, would alleviate the existing and likely future congestion within the Byron Bay Town Centre. In addition, a supermarket as the major tenant at this location would help to increase competition and retain spending that is currently being directed to other towns within the surrounding region.

x. A retail centre along Ewingsdale Road, on the Subject Site, would be ideally situated to capture business from the passing traffic and will be centrally located and easily accessible to local residents and tourists. In addition, the centre would be well positioned to service not only the existing population within the region but also the areas identified for future residential growth, to the west of the Byron Bay Town Centre.

xi. Taking the above into account, it is clear that additional retail floorspace would be supportable at Byron Bay in the future. It is our view that there are limited suitable sites available within the Town Centre and that a retail centre, anchored by a supermarket, located outside of the Byron Bay Town Centre at the Subject Site would not impact on the viability of the Town Centre.

xii. A proposed retail centre at the Subject Site is proposed to be co-located with key community facilities which are also planned on the site including seniors living and aged care facilities, a medical centre, as well as an adjoining public hospital.

xiii. In terms of retail planning, there will clearly be a need for further retail facilities besides supermarkets. As the population increases in the Byron Bay region, further pharmacies, bakeries, newsagent, discount variety stores, hairdressers, liquor stores and the like will be demanded by the population. This will be in addition to existing facilities within the Byron Bay Town Centre.

4.6 Employment and Consumer Benefits

i. The development of a retail centre at the Subject Site will result in a range of important economic benefits which will be of direct benefit to the local community.

ii. The key positive employment and consumer impacts resulting from the development will include the following:

- The provision of a wider range of shopping facilities for local residents, including a supermarket and retail specialty floorspace in a convenient location.

- Assuming a retail centre of 3,000 sq.m, anchored by a 2,000 sq.m supermarket, the retail component of the proposed centre is projected to employ around 160 persons as summarised in Table 4.6. Taking a conservative view and allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net additional jobs are estimated at 144.

- Further jobs would be created from the supplier induced multiplier effects as a result of the retail jobs for the on-going running of the retail component of the proposed centre. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 137 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.7).

- The retail floorspace at the proposed centre will create a substantial number of additional jobs, both for the construction and related industries during the construction phase of the development and for the economy generally once the development is completed.

- The estimated total capital costs for the construction of the development is around $10 million. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of $7.9 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed centre would create some 55 jobs (refer Table 4.8).

- The additional construction jobs (55), will result in a further 88 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.8).

- As a result, in total some 424 jobs are likely to be created both directly and indirectly as a result of the proposed retail centre.

iii. A substantial net community benefit will result from the development of the proposed retail centre and in addition to employment benefits, a number of other substantial positive impacts including the following:

  - Significant improvement in the range of retail facilities that will be available to residents, particularly in terms of convenient supermarket retailing. The proposed centre will improve choice of location and also allow for price competition.

  - Further, residents of the region should be provided with a wider range of affordable and conveniently located retail specialty shops within close proximity to their homes.

  - The reduction in travel time and petrol cost savings for the main trade area population to frequent supermarket facilities located beyond the main trade area.

TABLE 4.6 – ESTIMATED PERMANENT EMPLOYMENT

Type of Use	Estimated Employment Per '000 sq.m	Ewingsdale Change in GLA (sq.m)	Ewingsdale Employment (persons)
Supermarket	50	2,000	100
Retail Specialty Shops	60	1,000	60
Total Centre[1]		**3,000**	**160**
Net Increase[2]			**144**

1. Excludes non-retail components.
2. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

TABLE 4.7 – ESTIMATED EMPLOYMENT IMPACT

Original Stimulus	Direct Employment	Supplier Employment *Multiplier Effects*	**Total**
Centre Employment[1]	144	137	281

** 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
Source : Australian National Accounts: Input-Output Tables 1996-97

TABLE 4.8 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Original Stimulus	Estimated Capital Costs ($M)[1]	Direct Employment	Supplier Employment *Multiplier Effects*	**Total**	
Construction of Project	7.9	55	88	143	Job Years[2]

** Employment totals include both full-time and part-time work*
1. Adjusted by inflation and productivity to 1996/97 Dollars
2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year
Source : Australian National Accounts: Input-Output Tables 1996-97

5 SUMMARY

The main conclusions of this report, relating to the future potential for retail floorspace at Byron Bay include the following:

- There is a clear opportunity for additional supermarket and retail floorspace at Byron Bay. This is a result of the current underprovision of retail and supermarket floorspace, along with the population growth that is projected to occur within the Byron Bay region.

- The Byron Bay trade area population is projected to increase by around 3,450 persons over the period to 2026, indicating a population of 20,400 by 2026. In addition, the substantial additional business generated by tourists to the region will further support additional retail floorspace.

- There are currently three supermarkets within the Byron Bay region, however, no supermarkets are larger than 2,500 sq.m (a full-line store). Clearly there is an under-provision of supermarket floorspace within the defined trade area currently. Without the development of additional supermarket and retail floorspace, the region will continue to be under-serviced by retail facilities. In addition, a proportion of retail spending will continue to be redirected to larger surrounding townships.

- There is currently a very limited provision of suitable land for retail development within the Byron Bay Town Centre and as such, additional retail floorspace will need to be located elsewhere. A supermarket based centre situated on the Subject Site will be located in a high profile site, and will be easily accessible to the surrounding population from both a regional and local perspective. The site will be easily accessible to both the existing population of Byron Bay and will also cater to the future designated growth areas to the west of the Town Centre. The site would also cater to passing traffic along the Pacific Highway.

- The proposed retail centre at the Subject Site is planned to be located within a key community precinct, with a range of other uses also proposed on the site including seniors living, aged care facility and medical centre, as well as an adjoining public hospital.

- Taking the above into account, it is our view that there is potential for a retail centre, anchored by a full-line supermarket on the Subject Site. As a minimum, we would recommend the provision of a 2,500-3,000 sq.m retail centre, anchored by a small 1,500-2,000 sq.m supermarket. Some 10-15 convenience focused specialty stores would then be supportable and would complement the convenience offer of the supermarket anchor tenant.

- The development of a retail centre will result in a range of community benefits for the local population including increased employment, range and price competition as well as reduced travel time and fuel costs.

- The addition of a retail centre of at least 2,500-3,000 sq.m would provide a convenience based retail offer that would service not only the existing Byron Bay population but also the future residents and tourists to the region. The centre would provide increased choice and price competition for the surrounding population.

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