

Omokoroa
Assessment of Commercial &
Industrial Land Demand

Western Bay of Plenty District Council

PROPERTY ECONOMICS

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SCHEDULE

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Omokoroa

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1. EXECUTIVE SUMMARY

Omokoroa is a rapidly expanding satellite township located approximately 20 minutes drive from central Tauranga. The current catchment population of 5,700 is forecast to increase to 12,500 by 2026, and will generate demand for an additional 150 houses annually over this period.

Omokoroa will reach a significant milestone when it is able to support a supermarket, as this will be a catalyst for other commercial growth, including both retail and services, such as fruit and vegetable shops, and hairdressers. It is estimated that Omokoroa will be able to sustain small supermarket within the next five years.

Prospective residents will also perceive Omokoroa to be a better community once a supermarket is established, as it will offer a more self contained lifestyle. Such an offer would substantially reduce the current estimated leakage of retail spend from Omokoroa of over 90%.

The Omokoroa Town Centre, as at 2026, is anticipated to have the following land requirements ('other' includes office, community and parks):

Retail:	3.3 ha
Other	3.0 ha
Roads	1.7 ha
Total	8.0 ha

By 2036 it is anticipated that Omokoroa urban area will reach its target population of 12,500, and by this time the total commercial land requirement will increase to 11-12 hectares, consistent with the current provision of 13 hectares in the Future Town Centre zone.

The Tralee Street site is 3.9 hectares and is located centrally within the Omokoroa Peninsula. The proximity to the existing population base, and quantum of land available, offer potential for a 'local retail centre' that services the day to day needs of the immediate residents, within a 400-800m radius (walking distance). Such a centre would ideally be similar in function to the local centre located on the corner of Hamurana Road and McDonnell Street, and would be comprised of 5-6 small shops, requiring in the order of 800 sqms GFA of retail floorspace (600 sqms net) or 3,000 sqms of land. It is important that the scale of a retail centre in the

Tralee Street location does not duplicate the role and function of the Future Town Centre, and the primary consideration in this respect is the quantum of retail floorspace, as well as the size of the individual tenancies, which should not exceed 250 sqms GFA.

An interest has been expressed by the market to develop a larger medical centre near the Tralee Street site. While such a centre would optimally be located in the Future Town Centre, as this would increase accessibility to residents and add to the vitality and viability of the Town Centre, it is recognised that there is an immediate need to be met in the community, and this site is able to achieve this need. In order to balance the current needs of the community with an optimal medium-long term outcome, it is considered appropriate to make provision for a medium scale medical centre in the site located near Tralee Street, however to limit its size to that which is currently demanded, which I am informed is for approximately eight medical professionals.

As an aside there may be opportunity to further develop some cafes and restaurants at the Boat Ramp (Omokoroa Domain). While this would compete for spend with future cafes and restaurants at the town centre, there are offsetting benefits of allowing people to enjoy this high amenity environment, and also provide a positive market perception of Omokoroa in the region.

2. INTRODUCTION

Property Economics has been engaged by WBOP to prepare an assessment of market potential for a town centre at Omokoroa. Specifically objectives of the report include:

- Forecast demand for retail, services, and office floorspace and land,
- Evaluate the potential catchment of Omokoroa, considering the work location of residents,
- Evaluate industrial land requirements through a comparative analysis.

The report draws on previous research undertaken for McConnell Property and WBOP undertaken in 2008 entitled "Omokoroa: Retail Market Potential".

2.1 Information Sources

Information has been obtained from a variety of sources and publications available to Property Economics, including:

- Census of Population and Dwellings 2006 - Statistics NZ
- Household Economic Survey - Statistics NZ
- Retail Trade Survey - Statistics NZ

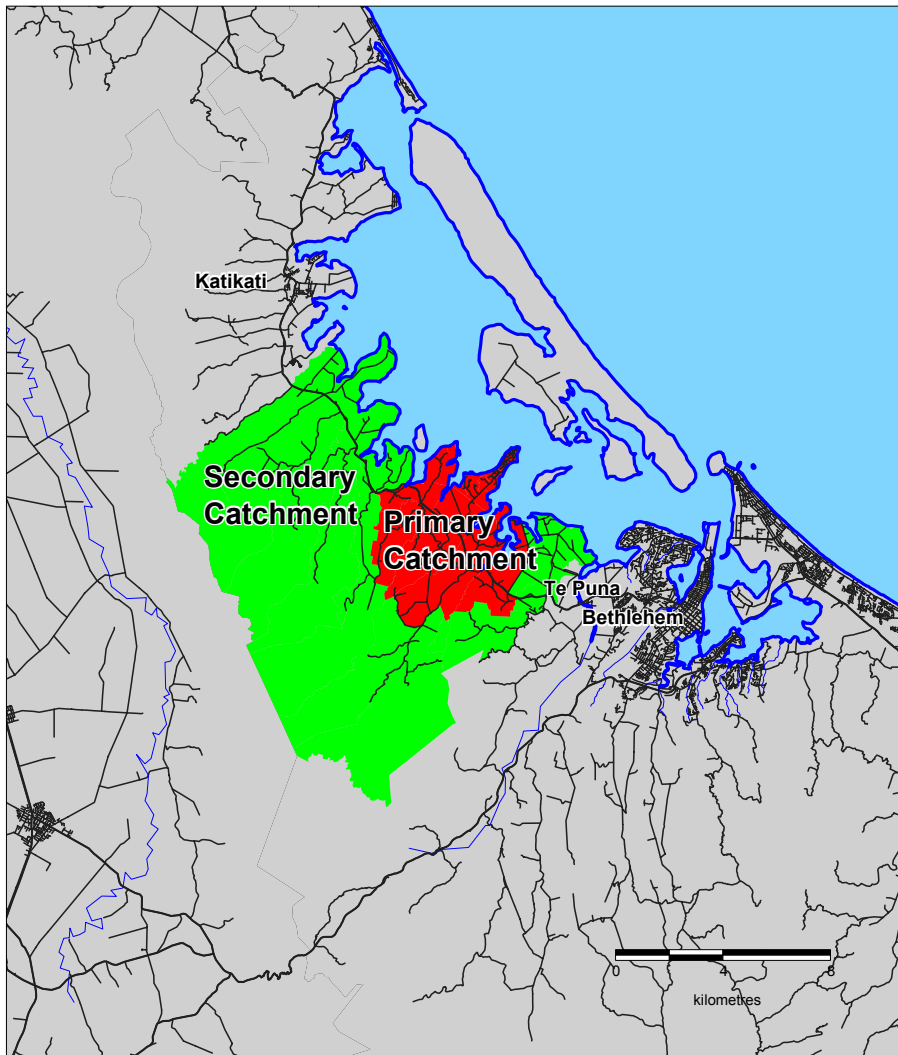
3. TRADE AREA DEFINITION

Figure 1 defines the commercial trade areas serviced by Omokoroa. The trade areas are defined by Katikati to the north, which has a higher order town centre anchored by a medium scale supermarket, and Bethlehem to the south, which also has a small town centre anchored by a supermarket.

Tauranga City also exerts a higher level influence over the Omokoroa trade areas, due to the regional catchments of the higher order commercial centres, most notably the CBD and Bayfair Mall. This is reinforced by a large proportion of Omokoroa residents being employed in Tauranga City (approximately one third of working residents), meaning they have ready access to the retail offered at this location.

The proposed commercial centre (the Omokoroa Town Centre) will have a clear locational advantage for residents in the Primary Catchment. The Omokoroa Town Centre will attract a smaller portion of the retail spend from the Secondary Catchment, as residents will also have ready access to Katikati, Bethlehem and other Tauranga centres, particularly those residents that travel outside of the local area for employment.

FIGURE 1: OMOKOROA COMMERCIAL TRADE AREAS



4. CATCHMENT PROFILING

Tables 1 and 2 show the demographic characteristics of the identified catchment. Tauranga District included for comparison purposes.

TABLE 1: DEMOGRAPHIC PROFILE (2008)

	Primary	Secondary	New Zealand		Primary	Secondary	New Zealand
General				Qualification Attainment			
Population	5,447	4,358	4,079,035	No Qualification	21%	20%	22%
Households	2,075	1,534	1,485,964	Secondary School	36%	38%	36%
Person Per Dwelling Ratio	2.6	2.8	2.7	Trade / Vocational	24%	24%	18%
Age Profile				Bachelor Degree	8%	8%	10%
Average Age	46	41	36	Higher Degree	4%	3%	4%
0-9 years	12%	14%	14%	Other	8%	8%	10%
10-19 years	15%	17%	15%	Industry of Employment			
20-29 years	5%	6%	13%	White Collar	72%	68%	69%
30-39 years	10%	12%	14%	Blue Collar	28%	32%	31%
40-49 years	16%	19%	15%	Student Proportions			
50-64 years	23%	23%	16%	Full Time	7%	9%	11%
65 plus years	20%	10%	12%	Part Time	4%	5%	5%
Household Income Profile				Not Studying	89%	85%	84%
Average (pa)	\$65,579	\$67,807	\$66,163	Source of Income			
\$0-\$30,000 (pa)	26%	25%	29%	Unemployment Benefit	0%	1%	2%
\$30,001-\$50,000 (pa)	23%	22%	19%	Self Employed/Own Business	20%	23%	11%
\$50,001-\$70,000 (pa)	18%	19%	16%	Wages/Salary	27%	34%	42%
\$70,001-\$100,000 (pa)	15%	16%	16%	Other Income	50%	39%	41%
\$100,001 plus (pa)	18%	19%	19%	No Income	2%	3%	4%
Employment				Weekly Hours Worked			
Employed - Full Time	69%	72%	73%	1 hr - 19 hrs	16%	12%	13%
Employed - Part Time	27%	24%	22%	20 hrs - 39 hrs	26%	26%	22%
Unemployed	4%	4%	5%	40 hrs - 59 hrs	46%	49%	55%
Not in Labour Force	35%	25%	32%	60 plus hrs	12%	14%	10%
Years at Residence				Number of Residents			
Less Than 5 Years	54%	55%	58%	1 Residents	18%	14%	23%
5 - 14 Years	33%	32%	27%	2 Residents	46%	41%	34%
15 Plus Years	12%	13%	15%	3 Residents	12%	17%	17%
Immigration				4 Residents	15%	16%	15%
NZ Born	83%	86%	82%	5 Residents	6%	8%	7%
Immigrated 0-9 Years Ago	7%	6%	9%	6 Residents	2%	2%	3%
Immigrated 10-19 Years Ago	2%	2%	3%	7 plus Residents	0%	1%	2%
Immigrated 20 Plus Years Ago	7%	5%	6%	Household Structure			
Ethnicity				Single	18%	14%	22%
European Ethnic Groups	76%	67%	61%	Couple	44%	37%	29%
Māori Ethnic Group	6%	15%	13%	Single Parent With Children	7%	9%	13%
Pacific Peoples' Ethnic Groups	1%	1%	6%	Two Parent Family	31%	37%	31%
Asian Ethnic Groups	1%	1%	8%	Other Multi-person	1%	2%	5%
MELAA Ethnic Groups	0%	0%	1%	Home Ownership			
Other Ethnic Groups	16%	16%	10%	Residents Own / Mortgage	78%	81%	67%
<i>Source: Property Economics, Statistics NZ</i>				Rent	22%	19%	33%

Note: Employment – Not In labour force relates to working age population that are not seeking employment, and is distinct from employed full/part time and unemployed, which relates to those seeking employment.

From Table 1 the following conclusions can be reached regarding the residential populations demographic structure:

- The identified primary catchment comprises just over 2,000 households, containing 5,400 residents. The secondary catchment is smaller in terms of population; it has 4,400 people residing in just over 1,500 households. The average household sizes for the two catchments are 2.6 and 2.8 respectively, very close to the New Zealand average.

- The average ages of residents in both catchments are higher than the New Zealand average (46 and 41 compared to 36). In the primary catchment, one in five residents is a retiree. This proportion is significantly higher than the secondary catchment statistics. 20 to 29 year olds are underrepresented in both catchments, indicating people in this age group have left the area to seek education, employment and lifestyle, a trend that is common to smaller townships.
- The proportion of working age population in the primary catchment is 54%, slightly lower than the secondary catchment (60%).
- Average household income of both catchments is inline with the national average, and is slightly lower in the primary catchment, driven by the high proportion of retirees with relatively lower income.
- The proportion of people in the primary catchment that are not in the labour force is significantly higher than the secondary catchment. Again, this is driven by the large proportion of retirees in the catchment.
- Couple is the most common household structure in the primary catchment, this is again driven by the high retiree number in the catchment, some of the households are older couples with adult children left home.

In summary the following statements can be made regarding the primary catchment population:

- Around 50% of all households living in the catchment are empty nesters and retirees. Of these two thirds are low-middle income households and one third are wealthier households.
- Around 20% of households are younger couples and singles, most of whom are low to middle income.
- Around 30% of households are families; most of whom are low-middle income, and around a third are more affluent families. The coastal areas in the primary catchment has higher income families when compared to the township itself.

This indicates there is currently an older retiree and empty nest population predominating in the Omokoroa area, as is often the case with smaller townships. Younger families are however entering the area, and this will be driven by the opportunity to access affordable lifestyle orientated properties, within a short commute of Tauranga. While there are many comparable lifestyle locations in the region, the introduction of a new commercial centre, with a supermarket anchor and range of other services, will attract greater numbers of family and younger households, as they will have a greater degree of local self-sufficiency. Further to this, and perhaps more importantly, the presence of the town centre will in itself provide a stronger market presence for Omokoroa in the regional marketplace, and potential buyers/residents will perceive the township as larger and with a stronger community, once the centre is operating.

5. EMPLOYMENT TRAVEL PATTERNS

Travel patterns play an important role in understanding both the types of people living in Omokoroa and the potential retail spend leakage that will continue to occur in Omokoroa.

Table 2 presents the results from an assessment of where residents work, by industry, based on the results of the 2006 Census.

Key conclusions that can be drawn from this table include:

- Managers and Professionals are typically the higher income employment sectors, and these business types are inclined to locate in central areas, such as Tauranga CBD and Cameron Road. Of residents in the Primary catchment, there are 420 managers and Professionals that work locally, a further 80 that work in the balance of the WBOP, and a total of 410 that travel into Tauranga each day to work in these areas. This indicates an approximate exodus of 44% of all Managers and Professionals to Tauranga City every day.
- Of the blue and grey collar sectors, including Technicians, Trade Workers, Community and Personal Services, Administrators, Sales Workers, and Labourers, in the Primary catchment, there are 440 blue and grey collar workers that work locally, a further 130 that work in the balance of the WBOP, and a total of 520 that travel into Tauranga City each day to work in these areas. This indicates an approximate exodus of 42% of all blue and grey collar workers to Tauranga City every day.
- In total, for the primary catchment, 870 people work locally, 1,060 work in WBOP (in total, ie includes the 870 in the primary catchment), and 940 travel into Tauranga City each day. In broad terms, this means 40% of people work locally, 10% work in the balance of WBOP, 45% work in Tauranga CBD, and 5% leave the region to work each day. Note these figures relate to those employed residents only.

TABLE 2: WORK TRAVEL PATTERNS

Occupation	Usual Residence Area	Primary Catchment	Secondary Catchment	Western Bay of Plenty District	Tauranga City	Other North Island
Managers	Primary Catchment	320	10	370	180	30
Managers	Secondary Catchment	10	320	380	130	40
Managers	Rest of NZ	70	50	3,190	7,020	224,750
Managers	Total	410	380	3,950	7,320	224,810
Professionals	Primary Catchment	100	0	130	230	30
Professionals	Secondary Catchment	10	70	130	190	20
Professionals	Rest of NZ	50	20	1,240	8,160	263,510
Professionals	Total	160	90	1,490	8,570	263,560
Technicians and Trades Workers	Primary Catchment	90	0	110	110	20
Technicians and Trades Workers	Secondary Catchment	20	90	130	100	20
Technicians and Trades Workers	Rest of NZ	50	30	1,180	5,630	135,940
Technicians and Trades Workers	Total	150	120	1,420	5,840	135,980
Community and Personal Service Workers	Primary Catchment	40	0	60	60	10
Community and Personal Service Workers	Secondary Catchment	0	20	40	60	20
Community and Personal Service Workers	Rest of NZ	20	10	670	3,490	93,250
Community and Personal Service Workers	Total	80	20	770	3,620	93,270
Clerical and Administrative Workers	Primary Catchment	90	0	100	140	10
Clerical and Administrative Workers	Secondary Catchment	0	60	90	100	20
Clerical and Administrative Workers	Rest of NZ	20	20	1,090	5,930	167,130
Clerical and Administrative Workers	Total	110	90	1,280	6,170	167,150
Sales Workers	Primary Catchment	50	0	60	100	20
Sales Workers	Secondary Catchment	0	20	50	90	10
Sales Workers	Rest of NZ	10	10	680	5,080	119,890
Sales Workers	Total	60	40	790	5,270	119,910
Machinery Operators and Drivers	Primary Catchment	20	0	30	30	10
Machinery Operators and Drivers	Secondary Catchment	0	10	20	40	0
Machinery Operators and Drivers	Rest of NZ	20	20	550	2,280	61,050
Machinery Operators and Drivers	Total	40	20	610	2,350	61,060
Labourers	Primary Catchment	110	10	160	60	20
Labourers	Secondary Catchment	20	120	170	70	20
Labourers	Rest of NZ	50	60	2,240	3,960	111,430
Labourers	Total	180	180	2,570	4,080	111,470
Other	Primary Catchment	40	0	50	20	0
Other	Secondary Catchment	0	40	40	20	10
Other	Rest of NZ	10	10	350	860	32,800
Other	Total	50	40	440	900	32,810
Total	Primary Catchment	870	30	1,060	940	140
Total	Secondary Catchment	70	740	1,050	780	150
Total	Rest of NZ	290	220	11,180	42,400	1,209,740
Total	Total	1,230	980	13,300	44,130	1,210,030

Source: Statistics NZ

6. POPULATION & HOUSEHOLD GROWTH FORECASTS

This shows the population and household projections for both the primary and secondary catchments.

The Primary catchment forecasts have been obtained by the WBOP and are based on specific analyses undertaken that account for future n District Plan changes and structure plans, and therefore override Statistics NZ projections. These forecasts anticipate the population to more than double, and the number of households to increase by 2,500 over the period out to 2026. This represents substantial growth of around 150 new houses annually.

The Secondary catchment is also forecast to achieve strong growth, increasing from 1,500 households currently to 2,200 by 2026, an increase of 40 additional households annually.

It is important to bear in mind that high growth areas are often difficult to forecast growth for, given external factors, such as new townships elsewhere, or the timing of the development of commercial activity, can influence the rate of growth achieved.

TABLE 3: POPULATION GROWTH FORECASTS (2008-2026)

	2006	2009	2011	2016	2021	2026
Primary						
Population	5300	5700	5900	7300	9900	12500
Households	2000	2400	2500	3200	4500	5900
Secondary						
Population	4100	4400	4500	5000	5400	5900
Households	1400	1500	1600	1800	2000	2200
Total						
Population	9400	10100	10400	12300	15300	18400
Households	3400	3900	4100	5000	4700	8100
Source; WBOPDC, Property Economics, Statistics NZ						

7. RETAIL SPEND GENERATION (DEMAND)

This section estimates the amount of annual retail spend generated by the identified catchments in order to determine the effects level of retail demand.

The figures reported are assessed by determining the average household spend, as per the Statistics NZ Retail Trade Survey, and then adjusting for the catchment's population, household size, average income level, demographic profiles, employment levels and visitor numbers.

Growth in real (inflation adjusted) retail spend has also been incorporated at a rate of 1% per annum over the forecast period. The 1% rate is an estimate based on the level of debt retail spending, interest rates and changes in disposable and discretionary income levels as well as overall consumer confidence.

Note the figures below exclude the retail categories of accommodation (hotels, motels, backpackers, etc) and vehicle and marine sales & services (car yards, boat shops, caravan sales, Repco, Super Cheap Autos, tyre stores, panel beating, mechanical repairs), as these sectors are not considered to be core retail expenditure, nor fundamental retail centre activities in terms of visibility, location, or viability. The figures also exclude trade based activities such as Resene, ITM, Mico Bathrooms, Plumbing World, Cory's Electrical, etc.

The demand for other services, community activities, etc, is estimated separately.

Table 3 displays the total annual retail expenditure generated by the primary and secondary catchments.

This shows total primary catchment retail expenditure increasing from \$52m per annum in 2011 to \$85m per annum in 2026. For the secondary catchment this is forecast to increase from \$40m per annum in 2011 to \$63m per annum in 2026. It is noted that this is the total expenditure generated from residents and businesses in the catchments, and a portion of this will 'leak' out to other centres, notably Katikati, Bethlehem and other higher order centres in Tauranga City.

TABLE 3: IDENTIFIED CATCHMENT'S RETAIL SPEND GENERATION GROWTH (\$M) (\$2006)

Catchment	2006	2011	2016	2021	2026
Primary	46	52	60	73	85
Secondary	33	40	47	55	63

Source: Property Economics, Statistics NZ

8. SUSTAINABLE RETAIL FLOORSPACE

Having considered the proximity of Omokoroa to other centres in the region, the residents employment travel patterns, and the potential scale of the market in Omokoroa, and the subsequent likely retention of retail spend, the following retail floorspace is estimated to be sustainable in Omokoroa.

This estimate indicates that current (latent) demand exists for 6,700 sqms of retail floorspace, and that this will increase to 10,800 sqms by 2026. The presence of a suitable location for a town centre, and an anchor supermarket, will facilitate the markets ability to meet this demand.

TABLE 4: SUSTAINABLE RETAIL FLOORSPACE ESTIMATES (NET TRADE AREA)

Primary Catchment	Total Demand				Sustainable Floorspace (retained)			
	2011	2016	2021	2026	2011	2016	2021	2026
Food Retailing	1,700	1,900	2,300	2,700	1,000	1,100	1,400	1,600
Footwear	100	100	100	100	0	0	0	0
Clothing and Softgoods	400	500	600	700	100	200	200	200
Furniture and Floorcoverings	600	700	800	900	200	200	200	300
Appliance Retailing	900	1,100	1,300	1,500	500	500	600	800
Hardware	500	600	700	800	200	300	300	400
Chemist	200	300	300	400	100	200	200	200
Department Stores	1,300	1,500	1,900	2,200	700	800	900	1,100
Recreational Goods	600	700	800	1,000	200	200	200	300
Cafes, Restaurants and Takeaways	500	600	700	800	300	300	400	500
Personal and Household Services	400	400	500	600	200	200	300	300
Other Stores	600	700	800	1,000	300	300	400	500
Total	7,700	8,900	10,800	12,700	3,800	4,400	5,300	6,200
Secondary Catchment	2011	2016	2021	2026	2011	2016	2021	2026
Food Retailing	1,100	1,300	1,500	1,700	400	500	600	700
Footwear	100	100	100	100	0	0	0	0
Clothing and Softgoods	400	400	500	600	100	100	100	100
Furniture and Floorcoverings	400	500	600	700	100	100	100	100
Appliance Retailing	600	800	900	1,000	200	300	300	300
Hardware	300	400	500	600	100	100	200	200
Chemist	200	200	200	300	100	100	100	100
Department Stores	1,000	1,200	1,400	1,600	300	400	500	500
Recreational Goods	500	600	700	800	100	100	100	200
Cafes, Restaurants and Takeaways	600	700	800	900	200	300	300	400
Personal and Household Services	300	300	400	500	100	100	100	200
Other Stores	400	500	600	700	100	200	200	200
Total	6,000	7,100	8,300	9,500	1,900	2,300	2,700	3,100
Total Floorspace	2011	2016	2021	2026	2011	2016	2021	2026
Food Retailing	2,700	3,200	3,800	4,500	1,400	1,700	2,000	2,300
Footwear	100	200	200	200	0	0	0	100
Clothing and Softgoods	800	900	1,100	1,300	200	200	300	300
Furniture and Floorcoverings	1,000	1,200	1,400	1,600	300	300	400	400
Appliance Retailing	1,500	1,800	2,200	2,500	700	800	900	1,100
Hardware	800	1,000	1,200	1,400	400	400	500	600
Chemist	400	500	600	600	200	200	300	300
Department Stores	2,400	2,800	3,300	3,800	1,000	1,200	1,400	1,600
Recreational Goods	1,100	1,300	1,500	1,800	300	300	400	500
Cafes, Restaurants and Takeaways	1,100	1,200	1,500	1,700	500	600	700	900
Personal and Household Services	700	800	900	1,100	300	300	400	500
Other Stores	1,000	1,200	1,400	1,700	400	500	600	700
Total	13,700	16,000	19,100	22,300	5,700	6,600	8,000	9,300

Source: Property Economics, Statistics NZ

Table 5 presents the forecast land requirements for the Town Centre. These include retail, services, and other community and open space requirements. Note roading has been excluded from these estimates, so and this would add an additional 25% to the land requirement, bringing total land requirement in 2026 to 8 hectares. Some office space and community space has been allocated to ground level, however will over time tend towards first/second level areas, which is optimal from an economic and design perspective. This will effectively mean there is a buffer built in to the land demand estimates. My recommendation would be to limit the town centre to 8 hectares, with a staged release mechanism to ensure consolidation occurs over the initial decade, and that no additional provision to the 8 hectares is provided until this area is fully utilised. In many respects town centres often work better where there is a slight undersupply, as it ensures quality tenants.

TABLE 5: TOTAL COMMERCIAL LAND REQUIREMENT FORECAST

Sector	2011	2016	2021	2026
Gross Retail Floorspace (sqms)	8100	9400	11400	13300
Retail Land Requirement (ha.s)	2.0	2.4	2.9	3.3
Services (sqms)	2430	2820	3420	3990
Community (sqms)	1620	1880	2280	2660
Office (ground level) (sqms)	2700	3130	3800	4430
Land Requirement (ha.s)	1.7	2.0	2.4	2.8
Open Space (sqms)	1620	1880	2280	2660
Total Town Centre Land Requirement (ha.s)	3.9	4.5	5.5	6.4

Source: Property Economics

9. OMOKOROA RETAIL SUPPLY

This section presents the existing net retail trading floorspace in the identified catchment, and estimates the level of retail expenditure leakage likely to occur to other centres outside the catchment. Property Economics undertook a retail audit across the wider Tauranga area in 2007. This audit measured the retail activity within each centre by sector. The results are outlined in Table 6 below.

TABLE 6: TAURANGA RETAIL AUDIT – NET RETAIL TRADING FLOORSPACE 2007

Centre Name	Centre Type	Supermarket	Cafes, Restaurants and Takeaways	Other Food	Department & Variety	Appliance & Accessories	Hardware, Furniture, Floor, Décor	Wearing Apparel & Jewellery	Footwear	Stationery, Books & Video Hire	Pharmacy & Cosmetics	Recreation	At Grade Office/ Service	Other General Merchandise	Vacant	Total
Omokoroa	Local Centre	0	175	130	120	0	0	0	0	65	0	50	85	0	625	
CBD	City Centre	0	12,656	1,090	1,185	3,505	7,800	9,075	1,810	1,540	795	2,272	3,355	4,805	5,065	54,953
Eleventh Aven	Strip Retail / Neighbourhood Centre	8,570	2,110	2,125	530	680	5,950	690	110	1,360	505	180	1,175	3,055	390	27,476
Fraser Cove	Sub-regional Centre	0	1,302	455	12,880	270	1,945	385	0	2,042	235	895	110	1,355	0	21,875
Gate Pa	SM Based Neighbourhood Centre	1,850	890	855	0	135	6,860	45	0	260	270	0	55	210	335	11,776
Bay Central	LFR Centre	0	90	330	1,900	760	1,085	0	0	0	1,835	0	4,330	540	10,870	
Greerton	Town Centre	790	950	847	975	635	1,725	945	0	665	415	300	745	1,305	120	10,424
Katikati	Town Centre	1,060	655	600	230	385	1,295	265	105	360	210	0	695	980	135	6,982
Bethlehem	SM Based Neighbourhood Centre	2,215	90	340	0	0	140	65	0	275	195	0	150	105	0	3,589
Brookfield	SM Based Neighbourhood Centre	1,985	105	290	0	0	0	0	0	435	95	45	30	415	0	3,419
Central Parade	Neighbourhood Centre	0	270	620	0	0	305	120	0	505	155	165	330	315	40	2,825
Historic Village	Neighbourhood Centre	0	265	800	240	0	0	60	0	130	0	215	280	0	0	1,990
Cherrywood	Neighbourhood Centre	0	210	310	0	0	0	65	570	195	0	290	255	0	0	1,895
Total		16,470	19,768	8,792	18,060	6,370	27,105	11,650	2,090	8,012	3,265	5,692	7,200	17,495	6,625	158,699

Source: Property Economics

Within Omokoroa there currently exists 625sqm of net retail trading floorspace, largely consisting of cafes, restaurants & takeaways, dairy and variety stores. Currently, there is clearly a high level of retail spend leakage out of Omokoroa due to a lack of local retail. For example, the nearest supermarket for residents is either the Katikati Woolworths or Bethlehem Countdown. Other retail requirements such as fashion, hardware and appliances all have to be purchased at retail centres situated outside of the catchment.

Although large retail centres exist in close proximity to the catchment, convenience stores could exist in the proposed Omokoroa retail centre increasing efficiency and accessibility for the local residents.

The figures show there is an undersupply of retail floorspace in Omokoroa currently. The population of the Omokoroa area equates to 5% of Tauranga's total population base, yet the local retail offer only accounts for 0.4% of all retail floorspace in Tauranga. This undersupply will only be amplified in the future as the strong population growth projected to be experienced in Omokoroa starts eventuating.

10. INDUSTRIAL DEMAND

Industrial land demand is difficult to estimate in locations that are a short drive outside of a major urban area. Numerous factors in the regional market place need to be considered, including the proximity to other industrial land, its price, the sectors that demand land in the area, etc. A relatively simple method for estimating demand is to look at other comparable locations. In this instance Cambridge and Te Awamutu in Hamilton have been assessed, and locally, the Katikati and Te Puke markets have been assessed.

Table 6 presents the key variables for these centres.

TABLE 6: VARIABLES FOR COMPARATIVE ANALYSIS FOR INDUSTRIAL LAND DEMAND

Township	Population	Household	Industrial Land (ha)
Te Awamutu	15600	5900	60
Cambridge	18200	7000	50
Katikati	6800	2700	60
Te Puke	9200	3400	150

It is noted that for Cambridge and Te Awamutu the current District Plan review has forecast demand for an additional 50-100 hectares for each centre, indicating that the current provision is not sufficient to meet market demand.

The data in Table 6 suggests that potential exists for a small-medium scale industrial node of approximately 50 hectares. This is generally consistent with the provision made in the recent structure plan for Omokoroa, and is considered to be a reasonable provision given it constitutes a small-medium scale industrial node, suitable for 100-200 businesses. Furthermore, there is likely to be demand for larger land holdings, particularly by the agricultural sector, that may utilise 25%-50% of this land.

11. RETAIL LOCATION AND HIERARCHY CONSIDERATIONS

There is a need to carefully plan the location, scale, and interaction of each commercial and industrial node, in order to ensure the Omokoroa township operates efficiently, and does not have any unnecessary land supply related constraints to development.

The proposed industrial land is well located near the State Highway, and is considered a preferable use over residential given noise and vehicle emissions in this location. It will be important to maintain a high amenity entrance to the township, which if dominated by industrial buildings and advertising, may impact adversely on the market perception of the township. The additional landscaping, as required in plan Change 69, is needed to ensure the industrial area is not generally visible to those entering the peninsula, or conversely ensure quality building design is achieved.

Commercial office and retail activity is more complex, as there is often the need for more than one centre. In the case of Omokoroa, there is a need to ensure the medium-long term growth requirements are able to be met.

In terms of the 'Town Centre' it is estimated that the ultimate (2036) demand for retail and commercial land Omokoroa is 11-12 hectares, and this is consistent with the proposed Future Town Centre which has 13 hectares allocated.

The Tralee Street site of 3.9 hectares has also been identified as potentially suitable for commercial activity. This site has potential to provide a small 'local centre' similar in scale and function to the local centre located at the corner of Hamurana Road and McDonnell Street. Local centres of this scale offer a walkable alternative for residents within 400-800 meters, and provide day to day requirements, such as dairies, cafes, hairdressers, and takeaways. Given the objective to develop a new Town Centre in Omokoroa, it is crucial that any possible future centre at Tralee Street does not duplicate the role and function of the Town Centre. Restricting the centre to 5-6 small shops, requiring in the order of 800 sqms GFA of retail floorspace (600 sqms net) or 3,000 sqms of land, is considered appropriate.

**12. APPENDIX 1: RETAIL DEMAND FORECASTING
METHODOLOGY**