

Retail Assessment

23 Racecourse Crescent, Launceston

Prepared by Urban Enterprise for Merost Pty Ltd

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Retail Assessment: 23 Racecourse Crescent, Launceston

Merost Pty Ltd

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Acknowledgment of Country:

We acknowledge the traditional custodians of the land on which our work is based and pay our respects to their Elders past and present. We extend that respect to all First Nations people.

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Executive Summary

Merost Pty Ltd engaged Urban Enterprise to prepare a retail assessment to inform a proposed rezoning at 23 Racecourse Crescent, Launceston (**the subject site**). The proponent is seeking to rezone the subject site from Recreation Zone (RZ) to Commercial Zone (CZ), with a view to establishing retail uses on the site.

Site Context

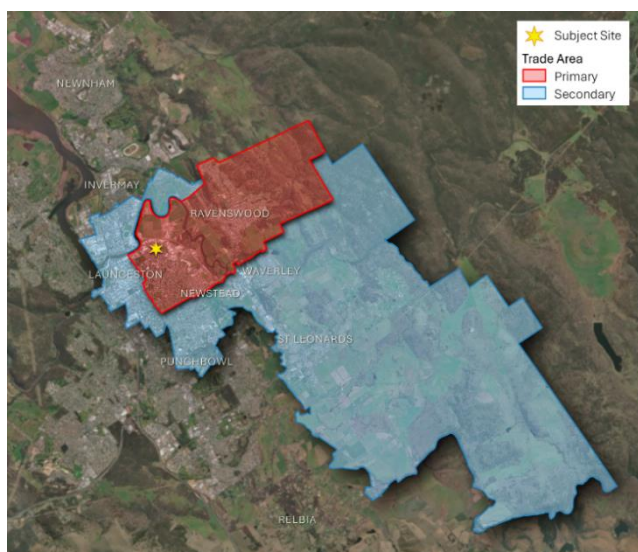
- The 0.98 ha subject site is approximately 1.1km north-east of the Launceston CBD.
- The site has a 130 metre frontage to Racecourse Crescent, which provides good exposure to passing consumers travelling in a north-south direction.
- There is an existing bus stop in front of 15 Racecourse Crescent, which generally services the Launceston (Kmart) Plaza and immediate surrounds.
- The site is situated adjacent to Launceston (Kmart Plaza), the NTCA Ground recreation precinct, and a commercial precinct along Boland Drive.
- The subject site is privately owned, but the balance of the recreation precinct is crown land.
- The Net Lettable Area (NLA) of Launceston Plaza is approximately 8,800 sqm, which includes:
 - A full-line supermarket - Coles;
 - A discount department store – Kmart (excludes My Car Tyre and Auto); and
 - A mix of specialty retailers, retail services and hospitality.
- The commercial precinct along Boland Street features a mix of retail, large-format retail, wholesale and showroom businesses.

Trade Areas

- A Primary Trade Area (PTA) and Secondary Trade Area (STA) have been established for the subject site and Launceston Plaza.
- The **PTA** generally includes residential areas to the south in East Launceston and Newstead, as well as residential areas in Ravenswood to the north.
- The **STA** encompasses areas to the north, west and south of the PTA, and includes central Launceston, Invermay (part), Newstead, Waverley and St Leonards.

It is important to note that activity centres and individual retailers also capture trade from outside of the PTA and STA, from a mix of non-local residents, visitors and workers. Launceston Plaza includes the only Kmart in Greater Launceston, and therefore is likely to draw consumers from across Greater Launceston and outlying regional areas.

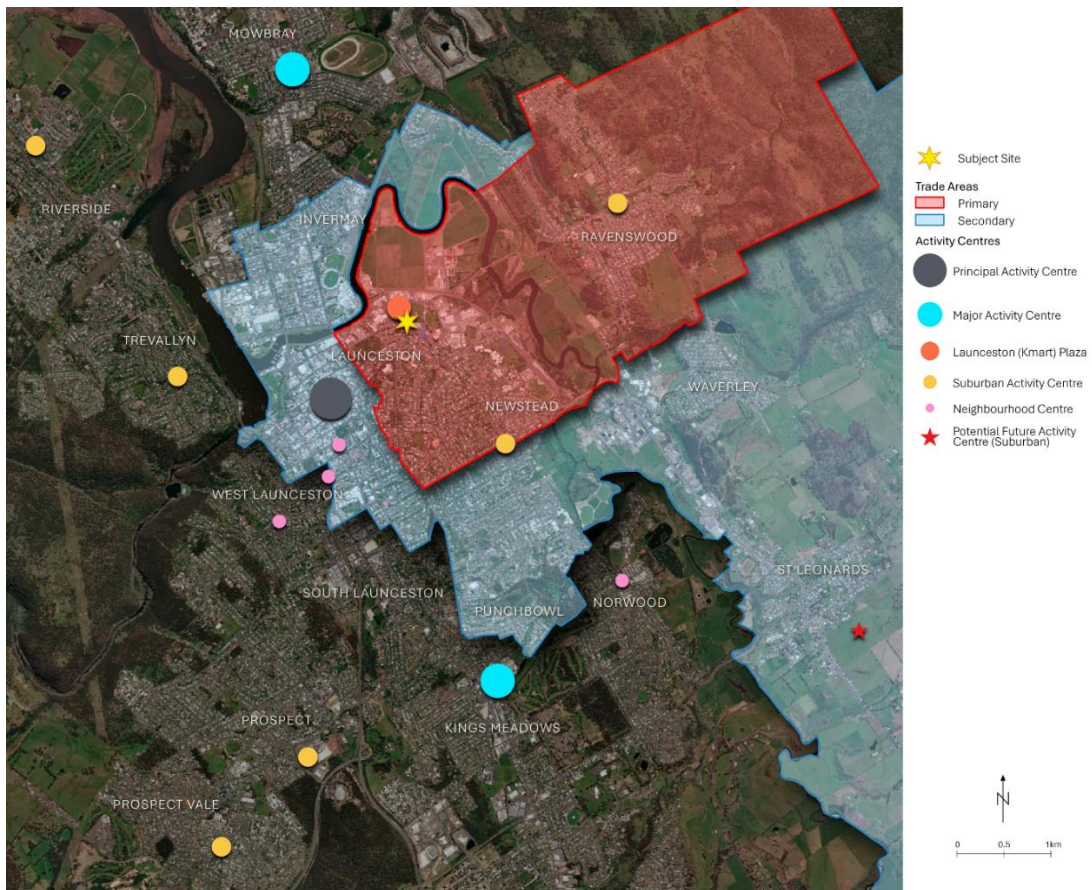
Figure S1 PTA and STA, Launceston Plaza and Subject Site



Activity Centre Hierarchy

- An Activity Centre hierarchy identifies and categorises the role of centres within a trade area according to planning policy, the scale of retail floorspace, and the retail offering and mix that is available to consumers.
- The hierarchy typically indicates where retail expenditure is directed within the region based on the economic role, location, retail offering and mix.
- The CBD is the Principal and highest order Activity Centre in Greater Launceston.
- Launceston Plaza and the adjoining commercial precinct performs several important roles within the retail hierarchy, including:
 - A supermarket, speciality and convenience based retail role for residents and workers in the PTA;
 - A bulky goods retail role that complements Launceston's Central Area within, and outside of the PTA; and
 - Provides the only Kmart available in Greater Launceston, indicating a regional catchment for this specific discount department store.
- Residents in Waverley and St Leonards do not currently have access to an Activity Centre, and are required to travel to nearby Activity Centres for retail needs such as Kings Meadows, Newstead, Launceston Plaza and central Launceston. This will continue until a future Suburban Activity Centre is established in St Leonards

Figure S2 Activity Centre Hierarchy



Population and Demographics

- As at 2021 Census, the PTA accommodated approximately 7,140 residents, and the STA included 14,160 residents.
- The most prevalent household types are young adult couples, young and middle aged families, and retirees/semi-retirees.
- Household incomes are lower in the PTA compared with the municipality, potentially indicating a lower availability of income for spending on discretionary goods and services.
- As at 2021 Census, there were approximately 500 workers in the PTA.

- Population growth is the key driver of retail demand. Over time, as the population of the PTA, STA and Launceston LGA grows, so too will demand for retail uses.
- Population growth in the PTA and STA has been estimated by assessing historical and projected growth rates at the municipal level by reference to population changes that occurred between Census periods, and population forecasts prepared by Tasmania's Department of Treasury and Finance in 2024.
- The population of the PTA is projected to increase by 790 residents between 2021 and 2036.
- The population of the STA is projected to increase by 1,640 residents between 2021 and 2036.

Retail Expenditure & Market Share

- Retail expenditure data has been collected and applied to the resident population within the PTA and STA to estimate the total expenditure pool within the trade areas. All expenditure figures presented are in 2021 dollars (i.e. year 1).
- Close to half (46%) of all retail expenditure is attributed to food, liquor and groceries, which is often associated with supermarket and speciality food retailing (i.e. bakery, butcher, delicatessen). When apparel, homewares and leisure spending is added, these two categories account for over 70% of annual retail spend. The balance of expenditure (28%) is primarily split between food catering and bulky goods. Only 4% of annual retail spend is attributed to retail services.
- In year 1 (i.e. 2021), the retail expenditure pool in the PTA and STA is estimated at \$312 million.
- The total expenditure pool is expected to grow over time as ongoing population and real expenditure growth materialises in the PTA and STA.
- Based on the adopted set of assumptions, the total turnover captured by Launceston Plaza is estimated at:
 - \$100.3m in year 1;
 - \$117.5m in year 5;
 - \$137.9m in year 10; and
 - \$161.7m in year 15.
- Close to two-thirds of the Plaza's turnover is attributed to market share captured from the PTA and STA, and the balance is captured from outside of the trade areas, from a combination of workers, visitors and non-trade area residents.
- Based on information supplied by the proponent, the market share figures for year 1 are consistent with current trading levels for Launceston Plaza, and highlights that the Plaza is trading well above viability thresholds.

Conclusions

The subject site is a suitable candidate to accommodate future retail uses for the following reasons:

- The site would provide a logical and complementary extension of the Launceston Plaza Activity Centre.
- The site area (0.98ha) is optimal for accommodating retail development, and has a 130 metre frontage to Racecourse Crescent, which provides good access and exposure to consumers. The site can also leverage an existing bus stop.
- Retail uses at the subject site would strengthen the role of Launceston (Kmart) Plaza and the adjoining commercial precinct, and the complementary economic relationship to the Principal Activity Centre.
- The current trading levels of the Plaza are well above viability thresholds, and the retail modelling illustrates that there is pent up demand for retail floorspace.
- Over time, the population of the PTA and the STA will increase, and generate additional demand for additional retail floorspace. Retail modelling estimates that the subject site could viably support approximately:
 - 3,150 sqm by Year 1 (i.e. 2021);
 - 4,200 sqm by year 5 (i.e. 2026);
 - 5,400 sqm by year 10 (i.e. 2031); and
 - 6,600 sqm by year 15 (i.e. 2036).
- Retail uses at the subject site are not anticipated to materially impact the hierarchy or viability of existing retail centres within the PTA, especially given the current level of turnover being achieved at Launceston (Kmart) Plaza; which is well-above viability thresholds, and one of the top performing supermarkets and discount department stores in Australia.

1. Introduction

1.1. Background

Merost Pty Ltd engaged Urban Enterprise to prepare a retail assessment to inform a proposed rezoning at 23 Racecourse Crescent, Launceston (**the subject site**).

The site is currently zoned for recreation uses, and sits within a broader sport, recreation and commercial precinct that includes:

- Launceston (Kmart) Plaza Activity Centre, which includes a Coles supermarket, Kmart, speciality retailers, retail services and hospitality.
- The NTCA sports oval, an outdoor tennis centre, and indoor basketball centre.
- A commercial precinct along Boland Street, consisting of a mix of retail, large-format retail, wholesale, and showroom businesses.

1.2. scope

The scope of this assessment includes the following:

1. **Site assessment** – summarise the existing property, location and planning characteristics at the subject site. Comment on the suitability of the site for retail uses and development.
2. **Retail Catchment** – establish a retail catchment area for the proposal. Consider the local resident catchment, location, transport connections and physical barriers.
3. **Retail Hierarchy** – identify and assess the retail hierarchy in the sub-regional catchment. Comment on the location, role, retail mix and retail anchors.
4. **Retail Demand** – assess the current and future demand for retail by analysing population and demographic trends within the catchment, as well as retail expenditure growth and market share analysis.

1.3. Information sources

This assessment relies on the following information:

- The Northern Tasmania Regional Land Use Strategy (NTRLUS), amended on 23 June 2021;
- Census of Population & Housing, ABS, 2021;
- Launceston Retail Audit & Activity Centre Strategy, 2011; and
- Retail Expenditure, Market Info, 2016.

2. Proposal & Site Assessment

2.1. Introduction

This sections provides an overview of the proposal and the subject site, including the property, planning and location attributes.

2.2. Subject site

2.2.1. Land Area & Zoning

The 0.98 ha subject site is located at 23 Racecourse Crescent, Launceston; approximately 1.1km north-east of the Launceston CBD. The site has 130 metre frontage to Racecourse Crescent, which provides good exposure and access to passing consumers travelling in a north-south direction.

There is an existing bus stop in front of 15 Racecourse Crescent, which generally services the Launceston (Kmart) Plaza and immediate surrounds.

The Recreation Zone currently applies to the site.

The Landslip Hazard Overlay and the Airport Obstacle Limitation Area Overlay also apply to this site.

Figure 1. subject site, 23 Racecourse Crescent

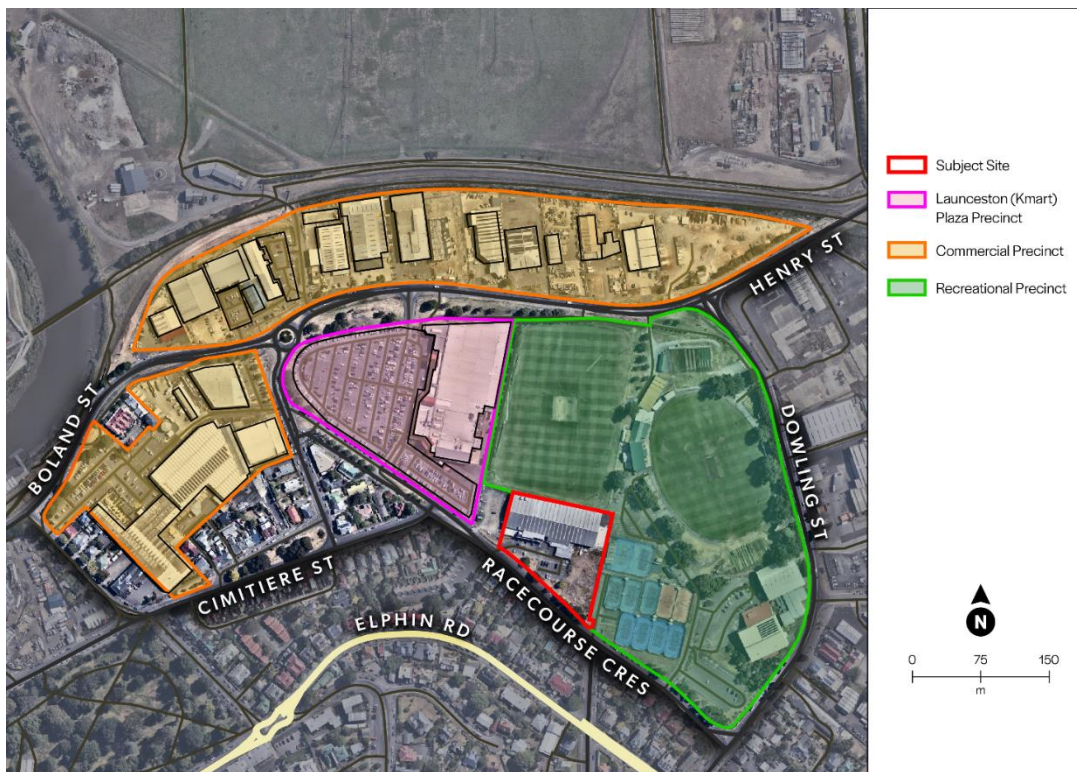


Source: Urban Enterprise, 2023

2.2.2. Interface & Location Context

The subject site is located between a Launceston Plaza Activity Centre, a recreation precinct and a commercial precinct.

Figure 2. Subject site & location context



Source: Urban Enterprise, 2023

Recreation Precinct

The site is in the south-west corner of the existing NTCA Ground recreation precinct. The subject site is privately owned, but the balance of the recreation precinct is crown land. The site is currently used for recreational purposes, occupied by an indoor recreation centre and gym.

Launceston Plaza

The western boundary of the site is adjacent to the Launceston (Kmart) Plaza Precinct, which includes:

- A full-line supermarket (Coles);
- A discount department store (Kmart) and My Car Tyre and Auto (mechanic); and
- A mix of specialty retailers, retail services and hospitality.

The Net Lettable Area of Launceston Plaza is approximately 8,800 sqm (excludes My Car Tyre and Auto).

The NLA is generally apportioned across the following retail categories:

- **Food, liquor and groceries (3,200 sqm)**, includes Coles supermarket, Liquorland, butcher and bakery;
- **Apparel, homewares and leisure (5,000 sqm)**, includes Kmart discount department store;
- **Food catering (50 sqm)**, includes two takeaway outlets;
- **Retail services (525 sqm)** includes a pharmacy, barber shop, shoe repair, phone repair and massage; and
- **Bulky goods (0 sqm).**

Commercial Precinct

An existing commercial precinct is located along Boland Street to the north and west of the Plaza. This precinct features a range of retail, large-format retail, wholesale and showroom businesses. Examples of existing businesses within the precinct include:

- Mitre 10 Hardware store;
- Repco Auto Parts and Auto Barn;
- Petstock;
- Montile Tile Boutique;
- Choices Flooring;
- Middys Electrical Supplies; and
- Steves Liquor Warehouse.

2.3. Planning Context

2.3.1. Zones

The RZ currently applies to the site. The purpose of this zone is:

- To provide for active and organised recreational use and development ranging from small community facilities to major sporting facilities.
- To provide for complementary uses that do not impact adversely on the recreational use of the land.
- To ensure that new major sporting facilities do not cause unreasonable impacts on adjacent sensitive uses.

For context, land which is located within the Recreation Zone is generally council-owned or owned by The Crown and used for sporting grounds and facilities within the Launceston municipality. The general exception appears to be private golf courses which are zoned Recreation. The subject site is one of the exceptions to this, as it is privately owned (and is not a golf course).

The purpose of the CZ is:

- To provide for retailing, service industries, storage and warehousing that require:
 - large floor or outdoor areas for the sale of goods or operational requirements; and
 - high levels of vehicle access and parking for customers.
- To provide for a mix of use and development that supports and does not compromise or distort the role of other activity centres in the activity centre hierarchy.

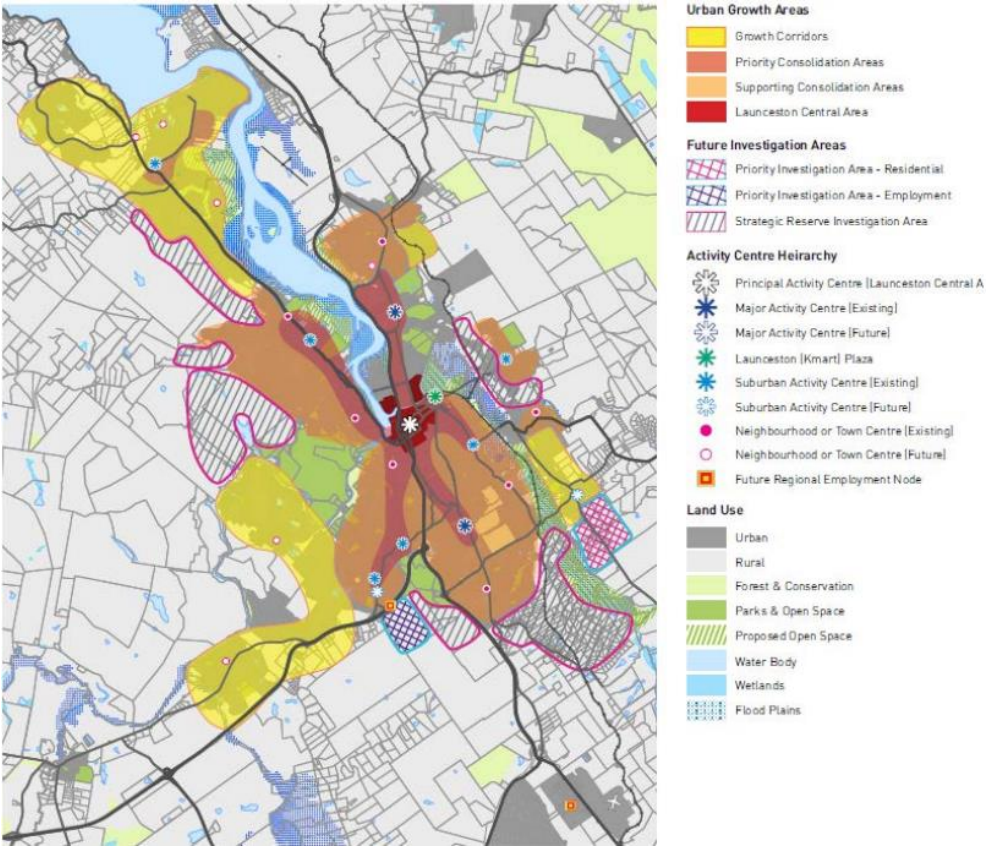
2.3.2. Activity Centre Planning

The Northern Tasmania Regional Land Use Strategy (NTRLUS), as amended on 23 June 2021, provides a framework for the sustainable use of land in the region (includes eight Local Government Areas in the north and north-east of Tasmania). The NTRLUS includes policies and guidelines for managing land use and development, including Activity Centres. **Appendix C** includes a summary relevant policies and actions in terms of activity centre planning.

The subject site is directly east of Launceston (Kmart) Plaza at 15 Racecourse Crescent, and is proximate to Greater Launceston's Principal Activity Centre.

Launceston (Kmart) Plaza performs a unique retail role whereby the convenience retail offering (e.g. supermarket, specialities) serve a mix of residents, workers and passing travellers. Whereas, the bulky goods precinct performs a complementary role to the Principal Activity Centre, providing large format retail items on the periphery of Launceston's Central Area.

Figure 3. Regional Framework Plan, Greater Launceston



Source: NTRLUS, 23 June 2021

3. Retail Supply

3.1. Introduction

This section establishes retail catchment (trade areas) for the subject area, and provides an assessment of the existing activity centre network and hierarchy.

3.2. Trade Areas

A retail catchment (Trade Area) is commonly established to identify where retail expenditure (turnover) will be generated and captured for a particular activity centre or retail business. A trade area typically has regard to the following:

1. **Retail Offering** – The scale and mix of the retail offering (i.e. type and range of retail goods/services available, and overall floorspace provision);
2. **Location** – Proximity and access to consumers, including residents, workers and visitors;
3. **Accessibility** – Access and exposure of the centre to consumers (i.e. road, rail, active transport); and
4. **Competition** – The competing offering of other activity centres within and proximate to the catchment.

In many cases, a retail catchment includes a Primary Trade Area (PTA) and a Secondary Trade Area (STA), which generally indicates where retailers and activity centres capture their primary and secondary source of trade from.

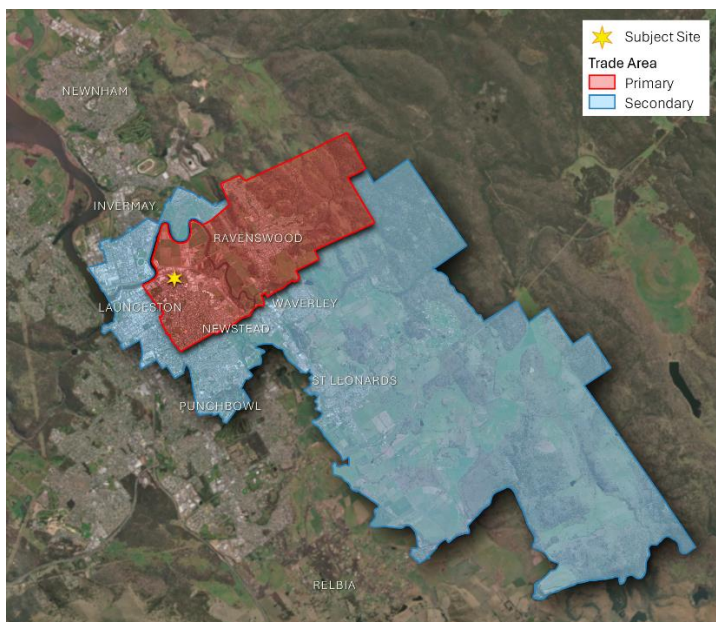
A PTA and STA has been established for the subject site and Launceston Plaza, and is shown in Figure 4.

The PTA generally includes residential areas to the south in East Launceston and Newstead, as well as residential areas in Ravenswood to the north.

The STA encompasses areas to the north, west and south of the PTA, and includes central Launceston, Invermay (part), Newstead, Waverley and St Leonards.

It is important to note that activity centres and individual retailers also capture a proportion of trade from outside of the PTA and STA, from a mix of non-local residents, visitors and workers. Further, Launceston Plaza includes the only Kmart in Greater Launceston, and therefore is likely to draw consumers from across Greater Launceston and outlying regional areas. This has been reflected in the market share analysis, detailed in Section 4 of this report.

Figure 4. PTA and STA, Launceston Plaza and the subject site



Source: Urban Enterprise, 2023, derived from NTRLUS, 2021.

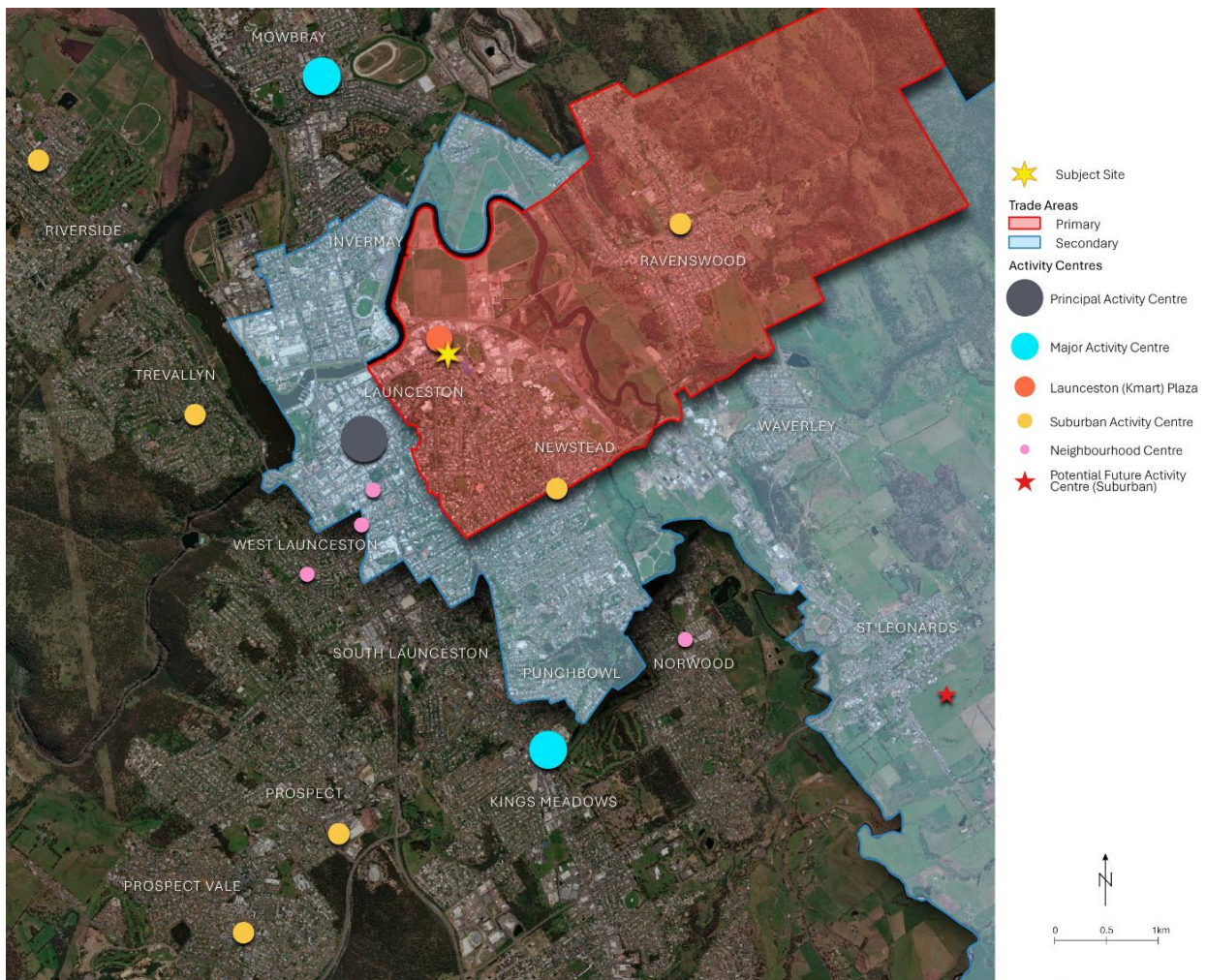
3.3. Activity Centre Hierarchy

An Activity Centre hierarchy identifies and categorises the role of centres within a trade area according to the planning policy, the scale of retail floorspace, and the retail offering and mix that is available to consumers.

The hierarchy typically indicates where retail expenditure is directed within the region based on the economic role, location, retail offering and mix. For example, the Principal Activity Centre in Launceston's Central Area includes a substantial provision of retail floorspace and a more comprehensive retail offering and mix compared with Major and Suburban Activity Centres, and is therefore likely to capture a greater proportion of market share from the trade area's total expenditure pool.

An Activity Centre hierarchy has been prepared to assess the current role and retail mix of existing and future centres within the PTA, STA and surrounding areas, and is shown in Figure 5.

Figure 5. Activity Centre Hierarchy, PTA/ STA and surrounding areas



Source: Urban Enterprise 2023, derived from Northern Tasmania Regional Land Use Strategy, 2021

Launceston (Kmart) Plaza is adjacent to the subject site and performs a unique retail role whereby the convenience retail offering (e.g. supermarket, specialities) serves a mix of residents, workers and passing travellers in the PTA. Whereas, the adjacent commercial precinct performs a complementary role to the Principal Activity Centre, providing large format retail items on the periphery of Launceston's Central Area.

The Plaza's anchor retailers include the Coles supermarket (~2,700 sqm) and Kmart discount department store (~5,000 sqm). The Plaza also includes several speciality retailers (Butcher, Bakery), retail services (e.g. shoe repair, pharmacy, barber) and two hospitality outlets.

The proponent indicated that both the Coles supermarket and Kmart are trading well above viability thresholds, and are in the top performing supermarkets and discount department stores in Tasmania. Launceston Plaza has plans to extend the Coles floorspace by around 500 sqm. This would increase the total floor area of the supermarket from 2,700 to 3,200 sqm.

In addition to the Principal Activity Centre, the subject site is also relatively proximate to **Wellington Street Coles (Neighbourhood/Town Centre)** and **Newstead (Suburban Activity Centre)**. Both centres are approximately 1.7-1.8 km south-east and south-west of the subject site, and therefore offer residents in the southern part of the PTA an alternative location for supermarket and convenience retailing. It is important to note, however, that the Coles supermarket at Launceston (Kmart) Plaza is a full-line supermarket (i.e. 2,700 sqm) compared with the smaller supermarkets in Newstead (~900sqm) and Wellington Street (~1,200sqm).

Ravenswood Suburban Activity Centre is situated in the north east of the PTA, but only includes a small supermarket. Therefore, Ravenswood residents are likely to travel to Launceston (Kmart) Plaza for higher order supermarket and retail needs.

Launceston's Central Area is the **Principal Activity Centre** in the region, and includes the most significant provision of retail floorspace. The retail offering includes a range of convenience and grocery retailers (2x full-line supermarkets), speciality retailers, hospitality and food, along with national brand department and discount department stores and bulky goods retailers.

Residents in **Waverley** and **St Leonards** form part of the STA as they do not currently have local access to an Activity Centre. A Structure Plan process is about to commence for St Leonards, and the growth corridor is planning for around 3,500 dwellings over the Structure Plan period. A future Suburban Activity Centre is slated for St Leonards, but the exact timing is unknown. Currently residents in these areas are required to visit nearby activity centres for retail goods and services such as Kings Meadows, Newstead, Launceston Plaza and central Launceston. This is expected to continue until the Activity Centre is delivered in St Leonards at some point in the future.

Table 1. Retail hierarchy, PTA / STA and surrounds

Activity Centre	Distance from subject site	Classification	Retail Role/Business Mix	Anchor retailers	Supermarket
Launceston (Kmart) Plaza		Launceston (Kmart) Plaza	Full-line supermarket Retail services Specialty retail	Kmart Coles	Coles (~2,700 sqm)
Launceston Central Area	1.2km	Principal Activity Centre	National brand retailers Bulky goods 2 x full-line supermarkets Specialty stores Hospitality Retail services Other retail	Myer Target Harris Scarfe Spotlight Dan Murphy's Petbarn	Woolworths (~4,100 sqm) Coles, Charles Street (~2,130sqm)
Wellington Street Coles	1.7km	Neighbourhood/Town Centre	Full-line supermarket		Coles, Wellington Street (~1,200 sqm)
Newstead	1.8km	Suburban Activity Centre	Small supermarket Specialty retail Retail services Hospitality	Coles	Coles (~900 sqm)
Ravenswood	2.5km	Suburban Activity Centre	Small supermarket Hospitality Retail Services	IGA	IGA (~830 sqm)
West Launceston	2.5km	Neighbourhood/Town Centre	Convenience supermarket	IGA	IGA (~410 sqm)
Trevallyn	2.6km	Suburban Activity Centre	Grocer Specialty stores Hospitality Retail services		Trevallyn Grocer (~345sqm)
Mowbray	3km	Major Activity Centre	2 x full-line supermarkets Discount department store	Coles Target	Coles (~4,400 sqm)

			Specialty stores Hospitality Retail services	Shiploads The Reject Shop BWS	Woolworths (~4,120 sqm)
Norwood	3.5km	Neighbourhood/Town Centre	Convenience supermarket	IGA	IGA (450 sqm)
King Meadows	3.8km	Major Activity Centre	2 x full-line supermarkets Specialty stores Hospitality Retail services Other retail	Coles Woolworths Shiploads	Coles (4,700 sqm) Woolworths (3,310 sqm)
Riverside	4.5km	Suburban Activity Centre	Full-line supermarket Hospitality Retail services Other retail	Woolworths	Woolworths (~3,815 sqm)
Prospect	4.7km	Suburban Activity Centre	Small supermarket Specialty stores Hospitality	SUPA IGA	SUPA IGA (1,350 sqm)
Newnham	5.4km	Neighbourhood/Town Centre	Convenience supermarket	IGA Xpress	IGA Xpress (~450 sqm)
North Riverside	5.5km	Neighbourhood/Town Centre	Convenience supermarket Hospitality Retail Services	IGA Express	IGA Xpress (~215 sqm)
Prospect Vale Marketplace	5.9km	Suburban Activity Centre	Full-line supermarket Hospitality Speciality retail Retail services	Woolworths The Reject Shop	Woolworths (3,040 sqm)
Youngtown	6.4km	Neighbourhood/Town Centre	Convenience supermarket Other retail		IGA (810 sqm)

Source: Urban Enterprise, 2023, derived from NTRLUS, 2021 / Launceston Retail Audit & Activity Centre Strategy 2011.

3.4. Key points

- The CBD is the Principal and highest order Activity Centre in Greater Launceston.
- Launceston Plaza and the adjoining commercial precinct performs several important roles within the retail hierarchy, including:
 - A supermarket, speciality and convenience based retail role for residents and workers in the PTA;
 - A bulky goods retail role that complements Launceston's Central Area within, and outside of the PTA; and
 - Provides the only Kmart available in Greater Launceston, indicating a regional catchment for this specific discount department store.
- Residents in Waverley and St Leonards do not currently have access to an Activity Centre, and are required to travel to nearby Activity Centres for retail needs such as Kings Meadows, Newstead, Launceston Plaza and central Launceston. This will continue until a future Suburban Activity Centre is established in St Leonards

4. Retail Demand

4.1. Introduction

Demand for retail floorspace is typically driven by a combination of expenditure generated from local residents within a trade area, as well as non-local resident expenditure that originates from outside of the trade area, including workers, visitors and passing trade.

This section provides an assessment of the scale of supportable floorspace that could viably be supported at Launceston Plaza over a 15 year period, and has regard to projected population growth, the associated growth in the retail expenditure, and estimated market share.

4.2. Population & Demographics

Population and demographic information has been collected and assessed for the PTA and STA to identify the key demographic and socioeconomic characteristics as they relate to retail needs.

Key observations are as follows:

- As at 2021 Census, the PTA accommodated approximately 7,140 residents and 3,080 dwellings, and the STA included 14,160 residents and 5,930 dwellings.
- The most prevalent household types are young adult couples, young and middle aged families, and retirees/semi-retirees.
- Household incomes are lower in the PTA compared with the municipality, potentially indicating a lower availability of income for spending on discretionary goods and services.
- There are approximately 500 workers in the PTA, which represent transient consumers within the catchment.

The demographic and socioeconomic characteristics of residents living in the PTA is relatively diverse, which indicates that a varied retail offering and mix is optimal. Continued population growth within, and outside of the catchment will generate more demand for retail uses over time.

Figure 6. Population & Demographic Summary, PTA & STA

POPULATION				OCCUPIED PRIVATE DWELLINGS (2021)		
	2021	2036	Change			
Primary Trade Area	7,158	7,948	(+790)	Primary Trade Area		3,079
Secondary Trade Area	14,160	15,722	(+1,562)	Secondary Trade Area		5,927
Launceston Municipality	70,055	77,782	(+7,727)	Launceston Municipality		28,965

AGE PROFILE				HOUSEHOLD COMPOSITION			
	Median Age Group: Parents & Homebuilders (35-49)						
	Primary Trade Area	Secondary Trade Area	Launceston Municipality				
Baby & Pre-schoolers (0-4)	6.0%	5.00%	5.4%	Couples with Children	1074 (18.5%)	1231 (20.8%)	6587 (22.7%)
Primary Schoolers (5-9)	6.3%	5.4%	5.6%	Couples without Children	1231 (21.3%)	1431 (24.1%)	7520 (25.3%)
Secondary Schoolers (10-19)	13.5%	11.1%	11.5%	One Parent Families	545 (9.4%)	701 (11.8%)	3602 (12.4%)
Young Adults (20-35)	20.0%	25.3%	22.3%	Other Families	1069 (18.5%)	62 (1%)	318 (1.1%)
Parents & Homebuilders (35-49)	17.1%	18.3%	18.0%	Lone Person	1149 (19.8%)	1849 (31.2%)	8695 (30%)
Older Workers & Pre-retirees (50-59)	12.7%	12.3%	12.3%	Other Household	724 (12.5%)	672 (11.3%)	2446 (8.4%)
Empty nesters & retirees (60-69)	11.4%	10.5%	11.1%				
Seniors & Elderly (70+)	13.3%	12.0%	13.7%				

MEDIAN HOUSEHOLD INCOME (2021)				SEIFA INDEX (Launceston Municipality 2021)	
Primary Trade Area	Secondary Trade Area	Launceston Municipality			939
\$1,181	\$1,333	\$1,310		UNEMPLOYMENT (Launceston Municipality 2021)	3.22%
				LOCAL WORKERS IN PTA	499

Source: Census of Population & Housing, ABS, 2021. 'Local Workers in PTA' value based on total employed persons within SA160201103815 & SA160201104201 boundary.

4.3. Population Growth: PTA and STA

Population growth is the key driver of retail demand. Over time, as the population of the PTA, STA and Launceston LGA grows, so too will demand for retail uses.

Population growth in the PTA and STA has been estimated by assessing historical and projected growth rates at the municipal level by reference to population changes that occurred between Census periods, and population forecasts prepared by Tasmania's Department of Treasury and Finance in 2024.

Between 2011 and 2021, Launceston municipality recorded an average annual growth rate of 0.9%. Population projections prepared by the State Government forecast that the municipality's population will grow by an average rate of 0.5% per annum in the 30-year period between 2023 and 2053. It should be noted that despite being a lower rate compared with historical trends, this represents the 'high series' forecast scenario for the municipality.

Adopting the midpoint of the historical and forecast growth rates in the municipality and applying it to the PTA results in the PTA's population increasing by 790 residents over the 15-year period between 2021 and 2036.

For the STA, the 0.7% annual growth rate has been applied to the first 5-years, but a higher rate of growth (1.2% p.a.) is assumed for the subsequent 10-year period to factor in the significant residential growth that is planned for the St Leonards urban growth corridor (~3,500 dwellings at full development). Forecast results indicate that the population of the STA is estimated to grow by 1,640 residents between 2021 and 2036.

4.4. Retail Expenditure

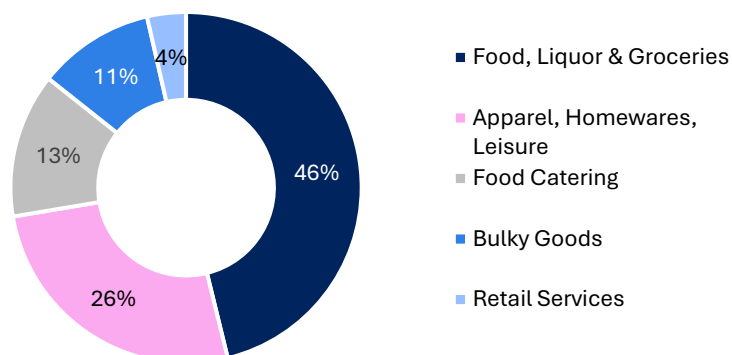
To estimate the total retail expenditure pool, retail expenditure data has been collected and applied to the current resident population within the PTA and STA. All expenditure figures presented in this analysis are in 2021 dollars (i.e. year 1).

On average in 2021, residents in the PTA and Launceston municipality spent approximately \$14,663 per annum on retail goods and services. The breakdown is summarised in Figure 7, and includes:

- \$6,772 (46%) food, liquor and groceries;
- \$3,839 (26%) on apparel, homewares and leisure;
- \$1,951 (13%) on food catering;
- \$1,440 (11%) on bulky goods; and
- \$524 (4%) on retail services.

Close to half (46%) of all retail expenditure is attributed to food, liquor and groceries, which is often associated with supermarket and speciality food retailing (i.e. bakery, butcher, delicatessen). When apparel, homewares and leisure spending is added, these two categories account for over 70% of annual retail spend. The balance of expenditure (28%) is primarily split between food catering and bulky goods. Only 4% of annual retail spend is attributed to retail services.

Figure 7. Expenditure Categories, PTA & Launceston LGA



Source: Urban Enterprise 2023, derived from Retail Expenditure, Market Info 2016 (indexed to 2021)

Table 2 summarises the estimated growth in population and retail expenditure pool over a 15-year period (i.e. 2021 to 2036). In year 1 (i.e. 2021), the estimated retail expenditure pool in the PTA and STA is estimated at \$312 million.

The total expenditure pool is expected to grow over time as ongoing population and real expenditure growth materialises in the PTA and STA. The retail expenditure pool generated in the PTA and STA is estimated to increase to approximately:

- \$347 million by year 5;
- \$409 million by year 10; and
- \$468 million by year 15.

Table 2. Retail Expenditure Pool, PTA and STA, 15 year period

	Year 1	Year 5	Year 10	Year 15
Population				
Primary	7,158	7,361	7,622	7,948
Secondary	14,160	14,561	15,258	15,800
Total	21,318	21,921	22,880	23,748
Retail Expenditure Pool (\$M)¹				
Primary	\$104.96m	\$116.82m	\$137.19m	\$156.84m
Secondary	\$207.63m	\$231.10m	\$272.73m	\$311.80m
Total Expenditure Pool	\$312.59m	\$347.93m	\$409.92m	\$468.64m

Source: Urban Enterprise 2024

Note 1: Real retail expenditure growth is assumed at 2% per annum

4.5. Market share

Not all of the trade area expenditure and growth will be captured by Launceston Plaza Activity Centre. A notable proportion of expenditure can expect to be directed to higher order activity centres such as the Principal Activity Centre, Major and Suburban Activity Centres, as well as online retailers.

To estimate the scale of retail floorspace that could viably be supported in Launceston Plaza, assumptions for market share and retail turnover have been formulated and adopted. These have been informed by a combination of industry benchmarks, information supplied by the proponent, and previous retail analysis undertaken by Urban Enterprise in Launceston and elsewhere. A summary of inputs and assumptions are detailed in **Appendix D**.

Please note that this market share analysis related to core retail uses only, and bulky goods retail has been excluded.

Market share analysis for the PTA and STA has regard to the activity centre hierarchy, and the scale and rate of population and expenditure growth that is expected over time.

For the purpose of retail modelling, adopted market share and expenditure assumptions are summarised in the table below.

Table 3. Market share assumptions, PTA, STA and outside trade area

Retail category	PTA	STA	Outside Trade Areas
Food, liquor & groceries (FLG)	58%	13%	20%
Apparel, homewares & leisure (AHL)	25%	22%	60%
Food catering (FC)	3%	1%	15%
Retail services	26%	5%	20%

Source: Urban Enterprise, 2024

The majority of turnover is captured from within the PTA. The market share captured by the Plaza from the STA is less, given the access and availability of other activity centres in the STA. The proportion of trade captured from outside of the trade areas is notable, and is due to a combination of:

- The notable worker population within the PTA (~500 workers in 2021), and in the adjoining Launceston central area;
- The presence of the Kmart, which is the only location in Greater Launceston and is likely to attract consumers from across the Greater Launceston region and beyond; and
- The complementary role performed by the adjacent commercial precinct, which serves demand for a mix of specialty retail, food and produce retail, retail services, and bulky goods (along Boland Street).

Based on the adopted set of assumptions, the total turnover captured by Launceston Plaza is estimated at:

- \$100.3m in year 1;
- \$117.5m in year 5;
- \$137.9m in year 10; and
- \$161.7m in year 15.

Close to two-thirds of the Plaza's turnover is attributed to market share captured from the PTA and STA, and the balance is captured from outside of the trade areas, from a combination of workers, visitors and non-trade area residents.

Based on information supplied by the client, the market share figures for year 1 are consistent with current trading levels for Launceston Plaza, and highlights that the supermarket is trading well above viability thresholds. These indicators suggest that demand for retail floorspace, especially food, liquor and groceries is far exceeding the current provision of floorspace.

Table 4. Market share summary, year 1 to 15

Market share	Year 1	Year 5	Year 10	Year 15
Primary (%)			35%	
Secondary (%)			12%	
Outside Trade Areas (%)			12%	
Total Turnover				
Trade Areas (PTA & STA)	\$61.45m	\$71.99m	\$84.52m	\$99.02m
Outside catchment	\$38.85m	\$45.51m	\$53.47m	\$62.64m
Total Turnover	\$100.30m	\$117.51m	\$137.98m	\$161.66m

Source: Urban Enterprise, 2024

4.6. Supportable Floorspace

To estimate the quantum of retail floorspace that could viably be supported at the subject site, total retail turnover is converted to floorspace by applying an average turnover density (i.e. average trading level).

Retail modelling estimates that the subject site could viably support approximately:

- 3,150 sqm by Year 1 (i.e. 2021);
- 4,200 sqm by year 5 (i.e. 2026);
- 5,400 sqm by year 10 (i.e. 2031); and
- 6,600 sqm by year 15 (i.e. 2036).

The current trading levels of the Plaza are well above viability thresholds, and the retail modelling illustrates that there is pent up demand for retail floorspace. In 2021, the Plaza could have supported in excess of 3,150 sqm of additional retail floorspace, increasing to approximately 4,200 sqm by year 5 (i.e. 2026).

The results are summarised in Table 5. A complete list of assumptions are provided in **Appendix D**.

Table 5. Supportable retail floorspace

	Year 1	Year 5	Year 10	Year 15
Supportable retail floorspace (sqm)	3,150	4,200	5,400	6,600

Source: Urban Enterprise 2023

4.7. Supermarket Analysis

In addition to the supportable retail floorspace analysis, this section assesses whether an additional supermarket could viably be supported in the PTA. For the purpose of this assessment, a 1,500 sqm supermarket is assumed to be established at the subject site (refer to **Appendix E** for supermarket classifications).

In order for a mid-sized supermarket to viably trade at the subject site, it would require an annual turnover of around \$15 million in year 1, increasing to \$18.75 million in year 15.

At this level of trade, a mid-sized supermarket at the subject site would capture approximately 12% to 15% of supermarket market share from within the PTA and STA. At this level of market share, it is apparent that an additional mid-sized supermarket could be supported in the PTA without materially impacting existing traders. This is particularly the case, given that the Plaza is performing well above viability thresholds, and any market share captured by a new mid-sized supermarket would primarily be from the existing Coles supermarket at the Plaza.

Table 6. Supermarket Analysis, PTA, Year 1 to 15

	Year 1	Year 5	Year 10	Year 15
Population	21,318	22,075	22,934	23,748
FLG expenditure pool	\$144.37m	\$169.13m	\$198.80m	\$232.91m
Supermarket expenditure @ 70%	\$101.06m	\$118.39m	\$139.16m	\$163.04m
Mid-size supermarket turnover ¹	\$15.0m	\$16.05m	\$17.4m	\$18.75m
Market share of mid-sized supermarket	15%	14%	13%	12%

Source: Urban Enterprise, 2022

Note 1: Assumes an average turnover of \$10,000/sqm in year 1 (i.e. 2021), increasing to \$12,500/sqm by year 15 (i.e. 2036).

5. Conclusion

The subject site is a suitable candidate to accommodate future retail uses for the following reasons:

- The site is adjacent to the Launceston (Kmart) Plaza, and would therefore provide a logical and complementary extension of this Activity Centre.
- The site area (0.98ha) is optimal for accommodating retail development, and has a 130 metre frontage to Racecourse Crescent, which provides good access and exposure to consumers. The site can also leverage an existing bus stop that services Launceston (Kmart) Plaza and surrounds.
- Retail uses at the subject site would strengthen the role of Launceston (Kmart) Plaza and the adjoining commercial precinct, and the complementary economic relationship to the Principal Activity Centre.
- The current trading levels of the Plaza are well above viability thresholds, and the retail modelling illustrates that there is pent up demand for retail floorspace.
- Over time, the population of the PTA and the STA will increase, and generate additional demand for additional retail floorspace. Retail modelling estimates that the subject site could viably support approximately:
 - 3,150 sqm by Year 1 (i.e. 2021);
 - 4,200 sqm by year 5 (i.e. 2026);
 - 5,400 sqm by year 10 (i.e. 2031); and
 - 6,600 sqm by year 15 (i.e. 2036).
- Retail uses at the subject site are not anticipated to affect the hierarchy or viability of existing retail centres within the PTA, especially given the current level of turnover being achieved at Launceston (Kmart) Plaza; which is well-above thresholds, and one of the top performing supermarkets and discount department stores in Australia.

Appendices

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Appendix B: Glossary of Terms and Acronyms

Table 7. Acronyms

Acronym	Expanded
AAG	Average Annual Growth
AAGR	Annual Average Growth Rate
ABS	Australian Bureau of Statistics
CZ	Commercial Zone
PTA	Primary Trade Area
RZ	Recreation Zone
STA	Secondary Trade Area

Table 8. Glossary of Terms

Term	Definition
Retail expenditure per capita	The average expenditure spent on retail per person, per annum.
Retail Turnover	Represents the total average revenue achieved by a retail premises per annum.
Retail Turnover Density	Represents the total turnover of the retail premises divided by the area (floorspace).
Speciality store	A non-major retail shop in a centre that specialises in a narrow range of merchandise with an emphasis on product knowledge and customer service. Tenancies generally have a smaller footprint, typically ranging between 50sqm up to 400 sqm.

Appendix C: Activity Centre Policies & Actions, NTRLUS

Policy	Actions
RAC-P1 Maintain and consolidate the Regional Activity Centres Network so future urban development consolidates and reinforces the spatial hierarchy of existing centres. This will be achieved through the reuse and redevelopment of existing buildings and land to integrate a mix of land uses including the coordinated provision of residential development, retail, commercial, business, administration, social and community facilities, public and active transport provision and associated infrastructure.	RAC-A2 Zoning and land use planning provisions are to minimise potential for decentralisation of functions outside of the Regional Activity Centres Network and reinforce the spatial hierarchy, role and function of centres.
RAC-P2 Reinforce the role of the Launceston Principal Activity Centre as the primary focus for administration, government, business, commercial, cultural, high order retail goods (including bulk goods locations/ precincts) recreational, arts and tourism activity for the region.	RAC-A3 Reinforce the role of Launceston City as the region's Principal Activity Centre (PAC) and provide for it to be sustained and strengthened through the preparation of a master plan that: Maintains and consolidates regional significant retail attractions and amenities by facilitating and encouraging new investment; Supports regional level retail investment in the CBD and inner city areas; Complements the other higher order regional activity centres; and

	Facilitates the consolidation of bulky goods precincts within the City and the Greater Launceston Urban Area
RAC-P5	RAC-A6
Provide safe and amenable access to Activity Centres, for all members of the community, by supporting active transport opportunities that encourage people to walk, cycle and use public transport.	Support the improved use of public transport and alternative modes of transport, pedestrian amenity and urban environments in a coordinated and consistent manner between the higher order activity centre
RAC-P9	
Discourage 'out-of-centre' development and provide for new development that supports the Regional Activity Centres Network and the integrated transport system.	

Appendix D: Retail Modelling Assumptions

Development	Assumptions	Source
Planning period	15 years (2021 to 2036)	
Population, 2021	PTA: 7,158 STA: 14,160	Urban Enterprise 2024, derived from ABS Census 2011 & 2021 / Launceston municipality population forecasts 2023 to 2053, Tasmania's Department of Treasury and Finance 2024.
Population growth, 2021 to 2036	PTA: 0.7% p.a. STA: 0.7% p.a. from year 1-5, 1.2% from year 6 to 15	
Retail	Assumptions	Source
Retail expenditure per capita (2021)	Food, Liquor and Groceries: \$6,772 Food Catering: \$1,951 Apparel, Homewares and Leisure: \$3,839 Bulky Goods: \$1,577 Retail Services: \$524 Total: \$14,663	Urban Enterprise 2024, derived from retail expenditure per capita, MarketInfo (indexed to 2021 dollars)
	Retail expenditure growth: 2.5% p.a. (real)	
Market share assumptions	Primary catchment: Food, Liquor and Groceries: 58% Food Catering: 3% Apparel, Homewares and Leisure: 25% Retail Services: 26% Secondary catchment: Food, Liquor and Groceries: 13% Food Catering: 1% Apparel, Homewares and Leisure: 22% Retail Services: 5% Outside catchment: Food, Liquor and Groceries: 20% Food Catering: 15% Apparel, Homewares and Leisure: 60% Retail Services: 20%	Urban Enterprise 2024
Turnover density (average annual, year 1)	Food, Liquor and Groceries: \$10,000/sqm Food Catering: \$4,000/sqm Apparel, Homewares and Leisure: \$7,500/sqm Retail Services: \$4,000/sqm	
	Retail turnover density growth: 1.5% p.a. (real)	

Appendix E: Supermarket Classifications

Table 9. supermarket classifications

Type	Gross Floorspace ¹	Offering	No. of Stock Keeping Units (SKU) [^]	Catchment (Primary Trade Area)	Common Retailers
Full Line Supermarket	2,500 - 4,000+ sqm	A full-line supermarket includes a comprehensive product offering that typically includes fresh produce (fruit, vegetables), a delicatessen, a bakery, a butcher and fish monger. A full-line supermarket has the highest volume and diversity of supermarket products, and highest number of Stock Keeping Units (SKUs). These types of supermarkets typically serve customers from within one or more neighbourhoods.	20,000+	Neighbourhood(s)	Coles, Woolworths
Mid-size Supermarket	1,000 - 2,500 sqm	A mid-size supermarket typically includes fresh produce and at least one or more of a delicatessen, bakery and butcher. Overall the offering is comprehensive, but the total volume and range of products is less when compared with a full-line supermarket. A mid-size supermarket serves customers from within a neighbourhood catchment.	Up to 20,000*	Neighbourhood	ALDI, IGA (Supa)
Small Supermarket	500 - 1,000 sqm	A small supermarket is a scaled back version of a mid-size supermarket, and has a more limited volume and range of supermarket products available. Typically, a small supermarket includes a smaller fresh produce section, and might include one of a delicatessen, bakery or butcher, but not all. A small supermarket primarily serves the local area and passing trade for convenience.	Up to 15,000	Local and passing trade.	Foodworks, IGA (Local Grocer), Woolworths Metro
Convenience Supermarket	< 500sqm	A convenience supermarket provides goods that a customer usually purchases frequently, immediately and with a minimum of effort and decision making, including packaged products and household staples. This type of supermarket is designed to serve customers within the immediate area for convenience.	Up to 10,000	Immediate and passing trade.	IGA (Xpress), Foodworks

Source: Urban Enterprise

[^]SKU's are indicative only. In practice, SKUs are variable across supermarkets, and rely to an extent on the operator's business model.

* Excludes Aldi. Aldi's business model is based on a smaller number of SKU's (Typically around 1,500 per store)

¹: Includes back of house.

Appendix F: Disclaimer

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.



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