COLLISON ESTATE AC ASSESSMENT

MEMO
JUNE 2023

Prepared for
City of Casey

Independent insight.

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1. INTRODUCTION

Ensuring all residents in the City of Casey have access to some form of local retailing and daily essentials is critical to ensuring a healthy liveable community. This is recognised in state and local planning policy through objectives such as the '20-minute neighbourhood' in Plan Melbourne.

There are several Greenfield estates in the City of Casey where future population yields are expected to result from significant housing development. Many of these estates are not currently serviced by dedicated local retail facilities, and planning for these facilities is required in advance of estate development.

To that end, Council is currently investigating the potential for local retail facilities to be provided at the proposed Collison Estate development area in Cranbourne East.

This brief memo, originally prepared in 2020 and now updated in May 2023, focuses on that question, and specifically:

- Whether there is demand/support for an additional activity centre in the area
- An ideal location for such a centre
- What type of businesses would be likely in such a centre
- The level of floorspace that would be supported in such a centre
- The area of land that would/should be needed for an activity centre; and
- Whether a supermarket (or otherwise) would be supported, and what sort of size.

In the Casey Activity Centres Strategy 2020, Neighbourhood Activity Centres (NACs) are identified as playing an important role in providing local access to convenience and day-to-day goods for their local community, to varying degrees of supermarket or grocer offers. That purpose guides the assessment of demand for such a centre in this memo.

2. DEMAND ASSESSMENT

2.1 Existing supply and need

The Collison Estate development area is a greenfield precinct positioned within the existing urban fabric of Cranbourne East. The site is predominantly surrounded by established residential subdivisions, along with some provisions of open space, recreation and education facilities (Figure 1).

FIGURE 1 COLLISON ESTATE DEVELOPMENT AREA

Source: KLM Spatial, Sept 2020

That surrounding urban fabric also contains a number of established centres, which include:

- Selandra Rise Neighbourhood Activity Centre, anchored by Woolworths (0.5km north east of Collison Estate)
- Clyde North/Village Neighbourhood Activity Centre, anchored by Coles (0.5km south east)
- Hunt Club Village Neighbourhood Activity Centre, anchored by Woolworths (1.5km north west); and
- Cranbourne Major Activity Centre, anchored by Woolworths, KMART, Target and Aldi (2km west).

There are also a couple of smaller local neighbourhood activity centres, without a supermarket anchor:

- Hotham Street Local Neighbourhood Activity Centre (1.9km west)
- Cranbourne East PSP Western Local Neighbourhood Activity Centre (1km south west)

The existing floorspace provision in each of these centres is summarised in Table 1 below.

TABLE 1 EXISTING RETAIL FLOORSPACE (SQM) IN THE IMMEDIATE AREA

	Retail Hierarchy	Supermarket Anchor	Specialty Store	Hospitality	Total Retail Floorspace	Commercial Floorspace	Total Floorspace
Selandra Rise	NAC	3,070	190	1,970	5,230	1,460	6,990
Clyde North	NAC	3,200	3,600	3,600	10,390	-	10,390
Hunt Club	NAC	2,200	1,410	1,910	6,790	-	6,790
Cranbourne[1]	MAC	10,630	19,290	16,170	74,180	33,500	107,680
Cranbourne East PSP Western	LNAC	-	-	600	600	150	750
Hotham Street	LNAC	-	420	300	720	240	960

Source: Casey Activity Centres: Retail and Other Employment Floorspace Assessment, SGS Economics and Planning, 2017. Updated by SGS Economics and Planning, 2023.

[1] This centre also possesses 17,300sqm of Department Store and 10,800sqm of large format retail floorspace. As these two types of floorspace will not be in direct competition with any retailing proposed at Collison Estate, those two figures have been omitted from this table (although included in the calculation for total floorspace).

Whilst these centres already play an important role for the surrounding area, their combined walkable catchments of 800 metres do leave a gap for a large part of Collison Estate and the urban area directly to the west of the estate. This is shown in Figure 2. The map essentially uncovers a walkable access gap in the local retail network. A gap which can potentially be 'filled' by the development of a new centre. In essence, the surrounding network of established centres satisfy the need for weekly retailing needs within a short drive, but will not adequately satisfy the need for daily retailing needs within an 800 metre walk.

FIGURE 2 THE WALKABLE CATCHMENTS (800M) OF VARIOUS CENTRES IN THE SURROUNDING REGION

Source: Nearmap, 2020. SGS Economics and Planning 2023

2.2 Population growth

The Collison Estate development area is expected to accommodate 1,700 dwellings at full development[2]. At an average household size of 3.06[3] persons per household for the City of Casey, the population yield expected at Collison Estate at a 95 per cent occupancy rate would be in the order of 4,940 residents by full development.

There is also the surrounding neighbourhood, which is an established residential area. Whilst some population growth is expected in these areas, this is expected to be relatively modest and stable compared to the new development at Collison Estate.

The wider study area is defined using ABS Statistical Area 1 (SA1s) and is shown in **Error! Reference source not found.**.

FIGURE 3: MAP OF STUDY AREA WITH SA1 (2016) CODES

Source: SGS Economics and Planning, May 2023

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[2] The expected timeframe for that yield is currently unknown, and so the remainder of this report's analysis and recommendations are focused on full development planning as opposed to a timeframe-based assessment.
[3] Source: Forecast i.d. average household size in the City of Casey in 2021; https://profile.id.com.au/casey/household-size

The latest SGS Small Area Model (SAM) projections are used as a base for expected development in the surrounding area. SGS SAM projections are combined with the expected full development yield at Collison Estate (see section 2.1). Using a SGS SAM projection year of 2036 for surrounding areas, plus the full development yield for Collison Estate we are able to establish a full development population estimate for the study area.

Population projections by each centre's 800 metre walkable catchment area is presented in Table 2 below. Where catchments overlapped the SA1 population was assigned to the closest centre only, to avoid double counting the same population in two catchments.

TABLE 2: PROJECTED POPULATION GROWTH BY CENTRE CATCHMENTS

Within 800 of:	2016	2021	Full development *(based on 2036)*	2016-36 growth
Hunt Club	4,970	5,160	5,410	440
Cranbourne	3,150	3,380	4,090	940
Clyde North	3,100	5,040	5,210	2,110
Selandra Rise	3,300	5,040	5,450	2,160
Hotham Street[4]	-	-	-	-
Cranbourne East PSP Western	2,340	4,050	7,900	5,560
Not within 800m of a centre	4,870	6,080	10,990	6,120
Total Study Area[5]	**21,730**	**28,750**	**39,050**	**17,330**

Source: SGS Economics and Planning, May 2023

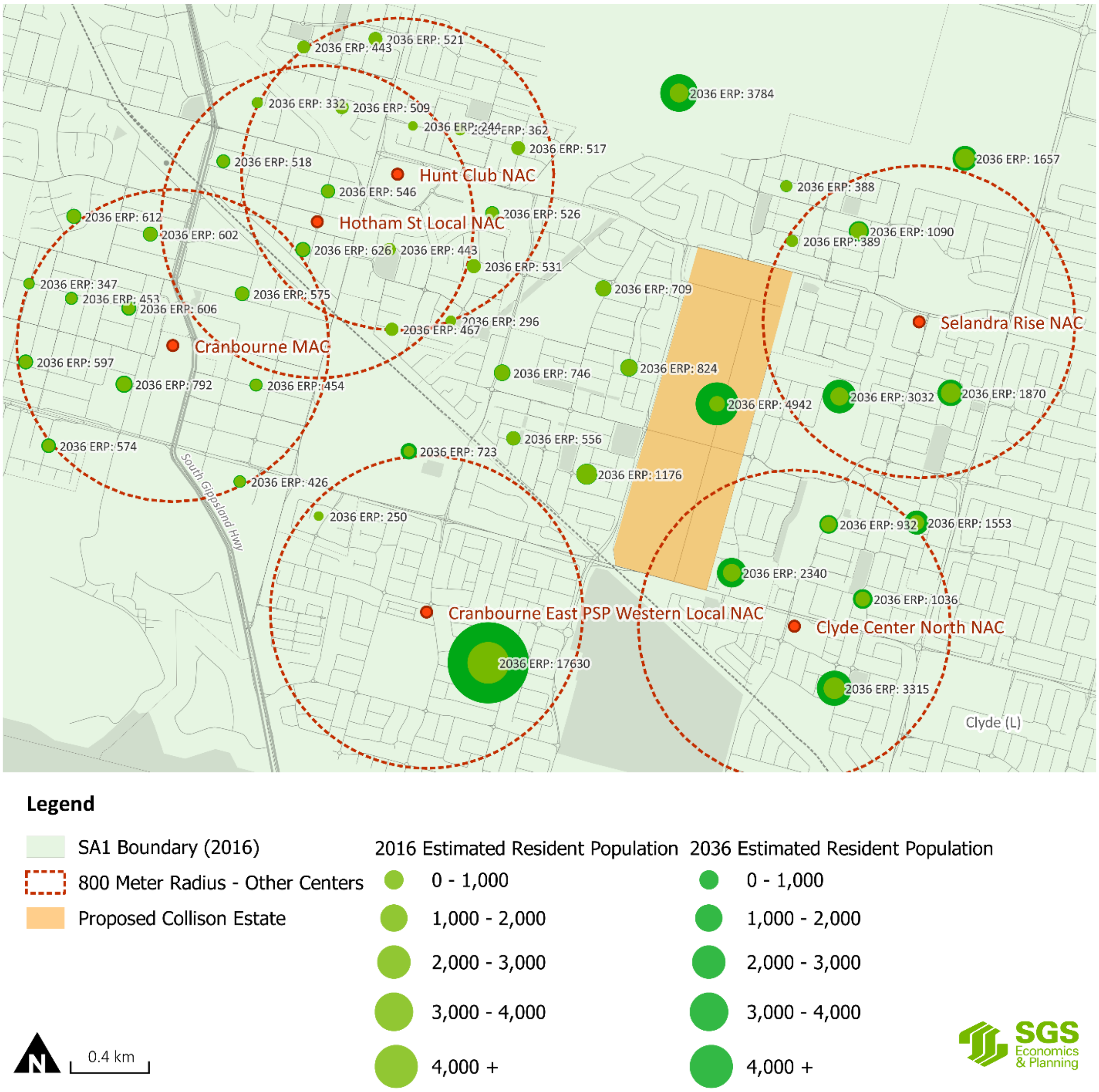
Projections by SA1s can be found in Appendix A. While it should be noted that projections at an individual SA1 scale should be viewed with caution given the volatility and uncertainty inherent in any micro-scale projections, this uncertainty reduces as data is aggregated spatially, into catchments and the study area overall.

[4] Hotham Street Local NAC's catchment area highly overlaps with Hunt Club and Cranbourne catchment areas. It was excluded on this table to avoid double counting.

[5] All Study Area SA1s are summarised in Appendix A, along with a spatial representation of those data points in relation to the four established centres.

In Figure 4 we see this population projection mapped in spatial terms along with the existing catchments of the surrounding centres. As in Figure 2, the map shows a walkable access gap in the network, with some of the gap in the established urban area to the west of Collison Estate. By the full development of Collison Estate, it is expected that this gap is likely to include approximately 11,000 residents.

FIGURE 4 PROJECTED POPULATION GROWTH (SPATIAL)[6]



Source: SGS Economics and Planning, May 2023

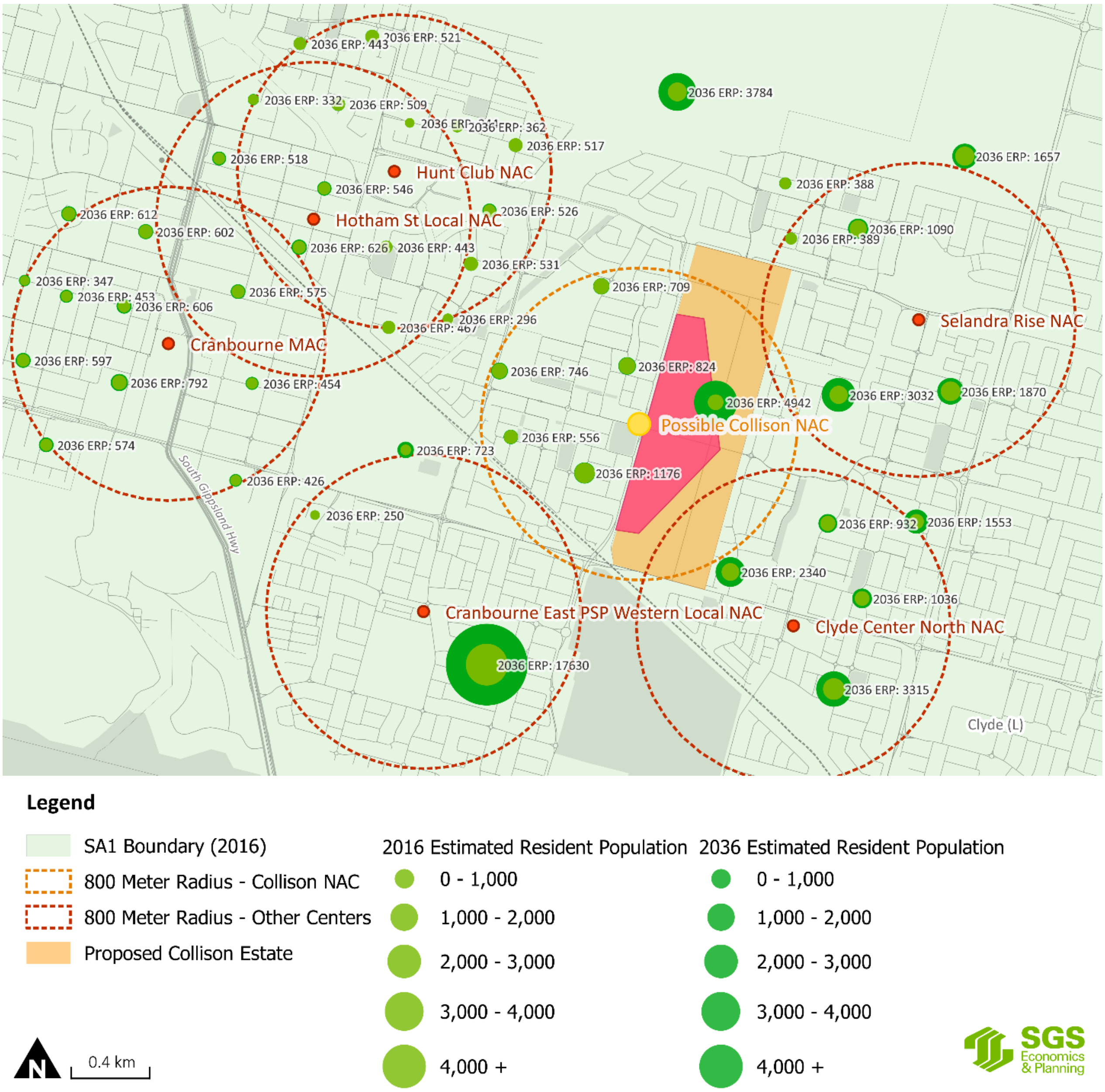
[6] 2036 ERP denotes Estimate Resident Population in a given SA1 in the year 2036

A possible Activity Centre location at the corner of Heather Grove and Casey Fields Boulevard is then shown in Figure 5. Whilst the location is not necessarily definitive and will be subject to site availability and transport/access considerations, the 800 metre radius from this location does appear to capture the majority of residents which were previously further than 800 metres from their nearest centre.

The added benefit of this location is that it is serviced by a few connector roads that provide vehicular access without the heavy traffic streams that then detract from a walkable, pedestrian friendly amenity and access.

If this location is unavailable or unsuitable for reasons beyond the scope of this economic assessment, alternative nearby locations can also be considered. The range of possibilities is shown by the pink shaded area below, with access to either Casey Fields Boulevard or Heather Grove the most important considerations whilst still ensuring the identified walkability 'gap' is still being addressed.

FIGURE 5 POTENTIAL LOCATION FOR COLLISON ESTATE



Source: SGS Economics and Planning, May 2023

The population of the Collison Estate walkable catchment area is then summarised below by SA1s. It is important to note that a significant proportion of the residents that this centre might serve actually lies outside of Collison Estate in the established residential area of Cranbourne East that is currently distant from any walkable retail nodes.

7,400 of the 11,000 residents identified in the study area as not within 800m of their nearest centre could be captured by (i.e. within 800m) the potential Collison Estate NAC location.

Given the established centre hierarchy and network of centres, this represents the primary consideration for locating a new centre and aligns with the 20 minute neighbourhood objective in Plan Melbourne - and associated benefits to health, wellbeing and social engagement. The function and role of the centre is discussed in more detail in Section 2.5.

TABLE 3 POPULATION FORECAST FOR 800METRE WALKABLE CATCHMENT AREA OF A POTENTIAL COLLISON ESTATE NEIGHBOURHOOD CENTRE

SA1 Code	% in Potential Collison NAC	Population in Potential Collison NAC 2016	Population in Potential Collison NAC 2021	Population in Potential Collison NAC by full development	Population Growth 2016 to full development	Population Growth 2021 to full development
21203130116	5%	40	50	60	20	10
21203130131	5%	40	80	80	40	-
21203130111 (Collison Estate)	80%	530	630	3,950	3,420	3,320
21203130126	50%	310	360	370	60	10
21203130127	90%	460	480	500	40	20
21203130128	100%	1,080	1,140	1,180	100	40
21203130132	100%	720	800	820	100	20
21203130124	60%	390	410	430	40	20
Within 800 m of potential Collison Estate NAC		**3,570**	**3,950**	**7,390**	**3,820**	**3,440**

Source: SGS Economics and Planning

2.3 Local expenditure

The retail expenditure of the future population is then calculated in Table 4 below. Local level per capita expenditure for 2036 estimated based on 2016 Marketinfo expenditure data which was further adjusted to account for actual Victorian retail expenditure growth trends from 2016 to 2023 using the ABS Retail Tade per Capita trends and then further escalated at 0.75 per cent per annum thereafter. This per capita expenditure is then multiplied by the population of the walkable catchment when Collison Estate is fully developed (from Table 3). It shows a total expenditure of over $100 million in the catchment area, with over a third to a potential supermarket or grocery store.

TABLE 4 EXPECTED EXPENDITURE OF CATCHMENT AREA (WHEN COLLISON ESTATE IS FULLY DEVELOPED) [7]

	Supermarket / Grocery	Specialty store	Hospitality	Total
2036 Per Capita Spend (Collison area)	$5,700	$6,500	$2,300	$14,600
Total Spend in catchment area	$42,400,000	$48,300,000	$17,000,000	$107,800,000

Source: SGS Economics and Planning estimated based on Marketinfo 2016 and ABS Retail Trade, March 2023

Expenditure capture

Not all of this expenditure will be captured locally. The amount that is captured locally is dependent upon the store(s) that are on offer. For the purposes of this small neighbourhood centre, two scenarios have been modelled:

- Scenario 1: A small supermarket offer. Woolworths Metro and ALDI are examples of small supermarkets that carry a wide selection of items within a contained area of 1,000 to 1,500sqm including fresh meat, vegetables, floral department and pharmaceutical products. A small supermarket can typically capture up to 40 per cent of expenditure in its local catchment area, whilst the ancillary shops (specialty stores and hospitality/ cafes/ takeaway shops) capture approximately 25 per cent of local expenditure in this type of arrangement.

- Scenario 2: A more modest local grocer or food store. A grocer such as Foodworks or IGA will generally focus more on just food items. Independent food stores will often feature a small deli section, specialised food products and sometimes imported/multicultural product offerings. A grocer or foodstore can capture approximately 25 per cent of local expenditure, along with 15 per cent of ancillary store expenditure.

The ancillary shops would provide a more diverse range of products and services to the local community. They would also provide opportunities for locals to start their own local business close to home – something that would be significantly more limited if all retailing was to be confined to a single supermarket or grocer. That said, those stores cannot be expected to capture the same rate of expenditure as a supermarket or grocer because specialty shops sell less essential products and services that are in greater competition from retailers in higher order centres or online. Hospitality also captures a lower percentage of expenditure as spending on cafes and restaurants to be more closely linked to work, leisure and education trips.

The expected expenditure results are summarised in Table 5 below for both scenarios.

[7] All expenditure numbers rounded to the nearest $100,000

TABLE 5 CAPTURED RETAIL EXPENDITURE AT POTENTIAL COLLISON ESTATE NAC (BY FULL DEVELOPMENT)

	Supermarket	Specialty store	Hospitality	Total
Scenario 1: % Capture (Small supermarket anchor)	40%	25%	25%	
Captured spend in catchment area	$17,000,000	$12,100,000	$4,300,000	$33,300,000
Scenario 2: % Capture (Grocery / food store anchor)	25%	15%	15%	
Captured spend in catchment area	$10,600,000	$7,300,000	$2,600,000	$20,400,000

Source: SGS Economics and Planning, 2023

2.4 Floorspace and land area

The two expenditure capture scenarios can then be expressed in terms of floorspace by applying expected Retail Turnover Densities (RTDs) for retail floorspace (Table 6) – that is, the volume of sales per annum per square metre of leasable retail floorspace. As this potential centre does not yet exist, these RTDs are based on a 2018 Urbis Shopping Centre Benchmarks for a single supermarket-based shopping centre which were adjusted for inflation.

Between the two scenarios, a potential centre in this location can expect to support 800 to 1,300sqm of supermarket/grocery/food store floorspace, along with 1,300 to 2,100sqm of ancillary floorspace. The total retail centre would be in the order of 2,100 to 3,400sqm.

Note that the distinction between supermarkets and grocery stores is somewhat notional, and in reality most of these businesses in local suburban centres sit along a continuum between the two. So whilst the scenarios give a potential minimum and maximum level of expected the floorspace, the forecast is best expressed as a range between the two extremes.

TABLE 6 FLOORSPACE FORECAST FOR POTENTIAL COLLISON ESTATE NAC

	Supermarket / Grocery	Specialty store	Hospitality	Total
Retail Turnover Density	$13,000	$7,500	$9,000	
Scenario 1: Supermarket anchor	1,300	1,600	500	3,400
Scenario 2: Grocery / Food Store anchor	800	1000	300	2,100

Source: SGS Economics and Planning

Non-retail floorspace

It is also anticipated that a centre of this size would contain some minimal levels of non-retail floorspace uses. Office tenants could typically include real estate agents, travel agents, local lawyers and accountants, whilst community uses could include small scale medical service providers. Major commercial office tenants, multi-national corporations and major institutions would all be unlikely to settle here (and would better maximise their spill-over benefits to the local economy in higher order centres).

Currently, 30% of the City of Casey's Activity Centres floorspace are occupied by commercial floorspace, whilst the Councils latest Activity Centre Strategy mandates for 25% of a Local Neighbourhood Activity Centre's floorspace to be 'non-retail commercial, institutional and community uses'. Within that range then, a budget of 750 to 900 sqm of non-retail floorspace for a collection of these is deemed to be reasonable.

All of these businesses would be likely to provide local employment opportunities, albeit at a small scale. Other local shop nodes may establish in the residential areas in addition to the centre (within limits imposed by the planning controls in those residential zones).

Land area

Overall, these combined retail and office facilities would be expected to comprise an Activity Centre of 2,850 to 4,900 sqm. 0.8 to 1.4Ha of land is an appropriate allocation for such a volume of floorspace.

TABLE 7 LAND AREA ALLOCATION FOR POTENTIAL COLLISON ESTATE NAC

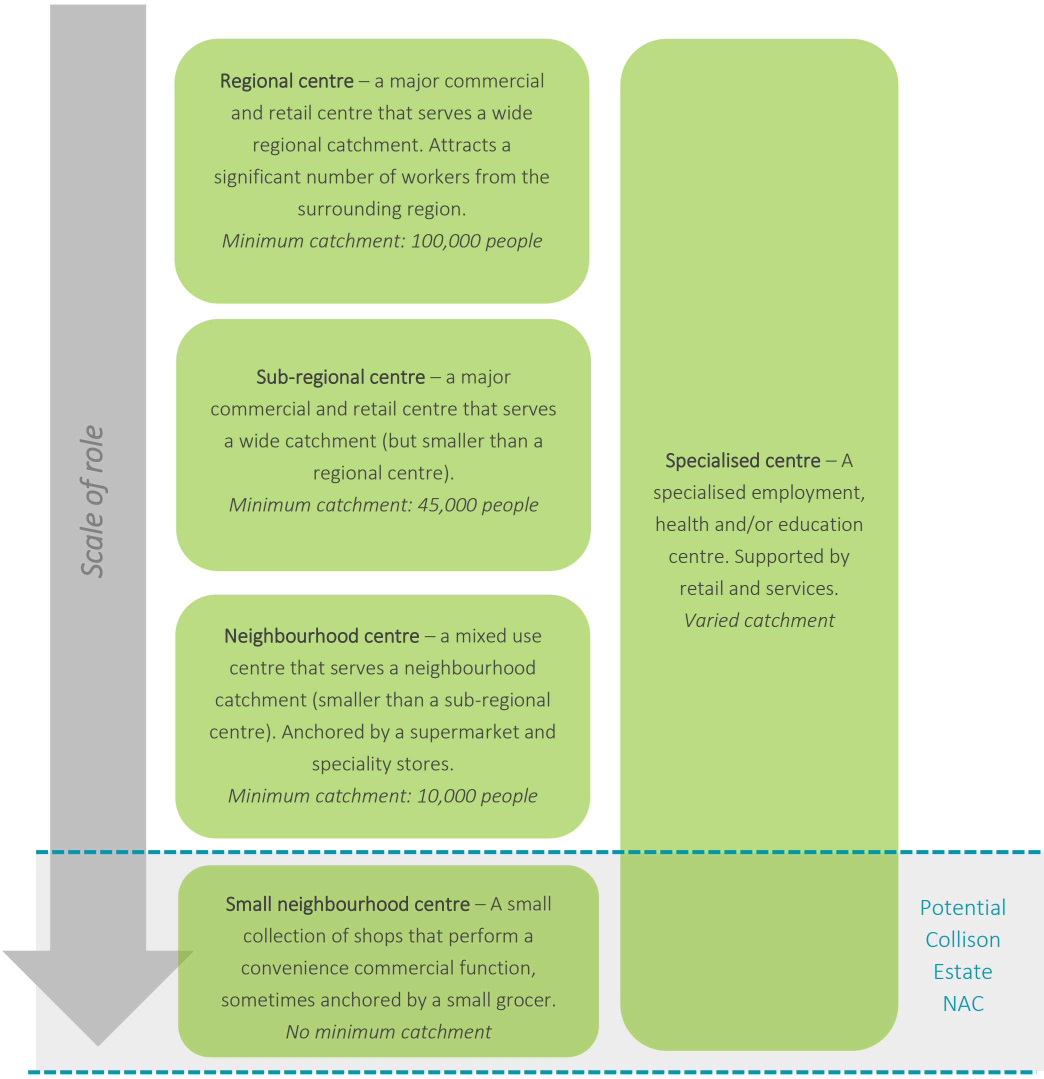
Land Use	Minimum Floorspace (sqm)	Maximum Floorspace (sqm)
Retail	2,100	3,400
Commercial office / medical suites	750	1,500
Total Floorspace	2,850	4,900
Land Area (Ha)	0.8	1.4

Source: SGS Economics and Planning

2.5 Economic function and role

Given its likely status as a small Neighbourhood Centre in the City of Casey's retail hierarchy, Figure 6 below charts its position within the broader activity centre network.

FIGURE 6 THE POSITION OF SMALL ACTIVITY CENTRES IN THE REGIONAL ACTIVITY CENTRE HIERARCHY



Source: SGS Economics and Planning

Note a full form Neighbourhood Centre typically has a minimum catchment 10,000 people, which is necessary to support a full line supermarket. In this case, a potential centre in Collison Estate is likely to have an approximate catchment of 7,400 residents by full development.

Owing to its likely status as a Small Neighbourhood Centre, the potential Collison NAC will support the realisation of Casey's Activity Centre Strategy, Plan Melbourne's '20-minute neighbourhood' and the development of sustainable communities in four key ways.

These are:

- **Accessibility**: While limited in breadth and depth of offer, this type of small neighbourhood centre ensures that residents are able to access retail and services to cater to their day-to-day needs within walking distance. This is particularly important for those who are mobility impaired or are constrained in other ways, including the elderly, people with a disability, people in carer roles and people who do not own, or cannot drive, a car.
- **Physical activity**: Ensuring all residents in this neighbourhood have access to an activity centre in close proximity encourages walking and cycling, which can have significant health benefits.
- **Land use mix**: This centre is also an opportunity to provide for land use mix in an otherwise solely residential area. This can introduce greater variation in activity, particularly across the day and week, as well as variation in built form and building types along with a focal point for the local urban fabric. This not only promotes a greater mix of people on the street but creates a more vibrant neighbourhood, facilitating more passive interaction and social encounters, and strengthening neighbourhood connections.
- **Economic opportunity**: There will be some opportunity for commercial office or specialised retail activity that is not reliant on the heavy foot traffic of higher order centres. The lower rents available at these small centres can facilitate the establishment of micro-businesses, particularly innovative or experimental businesses supported by local entrepreneurs and the local workforce who may value working closer to home.

Given these functions, the following table lists the potential range of businesses that could be accommodated in this centre, as well as those which should be directed to other more suitable locations in the LGA (e.g. Cranbourne). This is not a definitive or exhaustive list, but rather an indicator of what the market could typically deliver in a 3,900sqm centre that serves a local, walkable catchment and promotes social interaction:

TABLE 8 INDICATIVE RANGE OF POTENTIAL BUSINESSES

Category	Supported Businesses	Unsupported businesses
Supermarket	Small supermarket/Grocer/Food store	Full-line supermarkets, superstores
Specialty Shop	Butcher, Bakery, Fruit & Veg, Deli, Apparel, Bookstore,	Bulky goods, DDS, Departments stores,
Hospitality	Café, Restaurant, Takeaway	Bars, nightclubs, hotels, entertainment venues
Non-retail	Accountant, Conveyancer, Shared Workspaces, Medical Practice, Real Estate Agency, Child Care Centre	Major commercial office tenants, multi-national corporations, major institutions

Source: SGS Economics and Planning

Urban design and amenity considerations

Given the local role and range of businesses expected at this future centre, Council should plan for this node with the following design principles as a guide:

- Ensure good pedestrian and cycling access to the centre
- Ensure good walkability within the centre
- Offer a minimal level of car parking and truck access, primarily for accessibility and servicing needs to the grocer/supermarket respectively
- Create a community and family friendly environment through appropriate plantations and street furniture
- Encourage local entrepreneurship and community collaboration through the availability of shared workspaces and/or multi-purpose function rooms, particularly as part of any community facility development

2.6 Concluding recommendations

The assessment in this memo has established that:

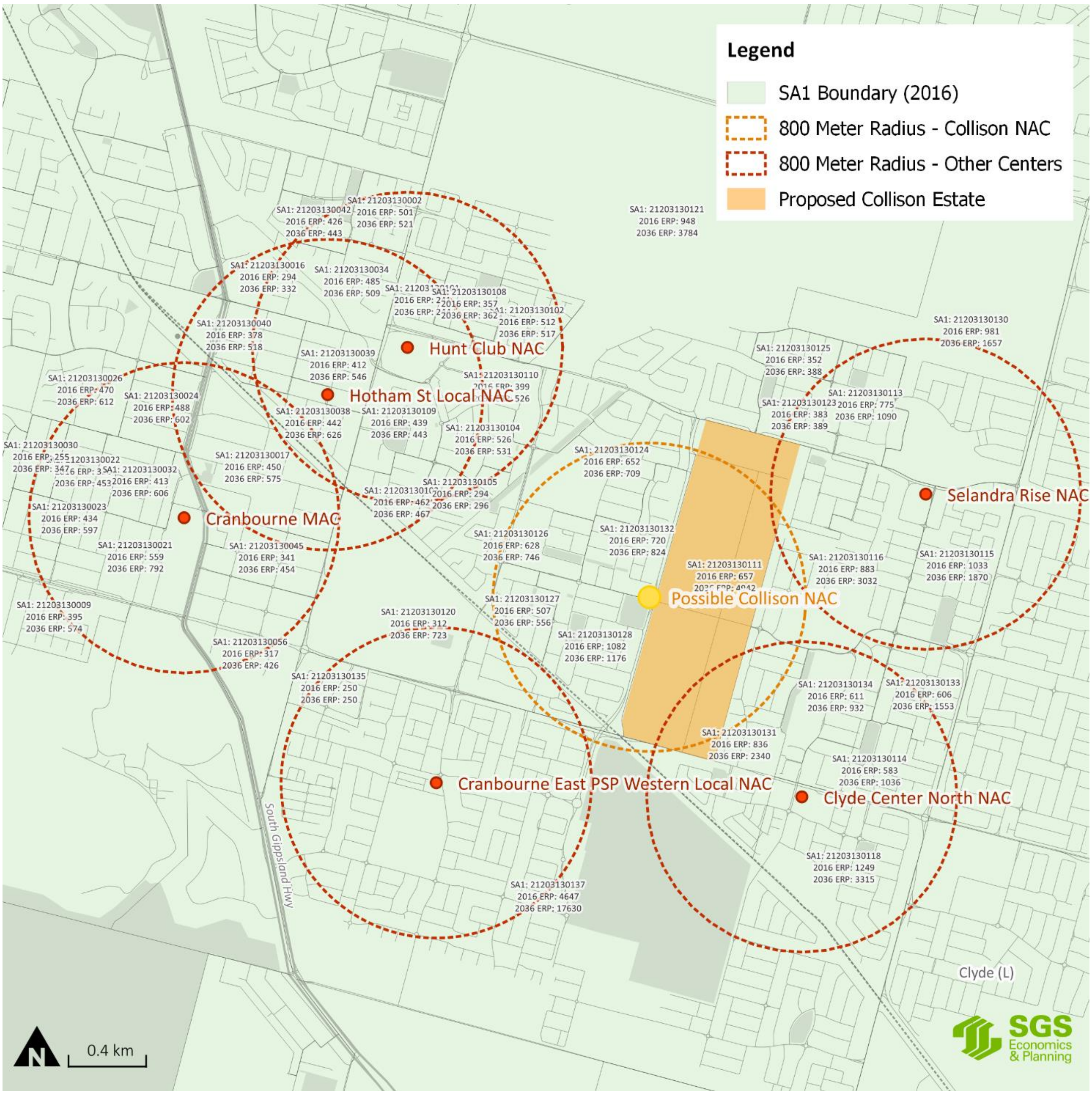
- By the full development of Collison Estate, up to 11,000 local residents in the Collison Estate and surrounding area will have unmet needs with regard to a walkable centre that serves their daily convenience retailing needs.
- A new centre in the Collison Estate could address this gap. Its core purpose would be to address this local catchment gap and serve residents within a 800 metre walking radius.
- Given this core purpose, such a centre could be anchored by either a grocery store or a small supermarket. This local catchment's expenditure would be sufficient to support between 800 to 1,300sqm of GFA for the supermarket/grocery store.
- In addition, the centre could support up to 2,100sqm of specialty stores and hospitality by full development. This can also be accompanied by up to 1,500sqm of additional non-retail commercial floorspace.
- Given this volume of floorspace demand, a range between 0.8ha to 1.4ha of land will be sufficient for this local centre.

APPENDIX A: DATA TABLES

TABLE 9 PROJECTED POPULATION GROWTH BY SA1

Study Area SA1s	2016 ERP	2021 ERP	2036 ERP	Primary Centre	% in Primary Centre
21203130120	312	416	723	Cranbourne East PSP Western	90%
21203130135	250	250	250	Cranbourne East PSP Western	80%
21203130137	4,647	8,689	17,630	Cranbourne East PSP Western	40%
21203130114	583	1002	1036	Clyde North	90%
21203130115	1,033	1,807	1,870	Clyde North	90%
21203130125	352	375	388	Clyde North	50%
21203130130	981	1,602	1,657	Clyde North	100%
21203130134	611	900	932	Clyde North	80%
21203130009	395	419	536	Cranbourne	40%
21203130017	450	463	541	Cranbourne	90%
21203130021	559	584	739	Cranbourne	100%
21203130022	320	336	432	Cranbourne	100%
21203130023	434	454	570	Cranbourne	50%
21203130024	488	494	563	Cranbourne	90%
21203130026	470	485	575	Cranbourne	30%
21203130030	255	267	328	Cranbourne	40%
21203130032	413	438	570	Cranbourne	100%
21203130110	399	517	553	Cranbourne	100%
21203130002	501	499	514	Hunt Club	80%
21203130016	294	294	316	Hunt Club	50%
21203130034	485	481	488	Hunt Club	90%
21203130038	442	456	585	Hunt Club	90%
21203130039	412	425	523	Hunt Club	100%
21203130040	378	393	490	Hunt Club	30%
21203130042	426	426	438	Hunt Club	100%
21203130045	341	354	425	Hunt Club	90%
21203130056	317	323	393	Hunt Club	40%
21203130101	241	258	235	Hunt Club	90%
21203130102	512	541	510	Hunt Club	40%
21203130103	462	490	443	Hunt Club	100%
21203130104	526	562	504	Hunt Club	100%
21203130105	294	316	280	Hunt Club	90%
21203130108	357	384	415	Hunt Club	100%
21203130109	439	468	505	Hunt Club	40%
21203130113	775	937	1,013	Selandra Rise	100%
21203130116	883	1084	1172	Selandra Rise	10%
21203130118	1,249	2,128	2,300	Selandra Rise	70%
21203130123	383	406	439	Selandra Rise	90%
21203130131	836	1,535	1,659	Selandra Rise	80%
21203130133	606	1016	1099	Selandra Rise	90%
21203130111	657	784	4,942	Not within 800m of a centre	80%
21203130126	628	721	746	Not within 800m of a centre	100%
21203130127	507	537	556	Not within 800m of a centre	100%
21203130128	1082	1137	1176	Not within 800m of a centre	100%
21203130132	720	796	824	Not within 800m of a centre	100%
21203130124	652	685	709	Not within 800m of a centre	100%
21203130121	948	1,976	3,784	Not within 800m of a centre	80%
Total Study Area	28,357	39,910	57,377		

FIGURE 7 MAP OF STUDY AREA WITH SA1 (2016) CODES



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