



FEBRUARY 2015

TIMARU RETAIL MARKET ASSESSMENT

TIMARU DISTRICT COUNCIL



Code	Date	Information / Comments	Project Leader
50992.3	February 2015	Report	Tim Heath

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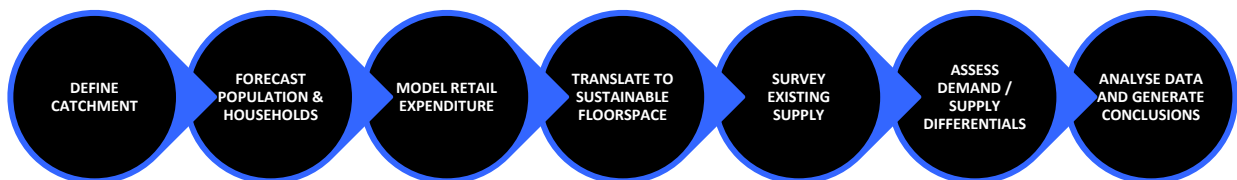


1. INTRODUCTION

Property Economics has been engaged by Timaru District Council ('TDC') to undertake a retail demand / supply study within the Timaru District territorial authority to provide more detailed market intelligence on the future scale and type of retail provision required to cater for projected future growth of the Timaru market.

The report will determine the implications of projected growth in relation to retail provision, specifically regarding the townships of Timaru, Geraldine, Temuka and Pleasant Point, and what this means for future on-the-ground activity and land requirements within these markets. Understanding these retail market parameters and drivers will assist TDC in formulating the most appropriate planning framework in their PDP.

To assist in understanding the methodology, the following 'high level' flow chart illustrates, at a broad level the sequential steps undertaken in the retail analysis adopted for the purposes of this assessment.



1.1. OBJECTIVES

The main objectives of this report are to:

- Identify and map the location and wider district, and its relevant townships, in the context of the retail market within which it primarily competes.
- Project the district population and household growth over the period to 2033.
- Provide a detailed profile of the key economic and social demographia of Timaru and its main townships to assist in understanding market composition of the localised markets.
- Calculate the level of annualised retail expenditure generated by the district within the relevant retail sectors and project this out to 2033.
- Determine the amount of retail floor space that can be sustained in Timaru in the relevant retail sectors, both currently and over the assessed horizon, taking into account the influence of the wider retail network and net retail expenditure flows.
- Identify current shopping patterns and determine where consumers who reside in the district are currently undertaking their retail shopping on a proportional basis.
- Identify where retail expenditure within the district is derived on a proportional basis.
- Undertake a retail audit of key centres within Timaru and measure the net trade area of all retail activity in each centre.
- Compare forecast sustainable retail floor area to the existing retail provision and assess the timing of potential future growth.

1.2. INFORMATION SOURCES

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

- Census of Population and Dwellings 2006 and 2013 - Statistics NZ
- Household and Population Projections – Statistics NZ
- Household Economic Survey - Statistics NZ
- Retail Trade Survey - Statistics NZ
- Business Frame Employment Data – Statistics NZ
- Retail Centre Audits – Property Economics
- MarketView Retail Transaction Data 2014 - BNZ

2. TIMARU TERRITORIAL AUTHORITY

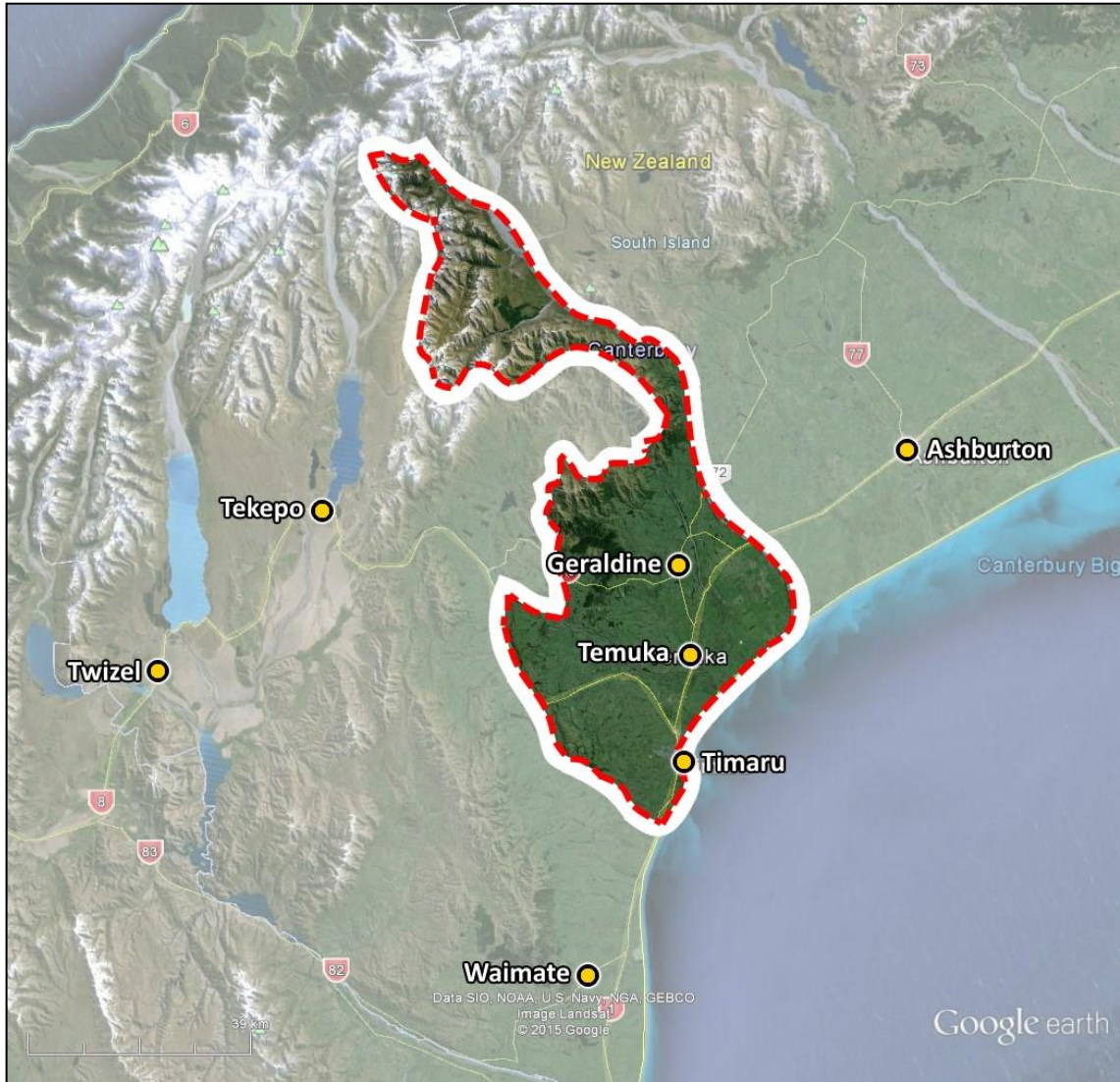
Figure 1 illustrates the geographic boundary for the Timaru territorial authority and the main commercial centres and townships within the district. For the purpose of study it is this catchment upon which this assessment is based.

It is also important to note however that the geographic boundaries of the district utilised in this assessment can be considered arbitrary in terms of the retail market, and should be considered as an indicative catchment only (i.e. they are politically derived rather than market derived boundaries). Residents within this catchment (the Timaru territorial authority) will also shop in centres outside of the district due to the layering of centre catchments, i.e. centres have different roles and functions in the market depending on their size, offer, retail composition, type and position in the commercial hierarchy of the market.

However, it can be expected that the territorial authority of Timaru will be where Timaru centres derive the majority of its customers and sales due to relatively isolated and rural nature of the district.

The MarketView retail transaction data is used to quantify the shopping patterns and spending flows in and out of the district as the purpose of this data analysis is for the use of Proposed District Plan provision development, i.e. the jurisdictional area of the PDP and the district's principal planning document.

FIGURE 1: TIMARU TERRITORIAL AUTHORITY (WIDER MARKET CONTEXT)



Source: Property Economics, Google Earth

FIGURE 2: TIMARU TERRITORIAL AUTHORITY



Source: Property Economics, Google Earth

3. DEMOGRAPHIC PROFILING

This section identifies some of the key economic and social demographia of the Timaru District and compares them to wider Canterbury Region and national averages for comparison purposes. A more detailed breakdown of the demographic profiles has been attached in Appendix 1.

Some of the salient findings from the profiling for retail analysis purposes include:

- The Timaru District currently has around 46,000 residents in approximately 20,100 households (rounded). This equates to 2.29 persons per dwelling, significantly lower than the Canterbury regional average of 2.45 and New Zealand average of 2.58.
- Comparatively, Timaru has a higher proportion of 'Single' and 'Couple' households at 28% and 35% respectively, compared to the and wider regional and national averages. Conversely, the Timaru has a smaller proportion of 'Two Parent Family' households (25%) compared the Canterbury Region (29%) and national average (30%). This is likely related to the high proportion of elderly population who no longer have children permanently living within their household, reflected in its significantly higher proportion of people classified in the 60+ year age cohorts (a high 28%). This also impacts (lowers) the aforementioned person per dwelling ratio.
- Within the district around 18% of households earn over \$100,000 per annum, significantly lower than the average within Canterbury. This typically translates into lower levels of annualised retail expenditure on a per household unit basis albeit this is offset by the greater spending power from older residents with higher equity bases, and therefore spend potential.
- Timaru's lower household income levels compared to the wider district and region can be attributed to a combination of factors including a lower average qualification attainment, with over 29% of its working age population without qualifications, compared than that of the wider regional average of 22%. There is typically a strong correlation between education attainment (skilled employees) and income level, with the higher the qualifications, the higher the propensity to realise higher income levels.
- The demographic profiling indicates that there are proportionally fewer workers in the district in Professional employment (15%), and conversely significantly more workers in labour intensive positions (19%). Trade and labour based jobs typically have lower wage rates on average relative to professional positions.
- Around 29% of working aged population within the district earn income from NZ Superannuation or Veterans Pension, a reflection of the older age demographic. This also explains higher proportion of the working age populous not in the Labour Force (35%), compared to the wider region (31%).

4. POPULATION & HOUSEHOLD PROJECTIONS

Table 1 displays the population and household growth projections within the Timaru District. These projections are derived from the Property Economics Growth Model with the key inputs from the recently released 2015 census population and household counts, Statistics NZ medium series projections and recent residential building consent data 2000 - 2015.

TABLE 1: TIMARU POPULATION AND HOUSEHOLD FORECASTS

POPULATION AND HOUSEHOLDS	2015	2018	2023	2028	2033
	Population	46,033	47,000	47,800	48,400
Households	20,134	20,825	21,544	22,111	22,473
Household Size	2.29	2.26	2.22	2.19	2.17
Population Growth (p.a.)		0.70%	0.34%	0.25%	0.16%
Household Growth (p.a.)		1.13%	0.68%	0.52%	0.33%

Source: Property Economics, Statistics NZ

For the purpose of this report, years 2015 is classified as current (colour coded blue), year 2018 is classified as short term (colour coded yellow), year 2023 is classified as medium term (colour coded green) and 2028 - 2033 is classified as long term (colour coded pink).

The Timaru District market is currently populated by around 46,000 people and around 20,100 households, with this projected to increase to around 48,800 people, while households are forecast to grow to around 22,500 by 2031.

Table 1 also indicates that growth in the number of households is to increase at a faster rate than the population due to a projected fall in the person per dwelling ratio over the forecast period. This trend is not isolated to the Timaru District but projected to occur across the whole country due to an aging population, smaller families and a higher proportion of 'split' or single parent households.

5. RETAIL EXPENDITURE AND SUSTAINABLE GFA

This section of the report estimates the level of retail sector expenditure that is generated by the identified markets on an annualised basis in 2015 NZ dollars using the 2006 ANZSIC¹ categorisation system.

Retail expenditure forecasts have been based on the aforementioned core market and capacities shown in Table 1, and has been prepared using the Property Economics Retail Expenditure Model. A more detailed breakdown of the model and its inputs can be seen in Appendix 2.

Note the figures below exclude the retail activities, as categorised under the 2006 ANZSIC classification system, of:

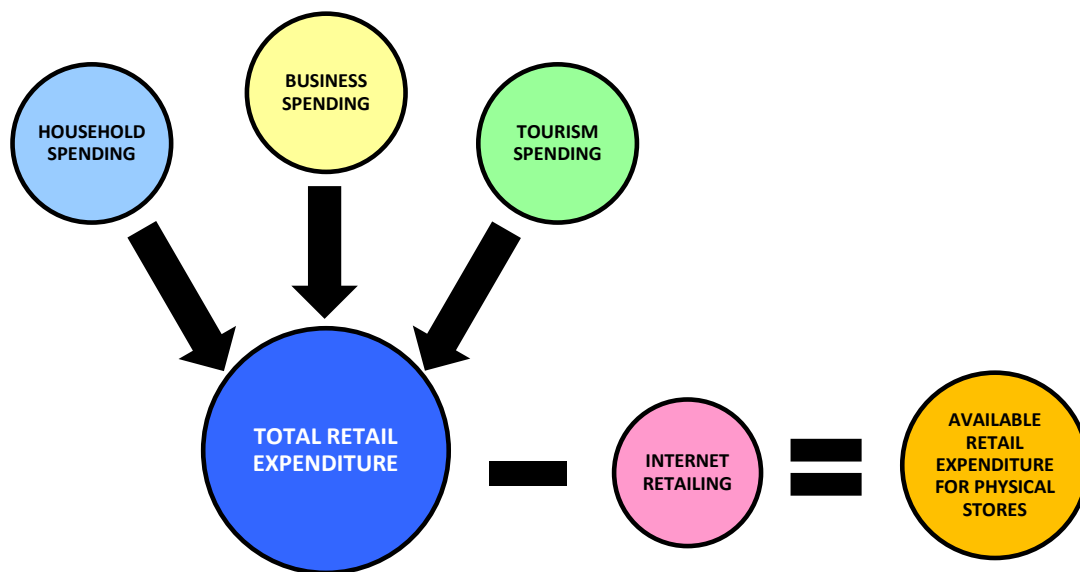
- Accommodation (hotels, motels, backpackers, etc.)
- Vehicle and marine sales & services (petrol stations, car yards, boat shops, caravan sales, and stores such as Repco, Super Cheap Autos, tyre stores, panel beating, auto electrical and mechanical repairs, etc.)
- Hardware, home improvement, building and garden supplies retailing (e.g. Mitre 10, Hammer Hardware, Bunnings, PlaceMakers, ITM, Kings Plant Barn, Palmers Garden Centres, etc.)

The above activities are not considered to be core retail expenditure, nor fundamental retail centre activities in terms of visibility, location, viability or functionality. The latter two bullet points contain activity types that generally have great difficulty establishing new stores in centres for land economic and site constraint reasons, i.e. the commercial reality is that for most of these activities it would be unviable to establish new stores in centres given their modern store footprint requirements and untenable to remain located within them for an extended period of time (beyond an initial lease term) due to property economic considerations such as rent, operating expenses, land value, site sizes, etc.

Also excluded are trade based activities such as kitchen showrooms, plumbing stores, electrical stores, paint stores, etc. for similar reasons.

The following flow chart provides a simple graphic representation of the Property Economics Retail Expenditure Model to assist TDC in the better understanding the methodology and key inputs utilised.

¹ Australia New Zealand Standard Industrial Classification



Growth in real 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 income levels, and is the average inflation adjusted increase in spend per household over the assessed period.

It is important to note that the retail expenditure generated in the identified market does not necessarily equate to the sales of any retail stores within the market. Residents can freely travel in and out of the area, and they will typically choose the centres with their preferred range of stores, products, brands, proximity, accessibility and price points.

A good quality centre will attract customers from beyond its core market, whereas a low quality centre will have retail expenditure leakage out of its core market. Therefore, the retail expenditure generated in an area represents the sales centres or retail stores within that area could potentially achieve.

Table 2 breaks down the total retail market for the identified core catchment by retail sector based on ANZSIC codes for the assessed period on an annualised basis.

TABLE 2: TIMARU RETAIL EXPENDITURE FORECASTS (\$M PA)

	2015	2018	2023	2028	2033
Food retailing	\$185	\$193	\$205	\$218	\$233
Clothing, footwear and personal accessories retailing	\$32	\$33	\$35	\$37	\$40
Furniture, floor coverings, houseware and textile goods retailing	\$18	\$18	\$20	\$21	\$22
Electrical and electronic goods retailing	\$24	\$24	\$26	\$27	\$29
Pharmaceutical and personal care goods retailing	\$18	\$18	\$20	\$21	\$22
Department stores	\$37	\$39	\$41	\$44	\$47
Recreational goods retailing	\$20	\$21	\$22	\$23	\$25
Other goods retailing	\$31	\$32	\$34	\$37	\$40
Food and beverage services	\$85	\$89	\$95	\$102	\$110
Total	\$449	\$467	\$499	\$531	\$567

Source: Property Economics

The Timaru District currently generates approximately \$450m per annum of retail expenditure, with projected growth in the market of over the assessed 18-year period to nearly \$570m per annum by 2033 in 2015 dollars.

Food Retailing, which is predominately comprised of supermarket trade (which accounts for approximately 75% of food retailing sector expenditure and typically represents the largest retail sector in terms of expenditure as in this case), represents over 40% of total retail expenditure generated within the district. By 2033, spending within Food Retailing is estimated to grow to around \$233m per annum.

Food and Beverage Services (i.e. cafes, bars and restaurants) also a significant sector in terms of retail provision, represents the second largest retail sector in terms of expenditure, totalling at \$85m pa currently, with forecast growth of \$25m, to \$110m pa by 2033.

5.1. SUSTAINABLE RETAIL FLOORSPACE

Table 3 illustrates the level of sustainable retail gross floor area ('GFA') within each retail sector that can be sustained by the generated spend within the identified core catchment.

This analysis assesses retail demand by adopting a sustainable retail footprint approach. Sustainable floorspace in this context refers to the level of floorspace proportionate to an area's retainable retail expenditure that is likely to result in an appropriate quality and offer in the retail environment. This does not necessarily represent the 'break even' point, but a level of sales productivity (\$/sqm) that allows retail stores to trade profitable and provides a good quality retail environment.

There is also a need to translate net retail trading floorspace into GFA as net retail trading floorspace excludes floor area in a retail store used for storage, warehousing, staff facilities, office, toilets, etc. These activities typically occupy around 25-30% of a convenience retail store's GFA. It is important to separate out this 'back office' floorspace as it does not generate any retail spend and represents an area the general public is typically excluded.

TABLE 3: TIMARU SUSTAINABLE GFA FORECASTS (SQM)

	2015	2018	2023	2028	2033
Food retailing	22,841	23,770	25,337	26,930	28,714
Clothing, footwear and personal accessories retailing	5,518	5,744	6,137	6,539	6,993
Furniture, floor coverings, houseware and textile goods retailing	6,112	6,356	6,733	7,105	7,515
Electrical and electronic goods retailing	5,960	6,198	6,566	6,928	7,328
Pharmaceutical and personal care goods retailing	2,539	2,642	2,811	2,982	3,172
Department stores	13,299	13,838	14,728	15,627	16,631
Recreational goods retailing	5,270	5,486	5,857	6,238	6,666
Other goods retailing	6,957	7,247	7,784	8,346	8,985
Food and beverage services	13,499	14,062	15,116	16,221	17,479
Total	81,995	85,343	91,069	96,917	103,482

Source: Property Economics

The Timaru District currently generates enough retail expenditure on an annualised basis to sustain an estimated 82,000sqm of retail GFA. This is forecast to increase to around 103,400sqm GFA by 2033. These figures represent the GFA sustainable if all retail expenditure generated in the district was internalised and annualised net retail leakage / inflow resulted in a neutral position². Such a position is not usual, but this approach provides useful context as a benchmark from which to undertake any impact assessment.

Within Food Retailing sector current sustainable GFA totals around 22,800sqm, with this estimated to increase by around 5,900sqm to 28,700sqm by 2033.

Around 13,500sqm GFA within the Food and Beverage Services sector is currently sustainable by the catchment. By 2033 an estimated 17,500sqm GFA will be sustainable.

² The represents a theoretical position at this point in the methodology grounded with real spending flows analysis later in the study.

6. CURRENT DISTRICT RETAIL SUPPLY

The retail audit results are displayed in terms of nominal stores and gross floor area ('GFA'). The net retail floor area figures captured in the audit were translated to GFA using an average 70% net to GFA ratio. It is important to translate net retail trading into GFA as net retail trading floor area excludes the floor space in a retail store used for storage, warehousing, staff room, office, toilets, etc. These uses typically occupy around 25-30% of a store's GFA, but nonetheless form an integral part of a retail store's total leasable built form, or required area.

The summarised results of the Timaru District audit are displayed in Table 4.

TABLE 4: TIMARU DISTRICT IN-CENTRE RETAIL AUDIT JANURARY 2015

	Retail Sector	Store #	Store %	GFA (sqm)	GFA %	
TIMARU STORE # AND GFA COMPOSITION 2015	Supermarket	6	2%	15,570	16%	
	Food retailing	31	11%	4,660	5%	
	Clothing, footwear and personal accessories retailing	39	14%	8,230	8%	
	Furniture, floor coverings, houseware and textile goods retailing	11	4%	9,280	9%	
	Electrical and electronic goods retailing	7	3%	2,950	3%	
	Pharmaceutical and personal care goods retailing	5	2%	1,140	1%	
	Department stores	4	1%	20,170	20%	
	Recreational goods retailing	22	8%	5,200	5%	
	Other goods retailing	51	18%	9,020	9%	
	Food and beverage services	64	23%	17,640	18%	
	Vacant	37	13%	6,110	6%	
	Total		277	100%	99,970	100%

Source: Property Economics

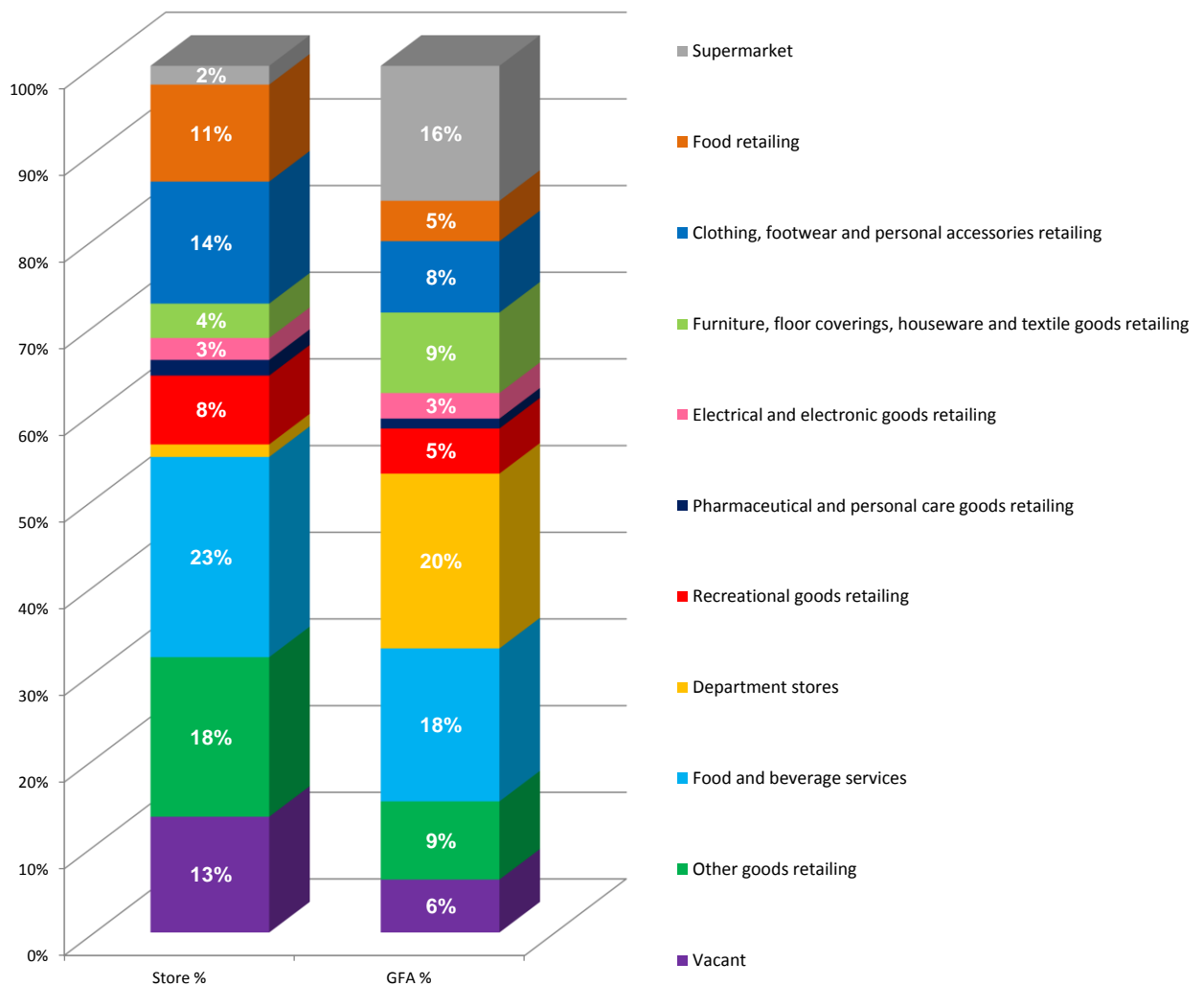
Looking at the Timaru market as a whole, there are currently 277 retail stores encompassing an estimated 100,000sqm (rounded) of retail GFA. Current vacancy levels in the area total around 37 stores, covering an estimated 6,100sqm in GFA. This represents 13% of total centre retail activity by stores nominally and 6% by GFA. Given the sharp downturn in the retail industry immediately post-GFC and subsequent slow recovery nationally in respect of

retail, this vacancy level is not uncommon albeit considered slightly higher than desirable from a market and centre functionality perspective in terms of physical vacant stores.

This nominal store vacancy percentage within the district would be of a concerning level if maintained for an extended period of time in the future, and improvement is considered necessary to elevate the quality and performance of centres in the district.

Figure 3 below illustrates the Timaru retail composition by store count and GFA distributed by retail sector. This is a graphical representation of the information in Table 4.

FIGURE 3: TIMARU DISTRICT RETAIL COMPOSITION JANURARY 2015



Source: Property Economics

The retail sector representing the largest proportion of the market in terms of store count is Food and Beverage services (i.e. cafes, restaurants, pubs, taverns, bars and takeaways) with 64 stores, or 23% of the total district retail supply by store number.

Other Goods Retailing represents the second largest retail sector in terms of store count with 51 stores representing 18% of the total market. This proportion is of some concern as 'Others Stores' often represent smaller lower quality, second hand and unbranded store types that do not perform or generate the same level of retail productivity as stores in other sectors.

These store types can affect the long term vitality, quality, overall sales performance and 'health' of the centre, whereby the trading productivity per sqm is generally lower for 'Other Stores', requiring lower rental rates for sustainability while lowering overall attractiveness and amenity of a centre. As this happens rental rates for other locations in a centre can fall as a result leading to additional 'Other Stores' establishing causing a snowballing downward effect.

Other important retail sectors are Food retailing which totals 31 stores or 11% of the district supply and Fashion retailing (i.e. Clothing, Jewellery and Personal Accessories and Footwear) which also accounts for 39 stores or 14% of the market.

Note this data only reflects the retail activity of Timaru centres audited, and excludes non-retail activity such as commercial services, community, recreational activities, etc., which all add to the centre's role, function and attraction, and non-centre standalone activity.

Table 5 drills down into the retail audit down further by accessing store numbers across three store size categories, namely 0 - 499sqm, 500 - 999sqm and 1,000sqm GFA plus. This has been undertaken to differentiate between Specialty, Convenience and LFR store types.

TABLE 5: TIMARU CENTRES RETAIL STORE SIZE BREAKDOWN

TIMARU STORE # AND GFA COMPOSITION 2015	Retail Sector	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total
	Supermarket			6	6			15,569	15,569
	Food retailing	31			31	4,663			4,663
	Clothing, footwear and personal accessories retailing	38		1	39	7,191		1,037	8,229
	Furniture, floor coverings, houseware and textile goods retailing	6	2	3	11	1,017	1,414	6,853	9,284
	Electrical and electronic goods retailing	4	2	1	7	206	1,314	1,430	2,950
	Pharmaceutical and personal care goods retailing	5			5	1,143			1,143
	Department stores			4	4			20,166	20,166
	Recreational goods retailing	19	3		22	2,751	2,453		5,204
	Other goods retailing	48	3		51	6,636	2,384		9,020
	Food and beverage services	54	8	2	64	9,856	5,580	2,209	17,644
Vacant	35	2		37	4,940	1,167		6,107	
Total	240	20	17	277	38,403	14,313	47,263	99,979	

Source: Property Economics

This sheds somewhat of a different light on the structure of the current retail provision in the Timaru District. At present, a substantial 86% of the retail stores in the district are smaller (below 500sqm) speciality / boutique stores, however these store types represent only 38% of total district retail supply.

This shows these smaller Specialty and Convenience type stores represent the core of the centres analysed and are crucial for the district moving forward and ongoing 'health' of its centres. Interestingly, retail stores of 500sqm GFA plus (i.e. LFR stores) represent only 13% of stores nominally, but 61% of the district's retail foot print, and are therefore also critical to the district's ongoing performance and function, and satisfying the district's retail requirements.

Table 6 dissects the retail audit further on a centre / destination basis.

TABLE 6: TIMARU DISTRICT CATCHMENT RETAIL AUDIT BREAKDOWN BY TOWN

CENTRE COMPOSITION	Store #	Store %	GFA (sqm)	GFA %	
	Timaru City Centre	125	45%	38,089	38%
	Heaton Street	15	5%	15,409	15%
	Northtown Mall	16	6%	8,721	9%
	Balance of Timaru City	14	5%	11,380	11%
	Subtotal Timaru City	170	61%	73,599	74%
	Geraldine	48	17%	10,760	11%
	Washdyke	11	4%	5,090	5%
	Temuka	40	14%	9,089	9%
	Pleasant Point	8	3%	1,441	1%
Total	277	100%	99,979	100%	

Source: Property Economics

The Timaru City Centre accommodates nearly 50% of all retail stores within the wider district with 125 retail stores covering a GFA footprint of 38,000sqm. Heaton Street which can be considered as an extension of the City Centre (albeit considered its own retail destination with focus on LFR activities) represents only 5% of Timaru District retailing in terms of store count, but comprises 15% of total district retail GFA. Combined, the wider City Centre area is attributable to over half of retail stores and floorspace supply within the wider district.

Geraldine is the largest rural town within Timaru covering nearly 11,000sqm of retail GFA, across 48 stores, with Temuka of a similar scale at 9,100sqm across 40 stores. It is notable that within these more rural centres the average store size is significantly smaller compared to the Timaru City Centre (approx. 300sqm vs 225sqm). This is not unexpected with the larger LFR stores that service the wider district predominantly in Timaru city.

As the largest commercial node in the District, the City Centre has a higher concentration of higher order / nationally branded retailers and LFR provision, as well as other commercial activity not shown in Table 6. This is an illustration of the retail hierarchy that exists in the district, with the City Centre the preeminent commercial hub for the district and the surrounding network of centres supporting and operating complementary to the City Centre.

6.1. TIMARU CITY CENTRE

Being the largest and primary retail destination within the district, Table 7 focuses on the current composition of the City Centre retail provision by store count and GFA. For the purpose of analysis, fringe areas such as Heaton St have been excluded from Table 7 given it is not considered to form part of the City Centre's core offering.

TABLE 7: TIMARU CITY CENTRE RETAIL SUPPLY COMPOSITION

Timaru City Centre	Store Count				GFA (sqm)			
	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total
Supermarket								
Food retailing	2			2	363			363
Clothing, footwear and personal accessories retailing	24		1	25	5,216		1,037	6,253
Furniture, floor coverings, houseware and textile goods retailing	1	2		3	201	1,414		1,616
Electrical and electronic goods retailing	4	2	1	7	206	1,314	1,430	2,950
Pharmaceutical and personal care goods retailing	1			1	247			247
Department stores			2	2			9,247	9,247
Recreational goods retailing	12	3		15	1,689	2,453		4,141
Other goods retailing	22	2		24	2,970	1,523		4,493
Food and beverage services	26	3		29	4,264	1,810		6,074
Vacant	16	1		17	2,120	584		2,704
Total	108	13	4	125	17,276	9,099	11,714	38,089
Total %	86%	10%	3%	100%	45%	24%	31%	100%

Source: Property Economics

As with the wider Timaru District, the largest retail sector represented within the Timaru City Centre is Food and Beverage Services with nearly 30 stores occupying just over 6,000sqm GFA. Clothing, Jewellery and Personal Accessories represents the second largest proportion of the City Centre in terms of store count with 25 stores representing 20% of the total centre provision.

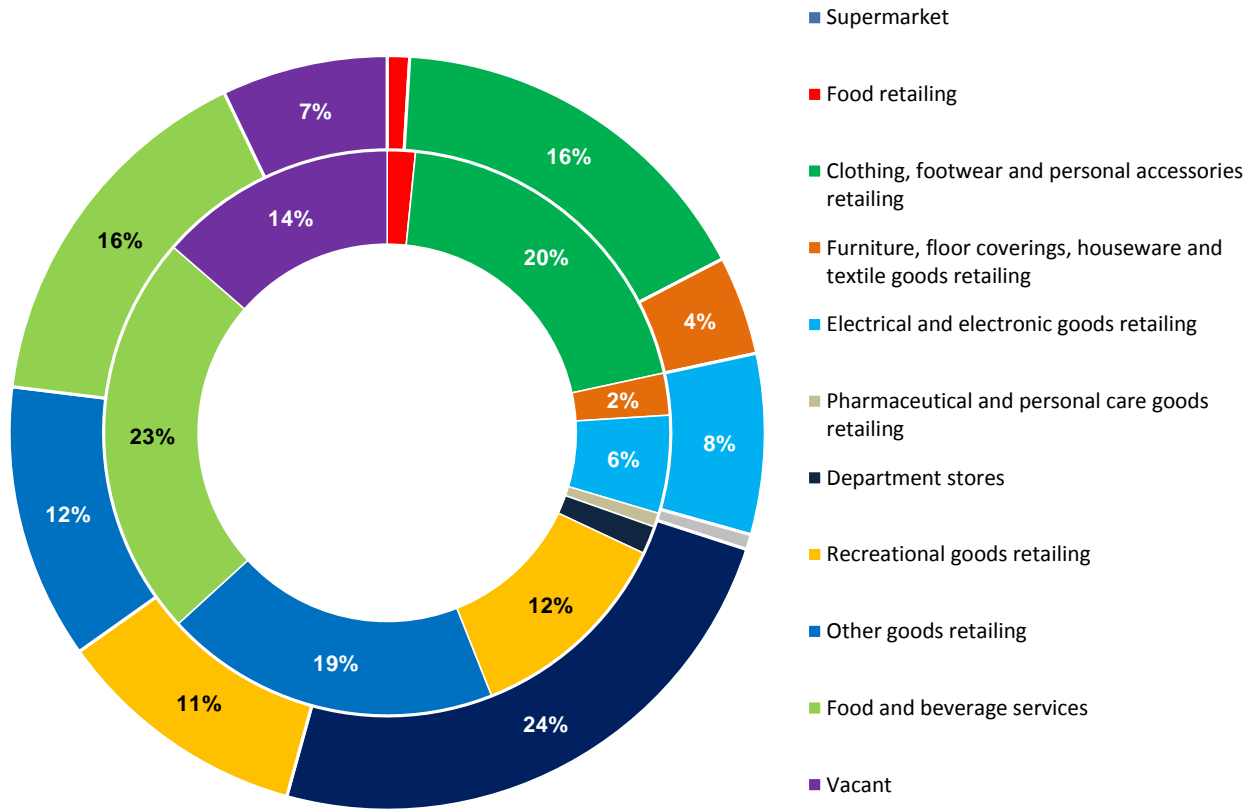
Combined, these two sectors alone comprise 43% of the City Centre retail offer. This is not unusual given the key focus of these two sectors in city centre locations and the broad commercial appeal these sectors have in the community. A high proportion of Food and Beverage Services, and Fashion stores is in fact desirable for city centres to assist them play their higher level hierarchical role and function more successfully in the market, however it is the quality and scope of the offer that is important.

There is no supermarket within the City Centre provision at present. Modern supermarkets (often with a GFA footprint between 3,500-6,000sqm) typically require large land holdings. These are notoriously difficult to either find and / or group together to enable a large modern supermarket to be feasibly established (economically) within a city centre environment, albeit it is noted a Mitre 10 Mega hardware and building supply store has recently been established in the city centre – relocated from a nearby site. However, the community does have access to supermarkets on the fringe of the city centre, so are not disenabled in terms of accessibility.

As mentioned earlier, the wider Timaru market has a high proportion of Other Goods Retailing and this is also evident within the City Centre with nearly as many Other Goods Retailing stores as there are Clothing, Footwear and Personal Accessories retailers present within the centre. This should be carefully monitored to ensure this category does not grow disproportionately to other categories, as it is likely to represent a declining centre.

Figure 4 visualises the proportional composition of retail provision within the Timaru City Centre, highlighting the differences between store count representation and on-the-ground GFA. Note the outer ring of the diagram represents proportion of GFA and the inner ring represents percentage store count.

FIGURE 4: TIMARU CITY CENTRE RETAIL COMPOSITION (STORE COUNT AND GFA)



Source: Property Economics

6.2. UNACTIONED RETAIL CONSENTS

To round out the full current provision of retail GFA in Timaru there is a need to consider consented but yet to be developed retail GFA as this also forms part of the ‘existing environment’ from a RMA perspective.

Table 8 identifies the key retail consents issues that have yet to be developed as supplied by TDC.

TABLE 8: UNACTIONED RETAIL CONSENTS

Name	Location	Floor Area	New / Extension
SF Malone	406 Pleasant Point Highway, RD 5, Timaru	75m ² approx.	Building Extension
Countdown Supermarket	233 Evans Street, Timaru	3,800m ²	New Building
Harvey Norman	226 Evans Street, Timaru	6,550m ²	New Building & Building Extension
Pak n Save	1-53 Ranui Avenue, Timaru	307m ²	Building Extension
Timaru Property Investments	201 Evans Street, Timaru	1,140m ²	New Building
Medical Centre & Retail Pharmacy	Heaton Street, Timaru	296m ²	New Building

Source: Property Economics, Timaru District Council

Consented retail activity yet to be developed equates to around 12,000sqm GFA, all of which is proposed to be within Timaru City itself. This increases the total current retail provision in terms of the ‘existing environment’ to around 112,000sqm GFA, and this figure represents the appropriate base from which the district’s future retail requirements should be determined.

7. SHOPPER RETAIL SPENDING PATTERNS

In order to assess the level of retail expenditure flows 'in' (retail inflow³) and 'out' (retail leakage⁴) of the Timaru territorial authority this report utilises BNZ MarketView retail transaction data. The base retail data applied in this chapter is for the most recent full calendar year (February 2014 – January 2015). Utilising annualised data removes any seasonal variations that may be prevalent in a market.

BNZ MarketView data is based on the spending and transactions of BNZ credit and debit (EFTPOS) cardholders. It excludes business and corporate cards. The transaction values include GST, but exclude cash out with purchases. BNZ MarketView does not pick up Hire Purchase, direct debit / credit payments or cash based spending. This data is collected from numerous Timaru, from national chains to small independent stores, across a range of retail categories.

MarketView data is based on aggregations of BNZ cardholder transactions by origin, destination and store type, these include transactions completed using BNZ EFTPOS and credit cards. BNZ currently holds approximately 20% market share of the electronic card market in NZ, while electronic card transactions accounts for approximately 60% of retail spending within NZ.

'Origin' of retail spending, or where retail spend is coming from. This is undertaken to analyse the proportional split of where retail spent within Timaru is derived. This dataset also enables the quantification and influence of the 'inflow' of retail dollars into the district.

'Destination' of retail spending, or where Timaru residents are spending their retail dollars, by territorial authority has also been assessed. This provides in-sight on the 'retention' and 'outflow' of retail dollars from Timaru.

Given the large sample size of BNZ card holders and the prolific use of EFTPOS within NZ, MarketView data is considered to provide a robust and accurate representation of the origin and destination of retail spending patterns in Timaru, and hence has been used as a basis for this assessment.

The proportions in the following sections exclude the retail categories of accommodation (hotels, motels, backpackers, etc.) and vehicle and marine sales and services (car yards, boat shops, caravan sales, Repco, Super Cheap Auto, tyre stores, panel beating, mechanical repairs). Also excluded are the trade sectors as identified earlier in the report.

³ Retail inflow refers to retail expenditure generated outside a defined geographic area (in this instance the Timaru District territorial authority) but spent inside that defined area.

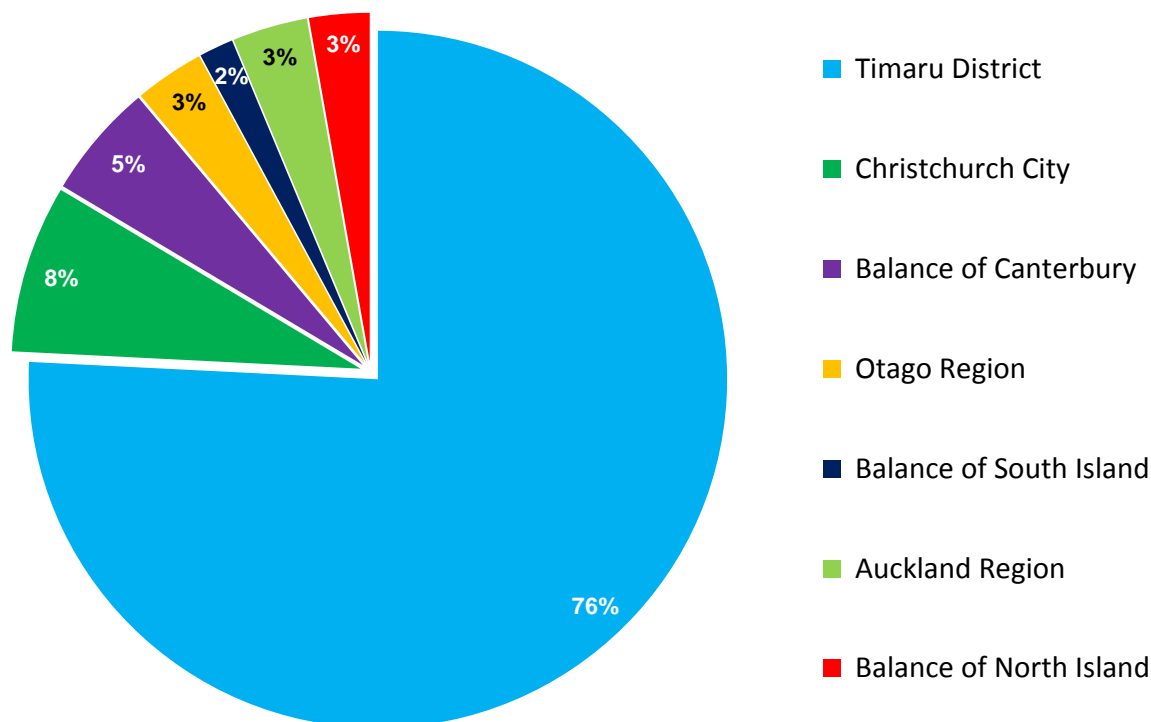
⁴ Retail leakage is the converse of retail inflow, and refers to retail expenditure generated in a particular geographic area (Timaru District in this instance) but spent outside that defined area.

7.1. DESTINATION OF TIMARU DISTRICT RETAIL SPENDING

Some retail leakage out of a district can be classified as 'normal' shopping behaviour due to general spending while away on holiday and the 'free flow' of the market. A high level of retail leakage indicates that the retail needs of the resident population are not being adequately met by the localised market to the level or quality sought, hence residents travel outside of the market to satisfy their retail shopping requirements.

Figure 5 illustrates the proportion of retail expenditure generated by Timaru residents according to where it was spent by territorial authority and region.

FIGURE 5: TIMARU DESTINATION OF RETAIL SPENDING



Source: Property Economics, MarketView

Some of the salient points to note in Figure 5 include:

- Just over three quarters (76%) of all retail expenditure generated by Timaru District residents is internalised and spent within the territorial authority, i.e. spent within the district.

- It is notable that 8% of all retail expenditure leakage from the district is going to Christchurch City, suggesting 'shopping trips' to the largest city closest to Timaru are popular, probably the large suburban malls.
- While not shown in Figure 5, there is a significant level of retail expenditure generated in the catchment is leaving on an annualised basis for higher order comparison goods to Christchurch City. This includes around 20% or \$1 of every \$5 spent in Clothing, Footwear and Personal Accessories and Furniture Retailing by Timaru residents is spent within the Christchurch territorial authority. Indicating that residents are not satisfied by the existing localised offer with Christchurch having a broader offer and range available.

While the district market shows an adequate level of retail retention, there are clear underlying issues with provision of general merchandising retailers, particularly Fashion and Furniture retailing where nearly 20% of catchment spending made outside of the district at present.

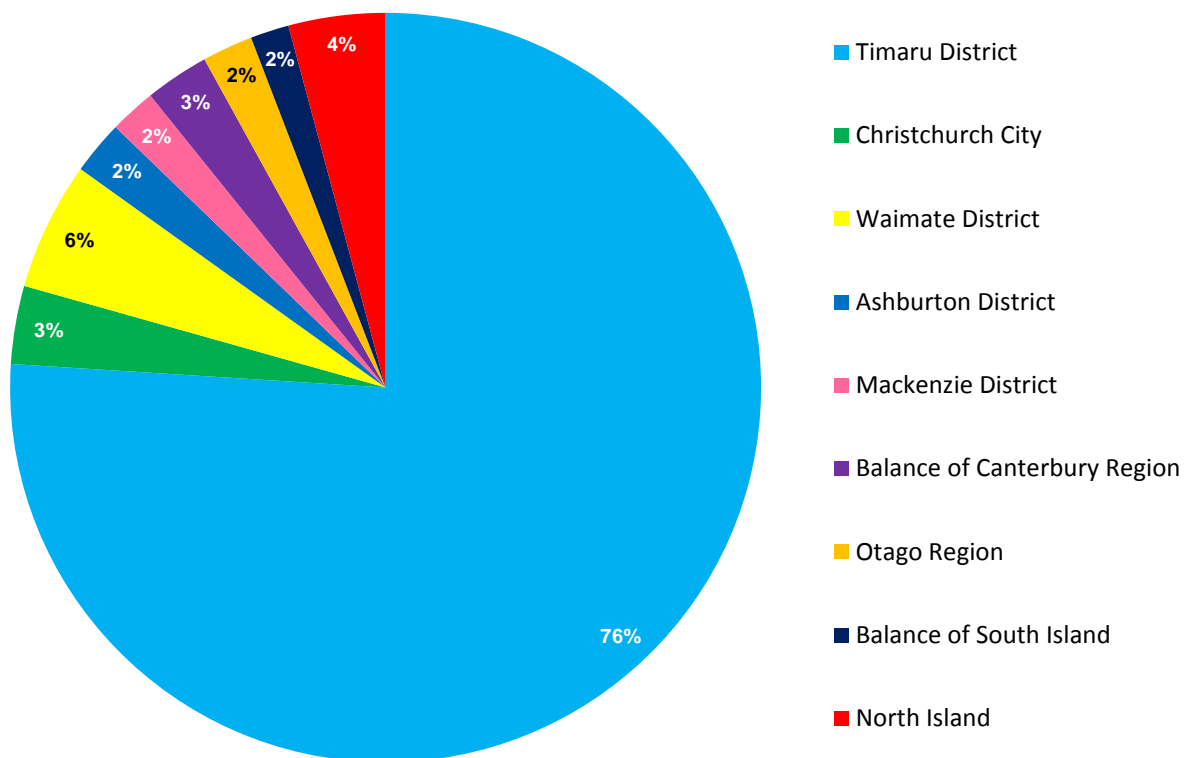
While this is to be expected given the wide range and breadth of selection available (which typically leads to more competitive pricing among retailers) in relatively close proximity (Christchurch), it also underlines retail sectors that could be improved upon within the local market to increase retention and overall sales.

The current level of leakage from the catchment of 24% also signals market potential and opportunity within the localised market to improve retail provision and spend retention, both in terms of quantum and quality. In real terms the amount of retail spend that left the district (leakage) in the assessed calendar year equates to around \$112m.

7.2. ORIGIN OF TIMARU DISTRICT RETAIL SPENDING

Figure 6 illustrates the proportion of retail expenditure spent within the Timaru District according to where its consumers reside by local territorial authority and region.

FIGURE 6: ORIGIN OF RETAIL SPENDING IN TIMARU



Source: Property Economics, MarketView

Some of the salient points to note in Figure 6 include:

- Figure 6 illustrates a noteworthy proportion of retail sales within the district originating from consumers who reside outside the district, with nearly a quarter of total expenditure attributable to spending generated outside the localised Timaru market, i.e. \$1 out of every \$4 spent in Timaru is derived from shoppers who reside outside the district.
- Around 6% of retail spending within Timaru is made by Waimate District residents, this is particularly prominent within the Department Store and Recreational Goods Retailing sector. This indicates that residents of Waimate are travelling to Timaru for bulky and specialised retailing goods that are not adequately provide within the

Waimate District. This is not unexpected with more rural based districts such as Waimate having population bases unable to sustain significant retail networks and therefore have to travel to adjacent districts (or further afield) to meet their retail requirements. This inflow represents Timaru's largest on a proportional basis.

- The MarketView data also shows that 65% of retail expenditure from external markets comes from within the wider Canterbury region, indicating that Timaru attracts a small local visitor market with its current retail provision. It is interesting to note that this inflow is spread evenly across all identified retail sectors, likely reflecting a small proportion of residents living outside of the Timaru district that make regular shopping trips to Timaru.

7.3. DISTRICT NET RETAIL FLOWS / LEAKAGE

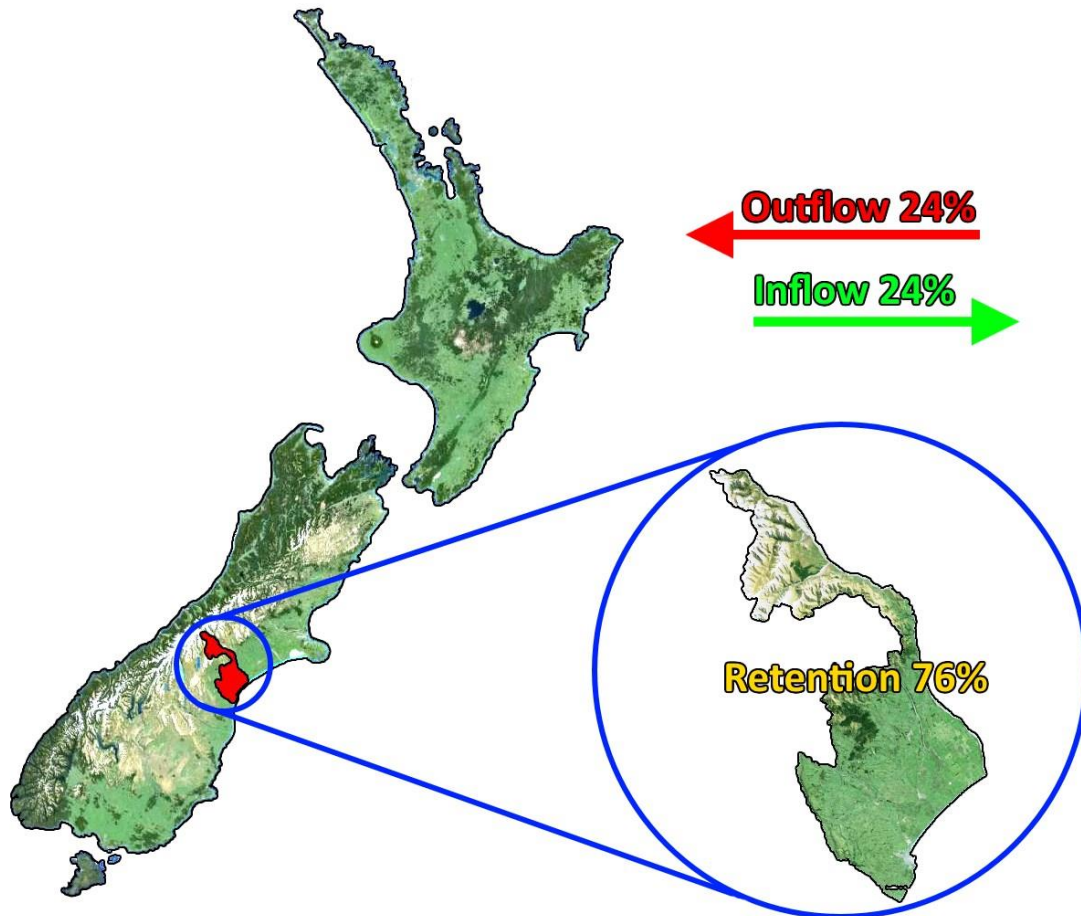
This section of the report assesses the proportional level of leakage or outflow of retail dollars leaving the Timaru District, and the proportional inflow of retail dollars entering the district by sector to determine the Net Flow of retail expenditure. This is also helpful in assessing sectors of potential opportunity or 'gaps' in the current district retail offer, and builds on the analysis in the previous two chapters.

For the purpose of analysis, this section of the report compares inflow and outflow as a proportion of total spending, or retail expenditure generation from within the Timaru District. This means that the outflows percentages represent the proportion of spending made by Timaru residents outside of the district, while inflows represent the spending made within the Timaru District, as a proportion of what the district generates / spends.

The figures illustrated in Figure 7-9 show these proportions with inflows shown in green, outflows shown in red and total district retention shown in yellow. The net retail flows of the district is found by subtracting the inflow by the outflow shown in Figure 7, i.e. the total Net Retail Flow of the district is 0% (or 24% - 24%), indicating that the Timaru District currently has a net balance of retail spending relative to total retail expenditure generated by its residents.

Adding retention to this figure illustrates the total market capture of retail spending from local and outside area, that is to say that the Timaru District currently captures 100% of spending relative to the level of retail expenditure generated locally. In other words, and coincidentally, the retail spend leaving the district equates to the level of spend entering the district on a proportional annualised basis. This 'offsetting' in effect, cancels each other out meaning Timaru District currently has a net neutral retail expenditure flow position.

FIGURE 7: TIMARU RETAIL FLOWS

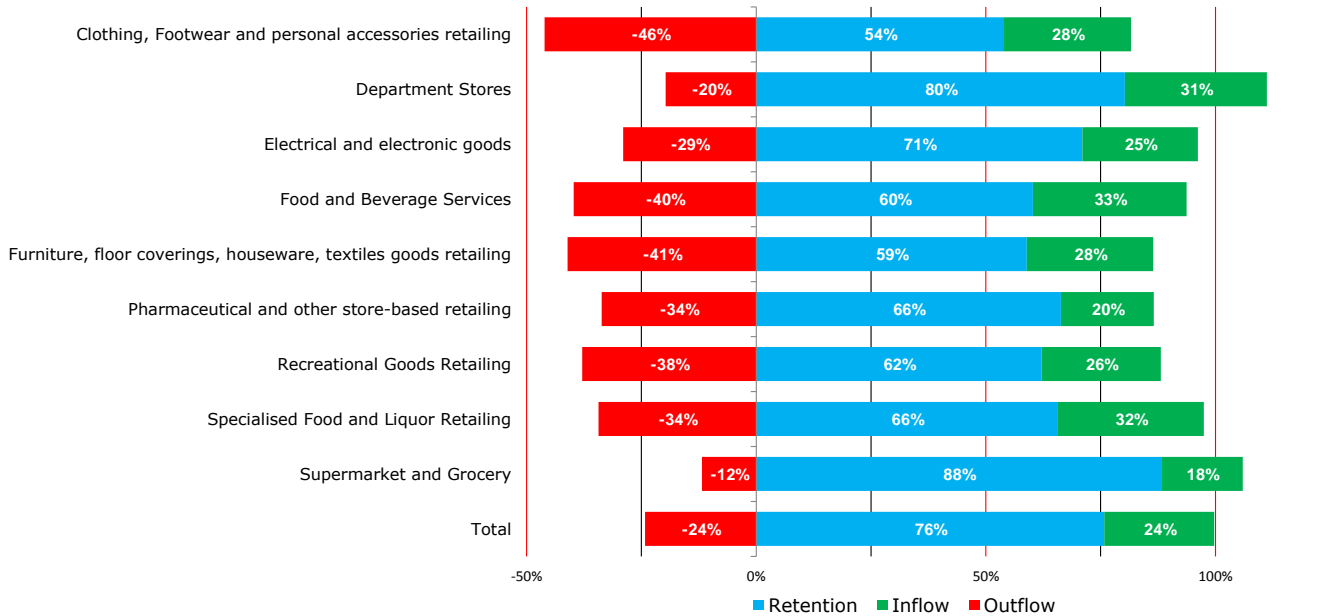


Source: Property Economics, MarketView

Figure 8 illustrates the inflows and outflows experienced by the identified catchment by retail sector.

A full list of the ANZSIC retail sectors identified has been attached in Appendix 4.

FIGURE 8: TIMARU DISTRICT ORIGIN AND DESTINATION OF RETAIL SPENDING BY SECTOR



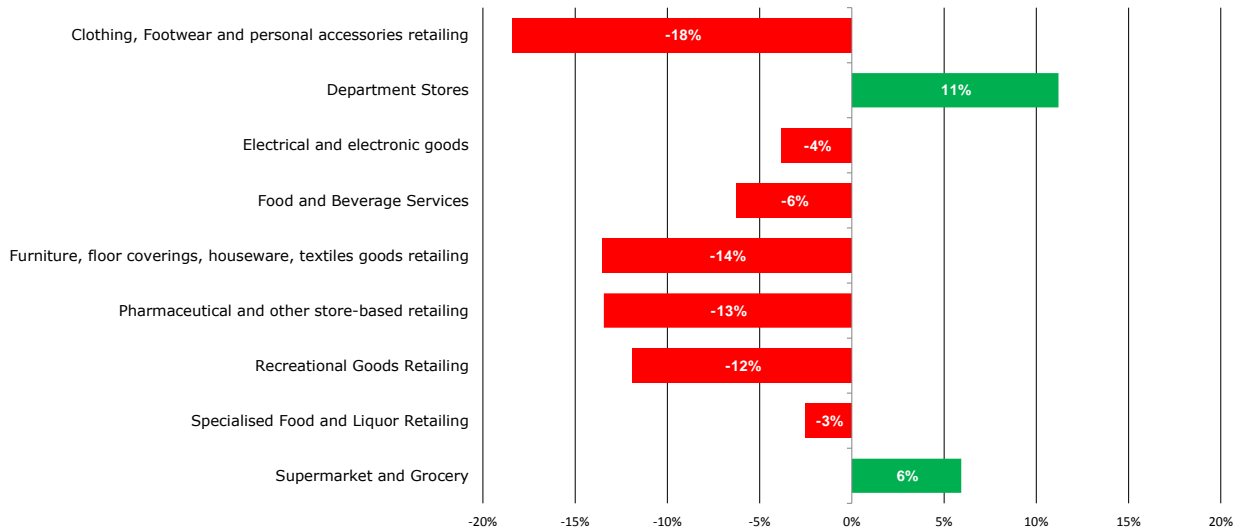
Source: Property Economics, MarketView

Some of the salient points to note in Figure 8 include:

- As mentioned earlier, 24% of total retail expenditure generated in Timaru on an annual basis is spent outside of the district. It is notable that in three retail sectors leakage is over 40%, and across six retail sectors over a third of retail expenditure generated within Timaru is leaving the district. While there is 76% retention of retail expenditure across all sectors, this is largely bolstered by Supermarket and Department Store retailing which proportionally form a significant total retail spending made by Timaru residents. Other sectors in terms of proportional spend experience a greater degree of leakage led by Clothing, Footwear and Personal Accessories Retailing which has 46% leakage.
- The retail inflow coming into Timaru is a reflection of layered catchments across the wider region, and offsets some of this leakage. Smaller townships and rural residents are utilising Timaru as it offers a superior retail provision in relatively close proximity.

Figure 9 quantifies the net position of the inflows and outflows of retail spending as shown in Figure 8 within the Timaru District. This is the loss or gain in retail expenditure within the district as a proportion of the total level of retail spending generated by local residents.

FIGURE 9: TIMARU NET RETAIL SPENDING FLOWS BY SECTOR



Source: Property Economics, MarketView

As noted earlier, the majority of retail sectors are experiencing a significant level of retail leakage. Interestingly this is not offset by inflows of retail expenditure from external markets, with the net loss of these sectors ranging from 3% – 18%. In contrast, Supermarkets and Department Stores have net positive positions. This is not surprising given the propensity for these retail store types to be anchor stores, they have significant customer attraction on a more frequent basis compared to other sectors, while also representing a larger proportion of the market in terms of retail expenditure. Given the disproportional nature of Supermarket and Department Store retailing relative to the other retail sectors this causes an overall net position of 100%, and total net flows of 0% to be possible within the Timaru market.

These two sectors having a net positive position is a reflection of a lack of this provision within neighbouring districts. The same can be said about the balance of retail sectors in respect of Timaru, with Timaru residents travelling to centres further afield to Christchurch to meet their retail requirements.

This 'loss' represents a significant opportunity for the district to recapture lost retail spending by providing retail stores, environment and amenity desired by residents within the Timaru market.

8. SUPPLY VS. DEMAND

This section of the report compares the total existing study area retail provision against forecast sustainable retail demand as determined in Chapter 5 to better understand the retail provision differential both currently and over the forecast period.

Table 9 illustrates differences in forecast sustainable retail GFA against existing retail supply, providing an overview of the supply vs. demand dynamics of the Timaru market.

It is important to note that retail supply does not typically match sustainable retail GFA given the constant movement in the market. This analysis gives an overview of the market demand / supply differential at a point in time and therefore figures in Table 9 should not be regarded as strict guidelines but more a general steer towards what is appropriate to provide. The key component of the table is the 'Differential' which in effect provides a 'net position' on the demand / supply analysis.

TABLE 9: EXISTING SUPPLY VS. CURRENT AND FORECAST SUSTAINABLE GFA DEMAND

Specialty Retailing	2015	2018	2023	2028	2033
Sustainable Demand	37,775	39,331	42,099	44,959	48,190
Existing Provision	38,403	38,403	38,403	38,403	38,403
Differential	628	-928	-3,696	-6,556	-9,787

LFR	2015	2018	2023	2028	2033
Sustainable Demand	44,220	46,012	48,970	51,958	55,291
Existing Provision	61,576	61,576	61,576	61,576	61,576
Differential	17,356	15,564	12,606	9,618	6,284

Total	2015	2018	2023	2028	2033
Sustainable Demand	81,995	85,343	91,069	96,917	103,482
Existing Provision	99,979	99,979	99,979	99,979	99,979
Differential	17,984	14,635	8,910	3,062	-3,503

Source: Property Economics

Within the total assessed economic catchment there is a current estimated net differential where on-the-ground supply exceeds sustainable demand by around 18,000sqm GFA. This signals a potential oversupply within the market particularly within the LFR store types, or some of the larger foot print stores trading at lower productivities. In contrast smaller store Specialty retailing is at an approximate equilibrium in a practical sense given how close current sustainable demand is (37,800sqm) compared to existing supply (38,400sqm).

Table 9 shows the a shortfall would arise in small Specialty retailing supply moving forward and growing more pronounced as the market grows unless additional small foot print retail GFA is developed within the district. By 2033, the estimated shortfall is projected to equate to just under 10,000sqm GFA without any further retail development of this type within the district.

While the district may be in approximate small store equilibrium nominally, the MarketView analysis in Section 7 shows a significant level of retail expenditure outflow by Timaru residents in the sectors of Food and Beverage Services and Clothing, Footwear and Personal Accessories (predominately Specialty retailing stores). This means that while there is sufficient retail provision in terms of floorspace, the quality of the supply is not meeting the requirements of the local Timaru district leading to over half of all fashion spending made by Timaru residents being made outside of the district.

Improving the quality of this form of provision has a two-fold effect of both helping to retain locally generated spend and attracting increased tourism spending within the Timaru District. This should be point of focus to provide quality retailing as more of the same would only maintain the status quo. Further to this, improving the quality, scope of offer and environment of the District's centres would also attract additional spend from surrounding districts such as Waimate, i.e. it is likely to increase the proportional capture from these markets adding further benefit to Timaru's retailers and economy.

Focusing on LFR, there is a current differential (oversupply) between demand and supply of around 17,300sqm GFA. Analysing the current retail supply shows a significant level of LFR in sectors that generally not associated to bulky goods retailing, this includes Food and Beverage Services (7,800sqm), Other Goods Retailing (1,523sqm), in addition to around 1,200sqm of vacant LFR GFA. As such the numbers at face value are not considered to reveal the true picture.

Taking these sectors into consideration LFR supply would be more balanced with demand, with market growth further alleviating any slight FA oversupply. The high provision for LFR proportionally is likely due to lower retail rents within the Timaru District combined with soft demand and the availability of larger retail premises in the market. This has provided the opportunity for some typically smaller store format retailers to occupy larger foot print tenancies.

Again assessing the MarketView data provides a deeper understanding over of the Timaru market, with the sectors of Department Store and Supermarket retail leakage is relatively low at 20% for Departments Stores and only 12% for Supermarkets. It can be assumed that these sectors are relatively well provided for within the District, to the point where they have a net positive position when considering external inflows into Timaru.

However other LFR sectors such as Furniture, Floor Coverings, Houseware and Textile goods, Recreational Goods, and Electrical and Electronic goods retailing have far higher levels of leakage at around 30 – 40%. Therefore while the wider LFR market maybe slightly oversupplied in general terms, some of the aforementioned LFR sectors could sustain additional stores to improve LFR spend retention.

Ensuring a broad range of all LFR (while maintaining store quality) could help to stem leakage out of the District where customers feeling the current provision is not adequate to their needs. Part of this required provision form the unactioned resource consents with the high proportion of this in LFR activity. If some of these proposed stores (i.e. Harvey Norman and other national banner brands) were established this would represent a step forward for Timaru to improving LFR spend internalisation in the district (and retail market credibility).

The other benefit of such development is the ability to increase the inflow of retail expenditure into the Timaru from surrounding districts in these sectors, something Timaru (based on the MarketView data) is missing out on currently, and as such highlights the opportunity available to Timaru.

9. SUMMARY

Between the current on-the-ground provision and the yet to be developed resource consents, there is considered to be enough retail GFA to meet the current and anticipated retail requirements of the district over the foreseeable future when considered as a whole.

The primary shortcomings in terms of provision are in the LFR sectors (excl. supermarket and department stores) but these 'gaps' in the current offer appear to be being addressed with the unactioned retail consents.

Further to this the ongoing improvement of the district's retail centres needs to be maintained in a market that is very competitive and under constant evolution. For Timaru to remain competitive improving the quality of the experience, offer and environment will be important as population growth in the district is projected to be relatively low and slow comparatively and therefore sole reliance of this factor to drive sales growth would be misplaced.

Another important consideration for Timaru is that Christchurch over the next 10 years, as a result of the earthquake rebuild and recovery process, will see many brand new retail environments developed that will be modern environments with higher levels of amenity, and therefore attractive to Timaru shoppers (among others). This is likely to increase the competition for Timaru retailers and the 'pull' on their shopping dollars, making improvements to the centres of increased importance.

Improving Timaru's centres also provides the opportunity for Timaru retailers to 'tap into' other districts spend not currently being captured by increasing market penetration, and therefore higher expenditure capture (sales). Part of this solution requires refurbishment and redevelopment of the relatively high proportion of 'other stores' currently in the network, and making this existing built form (GFA) more productive and efficient. To achieve this investment certainty needs to be given some prominence in the PDP, as its increased investment certainty that fuels reinvestment confidence in existing built stock and centres.

APPENDIX : 1

DEMOGRAPHIC

PROFILING

	TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND	
GENERAL	Population	46,033	581,931	4,558,393
	Households	20,134	237,281	1,764,065
	Person Per Dwelling Ratio	2.29	2.45	2.58
AGE PROFILE	0-4 Years	6%	6%	7%
	5-9 Years	6%	6%	7%
	10-14 Years	7%	6%	7%
	15-19 Years	6%	7%	7%
	20-24 Years	5%	7%	7%
	25-29 Years	5%	6%	6%
	30-34 Years	5%	6%	6%
	35-39 Years	6%	6%	6%
	40-44 Years	7%	7%	7%
	45-49 Years	7%	7%	7%
	50-54 Years	8%	7%	7%
	55-59 Years	7%	6%	6%
	60-64 Years	7%	6%	5%
65 years and Over	21%	16%	14%	
HOUSEHOLD INCOME	\$20,000 or Less	12%	10%	11%
	\$20,001-\$30,000	14%	11%	11%
	\$30,001-\$50,000	21%	18%	18%
	\$50,001-\$70,000	16%	15%	15%
	\$70,001-\$100,000	19%	19%	18%
	\$100,001 or More	18%	27%	28%
PERSONAL INCOME	\$5,000 or Less	11%	12%	15%
	\$5,001-\$10,000	5%	5%	5%
	\$10,001-\$20,000	23%	19%	18%
	\$20,001-\$30,000	17%	14%	14%
	\$30,001-\$50,000	22%	23%	21%
	\$50,001 or More	23%	27%	27%
ETHNICITY	European Ethnic Groups	87%	81%	67%
	Māori Ethnic Group	7%	8%	13%
	Pacific Peoples' Ethnic Groups	1%	2%	7%
	Asian Ethnic Groups	2%	6%	11%
	MELAA Ethnic Groups	0%	1%	1%
	Other Ethnic Groups	2%	2%	2%
QUALIFICATION ATTAINMENT	No Qualification	29%	22%	21%
	Level 1 Certificate	18%	14%	13%
	Level 2 Certificate	12%	11%	11%
	Level 3 Certificate	7%	9%	10%
	Level 4 Certificate	11%	10%	10%
	Level 5 or Level 6 Diploma	9%	10%	9%
	Bachelor Degree and Level 7 Qualifications	7%	12%	14%
	Postgraduate and Honours Degrees	2%	3%	3%
	Masters Degree	1%	2%	3%
	Doctorate Degree	0%	1%	1%
	Overseas Secondary School Qualification	3%	5%	7%

		TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND
EMPLOYMENT	Employed - Full Time	47%	50%	48%
	Employed - Part Time	16%	15%	14%
	Unemployed	3%	3%	5%
	Not in Labour Force	35%	31%	33%
EMPLOYMENT CLASSIFICATION	Managers	17%	18%	19%
	Professionals	15%	20%	23%
	Technicians and Trades Workers	14%	14%	12%
	Community and Personal Service Workers	9%	9%	9%
	Clerical and Administrative Workers	10%	12%	12%
	Sales Workers	9%	9%	9%
	Machinery Operators and Drivers	8%	6%	5%
	Labourers	19%	12%	11%
STUDENT RATIO	Full Time	7%	10%	11%
	Part Time	3%	4%	4%
	Full-time and Part-time Study	0%	0%	0%
	Not Studying	91%	86%	85%
HOUSEHOLD INCOME SOURCES	Wages, Salary, Commissions, Bonuses etc	66%	70%	69%
	Self-employment or Business	19%	22%	22%
	Interest, Dividends, Rent, Other Invest.	29%	30%	27%
	Payments from a Work Accident Insurer	2%	2%	2%
	NZ Superannuation or Veterans Pension	29%	23%	22%
	Other Super., Pensions, Annuities	4%	4%	4%
	Unemployment Benefit	3%	3%	4%
	Sickness Benefit	3%	3%	3%
	Domestic Purposes Benefit	4%	3%	4%
	Invalids Benefit	4%	4%	3%
	Student Allowance	1%	3%	4%
	Other Govt Benefits, Payments or Pension	6%	6%	6%
	Other Sources of Income	2%	3%	3%
No Source of Income During That Time	0%	0%	1%	
INDUSTRY OF EMPLOYMENT	Agriculture, Forestry and Fishing	12%	7%	7%
	Mining	0%	0%	0%
	Manufacturing	18%	12%	10%
	Electricity, Gas, Water and Waste Services	1%	1%	1%
	Construction	8%	11%	8%
	Wholesale Trade	5%	5%	5%
	Retail Trade	12%	10%	10%
	Accommodation and Food Services	5%	5%	6%
	Transport, Postal and Warehousing	5%	4%	4%
	Information Media and Telecommunications	1%	1%	2%
	Financial and Insurance Services	2%	3%	4%
	Rental, Hiring and Real Estate Services	2%	2%	2%
	Professional, Scientific and Technical Services	4%	8%	9%
	Administrative and Support Services	2%	3%	3%
	Public Administration and Safety	3%	4%	5%
	Education and Training	7%	7%	8%
	Health Care and Social Assistance	11%	10%	10%
	Arts and Recreation Services	1%	2%	2%
	Other Services	4%	4%	4%

		TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND
HOUSEHOLDS	Single	28%	24%	23%
	Couple	35%	32%	29%
	Single Parent With Children	10%	10%	13%
	Two Parent Family	24%	29%	30%
	Other Multi-person	3%	5%	5%
NUMBER OF RESIDENTS	1 Residents	28%	24%	23%
	2 Residents	41%	36%	34%
	3 Residents	13%	16%	16%
	4 Residents	11%	15%	15%
	5 Residents	5%	6%	7%
	6 Residents	1%	2%	3%
	7 Residents	0%	1%	1%
	8 Plus Residents	0%	0%	1%
HOME OWNERSHIP	Dwelling Owned or Partly Owned	59%	55%	50%
	Dwelling Not Owned and Not Held in a Family Trust	27%	32%	35%
	Dwelling Held in a Family Trust	14%	14%	15%
YEARS AT RESIDENCE	0 Years	19%	22%	22%
	1-4 Years	28%	30%	30%
	5-9 Years	21%	21%	21%
	10-14 Years	12%	11%	11%
	15-29 Years	14%	12%	11%
	30 Years or More	6%	5%	5%
NUMBER OF BEDROOMS	One Bedroom	4%	5%	6%
	Two Bedrooms	21%	21%	19%
	Three Bedrooms	48%	44%	45%
	Four Bedrooms	22%	24%	23%
	Five Bedrooms	4%	5%	6%
	Six Bedrooms	1%	1%	1%
	Seven Bedrooms	0%	0%	0%
	Eight or More Bedrooms	0%	0%	0%
WEEKLY RENT PAID	Under \$100	25%	10%	9%
	\$100-\$149	12%	10%	7%
	\$150-\$199	19%	7%	8%
	\$200-\$249	24%	12%	10%
	\$250-\$299	14%	16%	13%
	\$300-\$349	4%	15%	14%
	\$350 and Over	2%	30%	39%

APPENDIX : 2 PEL RETAIL EXPENDITURE MODEL

This overview outlines the methodology that has been used to estimate retail spend generated at Census Area Unit (CAU) level for the identified catchment out to 2031.

CAU 2006 Boundaries

All analysis has been based on Census Area Unit 2013 boundaries, the most recent available.

Permanent Private Households (PPH) 2013

These are the total Occupied Households as determined by the Census 2013. PPHs are the primary basis of retail spend generation and account for approximately 71% of all retail sales. PPHs have regard for (exclude) the proportion of dwellings that are vacant at any one time in a locality, which can vary significantly, and in this respect account for the movement of some domestic tourists.

Permanent Private Household Forecasts 2006-2031

These are based on Statistics NZ Census Area Unit (CAU) Medium Series Population Growth Projections and have been adjusted to account for residential building consent activity occurring between 2006 and 2011, with this extrapolated to the year of concern. This accounts for recent building activity, particularly important for the 5-10 year forecasts, and effectively updates Statistics NZ projections to reflect recent trends.

International Tourist Spend

The total international tourism retail spend has been derived from the Ministry of Economic Development Tourism Strategy Group (MEDTSG) estimates nationally. This has been distributed regionally on a 'spend per employee' basis, using regional spend estimates prepared by the MEDTSG. Domestic and business based tourism spend is incorporated in the employee and PPH estimates. Employees are the preferred basis for distributing regional spend geo-spatially as tourists tend to gravitate toward areas of commercial activity, however they are very mobile.

Total Tourist Spend Forecast

Growth is conservatively forecast in the model at 2% per annum for the 2011-2031 period.

2013-2031 PPH Average Household Retail Spend

This has been determined by analysing the national relationship between PPH average household income (by income bracket) as determined by the 2013 Census, and the average PPH expenditure of retail goods (by income bracket) as determined by the Household Economic Survey (HES) prepared by Statistics NZ.

While there are variables other than household income that will affect retail spending levels, such as wealth, access to retail, population age, household types and cultural preferences, the effects of these are not able to be assessed given data limitations, and have been excluded from these estimates.

Real Retail Spend Growth (excl. trade based retailing)

Real retail spend growth has been factored in at 1% per annum. This accounts for the increasing wealth of the population and the subsequent increase in retail spend. The following explanation has been provided.

Retail Spend is an important factor in determining the level of retail activity and hence the 'sustainable amount' of retail floorspace for a given catchment. For the purposes of this outline 'retail' is defined by the following categories:

- Food Retailing
- Footwear
- Clothing and Softgoods
- Furniture and Floor coverings
- Appliance Retailing
- Chemist
- Department Stores
- Recreational Goods
- Cafes, Restaurants and Takeaways
- Personal and Household Services
- Other Stores.

These are the retail categories as currently defined by the ANZSIC codes (Australia New Zealand Standard Industry Classification).

Assessing the level and growth of retail spend is fundamental in planning for retail networking and land use within a regional network.

Internet Retail Spend Growth

Internet retailing within New Zealand has seen significant growth over the last few decades. This growth has led to an increasing variety of business structures and retailing methods including; internet auctions, just-in-time retailing, online ordering, virtual stores, and etc.

As some of internet spend is being made to on-the-ground stores, a proportion of internet expenditure is being represented in the Statistics NZ Retail Trade Survey (RTS) while a large majority remain unrecorded. At the same time this expenditure is being recorded under the Household Economic Survey (HES) as part of household retail spend, making the two datasets incompatible. For this reason Property Economics has assumed a flat 5% adjustment percentage on HES retail expenditure, representing internet retailing that was never recorded within the RTS.

Additionally, growth of internet retailing for virtual stores, auctions and overseas stores is leading to a decrease in on-the-ground spend and floorspace demand. In order to account for this, a non-linear percentage decrease of 2.5% in 2016 growing to 9% by 2031 has been applied to retail expenditure encompassing all retail categories in our retail model. These losses represent the retail diversion from on-the-ground stores to internet based retailing that will no longer contribute to retail floorspace demand.

Retail Spend Determinants

Retail Spend for a given area is determined by: the population, number of households, size and composition of households, income levels, available retail offer and real retail growth. Changes in any of these factors can have a significant impact on the available amount of retail spend generated by the area. The coefficient that determines the level of 'retail spend' that eventuates from these factors is the MPC (Marginal Propensity to Consume). This is how much people will spend of their income on retail items. The MPC is influenced by the amount of disposable and discretionary income people are able to access.

Retail Spend Economic Variables

Income levels and household MPC are directly influenced by several macroeconomic variables that will alter the amount of spend. Real retail growth does not rely on the base determinants

changing but a change in the financial and economic environment under which these determinants operate. These variables include:

Interest Rates: Changing interest rates has a direct impact upon households' discretionary income as a greater proportion of income is needed to finance debt and typically lowers general domestic business activity. Higher interest rates typically lower real retail growth.

Government Policy (Spending): Both Monetary and Fiscal Policy play a part in domestic retail spending. Fiscal policy, regarding government spending, has played a big part recently with government policy being blamed for inflationary spending. Higher government spending (targeting on consumer goods, direct and indirectly) typically increases the amount of nominal retail spend. Much of this spend does not, however, translate into floorspace since it is inflationary and only serves to drive up prices.

Wealth/Equity/Debt: This in the early-mid 2000s had a dramatic impact on the level of retail spending nationally. The increase in property prices has increased home owners unrealised equity in their properties. This has led to a significant increase in debt funded spending, with residents borrowing against this equity to fund consumable spending. This debt spending is a growth facet of New Zealand retail. In 1960 households saved 14.6% of their income, while households currently spend 14% more than their household income.

Inflation: As discussed above, this factor may increase the amount spent by consumers but typically does not dramatically influence the level of sustainable retail floorspace. This is the reason that productivity levels are not adjusted but similarly inflation is factored out of retail spend assessments.

Exchange Rate: Apart from having a general influence over the national balance of payments accounts, the exchange rate directly influences retail spending. A change in the \$NZ influences the price of imports and therefore their quantity and the level of spend.

General consumer confidence: This indicator is important as consumers consider the future and the level of security/finances they will require over the coming year.

Economic/Income growth: Income growth has a similar impact to confidence. Although a large proportion of this growth may not impact upon households MPC (rather just increasing the

income determinant) it does impact upon households discretionary spending and therefore likely retail spend.

Mandatory Expenses: The cost of goods and services that are necessary has an impact on the level of discretionary income that is available from a households disposal income. Important factors include housing costs and oil prices. As these increase the level of household discretionary income drops reducing the likely real retail growth rate.

Current and Future Conditions

Retail spend has experienced a significant real increase in the early-mid 2000s. This was due in large part to the increasing housing market. Although retail growth is tempered or crowded out in some part by the increased cost of housing it showed massive gains as home owners, prematurely, access their potential equity gains. This resulted in strong growth in debt / equity spending as residents borrow against capital gains to fund retail spending on consumption goods. A seemingly strong economy also influenced these recent spending trends, with decreased employment and greater job security producing an environment where households were more willing to accept debt.

Over the last 5 years this has now reversed with the worldwide GFC recession taken grip. As such, the economic environment has undergone rapid transformation. The national market is currently experiencing low interest rates (although expected to increase over this coming year) and a highly inflated \$NZ (increasing importing however disproportionately). Now emerging is a rebound in the property market and an increase in general business confidence as the economy starts to recover from the post-GFC hangover. These factors will continue to influence retail spending throughout the next 5 or so years. Given the previous years (pre-2008) substantial growth and high levels of debt repayment likely to be experienced by New Zealand households it is expected that real retail growth rates will continue to be subdued for the short term.

Impacts of Changing Retail Spend

At this point in time a 1% real retail growth rate is being applied by Property Economics over the longer term 20 year period. This rate is highly volatile however and is likely to be in the order of 0.5% to 1% over the next 5 – 10 years rising to 1% - 2% over the more medium term as the economy stabilises and experiences cyclical growth. This would mean that it would be prudent in the shorter term to be conservative with regard to the level of sustainable retail floorspace within given centres.

Business Spend 2013

This is the total retail spend generated by businesses. This has been determined by subtracting PPH retail spend and Tourist retail spend from the Total Retail Sales as determined by the Retail Trade Survey (RTS) which is prepared by Statistics NZ. All categories are included with the exception of accommodation and automotive related spend. In total, Business Spend accounts for 26% of all retail sales in NZ. Business spend is distributed based on the location of employees in each Census Area Unit and the national average retail spend per employee.

Business Spend Forecast 2013-2031

Business spend has been forecasted at the same rate of growth estimated to be achieved by PPH retail sales in the absence reliable information on business retail spend trends. It is noted that while working age population may be decreasing as a proportion of total population, employees are likely to become more productive over time and therefore offset the relative decrease in the size of the total workforce.

APPENDIX : 3 ANZSIC RETAIL CATEGORIES

AUSTRALIAN AND NEW ZEALAND STANDARD INDUSTRIAL CLASSIFICATION (ANZSIC) 2006

DIVISION G – RETAIL TRADE

The Retail Trade Division includes units mainly engaged in the purchase and on selling of goods, without significant transformation, to the general public. Units are classified to the Retail Trade Division in the first instance if they buy goods and then on sell them (including on a commission basis) to the general public. Retail units generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. The display and advertising of goods may be physical or electronic.

Physical display and advertising includes shops, printed catalogues, billboards and print advertisements. Electronic display and advertising includes catalogues, internet websites, television and radio advertisements and infomercials. While non-store retailers, by definition, do not possess the physical characteristics of traditional retail units with a physical shop-front location, these units share the requisite function of the purchasing and on selling of goods to the general public, and are therefore included in this division.

A unit which sells to both businesses and the general public will be classified to the Retail Trade Division if it operates from shop-front premises, arranges and displays stock to attract a high proportion of walk-in customers and utilises mass media advertising to attract customers.

The buying of goods for resale to the general public is a characteristic of Retail Trade units that distinguishes them from units in the Agriculture, Forestry and Fishing; Manufacturing; and Construction industries. For example, farms that sell their products, at or from, the point of production are not classified in Retail Trade, but rather in Agriculture as the production of agricultural output are these units primary activity. Units in all these industries provide their output to the market for sale. Similarly, units that both manufacture and sell their products to the general public are not classified in Retail Trade, but rather in Manufacturing.

Wholesale units also engage in the buying of goods for resale, but typically operate from a warehouse or office and neither the design nor the location of these premises is intended to solicit a high volume of walk-in traffic. In general, wholesale units have large storage facilities and small display area, while the reverse is true for retail units. Units in Retail often undertake non-retail secondary activities, such as watch and jewellery stores, that undertake repairs of these goods as well as retailing new items. However, units whose primary activity is the provision of repair and maintenance services are excluded from this division, and are classified to the Other Services Division.

411 SUPERMARKET AND GROCERY STORES

4110 Supermarket and Grocery Stores

This class consists of units mainly engaged in retailing groceries or non-specialised food lines (including convenience stores), whether or not the selling is organised on a self-service basis.

Primary activities

- Convenience store operation
- Grocery retailing
- Grocery supermarket operation

Exclusions/References

Units mainly engaged in retailing specialised food lines are included in the appropriate classes of Group 412 Specialised Food Retailing.

412 SPECIALISED FOOD RETAILING

4121 Fresh Meat, Fish and Poultry Retailing

This class consists of units mainly engaged in retailing fresh meat, fish or poultry.

Primary Activities

- Butcher's shop operation (retail)
- Fish, fresh, retailing
- Meat, fresh, retailing
- Poultry, fresh, retailing
- Seafood, fresh, retailing

4122 Fruit and Vegetable Retailing

This class consists of units mainly engaged in retailing fresh fruit or vegetables.

Primary activities

- Fruit, fresh, retailing
- Greengrocery operation (retail)
- Vegetable, fresh, retailing

4123 Liquor Retailing

This class consists of units mainly engaged in retailing beer, wine or spirits for consumption off the premises only.

Primary activities

- Alcoholic beverage retailing (for consumption off the premises only)

Exclusions/References

Units mainly engaged in selling alcoholic beverages for consumption on the premises, such as hotels, bars and similar units (except hospitality clubs), are included in Class 4520 Pubs, Taverns and Bars.

4129 Other Specialised Food Retailing

This class consists of units mainly engaged in retailing specialised food lines, such as confectionery or small goods or bread and cakes (not manufactured on the same premises).

Primary activities

- Biscuit retailing (not manufactured on the same premises)
- Bread retailing (not manufactured on the same premises)
- Bread vendor (not manufactured on the same premises)
- Cake retailing (not manufactured on the same premises)
- Confectionery retailing
- Non-alcoholic drinks retailing
- Pastry retailing (not manufactured on the same premises)
- Small goods retailing
- Specialised food retailing n.e.c.

Exclusions/References

Units mainly engaged in

- retailing a wide range of food lines are included in Class 4110 Supermarket and Grocery Stores;
- providing food services for immediate consumption for taking away or consumption in limited seating areas are included in Class 4512 Takeaway Food Services;
- manufacturing bakery products and selling those products from the same premises are included in Class 1174 Bakery Product Manufacturing (Non-factory based); and
- retailing food through vending machines or other non-store means (except mobile vans) are included in Class 4310 Non-Store Retailing.

421 FURNITURE, FLOOR COVERINGS, HOUSEWARE AND TEXTILE GOODS RETAILING

4211 Furniture Retailing

This class consists of units mainly engaged in retailing furniture, blinds or awnings.

Primary activities

- Antique reproduction furniture retailing
- Awning retailing
- Blind retailing
- Furniture retailing
- Mattress retailing

Exclusions/References

Units mainly engaged in

- the installation of household blinds or awnings are included in Class 3239 Other Building Installation Services;

- manufacturing blinds or awnings are included in the appropriate classes of Division C Manufacturing, according to the materials used in the manufacturing process;
- retailing second-hand or antique furniture are included in Class 4273 Antique and Used Goods Retailing; and
- retailing curtains are included in Class 4214 Manchester and Other Textile Goods Retailing.

4212 Floor Coverings Retailing

This class consists of units mainly engaged in retailing floor coverings (except ceramic floor tiles).

Primary activities

- Carpet retailing
- Floor coverings retailing (except ceramic floor tiles)
- Floor rug retailing
- Floor tile retailing (lino, vinyl, cork, carpet or rubber)
- Parquetry retailing

Exclusions/References

Units mainly engaged in

- laying floor coverings are included in the appropriate classes of Division E Construction; and
- retailing ceramic floor tiles are included in Class 4231 Hardware and Building Supplies Retailing.

4213 Houseware Retailing

This class consists of units mainly engaged in retailing kitchenware, china, glassware, silverware or other houseware goods.

Primary activities

- Brushware retailing
- Chinaware retailing
- Cooking utensil retailing (except electric)
- Crockery retailing
- Cutlery retailing
- Enamelware retailing
- Glassware retailing
- Kitchenware retailing
- Picnicware retailing
- Plastic container retailing
- Silverware retailing

Exclusions/References

Units mainly engaged in retailing electric cooking utensils are included in Class 4221 Electrical, Electronic and Gas Appliance Retailing.

4214 Manchester and Other Textile Goods Retailing

This class consists of units mainly engaged in retailing fabrics, curtains or household textiles.

Primary activities

- Blanket retailing
- Curtain retailing
- Dressmaking requisites retailing
- Fabric, textile, retailing
- Household textile retailing
- Linen retailing
- Piece-goods retailing
- Soft furnishing retailing
- Yarn retailing

Exclusions/References

Units mainly engaged in

- installing awnings, blinds, shutters or curtains are included in Class 3239 Other Building Installation Services; and
- manufacturing curtains or cushions are included in Class 1333 Cut and Sewn Textile Product Manufacturing.

422 ELECTRICAL AND ELECTRONIC GOODS RETAILING

4221 Electrical, Electronic and Gas Appliance Retailing

This class consists of units mainly engaged in retailing electrical, electronic or gas appliances (except computers and computer peripherals).

Primary activities

- Air conditioner retailing
- Appliance, electric, retailing
- Barbecue retailing
- Camera retailing
- Compact disc player retailing
- Cooking utensil, electric, retailing
- Digital versatile disc (DVD) player retailing
- Electronic beeper retailing
- Fan, electric, retailing
- Floor polisher, electric, retailing
- Gas appliance retailing
- Heating equipment, electric or gas, retailing
- Mobile phone retailing
- Modem retailing
- Pager retailing
- Pocket calculator, electronic, retailing

- Projector retailing
- Radio receiving set retailing (except car radios)
- Refrigerator, retailing
- Shaver, electric, retailing
- Sound reproducing equipment retailing
- Stereo retailing
- Stove, retailing
- Television antennae retailing
- Television set retailing
- Two-way radio equipment retailing
- Vacuum cleaner retailing
- Video cassette recorder (VCR) retailing
- Washing machine retailing

Exclusions/References

Units mainly engaged in

- retailing computer or computer peripheral equipment are included in Class 4222 Computer and Computer Peripheral Retailing;
- retailing CDs, DVDs or other entertainment media are included in Class 4242 Entertainment Media Retailing;
- retailing car radios are included in Class 3921 Motor Vehicle Parts Retailing;
- installing heating, refrigeration or air conditioning equipment are included in Class 3233 Air Conditioning and Heating Services;
- hiring household appliances are included in Class 6639 Other Goods and Equipment Rental and Hiring n.e.c.; and
- repairing and maintaining electrical, electronic and gas domestic appliances are included in Class 9421 Domestic Appliance Repair and Maintenance.

4222 Computer and Computer Peripheral Retailing

This class consists of units mainly engaged in retailing computers or computer peripheral equipment.

Primary activities

- Compact disc burner retailing
- Computer equipment retailing
- Computer game console retailing
- Computer hardware retailing
- Computer software retailing (except computer games)
- Printer retailing
- Visual display unit (VDU) retailing

Exclusions/References

Units mainly engaged in retailing computer games are included in Class 4242 Entertainment Media Retailing.

4229 Other Electrical and Electronic Goods Retailing

This class consists of units mainly engaged in retailing electrical and electronic goods not elsewhere classified.

Primary activities

- Dry cell battery retailing
- Electric light fittings retailing
- Electrical goods retailing n.e.c.
- Electronic goods retailing n.e.c.

423 HARDWARE, BUILDING AND GARDEN SUPPLIES RETAILING

4231 Hardware and Building Supplies Retailing

This class consists of units mainly engaged in retailing hardware or building supplies.

Primary activities

- Carpenters' tool retailing
- Cement retailing
- Ceramic floor tile retailing
- Garden tool retailing
- Hardware retailing
- Lacquer retailing
- Lawn mower retailing
- Lock retailing
- Mineral turpentine retailing
- Nail retailing
- Paint retailing
- Plumbers' fittings retailing
- Plumbers' tools retailing
- Timber retailing
- Tool retailing
- Wallpaper retailing
- Woodworking tool retailing

Exclusions/References

Units mainly engaged in

- wholesaling builders' hardware or supplies (except plumbing supplies) are included in Class 3339 Other Hardware Goods Wholesaling; and
- wholesaling timber are included in Class 3331 Timber Wholesaling.

4232 Garden Supplies Retailing

This class consists of units mainly engaged in retailing garden supplies or nursery goods.

Primary activities

- Bulb, flower, retailing
- Fertiliser retailing
- Garden ornament retailing
- Garden supplies retailing n.e.c.
- Nursery stock retailing
- Pesticide retailing
- Plant, garden, retailing
- Pot plant retailing
- Seedlings retailing
- Seed, garden, retailing
- Shrub or tree retailing
- Tuber, flower, retailing

Exclusions/References

Units mainly engaged in retailing cut flowers are included in Class 4274 Flower Retailing.

424 RECREATIONAL GOODS RETAILING

4241 Sport and Camping Equipment Retailing

This class consists of units mainly engaged in retailing sporting goods, camping equipment or bicycles.

Primary activities

- Ammunition retailing
- Bicycle retailing
- Camping equipment retailing
- Canoe retailing
- Equestrian equipment retailing
- Fishing tackle retailing
- Fitness equipment retailing
- Golfing equipment retailing
- Gun or rifle retailing
- Gymnasium equipment retailing
- Sailboard retailing
- Snow ski retailing
- Sporting equipment retailing (except clothing or footwear)
- Wetsuit retailing

Exclusions/References

Units mainly engaged in

- retailing sports apparel (clothing and footwear) are included in Classes 4251 Clothing Retailing and 4252 Footwear Retailing; and
- retailing new or used boats are included in Class 4245 Marine Equipment Retailing.

4242 Entertainment Media Retailing

This class consists of units mainly engaged in retailing audio tapes, compact discs, computer games, digital versatile discs or video cassettes.

Primary activities

- Audio cassette retailing
- Compact disc retailing
- Computer game retailing
- Digital versatile disc (DVD) retailing
- Video cassette retailing

Exclusions/References

Units mainly engaged in

- retailing second-hand records, tapes, CDs, DVDs or videos are included in Class 4273 Antique and Used Goods Retailing;
- retailing CD players, DVD players, VCRs or other appliances are included in Class 4221 Electrical, Electronic and Gas Appliance Retailing; and
- retailing computers and computer peripherals are included in Class 4222 Computer and Computer Peripheral Retailing.

4243 Toy and Game Retailing

This class consists of units mainly engaged in retailing toys or games (except computer games).

Primary activities

- Doll retailing
- Game retailing
- Toy retailing

Exclusions/References

Units mainly engaged in retailing computer games are included in Class 4242 Entertainment Media Retailing.

4244 Newspaper and Book Retailing

This class consists of units mainly engaged in retailing books, periodicals and newspapers.

Primary activities

- Book retailing
- Magazine retailing
- Newspaper retailing
- Periodical retailing
- Religious book retailing

Exclusions/References

Units mainly engaged in

- retailing stationery and writing goods are included in Class 4272 Stationery Goods Retailing; and

- retailing second-hand books are included in Class 4273 Antique and Used Goods Retailing.

425 CLOTHING, FOOTWEAR AND PERSONAL ACCESSORY RETAILING

4251 Clothing Retailing

This class consists of units mainly engaged in retailing clothing or clothing accessories.

Primary activities

- Clothing accessory retailing
- Clothing retailing
- Foundation garment retailing
- Fur clothing retailing
- Glove retailing
- Hosiery retailing
- Leather clothing retailing
- Millinery retailing
- Sports clothing retailing
- Work clothing retailing

Exclusions/References

Units mainly engaged in

- retailing second-hand clothing are included in Class 4273 Antique and Used Goods Retailing; and
- retailing personal accessories (except clothing and footwear) are included in Class 4259 Other Personal Accessory Retailing.

4252 Footwear Retailing

This class consists of units mainly engaged in retailing boots, shoes or other footwear.

Primary activities

- Boot retailing
- Footwear retailing
- Shoe retailing
- Sports footwear retailing

4253 Watch and Jewellery Retailing

This class consists of units mainly engaged in retailing new watches and jewellery (except clocks and silverware).

Primary activities

- Jewellery retailing
- Watch retailing

Exclusions/References

- Units mainly engaged in
- retailing second-hand jewellery are included in Class 4273 Antique and Used Goods Retailing;
- retailing clocks are included in Class 4279 Other Store-Based Retailing n.e.c.; and
- retailing silverware are included in Class 4213 Houseware Retailing.

4259 Other Personal Accessory Retailing

This class consists of units mainly engaged in retailing other personal accessories, including new handbags, sunglasses, leather goods, luggage and other personal accessories not elsewhere classified.

Primary activities

- Briefcase retailing
- Handbag retailing
- Leather goods retailing (except clothing and footwear)
- Luggage retailing
- Personal accessory retailing n.e.c.
- Sunglass retailing
- Umbrella retailing
- Wig retailing

Exclusions/References

Units mainly engaged in

- retailing leather clothing are included in Class 4251 Clothing Retailing; and
- retailing leather footwear are included in Class 4252 Footwear Retailing.

426 DEPARTMENT STORES

4260 Department Stores

This class consists of units engaged in retailing a wide variety of goods, other than food or groceries, but the variety is such that no predominant activity can be determined. These units have predominant retail sales in at least four of the following six product groups:

- Clothing
- Furniture
- Kitchenware, china, glassware and other housewares
- Textile goods
- Electrical, electronic and gas appliances
- Perfumes, cosmetics and toiletries

The products primary to these headings, as well as other products, are normally sold by or displayed in separate departments or sections supervised by managers (with specialised product knowledge) within the store, and, generally, merchandising, advertising, customer service, accounting and budgetary control functions are undertaken on a departmentalised basis.

Primary activities

- Department store operation

Exclusions/References

Units mainly engaged in

- retailing food and groceries on a departmentalised basis are included in Class 4110 Supermarket and Grocery Stores;
- retailing clothing; furniture; kitchenware, china, glassware and other housewares; textile goods; electrical, electronic and gas appliances; or perfumes, cosmetics and toiletries on a specialised basis are included in the appropriate classes of Subdivision 42 Other Store-Based Retailing; and
- retailing a wide variety of products that are not sold, displayed, managed or administered on a departmentalised basis (i.e. gift shops or souvenir shops) are included in Class 4279 Other Store-Based Retailing n.e.c.

427 PHARMACEUTICAL AND OTHER STORE-BASED RETAILING

4271 Pharmaceutical, Cosmetic and Toiletry Goods Retailing

This class consists of units mainly engaged in retailing prescription drugs or patent medicines, cosmetics or toiletries.

Primary activities

- Cosmetic retailing
- Drug retailing
- Patent medicine retailing
- Perfume retailing
- Pharmacy, retail, operation
- Prescription, medicine, dispensing
- Toiletry retailing

4272 Stationery Goods Retailing

This class consists of units mainly engaged in retailing stationery goods and writing materials.

Primary activities

- Artists' supplies retailing
- Ink retailing
- Note book retailing
- Pen or pencil retailing
- Stationery retailing
- Writing material retailing

Exclusions/References

Units mainly engaged in retailing books or magazines are included in Class 4244 Newspaper and Book Retailing.

4273 Antique and Used Goods Retailing

This class consists of units mainly engaged in retailing antiques or second-hand goods (except motor vehicles or motor cycles and parts).

Primary activities

- Antique retailing
- Coin dealing (retailing)
- Disposals retailing
- Pawnbroking
- Second-hand book retailing
- Second-hand cloth retailing
- Second-hand electrical, electronic or computer equipment retailing
- Second-hand furniture retailing
- Second-hand goods retailing n.e.c.
- Second-hand jewellery retailing
- Second-hand record, tape, CD, DVD or videos retailing
- Second-hand sports card retailing
- Stamp, collectible, dealing (retailing)

Exclusions/References

Units mainly engaged in

- retailing second-hand motor vehicles are included in Class 3911 Car Retailing;
- retailing second-hand motor cycles are included in Class 3912 Motor Cycle Retailing;
- retailing second-hand motor vehicle or motor cycle parts are included in Class 3921 Motor Vehicle Parts Retailing; and
- providing auctioning services are included in Class 3800 Commission-Based Wholesaling.

4274 Flower Retailing

This class consists of units mainly engaged in retailing cut flowers or display foliage.

Primary Activities

- Cut flower retailing
- Display foliage retailing
- Dried flower retailing
- Florist, retail, operation

4279 Other Store-Based Retailing n.e.c.

This class consists of units mainly engaged in retailing goods not elsewhere classified from store-based premises.

Primary activities

- Art gallery operation (retail)
- Binocular retailing
- Bottled liquefied petroleum gas (LPG) retailing
- Briquette retailing

- Clock retailing
- Coal retailing
- Coke retailing
- Computer consumables (toners, inks) retailing
- Craft goods retailing
- Duty free store operation
- Firewood retailing
- Firework retailing
- Greeting card retailing
- Ice retailing
- Map retailing
- Musical instrument retailing
- Pet and pet accessory retailing
- Photographic chemical retailing
- Photographic film or paper retailing
- Pram retailing
- Religious goods (except books) retailing
- Specialty stores n.e.c.
- Store-based retailing n.e.c.
- Swimming pool retailing
- Tobacco product retailing
- Variety store operation

Exclusions/References

Units mainly engaged in

- retailing second-hand sports cards are included in Class 4273 Antique and Used Goods Retailing;
- retailing religious books are included in Class 4244 Newspaper and Book Retailing;
- retailing goods without the use of a shop front or physical store presence are included in Class 4310 Non-Store Retailing; and
- retailing goods on a commission basis are included in Class 4320 Retail Commission-Based Buying and/or Selling.

451 CAFES, RESTAURANTS AND TAKEAWAY FOOD SERVICES

4511 Cafes and Restaurants

This class consists of units mainly engaged in providing food and beverage serving services for consumption on the premises. Customers generally order and are served while seated (i.e. waiter/waitress service) and pay after eating.

Primary activities

- Cafe operation
- Restaurant operation

Exclusions/References

Units mainly engaged in

- providing food ready to be taken away for immediate consumption are included in Class 4512 Takeaway Food Services;
- providing catering services (including airline food catering services) at specified locations or events are included in Class 4513 Catering Services;
- selling alcoholic beverages both for consumption on and off the premises are included in Class 4520 Pubs, Taverns and Bars; and
- operating theatre restaurants mainly engaged in providing live theatrical productions with food and beverages are included in Class 9001 Performing Arts Operation.

4512 Takeaway Food Services

This class consists of units mainly engaged in providing food services ready to be taken away for immediate consumption. Customers order or select items and pay before eating. Items are usually provided in takeaway containers or packaging. Food is either consumed on the premises in limited seating facilities, taken away by the customer or delivered. This class also includes units mainly engaged in supplying food services in food halls and food courts.

Primary activities

- Juice bar operation
- Mobile food van operation
- Takeaway food operation

Exclusions/References

Units mainly engaged in

- providing food services for consumption on the premises only are included in Class 4511 Cafes and Restaurants;
- providing catering services (including airline food catering services) at specified locations or events are included in Class 4513 Catering Services;
- retailing baked goods manufactured on the same premises are included in Class 1174 Bakery Product Manufacturing (Non-factory based);
- retailing baked goods manufactured at other premises are included in Class 4129 Other Specialised Food Retailing; and
- retailing beer, wine or spirits for consumption off the premises only are included in Class 4123 Liquor Retailing.
- Cafes and Restaurants;
- providing food ready to be taken away for immediate consumption are included in Class 4512 Takeaway Food Services; and
- manufacturing food products (including snack foods and prepared meals) are included in Class 1199 Other Food Product Manufacturing n.e.c.

452 PUBS, TAVERNS AND BARS

4520 Pubs, Taverns and Bars

This class consists of hotels, bars or similar units (except hospitality clubs) mainly engaged in serving alcoholic beverages for consumption on the premises, or in selling alcoholic beverages both for consumption on and off the premises. These units may also provide food services and/or present live entertainment.

Primary activities

- Bar operation

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- Hotel bar operation
 - Night club operation
 - Pub operation
 - Tavern operation
 - Wine bar operation

Exclusions/References

Units mainly engaged in

- retailing alcoholic beverages for consumption off the premises only are included in Class 4123 Liquor Retailing; and
- operating hospitality clubs are included in Class 4530 Clubs (Hospitality).