

Attachment F

Economic Need and Impact Assessment Report

Norling Consulting Pty Ltd
Level 5, 320 Adelaide Street
GPO Box 5061
Brisbane Qld 4001
ABN: 92 082 232 540

mail@norling.com.au
www.norling.com.au

Company Director
Jon Norling

Norling Consulting^{Pty Ltd}
Business & Property Economics

Economic Need & Impact Assessment 81, 83 & 85 School Road, Logan Reserve

Prepared for Lexen Pty Ltd
September 2017

Prepared by:

Jon Norling, Director

Hannah Seymour, Consultant

Norling Consulting^{Pty Ltd}
Business & Property Economics

Warranty:

This report has been based upon the most up to date readily available information at this point in time, as documented in this report. Norling Consulting Pty Ltd has applied due professional care and diligence in accordance with generally accepted standards of professional practice in undertaking the analysis contained in this report from these information sources. Norling Consulting Pty Ltd shall not be liable for damages arising from any errors or omissions which may be contained within these information sources.

As this report involves future market projections which can be affected by a number of unforeseen variables, they represent our best possible estimates at this point in time and no warranty is given that this particular set of projections will in fact eventuate.

CONTENTS

1	Introduction.....	3
1.1	Background.....	3
1.2	Study Objectives	3
1.3	Report Structure.....	4
2	The Proposed Development.....	5
2.1	Context	5
2.2	The Proposed Development.....	7
2.3	Planning Framework.....	8
3	Trade Area Analysis.....	10
3.1	Trade Area Definition	10
3.2	Population and Household Growth.....	12
3.3	Demographic and Socio-economic Characteristics	14
4	The Centres Network.....	18
4.1	Centres Hierarchy	18
4.2	Relevant Centres Network.....	19
5	Demand Analysis.....	23
5.1	Retail Expenditure Base	23
5.2	Market Share Analysis	24
5.3	Rogue Expenditure.....	26
5.4	Demand for Retail Facilities.....	26
6	Need & Impact Analysis	28
6.1	Need Analysis	28
6.2	Impact Analysis.....	29
7	Conclusion	31

1 INTRODUCTION

1.1 Background

Norling Consulting Pty Ltd was commissioned by Lexen Pty Ltd to prepare an Economic Need and Impact Assessment for a Neighbourhood Centre to be located at 81, 83 and 85 School Road, Logan Reserve.

Lexen Pty Ltd has control of a 10.41ha site that is located within the Urban Footprint, in a Future Development Area zoned Emerging Community. An application is to be lodged with respect to developing 145 lots, including an 8,762m² lot to accommodate a Neighbourhood Centre. Council has indicated that an Economic Need and Impact Assessment is required to demonstrate the need and demand for and impact of the centre.

Planning Scheme Policy 2 of the Logan Planning Scheme (2015 version 5.0) sets out the purpose and requirements for Economic Need and Impact Assessments, which are satisfied in this Assessment.

Norling Consulting is an experienced economic and market research consultancy based in South East Queensland. We have considerable experience in providing advice to the property sector, including retail, commercial offices, industrial, tourism and residential projects. Indeed, Norling Consulting has considerable experience in examining the trading potential of shopping centres across South East Queensland, including Logan City.

1.2 Study Objectives

The main objectives of this Economic Need and Impact Assessment are to:

- a) Demonstrate the level of community, economic and planning need for the proposed centre;
- b) Demonstrate that the development is of an appropriate size;
- c) Identify and address the economic impacts associated with the development and the effects on existing and designated centres; and

- d) Demonstrate that there are no other sites available in a designated centre or sequentially closer to a designated centre that could accommodate the proposed development.

1.3 Report Structure

This Assessment is structured as follows:

- *Chapter 1: Introduction* - This Chapter outlines the background, objectives and structure of this Economic Need and Impact Assessment.
- *Chapter 2: The Proposed Development* - This Chapter provides a contextual overview of the proposed development, subject site and its location and planning context.
- *Chapter 3: Trade Area Analysis* - This Chapter defines a Trade Area, projects its population and describes its likely demographic and socio-economic characteristics.
- *Chapter 4: The Centres Network* - This Chapter describes the centres hierarchy outlined in the planning framework and identifies the relevant centre network.
- *Chapter 5: Demand Analysis* - This Chapter outlines the demand for retail floorspace within the Trade Area based on the 2009/10 Australian Bureau of Statistics Household Expenditure Survey, subsequent data releases and the demographic characteristics of the Trade Area.
- *Chapter 6: Need and Impact Analysis* - This Chapter discusses the need for the proposed development to be located at the subject site and the potential impacts resulting from its development.
- *Chapter 7: Conclusion* - This Chapter summarises the key findings of the Assessment.

This Assessment has been prepared by:

- a) Jon Norling, Director of Norling Consulting, Bachelor of Commerce and more than 30 years experience in assessing the economic aspects of property development, including centres; and
- b) Hannah Seymour, Consultant of Norling Consulting, Bachelor of Business/Bachelor of Tourism Management and more than 10 years experience in assessing the economic aspects of property development, including centres.

2 THE PROPOSED DEVELOPMENT

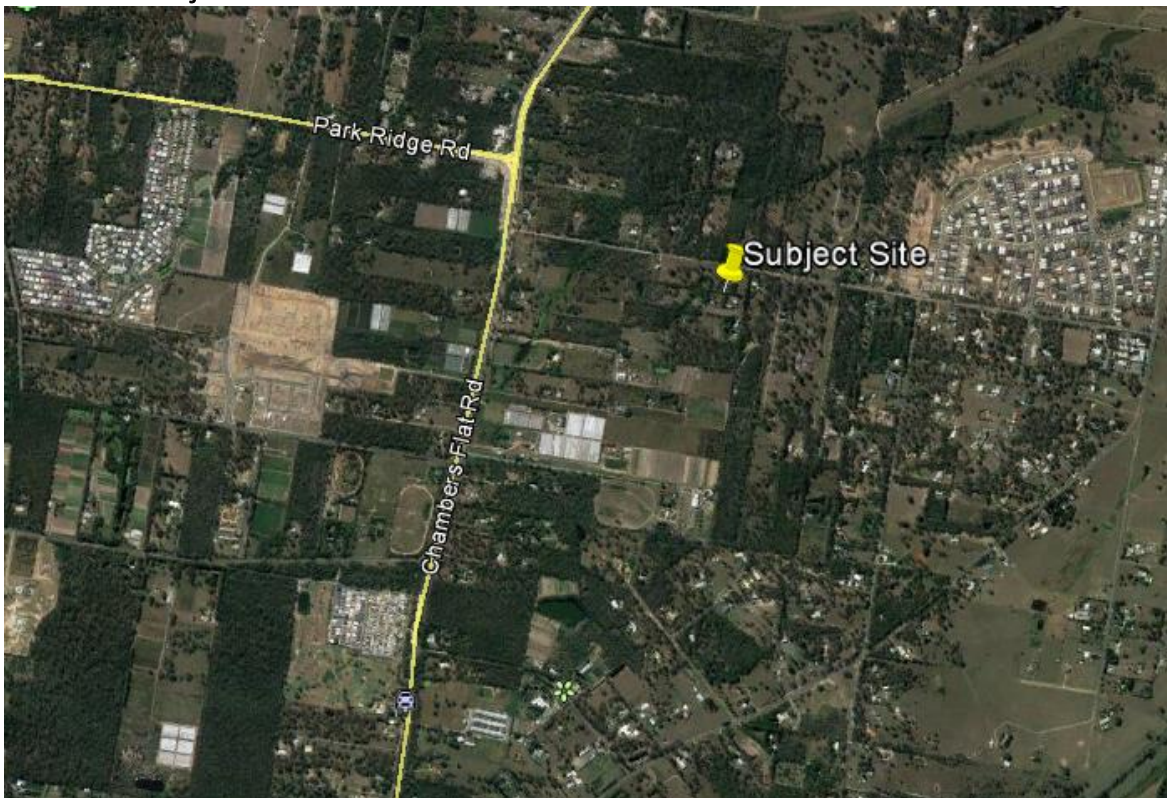
This Chapter describes the proposed development in terms of its location, surrounding land uses and planning framework.

2.1 Context

Logan Reserve is a rural residential suburb of Logan City located 30 kilometres south of Brisbane CBD. With the suburb recognised as a future growth area in regional and local planning instruments, developer interest has since been increasing. Over time, more compact urban residential forms to provide for future growth needs will replace the suburb's existing large rural residential lots.

The following FIGURE 2.1 illustrates the locational context of the subject site.

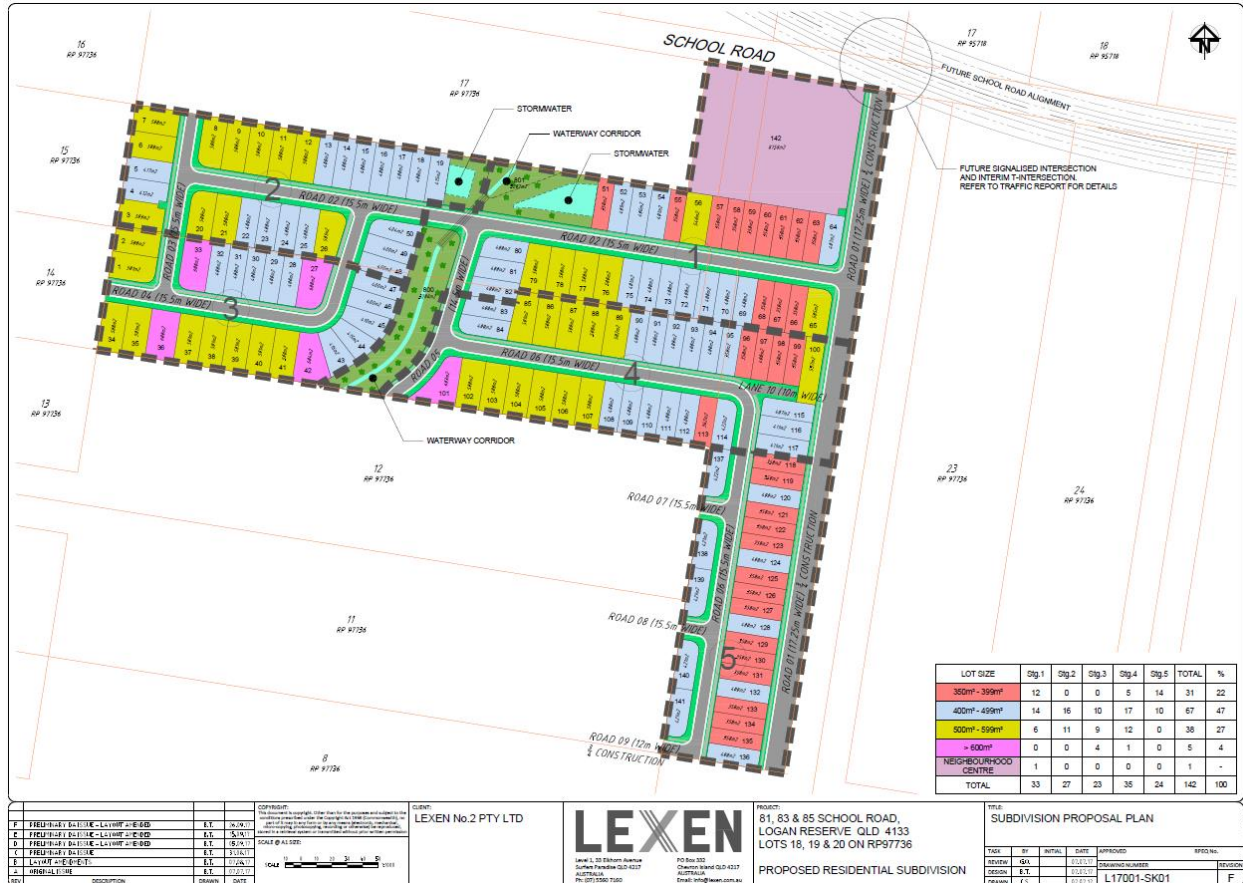
FIGURE 2.1: Subject Site



Source: Google Earth Pro, Norling Consulting

The site is located on the corner of School Road and encompasses an 8,762m² site. While the proposed centre is the subject of this Assessment, a residential subdivision with 144 lots would also form part of the development application, illustrated in Figure 2.2 below:

FIGURE 2.2: Proposed Subdivision Plan



Source: Lexen Pty Ltd

The subject site sits just outside the Park Ridge Master Planned Area which is an area planned to include:

- 30,000 residents;
- 13,000 jobs;
- A district centre, local centre and up to eight neighbourhood centres;
- A range of supporting infrastructure;
- Environment areas and corridors; and
- An integrated movement network.

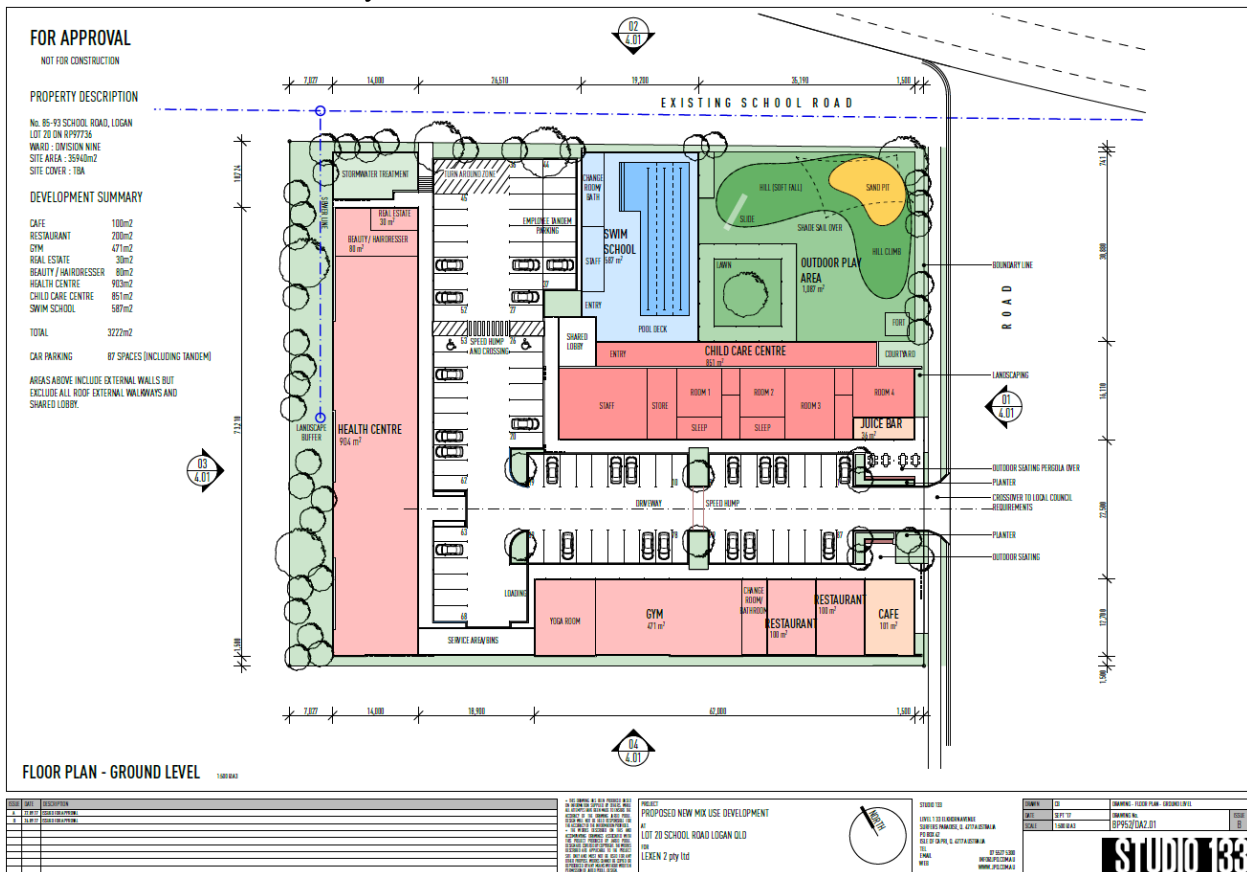
2.2 The Proposed Development

It is understood that Lexen Pty Ltd intends to develop a neighbourhood centre incorporating the following:

- Health Centre (904m²) including medical, wellbeing, dentist;
- Gym (471m²);
- Beauty/hairdresser (80m²);
- Real Estate Agent (30m²);
- Childcare centre (851m²);
- Restaurant (200m²);
- Café (101m²); and
- Swim School.

The planned layout of the site is shown in Figure 2.3 below:

FIGURE 2.3: Commercial Site Layout Plan



Source: Lexen Pty Ltd

Approximately 400m² of retail uses are proposed (beauty is considered a retail use), while the remaining uses are non-retail (childcare centre, medical centre, dentist, swim school, etc.).

School Road is a major arterial road for the suburb and the development of a neighbourhood centre at this location makes logical planning sense.

2.3 Planning Framework

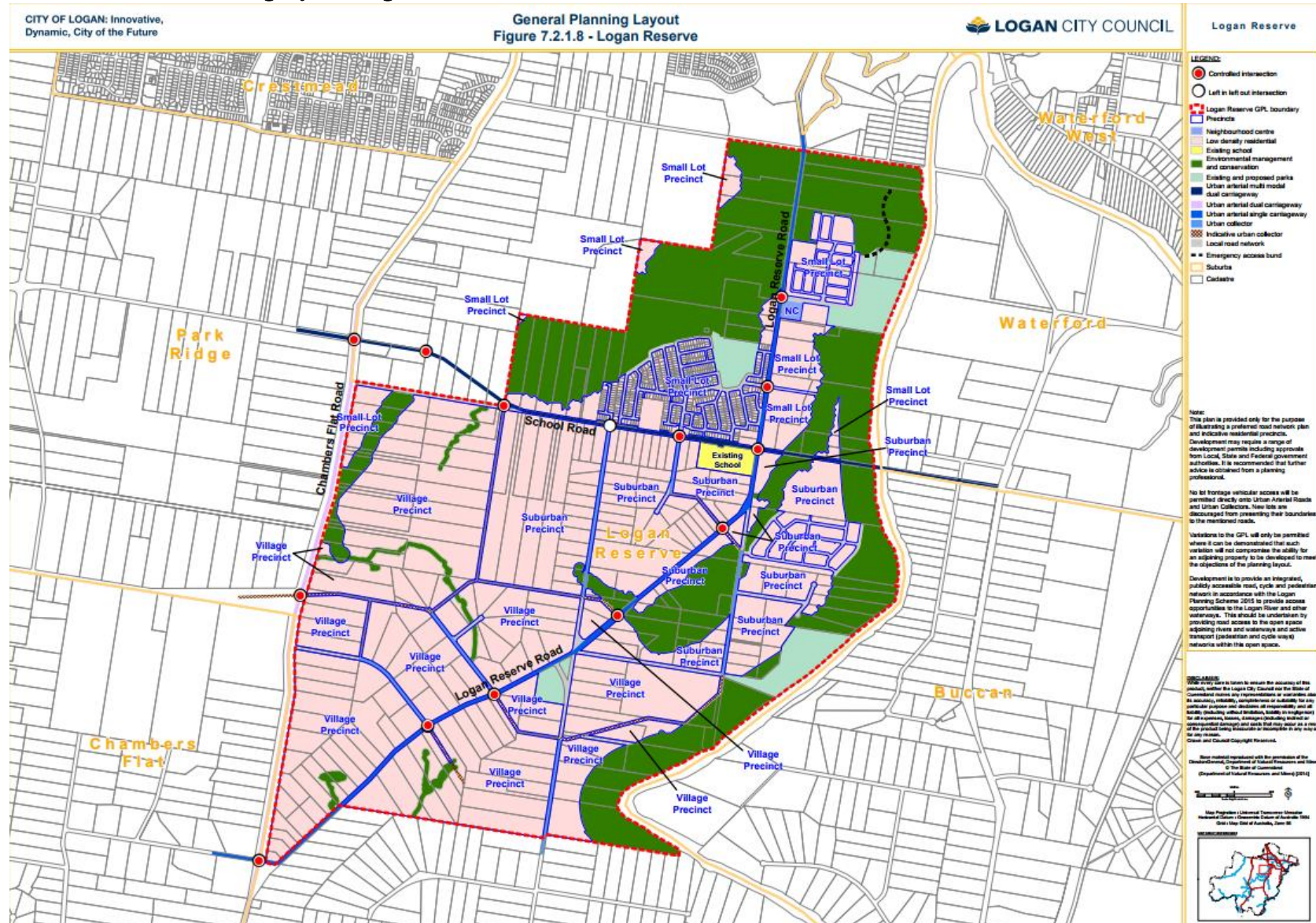
Within the South East Queensland Regional Plan 2017 (ShapingSEQ), the subject site is within the identified Urban Footprint. Logan Reserve is recognised as a future development area intended to provide for the region's urban growth needs.

Within the Logan Planning Scheme (Version 5.0) the subject site is contained within the Emerging Community zone. This zone is intended for urban purposes after detailed land use and infrastructure planning has been completed. Following increasing developer interest in properties within the Logan Reserve area, more detailed planning has been undertaken. The Logan Reserve General Planning Layout (GPL) was endorsed by Council on 29 August 2017, came into effect on 8 September 2017 and was incorporated into the Planning Scheme to guide future development in the area. The Logan Reserve GPL area encompasses 825 hectares around Logan Reserve Road, as shown in Figure 2.4.

The GPL identifies the subject site as within the Low Density Residential zone and within the Village Precinct. A small green corridor (Environmental and Conservation Management zone) runs through the site as reflected in the proposed development plans.

Only one centre, a neighbourhood centre, is identified on the GPL, at the northern end of Logan Reserve Road.

FIGURE 2.4: General Planning Layout – Logan Reserve



3 TRADE AREA ANALYSIS

The purpose of this Chapter is to define the relevant Trade Area and project population and household estimates. The socio-economic and demographic characteristics are also reviewed.

3.1 Trade Area Definition

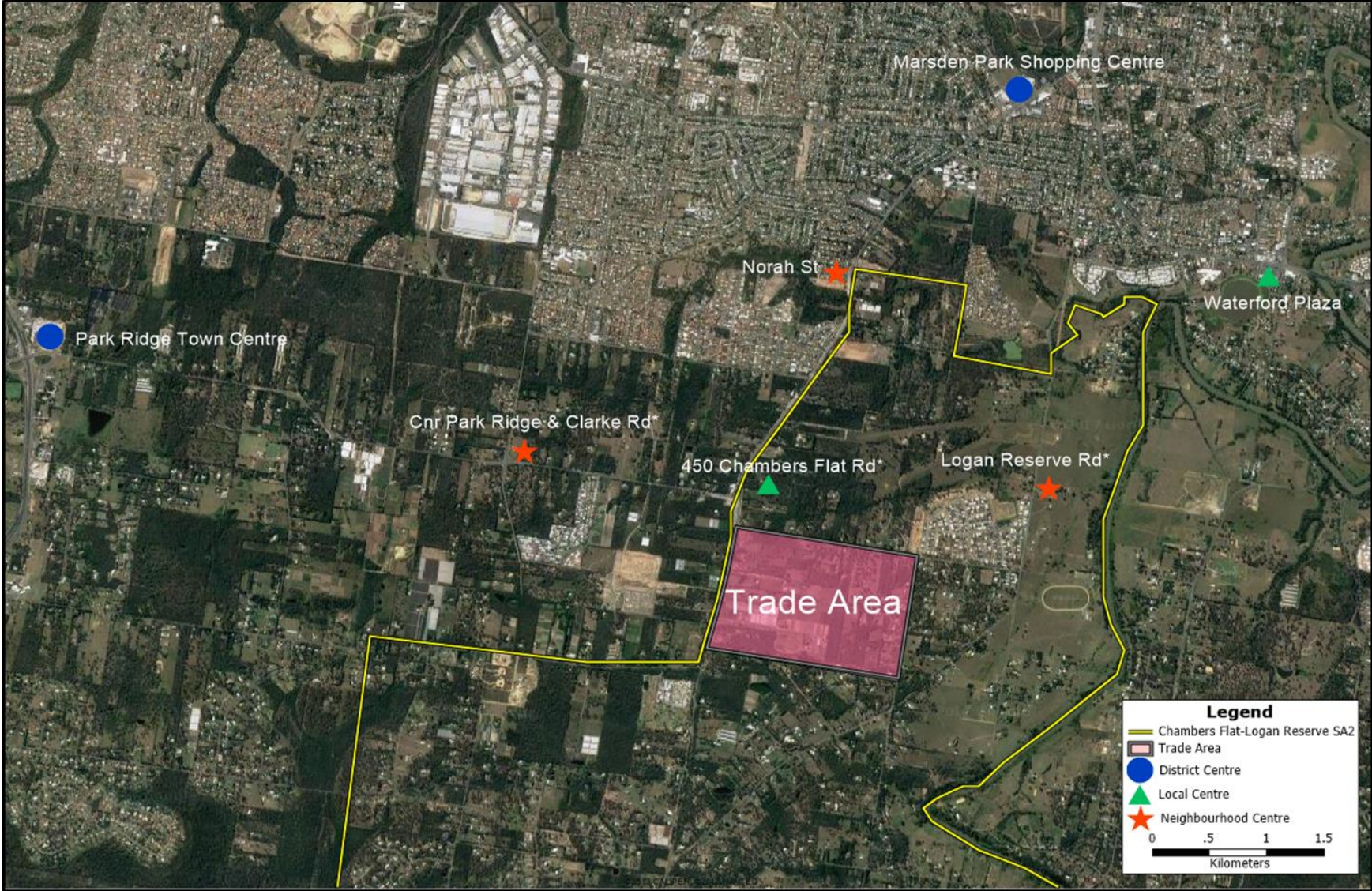
A trade area is a theoretical construct of the area from which a facility is likely to draw its custom from. The Trade area for this Assessment has been defined based on the following factors:

- The location, role and function of existing and planned future centres;
- The existing and proposed road network;
- The accessibility and visibility of the subject site;
- Natural boundaries and engineered boundaries which may act as physical and psychological barriers, influencing perceptions of convenience and accessibility;
- Australian Bureau of Statistics (ABS) geographical boundaries. Statistical Area – Level 2 (SA2) boundaries have been utilised for this Assessment.

The proposed site on School Road is at the intersection of an Urban Arterial Road with an Urban Collector Road. This site would service a community extending from School Road in the north, to Chambers Flat Road in the west, Loganview Road North in the east and extending to short of Noffke Road in the south.

Figure 3.1 illustrates the defined Trade Area as well as the relevant centres network.

FIGURE 3.1: Trade Area and Centre Network



Source: Maptitude, Norling Consulting, Logan Planning Scheme

3.2 Population and Household Growth

Table 3.1 summarises the historic population growth for the Chambers Flat – Logan Reserve SA2 within which the Trade Area is located. Part of this SA2’s boundary is shown on Figure 3.1. This SA2 includes the suburbs of Chambers Flat and Logan Reserve and is shown to illustrate the historic growth in the wider area.

TABLE 3.1: Historical Population Chambers Flat – Logan Reserve SA2 2001 to 2016

	2006	2011	2016	2017
Chambers Flat – Logan Reserve SA2				
ERP	3,760	3,901	5,259	5,320
Households	1,210	1,300	1,780	1,810
Persons per household	3.11	3.00	2.95	2.94

Source: ABS Population and Household Census, ABS Regional Population Growth and Norling Consulting’s Analysis

The **Chambers Flat – Logan Reserve SA2** has experienced reasonably strong population growth, particularly between 2011 and 2016. As at 2006, the suburb comprised an estimated resident population of 3,760 persons increasing to some 3,901 persons by 2011, representing an average population growth rate of 0.74% per annum during this period. From 2011, population growth increased to an average rate of 6.16% per annum to 2016. As at June 2016, Chambers Flat – Logan Reserve had a population of 5,259 persons. Building approvals for the area in the 2016-17 period show that growth has slowed during this period.

The results of the 2006 and 2011 Australian Bureau of Statistics (ABS) Population and Household Censuses, the ABS Regional Population Growth publication (Catalogue No. 3218.0), building approvals and population projections prepared by the Queensland Government Statistician’s Office (QGSO) as well as Norling Consulting’s experience is utilised to obtain future population estimates. It is noted that the latest 2016 ERP estimate for Chambers Flat – Logan Reserve SA2 is higher than the more dated QGSO 2016 estimate (by 863 persons). Norling Consulting has therefore adjusted the population projections to reflect the latest 2016 estimate.

The population projections for the Trade Area are based on the estimated number of dwellings that can be accommodated within its developable area, estimated at 130 hectares. At a yield of 15 dwellings per hectare, this Area could deliver around 1,950 dwellings. The proposed Lexen Pty Ltd development of 144 lots would likely act as a catalyst for development of the surrounding rural residential properties.

It has been assumed that residential development within the Trade Area would commence in 2018 with the Area reaching capacity by around 2036. This is indicative only as it would ultimately depend on the willingness of the owners of the rural residential properties to sell and the take up of the area.

Table 3.2 below shows the population projections for the Trade Area and the Chambers Flat – Logan Reserve SA2.

TABLE 3.2: Population Projections - Trade Area and Chambers Flat – Logan Reserve SA2 2016 to 2036

	2017	2021	2026	2031	2036
Trade Area					
ERP	110	610	2,570	4,510	5,270
Households	40	240	990	1,700	1,950
Persons per household	2.54	2.55	2.60	2.65	2.70
Chambers Flat – Logan Reserve SA2					
ERP	5,320	6,410	9,150	12,490	15,700
Households	1,810	2,210	3,210	4,460	5,710
Persons per household	2.94	2.90	2.85	2.80	2.75

Source: ABS Population and Household Census, ABS Regional Population Growth, Queensland Government Statistician's Office Population Projections 2015 and Norling Consulting's Analysis

It is estimated that the Trade Area currently has around 40 dwellings on large rural residential lots. It has been projected that these dwellings would be replaced by more compact urban residential development at a yield of 15 dwellings per hectare. It is therefore estimated that the Trade Area could accommodate nearly 5,300 persons at capacity.

The slowing of growth within the Chambers Flat – Logan Reserve SA2 in the 2016-17 period is unlikely to last as there are numerous residential developments approved or currently being considered by Council. It is projected that there will be more than 10,000 additional persons living in the wider SA2 by 2036 to reach a population of 15,700 persons.

3.3 Demographic and Socio-economic Characteristics

Norling Consulting has examined the results of the 2016 and 2011 Australian Bureau of Statistics (ABS) Population and Household Censuses to obtain an understanding of the likely demographic and socioeconomic characteristics of the Trade Area. Because the Trade Area contains only forty rural residential properties at present, the characteristics of the wider Chambers Flat – Logan Reserve SA2 are presented below. This wider SA2 includes a mixture of new urban development and rural residential living and is considered a relevant benchmark for the Trade Area over the next five to ten years. Eventually, the Trade Area would be populated by persons living in new urban development. By that time, the population may trend to a younger and poorer demographic.

With only the first data release of the 2016 Census currently being available, 2011 data is utilised where 2016 data is unavailable. Comparisons are made to the Logan City (Logan) and Queensland averages as summarised in Tables 3.3 and 3.4. Interestingly, the SA2 displays characteristics more closely in line with the Queensland averages rather than Logan City.

The following summarises the key characteristics of Chambers Flat – Logan Reserve:

- A greater segment of the population between the ages of 45 – 64 (28.4% c.f. 23.7% Logan and 25.2% QLD). There was also a slightly higher incidence of teenagers and young adults between the ages of 15 – 24 years. The median age was 41 in 2016, above the Logan median (33) and State median (36);
- A higher proportion of couple only households, comprising some 47.8% of households (c.f. 44.3% Logan & 46.7% QLD);
- Slightly higher workforce participation rates and an unemployment rate (5.9%) that was lower than the Logan and Queensland average. (2011 Census);
- As at March 2017, the unemployment rate of Chambers Flat – Logan Reserve was 5.4%. This was slightly lower than the Logan City rate of 5.6%.
- Lower proportions of university educated residents, with some 9.2% of residents holding a bachelor degree or higher (c.f. 10.6% Logan). Trade certificates however were more prominent within the Area, reflective of a significant blue collar workforce (2011 Census);

- In 2011, there was a relative over-representation in occupations such as technicians and trades workers and machine operators, drivers and labourers. The most significant under-represented occupation was managers and professionals (2011 Census);
- A relative over-representation in industries of employment such as construction, manufacturing, transport, postal and warehouse and agriculture, forestry and fishing. Industries with a significant under-representation in the Trade Area include accommodation and food services, arts and recreation services, health care and social assistance and public administration and safety (2011 Census);
- A higher proportion of households were mortgage committed (41.4% c.f. 24.6% Qld), with nearly a third of households renting and only 28.2% of dwellings owned outright;
- Higher proportions of separate houses and other dwellings, with far fewer semi-detached dwellings, flats or units;
- A relatively mobile population with 74.3% of households owning two or more motor vehicles (c.f. 58.4% Qld); and
- At the time of the 2016 Census, the Chambers Flat – Logan Reserve population had an average annual household income of \$95,380, 10% higher than the Logan average of \$86,250 and 7% higher than the Queensland (\$89,400) average.

The above characteristics reflect a community predominantly in the medium stage of the family lifecycle with older children and young adults living with their older parents. Norling Consulting considers it reasonable to assume that the future population attracted to the Trade Area would have a similar profile to that described above for Chambers Flat – Logan Reserve over the next five to ten years. Although it is expected that the area will evolve towards a younger and poorer age profile as new residential development attracts young couples/families.

TABLE 3.3: Key Demographic and Socioeconomic Characteristics – 2016 & 2011 ABS Censuses

	Chambers Flat - Logan Reserve	Logan City	Queensland
Age Distribution (%) - 2016			
0 - 4	6.4%	7.6%	6.3%
5 - 14	13.4%	15.0%	13.1%
15 - 19	7.7%	7.1%	6.3%
20 - 24	8.0%	6.9%	6.7%
25 - 34	13.6%	14.1%	13.8%
35 - 44	11.2%	13.6%	13.4%
45 - 54	15.0%	12.8%	13.4%
55 - 64	13.4%	10.9%	11.8%
65+	11.4%	12.0%	15.3%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Household Composition (%) - 2016			
Couple only	47.8%	44.3%	46.7%
Single Parent	4.4%	5.8%	4.8%
Parents with children under 15 years	20.5%	23.1%	20.3%
Parents with dependent students	4.9%	5.0%	4.7%
Parents with non-dependent children	8.1%	7.7%	5.9%
Group Household	2.9%	2.7%	4.2%
Lone Persons	6.0%	6.5%	9.4%
Other	5.4%	4.9%	3.9%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Workforce Status (%) - 2011			
Male workforce participation rate	70.8%	70.5%	67.8%
Female workforce participation rate	59.9%	58.2%	58.0%
Total workforce participation rate	65.5%	64.2%	62.8%
Unemployment Rate	5.9%	7.1%	6.1%
Highest Qualification Achieved (%) - 2011			
Post graduate qualification	1.5%	2.3%	4.7%
Bachelor degree	7.7%	8.2%	13.1%
Certificate/Advanced diploma	30.6%	31.9%	30.8%
No Qualification	60.1%	57.5%	51.4%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Occupation of the Workforce (%) - 2011			
Managers/Professionals	24.8%	22.1%	31.5%
Technicians and Trades	20.7%	17.3%	15.2%
Community, personal services, admin and sales	31.3%	36.4%	35.1%
Machine operators, drivers and labourers	23.3%	24.1%	18.2%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>

Source: Australian Bureau of Statistics Population and Household Censuses 2011 & 2016

TABLE 3.4: Key Demographic and Socioeconomic Characteristics – 2016 & 2011 ABS Censuses

	Chambers Flat - Logan Reserve	Logan City	Queensland
Industry of the Workforce (%) - 2011			
Agriculture, forestry and fishing	3.6%	.6%	2.8%
Mining	.4%	.8%	2.7%
Manufacturing, transport, postal and warehouse	21.3%	21.4%	14.0%
Electricity, gas, water and water services	1.0%	1.1%	1.2%
Construction	15.8%	11.6%	9.2%
Wholesale and retail trade	16.1%	17.3%	14.7%
Accommodation and food services	4.1%	5.3%	7.1%
Finance and insurance, property and business	12.1%	13.3%	15.8%
Public administration and safety	4.9%	5.5%	6.9%
Education and training	6.9%	6.6%	8.1%
Health care and social assistance	8.2%	10.9%	12.2%
Arts and recreation services	.8%	1.1%	1.4%
Other services	4.8%	4.5%	4.0%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Nature of Occupied Dwellings (%) - 2016*			
Owned outright	28.2%	23.7%	29.2%
Mortgage committed	41.4%	41.4%	34.6%
Rented	30.2%	34.3%	35.1%
Other tenure type	.3%	.7%	1.0%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Structure of Occupied Dwellings (%) - 2016*			
Separate house	90.8%	86.2%	77.0%
Semi-detached row/terrace/townhouse	.8%	10.4%	10.6%
Flat/unit	.0%	2.7%	11.3%
Other Dwelling	8.2%	.6%	1.0%
<i>Total</i>	<i>99.9%</i>	<i>100.0%</i>	<i>100.0%</i>
Number of Motor Vehicles per Dwelling (%) - 2016*			
No vehicle	1.8%	5.1%	6.2%
1 vehicle	24.2%	30.9%	35.4%
2+ vehicles	74.3%	63.9%	58.4%
<i>Total</i>	<i>100.4%</i>	<i>100.0%</i>	<i>100.0%</i>
Average Annual Household Income (\$) - 2016*			
	\$95,380	\$86,250	\$89,400

**based on place of enumeration*

Source: Australian Bureau of Statistics Population and Household Censuses 2011 & 2016

4 THE CENTRES NETWORK

This Chapter describes the centres hierarchy as described in the Planning Scheme and identifies the relevant centres network.

4.1 Centres Hierarchy

Under the planning framework of the Logan Planning Scheme 2015 (Version 5.1), the centres network is defined as follows:

- **Principal Centre:** Beenleigh and Springwood are recognised as Principal Centres. Principal Centres are the dominant centres with the highest concentration and intensity of centre activities and services a main trade area of over 100,000 persons.
- **Major Centre:** the Major Centres of Browns Plains, Jimboomba, Logan Central and Shailer Park complement the Principal Centres and accommodate key concentrations of higher order retail, commercial, residential, administrative, community and entertainment uses and employment mix. Major Centres have a catchment of approximately 40,000 – 50,000 people. There are also Major Centres planned at Flagstone and Yarabilba.
- **District Centre:** subordinate to Principal and Major Centres, District Centres provide for the commercial and retail needs of a surrounding district catchment population of 15,000 to 20,000 persons. Marsden, Meadowbrook, Park Ridge and Underwood are classified as District Centres.
- **Local Centre:** serve weekly convenience needs and may include a single full-line supermarket that is supported by a range of small scale specialty shops and services. A Local Centre services a main trade area of approximately 8,000 – 10,000 people.
- **Neighbourhood Centre:** include a limited line supermarket and small-scale shops and services that serve daily and weekly convenience needs to a catchment of 3,000 to 4,000 people.

The proposed development would function as a Neighbourhood Centre, providing for the convenience needs of the surrounding residential population.

4.2 Relevant Centres Network

Residents within the Trade Area and surrounds would be served by District Centres at Marsden (4.5km to the north) and Park Ridge (6.5km to the west), Waterford Plaza Local Centre (6.0km to the northeast), a Local Centre planned at the intersection of Chambers Flat and Park Ridge Roads (1km to the northwest), a Neighbourhood Centre indicatively located at Logan Reserve Road (2.2km to the northeast), a Neighbourhood Centre at Norah Street and a Neighbourhood Centre planned at intersection of Park Ridge and Clarke Roads (3.0km to the west).

There are currently no centres located or planned within the Trade Area.

A representative of Norling Consulting undertook site inspections of the relevant centres network in September 2017 to obtain an understanding of the role and function of each centre, vacancy levels, centre appearance, etc.

Figure 3.1 illustrates the location of the centres network in relation to the Trade Area. Table 4.1 summaries the total floorspace, distance from the subject site and anchor tenants within each of the relevant centres.

TABLE 4.1: Existing Centres Network

	Total Floorspace (m ²)	Distance from Subject Site (km)*	Anchor Tenant/s
District Centre			
Park Ridge Town Centre	11,000m ²	6.5	Coles, Woolworths
Marsden Park Shopping Centre	8,180m ²	4.5	Coles (3,848m ²), Aldi
Local Centre			
Waterford Plaza	6,340m ²	6.0	Coles (2,539m ²)
450 Chambers Flat Rd*	-	1.0	-
Neighbourhood Centre			
Logan Reserve Rd*	-	2.2	-
Cnr Park Ridge & Clarke Rd*	-	3.0	-
Norah St	-	2.7	closed

*Not yet developed

Source: Property Council of Australian Queensland Shopping Centre Directory, Logan Planning Scheme, Norling Consulting's Site Inspections September 2017

It is noted that three of the above listed centres are not yet developed but are indicated within the Planning Scheme. The above listed centres are described below:

District Centres

Park Ridge Town Centre

Located on the corner of Mt Lindesay Highway and Park Ridge Road, Park Ridge Town Centre provides Coles and Woolworths supermarkets and a range of specialty stores. A recently completed extension to this centre, including the Coles supermarket, has been finished to a high standard enhancing the overall amenity of this centre, although there are still a number of vacancies yet to be filled. Adjacent facilities include a service station, fast food facilities (McDonalds, KFC) and the Park Ridge Tavern, situated north of Jedfire Street. Also adjacent, Park Ridge Place provides a range of food outlets including Subway and Dominos.

Within the Park Ridge Land Use Area Map, land surrounding the Park Ridge District Centre is zoned for Specialised Centre purposes. This land is currently vacant or used for other purposes, such as residential.

Marsden

Located at 57-77 Chambers Flat Road, The Marsden District Centre comprises the Marsden Park Shopping Centre, which is anchored by a full-line Coles supermarket and 35 specialty stores. This centre is of poor quality with two tenancies being occupied by 'op shop' retailers and there were seven vacant stores. Other surrounding centre uses include ALDI supermarket, McDonalds, tavern and two service stations. There is also a library, medical centre, takeaway outlets and other strip retailing located within the District Centre. Marsden Park Shopping Centre had previously received planning approval for a major expansion, however, at the time of inspection there was no sign of this extension having been enacted or soon to commence.

Local Centres

Waterford Plaza

Located on the corner of Kingston-Beenleigh & Tygum Road, this Local Centre provides a small Coles supermarket and 27 specialty stores. A range of commercial facilities are also located in strip development around this Centre. This Centre provides an alternate centre available to the Logan Reserve community.

Neighbourhood Centres

Norah Street

Located between Norah Street and Chambers Flat Road is a small site zoned Centre. It previously contained a number of shops. However, at the time of inspection, the shops were closed and the site fenced off. An approval was granted for a childcare centre on this site, but has now lapsed.

Other Centre Uses

A café and convenience store is provided at the entrance to the Chambers Flat Rental Village and would predominantly cater to this particular Village and the adjoining Ingenia Lifestyle Chambers Pines, an over 50s community.

Other centre uses in the surrounding area include a United Service Station located on the corner of Park Ridge Road and Chambers Flat Road. A 7-Eleven service station is under construction at the corner of Bayes Road and Chambers Flat Road.

Future Centres

A 3.11 hectare site at 450 Chambers Flat Road (Lot 9 on RP 101021) has been zoned for Local Centre uses. This site is currently vacant. According to Council's PD Online, an application for a shopping centre and service station anchored by a Woolworths supermarket (3,950m²) with a total GLA of 5,975m² was approved for this site in November 2012. It does not appear that an extension to the approval has been applied for and as such this approval has now lapsed.

Within the Logan Reserve General Planning Layout a Neighbourhood Centre has been indicated at 254-264 Logan Reserve Road (Lot 3 on RP25887). This site is currently vacant. According to Council's PD Online, there is a preliminary approval for a Neighbourhood Centre at this site to be developed adjacent to an over 50's relocatable home park and associated facilities and a child care centre. The Neighbourhood Centre is intended to provide a shopping centre and health care services. The application was approved in June 2017.

There is a site within the Centre zone and designated for a Neighbourhood Centre on the Park Ridge Land Use Area at the corner of Clarke Road and Park Ridge Road (Lot 51 on SP191856). A large expensive home is situated at this site and no development applications are current, according to PD Online.

There are also two Neighbourhood Centres (Indicative location only) illustrated on the Park Ridge Land Use Area Map. One site is at the corner of E Beaumont Road and Mt Archer Road with this site being utilised as a park servicing the adjoining residential estate. The other indicative centre site is positioned to the north of Park Ridge Road and south of Bumstead Road within a large rural residential property.

There are no centres designated within the defined Trade Area.

5 DEMAND ANALYSIS

This Chapter examines the demand for retail and other commercial facilities within the defined Trade Area, including an examination of the total available retail expenditure within this community.

5.1 Retail Expenditure Base

The retail expenditure base is an estimate of that proportion of household expenditure directed towards retail facilities. The level and direction of this expenditure is dependent on a multitude of factors including the demographic and socio-economic characteristics of the population, as well as the location and mix of retail facilities available to the community.

The retail expenditure base for Queensland has been derived from the results of the 2009/10 Australian Bureau of Statistics (ABS) Household Expenditure Survey, as inflated by changes in retail turnover per household to 2017 dollar values. It is estimated that the average retail expenditure base for Queensland is \$32,120 in 2017 dollar values. Based on the demographic and socio-economic characteristics of the Trade Area population, the average household retail expenditure for the Chambers Flat – Logan Reserve SA2 is provided in the following TABLE 5.1.

TABLE 5.1: Retail Expenditure Base

Area	Retail Expenditure Base (\$2017)
Chambers Flat – Logan Reserve SA2	\$33,360
Queensland	\$32,120

Source: 2009/10 ABS Household Expenditure Survey, Norling Consulting estimates

Multiplication of the average household expenditure by the number of households or spending units within the Trade Area provides an estimate of the total available retail expenditure. The retail expenditure base of Chambers Flat – Logan Reserve SA2 has been adopted for the Trade Area as it is likely that the Trade Area would display similar characteristics to the suburb that it is within. TABLE 5.2 summarises the results in 2017 dollar values.

TABLE 5.2: Available Retail Expenditure Base (\$2017)

	2016 (\$M)	2021 (\$M)	2026 (\$M)	2031 (\$M)	2036 (\$M)
Trade Area	1.3	8.0	33.0	56.7	65.1

Source: 2009/10 ABS Household Expenditure Survey, Norling Consulting estimates

Whilst there is evidence of real increases in the retail expenditure base being recorded over time, real decreases have been recorded by Queensland households during periods of the global financial crisis. With the Queensland economy expected to grow at subdued levels, it is not considered appropriate to assume that real increases in retail expenditure will be derived.

It is noted that any increases in retail expenditure are due to population growth only. It is Norling Consulting's opinion that no allowance should be made for inflation (as inflation does not create demand for retail floorspace) or increases in real expenditure (as a result of changes in the real wealth of the Trade Area community), which typically occurs over long time periods (but can be negative over short time periods).

Therefore, the pool of retail expenditure of residents living within the Trade Area is projected to increase in retail expenditure by approximately \$63.8 million between 2017 and 2036 to reach a total retail expenditure base of approximately \$65.1 million.

5.2 Market Share Analysis

The type, quality and size of a centre, as well as the location and strength of competition, all influence the market shares that centres obtain from individual trade areas. TABLE 5.3 provides an indicative breakdown of retail expenditure at various levels of retail centres which has been generated from surveys of Brisbane households:

TABLE 5.3: Indicative Market Shares

Retail Centre	Range
CBD	5-10%
Regional	10-20%
Sub-Regional	15-25%
District	25-35%
Local/Neighbourhood	10-25%
Other	5-10%

Source: Norling Consulting estimates

Surveys of households in Brisbane indicate that households generally spend between 10% - 25% at local/neighbourhood level facilities, dependent on the nature and location of other centres within the retail network. However, not all of this demand for retail facilities would be accommodated within the Trade Area itself. Facilities on the way to and from work or other destinations, close to schools and service stations also attract a share of this expenditure.

The estimated current market share of centre/s within the Trade Area would be influenced by a number of factors including:

- the composition of tenants that occupy the centre;
- the location, accessibility and role of competitive retail centres;
- the accessibility and visibility of the site; and
- the convenience orientation of the centre and accessibility to at-grade parking.

The population of the Trade Area is insufficient to support a full-line supermarket or a District Centre. The proposed centre is expected to provide range of health centre uses along with two food outlets/cafes. The swim school and childcare centre would also draw families to the centre. The centre would function as a Neighbourhood Centre as it is small in scale and would provide for the day-to-day health and convenience needs of residents.

Based on the above analysis, it is estimated that a typical Neighbourhood Centre in the Trade Area could capture a market share of 12% of total available retail expenditure, with rogue expenditure expected to account for an additional expenditure. However, in circumstances where the retail elements of a Neighbourhood Centre are limited to around 400m², the market share is likely to be limited to around 3%.

5.3 Rogue Expenditure

The proposed Centre would also attract a level of rogue expenditure, that is, expenditure from households living outside the Trade Area. Rogue expenditure is obtained for a number of reasons: shoppers may work close to the centre or are visiting family or friends, or the centre may be en-route to or from work or some other habitual travel route.

The level of rogue expenditure is dependent on the nature of the centre and its location. For instance, centres such as Surfers Paradise on the Gold Coast would have a significant tourist and leisure shopping component, and surveys have demonstrated a rogue expenditure level in the order of at least 60%. Contrary to this, small convenience centres centrally located in suburban areas traditionally experience lower levels of rogue expenditure in the order of 10% to 15%, unless located on major arterial roads or proximate to major employment or tourist nodes.

In this instance, the proposed retail would be located on School Road with high visibility and ease of access to immediately surrounding residents. Consequently, it is estimated that rogue expenditure is likely to be in the order of 12%.

5.4 Demand for Retail Facilities

Based on a potential market share of 12% and rogue expenditure representing 12% of the total turnover, the following Table 5.4 summarises the estimated quantum of supportable floorspace within the defined Trade Area, assuming an average productivity level of \$5,500/m².

TABLE 5.4: Estimated Supportable Floorspace

	2021 (m ²)	2026 (m ²)	2031 (m ²)	2036 (m ²)
Trade Area	200	820	1,400	1,600

Source: Norling Consulting Analysis

Based on the above Table 5.4, it is estimated that the Trade Area, at capacity, could support approximately 1,600m² of retail floorspace, which would be classified as a Neighbourhood Centre. It is usual for Centres including Neighbourhood Centres to provide non-retail floorspace, such as medical services, real estate agencies and a childcare centre.

The subject proposal, however, proposes approximately 400m² of retail uses with the remaining uses being non-retail (medical centre, dentist, swim school, etc.). Assuming an average productivity level of \$5,500/m², a centre in this order would be sustainable at a turnover of \$2.2 million. This amount accounts for less than 4% of the total retail expenditure of the Trade Area at capacity.

Such a centre would provide for the lower order and day-to-day convenience needs of residents and would be subordinate to the Local Centre designated at the Chambers Flat Road/Park Ride Road intersection. This scale of centre is insufficient to contain a full-line supermarket.

If residential development of the Trade Area commences in 2018, there would be adequate population to support the centre by 2026. However, it is common for centres to be planned for and developed earlier than when they achieve profitability in order to provide convenience to residents and to ensure the centre establishes itself within the Trade Area. In particular, centres within growth areas are often developed 'ahead of time' to ensure that services are provided to an establishing community. The proposed residential estate will likely act as a catalyst for the development of surrounding land. This subject site is considered to be a good location within the context of the Logan Reserve GPL for such a centre.

The capacity population of the Trade Area (5,270 persons) is considered more than sufficient to support the retail components, childcare centre and a variety of health care uses as proposed. However, the proposed swim school is likely to also service persons living outside the Trade Area.

6 NEED & IMPACT ANALYSIS

This Chapter demonstrates the need for the proposed development as well as a discussion on the potential impacts resulting from development of the proposal.

6.1 Need Analysis

In our opinion there is a strong community, economic and planning need for the proposed Neighbourhood Centre to service the retail and community needs of the emerging Trade Area population as demonstrated by the following:

- a) The proposal would provide residents with greater access, choice and range of convenience needs;
- b) The proposed development would function as a Neighbourhood Centre, which would be subordinate to and of a lower order than the nearby designated Local Centre, which is likely to provide a full-line supermarket;
- c) There is only one centre, a Neighbourhood Centre, indicated on the Logan Reserve GPL, which is considered insufficient to satisfy the needs of future Logan Reserve population and the Trade Area in particular; convenient for Trade Area residents. The proposed development is well-positioned on a major arterial road to provide easy access to surrounding residents;
- d) There are no centres designated within the Trade Area to satisfy the convenience needs of residents;
- e) Unlike the majority of proposed Neighbourhood Centres, the proposed development is focussed upon the provision of community facilities (health care, childcare centre and swim school) rather than retail facilities. Consequently, the proposed development would provide a range of much-needed community facilities to an emerging community of young families.

It is not possible to demonstrate that the Neighbourhood Centre is needed to operate within the next five years, due to uncertainty over the timing of residential development within the Trade Area, which currently has no urban development. However, this Assessment concludes that a Neighbourhood Centre of the scale proposed is needed in this Trade Area, the proposed site is appropriate to satisfy this need and it is appropriate from a planning perspective to identify a Neighbourhood Centre on this site at this time to promote the orderly planning and marketing of this emerging community

6.2 Impact Analysis

There is expected to be no negative economic impacts upon the centres network resulting from development of the proposed centre due to the following:

- a) The small scale and role and function of the proposed centre, which would provide for the convenience and lower order needs of residents. The proposed development is expected to provide only a small quantum of retail floorspace (approximately 400m²);
- b) With around 400m² of retail floorspace proposed, this could generate an estimated turnover of \$2.2 million. This would account for less than 4% of the total available retail expenditure of the Trade Area (at capacity), illustrating the significant amount of additional retail expenditure directed towards other centres. Therefore, about 96% of the expected increase in the Trade Area's retail expenditure base will be directed to centres located outside the Trade Area, significantly benefitting them;
- c) The reliance on expenditure from future population growth within the Trade Area rather than existing residents who already have established routines and centres where their expenditure is directed;
- d) The location and distribution of existing centres – the proposed Neighbourhood Centre would be subordinate to and would complement the designated Local Centre at the Chambers Flat Road/Park Ridge Road intersection; and
- e) With only lower order centres (Neighbourhood Centres) expected to be developed within the Logan Reserve growth area, the significant residential development occurring in this area, together with the adjoining Park Ridge area, would assist in supporting the higher order centres located nearby, including the Park Ridge and Marsden District Centres. The existing and future centres hierarchy is therefore not expected to experience any negative impacts from development of the proposed centre.

Planning Policy 2 of the Planning Scheme requires the demonstration that no other sites are available in a designated centre or sequentially closer to a designated centre that could accommodate the proposed development. The proposed development is located within a growth area where the population is expected to increase significantly in the coming years. Planning undertaken for the surrounding area designates centres at the intersection of Park Ridge Road and Chambers Flat Road (Local Centre) and at Logan Reserve Road (Neighbourhood Centre). The Local Centre would be accessible to Trade Area residents and would be expected to provide for their Local Centre needs and service a catchment much larger than the Trade Area. The Neighbourhood Centre, however, is located too far away (2.2km) to be considered convenient to Trade Area residents. The development of a Neighbourhood Centre at the subject site is therefore considered appropriate and would meet the needs of this community whilst not having any significant impacts upon surrounding centres.

7 CONCLUSION

Logan Reserve is an important growth area for Logan City and the wider South East Queensland region. With increasing developer interest, the evolution of this semi-rural area into urban residential has commenced. The proposed Neighbourhood Centre would function as a lower order centre providing for the community and convenience retail needs of this growing community. The site is strategically located at School Road, a key arterial road for this growing area.

The retail analysis has determined that at a capacity of nearly 5,300 persons, the Trade Area could support a centre containing approximately 1,600m² of retail floorspace. The proposal is for a Neighbourhood Centre that provides only 400m² of retail uses, with the remaining uses being non-retail uses such as medical, allied health, childcare centre, swim school, etc. Such a centre would provide for the lower order community and day-to-day convenience needs of residents within the Trade Area. It would directly target the needs of young families expected to be attracted to the Trade Area.

It is not possible to demonstrate that the Neighbourhood Centre is needed to operate within the next five years, due to uncertainty over the timing of residential development within the Trade Area, which currently has no urban development. However, it is common for centres to be planned for and developed earlier than when they can achieve profitability in order to provide convenience to residents and to ensure the centre establishes itself within the Trade Area. In particular, centres within growth areas are often developed 'ahead of time'. The proposed residential estate will likely act as a catalyst for the development of surrounding land. This subject site is considered to be a good location within the context of the Logan Reserve GPL for such a centre.

In our opinion there is a strong community, economic and planning need for the proposal as demonstrated by the following:

- a) The proposal would provide residents with greater access, choice and range of convenience needs;

- b) The proposed development would function as a Neighbourhood Centre which would be subordinate to and of a lower order than the nearby designated Local Centre which is likely to provide a full-line supermarket;
- c) There is only one centre, a Neighbourhood Centre, indicated on the Logan Reserve GPL, which is considered insufficient to satisfy the needs of the future Logan Reserve population and the Trade Area in particular; convenient for Trade Area residents. The proposed development is well-positioned on a major arterial road to provide easy access to surrounding residents;
- d) There are no centres designated within the Trade Area to satisfy the convenience needs of residents; and
- e) Unlike many Neighbourhood Centres, the proposed development is focussed upon the provision of much-needed community facilities rather than retail facilities.

There is expected to be no negative economic impacts upon the centres network resulting from development of the proposed centre due to the following:

- a) the small scale and role and function of the proposed centre, which would provide for the convenience and lower order needs of residents. The proposed development is expected to provide only a small quantum of retail floorspace (approximately 400m²);
- b) With around 400m² of retail floorspace proposed, this could generate an estimated turnover of \$2.2 million. This would account for less than 4% of the total available retail expenditure of the Trade Area (at capacity), illustrating the significant amount of additional retail expenditure directed towards other centres;
- c) the reliance on expenditure from future population growth within the Trade Area rather than existing residents who already have established routines and centres where their expenditure is directed;
- d) The location and distribution of existing centres – the proposed Neighbourhood Centre would be subordinate to and would complement the designated Local Centre at the Chambers Flat Road/Park Ridge Road intersection; and
- e) With only lower order centres (Neighbourhood Centres) expected to be developed within the Logan Reserve growth area, the significant residential development occurring in this area, together with the adjoining Park Ridge area, would assist in supporting the higher order centres located nearby, including the Park Ridge and Marsden District Centres. The existing and future centres hierarchy is therefore not expected to experience any negative impacts from development of the proposed centre.

In conclusion, a Neighbourhood Centre of the scale proposed is needed in this Trade Area, the proposed site is appropriate to satisfy this need and it is appropriate from a planning perspective to identify a Neighbourhood Centre on this site at this time to promote the orderly planning and marketing of this emerging community.

Norling Consulting^{Pty Ltd}
Business & Property Economics

Economic Need and Impact Assessment
81, 83 and 85 School Road, Logan Reserve
September 2017