



CROYDON PARK RETAIL STUDY

Salandra Group

PREPARED BY:
Andrew Lucas
Senior Consultant

VERIFIED BY:
Geoff Hayter
Managing Director

Property & Advisory Pty Ltd
Level 7 | 70 Pirie Street
Adelaide SA 5000

PROPERTY & ADVISORY



PA1849 | R017 | November 2020

TABLE OF CONTENTS

1.0	INTRODUCTION	2
2.0	SITUATION ANALYSIS	3
2.1	Croydon Park	3
2.2	Competing Retail Centres	3
2.3	The Retail Catchment	7
2.4	Catchment Population and Household Projections	13
3.0	RETAIL ANALYSIS	15
3.1	Future Floorspace Scenarios	15
3.2	Retail Gravity Modelling	15
3.3	Analysis	16
4.0	DISCUSSION AND SITE POTENTIAL	20
4.1	Site Potential	20
5.0	BIBLIOGRAPHY	22

1.0 INTRODUCTION

The Salandra Group, as a part owner of the site, has initiated investigations into the proposed redevelopment of a large parcel of land in Croydon Park for residential use. The site comprises approximately 12 hectares of currently industrial land on the corner of Regency Road and Days Road. As part of the redevelopment plans, Salandra Group seeks to understand the potential for retail development on the Regency Road frontage on the northern side of the site.

To this end, Property & Advisory is instructed to prepare a Retail Study into the potential development of

- a 5,500sqm neighbourhood centre on a site at the corner of Regency and Days Roads (the Site) and comprising a 4,500sqm supermarket with 1,000sqm of associated smaller retail tenancies. The scheme is illustrated at Figure 1 overleaf/Appendix 1; and
- alternatively, a centre of some 2,000sqm retail floorspace on the site – meaning no full-line supermarket.

The purpose of this report is to advise Salandra Group regarding the potential effect of such developments on selected retail Centres in the surrounding region. The report:-

- considers retail trends that will impact directly on the required retail floor area for the Site and the surrounding retail catchment; and
- quantifies the effect of the development on the surrounding retail catchment.

*This report has been prepared by Andrew Lucas and Geoff Hayter of Property & Advisory Pty Ltd. In accordance with our normal practice, we confirm that this report has been prepared for purposes of informing future decision making by the **Salandra Group**. Property & Advisory accepts no responsibility for any statements in this report other than for the stated purpose.*

The advice it provides is confidential to the Salandra Group. No responsibility is accepted to any third party and neither the whole of this report nor any part, or reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without Property & Advisory's prior written approval of the form and context in which it will appear.

As shown in Figure 1,

- within a 1 km radius of the proposed Centre, the principal retail development is Croydon Park Centre, situated directly adjacent on the south-eastern corner of Regency Road and Days Road. This Centre has a strong Asian component, being anchored by a large Asian grocery store and featuring a number of restaurants and takeaway food outlets. To the south is a large building supplies store. The balance of retailing within a 1 km radius is local strip shopping on the three major thoroughfares surrounding Croydon Park; and
- within a 2 km radius, and only a short drive from the proposed Centre, is some very substantial retail development, including;
 - the Regional Centre of Armada Arndale, anchored by three supermarkets (Foodland, Woolworths, Aldi) and a Harris Scarfe department store;
 - Churchill Centre North, anchored by Coles, Aldi and Costco; and
 - Churchill Centre South, comprising predominantly large format stores, including Bunnings and Savers.

As extracted from the Retail Database, Table 1 identifies retail centres within a 2 kilometre radius of the proposed Centre.

Table 1: Retail Centres within 2km Radius of Croydon Park

Centre Code	Description	Zone	Food_m ²	Nonfood_m ²	Total Floorspace
Within 1 km Radius					
182060	DAYS ROAD, CROYDON PARK	LIn	-	7,140	7,140
182024	REGENCY ROAD/SOUTH ROAD, CROYDON PARK	LIn, C, Lce	310	3,157	3,467
182012	CROYDON PARK SHOPPING CENTRE	Lce, Lin	1,602	478	2,080
868049	TORRENS ROAD/WILPENA TCE, KILKENNY	UE, R	216	600	816
182025	TORRENS ROAD/STEVENS ST, CROYDON PARK WEST	LCe	404	302	706
182029	SOUTH ROAD/ROYCE AVE, CROYDON PARK	LCe	207	279	486
868051	TORRENS ROAD/STEVENS ST, KILKENNY	R	210	184	394
182026	DAYS ROAD/SHIRLEY AVE CROYDON PARK	R	262	40	302
182027	TORRENS ROAD/LIBERTON AVE, CROYDON PARK	R	150	130	280
868050	TORRENS ROAD/LIBERTON AVE, CROYDON PARK	R	-	45	45
			3,361	12,355	15,716
1 - 2 km Radius					
868007	ARMADA ARNDALE AND SURROUNDS	Dce	9,306	30,013	39,319
651017	CHURCHILL CENTRE NORTH	MU(Is)	9,891	13,741	23,632
651016	CHURCHILL CENTRE SOUTH	MU(Is)	210	15,819	16,029
651011	CHURCHILL ROAD/REGENCY ROAD, PROSPECT	UrC	705	595	1,300
868008	KILKENNY PLAZA	MU, Lce	889	5,871	6,760
651012	CHURCHILL ROAD/ALBERT STREET, PROSPECT	UrC	300	2,675	2,975
182013	HANSON SHOPPING CENTRE, WOODVILLE GARDENS	Lce	786	1,904	2,690
266001	SOUTH ROAD CROYDON	MU, LCe	1,646	643	2,289
868024	PORT ROAD/ROSETTA STREET, WEST CROYDON	MU, LCe	108	1,565	1,673
266012	TORRENS ROAD/SOUTH ROAD CROYDON	MU	920	469	1,389
182054	HANSON ROAD/FIRST AVENUE WOODVILLE GARDENS	LCe	425	406	831
182020	RIDLEY GROVE, FERRYDEN PARK	R, Lce	330	240	570
182021	MURRAY ST/WARREN STREET, FERRYDEN PARK	R	276	150	426
182028	SOUTH ROAD/OVERLAND ROAD, CROYDON PARK	R	90	276	366
182057	HOOKINGS TERRACE/FIRST AVENUE, WOODVILLE GARDENS	R	140	70	210
266008	TORRENS ROAD/BLIGHT STREET, RIDLEYTON	RC, R	200	-	200
868065	HANSON SHOPPING CENTRE, WOODVILLE NORTH	R	160	-	160
868066	TORRENS ROAD/SOUTH ROAD WEST CROYDON	R	40	80	120
182031	CHURCHILL RD/KITCHENER ST, KILBURN	Lce	99	-	99
			26,521	74,517	101,038
TOTAL FLOORSPACE			29,882	86,872	116,754

Source: Adelaide Retail Database (DPTI, 2007), as updated by Property & Advisory (2020)

As shown, the local area within a 1-kilometre radius of the proposed centre is composed predominantly of local shopping facilities, with only 3,300sqm of food retailing and no full-line supermarket. It is noted that the majority of retail floorspace within this radius is not in a 'Centre' zone.

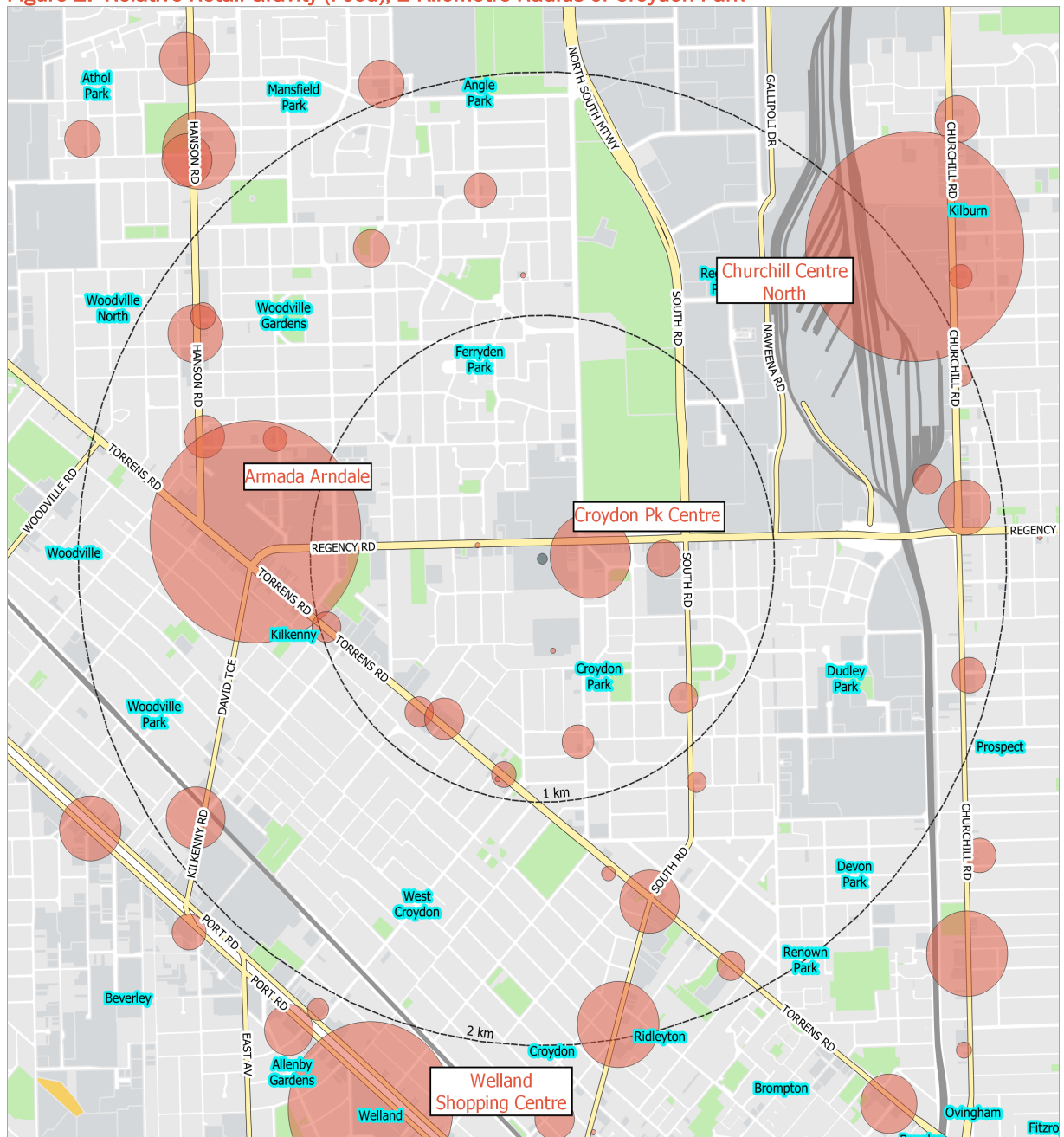
Croydon Park Shopping Centre, at the corner of Days and Regency Road has the largest food offering in this sample by a considerable margin. Non-food floorspace is distorted somewhat, being dominated by Regency Building Supplies, which adjoins the subject land to the south. This is more a trade services outlet rather than 'true' retail floorspace. It is listed here in passing because it is still trading, however we are advised that it is trading under administration and forms part of the subject site. On the assumption that it will close and the site will be utilised for residential land uses if the DPA proceeds, this Centre has not been included in subsequent analysis, reducing the total floorspace in this sample to 12,250 sqm.

The 1 – 2 km band presents a different story altogether. Very accessible from the subject site are four major centres – Armada Arndale, Churchill Centre (North and South) and Churchill Centre North. In total, they provide a quite formidable 107,000sqm of floorspace, comprising 26,500sqm of food and 74,000sqm of non-food space, including 5 supermarkets, Harris Scarfe, Costco and Bunnings. Most of this is within Centre zones.

Excluding the Regency Building Supplies site as above, the total retail floorspace within a 2km radius is approximately 110,000sqm, comprising 29,900sqm of food and 79,700sqm of non-food floorspace.

Figure 2 overleaf illustrates Croydon Park's present food retailing environment graphically.

Figure 2: Relative Retail Gravity (Food), 2 Kilometre Radius of Croydon Park



Source: 2007 Adelaide Retail Database (DPTI, 2007), Property & Advisory (2020)

It shows quite starkly how the retail landscape in the region is dominated by Armada Arndale and Churchill Centre North, effectively ‘bookending’ food floorspace in the region. The closest notable centre is the Asian-flavoured Croydon Park Shopping Centre, adjacent to the east of the proposed centre. It has a relatively large Asian grocery supermarket that fills a significant niche local market.

In terms of the current flow of trade, Croydon Park residents are likely to initially gravitate to Arndale or Churchill Road North for supermarket purchases. Convenience shopping for non-food items is likely to be satisfied mostly by Arndale and Costco.

2.3 THE RETAIL CATCHMENT

2.3.1 Socio-Economic Profile

Table 2 overleaf shows key socio-economic characteristics for a 1km radius around the proposed centre (predominantly the suburbs of Croydon Park and Ferryden Park), a 2km Radius and comparable figures for the Greater Adelaide as a whole.

As shown, the local area is characterised by:-

- a substantially lower per capita income than Greater Adelaide;
- household incomes that are concentrated in the lowest quintiles, particularly as regards the 1km radius suburbs;
- an age distribution that is not substantially dis-similar to Greater Adelaide;
- an average household size that is a little higher than Adelaide as a whole;
- a low percentage of owner/purchasers and a correspondingly high percentage of renters;
- a labour force that is light on managers and professionals and heavy with machinery operators and labourers;
- high unemployment;
- a low proportion of Australian-born persons, with a very high proportion born in Asia;
- high proportion of zero car households; and
- very low total retail expenditure per household in comparison to Greater Adelaide, particularly for suburbs in the immediate vicinity of the proposed centre, where estimated retail expenditure is only some 60% of the Adelaide average.

Table 2: Key Socio-Economic Indicators for Croydon Park and surrounds, and Greater Adelaide

Characteristics	1km Radius	2km Radius	Greater Adelaide
Average per capita income	\$24,222	\$27,328	\$33,396
Average household size	2.6	2.5	2.4
Number of households	2,553	12,320	492,397
Population (2016)	7,317	34,144	1,324,030
Projected population (2021)	7,504	35,814	1,381,559
Projected population (2026)	7,828	37,583	1,443,727
Projected population (2031)	8,030	39,044	1,504,181
Projected population (2036)	8,316	40,842	1,561,083
Age Distribution			
0-14 years	16.1%	16.8%	17.4%
15-24 years	14.8%	13.8%	13.0%
25-39 years	30.1%	29.3%	26.7%
40-59 years	23.2%	24.5%	25.6%
60 years+	15.8%	15.7%	17.2%
Average Age	36.5	37.9	40.0
Dependency Ratio	32.0%	32.4%	34.7%
Housing Status			
Owner/purchaser	55.4%	55.8%	67.1%
Renter	40.7%	39.9%	28.9%
Labour Force			
Managers	8.1%	9.6%	11.6%
Professionals	16.7%	21.6%	22.6%
Technicians & trades workers	12.5%	12.8%	13.4%
Community & personal service workers	12.6%	13.0%	12.5%
Clerical & administrative workers	11.5%	12.7%	14.4%
Sales workers	11.4%	9.5%	10.0%
Machinery operators & drivers	8.1%	6.9%	5.5%
Labourers	19.1%	13.9%	10.0%
% unemployed	12.0%	10.3%	7.7%
Birthplace			
Australian	46.8%	54.3%	68.2%
Europe	10.1%	9.9%	10.8%
Asia	28.7%	22.1%	9.1%
Other	13.4%	12.0%	10.1%
Motor vehicles/household			
0	13.6%	12.9%	8.0%
1	36.8%	37.7%	36.6%
2	30.9%	32.3%	36.1%
3	10.4%	9.5%	11.1%
4 or more	5.2%	4.2%	5.3%
Journey to work by car	71.9%	70.6%	71.2%
Household income quintiles			
1st quintile	34.6%	30.2%	20.0%
2nd quintile	48.7%	27.4%	20.0%
3rd quintile	12.1%	20.7%	20.0%
4th quintile	4.5%	19.4%	20.0%
5th quintile	0.0%	2.2%	20.0%
Household retail expenditure²			
Food	\$24,608,000	\$141,022,000	\$7,270,079,000
Non-food	\$17,919,000	\$106,394,000	\$5,871,270,000
Total retail expenditure	\$42,527,000	\$247,416,000	\$13,141,349,000
Sources : 2016 Census (ABS, 2017); ¹ Population projections by SA2 (DPTI, 2019); ² 2015-16 Household Expenditure Survey (ABS, 2016)			
Average retail expenditure per household (2018)			
Food	9,639	11,447	14,765
Non-food	7,019	8,636	11,924
Total	16,658	20,082	26,689

2.3.2 Covid-19 Population Effects

The most recent DIT population projections, as presented in Table 2, were prepared before the onset of the Covid-19 pandemic. Although the ABS has not made any changes to its forecast yet, several 'post-Covid' demographic estimates have emerged in recent months. KPMG¹ has two estimates – 'vaccine' and 'no vaccine' – under which Australia's population levels by June 2030 could be short of the original ABS projection of 29.12 million by between 420,000 (vaccine) and 1,079,000 (no vaccine). Demographer .id² estimates a reduction of 880,000 over its pre-Covid 2031 population forecast of 29.792 million.

Table 3 applies these forecasts to the existing projections in Table 2. These projections may or may not be entirely valid, because reduced growth rates in the future population will not be evenly spread, but they nonetheless serve to illustrate the situation.

Table 3: Change in Projected Population Arising from Covid-19 Pandemic

2031 Projected Population	1km Radius	2km Radius	Gr. Adelaide
Current DIT Projection	8,030	39,044	1,504,181
Post-Covid Average	7,925	38,534	1,484,549
Est. Household Reduction	44	222	8,536

Source: DIT Population Projections by SA2 (2019), KPMG, .id, Property & Advisory

Current ABS projections envisage a 20.5% increase in the Australian population between 2020 and 2031, with an 11.7% increase in Adelaide. As it stands, the projected population increase in Adelaide is some 3% of the nationwide increase. Applying this to the population growth *decreases* postulated above suggests a reduction to forecast growth of 12,700 according to KPMG's 'with-vaccine' projection and 26,600 according to its projection.

Table 3 applies the average of these two projections to the outlook for Greater Adelaide and distributes the resultant softening proportionately to the two reference radii identified in our report. Thus, the projected population within a 1km radius of the subject property may be postulated to change from 8,030 to 7,925 (i.e. 105 fewer people than previously expected). The projected population within a 2km radius may be postulated to change from 39,044 to 38,534 (i.e. 510 fewer people than previously expected). These translate into 44 and 222 fewer households respectively, as at 2031.

It is noted that the anticipated decline in the number of households represents approximately 0.5% of the household count at the 2016 Census. At the rates of total retail expenditure identified in Table 2 (as at 2018), this represents some \$730,000 lower total retail expenditure within the 1km radius of the subject site and \$4.45mill within the 2km radius.

The above assessment is at best an educated empirical guess and there is a wide variety of other possible outcomes. For example, there could be no successful vaccine, in which case the population decline will be steeper and the economic effect greater. Alternatively, the Federal Government could 'pump prime' immigration levels to meet or exceed pre-covid projections, which would translate to positive retail expenditure outcomes.

¹ KPMG, 'Pathways to Recovery', August 2020.

² .id, 'What impact will COVID-19 have on Australia's future population?', July 2020.

The current Covid-19 environment is challenging for many retailers, and a boon for others. It has accelerated a shift to online-sourced turnover that has stranded those with a weak online operation. These effects will continue well into 2021 (and beyond), especially as the JobKeeper measures are progressively withdrawn. 2020 has particularly affected retail landlords, who have faced rent shortfalls and tenant failures, combined with the accelerated move online. These market trends have directed and are directing further transformation of 'bricks and mortar' retail. Floorspace per capita fell in every retail sector except 'homewares and home furnishing' from 2010 to 2020 and this trend is forecast to continue into the next decade³. Sectors most under threat are department stores, discount department stores and apparel.

The Covid-19 pandemic has not of itself been transformative in retailing, but it has had the effect of accelerating trends that were already occurring, demanding of retail landlords costly re-alignment of physical strategy at a time of uncertainty around future rent levels and, for some centres, falling values.

The effect of the pandemic on matters to hand will be that it may prompt a re-alignment of the nature and scale of planned development to account for developing trends. The effect of current negative forces in the wider retail market is less important than the pandemic's compounding of long term trends. Retail development on the subject site is unlikely to be delivered before the mid-2020s, and those long-term trends will be instrumental in determining its form and scale.

2.3.3 Household Retail Expenditure

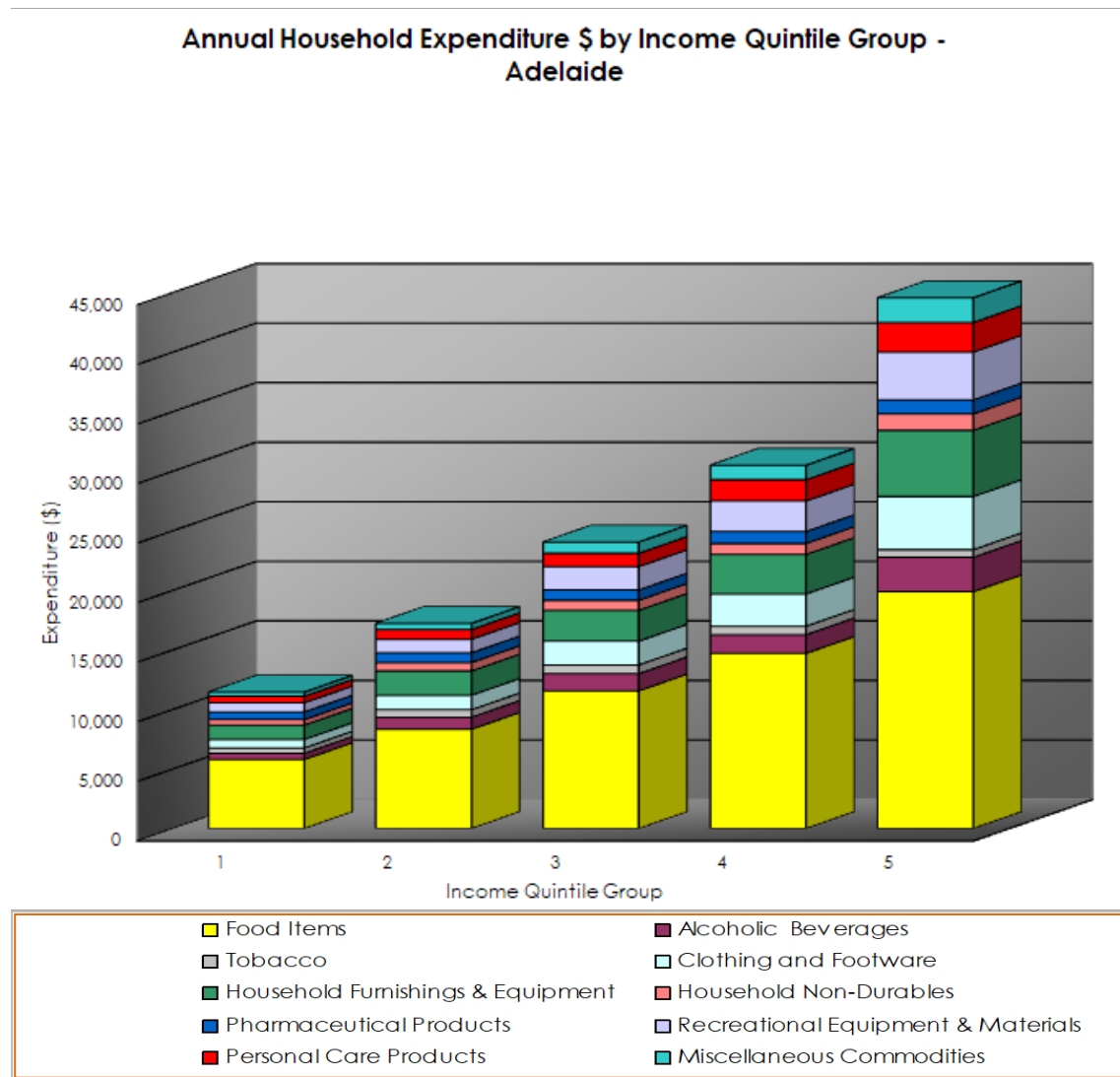
Research undertaken by Property & Advisory for the South Australian Government demonstrated that retail expenditure and, hence, demand for retail floorspace, is more closely related to household numbers than to population⁴.

Figure 3 overleaf shows the level of expenditure by categories on retail goods at different household income levels.

³ CBRE, 2020, 'Retail Therapy: Shopping for Resilience in Retail Property, p. 15

⁴ Alistair Tutte Pty Ltd, 1996. This report considered structural rather than the more cyclical drivers of retail expenditure. The biggest structural changes since this time have been the corporatisation of retailing, the rise of 'bulky goods' and the arrival of the internet – with the last of these still playing out.

Figure 3: Annual Household Retail Expenditure by Household Income Quintile Groups in SA (2018\$)

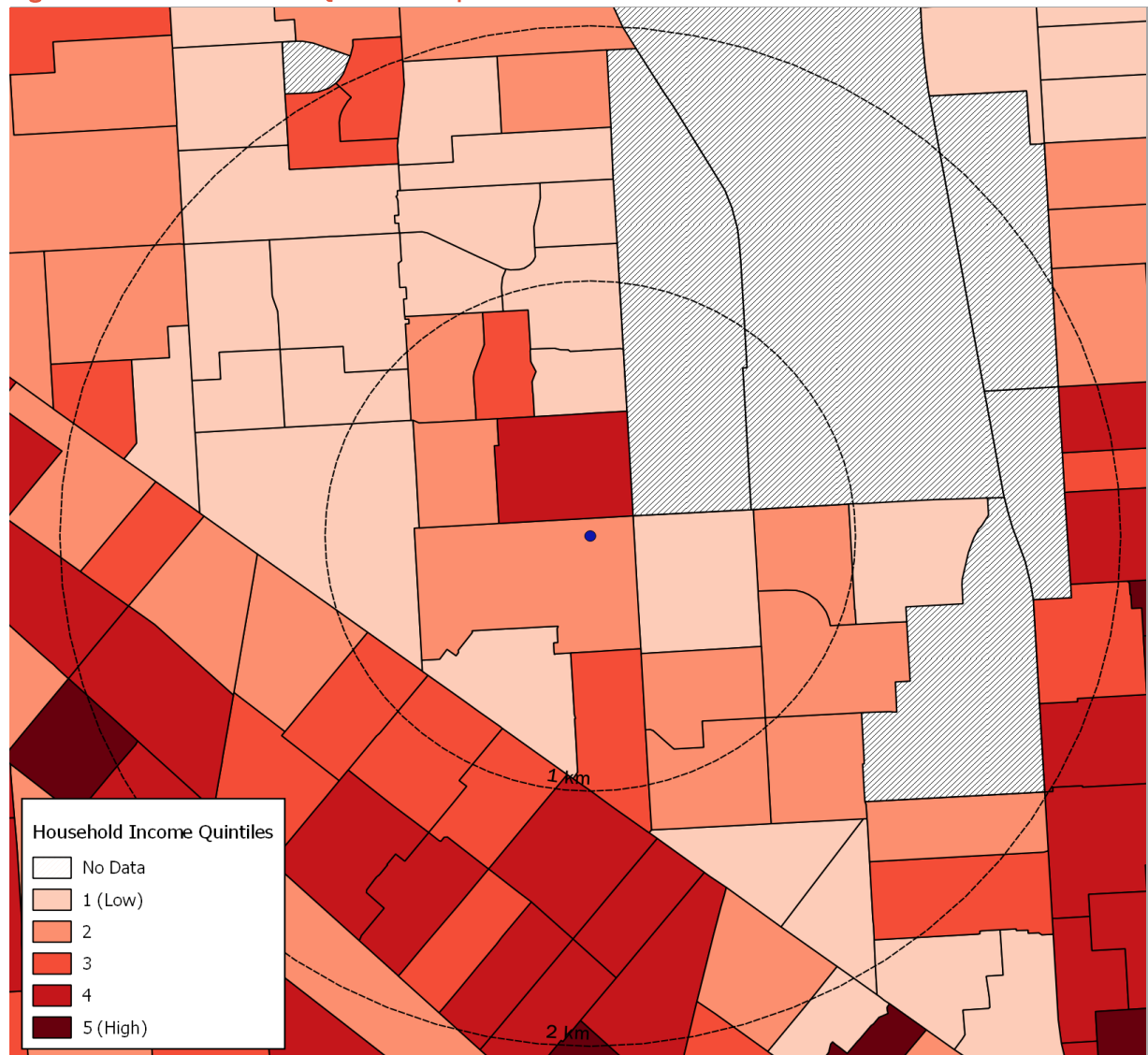


Source: Australian Bureau of Statistics, 2016 Household Expenditure Survey

It follows that the levels of household income in a retail catchment have a significant effect on the turnover at each retail centre. For example, households in the highest income group spend over 3 times as much on overall retail purchases, and more on food alone, as do households in the lowest income group.

As against this, Figure 4 shows the various household income quintile groups for Statistical Area Level 1 Districts around Croydon Park.

Figure 4: Household Income Quintile Groups for Statistical Area Level 1 Districts



Source: 2016 Census (ABS)

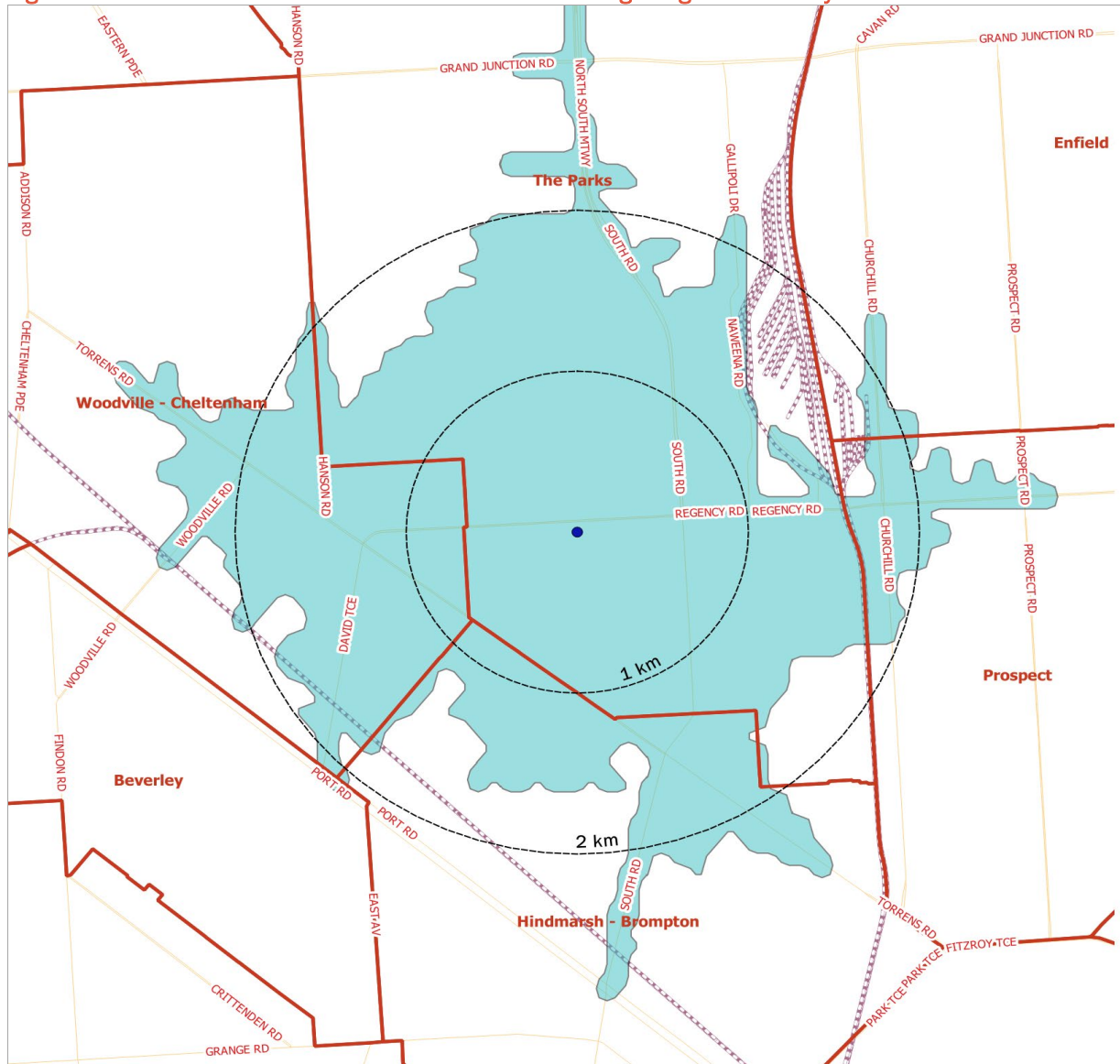
As shown:

- much of the region north of Torrens Road comprises low income quintile households;
- virtually an entire quadrant around the proposed centre has no population (designated 'no data'), comprising as it does the industrial suburb of Regency Park, the Islington rail yards and the industrial portion of Dudley Park; and
- middle-income households predominate areas to the south of Torrens Road.

2.4 CATCHMENT POPULATION AND HOUSEHOLD PROJECTIONS

As at the 2016 Census, the population in a 2km radius around the proposed centre was approximately 33,200 persons, of whom some 7,100 lived in the surrounding suburbs of Croydon Park and Ferryden Park. Figure 5 shows the relevant Statistical Area 2 regions from which a new Croydon Park retail development may potentially draw custom, together with a 5-minute driving range around the proposed centre.

Figure 5: Statistical Area 2 Boundaries and 5 Minute Driving Range around Croydon Park



Source: ABS, Property & Advisory

As shown, the Statistical Area 2 region from which Croydon Park is likely to draw its retail catchment is predominantly 'The Parks'. It is less likely that populations to the west and east would by-pass Arndale and the Churchill Road centres to reach Croydon Park for their shopping, although some residents of the 'Hindmarsh-Brompton' SA2 may make the journey. Vehicle movements are somewhat restricted by railway lines to the south and east, however the upgrade of South Road has extended accessibility significantly to the north and south.

Table 3 shows the population projection for the surrounding SA2 regions over the period from 2016 to 2031, which indicates an overall increase of 17.9%. The highest growth is expected in Hindmarsh – Brompton, probably on the back of the Bowden Brompton redevelopment, and Prospect, possibly off the back of increased medium and high-density housing along Churchill Road and elsewhere. A below-average population increase of 13.5% is projected for ‘The Parks’ SA2.

Table 3: Population Projections for Statistical Local Areas Surrounding Croydon Park

SA2 Code	SA2 Name	2011	2016	2021	2026	2031	% Change 2016 - 2031
404011097	Woodville - Cheltenham	15,785	16,579	17,435	18,386	19,020	14.72%
404021102	The Parks	17,914	19,178	20,200	21,116	21,768	13.51%
402031036	Enfield - Blair Athol	22,263	23,466	24,783	26,131	27,483	17.12%
401061021	Prospect	14,551	14,915	15,852	16,746	17,721	18.81%
404011093	Hindmarsh - Brompton	17,210	20,002	22,089	23,794	25,019	25.08%
Totals		87,723	94,140	100,359	106,173	111,011	17.92%

Source: DPTI, 2016

Table 4 below shows comparable data for the number of households, allowing for some decline in occupancy rates over time. The percentage increase in the number of households from which the proposed centre might draw its customers is anticipated to be greater than the rate of population growth, amounting to approximately 27% between 2016 and 2031.

Table 4: Household Projections for Statistical Local Areas within 10km radius of Croydon Park

SA2 Code	SA2 Name	2011	2016	2021	2026	2031	% Change 2016 - 2031
404011097	Woodville - Cheltenham	6,314	6,632	7,265	7,994	8,270	24.70%
404021102	The Parks	7,166	7,376	8,080	8,798	9,464	28.31%
402031036	Enfield - Blair Athol	9,276	9,386	10,326	11,361	11,949	27.30%
401061021	Prospect	5,820	5,966	6,605	7,281	7,705	29.14%
404011093	Hindmarsh - Brompton	7,483	8,697	9,604	10,345	10,878	25.08%
Totals		36,059	38,057	41,880	45,780	48,266	26.83%

Source: DPTI, 2016 and Property & Advisory

Table 4 indicates an anticipated growth of approximately 2,100 households in ‘The Parks’ SA2 between 2016 and 2031, its growth rate above the average for all SA2 regions in the vicinity. These projections make no allowance as yet for the proposed residential development on the subject property which, on advice from URPS, is projected to result in some 278 new households. Further, the nearby Northern Days Road DPA, which is expected to result in the redevelopment of UnitingSA and Novita sites, would add approximately 165 households. We have factored these developments into the 2026 and 2031 projections in our subsequent analysis.

3.0 RETAIL ANALYSIS

3.1 FUTURE FLOORSPEC SCENARIOS

For the purposes of this study, we have modelled:

- the development of a centre of some 5,500sqm floorspace on the south-western corner of Regency Road and Days Road, Croydon Park, comprising a full-line supermarket of 4,500sqm and 1,000sqm of ancillary retail space. Allowing for a little ancillary food, the floorspace modelled is 4,700sqm food and 800sqm non-food;
- as an alternate solution, the development of a centre of some 2,000sqm retail floorspace on the site – meaning no full-line supermarket. The alternative floorspace solution we have selected under this scenario is 1,500sqm food and 500sqm non-food; and
- the effect of both such developments on existing Centres in the vicinity.

These scenarios may be measured with reference to a retail gravity model, as expounded below. This analysis considers the timing and extent of such a development, based on fully updated floor areas for Croydon Park and the surrounding Centres, together with household projections to 2031 as outlined in 2.4 above.

3.2 RETAIL GRAVITY MODELLING

The core of the methodology used in this study employs a retail gravity model to establish the turnover of food and non-food retailing in existing retail centres and changes in turnover resulting from any expansion of retail facilities at Croydon Park. The basic inputs to the model are:-

- 2016 Census data on number of households and Department of Planning, Transport & Infrastructure population/household projections for 2016, 2021, 2026 and 2031 by Statistical Area 1s (SA1);
- 2016 household income by quintile group and household retail expenditure on food and non-food retailing by household quintile group (from ABS 2016 Housing and Population Census and ABS 2016 Household Expenditure Survey adjusted to \$2018) as described herein; and
- 2007 Adelaide Retail Database (Planning SA, 2008, updated to 2019 by P&A, including incorporation of the proposed development), detailing food and non-food floorspace for all metropolitan retail centres.

The model distributes the sum of household retail expenditure from each SA1 District to retail centres depending on distance and Centre size (using the Huff Algorithm) over 4 intercensal periods (in this instance 2016, 2021, 2026 and 2031). The retail expenditures flowing to all centres under review from all study area SA1s are modelled simultaneously, and the methodology differs from other retail analyses in that there is no need to pre-define “catchments” for the centres studied. The results are presented in current dollars across the whole period.

It is important to note that the model assumes that all retail floorspace is of equal “quality” and equally served by appropriate ancillary facilities such as car parking. P&A considers qualitative differences in the study area and adjust inputs and outputs where local conditions warrant.

Examples of such factors are perceived centre quality and ease of parking, and a centre's relationship to the arterial road network, including any significant barriers to movement.

In the first instance, the existing provision of food and non-food retail floorspace in metropolitan and outer metropolitan centres has been modelled to establish baseline data for comparison with other scenarios.

Two development scenarios for the Croydon Park site have then been modelled for this study. For the future development scenarios described, the turnover per square metre for selected retail centres within a 2-kilometre radius was recorded to allow the effect of additional floorspace in Croydon Park to be identified, and the relative viability of various floorspace scenarios to be assessed. The results of the modelling have been presented as turnover per square metre, which facilitates ready comparison of Centres and scenarios.


3.3 ANALYSIS

3.3.1 Baseline

Table 5 presents the baseline analysis for selected major centres within a 2-kilometre radius.

Table 5: Baseline Turnover for Selected Centres: Existing Floorspace and No New Development (\$/sqm)

	Food turnover/m ² (\$)				Non-food turnover/m ² (\$)			
	2019	2021	2026	2031	2019	2021	2026	2031
Arndale and Surrounds	4,797	5,049	5,316	5,542	1,984	2,088	2,198	2,290
Croydon Park Shopping Centre	4,637	4,882	5,157	5,385	1,957	2,059	2,174	2,269
Regency Road/South Road, Croydon Park	4,656	4,901	5,164	5,388	1,984	2,087	2,198	2,293
Torrens Road/Stevens St, Kilkeny	4,968	5,239	5,533	5,780	2,081	2,194	2,317	2,419
Days Road/Shirley Ave Croydon Park	5,035	5,307	5,592	5,835	2,138	2,253	2,373	2,475
Churchill Centre North	4,604	4,838	5,076	5,282	1,957	2,056	2,157	2,244

 benchmark turnover/sqm

The highlighted 2019 turnovers/sqm in this table are taken as 'benchmark' figures for both food and non-food retailing and are used to compare turnover/sqm for subsequent scenarios.

Table 5 also shows the turnover per square metre at all of the centres increasing over time, in response to significant increases in the number of households from which they draw their customers.

Table 6 shows the Table 5 data expressed as percentage increases over the base year.

Table 6: Growth in Turnover over the Base year (2016) for Selected Centres: Existing Floorspace and No New Development (\$ per sqm)

	Food turnover/m ² (\$)				Non-food turnover/m ² (\$)			
	2019	2021	2026	2031	2019	2021	2026	2031
Arndale and Surrounds	-	5.25%	10.83%	15.54%	-	5.23%	10.77%	15.43%
Croydon Park Shopping Centre	-	5.28%	11.20%	16.13%	-	5.25%	11.10%	15.98%
Regency Road/South Road, Croydon Park	-	5.26%	10.92%	15.72%	-	5.22%	10.82%	15.58%
Torrens Road/Stevens St, Kilkeny	-	5.45%	11.38%	16.34%	-	5.42%	11.30%	16.22%
Days Road/Shirley Ave Croydon Park	-	5.39%	11.06%	15.88%	-	5.36%	10.97%	15.75%
Churchill Centre North	-	5.09%	10.27%	14.75%	-	5.06%	10.20%	14.63%

Against this background, two scenarios have been modelled at the subject site, being:

- construction of a 5,500sqm centre, consisting of 4,700sqm food and 800sqm non-food floorspace; and
- construction of a 2,000sqm centre, consisting of 1,500sqm food and 500sqm non-food floorspace.

3.3.2 **Scenario 1:** Increase Croydon Park Floorspace by 5,500 sqm, being 4,700sqm Food and 800sqm Non-food floorspace, including the introduction of a full-line supermarket

An increase of 5,500 sqm of food retailing floorspace has been modelled, including a typical full line supermarket established by any of the major operators – although noting that the only full-line supermarket that is realistically likely to take up space on the site is Foodland, because all other supermarket brands are already well represented in the region.

A floorspace increase of this size would require a site of approximately 12,000 square metres, including at-grade car parking.

Table 7 shows the effect of such a floorspace increase at the Croydon Park site on selected other Centres in the region.

Table 7: Scenario 1 - Turnover per sqm with addition of 4,700sqm Food and 800sqm Non-food Floorspace at the Croydon Park Site

Centre	Food turnover/m ² (\$)				Non-food turnover/m ² (\$)			
	2019	2021	2026	2031	2019	2021	2026	2031
Arndale and Surrounds	4,721	4,969	5,230	5,451	1,976	2,079	2,189	2,281
Croydon Park Shopping Centre	4,564	4,805	5,071	5,295	1,949	2,051	2,165	2,260
Regency Road/South Road, Croydon Park	4,587	4,828	5,085	5,305	1,975	2,079	2,189	2,283
Torrens Road/Stevens St, Kilkenny	4,890	5,156	5,442	5,683	2,073	2,186	2,307	2,409
Days Road/Shirley Ave Croydon Park	4,958	5,224	5,503	5,741	2,130	2,244	2,363	2,465
Churchill Centre North	4,548	4,779	5,014	5,217	1,949	2,048	2,148	2,234

 decreased turnover/sqm
  increased turnover/sqm

Table 8 presents Table 7 data as percentage change over the 2019 base year.

Table 8: Scenario 1 – Percentage Change in Projected Turnover per sqm with addition of 4,700sqm Food and 800sqm Non-food Floorspace at the Croydon Park Site

Centre	Food				Non- Food			
	2019	2021	2026	2031	2019	2021	2026	2031
Arndale and Surrounds	-1.58%	3.59%	9.03%	13.64%	-0.40%	4.80%	10.32%	14.96%
Croydon Park Shopping Centre	-1.58%	3.61%	9.36%	14.18%	-0.41%	4.81%	10.64%	15.49%
Regency Road/South Road, Croydon Park	-1.47%	3.70%	9.23%	13.94%	-0.41%	4.79%	10.36%	15.09%
Torrens Road/Stevens St, Kilkenny	-1.57%	3.78%	9.55%	14.40%	-0.40%	5.01%	10.85%	15.74%
Days Road/Shirley Ave Croydon Park	-1.54%	3.76%	9.29%	14.02%	-0.40%	4.93%	10.52%	15.27%
Churchill Centre North	-1.21%	3.81%	8.91%	13.32%	-0.41%	4.64%	9.75%	14.16%

 decreased turnover/sqm
  increased turnover/sqm

The modelled results for 2019 indicate that in both food and non-food retailing all of the surrounding retail centres would experience very minor declines in turnover per square metre (indicated by grey shading), but by 2021 and thereafter turnover per square metre shows positive growth when compared to the 2016 'benchmark' figures (green shading).

It is generally accepted in retail analysis that a negative effect on other centres of less than 5% is not significant, whereas effects between 5-10% would give rise for some concern, and effects above 10% might affect the viability and functioning of retail centres. The above analysis indicates that the effect of the new development on all the nearby Centres tested is not sufficient to give rise to concerns for the future commercial health of nearby Centres.

Although the direction of the above analysis is consistent with expectations, the magnitude is surprising. In particular, we expected that the effect of a new 'Neighbourhood' sized centre on the subject land would have a significant effect on the Croydon Park Shopping Centre and the shops at Days Road/Shirley Ave, Croydon Park. We believe that the reason for the relatively benign result is that all the closest SA1s have very few dollars to be distributed to centres, most being in the lowest income quintiles. Thus, regardless of the amount of new floorspace added, the magnitude of re-distribution in dollar terms is low.

3.3.3 *Scenario 2:* Increase Croydon Park floorspace by 2,000sqm, being 1,500sqm food and 500sqm non-food floorspace

Table 9 shows the effect of such a floorspace increase in Croydon Park on the selected other Centres in the region.

Table 9: Scenario 2 - Turnover per sqm with addition of 1,500sqm Food and 500sqm Non-food Floorspace at the Croydon Park Site

Centre	Food turnover/m ² (\$)				Non-food turnover/m ² (\$)			
	2019	2021	2026	2031	2019	2021	2026	2031
Arndale and Surrounds	4,770	5,021	5,286	5,510	1,977	2,080	2,189	2,282
Croydon Park Shopping Centre	4,611	4,855	5,127	5,353	1,950	2,052	2,166	2,261
Regency Road/South Road, Croydon Park	4,631	4,875	5,136	5,358	1,976	2,079	2,190	2,284
Torrens Road/Stevens St, Kilkeny	4,941	5,210	5,501	5,746	2,074	2,187	2,308	2,410
Days Road/Shirley Ave Croydon Park	5,008	5,278	5,561	5,802	2,131	2,245	2,364	2,466
Churchill Centre North	4,584	4,817	5,054	5,259	1,950	2,048	2,149	2,235

 decreased turnover/sqm
  increased turnover/sqm

Table 10 overleaf presents Table 9 data as percentage change over the 2019 base year.

Table 10: Scenario 2 – Percentage Change in Projected Turnover per sqm with addition of 1,500sqm Food and 500sqm Non-food Floorspace at the Croydon Park Site

Increase over benchmark year (%)		Food				Non- Food			
Centre	2019	2021	2026	2031	2019	2021	2026	2031	
Arndale and Surrounds	-0.55%	4.67%	10.20%	14.87%	-0.36%	4.85%	10.36%	15.01%	
Croydon Park Shopping Centre	-0.56%	4.69%	10.55%	15.44%	-0.37%	4.86%	10.68%	15.54%	
Regency Road/South Road, Croydon Park	-0.52%	4.71%	10.32%	15.09%	-0.37%	4.83%	10.41%	15.14%	
Torrens Road/Stevens St, Kilkenny	-0.55%	4.87%	10.73%	15.66%	-0.35%	5.05%	10.90%	15.79%	
Days Road/Shirley Ave Croydon Park	-0.54%	4.82%	10.44%	15.23%	-0.36%	4.97%	10.56%	15.32%	
Churchill Centre North	-0.44%	4.63%	9.78%	14.23%	-0.38%	4.67%	9.78%	14.20%	

 decreased turnover/sqm
  increased turnover/sqm

The modelled results for 2019 indicate that in both food and non-food retailing all of the surrounding retail centres would experience very minor declines in turnover per square metre (indicated by grey shading), but by 2021 and thereafter turnover per square metre shows positive growth when compared to the 2016 'benchmark' figures (green shading). As expected, the magnitude of the declines over the base year are less than for the larger 5,500sqm Scenario 1.

As for Scenario 1, the above analysis indicates that the effect of the new development on all the nearby Centres tested is not sufficient to give rise to concerns for the future health of those Centres.

4.0 DISCUSSION AND SITE POTENTIAL

This report has explored Croydon Park's retail environment, the characteristics of the local population and the underlying potential for retail floorspace expansion in the region.

Croydon Park and surrounds were developed in the 1950s with predominantly public housing and discrete industrial areas – including the subject site, part of which has never been developed. The subject site's catchment market comprises generally low incomes households, with relatively low home ownership and higher-than-average unemployment. A full quadrant to the north-east of the site comprises the industrial area of Regency Park, with no resident population.

The population count within a 2km radius of the site is expected to rise from 33,230 at the 2016 Census to approximately 39,000 by 2031. Taking into account the proposed development of additional new housing on the subject site and two other nearby sites (subject to DPA) this latter figure could increase by an additional 1,000 or so persons, as has been assumed herein.

There are two major retail centres that are readily accessible to surrounding residents – Arndale and Churchill Road North.

Our analysis indicates that the addition of either of the scenarios modelled will not have a significant effect on surrounding Centres.

4.1 SITE POTENTIAL

Given the site's proximity to Arndale and Churchill Road North, our inclination is that in terms of the provision of mainstream retail development, the smaller of the two scenarios is the more attractive development proposition - however, we note this is essentially a private sector landowner/developer investment decision. We note that both analysed scenarios will have no significant impact on the function and role of existing and approved retailed developments.

We consider that there are several factors in the site's favour:

- the analysis herein is capable of modelling only the probable allocation of spending to Centres by local households as a result of centre attractiveness (measured by size) and accessibility (measured by distance). It makes no allowance for retail spending sourced from passing trade. However, Regency Road carries some 22,800 vehicles per day and Days Road is likely to carry perhaps half as much again, which is not insignificant. The northern part of the subject site is well suited to accommodate land uses that may take advantage of this trade, such as fast food/family restaurant and a petrol filling station;
- whilst the current surrounding demographic is predominantly households in the lowest income quintile, it would be our expectation that new residents on the subject site would fall in the 3rd or 4th quintiles, with concomitant higher spending power;
- the adjacent Croydon Park Shopping Centre is a very active local shopping precinct, with no vacancies and a strong Asian grocery and restaurant flavour. On the face of it, there should be potential to augment these uses on the subject site, with additional shops to further target this niche market. With residential development on the subject site reaching scale by, say,

2024, a 'walkability' factor may overcome some of the pull of the substantial large-scale retail centres in the vicinity;

- a 'Suburban Neighbourhood' zone for the site opens the possibility of mixed use buildings on the site – the Days Road frontage being particularly suitable in this regard, given its lower traffic count. Ground floor retail in such development, facing the existing Croydon Park Shopping Centre has the potential to create a 'main street' as a concentrated focus of local retail activity;
- in addition to 'walkable' retail on the site, demand may grow for commercial floorspace for occupants such as accountants, lawyers, real estate agents and para-medical accommodation as a result of the new resident population in the immediate locality;
- the substantial large format retail precinct at Churchill Centre South notwithstanding, it may be worth testing the market for additional large format retailing on the subject site. For example, the nearest Dan Murphy's liquor outlet is on Port Road at Welland, some 3 kilometres to the south. There may be other similar opportunities in the large format sector, for which the Regency Road frontage and Days Road corner provides significant profile;
- other potential land uses on the site include:
 - fitness centre;
 - child care;
 - household items and furnishings to service the new developments in the area – paint, bathroom fittings, kitchen equipment, tiles, floor coverings, etc.; and
 - sporting goods, cycling.

5.0 BIBLIOGRAPHY

Department of Planning, Transport and Infrastructure: Retail Database (2007), as amended by Property & Advisory (2019).

Tuttle, Alistair (1996): *'Regional and District Centre Expansion 1996 – 2011 Study Metropolitan Adelaide'*, prepared for the Development Policy Advisory Committee

Australian Bureau of Statistics:-

Housing and Population Census (2016);

Household Expenditure Survey (2016), adjusted by Property & Advisory 2018

Department of Planning, Transport and Infrastructure: Population Projections for South Australian Statistical Area Level 2 and Level 4, 2011-31, December 2019 release, adjusted to 2016 Census by Property & Advisory (2020).