Hopetoun Park North, Bacchus Marsh

Peer Review of Urban Enterprise's Retail Needs Assessment

PREPARED FOR **Urban Land Developments**

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Executive summary

Regional and local context

- The purpose of this report is to provide a peer review of the Retail Needs Assessment undertaken by Urban Enterprise in May 2020, as well as provide an assessment of the scale of retail floorspace expected to be supportable at the subject site.

Regional and local context

- Hopetoun Park is a growing rural community within the Moorabool Shire local government area (LGA), located less than a 10-minute drive from the major rural towns of Bacchus Marsh to the west and Melton to the east.
- Residents can readily access high-order retail facilities within the towns of Bacchus Marsh and Melton via the Western Freeway, which runs north-west through the suburb along the northern boundary of the Hopetoun Park North growth area.
- According to council meeting notes in March 2018, Council Officers stated that "*it is anticipated that the ultimate population of Hopetoun Park, once fully developed, will be sufficient to support a local community centre comprising recreation uses, a multipurpose community venue and shop."*
- Hopetoun Park North is a 185-hectare designated future 'low density' residential growth area located to the north of the established Hopetoun Park community and is earmarked for an 850-lot residential estate and is forecast to accommodate around 2,550 residents at capacity.
- A Local Activity Centre (LAC) is identified in the indicative land use plan for Hopetoun Park North, earmarked for a site on the western side of Hopetoun Road, approximately 400-500 metres south of the Western Freeway.
- Development of Hopetoun Park North is expected to occur over the medium to long term, with some retail uses likely to be supportable once the resident population of area becomes more established.

Trade area analysis

- The main trade area (MTA) resident population is estimated at 860 as at June 2020, and is forecast to reach 3,440 residents by 2036.
- The demographic profile of the MTA population is typical for a growing semi-rural community near Melbourne, with a high presence of young Australian born families who earn above average income levels and generally own their own home. Young families are attracted to the area by lifestyle choices, with Hopetoun Park offering acreage style properties and easy access to two major peri-urban towns.
- Retail expenditure per person is estimated at $14,534 ,with spend per person on fresh food, a key category of relevance to foodstores, being 1.5% above the non-metropolitan Victorian average, while spend per person on other food and groceries is 5.5% below the non-metropolitan Victorian benchmark.

Competitive context

- There are currently no retail facilities situated within the main trade area. The retail expenditure of trade area residents would, therefore, be currently directed to the higher retail offerings in the area, being Bacchus Marsh and Melton town centres, both under a 10-minute drive from Hopetoun Park.
- Bacchus Marsh is an established retail shopping destination, anchored by a sub-regional shopping centre, The Village SC, providing a number of national tenants and is well placed to continue to serve the food and non-food shopping needs of the surrounding growing population. There is a substantial vacant site located in the town centre zoned commercial, which could accommodate additional retail facilities including potentially a supermarket.
- Melton Town Centre supports a regional shopping centre, Woodgrove SC (anchored by two discount department stores and three supermarkets), as well as a traditional retail strip focused on High Street.
- To support the future population growth in the region, the Bacchus Marsh UGF (2018) and the Melton Retail and Activity Centre Strategy (2014) identified a number of new local and neighbourhood activity centres, of which three (Merrimu, Botanic Springs and Parwan Station), are located within 10 km of Hopetoun Park.

Retail needs assessment

- Given the high level of retail offering at both Bacchus Marsh and Melton town centres, a retail centre at Hopetoun Park North has the potential to retain a moderate proportion of the food and retail services spending of local residents.
- A retail floorspace analysis indicates that at around the mid-2030s up to around 690 sq.m of retail floorspace is supportable at the locality, including up to 480 sq.m of FLG floorspace (such as a small grocery store), 160 sq.m of food catering floorspace (e.g. café/take away food) and 40 sq.m of non-food floorspace (e.g. hair/beauty salon).
- Although the amount of floorspace potentially supportable within the trade area will continue to increase as the resident population reaches capacity, Macroplan notes that there is a balancing act between providing a retail facility early enough to support an establishing community and one that is of a size that is supportable once the population reaches capacity.

Conclusions

- In Macroplan's opinion, a Local Convenience Centre of around 600 sq.m GFA, comprising a small grocery store of around 300 to 450 sq.m supported by one or two retail specialties (e.g. a café and/or a hair/beauty salon) is best suited for subject site. This view takes particularly into account the current population of the area, the planned future population of Hopetoun Park North, and the broad range of retail centre situated in the region.
- Macroplan's assessment in broad terms supports the conclusions made in the Retail Needs Assessment undertaken by Urban Enterprise in May 2020, in that the retail offering supportable at Hopetoun Park North is of a smaller scale providing the top-up grocery and convenience needs of local residents.

Introduction

Macroplan has been engaged by Urban Land Developments (ULD) to provide a peer review of Urban Enterprise's Retail Needs Assessment prepared in May 2020.

The purpose of the assessment is to review the methodology, data and assumptions adopted in the report and provide an independent assessment of the level of retail floorspace that is supportable within the Hopetoun Park.

- **Section 1 – Regional and local context:** presents an overview of the regional and local context in which a proposed retail centre will operate as well as providing an overview of the Hopetoun Park North residential development.
- **Section 2 – Trade area analysis:** reviews the trade area to be served by a proposed local retail facility, including the current and projected population, the socio-demographic profile and the estimated current and future retail expenditure capacity of trade area residents.
- **Section 3 – Competitive context:** outlines the competitive context of the region, including any proposed developments of relevance.
- **Section 4 – Retail needs assessment and conclusions** outlines the expected demand for retail floorspace at the future Hopetoun Park retail facility, and provides our conclusions and recommendations.

Section 1: Regional and local context

This section of the report presents an overview of the regional and local context in which the proposed local centre would operate, as well as providing an overview of the planning context for Hopetoun Park.

1.1 Regional context and site location

Hopetoun Park is a growing rural community within the Moorabool Shire local government area (LGA), less than 10 minutes drive from the major rural towns of Bacchus Marsh (west) and Melton (east). Located at the fringe of metropolitan Melbourne, some 57 km west of the Melbourne CBD Hopetoun Park and Bacchus Marsh are connected to Melbourne and Ballarat (to the west) via the Western Freeway which is the key transport route in the. Bacchus Marsh and Melton are also located on the Melbourne-Ballarat railway line, with V/Line trains providing regular services to Melbourne and Ballarat.

The surrounding region is identified as a major growth corridor of Melbourne with Bacchus Marsh experiencing strong population growth, which will continue with a significant amount of land in the area zoned for residential housing. Melton City Council to the immediate east of Hopetoun Park likewise is one of Victoria's fastest growing municipalities.

Hopetoun Park falls within the eastern boundary of the Bacchus Marsh Urban Growth Framework and is a small rural residential community that is being slowly developed. Residents can readily access the towns of Bacchus Marsh and Melton via the Western Freeway, which runs north-west through the suburb along the northern boundary of the Hopetoun Park North growth area (see Map 1.1).

Bacchus Marsh and Melton afford residents easy access to high level retail facilities, namely Melton Town Centre anchored by regional shopping centre (SC), Woodgrove SC, and Bacchus Marsh Town Centre anchored by The Village SC, a sub-regional shopping centre. Both towns offer extensive commercial and retail services as well as community facilities, schools and health care.

Map 1.1: Hopetoun Park

Site location

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1.2 Planning context

The Bacchus Marsh Urban Growth Framework (UGF) was prepared in 2018 to provide direction to the growth of Bacchus Marsh to 2041. Hopetoun Park North is identified by the UGF as a future greenfield residential expansion area which can be leveraged to deliver new 'local-level community facilities' including a future Local Activity Centre (LAC).

It is further noted in the UGF (see Table 2, on page 84) that Hopetown Park, along with Hopetoun Park North could support one local-level facility once the population reaches 5,000 residents.

According to agenda notes from a Council meeting conducted on Wednesday 28 March 2018, Council Officers stated that:

> *"It is anticipated that the ultimate population of Hopetoun Park, once fully developed, will be sufficient to support a local community centre comprising recreation uses, a multipurpose community venue and shop."*

In regard to the supply of future activity centres, the meeting notes state that,

> *"There is plentiful supply of vacant or under-utilised commercial zoned land within the Bacchus Marsh urban area, particularly within the Bacchus Marsh Main Street activity centre. The Merrimu and Parwan Station growth precincts provide opportunities for new activity centres to be developed over time."*

1.3 Proposed development

Hopetoun Park North is a designated future 'low density' residential growth area located to the north of the established Hopetoun Park Community which as at 2016 consisted of 264 dwellings on lots ranging in size from 1 acre to 2 hectares.

The 185-hectare greenfield area, currently comprising seven rural properties ranging in size from 2 to 60 hectares, is earmarked for an 850-lot residential estate, with lots in size from 800 to 1,500 sq.m (average 900 sq.m) and is forecast to accommodate around 2,550 residents at capacity.

A Local Activity Centre (LAC) is identified in the indicative land use plan for Hopetoun Park North, earmarked for a site on the western side of Hopetoun Road, approximately 400-500 metres south of the Western Freeway.

Development of Hopetoun Park North is expected to occur over the medium to long term, with some retail uses likely to be supportable once the resident population of area becomes more established.

Section 2: Trade area analysis

This section of the report reviews the trade area to be served by a proposed local retail facility, including the current and projected population, the socio-demographic profile and the estimated current and future retail expenditure capacity of trade area residents.

2.1 Trade area definition

The extent of the trade area that is served by any shopping centre, or retail facility, is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the retail facility or centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and car parking, including access and ease of use.

- The proximity and attractiveness of competitive retail tenants, or centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre or retail facility is effectively able to serve.

- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre, or retail facility.

- Significant physical barriers which are difficult to negotiate and can act as delineating boundaries to the trade area served by an individual shopping centre, or retail facility.

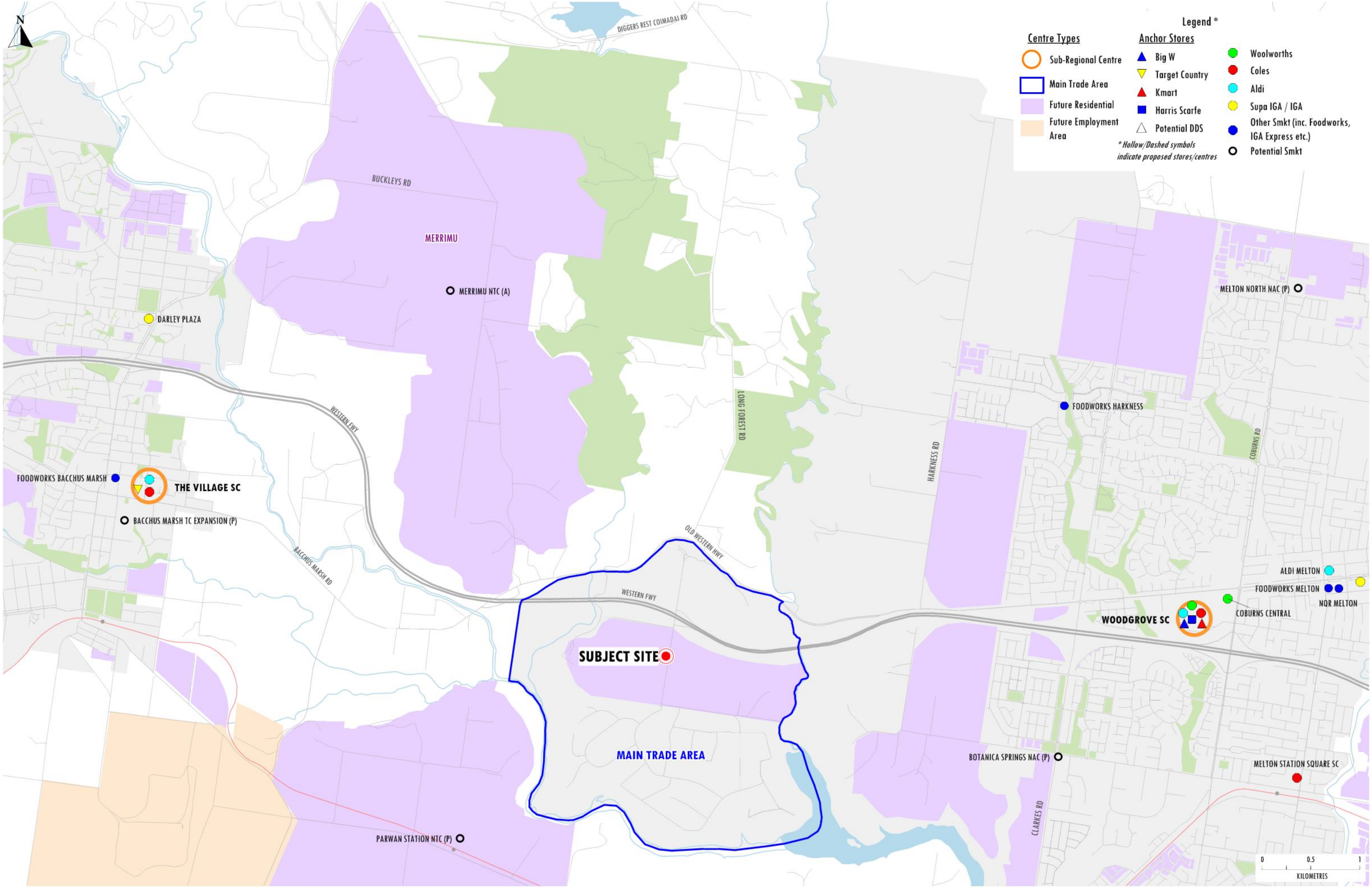
In consideration of the above, the trade area for a proposed local retail centre at Hopetoun Park North has been defined with regards to the following:

- The location of existing major retail facilities in proximity to the subject site, namely Bacchus Marsh and Melton Town Centres;

- Significant physical barriers such as the Werribee River which limits trade to the south; and

- The location of other identified growth areas with future allocated neighbourhood town centres namely Merrimu to the north-west.

Map 2.1 illustrates the main trade area (MTA) expected to be served by a proposed local retail facility, which encompasses the established area of Hopetoun Park and the Hopetoun Park North growth area. It is generally bounded by the Werribee River to the south, east and west and the Old Western Highway to the north.



Map 2.1: Hopetoun Park

Trade area and competition

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2.2 Trade area population

Table 2.1 and Chart 2.1 detail the current and projected population levels within the main trade area (MTA). This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics (ABS) Census of Population and Housing 2016;
- ABS Dwelling Approvals Data (2017-19);
- ABS Estimated Residential Population Data (ERP) (2017-19);
- Vic in Future population projections, Department of Environment, Land, Water and Planning, (2019);
- Forecast.id projections prepared for Moorabool Shire Council (November 2019); and
- Other investigations of recent and future residential development, undertaken by this office.

The MTA resident population is estimated at 820 as at June 2020. Over the intercensal period from 2011 to 2016, the MTA increased by 48 residents per annum, representing an average annual growth rate of 7.2%.

Future population growth over the short term will be via a small number of new dwellings being developed in the established Hopetoun Park area. In the medium to longer term, beyond 2023, population growth will be driven by the release of residential land within the Hopetoun Park North growth area.

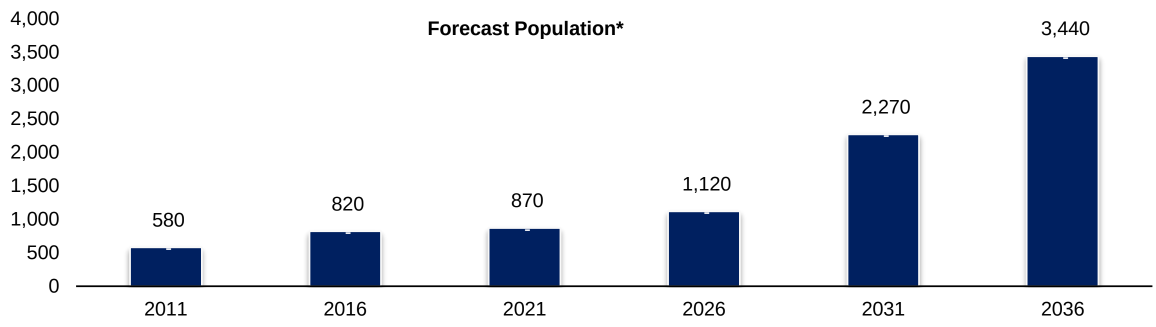
Having regard to the above, the MTA is estimated to grow to 3,440 residents by 2036. This is to consist of an estimated 890 residents within the established Hopetoun Park area and 2,550 residents within Hopetoun Park North at capacity.

Table 2.1
Hopetoun Park trade area population, 2011-2036*

	Estimated population				**Forecast population**		
Trade area sector	2011	2016	2020	2021	2026	2031	2036
Main trade area	580	820	860	870	1,120	2,270	3,440
				Average annual growth (no.)			
Trade area sector		2011-16	2016-20	2020-21	2021-26	2026-31	2031-36
Main trade area		48	10	10	50	230	234
				Average annual growth (%)			
Trade area sector		2011-16	2016-20	2020-21	2021-26	2026-31	2031-36
Main trade area		7.2%	1.2%	1.2%	5.2%	15.2%	8.7%

**As at June*
Source: ABS Census 2016; Victoria In Future 2019; Forecast.id; Macroplan

Chart 2.1
Hopetoun Park trade area population growth, 2011-2036



**As at June*
Source: ABS Census 2016; Victoria In Future 2019; Forecast.id; Macroplan

2.3 Socio-demographic profile

Table 2.2 and Chart 2.2 illustrate the socio-demographic profile of the main trade area population, compared with benchmarks for non-metropolitan Victoria, with the key highlights as follows:

- MTA average household incomes, at $135,084 per annum are significantly above the non-metropolitan Victorian benchmark ($74,653), reflecting both higher per capita income levels as well as a greater average household size.
- The age profile of the MTA is younger than the non-metropolitan Victorian average, reflecting the higher number of young families in the area. In particular, the area has a well above average proportion of children aged 14 years and younger.
- Home ownership levels within the main trade area (96.8%) are significantly above the non-metropolitan Victorian benchmark of 74.1%.
- Australian born residents account for 87.8% of the MTA population, which is broadly similar with the non-metropolitan Victorian benchmark of 89.3%. Of those born overseas, a high proportion are from North-West Europe, particularly the UK.
- Traditional families (i.e. couples with dependent children) are the most prevalent household type in the MTA, and account for 65.8% of households, which is above the non-metropolitan Victorian average (39.9%).

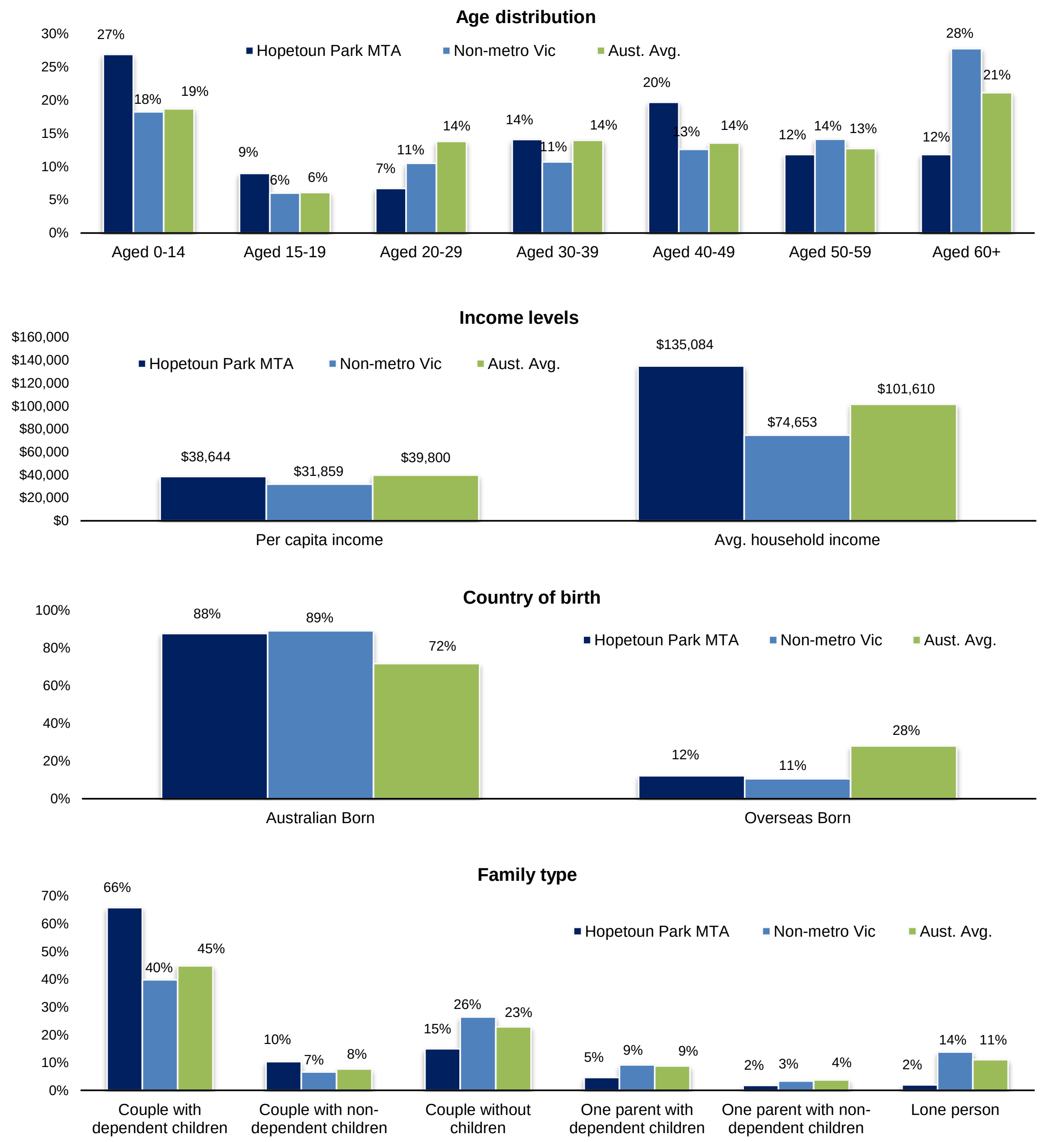
The demographic profile of the MTA population is typical for a growing semi-rural community near Melbourne, with a high presence of young Australian born families who earn above average income levels and generally own their own home. Young families are attracted to the area by lifestyle choices, with Hopetoun Park offering acreage style properties and easy access to two major peri-urban towns.

Table 2.2 Hopetoun Park main trade area - socio-demographic profile, 2016			
Census item	Main TA	Non-metro Vic avg.	Aust. avg.
Per capita income	$38,644	$31,859	$39,800
Var. from Non-metro Vic bmark	*21.3%*		
Avg. household income	$135,084	$74,653	$101,610
Var. from Non-metro Vic bmark	*80.9%*		
Avg. household size	3.5	2.3	2.6
Age distribution (% of population)			
Aged 0-14	26.9%	18.2%	18.7%
Aged 15-19	9.0%	6.0%	6.1%
Aged 20-29	6.7%	10.5%	13.8%
Aged 30-39	14.1%	10.7%	14.0%
Aged 40-49	19.7%	12.6%	13.5%
Aged 50-59	11.8%	14.1%	12.7%
Aged 60+	11.8%	27.7%	21.1%
Average age	33.2	41.7	38.6
Housing status (% of households)			
Owner (total)	96.8%	74.1%	67.4%
• Owner (outright)	27.0%	39.8%	31.9%
• Owner (with mortgage)	69.8%	34.3%	35.5%
Renter	3.2%	25.2%	31.8%
Birthplace (% of population)			
Australian born	87.8%	89.3%	71.9%
Overseas born	12.2%	10.7%	28.1%
• Asia	2.4%	2.3%	11.2%
• Europe	6.7%	6.0%	9.6%
• Other	3.1%	2.4%	7.4%
Family type (% of population)			
Couple with dep't child.	65.8%	39.9%	44.8%
Couple with non-dep't child.	10.4%	6.7%	7.7%
Couple without child.	15.0%	26.4%	22.8%
One parent with dep't child.	4.7%	9.2%	8.8%
One parent w non-dep't child.	1.8%	3.3%	3.7%
Lone person	2.0%	13.8%	11.0%
Car ownership			
% 0 Cars	1.9%	5.5%	7.7%
% 1 Car	43.3%	34.2%	36.1%
% 2 Cars	42.2%	38.9%	37.5%
% 3 Cars	9.1%	13.6%	12.2%
% 4 plus Cars	3.5%	7.9%	6.5%

Source: ABS Census of Population & Housing, 2016; Macroplan

Chart 2.2

Hopetoun Park main trade area - socio-demographic profile, 2016



Source: ABS Census of Population & Housing, 2016; Macroplan

2.4 Retail expenditure

The estimated retail expenditure capacity of the MTA population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. The MarketInfo estimates for spending behaviour prepared independently by MDS are used by a majority of retail/property consultants.

Total retail expenditure is allocated in a number of categories, as follows:

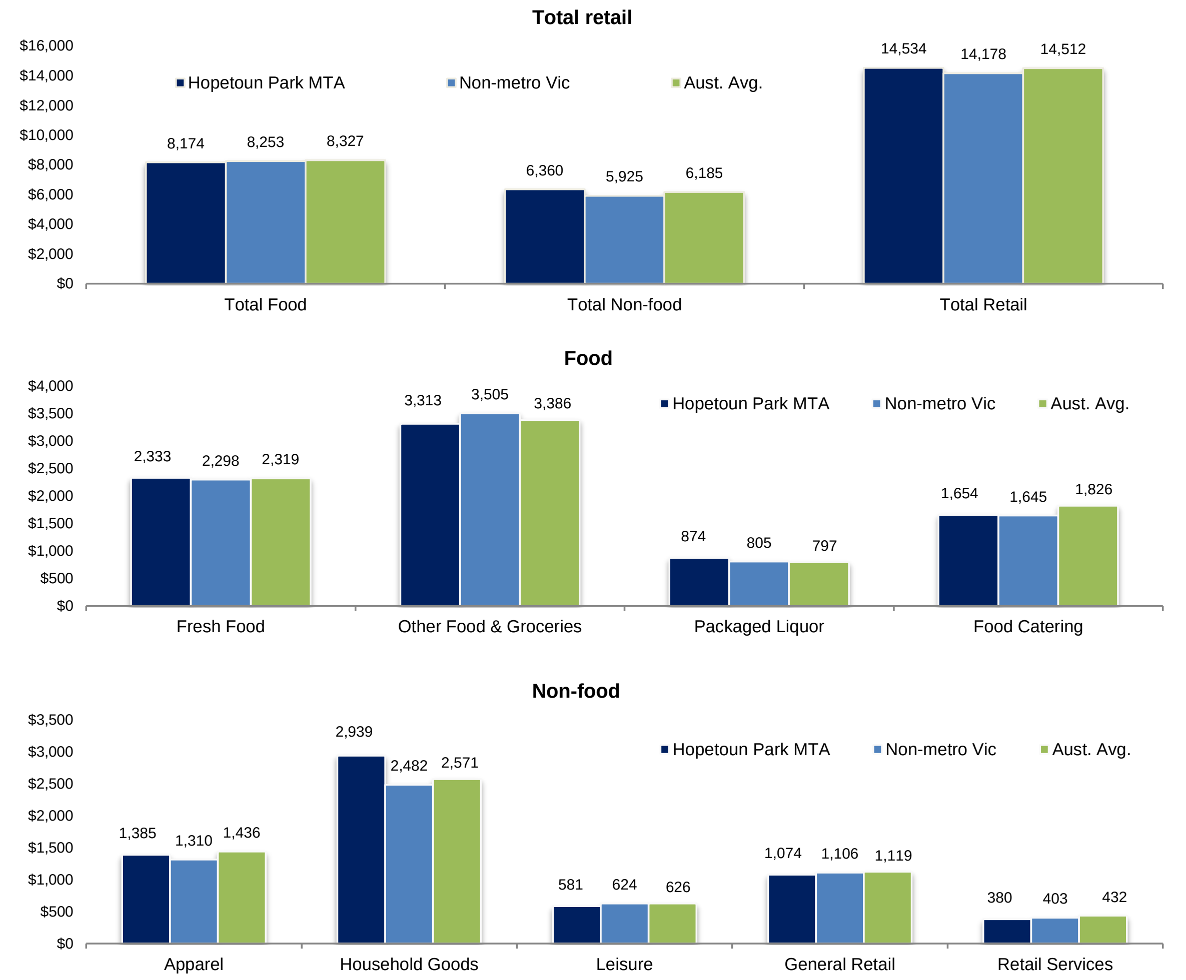
- **Take-home food and groceries** – goods typically sold in supermarkets and specialty fresh food stores.
- **Packaged liquor** – liquor purchased at bottle-shops to take home.
- **Food catering** – cafes, take-away outlets and restaurants.
- **Apparel** – clothing, footwear, fashion and accessories.
- **Household goods** – giftware, electrical, computers, furniture and homewares.
- **Leisure** – newsagents, sporting goods, music, DVDs, games and books.
- **General retail** – pharmaceutical goods, cosmetics, toys, florists and mobile phones.
- **Retail services** – key cutting, shoe repairs, hair and beauty.

Chart 2.3 shows the retail expenditure capacity per capita for the main trade area population for 2019/20 and compares these estimates with the average for non-metropolitan Victoria and Australia. Spending estimates are presented inclusive of GST. The following points are noted:

- Retail expenditure per person is estimated at $14,534, 2.5% above the non-metropolitan Victorian average.
- Spend per person on fresh food is 1.5% above the non-metropolitan Victorian average, while spend per person on other food and groceries is 5.5% below the non-metropolitan Victorian benchmark.
- Spend per person on non-food retail categories is 7.3% above the non-metropolitan Victorian benchmark. Household goods spending is particularly high, at 18.4% above the non-metropolitan Victorian average, followed by spend on apparel (5.7% above).

Chart 2.3

Hopetoun Park main trade area - retail expenditure per person, 2019/20*



**Including GST*
Source: MarketInfo; Macroplan

Table 2.3 details the estimated total retail spending generated of the MTA population over the period from 2020 to 2036. The total retail expenditure capacity generated by the MTA population is forecast to increase from $12 million at 2020 to $68 million at 2036, representing an average annual growth rate of 11.2% or an average of $3.5 million per annum.

The average annual growth rate generated over the forecast period consists of population growth; real growth in per capita retail expenditure growth of 0.6 – 0.7% per annum; and retail inflation, which is assumed to average 1.5% per annum.

Table 2.3
Hopetoun Park main trade area - retail expenditure ($M), 2020-2036*

Year ending June	**Main TA**
2020	12
2021	13
2022	14
2023	15
2024	16
2025	17
2026	18
2027	21
2028	25
2029	30
2030	35
2031	40
2032	45
2033	51
2034	56
2035	62
2036	68
Average annual growth ($M)	
2020-2036	3.5
Average annual growth (%)	
2020-2036	11.2%

**Inflated dollars & including GST*
Source: MarketInfo; Macroplan

Table 2.4 details the retail expenditure capacity of the main trade area population by broad retail category over the forecast period, including the category definitions. FLG expenditure (take-away food, liquor and groceries), which is the main expenditure category for supermarkets and foodstores, is estimated at $5.6 million at 2020 and is forecast to increase to $31.2 million at 2036, reflecting average growth of $1.6 million per annum.

Table 2.4
Hopetoun Park main trade area - retail expenditure by category ($M), 2020-2036*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	**Total retail**
2020	5.6	1.4	1.2	2.5	0.5	0.9	0.3	12.4
2021	5.8	1.5	1.2	2.6	0.5	0.9	0.3	12.8
2022	6.1	1.6	1.3	2.7	0.5	1.0	0.4	13.6
2023	6.6	1.7	1.4	2.9	0.6	1.1	0.4	14.7
2024	7.1	1.8	1.5	3.2	0.6	1.2	0.4	15.8
2025	7.6	2.0	1.6	3.4	0.7	1.2	0.4	16.9
2026	8.2	2.1	1.7	3.6	0.7	1.3	0.5	18.1
2027	9.4	2.4	1.9	4.2	0.8	1.5	0.5	20.9
2028	11.5	3.0	2.3	5.0	1.0	1.8	0.7	25.3
2029	13.6	3.5	2.8	6.0	1.2	2.2	0.8	30.0
2030	15.8	4.1	3.2	6.9	1.4	2.5	0.9	34.8
2031	18.1	4.7	3.6	7.9	1.5	2.9	1.0	39.8
2032	20.5	5.4	4.1	8.9	1.7	3.3	1.2	45.0
2033	23.0	6.1	4.6	10.0	1.9	3.6	1.3	50.5
2034	25.6	6.8	5.1	11.1	2.2	4.1	1.5	56.3
2035	28.4	7.5	5.6	12.2	2.4	4.5	1.6	62.2
2036	31.2	8.3	6.1	13.4	2.6	4.9	1.8	68.4
Average annual growth ($M)								
2020-2036	1.6	0.4	0.3	0.7	0.1	0.2	0.1	3.5
Average annual growth (%)								
2020-2036	11.4%	11.7%	10.8%	11.0%	10.9%	11.0%	11.3%	11.2%

**Inflated dollars & including GST*
Source: MarketInfo; Macroplan

Section 3: Competitive context

This section of the report outlines the competitive retail context within which the proposed retail centre will operate, including any proposed developments of relevance. Table 3.1 summarises the major retail facilities in the region.

Table 3.1
Hopetoun Park - schedule of major retail facilities

Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Hopetoun Park (km)
Melton	103,000		6.6
• Woodgrove SC	53,000	Kmart, Big W, Coles, Woolworths, Aldi	
• High Street	30,000	Aldi, IGA, Foodworks	
• Coburn Central	6,000	Woolworths	
• Melton Station Square	4,000	Coles	
• Balance	10,000	Foodworks	
Bacchus Marsh	25,600		8.0
• The Village Bacchus Marsh	12,000	Target, Coles, Aldi	
• Balance	12,000	Foodworks	
• Darley Plaza	1,600	IGA	
Future retail facilities			
Merrimu NAC (p)	n.a.	unknown supermarket	6.3
Botanica Springs NAC (p)	n.a.	unknown supermarket	7.4
Parwan Station NAC (p)	n.a.	unknown supermarket	9.7
Melton North NAC (p)	11,000 *	unknown supermarket	11.0

**maximum sq.m, SC - shopping centre, NAC - neighbourhood activity centre, (p) - proposed*
Source: Property Council of Australia; Bacchus Marsh UGF (2018), Melton Retail and Activity Centres Stratgy (2014); MacroPlan

As shown in Map 2.1, there are currently no retail facilities situated within the main trade area. Beyond the trade area, the retail centres of relevance are as follows:

- **Bacchus Marsh Town Centre** – located around 8 km west of Hopetoun Park North, includes The Village SC, a major retail shopping centre within the main strip, anchored by a Coles and ALDI supermarkets. The Village SC also accommodates a Target Country discount department store, however it is earmarked for closure in 2021.

  A range of other retailers are located along Main Street including a number of food outlets, apparel and homeware stores, convenience retail outlets and retail services. A Foodworks supermarket is located in the western part of the town centre, while a range of community facilities also front Main Street. Elsewhere in Bacchus Marsh, a small supermarket centre is provided at Darley to the north.

  Bacchus Marsh is an established retail shopping destination and provides a number of national tenants and is well placed to continue to serve the food and non-food shopping needs of the surrounding growing population. In addition, a large vacant site is situated within the Bacchus Marsh Town Centre which partly Commercial 1

Zone. This site is likely to be eventually developed to accommodate a range of retail and commercial facilities, including potentially a major supermarket.

- **Melton Town Centre** – located around 6.6 km east of Hopetoun Park North, includes Woodgrove SC (anchored by two discount department stores and three supermarkets), while a traditional retail strip is focused on High Street including further supermarkets comprising an ALDI, IGA, Foodworks and independent grocer. There are also three neighbourhood centres located in Melton, with one anchored by a Woolworths supermarket another by a Coles supermarket and a third with a Foodworks.

In the future, in addition to an expansion of the Bacchus Marsh Town Centre, small neighbourhood/local centres are likely to be developed to serve the population growth occurring between Bacchus Marsh and Melton. To accommodate this, the Bacchus Marsh UGF (2018) and the Melton Retail and Activity Centre Strategy (2014) have identified a number of local and neighbourhood activity centres, of which three (Merrimu, Botanic Springs and Parwan Station) are within 10 km of Hopetoun Park.

Section 4: Retail needs assessment and conclusions

This section of the report outlines the expected demand for retail floorspace at the Hopetoun Park North site, and provides our recommendations and conclusions.

4.1 Retail floorspace analysis

Modelling retail demand for a given area is imprecise and depends on a range of factors. Therefore, the demand analysis presented in this section should be viewed as indicative.

Table 4.1 details the total estimated amount of retail floorspace demand by residents in the main trade area. This demand would be served by retail facilities located within and beyond the trade area. The floorspace figures are calculated by applying an average Retail Turnover Density (RTD) to the estimated available retail sales volume by category.

Table 4.1
Hopetoun Park main trade area - Estimated retail floorspace demand (sq.m), 2020 -2036

Year ending June	FLG	Food catering	**Total food**	Apparel	H'hold goods	Leisure	General retail	Retail services	**Total non-food**	**Total retail**
2020	587	188	**780**	237	578	76	122	54	**1,070**	**1,850**
2021	595	192	**790**	239	584	77	124	55	**1,080**	**1,870**
2022	617	199	**820**	247	604	80	128	57	**1,110**	**1,930**
2023	652	211	**860**	260	637	84	135	60	**1,180**	**2,040**
2024	688	224	**910**	272	670	88	142	63	**1,240**	**2,150**
2025	724	236	**960**	285	703	93	149	67	**1,300**	**2,260**
2026	761	249	**1,010**	298	735	97	156	70	**1,360**	**2,370**
2027	859	282	**1,140**	335	829	109	176	79	**1,530**	**2,670**
2028	1,022	336	**1,360**	396	982	129	208	94	**1,810**	**3,170**
2029	1,184	391	**1,580**	457	1,135	149	241	108	**2,090**	**3,670**
2030	1,348	446	**1,790**	518	1,288	169	273	123	**2,370**	**4,160**
2031	1,512	502	**2,010**	578	1,440	189	305	138	**2,650**	**4,660**
2032	1,678	559	**2,240**	638	1,594	208	338	153	**2,930**	**5,170**
2033	1,846	616	**2,460**	699	1,748	228	371	168	**3,210**	**5,670**
2034	2,015	675	**2,690**	759	1,902	248	403	183	**3,500**	**6,190**
2035	2,184	734	**2,920**	818	2,056	268	436	199	**3,780**	**6,700**
2036	2,354	793	**3,150**	878	2,210	288	468	214	**4,060**	**7,210**
RTD*	9,500	7,500	**9,000**	5,000	4,350	6,500	7,500	6,000	**5,100**	**6,700**

**Retail Turnover Density - Turnover ($) per sq.m in 2019, growth assumed at 0.6% p.a*
Source: MarketInfo; Macroplan

The RTD is the level of sales per sq.m which retailers in each category typically achieve. Adopted RTD levels are the highest for retailers in FLG (including supermarkets), at $9,500 per sq.m, and average around $6,700 per sq.m. This analysis shows that the estimated retail floorspace demand by trade area residents is to increase to 7,200 sq.m by 2036. However, it is important to note that the majority of this demand would continue to be directed to the larger retail precincts in the region. The following analysis provides an assessment of the potential proportion of retail floorspace that can be reasonable retained in the local area reflecting its unique circumstances.

Table 4.2 outlines the indicative amount of retail floorspace estimated to be supportable at the Hopetoun Park retail facility over the forecast period. Given the high level of retail offering at both Bacchus Marsh and Melton town centres (being less than 10 minutes drive away) a retail centre at Hopetoun Park North has the potential to retain only a moderate proportion of the fresh food, take-home liquor and grocery (FLG) spending of local residents, and lower proportions of some other retail categories. All non-food expenditure of trade area residents is expected to continue to be directed to higher-order facilities in the surrounding area such as The Village SC and Woodgrove SC.

The expected retention rates by retail category in the main trade area are estimated to be up to 20% of FLG, food catering and retail services expenditure. The retail centre is unlikely to draw any expenditure for either apparel, household goods, leisure or general retail, which is usually directed towards higher-order centres. These retention rates take into account the existing and future provision of retail facilities in the surrounding area. They also reflect the lack of commercial and community facilities in Hopetown Park such as schools and employing businesses.

Across the total retail spectrum, the proportion of available retail expenditure potentially retained by the proposed retail facility is estimated at around 9% across the main trade area. The analysis allows for around 5% of sales to come from beyond the trade area.

This analysis indicates that at around the mid-2030s up to around 690 sq.m of retail floorspace is supportable at the locality, including up to 480 sq.m of FLG floorspace (such as a small grocery store), 160 sq.m of food catering floorspace (e.g. café/take away food) and 40 sq.m of non-food floorspace (e.g. hair/beauty salon).

The amount of retail floorspace potentially supportable at the locality will continue to increase over the forecast period reflecting the population growth occurring in the area. However, although the amount of floorspace potentially supportable within the trade area will increase as the resident population reaches capacity, Macroplan notes that there is a balancing act between providing a retail facility early enough to support an establishing community and one that is of a size that is supportable once the population reaches capacity.

Table 4.2

Hopetoun Park - indicative supportable floorspace by category (sq.m), 2020 -2036

Year ending June	FLG	Food catering	**Total food**	Apparel	H'hold goods	Leisure	General retail	Retail services	**Total non-food**	**Total retail**
% retail expenditure retained										
Main TA	**20.0%**	**20.0%**	**20.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**20.0%**	**1.0%**	**9.1%**
2020	123	40	**160**	0	0	0	0	11	**10**	**170**
2021	125	40	**170**	0	0	0	0	12	**10**	**180**
2022	129	42	**170**	0	0	0	0	12	**10**	**180**
2023	137	44	**180**	0	0	0	0	13	**10**	**190**
2024	144	47	**190**	0	0	0	0	13	**10**	**200**
2025	151	49	**200**	0	0	0	0	14	**10**	**210**
2026	159	52	**210**	0	0	0	0	15	**10**	**220**
2027	179	59	**240**	0	0	0	0	16	**20**	**260**
2028	213	70	**280**	0	0	0	0	19	**20**	**300**
2029	246	81	**330**	0	0	0	0	23	**20**	**350**
2030	280	93	**370**	0	0	0	0	26	**30**	**400**
2031	314	104	**420**	0	0	0	0	29	**30**	**450**
2032	348	116	**460**	0	0	0	0	32	**30**	**490**
2033	383	128	**510**	0	0	0	0	35	**30**	**540**
2034	417	140	**560**	0	0	0	0	38	**40**	**600**
2035	452	152	**604**	0	0	0	0	41	**41**	**645**
2036	487	164	**651**	0	0	0	0	44	**44**	**695**
RTD*	9,500	7,500	**9,200**	5,000	4,350	6,500	7,500	6,000	**6,800**	**9,000**

**Retail Turnover Density - Turnover ($) per sq.m in 2020, growth assumed at 0.7% p.a*
Source: MarketInfo; Macroplan

4.2 Conclusions

In assessing the scale and mix of retail floorspace supportable at Hopetoun Park North, the following are our key conclusions:

- While the proposed retail facility within the Hopetoun Park North growth area is positioned on Hopetoun Park Road, the suburbs' main connecting road to the Western Freeway to the north, passing traffic will predominantly be limited to residents of Hopetoun Park. There are also a limited number of workers in the area.
- Unlike some other rural residential communities located within proximity of a major rural town, such as Wallace and Bungaree on the outskirts of Ballarat, Hopetoun Park is unique in that local residents have access to a number of major activity centres within a short drive.
- The relative proximity and ease of access to high-order retail facilities at Bacchus Marsh and Melton town centres provides Hopetoun Park residents great access to multiple full-line supermarkets, discount department stores and other retail offerings.
- The future population of Hopetoun Park, including the completion of development at the Hopetoun Park North, is expected to reach capacity of around 3,440 residents by 2036.
- Although the amount of floorspace supportable within the trade area will continue to increase as the resident population reaches capacity, Macroplan notes that it is not advised to build retail to cater for a capacity population. Retailers look at opportunities that have growth potential, and are unlikely to consider the site for a possible store if the area is about to reach its capacity population.
- In Macroplan's opinion, a Local Convenience Centre of around 600 sq.m GFA, comprising a small grocery store of around 300 to 450 sq.m supported by one or two retail specialties (e.g. a café and/or a hair/beauty salon) is best suited for subject site. This view takes particularly into account the current population of the area, the planned future population of Hopetoun Park North, and the broad range of retail centre situated in the region.
- Given the above unique factors of the Hopetoun Park area, this scale of retail offering is consistent with the findings presented in the Moorabool Shire Retail Strategy 2041, particularly that the facility would mainly serve only the top-up food grocery and convenience retail needs of local residents, with limited business from passing trade.
- Macroplan's assessment in broad terms supports the conclusions made in the Retail Needs Assessment undertaken by Urban Enterprise in May 2020, in that the retail offering supportable at Hopetoun Park North is of a smaller scale centre providing the top-up grocery and convenience needs of local residents.

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