

PC34 – RETAIL ASSESSMENT

QUEENSTOWN
CATCHMENT
**ASSESSMENT OF RETAIL
AND SERVICE GROWTH**

Prepared for
REMARKABLES PARK LIMITED

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Update Notice

This report (December 2010) fully replaces an earlier Market Economics report dated December 2007 (QLD Large Format Retail Assessment). The earlier report was submitted with the initial PPC 34 application. Since the initial lodgement, Remarkables Park Limited has amended their proposed development plan. This report takes into account the new plan change features as well as the latest growth projections. It has a base year of 2009 and applies the 2009 version of M.E's Retail Demand & Supply Model (2009) as well as other changes.

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Executive Summary

Remarkables Park Limited (RPL) has proposed Private Plan Change (PPC) 34 which, among other things, enables development of additional retail and service floorspace, including large format retail (LFR) on a portion of the Remarkables Park Zone (RPZ) referred to as Expanded Activity Area (EAA) 5.¹ This report presents an independent analysis of future retail and service floorspace demand arising within Queenstown Lakes District (QLD) catchments, as well as in the neighbouring western catchment of Central Otago District (COD), according to scenarios of future household and economic growth to 2031².

This demand analysis, in conjunction with discussion on the urban form outcomes and implications of further retail and service development in the RPZ and elsewhere in Queenstown, contributes to an assessment of the merits of the RPL PPC 34.

RPL Private Plan Change – Expanded Activity Area 5

The RPL PPC 34 enables;

- additional retail floorspace capacity in the Queenstown catchment, estimated at approximately 30,000sqm GFA on two sites totalling 6.49 hectares,
- catering for large and small format stores,
- in a zone (RPZ) that is guided by a comprehensive development plan and envisages connected precincts of commercial development in the District Plan,
- in a way that provides a positive relationship between existing and future commercial development, public amenities and residential activity.

Approach

Market Economics (M.E) has estimated the 2009 retail and service market in the Queenstown, Wanaka and Western COD catchments in terms of square metres (sqm) of gross floorspace demand and supply. The supply analysis is at the store type level and draws on the M.E *Retail Demand & Supply Model* (RDSM ©, 2009), which is based on national level floorspace ratios applied to 2009 catchment employment.

Demand for retail and service floorspace is projected out to 2031 based on tourist³, household and

1 The scope of the M.E assessment is limited to the floorspace capacity **provided** in EAA 5 in the RPL PPC and does not address other aspects of this potential plan change.

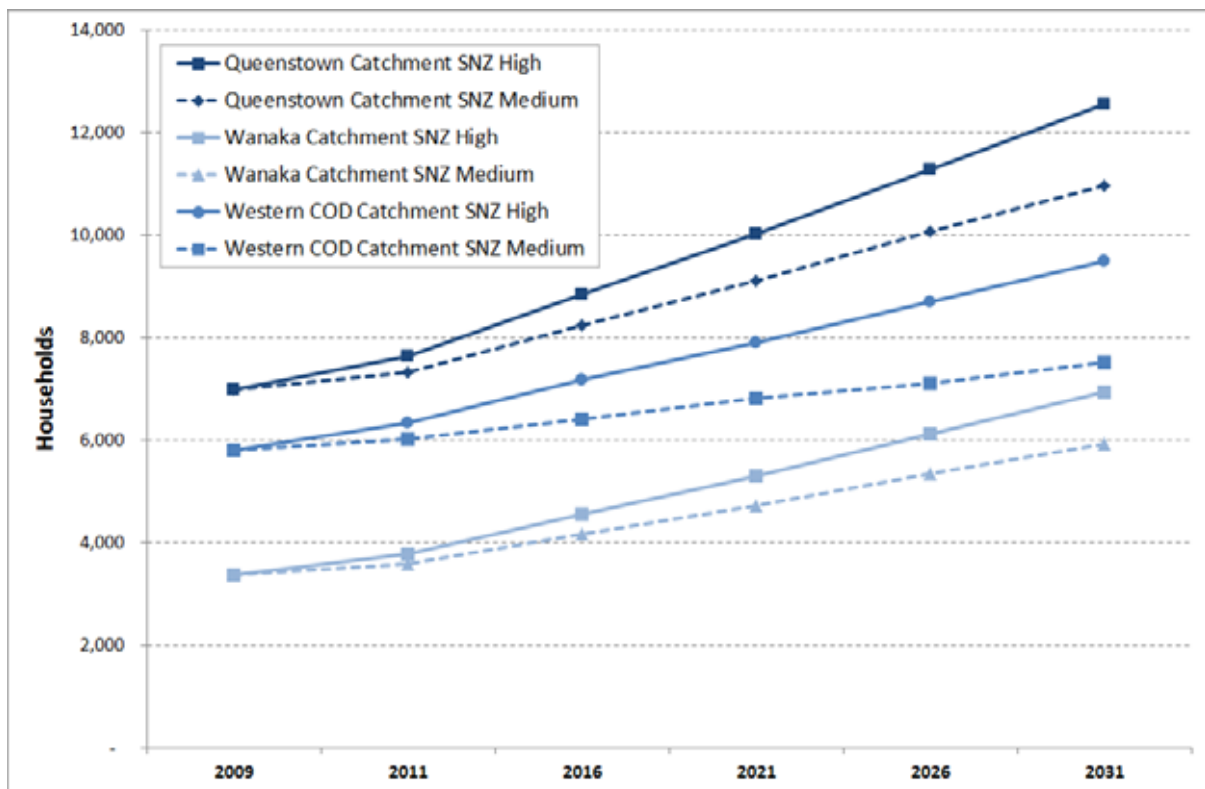
2 Appendix 2 details the scope of retail and service store types and categories/sectors included in this assessment. Throughout this report the terms 'retail' and 'retail and service' have the same meaning unless otherwise specified.

3 The 2009 version of the RDSM is based on the 2009-2015 regional tourism forecasts from the Ministry of Tourism. The latest 2010-2016 regional tourism forecasts were unavailable at the time the analysis was completed for this report.

employment growth scenarios and projections of spending growth by each of these sectors. The share of floorspace demand that is likely to occupy large format premises (greater than 500sqm Gross Floor Area (GFA)) as distinct from small format premises (less than 500sqm GFA), is estimated according to national average trends in store size (2009). The model assumes that the shares of demand for large and small format premises holds constant to 2031.

Households are the key driver of demand for retail and service activity and LFR in particular. M.E has applied a scenario approach for assessing future household growth to 2031, and consequent demand for total retail and service and LFR floorspace, to cover a range of possible future outcomes. The household growth scenarios are based on the Statistics New Zealand (SNZ) Medium and High projection series (2006 base, 2009 release) (Figure ES-1). Household or occupied dwelling projections⁴ currently adopted by Queenstown Lakes District Council (QLDC) fall within the SNZ Medium to High growth range.

FIGURE ES-1: CATCHMENT HOUSEHOLD GROWTH SCENARIOS 2009-2031



⁴ Produced by Rationale Ltd (2008)

Total Retail Floorspace Demand Growth

Demand for total retail and service floorspace arising within the **Queenstown catchment** is estimated to increase by approximately 52,000-64,000sqm GFA by 2021 (Medium and High scenarios respectively) and approximately 95,000-118,000sqm GFA by 2031. This represents total long term demand growth of between 71-89% from 2009 (Figure ES-2).

FIGURE ES-2: TOTAL FLOORSPACE DEMAND GROWTH 2009-31 BY CATCHMENT

Growth Scenario	Catchment	2009-11	2009-16	2009-21	2009-26	2009-31	2009-31 %
Medium Growth Scenario	Queenstown Catchment	10,500	31,400	51,700	73,500	94,600	71%
	Wanaka Catchment	4,000	12,600	21,000	30,600	39,700	71%
	Western COD Catchment	3,200	9,200	15,800	21,200	28,300	38%
	TOTAL STUDY AREA	17,700	53,200	88,500	125,300	162,600	62%
High Growth Scenario	Queenstown Catchment	14,400	39,000	63,500	90,300	118,100	89%
	Wanaka Catchment	6,100	16,400	27,000	38,700	51,100	92%
	Western COD Catchment	6,400	17,300	27,800	39,200	51,100	69%
	TOTAL STUDY AREA	26,900	72,700	118,300	168,200	220,300	84%

Source: M.E Retail Demand & Supply Model, 2009

In the **Wanaka catchment**, total retail and service floorspace demand is estimated to increase by 21,000-27,000sqm GFA by 2021 and approximately 40,000-51,000sqm GFA by 2031. Economic growth rates in the **Western COD catchment** are lower than anticipated in the QLD. Total growth in retail and service demand in this catchment is between 28,000-51,000sqm GFA by 2031.

Even without accounting for demand flows (leakage) in and out of the Queenstown catchment, the analysis suggests considerable additional floorspace capacity is required to accommodate future growth in retail and service demand in the Queenstown catchment.

LFR Floorspace Demand Growth

Based on national average trends, total retail and service floorspace demand can be broadly allocated across small and large format premises. Given the potential for LFR to develop in EAA 5, this assessment provides a focus on potential growth in LFR demand in the Queenstown catchment as a sub-set of total retail and service floorspace.

Demand for LFR across all retail and service categories arising within the **Queenstown catchment** is estimated to increase by approximately 28,000-34,000sqm GFA by 2021 (Medium and High scenarios respectively) and approximately 50,000-63,000sqm GFA by 2031. This represents total long term demand growth of between 71-90% from 2009 (Figure ES-3). In the **Wanaka catchment**, LFR floorspace demand is estimated to increase by approximately 11,000-15,000sqm GFA by 2021 and approximately 21,000-28,000sqm GFA by 2031. Estimated total growth in LFR demand in the **Western COD catchment** is between approximately 16,000-29,000sqm GFA by 2031.

FIGURE ES-3: LFR FLOORSPACE DEMAND GROWTH 2009-31 BY CATCHMENT

Growth Scenario	Catchment	2009-11	2009-16	2009-21	2009-26	2009-31	2009-31 %
Medium Growth Scenario	Queenstown Catchment	5,500	16,700	27,500	38,800	49,900	71%
	Wanaka Catchment	2,400	6,900	11,400	16,500	21,400	73%
	Western COD Catchment	2,100	5,400	9,000	12,100	16,100	39%
	TOTAL STUDY AREA	10,000	29,000	47,900	67,400	87,400	62%
High Growth Scenario	Queenstown Catchment	8,000	20,900	33,800	48,100	63,000	90%
	Wanaka Catchment	3,200	8,900	14,800	21,200	27,600	94%
	Western COD Catchment	4,000	10,000	15,900	22,300	28,800	70%
	TOTAL STUDY AREA	15,200	39,800	64,500	91,600	119,400	85%

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009

The store types that make up the majority of this LFR demand include supermarkets and a range of stores in the Comparison Retail sector including (but not limited to) department stores, furniture, appliance, domestic hardware and homeware stores. Other LFR oriented store types include automotive related retailing and builders' hardware/DIY stores. These results estimate the floorspace demand arising within each catchment but do not account for where that demand is spent.

LFR Demand Flows

An analysis of the 2009 demand and supply situations in each catchment highlights varying degrees of net leakage in and out of the catchments by retail and service category. The key trends include an indicated net loss (outflow) of demand in the Health & Care Services and Automotive sectors from Queenstown catchment, but an indicated net gain (inflow) of demand in the Comparison Retail and Household Services sectors. In the Wanaka catchment, the RDSM indicates a net loss of demand in a range of sectors including the Comparison Retail, Hardware & DIY and Automotive Sectors but a net gain in demand for Household Services. In the Western COD catchment, the RDSM indicates a net loss of demand in the Comparison Retail, Hardware & DIY, Recreation & Entertainment and Takeaways & Restaurant sectors and a net gain in demand in the Food & Liquor and Health & Care Services sectors and a smaller gain in the Automotive sector.

Given the large scale of the retail and service activity in the Queenstown catchment relative to the other centres in the Study Area, it is clear that the centres in the Queenstown catchment attract a share of demand leakage from the Wanaka and the Western COD catchments, particularly in the Comparison Retail sector. This is supported by sales transaction data⁵ and is consistent with the location strategy of LFR outlets in particular, which, when markets are small, typically locate in the catchment with the greatest demand (in this case, Queenstown) and have the widest trade catchment areas.

To date, the Wanaka and Western COD markets have not attracted many of the common LFR stores present in the New Zealand market. This is mainly because these catchments do not offer sufficient

⁵ BNZ Marketview and Paymark debit and credit card transaction data YE December 2009 produced for RPL. Refer Appendix 3 for a summary of key findings.

demand to sustain larger stores, and/or they have lacked suitable zone capacity.

In the medium-long term future, M.E assumes that a share of LFR demand will continue to flow into the Queenstown catchment from the Wanaka and Western COD catchments. The amount of LFR floorspace demand growth arising from each catchment and captured by Queenstown catchment has been modelled according to three scenarios – low, medium and high Queenstown catchment capture. As the Wanaka and Western COD markets grow, opportunities for LFR stores there will increase and LFR demand leakage to the Queenstown catchment is likely to reduce. This reduction is factored into the capture scenarios.

Figure ES-4 shows LFR floorspace demand growth within the Queenstown catchment including that captured from Wanaka and Western COD, in the range of approximately 44,000sqm GFA (Medium Growth Scenario and Low demand capture) and 59,000sqm GFA (High Growth Scenario and High demand capture) by 2031.

The analysis suggests considerable floorspace capacity is required to accommodate future growth in LFR demand in the Queenstown catchment.

FIGURE ES-4: LFR FLOORSPACE DEMAND 2009-31 IN QUEENSTOWN CATCHMENT

Growth Scenario	LFR Demand Capture Scenario	2009-11	2009-16	2009-21	2009-26	2009-31
Medium Growth Scenario	Low Capture	5,000	15,000	24,000	34,000	44,000
	Moderate Capture	5,000	15,000	25,000	35,000	45,000
	High Capture	6,000	17,000	26,000	36,000	46,000
High Growth Scenario	Low Capture	7,000	19,000	30,000	43,000	56,000
	Moderate Capture	8,000	20,000	31,000	44,000	58,000
	High Capture	9,000	21,000	33,000	46,000	59,000

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009 and Marketview Data, 2009

Rounded to nearest 1000

Urban Form Implications

The RPL PPC 34 would enable additional capacity for an estimated 30,000sqm GFA of retail, including LFR within the Queenstown catchment. This additional capacity, located in EAA 5, would cater for 25-32% of total Queenstown demand growth over the 2009-2031 period⁶. Provision for substantial retail and service floorspace capacity has important implications for urban form and efficiency. The following matters are relevant:

- The area (EAA 5) is part of the RPZ, which provides for urban mixed use development, including commercial, residential, community, commercial accommodation and commercial

⁶ Based on floorspace demand arising from within Queenstown Catchment from residents and visitors. Although close, this is not a net demand estimate as it does not factor in the amount of resident demand leaking out of the Catchment and the amount of demand coming in from shoppers in surrounding locations who are not classified as a visitor/tourist.

recreation. PPC 34 would enable close integration of retail capacity in this location with other urban activities, as a component of the overall comprehensive development plan for the RPZ.

- Both parts of EAA 5 are adjacent to the established Remarkables Park Shopping Centre (RPSC, existing AA 5) within the wider Remarkables Park Town Centre (RPTC), which is the Queenstown catchment's second largest shopping centre (after the CBD).
- Its location means the proposed retail capacity would result in expansion of an established commercial centre, and would consolidate the existing centres structure⁷ in the Queenstown catchment, rather than create a new centre. Although growing rapidly, the Queenstown market is of a modest size. Typically, a market of this size would be serviced by a dominant CBD with very limited retail capacity in suburban centres. However, the geography of Queenstown, especially the restrictions on CBD expansion, and with most residential growth capacity in the Frankton-Arrowtown axis, has seen the establishment of a significant secondary centre (RPTC).
- In most urban environments, consolidation of retail and service capacity in and around an established centres structure results in a more efficient urban form because of greater opportunity for multi-purpose trips. Compared to a situation where retail and service activity is dispersed (out of centre) or spread across a number of smaller individual centres, consolidation of retail and service capacity also enhances urban amenity outcomes. The size and geography of the market suggests this will also be the case for Queenstown in the short-medium term.

Overall, proposed PPC 34 would provide development capacity for a portion of future retail and service sector (including LFR) growth in the Queenstown catchment, as an expansion of the established RPTC, and integrated with the wider RPZ. It would support consolidation of Queenstown's established centres structure and urban form, rather than dispersal of retail and service activity. It would also enhance urban efficiency and amenity, which are important aspects of sustainable management and community wellbeing.

On this basis, we consider that enabling EAA 5 in the RPZ is appropriate and consistent with the RMA. In the event that expansion of the RPTC (particularly as a result of PPC 34) is the focus of retail and service growth throughout the Queenstown catchment in the short term (i.e., if developed by 2016), we anticipate that it will not have a material effect on existing town centres and will enhance the travel efficiency and social and functional amenity delivered by existing centres to the

⁷ A 'centres structure', or 'centres based strategy' refers to an urban form where economic activity – predominantly retail and service businesses - are spatially concentrated into centres or nodes rather than more generally dispersed across business areas and/or along arterial routes. The rationale is that the centres based structure is both more efficient, and generates higher amenity than dispersed activity patterns. Centres attract community facilities and private and public investment, which enhances their social and functional amenity. The functional amenity is enhanced by the efficiency gains experienced by shoppers who can carry out multi-purpose trips at a single destination. A centres based structure can be encouraged and protected by local government policies, objectives and zoning. This is a widespread approach adopted by TAs throughout NZ under the RMA. The major metropolitan TAs have moved recently to strengthen their centres based policies.

Queenstown catchment community.

In the event that expansion of the RPTC is one of a number of locations developing retail and service floorspace capacity at the same time in the Queenstown catchment, the rate and timing of total capacity developed relative to market growth will determine the degree and duration of impacts on Town Centre zones.

1. Introduction

RPL is requesting PPC 34 that would (among other changes) create an expanded AA 5, to enable an estimated 30,000sqm GFA of additional retail and service floorspace, including potential for LFR⁸.

As part of the PPC Assessment of Environmental Effects (AEE), and to assist in the preparation of the Section 32 evaluation, RPL require an assessment of the demand for total and LFR floorspace in the Queenstown catchment and the wider area in the medium to long term. RPL has commissioned M.E to carry out this assessment.

1.1 Key Issues

QLD has experienced high growth in the recent past, and continued growth in population and employment is expected. Tourism is a significant economic driver in the district and is expected to remain so in the medium to long term. Over time, the growth in economic activity will require additional floorspace capacity through a combination of additional (zoned) land supply and intensification of existing zoned areas.

In areas experiencing high growth, such as QLD, intensification or re-development of existing employment areas becomes increasingly viable, so that the capacity of these existing zones increases over time, and they are able to accommodate a share of the economic growth. It is important to recognise that such intensification reduces the pressure for additional zoned land (re-zoning) and represents a sustainable and efficient use of land resources⁹.

However, it is usually also necessary to zone additional land for commercial purposes. The type, amount and timing of such zoning is critical in:

- maintaining the viability of existing centres, zones and infrastructure;
- ensuring efficient and cohesive urban form and integrated development.

If additional land is zoned in many dispersed locations, and/or well ahead of demand, there is potential for dispersal of economic activity, especially retail and service activities, with consequent negative effects. These may be inefficiencies in infrastructure and activity – especially travel and transport – or negative effects on social amenity, if retail and household service activity is widely dispersed.

⁸ M.E's estimates of the retail floorspace yield in EAA 5 are detailed in Appendix 1.

⁹ M.E acknowledges that creating capacity through re-development is generally more costly than developing capacity in greenfield locations.

Similarly, within a new zoned area, the development 'on the ground' may occur sporadically or in a piecemeal manner, and result in poor urban form, especially in the short-medium term.

Accordingly, it is important to achieve an appropriate balance - re-zoning enough land to provide capacity for growth, while ensuring it is zoned at an appropriate scale, location, and time to achieve desired urban form, efficiency and amenity outcomes. Re-zoning too much land, or in poor locations, or the wrong type of land (which may be at the expense of other land uses) is likely to impact negatively on district growth management objectives.

Provision of LFR capacity

In addition to general commercial zone provision (i.e., planning for a new or expanded town centre, business or industrial zoning to cater for growth and demand), planning consideration must also be given to activities that have particular land or location requirements. Such activities are likely to develop within commercial (or special) zones and are usually managed by rules, objectives and site standards within the District Plan.

LFR is one activity that often needs specific recognition in district planning, because of the generally large site requirements, including parking and access requirements, landscape/visual impacts and challenges for achieving active street frontages. Some LFR operators are self-sufficient in terms of attracting customers due to their size and large product range, and very large stores are often a destination in their own right, generating vehicle oriented shopping trips. For this reason, they make good anchor tenants as they offer cross shopping potential to other nearby retail and service activity. However, self-sufficiency also means that some LFR operators are often flexible as to where they locate, be it in a town centre, industrial or business zone. These economic factors place onus on councils to provide zoned opportunity so that LFR is able to establish in locations that support urban form objectives.

LFR generally requires large sites (for individual stores) and/or a substantial enough area to provide opportunity for LFR to co-locate. The combination of predominantly private vehicle trips and large customer numbers often means high traffic generation on the roading network, and store location relative to the market has direct effects on travel efficiency, especially because large stores often attract other smaller operators to co-locate. Accordingly, LFR location is an important influence on traffic generation, travel efficiency, especially where co-location with other retail and service activity can encourage cross shopping, and can enhance efficiency through reduced trip-making.

The QLDC District Plan enables LFR in a range of zones. It is enabled in Special Zones (including the RPZ and Frankton Flats Special Zone (A) (FFSZA)) and business zones (where it is a discretionary activity), but is discouraged in industrial zones (where it is a non-complying activity). LFR is enabled in town centre zones (Arrowtown, Queenstown and Wanaka). However, the topography and existing small format retail (SFR) development form, parking constraints and design criteria, mean the capacity for LFR in these town centre zones is constrained.

The following points are relevant when considering capacity for LFR development:

- Typically, older established town centres have limited potential to accommodate 1,000sqm+ stores, although there are fewer limitations on growth of stores sized 500-1,000sqm, and fewer again for small format (less than 500 sqm) growth. This is because most of these centres are already largely developed and were so before LFR became popular, thus have a predominately SFR development form, including small land parcels. Integrating LFR usually either requires redevelopment of existing areas (including site agglomeration) within or on the fringe of the centre or expanding the centre zoning to enable LFR in fringe locations where possible.
- Retail in industrial zones tends to be 500sqm and greater and these formats are expected to account for most of the additional retail capacity developed in those zones.
- Similarly, activity which takes up retail capacity in business zones is likely to be predominantly 500sqm and greater, apart from smaller outlets servicing the local workforce.
- Capacity in mainly greenfield areas, as well as newly developing commercial centres, has more potential for LFR, given the larger site areas and the ability to incorporate LFR into the design of these areas in the early stages. As a result, there is a propensity for LFR clusters or precincts to develop in such locations, or alternatively, LFR to be integrated with other retail and service development as anchor tenants.

LFR can represent a significant share of total centre sales, floorspace and customer trips. If located consistent with wider urban form objectives, LFR has the potential to strongly support any centres-based strategy rather than draw trade away from existing centres, with consequent reductions in their ability to deliver social and functional amenity, and less efficient shopping travel. Provisions need to be made (in terms of planning guidance and physical capacity) that enable LFR to be developed in concert with a sustainable centres structure.

1.2 Objectives

This report presents an independent assessment of future retail and service, including LFR, floorspace demand arising in and captured by the Queenstown catchment (Wakatipu Basin and surrounds¹⁰) to 2031. It seeks to provide a robust basis against which to assess the PPC 34 (EAA 5 components) proposed by RPL.

The specific objective is to:

Provide an analysis of future total retail and service and LFR demand in the Queenstown catchment according to projected economic (household, tourism and employment) growth.

Related objectives are to:

¹⁰ See Figure 2.1.

- a. Present a scenario based assessment that is transparent in its key assumptions.
- b. Examine the nature of the demand for retail and service space in terms of store size.
- c. Examine (in a preliminary manner) the implications of LFR demand flows in and out of the Queenstown catchment (leakage analysis).
- d. Address the urban form implications relating to future retail, including LFR, provision in general and in the specific Queenstown catchment context in terms of Resource Management Act 1991 (RMA) issues of amenity and efficiency.
- e. To provide comment on the RPL PPC (EAA 5 components) in the context of assessed total retail and LFR demand and urban form issues.
- f. To estimate the likely sales impacts resulting from PPC 34 on town centres¹¹, including aggregate urban form outcomes from other known retail developments in the catchment, and the flow-on effects in terms of social and functional amenity.

1.3 Report Outline

Section 2 of this report outlines the methodology and approaches applied for key aspects of this assessment, including summaries of the growth scenarios and analytical models applied. Section 3 outlines the 2009 situation for catchments in the Study Area in terms of the current supply and demand of retail and service floorspace (sqm GFA). Section 4 provides a summary of retail and service floorspace demand growth according to the growth scenarios, including the share of floorspace growth that is likely to occupy large format premises. Section 5 demonstrates the implications of demand leakage on the Queenstown catchment, focusing on LFR demand flows. Section 6 discusses relevant urban form issues, examines sales impacts on town centres and provides conclusions on the merits of PPC 34. A list of abbreviations used throughout this report is contained in Appendix 11.

¹¹ Town Centre Zones in the QLDC District Plan in the Queenstown catchment include Arrowtown and Queenstown.

2. Approach

This section describes the Study Area and catchments adopted in this assessment, the household growth scenarios for those catchments. It also provides a brief overview of the M.E RDSM (2009) and M.E National Retail and Service Floorspace Model (2009).

2.1 Study Area Catchments

The QLD contains two main urban areas – Queenstown and Wanaka – whose catchments are separated by the Crown Range. M.E has split the assessment of retail and service floorspace demand and supply into the natural catchments of these two areas. The two QLD catchments have been defined at 2006 Census Area Unit (CAU) level and cover the total territorial authority. The **Queenstown catchment** includes Queenstown town centre, the Frankton area, Arrowtown, Lake Hayes and Glenorchy. The **Wanaka catchment** includes the townships of Wanaka, Albert Town, Hawea and Makarora.

A third catchment completes the Study Area. The western CAUs within the Central Otago District (COD) include the townships of Cromwell, Clyde and Alexandra. This **Western COD** catchment has been included because of the proximity of Queenstown to these townships and surrounding rural community relative to other larger commercial centres such as Dunedin to the South East. Figure 2-1 illustrates the catchment boundaries.

FIGURE 2-1: MAP OF CATCHMENTS IN STUDY AREA



2.2 Household Growth Scenarios

As the future is uncertain, M.E has applied a scenario approach for assessing future household growth in each catchment to 2031 and consequent demand for total retail and service and LFR floorspace. Employment growth in the analysis is driven by household growth and therefore varies according to the household growth scenarios. The official regional tourism growth projections (Tourism Research Council, 2009-2015¹²) are held constant across scenarios.

Two future growth scenarios have been tested. These are the Medium and High projection series provided by Statistics NZ (2006 base, 2009 release)¹³. Figure 2-2 compares the household growth scenarios by catchment from 2009-2031.

Between 2009 and 2031, the Queenstown catchment is expected to have 3,980-5,580 additional resident households (Medium and High respectively). This represents total growth of 57-80% or an annual average increase of 2.1-2.7% over that period (Figure 2-2). In the Wanaka catchment, households are expected to increase by 2,560-3,560 by 2031. This represents total growth of 76-106% or an annual average increase of 2.6-3.3% over that period. While the Wanaka catchment has a slightly faster growth rate than the Queenstown catchment, the Queenstown catchment accounts for 61% of total district wide household growth to 2031.

The household (or occupied dwelling) projections currently adopted by QLDC (produced by Rationale Ltd, 2008), fall within the SNZ Medium and High growth range¹⁴.

FIGURE 2-2: CATCHMENT HOUSEHOLD GROWTH SCENARIOS 2009-2031

Households	2009	2011	2016	2021	2026	2031	Growth %					Ann. Av
							2009-2011	2009-2016	2009-2021	2009-2026	2009-2031	
Queenstown Catchment												
SNZ Medium Growth	6,980	7,310	8,240	9,100	10,060	10,960	5%	18%	30%	44%	57%	2.1%
SNZ High Growth	6,980	7,630	8,850	10,020	11,280	12,560	9%	27%	44%	62%	80%	2.7%
Wanaka Catchment												
SNZ Medium Growth	3,370	3,580	4,170	4,720	5,350	5,930	6%	24%	40%	59%	76%	2.6%
SNZ High Growth	3,370	3,780	4,550	5,290	6,120	6,930	12%	35%	57%	82%	106%	3.3%
TOTAL QUEENSTOWN LAKES DISTRICT												
SNZ Medium Growth	10,350	10,890	12,410	13,820	15,410	16,890	5%	20%	34%	49%	63%	2.3%
SNZ High Growth	10,350	11,410	13,400	15,310	17,400	19,490	10%	29%	48%	68%	88%	2.9%
Western COD Catchment												
SNZ Medium Growth	5,810	6,010	6,410	6,810	7,100	7,510	3%	10%	17%	22%	29%	1.2%
SNZ High Growth	5,810	6,340	7,170	7,900	8,690	9,500	9%	23%	36%	50%	64%	2.3%
TOTAL STUDY AREA												
SNZ Medium Growth	16,160	16,900	18,820	20,630	22,510	24,400	5%	16%	28%	39%	51%	1.9%
SNZ High Growth	16,160	17,750	20,570	23,210	26,090	28,990	10%	27%	44%	61%	79%	2.7%

Based on Statistics NZ 2009 released TA level household projections, distributed to CAU level based on 2008 released CAU level population projections.

¹² The 2010-2016 regional tourism forecasts from the Ministry of Tourism were unavailable in the 2009 version of the RDSM.

¹³ CAU level projections were required in order to summarise growth by two sub-district catchments. Statistics NZ produces CAU level population projections and district wide (TA) level household projections. Equivalent CAU level household projections take into consideration changes in district level household size associated with each of the population growth projections.

¹⁴ Appendix 4 provides further detail on the household projections.

In the neighbouring Western COD catchment, households are expected to increase by 1,700-3,690 by 2031. This represents total growth of 29-64% or an annual average increase of 1.2-2.3% over that period.

2.3 The Retail Demand & Supply Model

The information and data used in this analysis is derived from the M.E RDSM (2009 version). The RDSM is a desk-top model that provides estimates of the current (2009) situation and future projections of demand (\$000 pa and sqm GFA) in each location (catchment) throughout New Zealand for each retail and service store type. The RDSM is comprehensive and detailed and integrates demand information, based on comprehensive analysis of household, employment, and tourism data; and supply statistics, based on retail sales, employment and operating units by each retail and service store type¹⁵.

The RDSM demand estimates are based on the number and composition of households, business employment and visitor numbers (international and domestic) and their mean retail spending levels¹⁶. The future demand estimates allow for projected household, business and tourism growth, together with allowance for future increases in real spend by each of these sectors to 2031.

The RDSM supply estimates are based on the Statistics NZ Business Frame Employee Count (EC) and number of geographic units (outlets or business units) for 2009, actual retail sales by store type, total employment (the Modified Employment Count or MEC, which takes into account non-employee working proprietors who are not covered in the Business Frame), and national average floorspace estimates per person employed¹⁷.

The RDSM output thus provides estimates of the current surplus or deficit of retail and service supply (\$000 or sqm GFA by store type) relative to catchment demand. By running different household growth scenarios in the model (such as SNZ Medium and High), the RDSM also covers a range of possible retail and service demand outcomes - in terms of floorspace growth - for customised catchments such as Queenstown, Wanaka and Western COD.

2.4 The Retail and Service Floorspace Model

The M.E National Retail and Service Floorspace Model (2009) provides current estimates of the amount of floorspace (in each retail and service type) occurring within different outlet size brackets. The outlet size breakdown is based on a national level analysis of actual counts of businesses and employees by different business size categories, where business size is determined by their

¹⁵ A summary of the RDSM parameters selected for this assessment is contained in Appendix 5. A list of the retail and service store types included in the RDSM categories is contained in Appendix 2.

¹⁶ The RDSM (2009) can be run with either regional or national ratios and the results differ accordingly. For this report, M.E has used the regional parameters.

¹⁷ The RDSM relies on secondary data sources. It is a useful tool in the absence of primary data (including on-ground floorspace surveys). M.E is constantly evaluating the RDSM. Upgrades and re-designs occur when new data and analysis techniques arise.

employment count, and sqm per employee estimates. The 2009 trends have been applied at the store type level to identify the percentage share of current floorspace that occupies small format and large format premises, where the distinction is set at 500sqm GFA. These percentages have been used to distinguish demand growth identified in the RDSM that is likely to occupy LFR premises in each of the Study Area catchments.

3. The 2009 Retail and Service Market

This section describes the current (2009) retail and service market in the Queenstown, Wanaka and Western COD catchments according to the outputs of the RDSM (2009). This gives an indication of the mix of activity in each catchment as well as identifying the sectors in which these catchments have an implied over or under supply in net floorspace terms.

For sectors where there is an implied net surplus of floorspace relative to catchment demand, the retailers may be attracting demand (spend) from outside the catchment. Conversely, for sectors where there is an implied net deficit, consumers may be travelling outside of the catchment to meet their shopping needs. These demand flows are referred to as catchment leakage.

It is important to remember that the RDSM applies national level floorspace ratios at the store type level which may not be representative of a particular catchment. We also note that an apparent over-supply may reflect prices which are higher than the national average, and/or tourist spend which is higher than the national daily average. The latter is likely, given the strong focus of visitor activity in Queenstown and Wanaka, and the relatively high proportion of retail outlets catering to international visitors. If so, this would mean that the 'over-supply' may simply reflect under-estimation of tourist spend in relevant retail and service sectors. This leakage analysis should be interpreted with this in mind. Other interpretive issues are discussed further below.

3.1 Queenstown Catchment

Throughout the Queenstown catchment, there is an estimated 151,500sqm GFA of retail and service floorspace (2009). Just over a quarter of this supply is in Comparison Retail outlets (26%), followed by Recreation and Entertainment (21%) and Household Services (14%) floorspace (Figure 3-1).

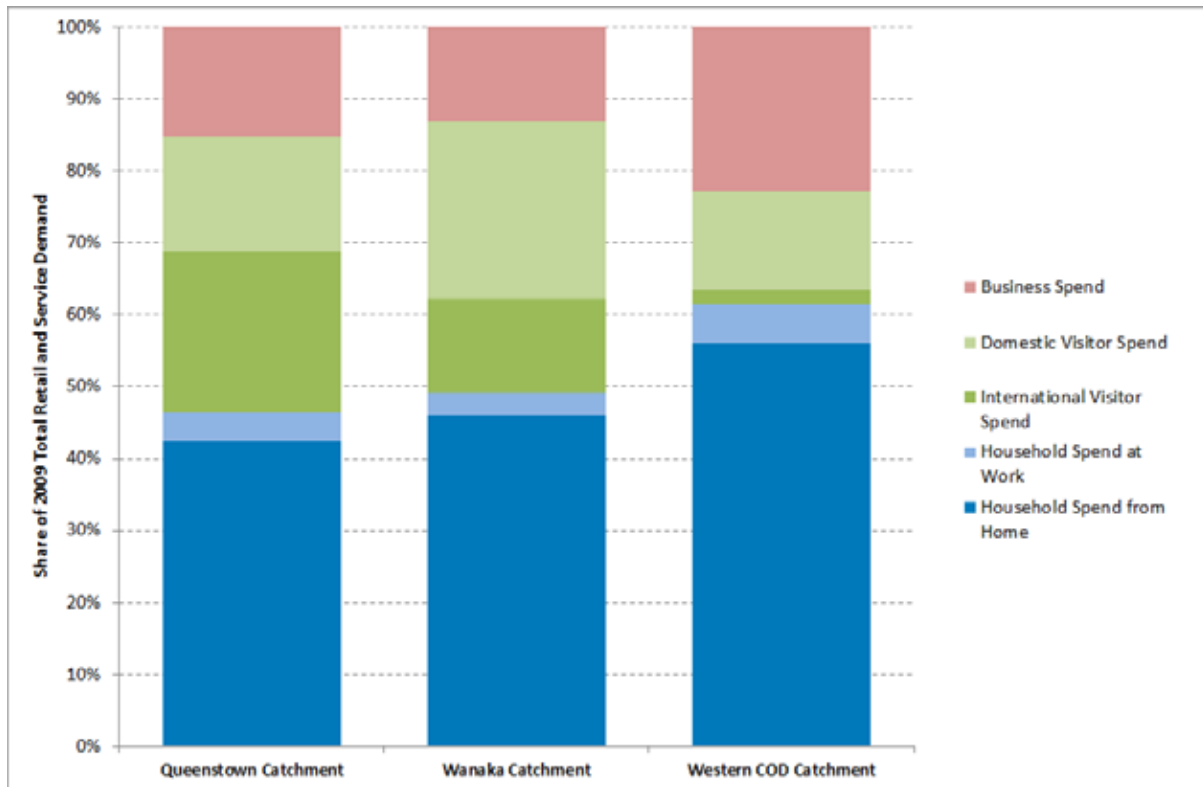
FIGURE 3-1: QUEENSTOWN CATCHMENT FLOORSPACE DEMAND-SUPPLY SUMMARY (SQM) 2009

Summary Store Types	2009 Floorspace SQM (GFA)				
	Demand	Supply	Supply Share	Leakage	Leakage %
Queenstown Catchment					
FOOD & LIQUOR	10,800	11,200	7%	400	4%
COMPARISON RETAIL	28,300	40,000	26%	11,700	41%
HARDWARE & DIY	12,300	11,400	8% -	900	-7%
TAKEAWAYS & RESTAURANTS	19,000	17,000	11% -	2,000	-11%
PUBS, TAVERNS & BARS	6,000	7,000	5%	1,000	17%
HOUSEHOLD SERVICES	10,500	21,900	14%	11,400	109%
HEALTH & CARE SERVICES	6,900	3,400	2% -	3,500	-51%
AUTOMOTIVE	14,900	7,500	5% -	7,400	-50%
RECREATION & ENTERTAINMENT	24,100	32,100	21%	8,000	33%
TOTAL RETAIL & SERVICE	132,800	151,500	100%	18,700	14%

Source: M.E Retail Demand & Supply Model, 2009

The total retail and service floorspace demand for 2009 arising from within the catchment is estimated at just under 133,000sqm GFA. Overall, this suggests that demand and supply are not in equilibrium and that this is a net inflow of demand of approximately 14%.

FIGURE 3-2: TOTAL RETAIL & SERVICE DEMAND BY MARKET SEGMENT 2009



The relatively small size of the market and the high shares of demand arising from international and domestic visitors (38% in total compared to 46% from resident households (Figure 3-2 and Appendix 6)), mean that care is necessary in interpreting shortfalls or over-supply in individual sectors. This is especially so in small-medium markets where product ranges are often more generalised than in larger markets which support more specialised stores, such that the distinctions between individual storetypes are not always that clear-cut.

Within that proviso, net under-supplies of floorspace in the Queenstown catchment are indicated in the Hardware & DIY sector (-7%), Takeaways & Restaurants sector (-11%), Health & Care Services sector (-51%) and the Automotive Sector (-50%).

It is likely that the apparent shortfalls in the Takeaways & Restaurant sector simply reflect higher floorspace and employment productivity than applied in the RDSM (2009), given the tourism focus in Queenstown.

Net over-supplies in the 2009 market are indicated in the Comparison Retail sector (41%), Household Services sector (109%), Pubs, Taverns & Bars (17%) and the Recreation & Entertainment sector (33%). Over a third each of the surplus of Household Services sector floorspace (relative to catchment demand) is attributed to the Travel (and Booking) Agent sector which services the tourism industry, and the Real Estate sector.

When looking at the individual store types that make up the Comparison Retail sector, the apparent oversupply is driven by a few store types that mask the undersupply in other store types.

In summary, for the year end June 2009 the RDSM implies the main floorspace oversupplies in the Queenstown catchment are in the following comparison retail store types:

- clothing retail (1,500sqm or 33% floorspace oversupply),
- sport and camping equipment retail (2,300sqm or 67% floorspace oversupply),
- watch and jewellery retail (500sqm or 102% floorspace oversupply),
- other retail (includes souvenirs) (3,100sqm or 124% floorspace oversupply),
- floor covering retail (630sqm or 35% floorspace oversupply),
- furniture retail (500sqm or 46% floorspace oversupply),
- domestic hardware and homewares retail (1,700sqm or 71%).

With the exception of floor covering, furniture retail and domestic hardware, the remaining retail store types above are typical of those that primarily service the tourism market, including snow related tourism.

Conversely, the RDSM (2009) indicates that the Queenstown catchment is undersupplied in a number of Comparison Retail sectors that primarily service the resident population, mainly including:

- fabrics and soft goods retail (-100sqm or -21% floorspace undersupply), stationary and book retail (-230sqm or -24%).

The total Food & Liquor sector is broadly in equilibrium at the catchment level. At the store type level, the RDSM indicates a current undersupply of supermarket floorspace (-730sqm or -11%) and grocery store floorspace (-59%) relative to catchment demand.

3.2 Wanaka Catchment

Throughout the Wanaka catchment, there is an estimated 52,000sqm GFA of retail and service floorspace (2009). Just below a quarter of this supply is in Comparison Retail outlets (23%), followed by Household Services (16%) and Recreation & Entertainment (14%) floorspace (Figure 3-3). Total

retail and service floorspace demand is estimated at approximately 56,000sqm GFA. Resident households account for approximately 49% of demand, total tourism accounts for 38% and the balance (13%) is from business demand (Figure 3-2 and Appendix 6). This indicates a small net undersupply across all sectors of -3,700sqm or -7%. Like in the Queenstown catchment, the net oversupply in the Household Services sector is driven largely by an oversupply of Real Estate floorspace relative to catchment demand.

Despite the Comparison Retail sector accounting for the largest share of retail and service floorspace in the Wanaka catchment, the RDSM (2009) indicates net leakage of an estimated 1,100sqm of catchment demand (-9%). Key sectors showing an implied shortfall include:

- department store retail (-2,100sqm or -82% floorspace undersupply),
- clothing retail (-660sqm or -38% floorspace undersupply),
- footwear retail (-140sqm or -47% floorspace undersupply),
- furniture retail (-200sqm or -38% floorspace undersupply),
- floor covering retail (-270sqm or -31% floorspace undersupply),
- appliance retail (-240sqm or -34% floorspace undersupply),
- garden supply retail (-150sqm or -83% floorspace undersupply).

FIGURE 3-3: WANAKA CATCHMENT FLOORSPACE DEMAND-SUPPLY SUMMARY (SQM) 2009

Summary Store Types	2009 Floorspace SQM (GFA)				
	Demand	Supply	Supply Share	Leakage	Leakage %
Wanaka Catchment					
FOOD & LIQUOR	4,900	5,900	11%	1,000	20%
COMPARISON RETAIL	12,900	11,800	23% -	1,100	-9%
HARDWARE & DIY	5,200	4,300	8% -	900	-17%
TAKEAWAYS & RESTAURANTS	7,000	5,500	11% -	1,500	-21%
PUBS, TAVERNS & BARS	2,200	2,700	5%	500	23%
HOUSEHOLD SERVICES	4,300	8,400	16%	4,100	95%
HEALTH & CARE SERVICES	3,200	2,500	5% -	700	-22%
AUTOMOTIVE	6,700	3,600	7% -	3,100	-46%
RECREATION & ENTERTAINMENT	9,200	7,200	14% -	2,000	-22%
TOTAL RETAIL & SERVICE	55,600	51,900	100% -	3,700	-7%

Source: M.E Retail Demand & Supply Model, 2009

Some of the apparent shortfalls in Comparison Retail supply in Wanaka are being met by the larger and more comprehensive centres in Queenstown (e.g., the CBD and Remarkables Park). Analysis of

electronic transaction data¹⁸ shows that of the spend by Wanaka catchment residents in 2009:

- 12% of spend in the Department and Homewares Store Sector¹⁹,
- 16% of spend in the Apparel and Footwear Store Sector,
- 10% of spend in the Recreation Goods, Flowers and Jewellery Store Sector,
- 6% of spend in the Book Shops and Chemist Sector,
- 16% of spend in the Furniture, Floorcovering and Appliance Store Sector, and
- 4% of spend in the Other Store Sector

occurs somewhere in the Queenstown catchment. On average across the whole Comparison Retail Sector, this equates to 12% of Wanaka catchment resident spend occurring in Queenstown catchment.

3.3 Western COD Catchment

Throughout the Western COD catchment, there is an estimated 63,000sqm GFA of retail and service floorspace (2009). Just over a fifth of this supply is in Comparison Retail outlets (22%), followed by Automotive businesses (16%), Food and Liquor outlets (14%) and Hardware & DIY stores (11%) (Figure 3-4). Total retail and service floorspace demand is estimated at approximately 74,000sqm GFA. Resident households account for approximately 61% of demand, total tourism accounts for 16% and the balance (23%) is from business demand (Figure 3-2 and Appendix 6). This indicates a net undersupply across all sectors of -11,000sqm or -15%.

FIGURE 3-4: WESTERN COD CATCHMENT FLOORSPACE DEMAND-SUPPLY SUMMARY (SQM) 2009

Summary Store Types	2009 Floorspace SQM (GFA)				
	Demand	Supply	Supply Share	Leakage	Leakage %
<i>Western COD Catchment</i>					
FOOD & LIQUOR	6,600	8,500	14%	1,900	29%
COMPARISON RETAIL	16,500	13,600	22% -	2,900	-18%
HARDWARE & DIY	10,700	6,700	11% -	4,000	-37%
TAKEAWAYS & RESTAURANTS	6,400	4,300	7% -	2,100	-33%
PUBS, TAVERNS & BARS	1,600	1,900	3%	300	19%
HOUSEHOLD SERVICES	6,900	6,600	11% -	300	-4%
HEALTH & CARE SERVICES	5,100	6,200	10%	1,100	22%
AUTOMOTIVE	10,100	9,900	16% -	200	-2%
RECREATION & ENTERTAINMENT	9,700	4,900	8% -	4,800	-49%
TOTAL RETAIL & SERVICE	73,600	62,600	100% -	11,000	-15%

Source: M.E Retail Demand & Supply Model, 2009

¹⁸ Appendix 3.

¹⁹ Refer Appendix 2 for how these Sectors relate to individual Store types and the RDSM retail and service categories.

The larger floorspace shortfalls are indicated in the Comparison Retail (-2,900sqm or -18%) and Hardware & DIY (-4,000sqm or -37%) sectors. Within the Comparison Retail sector, implied deficits include department stores (-630sqm or -19% of floorspace demand), clothing stores (-640sqm or -34%), furniture stores (-49%) and sports and camping equipment stores (-1,290sqm or -71%).

As in the Wanaka catchment, electronic transaction data confirms that Western COD residents are travelling to the centres in the Queenstown catchment to meet some of their retail and service needs. The data shows²⁰ that of the spend by Western COD catchment residents in 2009:

- 6% of spend in the Department and Homewares Store Sector²¹,
- 12% of spend in the Apparel and Footwear Store Sector,
- 10% of spend in the Recreation Goods, Flowers and Jewellery Store Sector,
- 4% of spend in the Book Shops and Chemist Sector,
- 13% of spend in the Furniture, Floorcovering and Appliance Store Sector, and
- 5% of spend in the Other Store Sector

occurs somewhere in the Queenstown catchment. On average across the whole Comparison Retail Sector, this equates to 8% of Western COD catchment resident spend occurring in Queenstown catchment.

3.4 Interpreting Implied Floorspace Leakage

We note that at finer levels of disaggregation by store type, the demand and supply comparisons need to be treated with some caution. While the underlying demand estimates (Census and Business Frame based) and supply (based on the MEC data) is robust, they are based on a combination of national and regional level data. This includes implicit assumptions about the product mix in store types – i.e., that the expected levels of employment in each retail store type reflect the national mix of store types. However, in reality there is considerable flexibility in product ranges and overlap between store types (for example, department stores sell shoes just as footwear outlets do). This means that some of an apparent deficit in floorspace supply in an area for one store type may instead be included in an apparent over-supply for another store type – for example, few specialist shoe shops because department stores and some ‘clothing’ and ‘sports goods’ stores carry shoes. As far as the consumer goes, there may be a deficit in specialist shoe-shop floorspace, but no shortfall in the amount of space allocated to selling shoes.

In part, this reflects the size of the market. Generally, smaller markets – such as those in the Study Area - are characterised by apparent over- and under-supply levels, because more of the shops offer general ranges of goods rather than specialise. In larger markets, there is more specialisation, so that the mix of store types matches more closely with the national average.

²⁰ Appendix 3.

²¹ Refer Appendix 2 for how these Sectors relate to individual Store types and the RDSM retail and service categories.

Accordingly, the most robust assessment for demand and supply comparison is at the aggregate level (total Food and Liquor, total Comparison), because at this level of aggregation most of the above specialist / generalist issue is avoided. In relation to future capacity zoning, as in this instance, the aggregate level is all that is required.

Nevertheless, the pattern apparent in QLD – of tourist-oriented over-supply, and resident-oriented under-supply – is consistent with anecdotal evidence. It is also relevant to the location of future supply, given the relative concentration (to date) of visitor spending in Queenstown and Arrowtown Town Centres, the relative concentration of future visitor spending likely in the Remarkables Quay precinct, and the stronger role of resident demand in the existing RPSC precinct and other locations.

As tourism is expected to have continued strong growth in the future, it is likely that there will be growth in tourism related retail. However, with the broadening of the economy in each catchment and in the district/Study Area as a whole over the medium to long term, in line with the projected increase in the resident households over that period, it is likely that the retail supply will also broaden over time. This will address some of the apparent undersupply and leakage of resident demand.

4. Future Retail and Service Demand

Having analysed Study Area retail and service floorspace at the detailed and aggregate store type level in 2009, this section examines growth in floorspace demand to 2031. The LFR share of total floorspace demand growth is estimated.

4.1 Total Floorspace Demand Growth 2009 – 2031

The RDSM (2009) provides estimates of growth in floorspace demand (sqm GFA) according to projected increases in household numbers and spend per household, as well as employee and tourism growth (and spend). Future changes in floorspace sales productivity (\$ sales/sqm/yr) are also estimated and the resulting \$/sqm figures are used to calculate the amount of sustainable floorspace (sqm) for the projected demand (\$m). Growth from 2009 is estimated at 5 yearly intervals from 2011 to 2031.

Figure 4-1 shows the growth in retail and service floorspace demand according to the Statistics NZ **Medium growth scenario**. Under this scenario, estimated retail and service floorspace demand arising in the Queenstown catchment will increase from approximately 133,000sqm GFA in 2009 to 227,000sqm GFA in 2031. This is an expected increase of just under 95,000sqm or 71%. Growth in Comparison Retail floorspace accounts for 19% of total catchment demand growth, increasing by approximately 18,000sqm GFA by 2031.

In the Wanaka catchment, total retail and service floorspace demand will increase from nearly 56,000sqm GFA in 2009 to just over 95,000sqm in 2031 according to the Medium growth scenario. This represents growth of approximately 40,000sqm or 71%. Growth in Comparison Retail floorspace accounts for 22% of total catchment demand growth, increasing by almost 9,000sqm GFA by 2031.

In the Western COD catchment, total retail and service floorspace demand will increase from nearly 74,000sqm GFA in 2009 to approximately 102,000sqm in 2031 according to the Medium growth scenario. This represents growth of approximately 28,000sqm or 38%. Growth in Comparison Retail floorspace accounts for 22% of total catchment growth, increasing by approximately 6,000sqm GFA by 2031.

Figure 4-2 shows the growth in retail and service floorspace demand according to the Statistics NZ **High growth scenario** (projection). Under this scenario, estimated retail and service floorspace demand arising in the Queenstown catchment will increase from approximately 133,000sqm GFA in 2009 to approximately 251,000sqm GFA in 2031. This is an expected increase of approximately 118,000sqm or 89%. Growth in Comparison Retail floorspace accounts for 20% of total catchment demand growth, increasing by just over 23,000sqm GFA by 2031.

In the Wanaka catchment, total retail and service floorspace demand will increase from nearly 56,000sqm GFA in 2009 to approximately 107,000sqm in 2031 according to the High growth scenario. This represents growth of approximately 51,000sqm or 92%. Growth in Comparison Retail floorspace accounts for 22% of total catchment demand growth, increasing by approximately 11,000sqm GFA by 2031.

In the Western COD catchment, total retail and service floorspace demand will increase from nearly 74,000sqm GFA in 2009 to approximately 125,000sqm in 2031 according to the Medium growth scenario. This represents growth of approximately 51,000sqm or 69%. Growth in Comparison Retail floorspace accounts for 22% of total catchment growth, increasing by just over 11,000sqm GFA by 2031.

Irrespective of likely future demand flows (leakage of demand to and from the Queenstown catchment for example), the expected Medium to High growth in retail and service floorspace demand arising in the Queenstown Catchment demonstrates a need for future increases in floorspace capacity. The most efficient means of increasing retail and service capacity is within existing zones/centres through re-development and intensification, expansion of zone area and development of vacant zoned opportunities. Additional floorspace capacity can also be provided in the form of new commercial areas (additions to the existing centre network), although the dispersal of retail and service activity over a larger number of smaller centres would be a less efficient outcome in a market the size of Queenstown.

FIGURE 4-1: TOTAL RETAIL AND SERVICE FLOORSPACE DEMAND 2009-31 – MEDIUM GROWTH

Summary Store Types	FLOORSPACE DEMAND SQM (GFA)						CHANGE IN SQM (GFA)					GROWTH (%)				
	2009	2011	2016	2021	2026	2031	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment																
FOOD & LIQUOR	10,800	11,300	12,900	14,400	16,100	17,800	500	2,100	3,600	5,300	7,000	5%	19%	33%	49%	65%
COMPARISON RETAIL	28,300	29,800	33,800	37,800	42,200	46,500	1,500	5,500	9,500	13,900	18,200	5%	19%	34%	49%	64%
HARDWARE & DIY	12,300	14,000	16,200	18,300	20,500	22,800	1,700	3,900	6,000	8,200	10,500	14%	32%	49%	67%	85%
TAKEAWAYS & RESTAURANTS	19,000	20,800	24,000	27,000	30,100	33,000	1,800	5,000	8,000	11,100	14,000	9%	26%	42%	58%	74%
PUBS, TAVERNS & BARS	6,000	6,600	7,600	8,600	9,500	10,400	600	1,600	2,600	3,500	4,400	10%	27%	43%	58%	73%
HOUSEHOLD SERVICES	10,500	11,300	13,000	14,700	16,500	18,300	800	2,500	4,200	6,000	7,800	8%	24%	40%	57%	74%
HEALTH & CARE SERVICES	6,900	7,300	8,400	9,500	10,700	11,800	400	1,500	2,600	3,800	4,900	6%	22%	38%	55%	71%
AUTOMOTIVE	14,900	15,900	18,100	20,200	22,700	25,100	1,000	3,200	5,300	7,800	10,200	7%	21%	36%	52%	68%
RECREATION & ENTERTAINMENT	24,100	26,300	30,200	34,000	38,000	41,700	2,200	6,100	9,900	13,900	17,600	9%	25%	41%	58%	73%
TOTAL RETAIL & SERVICE	132,800	143,300	164,200	184,500	206,300	227,400	10,500	31,400	51,700	73,500	94,600	8%	24%	39%	55%	71%
Wanaka Catchment																
FOOD & LIQUOR	4,900	5,200	6,000	6,700	7,600	8,500	300	1,100	1,800	2,700	3,600	6%	22%	37%	55%	73%
COMPARISON RETAIL	12,900	13,500	15,400	17,300	19,500	21,600	600	2,500	4,400	6,600	8,700	5%	19%	34%	51%	67%
HARDWARE & DIY	5,200	5,900	6,800	7,700	8,800	9,700	700	1,600	2,500	3,600	4,500	13%	31%	48%	69%	87%
TAKEAWAYS & RESTAURANTS	7,000	7,500	8,500	9,500	10,500	11,400	500	1,500	2,500	3,500	4,400	7%	21%	36%	50%	63%
PUBS, TAVERNS & BARS	2,200	2,400	2,700	2,900	3,200	3,500	200	500	700	1,000	1,300	9%	23%	32%	45%	59%
HOUSEHOLD SERVICES	4,300	4,700	5,400	6,200	7,000	7,900	400	1,100	1,900	2,700	3,600	9%	26%	44%	63%	84%
HEALTH & CARE SERVICES	3,200	3,300	3,900	4,400	5,100	5,700	100	700	1,200	1,900	2,500	3%	22%	38%	59%	78%
AUTOMOTIVE	6,700	7,200	8,200	9,300	10,500	11,700	500	1,500	2,600	3,800	5,000	7%	22%	39%	57%	75%
RECREATION & ENTERTAINMENT	9,200	9,900	11,300	12,600	14,000	15,300	700	2,100	3,400	4,800	6,100	8%	23%	37%	52%	66%
TOTAL RETAIL & SERVICE	55,600	59,600	68,200	76,600	86,200	95,300	4,000	12,600	21,000	30,600	39,700	7%	23%	38%	55%	71%
Western COD Catchment																
FOOD & LIQUOR	6,600	6,800	7,300	7,900	8,500	9,100	200	700	1,300	1,900	2,500	3%	11%	20%	29%	38%
COMPARISON RETAIL	16,500	16,900	18,300	19,800	21,000	22,600	400	1,800	3,300	4,500	6,100	2%	11%	20%	27%	37%
HARDWARE & DIY	10,700	11,600	12,400	13,300	14,000	14,900	900	1,700	2,600	3,300	4,200	8%	16%	24%	31%	39%
TAKEAWAYS & RESTAURANTS	6,400	6,700	7,300	7,800	8,300	8,900	300	900	1,400	1,900	2,500	5%	14%	22%	30%	39%
PUBS, TAVERNS & BARS	1,600	1,700	1,800	2,000	2,100	2,300	100	200	400	500	700	6%	13%	25%	31%	44%
HOUSEHOLD SERVICES	6,900	7,200	7,700	8,400	8,900	9,600	300	800	1,500	2,000	2,700	4%	12%	22%	29%	39%
HEALTH & CARE SERVICES	5,100	5,200	5,700	6,100	6,500	7,100	100	600	1,000	1,400	2,000	2%	12%	20%	27%	39%
AUTOMOTIVE	10,100	10,500	11,300	12,200	12,900	13,900	400	1,200	2,100	2,800	3,800	4%	12%	21%	28%	38%
RECREATION & ENTERTAINMENT	9,700	10,200	11,000	11,900	12,600	13,500	500	1,300	2,200	2,900	3,800	5%	13%	23%	30%	39%
TOTAL RETAIL & SERVICE	73,600	76,800	82,800	89,400	94,800	101,900	3,200	9,200	15,800	21,200	28,300	4%	13%	21%	29%	38%

Source: M.E Retail Demand & Supply Model, 2009 - Medium Growth Scenario

FIGURE 4-2: TOTAL RETAIL AND SERVICE FLOORSPACE DEMAND 2009-31 – HIGH GROWTH

Summary Store Types	FLOORSPACE DEMAND SQM (GFA)						CHANGE IN SQM (GFA)					GROWTH (%)				
	2009	2011	2016	2021	2026	2031	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment																
FOOD & LIQUOR	10,800	11,700	13,600	15,500	17,600	19,900	900	2,800	4,700	6,800	9,100	8%	26%	44%	63%	84%
COMPARISON RETAIL	28,300	30,700	35,500	40,400	45,800	51,400	2,400	7,200	12,100	17,500	23,100	8%	25%	43%	62%	82%
HARDWARE & DIY	12,300	14,600	17,400	20,100	23,000	26,100	2,300	5,100	7,800	10,700	13,800	19%	41%	63%	87%	112%
TAKEAWAYS & RESTAURANTS	19,000	21,100	24,600	27,900	31,600	35,300	2,100	5,600	8,900	12,600	16,300	11%	29%	47%	66%	86%
PUBS, TAVERNS & BARS	6,000	6,700	7,700	8,800	9,900	11,000	700	1,700	2,800	3,900	5,000	12%	28%	47%	65%	83%
HOUSEHOLD SERVICES	10,500	11,700	13,800	15,900	18,300	20,700	1,200	3,300	5,400	7,800	10,200	11%	31%	51%	74%	97%
HEALTH & CARE SERVICES	6,900	7,500	8,900	10,200	11,700	13,300	600	2,000	3,300	4,800	6,400	9%	29%	48%	70%	93%
AUTOMOTIVE	14,900	16,500	19,200	22,000	25,000	28,200	1,600	4,300	7,100	10,100	13,300	11%	29%	48%	68%	89%
RECREATION & ENTERTAINMENT	24,100	26,700	31,100	35,500	40,200	45,000	2,600	7,000	11,400	16,100	20,900	11%	29%	47%	67%	87%
TOTAL RETAIL & SERVICE	132,800	147,200	171,800	196,300	223,100	250,900	14,400	39,000	63,500	90,300	118,100	11%	29%	48%	68%	89%
Wanaka Catchment																
FOOD & LIQUOR	4,900	5,400	6,400	7,300	8,400	9,600	500	1,500	2,400	3,500	4,700	10%	31%	49%	71%	96%
COMPARISON RETAIL	12,900	14,000	16,300	18,700	21,400	24,200	1,100	3,400	5,800	8,500	11,300	9%	26%	45%	66%	88%
HARDWARE & DIY	5,200	6,200	7,300	8,500	9,800	11,200	1,000	2,100	3,300	4,600	6,000	19%	40%	63%	88%	115%
TAKEAWAYS & RESTAURANTS	7,000	7,700	8,800	9,900	11,100	12,300	700	1,800	2,900	4,100	5,300	10%	26%	41%	59%	76%
PUBS, TAVERNS & BARS	2,200	2,400	2,700	3,000	3,300	3,700	200	500	800	1,100	1,500	9%	23%	36%	50%	68%
HOUSEHOLD SERVICES	4,300	4,900	5,800	6,800	7,900	9,000	600	1,500	2,500	3,600	4,700	14%	35%	58%	84%	109%
HEALTH & CARE SERVICES	3,200	3,500	4,200	4,900	5,700	6,600	300	1,000	1,700	2,500	3,400	9%	31%	53%	78%	106%
AUTOMOTIVE	6,700	7,500	8,800	10,200	11,700	13,300	800	2,100	3,500	5,000	6,600	12%	31%	52%	75%	99%
RECREATION & ENTERTAINMENT	9,200	10,100	11,700	13,300	15,000	16,800	900	2,500	4,100	5,800	7,600	10%	27%	45%	63%	83%
TOTAL RETAIL & SERVICE	55,600	61,700	72,000	82,600	94,300	106,700	6,100	16,400	27,000	38,700	51,100	11%	29%	49%	70%	92%
Western COD Catchment																
FOOD & LIQUOR	6,600	7,100	8,100	9,000	10,100	11,200	500	1,500	2,400	3,500	4,600	8%	23%	36%	53%	70%
COMPARISON RETAIL	16,500	17,600	20,000	22,300	24,900	27,600	1,100	3,500	5,800	8,400	11,100	7%	21%	35%	51%	67%
HARDWARE & DIY	10,700	12,200	13,800	15,400	17,000	18,700	1,500	3,100	4,700	6,300	8,000	14%	29%	44%	59%	75%
TAKEAWAYS & RESTAURANTS	6,400	6,900	7,800	8,700	9,600	10,500	500	1,400	2,300	3,200	4,100	8%	22%	36%	50%	64%
PUBS, TAVERNS & BARS	1,600	1,700	1,900	2,100	2,300	2,600	100	300	500	700	1,000	6%	19%	31%	44%	63%
HOUSEHOLD SERVICES	6,900	7,500	8,600	9,600	10,800	11,900	600	1,700	2,700	3,900	5,000	9%	25%	39%	57%	72%
HEALTH & CARE SERVICES	5,100	5,500	6,300	7,100	7,900	8,900	400	1,200	2,000	2,800	3,800	8%	24%	39%	55%	75%
AUTOMOTIVE	10,100	10,900	12,400	13,900	15,500	17,100	800	2,300	3,800	5,400	7,000	8%	23%	38%	53%	69%
RECREATION & ENTERTAINMENT	9,700	10,600	12,000	13,300	14,700	16,200	900	2,300	3,600	5,000	6,500	9%	24%	37%	52%	67%
TOTAL RETAIL & SERVICE	73,600	80,000	90,900	101,400	112,800	124,700	6,400	17,300	27,800	39,200	51,100	9%	24%	38%	53%	69%

Source: M.E Retail Demand & Supply Model, 2009 - High Growth Scenario

4.2 LFR Floorspace Demand Growth 2009 – 2031

Having identified estimated total retail and service floorspace growth to 2031 in each catchment, the share of that growth that is likely to occupy LFR premises is estimated. The M.E National Retail and Service Floorspace Model analyses national average store size trends for 2009 (and historically) to estimate the split between LFR and SFR demand. It has been assumed that these trends will broadly continue to 2031 and will apply in the Study Area.

Generally all shop floorspace growth in supermarkets is expected to be in large format premises (greater than 500sqm) as are new department stores. Other store types with a high share of large format floorspace (currently) include furniture retailing (55%), floor covering retailing (68%), appliance retailing (53%), sports and camping equipment retailing (42%) and domestic hardware and homeware retailing (63%). It is assumed that the majority of hardware/DIY, timber supply, cinemas, libraries, museums, casinos, child care centres and sports facilities (such as gyms) occupy premises greater than 500sqm. Other retail and service activities have a lower share of large format stores currently. In general, most restaurants, cafes, takeaways, bars, pubs, household services and medical services occupy small format premises.

Figure 4-3 (Summary) and Figure 4-4 show the growth in LFR retail and service floorspace demand according to the Statistics NZ **Medium growth scenario**²². Under this scenario, estimated LFR floorspace demand arising in the Queenstown catchment will increase from 70,000sqm GFA in 2009 to 120,000sqm GFA in 2031. This is an expected increase of approximately 50,000sqm or 71%. Growth in large format Comparison Retail floorspace accounts for 17% of total catchment LFR demand growth, increasing by just under 9,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for 18% of total catchment LFR demand growth, increasing by almost 9,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 10% of total catchment LFR demand growth, increasing by almost 5,000sqm GFA by 2031.

In the Wanaka catchment, total LFR floorspace demand will increase from nearly 30,000sqm GFA in 2009 to approximately 51,000sqm in 2031 according to the Medium growth scenario. This represents growth of approximately 21,000sqm or 73%. Growth in large format Comparison Retail floorspace accounts for 21% of total catchment LFR demand growth, increasing by just over 4,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for 18% of total catchment LFR demand growth, increasing by almost 4,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 12% of total catchment LFR demand growth, increasing by 2,500sqm GFA by 2031.

In the Western COD catchment, total LFR floorspace demand will increase from 41,000sqm GFA in 2009 to approximately 57,000sqm in 2031 according to the Medium growth scenario. This represents growth of approximately 16,000sqm or 39%. Growth in large format Comparison Retail floorspace accounts for 20% of total catchment LFR demand growth, increasing by just over 3,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for

²² Further detail is provided in Appendix 7.

22% of total catchment LFR demand growth, increasing by almost 4,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 11% of total catchment LFR demand growth, increasing by just under 2,000sqm GFA by 2031.

FIGURE 4-3: TOTAL LARGE FORMAT RETAIL & SERVICE FLOORSPACE GROWTH 2009-31

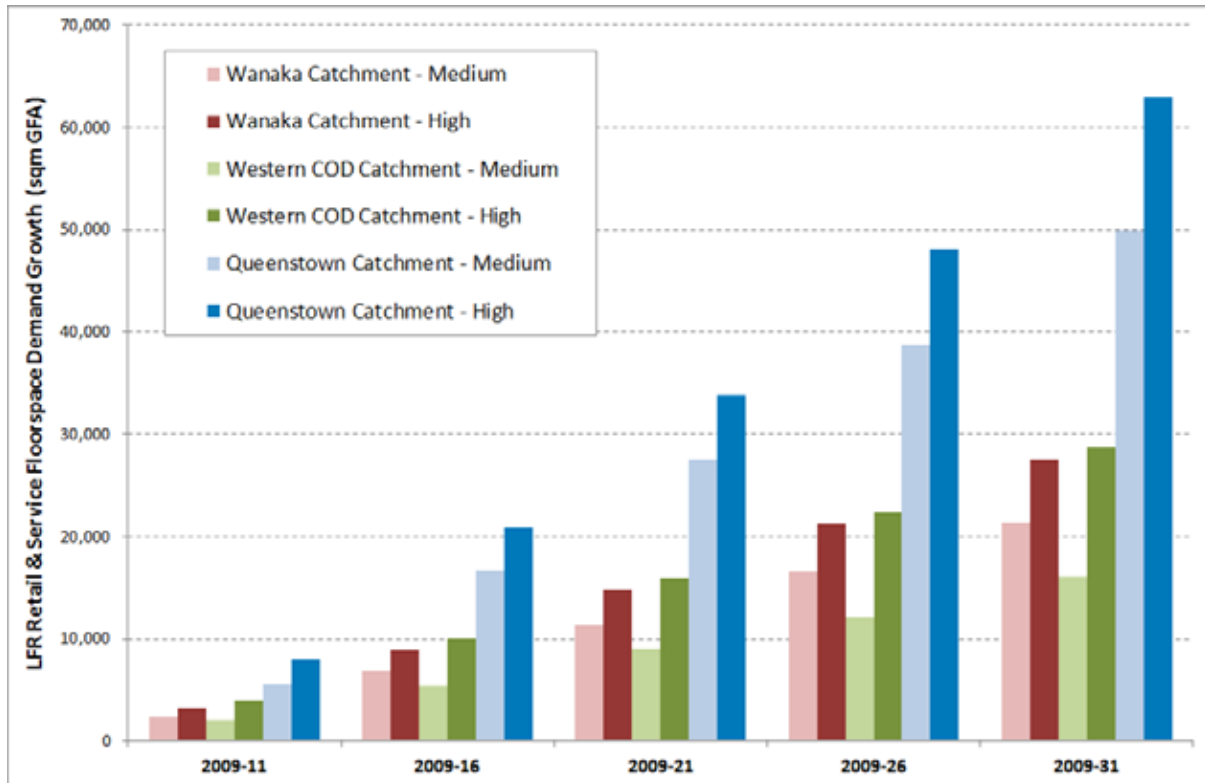


Figure 4-3 (Summary) and Figure 4-5 show the growth in LFR retail and service floorspace demand according to the Statistics NZ **High growth scenario**²³. Under this scenario, estimated LFR floorspace demand arising in the Queenstown catchment will increase from 70,000sqm GFA in 2009 to 133,000sqm GFA in 2031. This is an expected increase of approximately 63,000sqm or 90%. Growth in large format Comparison Retail floorspace accounts for 18% of total catchment LFR demand growth, increasing by just over 11,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for 19% of total catchment LFR demand growth, increasing by almost 12,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 10% of total catchment LFR demand growth, increasing by just over 6,000sqm GFA by 2031.

In the Wanaka catchment, total LFR floorspace demand will increase from nearly 30,000sqm GFA in 2009 to approximately 57,000sqm in 2031 according to the High growth scenario. This represents growth of approximately 28,000sqm or 94%. Growth in large format Comparison Retail floorspace

²³ Further detail is provided in Appendix 7.

accounts for 21% of total catchment LFR demand growth, increasing by almost 6,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for 18% of total catchment LFR demand growth, increasing by just over 5,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 12% of total catchment LFR demand growth, increasing by just over 3,000sqm GFA by 2031.

FIGURE 4-4: TOTAL AND LFR FLOORSPACE GROWTH SUMMARY BY CATCHMENT 2009-31

Summary Store Types	MEDIUM GROWTH SCENARIO			HIGH GROWTH SCENARIO		
	Total Growth 2009-2031	LFR Growth 2009-2031	Weighted Average LFR Share of Growth	Total Growth 2009-2031	LFR Growth 2009-2031	Weighted Average LFR Share of Growth
Queenstown Catchment						
FOOD & LIQUOR	7,000	4,800	69%	9,100	6,200	68%
COMPARISON RETAIL	18,200	8,600	47%	23,100	11,100	48%
HARDWARE & DIY	10,500	8,900	85%	13,800	11,700	85%
TAKEAWAYS & RESTAURANTS	14,000	4,100	29%	16,300	4,800	29%
PUBS, TAVERNS & BARS	4,400	1,800	41%	5,000	2,100	42%
HOUSEHOLD SERVICES	7,800	3,200	41%	10,200	4,200	41%
HEALTH & CARE SERVICES	4,900	1,900	39%	6,400	2,500	39%
AUTOMOTIVE	10,200	4,700	46%	13,300	6,200	47%
RECREATION & ENTERTAINMENT	17,600	11,900	68%	20,900	14,200	68%
TOTAL RETAIL & SERVICE	94,600	49,900	53%	118,100	63,000	53%
Wanaka Catchment						
FOOD & LIQUOR	3,600	2,500	69%	4,700	3,300	70%
COMPARISON RETAIL	8,700	4,400	51%	11,300	5,800	51%
HARDWARE & DIY	4,500	3,900	87%	6,000	5,100	85%
TAKEAWAYS & RESTAURANTS	4,400	1,300	30%	5,300	1,600	30%
PUBS, TAVERNS & BARS	1,300	500	38%	1,500	600	40%
HOUSEHOLD SERVICES	3,600	1,400	39%	4,700	1,800	38%
HEALTH & CARE SERVICES	2,500	1,000	40%	3,400	1,300	38%
AUTOMOTIVE	5,000	2,200	44%	6,600	2,900	44%
RECREATION & ENTERTAINMENT	6,100	4,200	69%	7,600	5,200	68%
TOTAL RETAIL & SERVICE	39,700	21,400	54%	51,100	27,600	54%
Western COD Catchment						
FOOD & LIQUOR	2,500	1,800	72%	4,600	3,300	72%
COMPARISON RETAIL	6,100	3,200	52%	11,100	5,800	52%
HARDWARE & DIY	4,200	3,600	86%	8,000	6,900	86%
TAKEAWAYS & RESTAURANTS	2,500	800	32%	4,100	1,200	29%
PUBS, TAVERNS & BARS	700	300	43%	1,000	400	40%
HOUSEHOLD SERVICES	2,700	1,100	41%	5,000	2,000	40%
HEALTH & CARE SERVICES	2,000	800	40%	3,800	1,500	39%
AUTOMOTIVE	3,800	1,800	47%	7,000	3,200	46%
RECREATION & ENTERTAINMENT	3,800	2,700	71%	6,500	4,500	69%
TOTAL RETAIL & SERVICE	28,300	16,100	57%	51,100	28,800	56%

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009

In the Western COD catchment, total LFR floorspace demand will increase from 41,000sqm GFA in 2009 to approximately 70,000sqm in 2031 according to the High growth scenario. This represents growth of approximately 29,000sqm or 70%. Growth in large format Comparison Retail floorspace accounts for 20% of total catchment LFR demand growth, increasing by nearly 6,000sqm GFA by 2031. Growth in large format Hardware & DIY floorspace demand accounts for 24% of total catchment LFR demand growth, increasing by nearly 7,000sqm GFA by 2031. Growth in large format Food & Liquor Retail floorspace accounts for 11% of total catchment LFR demand growth, increasing by just over 3,000sqm GFA by 2031.

5. LFR Demand Flows

This section takes the LFR floorspace demand growth figures from Section 4 a step further by testing the implications of flows of LFR demand (leakage) between the three catchments of the Study Area and elsewhere. The focus is on the leakage in and out of the Queenstown catchment on the basis that the centres therein play a central role in the Study Area by virtue of their size and more comprehensive activity mix.

To date, Queenstown's market size advantage has attracted the majority of LFR outlets in the Study Area and the catchment therefore attracts a portion of the LFR demand arising in surrounding areas. This is partially substantiated by the comparison of current supply and demand of retail and service floorspace at the catchment level, which shows some net oversupplies of Comparison Retail floorspace relative to catchment demand in the Queenstown catchment (Section 3). It is further supported by electronic transaction data which shows the share of spend from Wanaka and Western COD catchment residents in each store type occurring in the Queenstown catchment, although no distinction is made on whether those sales are occurring in LFR or SFR stores (Appendix 2).

A scenario approach tests the outcomes of some-to-no leakage of LFR floorspace demand growth out of the Queenstown catchment combined with a range of leakage of LFR floorspace demand growth into the Queenstown catchment from the Wanaka and Western COD catchments. The result is estimates of sustainable LFR floorspace growth in the Queenstown catchment.

5.1 Factors Influencing Leakage

Both supply and demand factors will influence the long term leakage of LFR demand from the Wanaka and Western COD catchments. Both markets will experience growth over time making LFR outlets there more sustainable. However, whether LFR outlets choose to locate in those markets in the future will depend firstly on the zoning opportunities available (such as Three Parks in Wanaka) and the individual market size thresholds for different LFR operators. Location and competition strategies will also be a key factor. Given growth and suitable development sites, the likelihood is that over time, some LFR operators will develop in these smaller markets.

The Queenstown catchment has already established an LFR base (although somewhat dispersed) and zoning opportunities such as that proposed by RPL in the RPZ will provide the opportunity for future LFR stores to co-locate (with each other and also with those already established in the RPZ). This will create a convenient and attractive destination to shoppers and operators alike. The

development of such LFR precincts in the Queenstown catchment may further delay the development of LFR in surrounding catchments, particularly if operators prioritise establishing a presence in the Queenstown catchment or if their preferred strategy is to have a single store servicing the wider Study Area.

An under-provision of LFR floorspace capacity may limit the ability to attract additional LFR stores to the district, may decrease the ability to meet future community demand for a range of retail goods, may increase the demand for SFR capacity, and may increase the need for the community to travel to other districts to meet their retail requirements.

5.2 LFR Demand Growth Capture Scenarios

Figure 5-1 describes the scenario parameters for modelling the potential capture of Study Area LFR floorspace demand growth in the Queenstown catchment. Scenario assumptions have been sense checked against transaction data for 2009 showing leakage of total retail and service sales into and out of the Queenstown catchment²⁴.

The **Low Capture** scenario assumes some leakage of local LFR demand out of Queenstown catchment (20%), to larger centres (Dunedin and Invercargill, and also Christchurch) and a small amount of LFR demand leakage into the Queenstown catchment from the Wanaka and Western COD catchments (10%). Over time, as each of the markets grow, the leakage captured from Wanaka and Western COD is modelled as decreasing slightly and conversely, the loss of LFR demand from the Queenstown catchment is modelled as reducing slightly.

FIGURE 5-1: CAPTURE SCENARIO PARAMETERS

LFR Demand Capture Scenario	Catchment	2009-11	2011-16	2016-21	2021-26	2026-31	Long Term Change
Low Capture	Queenstown Catchment	80%	81%	83%	84%	85%	<i>Increasing Slightly</i>
	Wanaka Catchment	10%	9%	8%	6%	5%	<i>Decreasing Slightly</i>
	Western COD Catchment	10%	9%	8%	6%	5%	<i>Decreasing Slightly</i>
Moderate Capture	Queenstown Catchment	84%	85%	87%	88%	89%	<i>Increasing Slightly</i>
	Wanaka Catchment	15%	14%	13%	12%	11%	<i>Decreasing Slightly</i>
	Western COD Catchment	15%	14%	13%	12%	11%	<i>Decreasing Slightly</i>
High Capture	Queenstown Catchment	88%	89%	91%	92%	93%	<i>Increasing Slightly</i>
	Wanaka Catchment	25%	24%	23%	21%	20%	<i>Decreasing Slightly</i>
	Western COD Catchment	25%	24%	23%	21%	20%	<i>Decreasing Slightly</i>

Refers to LFR Demand Captured by (Spent in) Queenstown Catchment

Capture rates applied to all retail and service categories of LFR demand

The **Moderate Capture** scenario assumes a smaller amount of leakage of local LFR demand out of Queenstown catchment (16% decreasing to 11% by 2031) and an increased amount of leakage into

²⁴ Appendix 3.

the Queenstown catchment from the Wanaka and Western COD catchments (15% decreasing to 11% by 2031) compared to the Low Capture scenario. The **High Capture** scenario assumes a smaller amount still of leakage of local LFR demand out of Queenstown catchment (12% decreasing to 7% by 2031) and a further increase in the amount of leakage into the Queenstown catchment from the Wanaka and Western COD catchments (25% decreasing to 20% by 2031) compared to the Moderate Capture scenario.

5.3 Summary Results

Detailed tables applying the Queenstown catchment’s capture scenarios (leakage) to LFR floorspace growth in each catchment of the Study Area are contained in Appendix 8. Figure 5-2 shows that potential long term demand for additional LFR floorspace in the Queenstown catchment ranges from approximately 44,000sqm to 46,000sqm GFA based on a Medium growth scenario by 2031. Under a higher growth outlook, the growth in LFR floorspace in the Queenstown catchment ranges between approximately 56,000sqm and 59,000sqm GFA by 2031. The overall range across both growth scenarios is therefore between **44,000sqm and 59,000sqm GFA** of LFR floorspace growth.

FIGURE 5-2: TOTAL LFR DEMAND GROWTH IN QUEENSTOWN CATCHMENT (SQM)

Growth Scenario	LFR Demand Capture Scenario	2009-11	2009-16	2009-21	2009-26	2009-31
Medium Growth Scenario	Low Capture	5,000	15,000	24,000	34,000	44,000
	Moderate Capture	5,000	15,000	25,000	35,000	45,000
	High Capture	6,000	17,000	26,000	36,000	46,000
High Growth Scenario	Low Capture	7,000	19,000	30,000	43,000	56,000
	Moderate Capture	8,000	20,000	31,000	44,000	58,000
	High Capture	9,000	21,000	33,000	46,000	59,000

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009 and Marketview Data, 2009
Rounded to nearest 1000

The future LFR and SFR mix of the floorspace capacity enabled by proposed PPC 34 (approximately 30,000sqm additional retail and service floorspace) is uncertain. However, based on the LFR growth figures above, if:

- 1/2 of the capacity (15,000sqm GFA) was occupied by LFR tenants this would account for between 25-34% of estimated LFR demand growth in Queenstown Catchment to 2031.
- 2/3 of the capacity (20,000sqm GFA) was occupied by LFR tenants this would account for between 34-45% of estimated LFR demand growth in Queenstown Catchment to 2031.
- 3/4 of the capacity (22,500sqm GFA) was occupied by LFR tenants this would account for between 38-51% of estimated LFR demand growth in Queenstown Catchment to 2031.

6. Urban Form Issues and Effects

Having regard to the estimates of total future retail and service floorspace demand, including LFR demand in the Queenstown catchment to 2031, this final section considers urban form outcomes and effects relevant to the provision of retail and service floorspace capacity (zone area) in EAA 5 of the RPZ. Key RMA concerns - amenity and efficiency - are affected by urban form, particularly the patterns of retail and service activity and general business activity within the urban structure. Amenity and efficiency may both be enhanced by providing capacity for future retail and business activity in appropriate locations, and at a scale and timing which is broadly commensurate with demand.

This section addresses the RPL PPC 34 (EAA 5 components) in relation to these urban form issues, and in the light of expected demand growth.

6.1 Amenity Issues – Overview

Urban form – particularly the distribution of retail and service activity - is a major influence on RMA matters, including efficiency and sustainability, community enablement, and societal wellbeing. The location of retail and service capacity, relative to population, directly affects peoples' accessibility and their enablement to meet everyday needs. Location and distribution of capacity – especially co-location of activities in centres or business areas – directly affects people's travel efficiency, contributing to urban sustainability. The distribution of goods and services outlets directly affects patterns of people activity and perceptions of the urban environment, influencing urban amenity.

Centres are an important component of urban form, contributing positively to efficiency, enablement and amenity. The spatial concentration of retail, services and public facilities generally enhances travel efficiency by supporting multi-purpose trip making. Centres' roles in generating and focusing people activity and community identity is well recognised.

Efficiency, amenity and enablement benefits generally increase with centre size. Larger centres provide a wider variety of goods and services, offer more choice among outlets, and attract community and public facilities, and attract higher levels of 'people activity', enhancing social amenity. In turn, the larger people flows generated by large centres means that more specialised goods and service outlets become viable, enhancing the range and choice available to consumers – simply, agglomeration benefits enhance enablement. Other things being equal, larger centres generally provide a higher level of amenity than do smaller centres.

Centres' contribution to amenity is recognised in the urban environment. The co-location of shops and services provides convenience, range, and choice (aspects of *functional amenity*) - and the role

of centres as places of people activity and community focus (aspects of *social amenity*). Amenity is generally enhanced by the concentration of retail and service activity in centres.

The alternative urban form where retail and service activity is dispersed, in stand-alone or out-of-centre locations, is generally recognised as being less conducive to efficiency, amenity and enablement outcomes. Major planning initiatives to strengthen centres' urban role, and achieve centres-based urban forms, emerged in Christchurch (Var 86), Auckland (RPS Change 6) and Wellington, in the past 5-6 years.

Because of these effects, the potential for zoning of commercial centres to affect the community's functional and social amenity is relevant for planning and consents, including provision of new zoned capacity in centres or business areas. Generally, a centres structure is consistent with the RMA purpose and provisions, including avoidance of negative aspects arising from 'out of centre' development.

While centres generally contribute, their effects vary with size and location. The commercial retail and service market has a basic relationships between available spending power and the numbers of stores and amount of floorspace which that market can sustain. Some outlet types occur commonly, others less frequently, and not all centres can sustain all store-types – hence, the typical hierarchical centres structure, with the CBD at the peak.

Within urban markets, there are trade-offs between the number of centres, and the benefits to the wider community – while a relatively large number of centres (per population size) may imply good accessibility, many of the benefits of centres arise from agglomeration effects, in larger centres. This means that benefits arise from the incremental expansion of an established centres structure, as well as establishment of new centres. Again in general terms, the range of benefits from a centres-based structure is enhanced when centres' scale is in reasonable balance with the demands of its catchment community. There is potential for centres' benefits to be reduced and/or delayed where large capacity in relation to demand means that development is piecemeal or relatively dispersed across a number of zoned 'centres'. Such an outcome is generally less efficient in travel terms, than if retail and services are concentrated in fewer, larger centres, particularly if the dispersed pattern persists into the medium term.

Important aspects for Council to consider in providing zoned capacity include the likely level of demand, in relation to the existing supply situation, and the likely rate of development, as well as the long term urban form outcome. Appropriate provision (location, scale and timing) to meet a future shortfall in zoned capacity requires Council's consideration of key RMA issues, including the urban form implications of retail and commercial development as it affects accessibility, travel efficiency, and amenity. This includes potential impacts of new development on the existing centres structure, through direct sales effects, and the consequent (indirect) effects on those centres' provision of functional and social amenity.

Hence, the importance of retail "distributional effects". These do not equate simply with sales impacts (which are largely competition effects and not a concern under the RMA) but are the effects which arise from a changed or new distribution (pattern) of retail and service activity – especially

effects on people activity, enablement and travel efficiency, and including those arising from future location decisions. These include the consequence of sales impacts on the wider social and community roles of centres, through reduced shopper numbers and people activity. Because sales impacts do affect retail distribution, then it is important to understand their scale, nature and timing, and potential to affect the overall social and community roles of centres. Generally, the scale of direct impacts depends on the sales performance of stores in the new development/zone, arising from their relative attractiveness to consumers (mainly from size, product choice, pricing and accessibility).

6.2 Retail Effects Assessment

Impact Model Scope

In this section, we examine the likely effects of additional retail and service floorspace capacity in the RPTC. The assessment considers both the remaining zoned growth of the RPTC (planned in the existing AA5²⁵ and also in AA3: Remarkables Quay) and the proposed additional retail and service floorspace capacity enabled by PPC 34 (EAA 5). The focus of the assessment is on retail sales effects on town centre zones and in particular, effects on central Queenstown²⁶. It also addresses the potential aggregate urban form outcomes of proposed retail and service development in other locations, notably the Gateway development in the FFSZA, the potential retail and service capacity enabled by PC 19 (decision version²⁷).

Unlike earlier sections in this report – where the assessment considers retail and service activity according to the categories included in the RDSM – the impact model underlying this section relates to the retail and service sectors defined in a Marketview and Paymark electronic transaction dataset (purchased by RPL) which is a key input to the 2009 sales estimates in the model. These sectors, which can be compared to the RDSM coverage in Appendix 2, exclude a number of service types in the Personal & Household Services Sector and exclude Recreation & Entertainment Service activities. The impact model therefore covers the majority of retail and service activity and associated sales performance and direct sales effects.

Approach

The assessment of retail sales effects is straightforward. It covers each retail and service sector (as discussed above), and with finer disaggregation in the Comparison Retail sector (into Department and Homewares stores, Apparel and Footwear stores, Recreation Goods, Flowers and Jewellery

²⁵ Buildings 8, 13, 14, and 15 and stages 1 (recently opened) and 2 of building 10, as well as the site to the rear of the New World supermarket are already planned for (RPL Master Plan) and are located within the existing AA 5 of the RPZ. M.E has not considered any further intensification of the existing AA5 beyond these planned buildings.

²⁶ Base data utilized for this impact model (Marketview and Paymark data) groups retail and service activity in the Queenstown Bay and Queenstown Hill Census Area Units. These two areas combined are referred to in this impact assessment as Queenstown Central and it encompasses the Queenstown Town Centre (QTC) and Gorge Road Business Zone and any other dispersed retail and service activity located in this general 'central' location. As such, the model does not specifically identify the impacts felt by the QTC.

²⁷ Under Appeal.

stores, Bookshop and Chemist stores, Furniture, Floorcovering and Appliance stores, and Other Retail²⁸). This breakdown of the Comparison Retail sector is necessary because the structure of retail and service demand across these sub-sectors varies between the resident and visitor markets, and different mixes of comparison retail activity are evident in different locations. It is not appropriate to assume that future development in each location will simply add a *pro rata* mix of floorspace, especially because of the relative concentration (to date) of visitor spending in Queenstown and Arrowtown Town Centres, the relative concentration of future visitor spending likely in the Remarkables Quay precinct, and the stronger role of resident demand in the existing RPSC precinct and other locations.

The potential developments considered for this impact analysis are identified below. The mix of retail and service floorspace in each potential development is not finalised, and for this assessment indicative mixes have been applied, based on public information and media releases about Gateway, information from RPL and the current retail and service mix by location, as well as overall demand growth projections for each retail and service type. Based on the assumed floorspace mix, the total quantum of estimated retail and service floorspace is stated, as well as the portion of that floorspace that falls within the scope (sectors) of the M.E impact model:

1. Remaining retail and service capacity in the RPTC, consisting of up to 4,390sqm GFA covered by Buildings 8, 10²⁹, 13, 14, 15 and the site behind the New World supermarket³⁰ in the RPSC precinct, of which 3,980sqm GFA (91%) is included in the impact model as well as the proposed Remarkables Quay precinct (AA 3 of the RPZ), of which an assumed 6,320sqm out of an estimated 6,650sqm GFA (95%) of retail and service capacity is included in the impact model.
2. Proposed PPC 34 of up to an estimated 30,000sqm GFA of retail and service activity, of which 26,950sqm GFA (90%) is included in the impact model.
3. Gateway Development, assuming up to 28,690sqm GFA of retail and service activity in accordance with documentation contained in the resource consent application, of which 23,830sqm GFA (83%) is included in the impact model.
4. Proposed PC 19, which would enable the addition of an estimated 18,700sqm GFA of retail and service activity in Area E2 (100% of which is included in the impact model), 1,000sqm GFA of retail and service activity in Area C2 (100% of which is included in the impact model) and 13,730sqm of retail and service activity in Area C1 (75% of which is included in the impact model³¹).

In total, these enabled (currently zoned) or proposed developments could add some 102,800sqm GFA of retail and service floorspace in the Queenstown catchment. This compares with estimated total retail and service floorspace demand growth arising in the Queenstown catchment (from

28 Refer Appendix 2 for detail on how retail store types (6 digit ANZSIC categories) have been grouped into these sectors. The grouping of the store types in sectors was necessary for data confidentiality reasons in sourcing electronic transaction data for in this and other analyses for RPL (BNZ Marketview and Paymark).

29 Stage 1 of this building is completed and recently tenanted and is included in the future floorspace capacity as the base year of the model is the YE June 2009.

30 This building capacity is already identified in the RPL Master Plan and is located within the existing AA 5 and is not subject to the additional capacity enabled by proposed PPC 34.

31 Refer Appendix 9 for M.E assumptions of retail and service capacity derived from the Commissioners Decision version of PC 19.

residents and visitors and not accounting for net leakage) of 94,600sqm GFA (Medium growth outlook) and 118,100sqm GFA (High growth outlook) between 2009 and 2031. On this basis, the proposed developments account for between 87-109% of anticipated retail and service floorspace growth in the Queenstown catchment. The assumed retail and service floorspace mix of existing and proposed developments is set out in Figure 6-1.

FIGURE 6-1: EXISTING AND PROPOSED RETAIL & SERVICE FLOORSPACE CAPACITY

Retail and Service Sector	Estimated Floorspace SQM (GFA)												Sub-Total Proposed Capacity	Total Existing & Proposed
	Queenstown Central	Existing RPTC (RPSC)	Frankton Shops	Glenda Drive / Other	Arrowtown TC	Sub-Total Existing Capacity	Remaining RPTC	PPC 34	Gateway	PC19 - C1	PC19 - C2	PC19 - E2		
Queenstown Catchment														
FOOD & LIQUOR	4,580	4,260	140	1,000	500	10,480	640	600	4,200	1,030	300	-	6,770	17,250
COMPARISON RETAIL	21,860	15,170	510	3,380	2,150	43,070	4,400	24,440	19,020	4,540	50	10,280	62,730	105,800
<i>Department & Homewares</i>	2,430	10,350	90	2,650	-	15,520	1,630	13,510	6,310	1,030	-	1,870	24,350	39,870
<i>Apparel and Footwear</i>	4,240	1,570	210	80	460	6,560	810	1,690	7,050	1,030	-	-	10,580	17,140
<i>Recreation Gds, Flowers, Jewellery</i>	5,090	1,570	100	250	200	7,210	630	1,040	690	1,030	50	-	3,440	10,650
<i>Book Shops & Chemists</i>	1,120	350	110	110	100	1,790	550	530	410	1,030	-	-	2,520	4,310
<i>Other Retail</i>	6,170	-	-	220	810	7,200	630	750	410	210	-	1,870	3,870	11,070
<i>Furniture, Floorcovering, Appliances</i>	2,810	1,330	-	70	580	4,790	150	6,920	4,150	210	-	6,540	17,970	22,760
HARDWARE & DIY	3,970	-	-	7,430	-	11,400	-	-	-	-	-	7,480	7,480	18,880
TAKEAWAYS, RESTAURANTS, PUBS & BARS	19,420	540	710	1,310	2,060	24,040	3,040	1,010	190	1,640	400	190	6,470	30,510
PERSONAL & HOUSEHOLD SERVICES	4,960	230	1,000	-	320	6,510	1,290	330	280	2,060	250	-	4,210	10,720
HEALTH & CARE SERVICES	1,880	500	640	-	420	3,440	150	570	140	1,030	-	-	1,890	5,330
AUTOMOTIVE SERVICES	2,830	-	-	1,930	390	5,150	770	-	-	-	-	750	1,520	6,670
AUTOMOTIVE FUEL	1,080	-	220	1,050	-	2,350	-	-	-	-	-	-	-	2,350
CORE RETAIL & SERVICE (SELECTED)	60,580	20,700	3,220	16,100	5,840	106,440	10,290	26,950	23,830	10,300	1,000	18,700	91,070	197,510
EXCLUDED FROM IMPACT MODEL *							410	3,050	4,860	3,430	-	-	11,750	
TOTAL RETAIL & SERVICE							10,700	30,000	28,690	13,730	1,000	18,700	102,820	

* Excluded store types: banks, travel agents, real estate agents, recreation and entertainment services (including cinemas)

The base (2009) sales performance of each existing retail and service area (defined as the current RPTC (effectively the RPSC), Queenstown Central, Frankton Shops, Arrowtown Town Centre and Glenda Drive/Other³²) has been estimated by M.E using a combination of the RDSM and the market share data contained in the electronic transaction dataset. The sales performance by retail sector of each of the proposed developments has been estimated according to total market size, development floorspace, and taking into account the location and overall retail and service mix assumptions, including the expected mix of customers – residents, domestic visitors and international visitors.

Sales estimates have been developed for each future development scenario, in each time period (2011, 2016, 2021, 2026 and 2031). The future development scenarios cover combinations of the proposed retail and service developments in the Queenstown Catchment as follows:

- Scenario A – No Change from current (2009) (no additional floorspace development)
- Scenario B – RPTC Remaining Capacity Taken Up (zoned opportunity)
- Scenario C – RPTC Full (Remaining Capacity Taken Up and PPC 34 Capacity) (zoned + proposed)

32 Shopping destinations are defined at the CAU level and may therefore include activity located outside of the commercial zoned area(s) in each CAU. However, for the purpose of this retail and service impact analysis, the Arrowtown CAU is assumed as the Arrowtown Town Centre, the Frankton CAU less the meshblock containing the existing RPSC is assumed as the Frankton Local Shops and the Rest of Queenstown catchment (Wakatipu, Sunshine Bay, Glenorchy, Kelvin Heights and Lake Hayes CAUs) is assumed as the Glenda Drive/Frankton Industrial zone – on the basis that the majority of retail and service activity found in these CAUs will be in this zone.

- Scenario D – RPTC Remaining Capacity plus Gateway (zoned opportunities)
- Scenario E – RPTC Full plus Gateway (zoned + proposed)
- Scenario F – RPTC Full, Gateway and PC 19 (C1, C2 and E2) (zoned + proposed)

Effects of the RPTC

The RPTC is established as the second main centre in the Queenstown catchment. At 20,700sqm GFA (impact model sectors) developed in the RPSC precinct to-date, it is currently about one-third the size of the combined Queenstown Central retail and service sector activity (around 60,600sqm), and represents 19% of total estimated retail and service floorspace capacity in the Queenstown catchment (2009). Queenstown Central currently represents 57% of total Queenstown catchment retail and service floorspace.

The remaining undeveloped capacity in the RPTC could accommodate a further 10,290sqm GFA of retail and service activity (impact model sectors only), while proposed PPC 34 would enable some 26,950sqm GFA, which could see the total addition of around 37,240sqm of retail and service floorspace. This would take the overall RPTC to around 57,940sqm GFA³³.

If no other retail development occurred elsewhere, the development of RPTC as planned and proposed to around 57,940sqm would take total retail and service space in Queenstown catchment to around 143,700sqm, with the RPTC accounting for an increased share (some 40%) of the total floorspace and Queenstown Central accounting for a reduced 42% share. Between them, the two major centres would account for 82% of total Queenstown capacity, with the balance in Arrowtown (4%), Glenda Drive/Other Queenstown (11%) and the Frankton Shops (2%) (Figure 6-2).

FIGURE 6-2: CURRENT AND PROJECTED FLOORSPACE WITH PPC 34 IN PLACE

	Queenstown Central	RPTC	Frankton Shops	Glenda Drive / Other	Arrowtown TC	TOTAL
Current Situation						
Retail & Service Floorspace (sqm GFA)	60,580	20,700	3,220	16,100	5,840	106,440
% Share of Queenstown catchment	57%	19%	3%	15%	5%	100%
With PPC 34 (and completion of remaining planned capacity in AA5 and AA3)						
Retail & Service Floorspace (sqm GFA)	60,580	57,940	3,220	16,100	5,840	143,680
% Share of Queenstown catchment	42%	40%	2%	11%	4%	100%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.

³³ Total retail and service floorspace capacity in the RPTC would be approximately 62,000sqm GFA with the completion of remaining buildings planned in AA5, the addition of EAA5 (PPC 34) and the development of Remarkables Quay..

To set future growth of the RPTC in context, the remaining capacity and PPC 34 would represent an additional 35% of retail and service floorspace to the existing 106,400sqm estimated in these sectors throughout the Queenstown catchment. This compares with projected floorspace demand growth³⁴ of approximately 24-29% by 2016 and 39-48% by 2021 in the Queenstown catchment (medium to high growth outlook respectively and not accounting for net leakage of demand³⁵).

This means that if no other retail and service capacity was developed in other locations, the completion of additional capacity in the RPTC (to reach 57,940sqm GFA or growth of 35%) between 2016 and 2021 would be broadly in keeping with market growth.

Because Queenstown Central is the largest retail node and the focus of visitor spending (especially by international tourists) then the potential impact of the proposed PPC 34 on Queenstown Central is a relevant issue. To address this, we have examined the current sales performance of Queenstown Central (2009) and its projected future role, taking into account market growth and the effect of the proposed PPC 34 floorspace (in addition to the remaining capacity planned in AA5 and AA3). The estimated performance of the total RPTC for 2016-2031 is shown in Figure 6-3 in terms of \$m sales, the centre's share of total Queenstown catchment sales, and floorspace sales productivity (\$/sqm/yr).

With all of the additional floorspace developed, the RPTC would increase sales to around 33-34% of the total Queenstown catchment market, with estimated sales of \$262m if developed by 2016 increasing with market growth to \$404m by 2031. Average floorspace productivity across the whole centre would reduce from 2009 levels, partly due to new stores 'cannibalising' existing store sales, though market growth would see productivities exceed current levels between 2026 and 2031.

FIGURE 6-3: RPTC PROJECTED PERFORMANCE 2009-2031 (MEDIUM OUTLOOK)

	2009	2016	2021	2026	2031
Estimated Retail and Service Sales (\$m)					
Total Queenstown Catchment Sales	\$ 625	\$ 791	\$ 907	\$ 1,038	\$ 1,177
RPTC Sales					
Existing RPTC	\$ 138	\$ 127	\$ 147	\$ 171	\$ 197
Remaining Planned Capacity in AA5 and AA3	\$ -	\$ 54	\$ 62	\$ 71	\$ 81
PPC 34 (PAA5)	\$ -	\$ 81	\$ 94	\$ 110	\$ 127
TOTAL RPTC CAPACITY	\$ 138	\$ 262	\$ 304	\$ 352	\$ 404
% Share of Queenstown catchment	22%	33%	33%	34%	34%
Retail & Service Floorspace (sqm GFA)	20,700	57,940	57,940	57,940	57,940
Average Productivity (\$/sqm/yr)	\$ 6,670	\$ 4,530	\$ 5,240	\$ 6,070	\$ 6,970

*Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Scenario C, Medium Growth Outlook*

34 Refer Figures 4.1 and 4.2 – does not account for net leakage of floorspace demand in Queenstown catchment.

35 Projected net sales growth in the Queenstown catchment is 27-35% by 2016 and 45-60% by 2021. Floorspace productivity gains means that sales growth rates are faster than floorspace growth rates.

The implications for Queenstown Central are shown in Figure 6-4. Effects have been examined in terms of the current vs future situation with PPC 34 (and remaining planned RPTC capacity) in place, and the future situation without and with PPC 34 in place. Effects are based on the medium growth outlook for the Queenstown catchment as this represents the estimated upper limit of the sales effects. Under a high growth outlook for the catchment, stronger growth offsets impacts sooner. The analysis shows:

- a. With no other development in the Queenstown catchment (Scenario A), Queenstown Central would attract sales growth (84% between 2009 and 2031) broadly in line with total catchment sales growth (88%, Medium), that is maintaining a constant market share. We note that Scenario A does not represent a realistic outcome, but is included for indicative purposes only to represent the status quo.
- b. With the remaining undeveloped retail capacity in place in AA5 and AA3 of the RPTC (zoned opportunity), Queenstown Central will have a slightly lower market share (50-51% of sales compared to 56% currently) and would attract sales growth of approximately 68% between 2009 and 2031 (medium) which is moderate compared to the total catchment retail sales growth (Scenario B). In this analysis, the Scenario B outcome represents the zoned/consented baseline.
- c. With PPC 34 in place and the RPTC fully developed by 2016, Queenstown Central sales in 2016 would be around \$21m (6%) more than estimated in 2009. This is because the market growth in the 2009-16 period would be greater than the direct sales impact of the proposed PPC 34 development (Scenario C).
- d. Nevertheless, Queenstown Central would see a reduction in sales of around -8% (-\$33m) compared to the situation without the addition of PPC 34 (but with remaining RPTC capacity in place; Scenario C compared with Scenario B).
- e. In subsequent years, the net effect of proposed PPC 34 would be similar at around -8% direct sales impact (year on year comparison), though increasing in \$ terms in line with market growth.
- f. However, market growth means that sales in Queenstown Central would be substantially greater than the current \$349m, reaching \$535m by 2031, a 53% increase.
- g. Queenstown Central's future sales market share would be around 46%, compared with the estimated 50-51% under the zoned/consented baseline, while the RPTC share would increase correspondingly, from 22% to 33-34%. The balance of the centres and business areas would maintain a 20% share of retail and service sales.

FIGURE 6-4: QUEENSTOWN CENTRAL PROJECTED PERFORMANCE WITH PPC 34 IN PLACE

	2009	2016	2021	2026	2031
Estimated Queenstown Central Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 349	\$ 442	\$ 504	\$ 571	\$ 643
With Remaining RPTC Planned Capacity in AA5 and AA3 (Scenario B)	\$ 349	\$ 403	\$ 459	\$ 520	\$ 585
With Remaining RPTC Planned Capacity and PPC 34 (Scenario C)		\$ 370	\$ 421	\$ 476	\$ 535
Difference from 2009 (\$m) (Scenario C cp. Scenario B)		\$ 21	\$ 71	\$ 127	\$ 186
Difference from 2009 (%) (Scenario C cp. Scenario B)		6%	20%	37%	53%
Difference With vs. Without PPC 34 (\$m) (Scenario C cp. Scenario B)		\$ (33)	\$ (38)	\$ (44)	\$ (50)
Difference With vs. Without PPC 34 (%) (Scenario C cp. Scenario B)		-8%	-8%	-8%	-8%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

This analysis shows that the proposed PPC 34 development would impact on Queenstown Central, but that the Central area’s retail and service role would be sustained by market growth and it would achieve significant retail and service growth with the proposed PPC 34 capacity fully developed by 2016. The same outcome applies for Arrowtown Town Centre (Figure A10-1 in Appendix 10).

Continued growth of existing centres is a desirable urban form outcome as it allows for further agglomeration of commercial activities (increasing the range of goods and services). Given the ability of the two Town Centre zones to continue to increase their sales in the future with the expansion of the RPTC, we consider that PPC 34 (Scenario C) would not have material impacts on their ability to deliver social and functional amenity in terms of both the scale and accessibility of goods and services. This is particularly as a 8-10% sales reduction across the total selected retail and service sector is expected to translate to a smaller percentage impact when expressed relative to total commercial activity in each centre.

Aggregate Urban Form Outcomes – RPTC and Other Developments

However, proposed PPC 34 would not be the only potential retail development in Queenstown catchment, as noted above. There are proposals for the total addition of around 91,100sqm GFA³⁶ of retail and service floorspace capacity (impact model sectors, or 102,820sqm GFA total retail and service activity), which would represent an increase in existing retail and service capacity of around 86% (106,400sqm increasing to 197,500sqm GFA). This compares with projected growth of total Queenstown catchment retail and service floorspace demand (equivalent sectors) of around 71-89% by 2031 (medium and high growth outlook respectively).

This shows there is potential for substantial retail sales impacts on town centres and other locations, depending on when the total potential capacity is developed, and especially if it is developed in advance of market growth. For example, if all potential developments were in place by 2016, that would mean an 86% increase in floorspace capacity, well ahead of market demand growth of 23-29% over that period (selected sectors). Similarly, by 2021, market demand growth of 38-48% is

³⁶ Figure 6.1.

anticipated. Any new developments would take some market share from Queenstown Central, Arrowtown Town Centre and the RPTC, and some from each other new development.

In the interests of responsible planning, we have assessed these aggregate urban form outcomes for the Queenstown catchment. To illustrate the potential sales effects, we have first shown the outcomes for 2021 of each growth scenario set out above.

Figure 6-5 shows substantial effects on each location/centre if all developments were to proceed (Scenario F) within the next decade (2021)³⁷. Broadly, almost all the market growth would be absorbed by the combined potential developments at Gateway, PC 19 and the RPTC. Queenstown Central would have a slight decrease in sales in 2021 (-4%) compared with the 2009 situation³⁸ and its share of sales would be around 36-37% of the total Queenstown catchment market, compared with the current 56%. Arrowtown Town Centre would have a small decrease in sales (-10%) compared with the 2009 situation and its share of sales would be around 3% of the total market, compared with the current 5%.

FIGURE 6-5: SALES PERFORMANCE IN 2021 BY LOCATION AND DEVELOPMENT SCENARIO

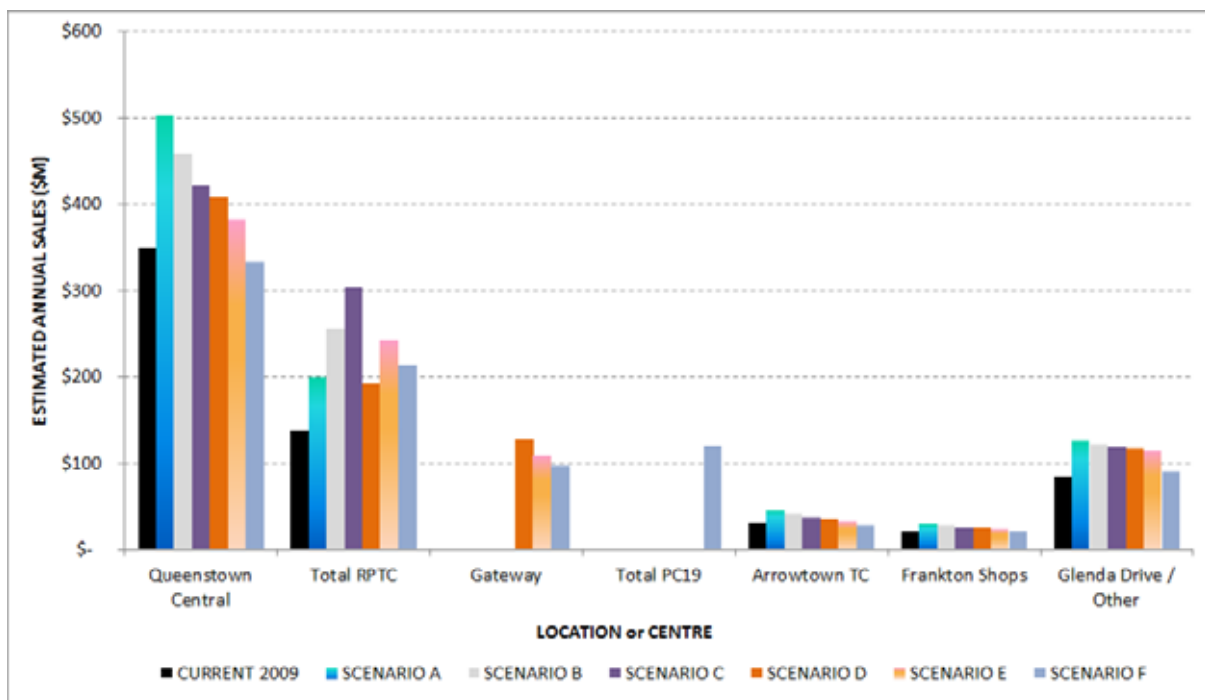


Figure 6-6 shows the outcome for **Queenstown Central** in each time period, under the medium growth outlook:

³⁷ Refer Appendix 10, Figure A10.6 for a graph showing impacts in 2031.

³⁸ Refer Appendix 10, Figure A10.3 for a table showing impacts of Scenario F relative to Scenario A, status quo.

- a. The effect of the proposed Gateway centre and undeveloped capacity in AA5 and AA3 of the RPTC (Scenario D) on the performance of Queenstown Central is shown in Figure A10-2 in Appendix 10. With these zoned opportunity developments in place by 2016, Queenstown Central would attract sales growth of 49% between 2009 and 2031 and have a market share of total catchment sales of 44-45% (compared to 56% currently). As zoned opportunities in the District Plan, it is assumed that this effect is an anticipated outcome. Therefore, Scenario D represents the zoned/consented baseline for assessing the effects of proposed developments that are not already zoned opportunities in Queenstown catchment.
- b. With all potential developments in place by 2016 (Scenario F), Queenstown Central sales would be around \$56m (-16%) lower than in 2009. This is because the market growth in the 2009-16 period would not be sufficient to offset the direct sales impact of all the developments.
- c. Under Scenario F, Queenstown Central would see a reduction in sales of around -18% (-\$65m) compared to the zoned/consented baseline situation (Scenario D) in 2016. This is attributable to the combined effect of the proposed PPC 34 and PC 19.
- d. In subsequent years, the combined net effect of proposed PPC 34 and PC 19 would be similar at around -18% direct sales impact when compared with the zoned/consented baseline (year on year comparison), though increasing in \$ terms in line with market growth.
- e. Sales in Queenstown Central would recover to exceed the current \$349m by approximately 2023, and would reach \$424m by 2031, a 21% increase between 2009-31.
- f. Queenstown Central's future sales market share would be around 36-37% under Scenario F, compared with 44-45% under the zoned/consented baseline.

FIGURE 6-6: QUEENSTOWN CENTRAL PROJECTED PERFORMANCE, ALL DEVELOPMENTS IN PLACE

	2009	2016	2021	2026	2031
<i>Estimated Queenstown Central Retail and Service Sales (\$m)</i>					
No Change (Scenario A)	\$ 349	\$ 442	\$ 504	\$ 571	\$ 643
With Remaining RPTC Planned Capacity and Gateway (Scenario D)	\$ 349	\$ 358	\$ 408	\$ 462	\$ 519
With Remaining RPTC Planned Capacity, PPC 34, Gateway, PC 19 (Scenario F)	\$ 293	\$ 293	\$ 333	\$ 377	\$ 424
Difference from 2009 (\$m) (Scenario F cp. Scenario D)		\$ (56)	\$ (16)	\$ 28	\$ 74
Difference from 2009 (%) (Scenario F cp. Scenario D)		-16%	-4%	8%	21%
Difference With vs. Without PPC 34 and PC 19 (\$m) (Scenario F cp. Scenario D)		\$ (65)	\$ (74)	\$ (84)	\$ (95)
Difference With vs. Without PPC 34 and PC 19 (%) (Scenario F cp. Scenario D)		-18%	-18%	-18%	-18%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.

Medium Growth Outlook

Figure 6-7 shows the outcome for the **Arrowtown Town Centre** in each time period, under the medium growth outlook:

- a. The effect of the proposed Gateway centre and undeveloped capacity in AA5 and AA3 of the RPTC (Scenario D) on the performance of the Arrowtown Town Centre is shown in Figure A10-4 in Appendix 10. With these zoned opportunity developments in place by 2016, the Arrowtown Town Centre would attract sales growth of 44% between 2009 and 2031 and have a market share of total catchment sales of 4% (compared to 5% currently). Again, as zoned opportunities in the District Plan, it is assumed that this effect is an anticipated outcome and represents the zoned/consented baseline.
- b. With all potential developments in place by 2016 (Scenario F), Arrowtown Town Centre sales would be around \$7m (-21%) lower than in 2009. This is because the market growth in the 2009-16 period would not be sufficient to offset the direct sales impact of all the developments.
- c. Under Scenario F, the Arrowtown Town Centre would see a reduction in sales of around -19% (-\$6m) compared to the zoned/consented baseline situation (Scenario D) in 2016. This is attributable to the combined effect of the proposed PPC 34 and PC 19.
- d. In subsequent years, the combined net effect of proposed PPC 34 and PC 19 would be similar at around -19% direct sales impact when compared with the zoned/consented baseline (year on year comparison), though increasing in \$ terms in line with market growth.
- e. Sales in the Arrowtown Town Centre would recover to exceed the current \$32m by approximately 2025, and would reach \$37m by 2031, a 16% increase between 2009-31.
- f. Arrowtown Town Centre's future sales market share would be around 3% under Scenario F, compared with 4% under the zoned/consented baseline.

FIGURE 6-7: ARROWTOWN TC PROJECTED PERFORMANCE, ALL DEVELOPMENTS IN PLACE

	2009	2016	2021	2026	2031
Estimated Arrowtown Town Centre Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 32	\$ 40	\$ 46	\$ 52	\$ 59
With Remaining RPTC Planned Capacity and Gateway (Scenario D)	\$ 32	\$ 32	\$ 36	\$ 41	\$ 46
With Remaining RPTC Planned Capacity, PPC 34, Gateway, PC 19 (Scenario F)	\$ 25	\$ 29	\$ 33	\$ 37	\$ 37
Difference from 2009 (\$m) (Scenario F cp. Scenario D)		\$ (7)	\$ (3)	\$ 1	\$ 5
Difference from 2009 (%) (Scenario F cp. Scenario D)		-21%	-10%	3%	16%
Difference With vs. Without PPC 34 and PC 19 (\$m) (Scenario F cp. Scenario D)		\$ (6)	\$ (7)	\$ (8)	\$ (9)
Difference With vs. Without PPC 34 and PC 19 (%) (Scenario F cp. Scenario D)		-19%	-19%	-19%	-20%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.

Medium Growth Outlook

Clearly, the timing of potential developments will be important to maintain the existing role and growth potential of the Town Centre zones in Queenstown catchment. If all of this potential floorspace capacity (zoned and proposed) were to develop in advance of market demand (say by 2024), then town centres are likely to experience a decline in sales below 2009 levels – with potential for flow-on amenity effects – until such time (i.e., between 2023-2026) that market growth can sustain all of the development capacity and all centres can resume sales growth.

6.3 Urban Form Issues in the Queenstown Catchment

Having identified the potential effects of growth in retail and service capacity in quantum terms in the Queenstown catchment – and noting impacts on potential agglomeration gains and community amenity from town centres and other retail locations - in this section we examine the urban form implications of increased retail and service capacity and likely impacts on amenity and efficiency. It includes consideration of the location of new capacity, as well as the scale, and the centres structure for Queenstown.

The urban form outcomes and effects on efficiency and amenity are important issues. Although there is strong growth expected, the total retail and service market is of only medium size. Moreover, the geography of the Queenstown catchment (Figure 2-1) means there are three main concentrations of population – Queenstown, Arrowtown and Frankton.

The Queenstown catchment market is currently served predominantly by the established Queenstown Town Centre and the RPTC and this is evident in the market shares these two centres have in sales and floorspace terms. The small Arrowtown Town Centre serves some local needs but is predominantly oriented to the visitor market.

Queenstown Town Centre is the largest established centre, and historically has serviced a substantial share of demand arising in its own sub-catchment and in the Arrowtown and Frankton sub-catchments, as well as visitor needs. Typically, a market of Queenstown catchment's size would be serviced mainly from a single CBD, and there would be limited opportunity for significant retail development in suburban locations. However, restricted space for retail expansion in Queenstown Town Centre, together with the increasing residential growth in the Frankton sub-catchment (e.g. Frankton/Kelvin Heights/Quail Rise areas) and the geography of Queenstown catchment, have resulted in a planning focus on providing for future retail capacity in Frankton.

The modest size of the overall Queenstown catchment market, and the distinct sub-catchments, highlight the importance of the nature and pattern of retail and service capacity within the Frankton area, in relation to both the Frankton sub-catchment, and to the overall demand pattern within the wider Queenstown catchment.

The RPTC was developed from 1999 to service demand growth especially in the Frankton sub-catchment. At the time, a relatively large area was set aside for the Shopping Centre precinct (AA5), with a substantial scale of development to date, including infrastructure, and plans for future

expansion³⁹. The overall RPTC, which encompasses the future Remarkables Quay precinct, is capable of serving a wide catchment area (in terms of the quantum of floorspace provided and therefore the number of households it can serve), and is accessible for a wide catchment area, including the existing households on the Frankton Flats, and the immediately adjacent residential (and visitor accommodation) growth potential in the RPZ. It is in close proximity to the main highway into Queenstown serving the growth areas in the east of the Queenstown catchment such as Lakes Hayes Estate and Quail Rise (and beyond), especially when the Eastern Access Road is completed and it is a short distance from the main arterial leading to Kelvin Heights and further growth in the south, such as Jack's Point. With the proposed jet boat ferry located on the river's edge in Remarkables Quay (AA3), it will also be accessible from downtown Queenstown and the significant tourist numbers accommodated there.

The District Plan also includes zoned opportunity for a commercial centre in the FFSZA, and a resource consent for the proposed Gateway Shopping Centre has been lodged for this site. This raises the prospect of three significant retail centres serving the Queenstown market, with two – the RPTC and the Gateway Centre – in relatively close proximity, though physically separated by Queenstown Airport. That prospect highlights the trade-offs between a two-centre urban form in Queenstown catchment – as currently exists - and a three-centre urban structure⁴⁰ as enabled (but yet to be realised) by the District Plan.

Other things being equal, amenity (social and functional) tends to be enhanced in larger centres. This suggests that a two-centre structure would be likely to provide higher amenity than a three-centre structure, including the scope for a more comprehensive range of goods and services in larger centres - within a given market size. The two- and three-centre structures would have different effects on travel efficiency. The three-centre structure would reduce travel distance for those closer to the third centre, though there would be some reduced opportunity for multi-purpose, single-destination trips because retail activity would be spread across three rather than two locations.

Our assessment is that a two-centre structure would be a preferable urban form for Queenstown, however that outcome is not an option given the already zoned opportunities.

The issues are not straightforward. The capacity currently enabled (in proposed Gateway and AA5 and AA3 of the RPTC) would not provide for retail demand growth across the next 2 decades (to 2031). The capacity enabled and sought would be broadly sufficient to accommodate that demand growth.

Both proposed developments (PC19 and PPC 34) therefore add capacity to the existing/ determined centre structure. The Council's decision on PC 19 (under appeal) provides for further retail and service zone capacity in the Frankton Flats locality, with Area C1 effectively creating a further core retail expansion of the adjacent Gateway centre and Area E2 effectively creating an expansion of the

39 Buildings 8, 13, 14, and 15 and stage 2 of building 10 (stage 1 recently opened), as well as the site to the rear of the New World supermarket are already planned for (RPL Master Plan) and are located within the existing AA 5 of the RPZ.

40 As modeled in Scenario D.

adjacent mixed-business and retail area (including provision for non-core retail LFR). PPC 34 would enable further expansion of the RPTC, specifically the RPSC precinct.

The potential urban form outcomes are:

- a. Core retail development in the medium term is concentrated in the Frankton Flats locality (Gateway and potentially C1), with limited further development in the RPTC locality (if PPC 34 is not approved). This would establish a three-centre urban structure for Queenstown, and defer expansion in the RPTC locality to the longer term;
- b. Core retail development in the medium term is enabled in both Frankton Flats locality and the RPTC locality (through approving PPC34). This would provide sufficient capacity to cater for growth until 2031, but increase the prospect of both localities expanding at the same time, and resulting in stronger competitive impacts on Queenstown Town Centre.

Notwithstanding the potential impacts from early development on the existing Town Centre zones, both proposed developments would increase potential delivery of functional and social amenity (which increases with centre size) to the community in the long term. Accepting that the Frankton area is the appropriate locality for Queenstown's retail and service growth, at issue is whether community needs will be better met by a defined three-centre structure although with no further expansion of the RPTC (a, above), or by enabling the two centres (existing and potential) in Frankton to develop in parallel (b, above).

We note that the Commissioners' decision on PC 19 appeared to place emphasis on ensuring adequate zoned capacity to provide for market growth and enable competition, rather than the amenity and efficiency aspects of urban form (paragraph 3.7.44) *"The potential inefficiency of over zoning could manifest in some adverse effects, or it could alternatively mean only that it takes longer for zoned land to be exhausted. It seems clear to us that the risks of under zoning in Queenstown are far more significant in overall sustainable management terms."*

The combination of potential amenity and efficiency gains from consolidation of the established two-centres structure on the one hand, and the PC 19 Commissioners' decision focus on providing sufficient capacity for retail and service growth on the other hand, is important in setting the context for PPC 34. In particular, it suggests that the Frankton Flats zoned (Gateway) and proposed capacity (PC 19) would not be regarded as an "either or" choice in relation to additional retail and service capacity being provided in the RPTC. *"We are not sure that our Section 32 analysis can stretch to accept future private proposals that may or may not come about as viable alternatives when considering the merits of this particular proposed Plan Change area"* (para. 3.7.31). Furthermore, *"we expect [PPC 34's] merits to be fully evaluated in its own process independent of this proposed Plan Change"* (para. 3.7.37).

Within this context, the RPL PPC (EAA 5 components) provides additional capacity to help meet long term demand for retail and service growth in the wider Queenstown catchment, and more importantly in our opinion, it supports good urban form outcomes by allowing existing centre growth within a two-centre urban structure.

In light of our view that a two-centre urban form would likely have delivered better outcomes for Queenstown, it seems that enabling centres to develop in parallel (b, above) is a preferable outcome. This would allow either outcome - if commercial investment decisions support expansion of the RPTC, this would support advantages of incremental growth around an existing centre. The potential for additional capacity would concord with the PC19 decision (above).

Long term, the three-centre structure is enabled for Queenstown, to supply enough capacity for projected retail growth, with the location of that third centre already determined. However, to not enable the RPTC to expand misses the opportunity for the market to choose the best urban form outcome in the short to medium term at least for the Frankton sub-catchment and wider Queenstown catchment. If PPC 34 is not enabled, then the existing RPSC will reach its capacity to accommodate additional resident focussed SFR and LFR activity in a relatively short time frame and it will force core retail growth into a three-centre structure in the short to medium term. It will create a new centre, rather than expand an existing one and this is counter to sustainable use of resources.

6.4 The RPL Private Plan Change Summary

The proposed RPL PPC seeks to create EAA 5 which will have capacity for an estimated 30,000sqm GFA of retail and service floorspace, including potential for LFR.⁴¹

There are a number of issues with providing additional retail zone capacity in the RPTC that need to be taken into consideration:

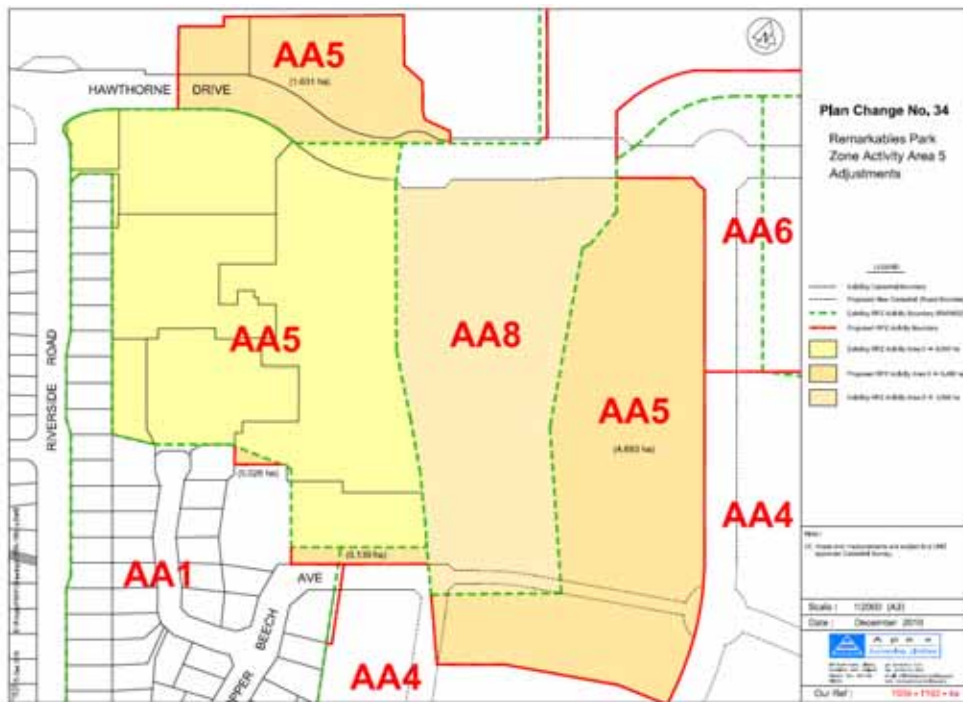
- LFR Site Needs. LFR generally requires both large sites (for individual stores) and/or a substantial enough area to provide the opportunity for LFR to co-locate. It is because of these requirements that many existing commercial zones in the QLD, particularly the Queenstown, Wanaka and Arrowtown Town Centres, have little or no potential capacity remaining to accommodate further LFR development. Undeveloped sites, such as that provided in the RPZ, provide a good environment for LFR capacity provision, particularly to enable LFR to agglomerate in a single, planned location.
- Scale and timing. The proposed EAA 5 will enable an estimated 30,000sqm (GFA) of additional retail and service floorspace capacity in the Queenstown catchment. As such, it will provide capacity for a significant portion (25-32%) of the total retail and service floorspace demand anticipated in Queenstown catchment in the long term (growth of 95,000-118,000sqm GFA by 2031, not accounting for net catchment leakage). By enabling LFR, it potentially provides capacity for a significant portion of the LFR floorspace demand anticipated in the Queenstown Catchment in the long term (growth of 44-59,000sqm GFA by 2031).
- Centre Structure and Integration. It is advantageous to locate new retail capacity, including LFR, adjacent to existing retail/service activity. The spatial concentration (agglomeration) of activity enhances the potential for cross shopping and multi-purpose single-stop shopping trips. The

⁴¹ Appendix 1.

EAA 5 in the RPZ would represent an expansion of the existing RPSC (AA 5) in a U-shape around a central parking facility (AA 8) and an expansion of the RPTC overall.

- As part of a larger RPTC, the EAA 5 is likely to enhance, rather than detract from, amenity benefits. The general proximity to other retail and services within the wider town centre suggest that the EAA 5 retail activity is likely to support the existing RPSC (notwithstanding competition between stores), and will help sustain social and functional amenity delivered by that wider RPTC.
- Location and Urban Form. As the EAA 5 development would be perceived as an expansion of the RPTC, specifically the RPSC precinct, it represents an addition to an existing centre and therefore maintains the established centres structure, rather than a new stand-alone centre in the Frankton area.
- Employment Generation. The EAA 5 will sustain a significant amount of employment in the District, ranging from part-time to full-time positions. A portion of these positions will be taken up by existing residents of the District, attracting both people who are already employed and people who are not employed. The new stores will also provide employment opportunities that may attract people from outside of the District.
- Conclusion. On the basis of future demand for retail and service floorspace in the Queenstown catchment, and that the EAA 5 would be an expansion of the existing RPTC, our view is that additional retail and service capacity provided in EAA 5 in the RPZ is an appropriate use of an existing zoned area and represents an appropriate step in achieving the comprehensive development plan envisaged for the RPTC and RPZ overall.
- In the event that expansion of the RPTC (particularly as a result of PPC 34) is the focus of retail and service growth throughout the Queenstown catchment in the short term (i.e., if developed by 2016), we anticipate that it will not have a material effect on existing town centres and will enhance the travel efficiency and social and functional amenity delivered by existing centres to the Queenstown catchment community.
- In the event that expansion of the RPTC is one of a number of locations developing retail and service floorspace capacity at the same time in the Queenstown catchment, the rate and timing of total capacity developed relative to market growth will determine the degree and duration of impacts on Town Centre zones.

Appendix 1: Site Coverage Estimates



Remarkables Park Town Centre	Site Area (ha)	Site Area (sqm)	Estimated Allowance for Significant Included Road Area	Site Area (sqm) Excluding Significant Road Area	Existing / Proposed Retail Footprint	Site Coverage (%)
Existing RPZ Activity Area 5	6.55	65,500	3%	63,863	24,108 **	38%
Proposed RPZ Activity Area 5 (East)	4.86	48,580	3%	47,123	25,000	53%
Existing RPZ Activity Area 8	4.00	39,960	0%	39,960	-	0%
<i>Combined (AA5 East and AA8)</i>	<i>8.85</i>	<i>88,540</i>	<i>0%</i>	<i>88,540</i>	<i>25,000</i>	<i>28%</i>
Proposed RPZ (Activity Area 5 (North))	1.63	16,310	25% *	12,233	4,600	38%
Sub-Total Proposed Activity Area 5 (East and North)	10.49	104,850		100,773	30,000	29%

Red Figures - M.E Estimates

Green Figures - Implied from M.E Estimates

* Allows for an estimate of Hawthorne Drive area inside this parcel.

** Based on Retail and Food & Beverage existing and proposed floorspace provided by RPL/DNZ. Excludes office and other floor space.

M.E has assumed the same site coverage for the northern component of EAA 5 as will be the outcome for the Existing AA 5 when fully developed (38%), thus yielding an estimated 4,600sqm GFA. M.E has assumed that all of the car parking required for the eastern component of EAA 5 will be contained in the existing AA 8. As such, the site coverage can be much higher. In net terms however, M.E has assumed a lower combined site coverage (28%) compared to the existing AA 5 on the basis of advice from RPL of considerable landscaping areas to the rear of retailers locating along Red Oaks Drive (which lies between AA 5 and AA 4). This area is therefore estimated to yield 25,000sqm of GFA.

Overall, M.E estimates that PPA 5 will enable approximately 30,000sqm of retail capacity.

Appendix 2: Store Type Groupings

RDSM Category	Marketview Data Sector	Marketview Data Sub-Sector	6D ANZSIC Code	6D ANZSIC Description						
COMPARISON RETAIL	COMPARISON RETAIL	Department and Homewares	G521000 G523300	Department Stores Domestic Hardware & Houseware Retail						
		Apparel and Footwear	G522100 G522200	Clothing Retail Footwear Retail						
		Recreation Goods, Flowers and Jewellery	G523500 G524100 G524200 G524400 G525400 G525500	Recorded Music Retail Sport & Camping Equipment Retail Toy & Game Retail Photographic Equipment Retail Flower Retail Watch & Jewellery Retail						
		Book Shops and Chemists	G524300 G525100	Newspaper, Book & Stationery Retail Pharmaceutical, Cosmetic & Toiletry Retail						
		Other Retail	G522300 G524500 G525200 G525300 G525900	Fabrics & other Soft Good Retail Marine Equipment Retail Antique & Used Good Retail Garden Supplies Retail Retail nec						
		Furniture, Floorcoverings, Appliances	G523100 G523200 G523400	Furniture Retail Floor Covering Retail Domestic Appliance Retail						
		FOOD & LIQUOR RETAIL	FOOD & LIQUOR RETAIL		G511010 G511020 G512100 G512200 G512300 G512400 G512600 G512900	Supermarkets Groceries and Dairies Fresh Meat, Fish & Poultry Retail Fruit and Vegetable Retail Liquor Retail Bread and Cake Retail Milk Vending Specialised Food Retail nec				
				RESTAURANTS, CAFES, TAKEAWAYS	G512510 G512520 G512530 G512540 G512590 H573000	Fish & Chips Hamburger & Ethnic Food Takeaway Stores Chicken Takeaway Stores Ice-Cream Parlours & Mobile Ice-Cream Vendors Pizza Takeaway Stores Other Takeaway Food Stores (including s&wiches & savouries) nec Cafes & Restaurants				
				PUBS, TAVERNS & BARS	H572000 H574000	Pubs, Taverns & Bars Clubs (Hospitality)				
				HARDWARE & DIY	HARDWARE & DIY	F453100 F453900	Timber Wholesaling Building Supplies Wholesaling nec			
						PERSONAL & HOUSEHOLD SERVICES	J711100 Q951100 Q952100 Q952200 Q952300 Q952500 Q952600 Q952900	Postal Services Video Hire Outlets Laundries & Dry-Cleaners Photographic Film Processing Photographic Studios Gardening Services Hairdressing & Beauty Salons Personal Services nec		
				* I664100 * K732100 * L772000 * G526100 * G526900 * Q951900 * Q952400 * Q952500	Travel Agency Services Banks Real Estate Agents Household Equipment Repair Services (Electrical) Household Equipment Repair Services nec Personal & Household Goods Hiring nec Funeral Directors Crematoria & Cemeteries Gardening Services					
				HEALTH & CARE SERVICES	HEALTH & CARE SERVICES		O862100 O862200 O862300 O863100 O863200 O863500 O863600 O863900 O864000 O871000	General Practice Medical Services Specialist Medical Services Dental Services Pathology Services Optometry & Optical Dispensing Physiotherapy Services Chiropractic Services Health Services nec Veterinary Services Child Care Services		
							AUTOMOTIVE SERVICES	AUTOMOTIVE SERVICES	G531100 G531200 G531300 G532200 G532300 G532400 G532900	Car Retail Motor Cycle Dealing Trailer & Caravan Dealing Automotive Electrical Services Smash Repairing Tyre Retail Automotive Repair & Services nec
									RECREATION & ENTERTAINMENT SERVICES	AUTOMOTIVE FUEL RETAIL
I640300 I630300 P911100 P911200 P911300 P912100 P912200 P921000 P922000 P923100 P923900 P924100 P924200 P925100 P925200 P925900 P931110 P931120 P931200 P931900 P932100 P932200 P932900 P933000	Non-Scheduled Air and Space Transport Inland Water Transport Film & Video Production Film & Video Distribution Motion Picture Exhibition Radio Services Television Services Libraries Museums Zoological & Botanic Gardens Recreational Parks & Gardens Music & Theatre Productions Creative Arts Sound Recording Studios Performing Arts Venues Services to the Arts nec Racing Clubs & Track Operation (excluding Training & Ownership) Horse & Dog Training (excluding Racing & Ownership) Sports Grounds & Facilities nec Sports & Services to Sports nec Lotteries Casinos Gambling Services nec Other Recreation Services									

* A number of store types have been excluded from this sector in the Marketview data for data quality reasons.

Appendix 3: Electronic Sales Transaction Data

FIGURE A3-1: WANAKA CATCHMENT RESIDENT SPEND BY DESTINATION 2009

	Wanaka Catchment	Queenstown Catchment	Western COD Catchment	Dunedin City	Invercargill City	Christchurch City	Rest of South Island	Rest of New Zealand	TOTAL NZ
Food and Liquor	82%	2%	4%		1%	2%	3%	3%	100%
Comparison Retail	44%	12%	7%	12%	2%	10%	3%	10%	100%
Department and Homewares Stores	48%	12%	11%	12%	3%	9%	3%	3%	100%
Apparel and Footwear	27%	16%	6%	16%	2%	13%	3%	15%	100%
Recreation Goods, Flowers, Jewellery	51%	10%	2%	10%	2%	8%	2%	16%	100%
Book Shops and Chemists	62%	6%	2%	8%	1%	7%	3%	12%	100%
Other retail	30%	4%	7%	18%	2%	15%	4%	20%	100%
Furniture, Floor Covering, Appliances	38%	16%	5%	13%	3%	14%	2%	10%	100%
Hardware	36%	1%	4%	4%	1%	33%	1%	21%	100%
Restaurants, takeaways, bars	63%	7%	4%	6%	1%	5%	6%	7%	100%
Personal and Household Services	82%	3%	1%	4%	0%	1%	2%	7%	100%
Automotive Services	59%	6%	4%	11%	2%	8%	2%	9%	100%
Petrol Stations	57%	8%	10%	5%	1%	3%	13%	3%	100%
Health Services	68%	2%	7%	8%	0%	5%	2%	8%	100%
TOTAL SELECTED RETAIL AND SERVICE SECTORS	63%	6%	5%	7%	1%	6%	4%	7%	100%

Refer Appendix 2 for a list of store types contained in these sectors. Personal and Household Services in this analysis excludes a number of store types included in this category in the RDSM.
Source: BNZ Marketview, year ending December 2009. Reflects electronic transactions only and may not reflect the distribution of cash purchases.

FIGURE A3-2: WESTERN COD CATCHMENT RESIDENT SPEND BY DESTINATION 2009

	Wanaka Catchment	Queenstown Catchment	Western COD Catchment	Dunedin City	Invercargill City	Christchurch City	Rest of South Island	Rest of New Zealand	TOTAL NZ
Food and Liquor	1%	1%	89%	3%	1%	1%	2%	2%	100%
Comparison Retail	1%	8%	60%	13%	3%	6%	2%	7%	100%
Department and Homewares Stores	1%	6%	70%	12%	3%	4%	2%	3%	100%
Apparel and Footwear	2%	12%	45%	18%	3%	10%	3%	9%	100%
Recreation Goods, Flowers, Jewellery	3%	10%	42%	13%	4%	8%	2%	18%	100%
Book Shops and Chemists	1%	4%	73%	7%	2%	3%	2%	9%	100%
Other retail	1%	5%	50%	12%	2%	9%	6%	14%	100%
Furniture, Floor Covering, Appliances	1%	13%	54%	16%	3%	7%	2%	5%	100%
Hardware	1%	1%	47%	20%	0%	25%	0%	7%	101%
Restaurants, takeaways, bars	4%	10%	53%	10%	2%	5%	9%	7%	100%
Personal and Household Services	1%	4%	86%	4%	1%	1%	2%	2%	100%
Automotive Services	1%	4%	66%	9%	4%	7%	4%	4%	100%
Petrol Stations	1%	3%	77%	5%	2%	2%	9%	2%	100%
Health Services	2%	2%	71%	12%	1%	5%	1%	7%	100%
TOTAL SELECTED RETAIL AND SERVICE SECTORS	1%	5%	72%	8%	2%	4%	3%	4%	100%

Refer Appendix 2 for a list of store types contained in these sectors. Personal and Household Services in this analysis excludes a number of store types included in this category in the RDSM.
Source: BNZ Marketview, year ending December 2009. Reflects electronic transactions only and may not reflect the distribution of cash purchases.

FIGURE A3-3: QUEENSTOWN CATCHMENT RESIDENT SPEND BY DESTINATION 2009

	Wanaka Catchment	Queenstown Catchment	Western COD Catchment	Dunedin City	Invercargill City	Christchurch City	Rest of South Island	Rest of New Zealand	TOTAL NZ
Food and Liquor	1%	87%	3%	1%	1%	1%	2%	3%	100%
Comparison Retail	1%	63%	2%	6%	6%	7%	2%	14%	100%
Department and Homewares Stores	0%	70%	1%	6%	9%	6%	2%	5%	100%
Apparel and Footwear	1%	61%	2%	8%	4%	10%	2%	12%	100%
Recreation Goods, Flowers, Jewellery	1%	47%	1%	4%	3%	5%	1%	38%	100%
Book Shops and Chemists	0%	75%	1%	3%	5%	4%	2%	10%	100%
Other retail	1%	48%	7%	9%	4%	10%	3%	18%	100%
Furniture, Floor Covering, Appliances	1%	68%	2%	6%	5%	9%	1%	7%	100%
Hardware	0%	78%	4%	9%	1%	2%	1%	5%	100%
Restaurants, takeaways, bars	2%	76%	1%	4%	2%	4%	4%	7%	100%
Personal and Household Services	0%	89%	1%	2%	1%	2%	2%	4%	100%
Automotive Services	1%	70%	2%	7%	3%	9%	2%	7%	100%
Petrol Stations	1%	63%	4%	2%	3%	3%	7%	19%	100%
Health Services	0%	67%	3%	12%	2%	6%	1%	10%	100%
TOTAL SELECTED RETAIL AND SERVICE SECTORS	1%	74%	2%	4%	3%	4%	3%	9%	100%

Refer Appendix 2 for a list of store types contained in these sectors. Personal and Household Services in this analysis excludes a number of store types included in this category in the RDSM.
Source: BNZ Marketview, year ending December 2009. Reflects electronic transactions only and may not reflect the distribution of cash purchases.

Appendix 4: Household Projection Comparison

The QLDC commissioned Rationale Ltd to produce updated population and household forecasts for the district (Aug 2008 report, QLDC website). These Rationale projections show a significant decrease in the District-wide and Wakatipu Basin (Queenstown Catchment) growth outlook compared to earlier projections adopted by QLDC. The Council's projections now sit between the SNZ Medium and High projections. The SNZ Medium and High projections now form the most relevant range of likely growth outcomes in the district and have the benefit of being independent and officially recognised. These form the basis of this current report.

A comparison of the latest (2009 release) SNZ Low, Medium and High household projections and new Rationale occupied dwelling projections are contained in the following graphs.

FIGURE A4-1: QUEENSTOWN CATCHMENT HOUSEHOLD PROJECTION COMPARISON

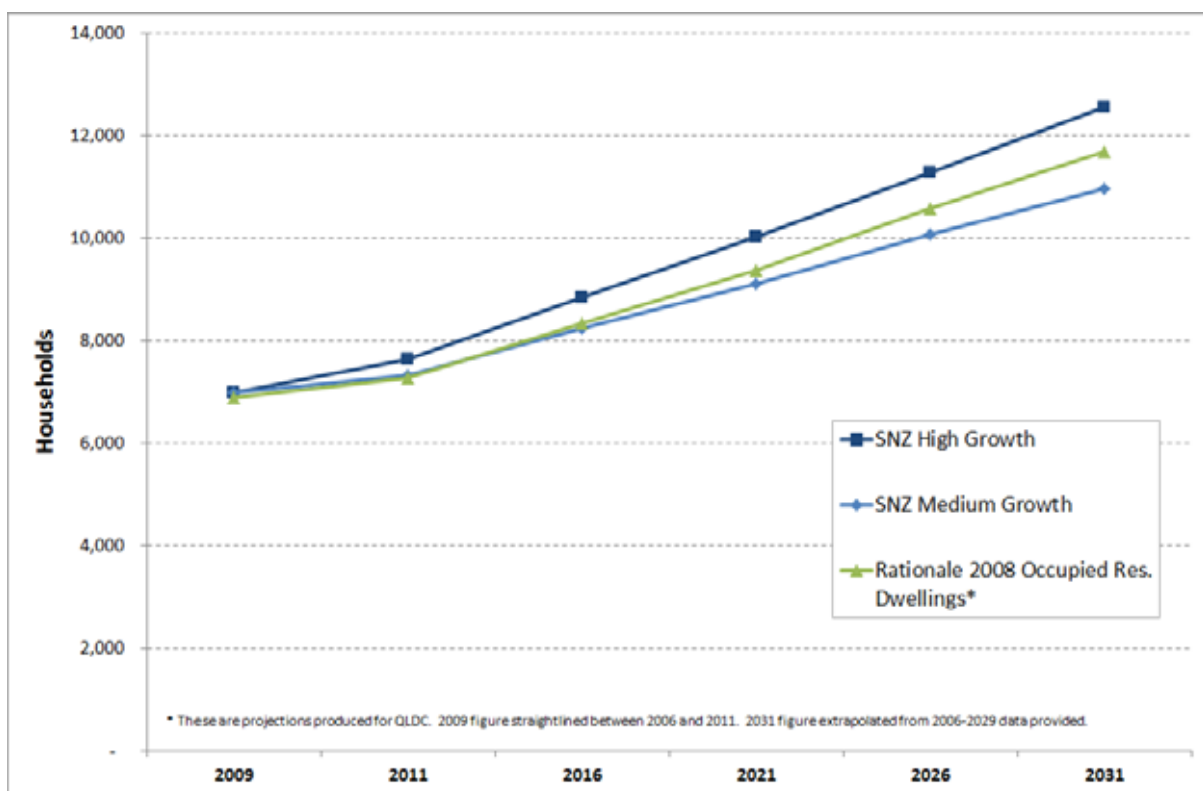
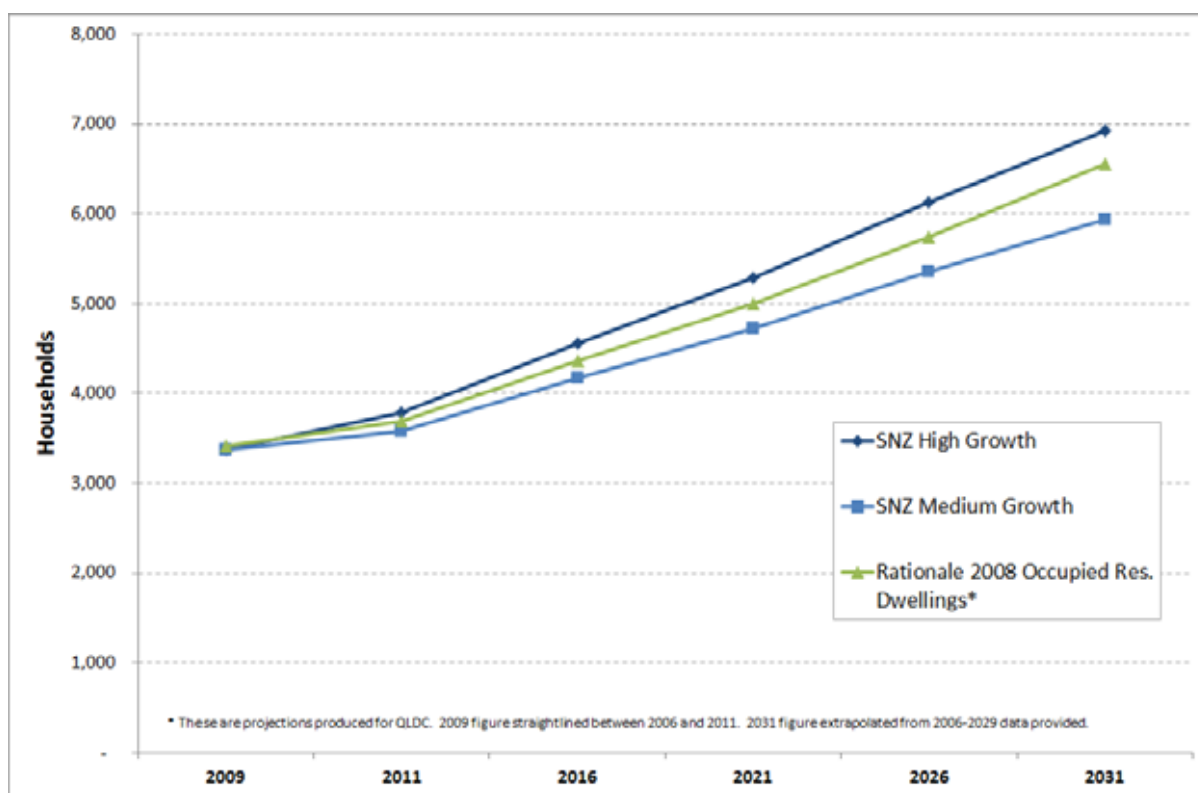


FIGURE A4-2: WANAKA CATCHMENT HOUSEHOLD PROJECTION COMPARISON



Appendix 5: RDSM Parameters

The RDSM 2009 parameters selected for this analysis are summarised as follows:

Growth Driver	Selected	Annual Average (%)				
		2009-11	2011-16	2016-21	2021-26	2026-31
Household Spend	All Forecast Average *	-0.64%	0.91%	1.00%	1.00%	1.00%
International Visitor Spend	Base (Min Tourism) **	1.86%	1.01%	0.81%	0.81%	0.81%
Domestic Visitor Spend	Base (Min Tourism) **	1.73%	1.76%	1.41%	1.41%	1.41%
Business Sector Spend	Base (1%, Decreasing)	1.00%	0.80%	0.80%	0.70%	0.70%
Retail Floorspace Productivity	Base (0.5%, Constant)	0.50%	0.50%	0.50%	0.50%	0.50%
Retail Employment Productivity	Base (1.0%, Constant)	1.00%	1.00%	1.00%	1.00%	1.00%
Sales Productivity	Regional Average					
Demand Adjuster	Regional Average					
Employment Density	Regional Average					
Household Projections	SNZ Medium & High (2009 release)					
Custom Catchments	Queenstown, Wanaka, Western COD					
RSDM Version	2009					
Base Year	2009					

* The average of the major financial and economic institutions' forecasts (as at April-June 2010) for 'real spend' has been applied for the available timeframe (to 2014) and the average historical rate (1.0% per year) has been applied beyond that.

** Based on latest national level forecasts from the Ministry of Tourism (2010-2016), extrapolated to 2031.

Appendix 6: Total Catchment Demand by Market Segment (\$M)

FIGURE A6-1: RETAIL & SERVICE DEMAND BY SEGMENT – QUEENSTOWN CATCHMENT

Market Segment	2009	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
		2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Household Spend from Home	\$ 314	\$ 325	\$ 383	\$ 445	\$ 517	\$ 592	\$ 339	\$ 411	\$ 490	\$ 579	\$ 678
Household Spend at Work	\$ 29	\$ 33	\$ 40	\$ 47	\$ 55	\$ 63	\$ 35	\$ 43	\$ 52	\$ 62	\$ 73
TOTAL HOUSEHOLD SPEND	\$ 343	\$ 358	\$ 423	\$ 491	\$ 571	\$ 655	\$ 374	\$ 455	\$ 541	\$ 641	\$ 751
International Visitor Spend	\$ 166	\$ 188	\$ 228	\$ 269	\$ 310	\$ 350	\$ 188	\$ 229	\$ 270	\$ 315	\$ 363
Domestic Visitor Spend	\$ 118	\$ 125	\$ 134	\$ 143	\$ 152	\$ 162	\$ 125	\$ 134	\$ 143	\$ 153	\$ 163
TOTAL TOURIST SPEND	\$ 284	\$ 313	\$ 363	\$ 412	\$ 461	\$ 512	\$ 313	\$ 363	\$ 413	\$ 467	\$ 527
Business Spend	\$ 113	\$ 135	\$ 160	\$ 185	\$ 214	\$ 242	\$ 141	\$ 172	\$ 205	\$ 241	\$ 280
TOTAL ALL MARKET SPEND	\$ 740	\$ 806	\$ 945	\$ 1,088	\$ 1,246	\$ 1,409	\$ 828	\$ 990	\$ 1,159	\$ 1,350	\$ 1,557
Percentage Share											
Household Spend from Home	42%	40%	41%	41%	41%	42%	41%	42%	42%	43%	44%
Household Spend at Work	4%	4%	4%	4%	4%	4%	4%	4%	4%	5%	5%
TOTAL HOUSEHOLD SPEND	46%	44%	45%	45%	46%	46%	45%	46%	47%	48%	48%
International Visitor Spend	22%	23%	24%	25%	25%	25%	23%	23%	23%	23%	23%
Domestic Visitor Spend	16%	16%	14%	13%	12%	11%	15%	14%	12%	11%	10%
TOTAL TOURIST SPEND	38%	39%	38%	38%	37%	36%	38%	37%	36%	35%	34%
Business Spend	15%	17%	17%	17%	17%	17%	17%	17%	18%	18%	18%
TOTAL ALL MARKET SPEND	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ME RDSM 2009, Demand expressed in \$m

FIGURE A6-2: RETAIL & SERVICE DEMAND BY SEGMENT – WANAKA CATCHMENT

Market Segment	2009	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
		2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Household Spend from Home	\$ 144	\$ 151	\$ 184	\$ 219	\$ 261	\$ 304	\$ 159	\$ 201	\$ 245	\$ 298	\$ 355
Household Spend at Work	\$ 10	\$ 12	\$ 14	\$ 16	\$ 19	\$ 22	\$ 12	\$ 15	\$ 18	\$ 21	\$ 25
TOTAL HOUSEHOLD SPEND	\$ 154	\$ 163	\$ 198	\$ 235	\$ 280	\$ 326	\$ 172	\$ 216	\$ 263	\$ 320	\$ 380
International Visitor Spend	\$ 41	\$ 46	\$ 54	\$ 63	\$ 71	\$ 80	\$ 46	\$ 55	\$ 63	\$ 72	\$ 82
Domestic Visitor Spend	\$ 77	\$ 82	\$ 87	\$ 92	\$ 98	\$ 104	\$ 82	\$ 87	\$ 92	\$ 98	\$ 105
TOTAL TOURIST SPEND	\$ 118	\$ 127	\$ 141	\$ 155	\$ 169	\$ 184	\$ 127	\$ 142	\$ 155	\$ 171	\$ 187
Business Spend	\$ 41	\$ 49	\$ 58	\$ 67	\$ 78	\$ 88	\$ 51	\$ 63	\$ 75	\$ 88	\$ 102
TOTAL ALL MARKET SPEND	\$ 313	\$ 339	\$ 397	\$ 457	\$ 527	\$ 598	\$ 350	\$ 420	\$ 493	\$ 578	\$ 670
Percentage Share											
Household Spend from Home	46%	45%	46%	48%	50%	51%	46%	48%	50%	52%	53%
Household Spend at Work	3%	3%	3%	4%	4%	4%	3%	4%	4%	4%	4%
TOTAL HOUSEHOLD SPEND	49%	48%	50%	51%	53%	54%	49%	51%	53%	55%	57%
International Visitor Spend	13%	14%	14%	14%	14%	13%	13%	13%	13%	13%	12%
Domestic Visitor Spend	25%	24%	22%	20%	19%	17%	23%	21%	19%	17%	16%
TOTAL TOURIST SPEND	38%	38%	36%	34%	32%	31%	36%	34%	32%	30%	28%
Business Spend	13%	14%	15%	15%	15%	15%	15%	15%	15%	15%	15%
TOTAL ALL MARKET SPEND	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ME RDSM 2009, Demand expressed in \$m

FIGURE A6-3: RETAIL & SERVICE DEMAND BY SEGMENT – WESTERN COD CATCHMENT

Market Segment	2009	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
		2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Household Spend from Home	\$ 236	\$ 241	\$ 268	\$ 300	\$ 328	\$ 365	\$ 254	\$ 300	\$ 348	\$ 402	\$ 462
Household Spend at Work	\$ 23	\$ 25	\$ 28	\$ 30	\$ 33	\$ 37	\$ 26	\$ 31	\$ 35	\$ 40	\$ 46
TOTAL HOUSEHOLD SPEND	\$ 259	\$ 266	\$ 296	\$ 330	\$ 362	\$ 402	\$ 280	\$ 331	\$ 383	\$ 442	\$ 508
International Visitor Spend	\$ 8	\$ 10	\$ 12	\$ 14	\$ 16	\$ 18	\$ 10	\$ 12	\$ 14	\$ 16	\$ 19
Domestic Visitor Spend	\$ 58	\$ 61	\$ 66	\$ 71	\$ 76	\$ 81	\$ 62	\$ 66	\$ 71	\$ 76	\$ 82
TOTAL TOURIST SPEND	\$ 67	\$ 71	\$ 78	\$ 85	\$ 92	\$ 99	\$ 71	\$ 78	\$ 85	\$ 92	\$ 101
Business Spend	\$ 96	\$ 108	\$ 118	\$ 129	\$ 138	\$ 150	\$ 113	\$ 131	\$ 149	\$ 168	\$ 189
TOTAL ALL MARKET SPEND	\$ 421	\$ 444	\$ 492	\$ 544	\$ 591	\$ 651	\$ 464	\$ 540	\$ 617	\$ 703	\$ 798
Percentage Share											
Household Spend from Home	56%	54%	55%	55%	56%	56%	55%	56%	56%	57%	58%
Household Spend at Work	5%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
TOTAL HOUSEHOLD SPEND	61%	60%	60%	61%	61%	62%	60%	61%	62%	63%	64%
International Visitor Spend	2%	2%	2%	3%	3%	3%	2%	2%	2%	2%	2%
Domestic Visitor Spend	14%	14%	13%	13%	13%	12%	13%	12%	12%	11%	10%
TOTAL TOURIST SPEND	16%	16%	16%	16%	16%	15%	15%	14%	14%	13%	13%
Business Spend	23%	24%	24%	24%	23%	23%	24%	24%	24%	24%	24%
TOTAL ALL MARKET SPEND	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ME RDSM 2009, Demand expressed in \$m

Appendix 7: LFR Floorspace Demand Growth 2009–31 by Store Category

FIGURE A7-1: LFR RETAIL & SERVICE FLOORSPACE DEMAND 2009-31 – MEDIUM GROWTH

Summary Store Types	FLOORSPACE DEMAND SQM (GFA)						CHANGE IN SQM (GFA)					GROWTH (%)				
	2009	2011	2016	2021	2026	2031	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
<i>Queenstown Catchment</i>																
FOOD & LIQUOR	7,400	7,700	8,800	9,900	11,000	12,200	300	1,400	2,500	3,600	4,800	4%	19%	34%	49%	65%
COMPARISON RETAIL	13,800	14,400	16,300	18,200	20,300	22,400	600	2,500	4,400	6,500	8,600	4%	18%	32%	47%	62%
HARDWARE & DIY	10,600	12,000	13,900	15,700	17,600	19,500	1,400	3,300	5,100	7,000	8,900	13%	31%	48%	66%	84%
TAKEAWAYS & RESTAURANTS	5,600	6,100	7,100	8,000	8,900	9,700	500	1,500	2,400	3,300	4,100	9%	27%	43%	59%	73%
PUBS, TAVERNS & BARS	2,500	2,700	3,200	3,600	4,000	4,300	200	700	1,100	1,500	1,800	8%	28%	44%	60%	72%
HOUSEHOLD SERVICES	4,200	4,600	5,300	6,000	6,700	7,400	400	1,100	1,800	2,500	3,200	10%	26%	43%	60%	76%
HEALTH & CARE SERVICES	2,700	2,800	3,300	3,700	4,100	4,600	100	600	1,000	1,400	1,900	4%	22%	37%	52%	70%
AUTOMOTIVE	6,900	7,400	8,400	9,400	10,500	11,600	500	1,500	2,500	3,600	4,700	7%	22%	36%	52%	68%
RECREATION & ENTERTAINMENT	16,300	17,800	20,400	23,000	25,700	28,200	1,500	4,100	6,700	9,400	11,900	9%	25%	41%	58%	73%
TOTAL RETAIL & SERVICE	70,000	75,500	86,700	97,500	108,800	119,900	5,500	16,700	27,500	38,800	49,900	8%	24%	39%	55%	71%
<i>Wanaka Catchment</i>																
FOOD & LIQUOR	3,400	3,600	4,100	4,700	5,300	5,900	200	700	1,300	1,900	2,500	6%	21%	38%	56%	74%
COMPARISON RETAIL	6,500	6,800	7,800	8,700	9,800	10,900	300	1,300	2,200	3,300	4,400	5%	20%	34%	51%	68%
HARDWARE & DIY	4,500	5,100	5,900	6,700	7,500	8,400	600	1,400	2,200	3,000	3,900	13%	31%	49%	67%	87%
TAKEAWAYS & RESTAURANTS	2,000	2,200	2,500	2,700	3,000	3,300	200	500	700	1,000	1,300	10%	25%	35%	50%	65%
PUBS, TAVERNS & BARS	900	1,000	1,100	1,200	1,300	1,400	100	200	300	400	500	11%	22%	33%	44%	56%
HOUSEHOLD SERVICES	1,700	1,900	2,100	2,400	2,800	3,100	200	400	700	1,100	1,400	12%	24%	41%	65%	82%
HEALTH & CARE SERVICES	1,200	1,300	1,500	1,700	2,000	2,200	100	300	500	800	1,000	8%	25%	42%	67%	83%
AUTOMOTIVE	3,100	3,300	3,800	4,300	4,800	5,300	200	700	1,200	1,700	2,200	6%	23%	39%	55%	71%
RECREATION & ENTERTAINMENT	6,200	6,700	7,600	8,500	9,500	10,400	500	1,400	2,300	3,300	4,200	8%	23%	37%	53%	68%
TOTAL RETAIL & SERVICE	29,500	31,900	36,400	40,900	46,000	50,900	2,400	6,900	11,400	16,500	21,400	8%	23%	39%	56%	73%
<i>Western COD Catchment</i>																
FOOD & LIQUOR	4,700	4,800	5,200	5,600	6,000	6,500	100	500	900	1,300	1,800	2%	11%	19%	28%	38%
COMPARISON RETAIL	8,600	8,800	9,500	10,300	11,000	11,800	200	900	1,700	2,400	3,200	2%	10%	20%	28%	37%
HARDWARE & DIY	9,100	9,900	10,600	11,400	12,000	12,700	800	1,500	2,300	2,900	3,600	9%	16%	25%	32%	40%
TAKEAWAYS & RESTAURANTS	1,900	2,000	2,200	2,300	2,500	2,700	100	300	400	600	800	5%	16%	21%	32%	42%
PUBS, TAVERNS & BARS	700	700	800	900	900	1,000	-	100	200	200	300	0%	14%	29%	29%	43%
HOUSEHOLD SERVICES	2,700	2,900	3,100	3,300	3,500	3,800	200	400	600	800	1,100	7%	15%	22%	30%	41%
HEALTH & CARE SERVICES	2,000	2,100	2,200	2,400	2,600	2,800	100	200	400	600	800	5%	10%	20%	30%	40%
AUTOMOTIVE	4,600	4,800	5,200	5,600	5,900	6,400	200	600	1,000	1,300	1,800	4%	13%	22%	28%	39%
RECREATION & ENTERTAINMENT	6,700	7,100	7,600	8,200	8,700	9,400	400	900	1,500	2,000	2,700	6%	13%	22%	30%	40%
TOTAL RETAIL & SERVICE	41,000	43,100	46,400	50,000	53,100	57,100	2,100	5,400	9,000	12,100	16,100	5%	13%	22%	30%	39%

Source: M.E Retail Demand & Supply Model, 2009 - Medium Growth Scenario

FIGURE A7-2: LFR RETAIL & SERVICE FLOORSPACE DEMAND 2009-31 – HIGH GROWTH

Summary Store Types	FLOORSPACE DEMAND SQM (GFA)						CHANGE IN SQM (GFA)					GROWTH (%)				
	2009	2011	2016	2021	2026	2031	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment																
FOOD & LIQUOR	7,400	8,000	9,300	10,600	12,100	13,600	600	1,900	3,200	4,700	6,200	8%	26%	43%	64%	84%
COMPARISON RETAIL	13,800	14,900	17,200	19,500	22,100	24,900	1,100	3,400	5,700	8,300	11,100	8%	25%	41%	60%	80%
HARDWARE & DIY	10,600	12,600	14,900	17,200	19,800	22,300	2,000	4,300	6,600	9,200	11,700	19%	41%	62%	87%	110%
TAKEAWAYS & RESTAURANTS	5,600	6,200	7,200	8,200	9,300	10,400	600	1,600	2,600	3,700	4,800	11%	29%	46%	66%	86%
PUBS, TAVERNS & BARS	2,500	2,800	3,200	3,600	4,100	4,600	300	700	1,100	1,600	2,100	12%	28%	44%	64%	84%
HOUSEHOLD SERVICES	4,200	4,800	5,600	6,500	7,400	8,400	600	1,400	2,300	3,200	4,200	14%	33%	55%	76%	100%
HEALTH & CARE SERVICES	2,700	2,900	3,500	4,000	4,500	5,200	200	800	1,300	1,800	2,500	7%	30%	48%	67%	93%
AUTOMOTIVE	6,900	7,700	8,900	10,200	11,600	13,100	800	2,000	3,300	4,700	6,200	12%	29%	48%	68%	90%
RECREATION & ENTERTAINMENT	16,300	18,100	21,100	24,000	27,200	30,500	1,800	4,800	7,700	10,900	14,200	11%	29%	47%	67%	87%
TOTAL RETAIL & SERVICE	70,000	78,000	90,900	103,800	118,100	133,000	8,000	20,900	33,800	48,100	63,000	11%	30%	48%	69%	90%
Wanaka Catchment																
FOOD & LIQUOR	3,400	3,700	4,400	5,100	5,900	6,700	300	1,000	1,700	2,500	3,300	9%	29%	50%	74%	97%
COMPARISON RETAIL	6,500	7,100	8,300	9,500	10,900	12,300	600	1,800	3,000	4,400	5,800	9%	28%	46%	68%	89%
HARDWARE & DIY	4,500	5,300	6,300	7,400	8,500	9,600	800	1,800	2,900	4,000	5,100	18%	40%	64%	89%	113%
TAKEAWAYS & RESTAURANTS	2,000	2,200	2,500	2,900	3,200	3,600	200	500	900	1,200	1,600	10%	25%	45%	60%	80%
PUBS, TAVERNS & BARS	900	1,000	1,100	1,200	1,400	1,500	100	200	300	500	600	11%	22%	33%	56%	67%
HOUSEHOLD SERVICES	1,700	1,900	2,300	2,700	3,100	3,500	200	600	1,000	1,400	1,800	12%	35%	59%	82%	106%
HEALTH & CARE SERVICES	1,200	1,300	1,600	1,900	2,200	2,500	100	400	700	1,000	1,300	8%	33%	58%	83%	108%
AUTOMOTIVE	3,100	3,400	4,000	4,600	5,300	6,000	300	900	1,500	2,200	2,900	10%	29%	48%	71%	94%
RECREATION & ENTERTAINMENT	6,200	6,800	7,900	9,000	10,200	11,400	600	1,700	2,800	4,000	5,200	10%	27%	45%	65%	84%
TOTAL RETAIL & SERVICE	29,500	32,700	38,400	44,300	50,700	57,100	3,200	8,900	14,800	21,200	27,600	11%	30%	50%	72%	94%
Western COD Catchment																
FOOD & LIQUOR	4,700	5,000	5,700	6,400	7,200	8,000	300	1,000	1,700	2,500	3,300	6%	21%	36%	53%	70%
COMPARISON RETAIL	8,600	9,200	10,500	11,700	13,000	14,400	600	1,900	3,100	4,400	5,800	7%	22%	36%	51%	67%
HARDWARE & DIY	9,100	10,400	11,800	13,100	14,500	16,000	1,300	2,700	4,000	5,400	6,900	14%	30%	44%	59%	76%
TAKEAWAYS & RESTAURANTS	1,900	2,100	2,300	2,600	2,900	3,100	200	400	700	1,000	1,200	11%	21%	37%	53%	63%
PUBS, TAVERNS & BARS	700	800	800	900	1,000	1,100	100	100	200	300	400	14%	14%	29%	43%	57%
HOUSEHOLD SERVICES	2,700	3,000	3,400	3,800	4,300	4,700	300	700	1,100	1,600	2,000	11%	26%	41%	59%	74%
HEALTH & CARE SERVICES	2,000	2,200	2,500	2,800	3,100	3,500	200	500	800	1,100	1,500	10%	25%	40%	55%	75%
AUTOMOTIVE	4,600	5,000	5,700	6,400	7,100	7,800	400	1,100	1,800	2,500	3,200	9%	24%	39%	54%	70%
RECREATION & ENTERTAINMENT	6,700	7,300	8,300	9,200	10,200	11,200	600	1,600	2,500	3,500	4,500	9%	24%	37%	52%	67%
TOTAL RETAIL & SERVICE	41,000	45,000	51,000	56,900	63,300	69,800	4,000	10,000	15,900	22,300	28,800	10%	24%	39%	54%	70%

Source: M.E Retail Demand & Supply Model, 2009 - High Growth Scenario

Appendix 8: LFR Capture Scenario Results

FIGURE A8-1: QUEENSTOWN CATCHMENT LFR DEMAND GROWTH CAPTURE – LOW

Summary Store Types	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
	CHANGE IN SQM (GFA)					CHANGE IN SQM (GFA)				
	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	260	1,130	2,010	3,000	3,980	460	1,520	2,610	3,850	5,160
COMPARISON RETAIL	510	2,040	3,590	5,340	7,110	870	2,740	4,670	6,860	9,200
HARDWARE & DIY	1,150	2,650	4,120	5,760	7,370	1,570	3,460	5,390	7,500	9,710
TAKEAWAYS & RESTAURANTS	420	1,190	1,930	2,690	3,420	490	1,330	2,150	3,050	3,990
PUBS, TAVERNS & BARS	190	530	860	1,200	1,520	210	570	930	1,310	1,730
HOUSEHOLD SERVICES	310	880	1,450	2,070	2,690	450	1,150	1,850	2,640	3,470
HEALTH & CARE SERVICES	120	450	790	1,180	1,570	190	610	1,030	1,510	2,030
AUTOMOTIVE	410	1,230	2,050	2,980	3,900	620	1,640	2,690	3,870	5,110
RECREATION & ENTERTAINMENT	1,180	3,320	5,470	7,700	9,840	1,430	3,850	6,290	8,950	11,750
TOTAL RETAIL & SERVICE	4,550	13,420	22,270	31,920	41,400	6,290	16,870	27,610	39,540	52,150
Wanaka Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	20	70	110	150	180	30	90	140	190	230
COMPARISON RETAIL	30	110	180	250	300	60	160	250	340	410
HARDWARE & DIY	60	130	190	240	280	80	170	250	320	380
TAKEAWAYS & RESTAURANTS	20	50	70	90	100	20	50	70	90	110
PUBS, TAVERNS & BARS	10	20	30	40	50	10	20	30	40	50
HOUSEHOLD SERVICES	20	50	70	90	110	20	50	80	110	130
HEALTH & CARE SERVICES	10	30	50	70	80	10	30	50	70	90
AUTOMOTIVE	20	60	100	130	160	30	80	130	170	210
RECREATION & ENTERTAINMENT	50	130	200	260	310	60	160	240	310	370
TOTAL RETAIL & SERVICE	240	650	1,000	1,320	1,570	320	810	1,240	1,640	1,980
Western COD Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	10	50	80	100	120	30	90	140	190	230
COMPARISON RETAIL	20	80	140	180	220	60	170	260	340	410
HARDWARE & DIY	80	140	200	240	280	130	250	350	440	510
TAKEAWAYS & RESTAURANTS	10	20	30	40	50	20	40	60	80	90
PUBS, TAVERNS & BARS	-	10	10	10	10	10	20	30	40	40
HOUSEHOLD SERVICES	20	40	60	70	80	30	70	100	130	150
HEALTH & CARE SERVICES	10	30	40	50	60	20	50	70	90	110
AUTOMOTIVE	20	50	80	100	120	40	100	150	190	230
RECREATION & ENTERTAINMENT	40	90	140	170	200	60	140	210	270	320
TOTAL RETAIL & SERVICE	210	510	780	960	1,140	400	930	1,370	1,770	2,090
TOTAL STUDY AREA CATCHMENT LFR DEMAND CAPTURED IN QUEENSTOWN CATCHMENT										
FOOD & LIQUOR	290	1,250	2,200	3,250	4,280	520	1,700	2,890	4,230	5,620
COMPARISON RETAIL	560	2,230	3,910	5,770	7,630	990	3,070	5,180	7,540	10,020
HARDWARE & DIY	1,290	2,920	4,510	6,240	7,930	1,780	3,880	5,990	8,260	10,600
TAKEAWAYS & RESTAURANTS	450	1,260	2,030	2,820	3,570	530	1,420	2,280	3,220	4,190
PUBS, TAVERNS & BARS	200	560	900	1,250	1,580	230	610	990	1,390	1,820
HOUSEHOLD SERVICES	350	970	1,580	2,230	2,880	500	1,270	2,030	2,880	3,750
HEALTH & CARE SERVICES	140	510	880	1,300	1,710	220	690	1,150	1,670	2,230
AUTOMOTIVE	450	1,340	2,230	3,210	4,180	690	1,820	2,970	4,230	5,550
RECREATION & ENTERTAINMENT	1,270	3,540	5,810	8,130	10,350	1,550	4,150	6,740	9,530	12,440
TOTAL RETAIL & SERVICE	5,000	14,580	24,050	34,200	44,110	7,010	18,610	30,220	42,950	56,220

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009

Results Rounded to nearest 10sqm

Low Capture Scenario

FIGURE A8-2: QUEENSTOWN CATCHMENT LFR DEMAND GROWTH CAPTURE – MODERATE

Summary Store Types	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
	CHANGE IN SQM (GFA)					CHANGE IN SQM (GFA)				
	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	270	1,170	2,050	3,040	4,030	480	1,570	2,670	3,910	5,220
COMPARISON RETAIL	540	2,110	3,660	5,420	7,190	910	2,840	4,770	6,960	9,310
HARDWARE & DIY	1,210	2,720	4,190	5,840	7,450	1,650	3,560	5,480	7,600	9,810
TAKEAWAYS & RESTAURANTS	440	1,230	1,970	2,730	3,450	510	1,370	2,190	3,090	4,030
PUBS, TAVERNS & BARS	200	550	880	1,210	1,540	220	590	950	1,330	1,750
HOUSEHOLD SERVICES	330	910	1,470	2,100	2,720	470	1,180	1,890	2,680	3,510
HEALTH & CARE SERVICES	130	470	810	1,200	1,590	200	630	1,050	1,530	2,050
AUTOMOTIVE	430	1,270	2,090	3,030	3,950	650	1,700	2,740	3,920	5,170
RECREATION & ENTERTAINMENT	1,240	3,420	5,580	7,810	9,940	1,500	3,970	6,410	9,070	11,880
TOTAL RETAIL & SERVICE	4,790	13,850	22,700	32,380	41,860	6,590	17,410	28,150	40,090	52,730
Wanaka Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	20	100	140	190	220	40	130	180	230	280
COMPARISON RETAIL	50	170	230	310	370	80	230	320	420	500
HARDWARE & DIY	90	170	230	290	330	120	220	300	380	450
TAKEAWAYS & RESTAURANTS	30	60	90	110	120	30	70	90	110	130
PUBS, TAVERNS & BARS	10	30	30	40	50	10	30	40	50	60
HOUSEHOLD SERVICES	20	60	90	110	130	40	70	100	130	160
HEALTH & CARE SERVICES	10	40	60	80	100	20	50	70	90	110
AUTOMOTIVE	30	90	120	160	190	50	110	160	210	250
RECREATION & ENTERTAINMENT	80	180	240	320	360	100	210	300	380	440
TOTAL RETAIL & SERVICE	340	900	1,230	1,610	1,870	490	1,120	1,560	2,000	2,380
Western COD Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	10	70	110	120	150	50	130	180	230	280
COMPARISON RETAIL	30	120	180	220	270	90	240	330	420	500
HARDWARE & DIY	120	180	240	270	330	190	330	420	520	600
TAKEAWAYS & RESTAURANTS	10	30	40	50	60	30	60	70	90	110
PUBS, TAVERNS & BARS	10	10	20	20	20	10	20	30	40	50
HOUSEHOLD SERVICES	20	50	70	80	100	40	90	120	150	180
HEALTH & CARE SERVICES	10	30	50	60	70	20	60	90	110	130
AUTOMOTIVE	30	70	100	120	150	70	130	190	240	270
RECREATION & ENTERTAINMENT	50	120	170	200	240	90	190	260	330	390
TOTAL RETAIL & SERVICE	290	680	980	1,140	1,390	590	1,250	1,690	2,130	2,510
TOTAL STUDY AREA CATCHMENT LFR DEMAND CAPTURED IN QUEENSTOWN CATCHMENT										
FOOD & LIQUOR	300	1,340	2,300	3,350	4,400	570	1,830	3,030	4,370	5,780
COMPARISON RETAIL	620	2,400	4,070	5,950	7,830	1,080	3,310	5,420	7,800	10,310
HARDWARE & DIY	1,420	3,070	4,660	6,400	8,110	1,960	4,110	6,200	8,500	10,860
TAKEAWAYS & RESTAURANTS	480	1,320	2,100	2,890	3,630	570	1,500	2,350	3,290	4,270
PUBS, TAVERNS & BARS	220	590	930	1,270	1,610	240	640	1,020	1,420	1,860
HOUSEHOLD SERVICES	370	1,020	1,630	2,290	2,950	550	1,340	2,110	2,960	3,850
HEALTH & CARE SERVICES	150	540	920	1,340	1,760	240	740	1,210	1,730	2,290
AUTOMOTIVE	490	1,430	2,310	3,310	4,290	770	1,940	3,090	4,370	5,690
RECREATION & ENTERTAINMENT	1,370	3,720	5,990	8,330	10,540	1,690	4,370	6,970	9,780	12,710
TOTAL RETAIL & SERVICE	5,420	15,430	24,910	35,130	45,120	7,670	19,780	31,400	44,220	57,620

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009

Results Rounded to nearest 10sqm

Moderate Capture Scenario

FIGURE A8-3: QUEENSTOWN CATCHMENT LFR DEMAND GROWTH CAPTURE – HIGH

Summary Store Types	MEDIUM GROWTH SCENARIO					HIGH GROWTH SCENARIO				
	CHANGE IN SQM (GFA)					CHANGE IN SQM (GFA)				
	2009-11	2009-16	2009-21	2009-26	2009-31	2009-11	2009-16	2009-21	2009-26	2009-31
Queenstown Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	290	1,210	2,090	3,090	4,070	500	1,620	2,720	3,970	5,280
COMPARISON RETAIL	560	2,190	3,740	5,510	7,270	950	2,930	4,860	7,060	9,420
HARDWARE & DIY	1,270	2,790	4,260	5,920	7,520	1,730	3,650	5,580	7,700	9,910
TAKEAWAYS & RESTAURANTS	460	1,270	2,000	2,760	3,480	540	1,410	2,230	3,140	4,070
PUBS, TAVERNS & BARS	210	570	900	1,230	1,560	230	610	970	1,350	1,760
HOUSEHOLD SERVICES	340	930	1,500	2,130	2,750	490	1,210	1,920	2,720	3,550
HEALTH & CARE SERVICES	130	490	820	1,210	1,600	210	650	1,080	1,560	2,080
AUTOMOTIVE	450	1,310	2,130	3,070	3,990	680	1,750	2,790	3,980	5,230
RECREATION & ENTERTAINMENT	1,300	3,530	5,680	7,910	10,040	1,570	4,090	6,530	9,200	12,010
TOTAL RETAIL & SERVICE	5,010	14,290	23,120	32,830	42,280	6,900	17,920	28,680	40,680	53,310
Wanaka Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	40	150	190	240	270	70	200	250	310	360
COMPARISON RETAIL	80	260	320	410	470	140	340	430	550	630
HARDWARE & DIY	150	250	310	380	410	200	320	400	490	550
TAKEAWAYS & RESTAURANTS	40	90	110	130	150	50	100	120	150	160
PUBS, TAVERNS & BARS	20	40	50	60	60	20	40	50	60	70
HOUSEHOLD SERVICES	40	90	120	140	150	60	100	130	170	190
HEALTH & CARE SERVICES	20	60	80	110	120	30	80	90	120	140
AUTOMOTIVE	60	130	170	210	240	90	170	220	280	310
RECREATION & ENTERTAINMENT	130	270	330	400	440	160	320	400	490	550
TOTAL RETAIL & SERVICE	580	1,340	1,680	2,080	2,310	820	1,670	2,090	2,620	2,960
Western COD Catchment LFR Demand Captured in Queenstown Catchment										
FOOD & LIQUOR	20	110	150	160	190	80	200	250	300	350
COMPARISON RETAIL	50	190	260	280	350	150	360	440	540	620
HARDWARE & DIY	200	250	310	320	400	320	460	550	650	730
TAKEAWAYS & RESTAURANTS	20	50	60	60	70	40	80	100	120	140
PUBS, TAVERNS & BARS	10	10	20	20	20	10	30	40	50	60
HOUSEHOLD SERVICES	40	70	100	100	120	70	130	160	190	220
HEALTH & CARE SERVICES	10	50	70	70	90	40	90	120	140	160
AUTOMOTIVE	60	110	140	150	190	110	200	250	300	340
RECREATION & ENTERTAINMENT	90	170	230	240	300	160	290	350	420	480
TOTAL RETAIL & SERVICE	500	1,010	1,340	1,400	1,730	980	1,840	2,260	2,710	3,100
TOTAL STUDY AREA CATCHMENT LFR DEMAND CAPTURED IN QUEENSTOWN CATCHMENT										
FOOD & LIQUOR	350	1,470	2,430	3,490	4,530	650	2,020	3,220	4,580	5,990
COMPARISON RETAIL	690	2,640	4,320	6,200	8,090	1,240	3,630	5,730	8,150	10,670
HARDWARE & DIY	1,620	3,290	4,880	6,620	8,330	2,250	4,430	6,530	8,840	11,190
TAKEAWAYS & RESTAURANTS	520	1,410	2,170	2,950	3,700	630	1,590	2,450	3,410	4,370
PUBS, TAVERNS & BARS	240	620	970	1,310	1,640	260	680	1,060	1,460	1,890
HOUSEHOLD SERVICES	420	1,090	1,720	2,370	3,020	620	1,440	2,210	3,080	3,960
HEALTH & CARE SERVICES	160	600	970	1,390	1,810	280	820	1,290	1,820	2,380
AUTOMOTIVE	570	1,550	2,440	3,430	4,420	880	2,120	3,260	4,560	5,880
RECREATION & ENTERTAINMENT	1,520	3,970	6,240	8,550	10,780	1,890	4,700	7,280	10,110	13,040
TOTAL RETAIL & SERVICE	6,090	16,640	26,140	36,310	46,320	8,700	21,430	33,030	46,010	59,370

Source: M.E Retail Demand & Supply Model, 2009 and National Retail and Service Floorspace Model, 2009

Results Rounded to nearest 10sqm

High Capture Scenario

Appendix 9: PC19 Retail Floorspace Estimates

M.E has made the following estimates of potential retail and service floorspace activity in the Frankton Flats Special Zone (B) (FFSZB) as enabled by PC 19 and in accordance with the Decisions Version of PC 19.

Area C1

2.74 hectares (gross zone area) multiplied by a 50% site coverage, yielding an estimated 13,700sqm GFA of retail and service activity (assuming that retail and service activities occupy the ground floor footprint).

This is broadly consistent with Mr John Long's approach stated in paragraph 15.8 in his final evidence in chief for the PC 19 Environment Court Appeal. Mr Long applied the relatively intense 50% site coverage to estimate the built footprint (ground floor GFA) of future development in Area C1, although applied his estimate to a proposed expansion of C1 to 3.8 hectares, yielding 19,000sqm. He acknowledged that the net retail footprint could be less than this estimate. Allowing for variability in the final size of Area C1, the actual site coverage proportion and the occupancy of that footprint by retail and service activities, M.E considers that 13,730 is reasonable approximation.

Area C2

1,000sqm GFA of retail and service floorspace is a rough estimate only. It is based on the premise of creating a small neighbourhood group of retail and service activities to meet the convenience needs of potential residential population of Area C2.

Area E2

10.62 hectares (gross zone area) multiplied by 80% (to exclude an estimated 20% portion occupied by the Eastern Access Road (developable zone area)), multiplied by a 55% average site coverage (built footprint), multiplied by 40% to give a final estimate of the retail and service floor area (as opposed to other potential floorspace). This yields an estimated 18,700sqm GFA of retail and service activity.

Appendix 10: Additional Sales Impact Results

FIGURE A10-1: ARROWTOWN TC PROJECTED PERFORMANCE WITH PPC 34 IN PLACE (MEDIUM)

	2009	2016	2021	2026	2031
Estimated Arrowtown Town Centre Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 32	\$ 40	\$ 46	\$ 52	\$ 59
With Remaining RPTC Planned Capacity in AA5 and AA3 (Scenario B)	\$ 32	\$ 36	\$ 41	\$ 47	\$ 53
With Remaining RPTC Planned Capacity and PPC 34 (Scenario C)		\$ 33	\$ 37	\$ 42	\$ 48
Difference from 2009 (\$m) (Scenario C cp. Scenario B)		\$ 0	\$ 5	\$ 10	\$ 16
Difference from 2009 (%) (Scenario C cp. Scenario B)		2%	16%	31%	48%
Difference With vs. Without PPC 34 (\$m) (Scenario C cp. Scenario B)		\$ (4)	\$ (4)	\$ (5)	\$ (5)
Difference With vs. Without PPC 34 (%) (Scenario C cp. Scenario B)		-10%	-10%	-10%	-10%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

FIGURE A10-2: QUEENSTOWN CENTRAL PROJECTED PERFORMANCE WITH ZONED OPPORTUNITY IN PLACE (MEDIUM)

	2009	2016	2021	2026	2031
Estimated Queenstown Central Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 349	\$ 442	\$ 504	\$ 571	\$ 643
With Remaining RPTC Planned Capacity and Gateway (Scenario D)		\$ 358	\$ 408	\$ 462	\$ 519
Difference from 2009 (\$m) (Scenario F cp. Scenario A)		\$ 9	\$ 58	\$ 113	\$ 170
Difference from 2009 (%) (Scenario F cp. Scenario A)		3%	17%	32%	49%
Difference With vs. Without all developments (\$m) (Scenario D cp. Scenario A)		\$ (84)	\$ (96)	\$ (109)	\$ (124)
Difference With vs. Without all developments (%) (Scenario D cp. Scenario A)		-19%	-19%	-19%	-19%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

FIGURE A10-3: QUEENSTOWN CENTRAL PROJECTED PERFORMANCE WITH ZONED OPPORTUNITY AND PROPOSED CAPACITY IN PLACE (MEDIUM)

	2009	2016	2021	2026	2031
Estimated Queenstown Central Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 349	\$ 442	\$ 504	\$ 571	\$ 643
With Remaining RPTC Planned Capacity, PPC 34, Gateway, PC 19 (Scenario F)		\$ 293	\$ 333	\$ 377	\$ 424
Difference from 2009 (\$m) (Scenario F cp. Scenario A)		\$ (56)	\$ (16)	\$ 28	\$ 74
Difference from 2009 (%) (Scenario F cp. Scenario A)		-16%	-4%	8%	21%
Difference With vs. Without all developments (\$m) (Scenario F cp. Scenario A)		\$ (149)	\$ (170)	\$ (194)	\$ (219)
Difference With vs. Without all developments (%) (Scenario F cp. Scenario A)		-34%	-34%	-34%	-34%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

FIGURE A10-4: ARROWTOWN TC PROJECTED PERFORMANCE WITH ZONED OPPORTUNITY IN PLACE (MEDIUM)

	2009	2016	2021	2026	2031
Estimated Arrowtown Town Centre Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 32	\$ 40	\$ 46	\$ 52	\$ 59
With Remaining RPTC Planned Capacity and Gateway (Scenario D)	\$ 32	\$ 36	\$ 41	\$ 46	\$ 46
Difference from 2009 (\$m) (Scenario F cp. Scenario A)	\$ (1)	\$ 4	\$ 9	\$ 14	\$ 14
Difference from 2009 (%) (Scenario F cp. Scenario A)		-2%	12%	28%	44%
Difference With vs. Without all developments (\$m) (Scenario D cp. Scenario A)	\$ (8)	\$ (10)	\$ (11)	\$ (12)	\$ (12)
Difference With vs. Without all developments (%) (Scenario D cp. Scenario A)		-21%	-21%	-21%	-21%

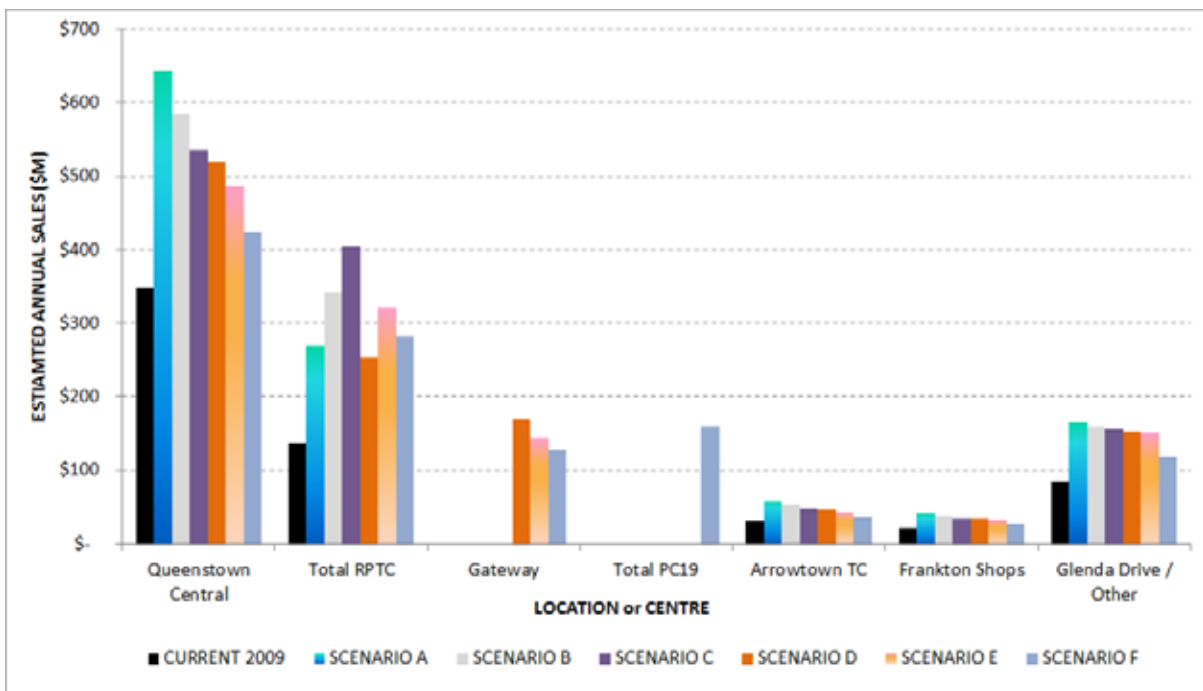
Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

FIGURE A10-5: ARROWTOWN TC PROJECTED PERFORMANCE WITH ZONED OPPORTUNITY AND PROPOSED CAPACITY IN PLACE (MEDIUM)

	2009	2016	2021	2026	2031
Estimated Arrowtown Town Centre Retail and Service Sales (\$m)					
No Change (Scenario A)	\$ 32	\$ 40	\$ 46	\$ 52	\$ 59
With Remaining RPTC Planned Capacity, PPC 34, Gateway, PC 19 (Scenario F)	\$ 25	\$ 29	\$ 33	\$ 37	\$ 37
Difference from 2009 (\$m) (Scenario F cp. Scenario A)	\$ (7)	\$ (3)	\$ 1	\$ 5	\$ 5
Difference from 2009 (%) (Scenario F cp. Scenario A)		-21%	-10%	3%	16%
Difference With vs. Without all developments (\$m) (Scenario F cp. Scenario A)	\$ (14)	\$ (17)	\$ (19)	\$ (21)	\$ (21)
Difference With vs. Without all developments (%) (Scenario F cp. Scenario A)		-36%	-36%	-36%	-36%

Refer Appendix 2 for coverage of Retail and Service sectors. M.E estimates only.
Medium Growth Outlook

FIGURE A10- 6: SALES PERFORMANCE IN 2031 BY LOCATION AND DEVELOPMENT SCENARIO (MEDIUM)



Appendix 11: List of Abbreviations

AA – Activity Area
AEE – Assessment of Environmental Effects
ANZSIC – Australia New Zealand Standard Industrial Classification (96)
CAU – Census Area Unit
CBD – Central Business District
COD – Central Otago District
EAA – Expanded Activity Area
EC – Employment Count
FFPCB – Frankton Flats Plan Change (B)
FFSZA – Frankton Flats Special Zone (A)
GFA – Gross Floor Area
LFR – Large Format Retail
MEC – Modified Employment Count
M.E – Market Economics Ltd
PPC – Private Plan Change
QLD – Queenstown Lakes District
QLDC – Queenstown Lakes District Council
RMA – Resource Management Act 1991
RPL – Remarkables Park Limited
RPSC – Remarkables Park Shopping Centre (a precinct within the RPTC)
RPTC – Remarkables Park Town Centre (comprising the RPSC and Remarkables Quay precincts)
RPZ – Remarkables Park Zone
RDSDM – Retail Demand & Supply Model
SFR – Small Format Retail
SNZ – Statistics New Zealand
SQM – Square Metres