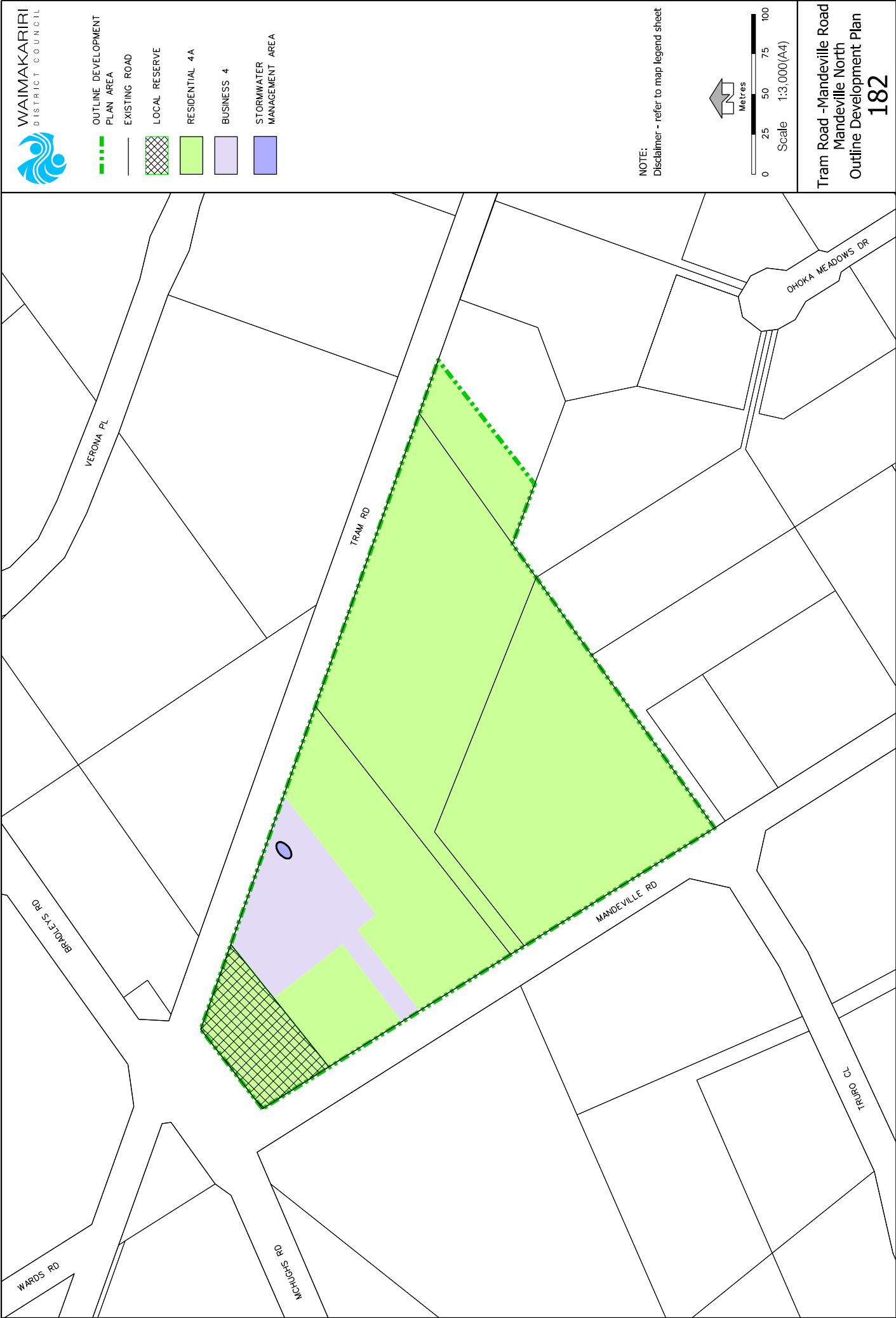




NOTE:
Disclaimer - refer to map legend sheet



Metres

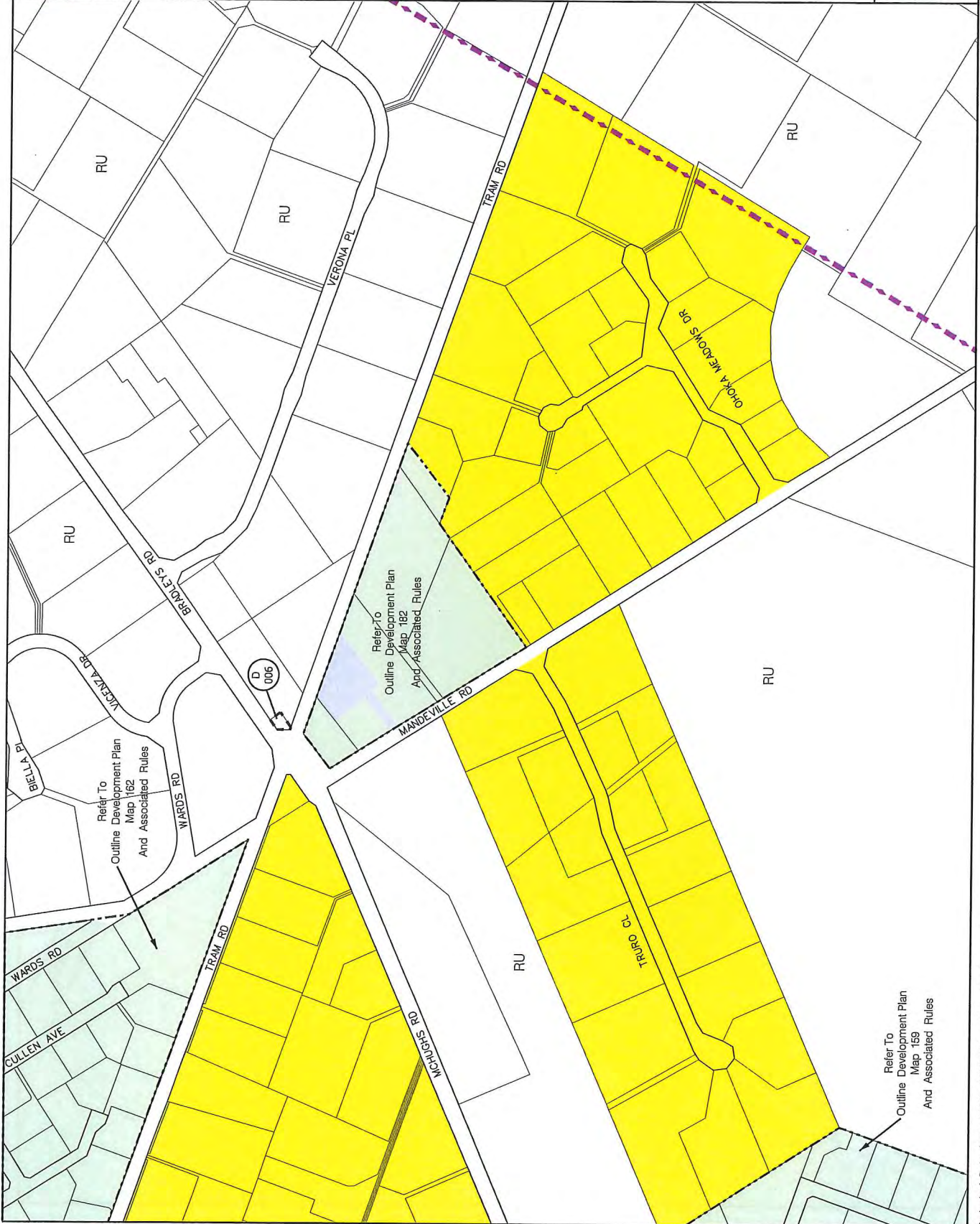
0 60 120 180

Scale 1:7,500 (A4)

91	91A	57
92	93	
66		67

Mandeville

93



Appendix II:

Scale and Significance Rating Assessment

SCALE AND SIGNIFICANCE RATING OF THE PROPOSAL

Variable	High / large +1	Moderate 0	Low / small -1
1. Importance of the issue that the plan change seeks to address given the context in which it arises	+1		
2. Extent of change from the status quo		0	
3. Size of geographical area that is affected by the plan change			-1
4. Number of people likely to be affected		0	
5. Degree of risk and uncertainty	+1		

Rating score	Scale / significance	Level of detail required
3 to 5	High	Comprehensive / detailed report that thoroughly addresses all aspects of s32 Expert assessments likely to be required
-2 to 2	Moderate	Moderate level of detail focussing on key points
-3 to -5	Low	Basic evaluation without need for much detail

Score = 2

Notes for variables identified:

1. The issue is seen as of high importance to the Mandeville community.
2. The proposal is considered to moderately change the status quo within Mandeville, noting that there is a permitted level of retailing that could occur within the community.
3. The geographical area affected by the plan change is considered to be minor across the district.
4. A moderate number of the Mandeville community are considered to be affected by the plan change.
5. The degree of risk or uncertainty is considered high, however, this risk relates to the timing of the activities enabled by the plan change, rather than the potential for adverse environmental effects.

Appendix III:

2010 Rural Residential Development Plan excerpt

Mandeville

Location

Generally situated at the junction of Tram Road, McHughs Road, Mandeville Road, and Bradleys Road, approximately 15 km from Rangiora and Kaiapoi.

Past Growth and Development

Initial rural residential development occurred in the 1980s followed by an extension in the 1990s to include the majority of land bounded by Tram Road, No. 10 Road, and McHughs Road. Development of Ohoka Meadows and Truro Place occurred in the 1990s.

The San Dona subdivision was established in the 1990s comprising small Rural Zone lots for Olive production. This development, located to the north of Tram Road, was approved under the previous District Plan where an independent farm unit test applied.

Development Plan Growth Location

Map Sheet 05 identifies a growth location to the south of Tram Road.

The reasons for this are:

- The area to the south of Tram Road consolidates and supports the Residential 4A and 4B Zones and San Dona;
- The land to the south of Tram Road avoids community severance associated with households developing on either side of a significant road;

- The area to the south of Tram Road provides a logical development boundary in the form of North Eyre Road. The area to the north of Tram Road does not have such a boundary;
- The area to the south is located in close proximity to the focal point of Mandeville, being the community facilities of the Mandeville domain and sports ground, and will not result in new development needing to cross Tram Road to access these facilities; and
- Development to the south of Tram Road will protect the rural outlook provided by the area of rural land to the north.

Private plan change requests (including in respect of the area to the north of Tram Road and the San Dona Olive Grove) will be received and considered in accordance with the Resource Management Act process. This allows for public participation, so a clear view on the appropriate location and extent of growth in Mandeville can be obtained from the Mandeville community and considered as part of that process.

The small Rural zoned area of land located at the junction of Tram Road and Mandeville Road is also identified as a growth location. This area constitutes a logical extension to the Mandeville form given its central position within the wider Mandeville area.

Households

Existing

The existing Residential 4B Zones include approximately 170 households, the majority of which are situated on properties of around 1 ha in size. San Dona comprises approximately 120 additional households.

Potential

An additional 200 households based on reticulated wastewater connection to the EDSS at Kaiapoi. Lots in the region of 5000m² average size.

Community and Community Facilities

Existing

Approximately 720 people, based on 2.5 persons per household. Mandeville Sports Centre and reserve is located on Mandeville Road. Swannanoa Primary School and pre-school is approximately 3km to the west along Tram Road.

Potential

An additional 500 people within the period to 2041.

Settlement

Existing

Approximately 175 ha zoned Residential 4B; San Dona 200 ha.

Potential

Approximately 100 ha gross as indicated by Map Sheet 05. The Mandeville rural residential area would cover in excess of 475 ha, including San Dona.

Reticulated Services

Existing

Seven wastewater package treatment plants, three operated and maintained by Waimakariri District Council. Four are privately

operated. The existing Mandeville water supply well has limited capacity.

Potential

Reticulated wastewater connection to the EDSS, probably to Rangiora, and eventual decommissioning of the package treatment plants. A new water supply well is proposed for the 2012/13 financial year.

Comments

Servicing

The Development Plan presents an opportunity to implement an overall wastewater solution for the Mandeville area. This has the potential to include some of the privately operated schemes and would involve a common pipeline designed in conjunction with development at Ohoka. This will reduce the number of individual wastewater schemes, which are generally expensive to operate and have a relatively short life span due to consent and land/plant requirements. A new well is programmed for installation to serve the domestic water requirements of the Mandeville community.

Settlement size

Specific controls are considered necessary to manage the spatial extent and layout of future development. The Development Plan requires further consultation with the Mandeville community to ascertain boundary limits for rural residential development in the Mandeville area. Ideally this consultation will occur before any further development is undertaken at Mandeville.

Other Matters

Groundwater Resource

Mandeville is located within a groundwater allocation zone under ECan policy. This means that water taken from the underlying aquifer is monitored and controlled. This is a potential constraint on any future development as consent from ECan for additional water abstraction could be difficult to obtain, depending on the amount of groundwater allocated within the allocation limit.

Mandeville Area Community Report (2006)

A survey was undertaken in 2006 of the Mandeville area. A copy of the executive summary is attached as Appendix 4. Of note, the survey found that environment and lifestyle were the features most liked by respondents living at Mandeville. Of the respondents households 55.2% bought their properties as bare land and 44.8% bought their properties with a house.

The survey found that there was limited support for the re-subdivision of existing lots with 20.9% of respondents indicating that they supported this option, while 75.5% indicated that they opposed it. Full residential development gained even less support with 6.3% of respondents indicating that they supported this option, while 92.8% indicated that they opposed it.

Respondents were also asked to indicate their level of support for the development of a village centre at Mandeville. Approximately 60% supported such a centre at Mandeville. A dairy or grocery/convenience store was the favoured type of shop or service.

Commercial Centre and Self sufficiency

The Development Plan does not establish a position on the appropriateness of a commercial centre at Mandeville. This is a matter to be addressed at the time of specific rezoning proposal, where any such proposal can be assessed on their specific impacts. It is also a matter that could be addressed further as part of future consultation with the Mandeville community regarding growth locations.

NORTH



Legend

Preferred Development Location

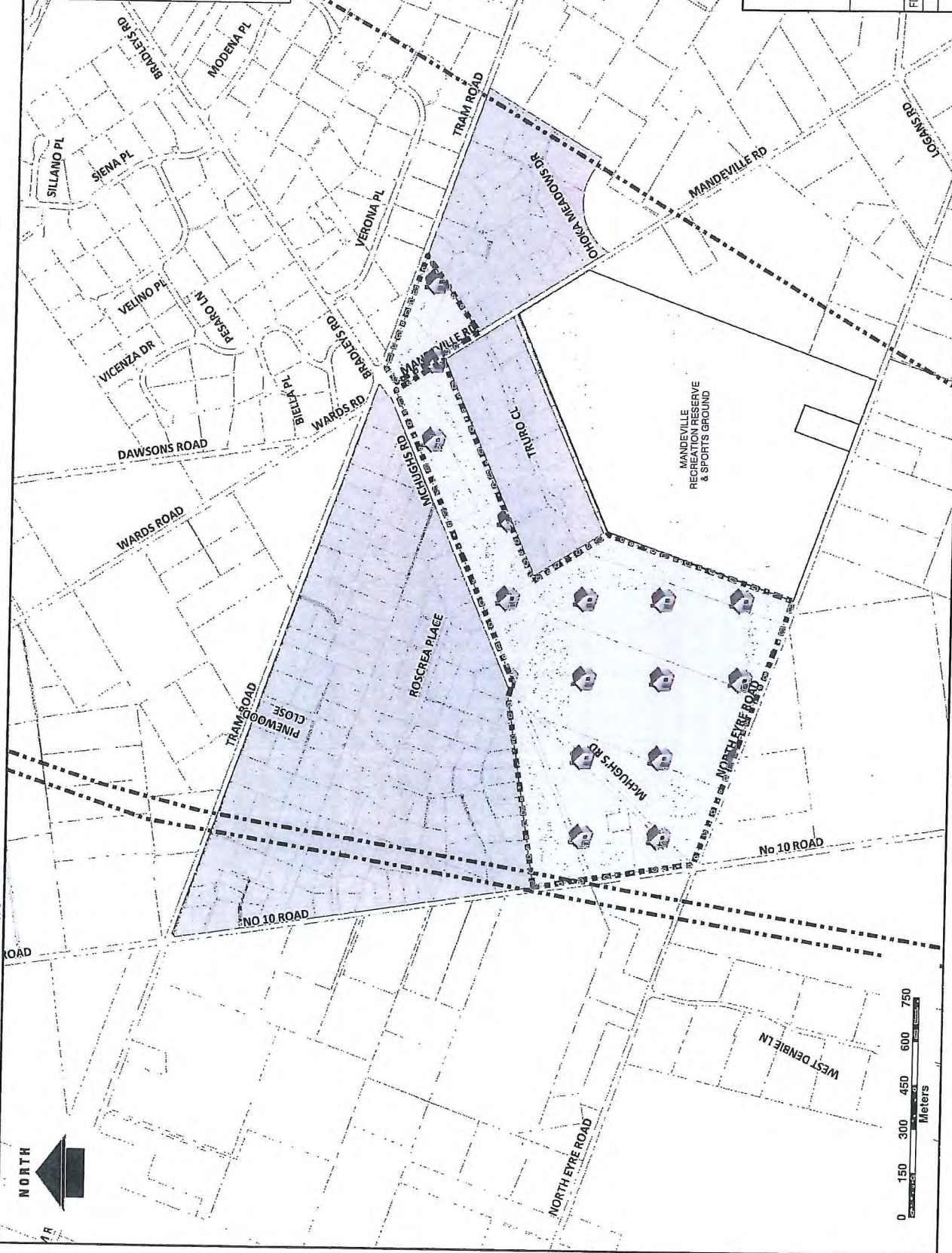
Household Yield: 200

Existing Residential Zoning (Residential 4B)

Public Reserve

High Voltage Electricity Transmission Lines

Note:
Extent And Location Of Additional Growth To Be Determined Following Further Consultation.



RURAL RESIDENTIAL DEVELOPMENT PLAN MANDEVILLE



WAIMAKARIRI
DISTRICT COUNCIL

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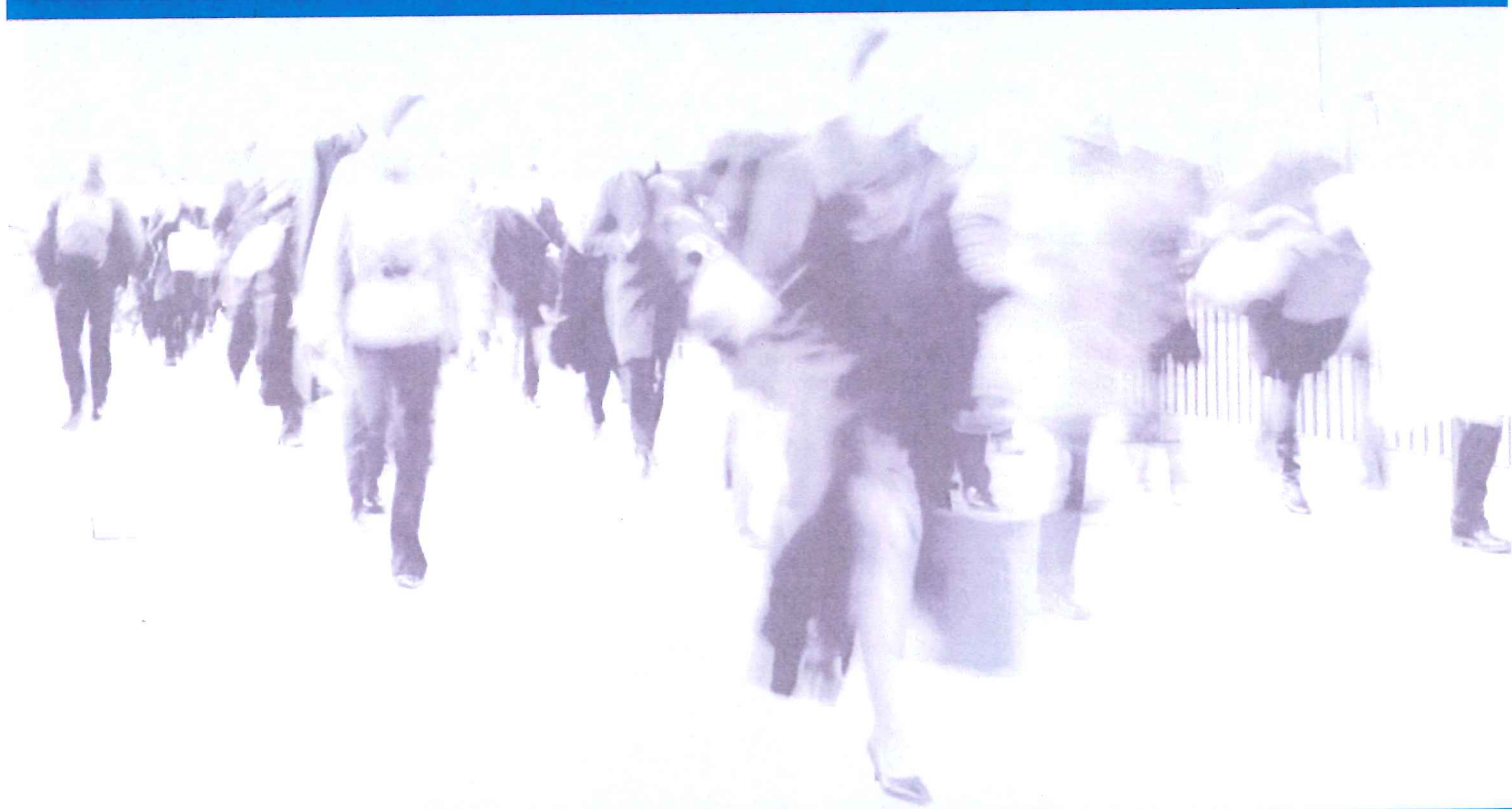
PLAN No	SHEET	ISSUE
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Appendix IV:

Property Economics Ltd Market Analysis Report



PROPERTY ECONOMICS



MAY 2014

PROPOSED MANDEVILLE RETAIL CENTRE
MARKET ASSESSMENT

WAIMAKARIRI DISTRICT COUNCIL

Code	Date	Information / Comments	Project Leader
50940.7	May 2014	Report	Tim Heath

DISCLAIMER

Property Economics has taken every care to ensure the correctness of all the information contained in this report. All information has been obtained by what are considered to be reliable sources, and Property Economics has no reason to doubt its accuracy. It is however the responsibility of all parties acting on information contained in this report to make their own enquiries to verify correctness. This document has been prepared for the use of Waimakariri District Council only. Copyright © 2014 by Property Economics Ltd.



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1. INTRODUCTION

Property Economics has been engaged by the Waimakariri District Council ('WDC') to undertake a retail market assessment of a proposed convenience retail development located within the Mandeville Business Zone in Waimakariri.

The proposed Mandeville development is a convenience centre with a planned total footprint of approximately 1,650sqm of Gross Floor Area ('GFA'), comprised of 1,160sqm of convenience retail, a 150sqm garden centre and 340sqm of localised convenience commercial and professional service activities. It is Property Economics' understanding that there is desire to provide a superette of up to 1,000sqm GFA as part of this development, albeit some flexibility is sensible given the centre composition and extent is not settled at this point. Given its wider role and function as a result of its large format footprint, this aspect of the development will be assessed specifically as to ascertain its appropriateness both within the Mandeville centre and market context.

The main purpose of this report is to provide information to WDC, assessing whether this proposed centre provision is sustainable within the wider market, if there are likely to be any material retail distributional effects generated as a result of the proposed development on the existing retail centres in the wider commercial network of the area, and the extent of the trade area the proposed centre will attract the majority of its customers from if developed as proposed.

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



1.1. OBJECTIVES

The central objectives of this report are to:

- Delineate and illustrate the geo-spatial extent of the local Mandeville market, the principal economic market any Mandeville convenience activity is desired to service.
- Provide a detailed profile of the key economic and social demographic characteristics of the identified market (i.e. the core market).
- Determine the market's current population and household base and forecast this over a forward planning period to 2031.
- Calculate the level of retail expenditure generated by the market across the relevant retail sectors, and project this out to 2031.
- Model the level of sustainable retail floorspace (current and future) for the identified market, based on retail expenditure forecasts and sustainable retail sector productivities.
- Outline the likely role and function of existing centres in the wider market and how they will function with the proposed convenience centre operating in the market.
- Assess the sustainability and appropriateness of developing a superette in the order of 1,000sqm within the Mandeville Centre, and how it would function as part of the centre.
- Assess whether there are likely to be any trade competition impacts that are likely to flow over into wider retail distributional effects on the existing centres that are considered to be significant in their nature, in context of the RMA.
- Determine whether the proposed centre is appropriate to meet the convenience requirements of the local Mandeville market.

1.2. INFORMATION SOURCES

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

- Census of Population and Dwellings 2006 and 2013 - Statistics NZ
- Household and Population Projections – Statistics NZ, WDC
- Residential Dwelling Consent Data – Statistics NZ
- Household Economic Survey - Statistics NZ
- Retail Trade Survey - Statistics NZ
- Proposed Mandeville Centre information - WDC

2. LOCALISED MANDEVILLE MARKET

Figure 1 illustrates the core economic market for the local Mandeville area. Undeveloped Residential Zone areas have also been illustrated for context and included given they form part of the future local market.

Any marginal reshaping of the catchment boundaries is unlikely to materially change the population and household base, and therefore the catchment and market size.

It is also important to note that residents within this localised market will also shop in centres outside of the demarcated area due to the layering of centre catchments. In this regard the area illustrated in Figure 1 represents the area where it is anticipated the proposed Mandeville Centre would service the vast majority of its customers and sales.

It is this area on which the subsequent analysis in this report is based.

FIGURE 1: LOCALISED MANDEVILLE MARKET



Source: Property Economics, Google Earth, WDC

3. DEMOGRAPHIC PROFILING

This section identifies some of the relevant key economic and social demographia of the identified Mandeville market and compares them with the wider Waimakariri District demographics to provide context. A full breakdown of the demographic profiling has been provided in Appendix 1.

Some of the salient findings from the demographic profiling include:

- The identified Mandeville market currently has just over 1,300 residents in approximately 455 households, equating 2.9 persons per dwelling, a ratio significantly higher than the wider Waimakariri District average (2.60).
- Within the indicative market around 50% of households earn over \$100,000 per annum, compared to only 28% of households across the wider district. This is similar to personal incomes levels within the catchment where 42% of the working age population earn over \$50,000 per annum compared to only 28% across the district. This typically translates into higher levels of annualised retail expenditure on a per household unit basis and greater spending power.
- The area's higher household income levels compared to the wider District can be attributed to a combination of factors including a higher average qualification attainment, with nearly 20% of its working age population with a Bachelor's Degree or higher, nearly double that of the wider district average of 11%.
- Also contributing to the area's higher household income differential is the higher proportion of workers compared to the Waimakariri district (73% vs 66% respectively). In addition, the profiling indicates that workers within the area are more likely to be in 'White Collar' positions, with a higher proportion of workers in managerial and professional positions relative to the wider district. These employment positions typically have higher wage rates compared to 'Blue Collar' jobs.
- Comparatively, the identified catchment has a higher proportion of 'Couple' and Two Parent households at 41% and 45%, compared to the Waimakariri average (37% and 33% respectively). Conversely, the identified catchment has a smaller proportion of 'Single' households (7%) compared the district average (19%).
- In terms of ethnic composition, within both the identified catchment and the wider district, European peoples are the predominant ethnic group, comprising 91% and 88% of the population respectively.
- Interestingly, within the identified catchment, there is not only a higher proportion of home ownership but a larger proportion of dwellings of 4 – 5 bedrooms, reflecting the higher relative income levels and larger family sizes of the catchment relative to the wider district.

4. POPULATION AND HOUSEHOLD FORECASTS

Table 1 displays the population and household growth projections within the identified market. The household and population forecasts utilised for this report have been based on 'at capacity' zoning potential and development plans provided by WDC with a total dwelling capacity of 621. It has been assumed that the localised market will be at capacity by 2031. An overview of these projections is summarised in Table 1.

TABLE 1: CATCHMENT POPULATION AND HOUSEHOLD FORECASTS

	2014	2016	2021	2026	2031
Population	843	946	1,197	1,451	1,697
Households	290	329	426	524	621
Household Size	2.91	2.88	2.81	2.77	2.73
Population Growth (p.a.)		5.95%	4.82%	3.91%	3.19%
Household Growth (p.a.)		6.50%	5.32%	4.20%	3.47%

Source: Property Economics, WDC, Statistics NZ

For the purpose of this report, 2014 is classified as current (colour coded blue), year 2016 is classified as short term (colour coded yellow), year 2021 is classified as medium term (colour coded green) and years 2026 - 2031 are classified as long term (colour coded pink).

The identified market has a current population of just over 800 people and around 290 households, with this projected to increase to around 1,700 people and 620 households over the forecast period to 2031. This means the population is more than doubling over the period at an average growth rate of around 50 residents per annum.

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

Further to the localised market identified in Table 1, immediately east of Mandeville in Swannanoa is an additional piece of land rezoned to 4A Residential that could potentially be added to the 'localised market' as it is within very close proximity to Mandeville (i.e. within minutes). It is Property Economics understanding that there is potential capacity for 30 dwellings to be developed within this 4A Residential land holding.

This development potential is additional to the Table 1 figures, and the 'at capacity' total of 621 households within Mandeville. There is also a further 20 or so dwellings within the area surrounding the subject 4A Residential land that would increase the 'localised Mandeville market' by around 50 households. This quantum of households is unlikely to have any material impact on the conclusions determined in this report.

Using the additional 50 households as a basis, the convenience expenditure generated by this market would be only able to sustain half a convenience store (i.e. around 50sqm GFA). Therefore the market implications of an additional 50 dwellings for the proposed Mandeville Centre are not material in nature, and would simply assist in sustaining any future Mandeville provision.

5. RETAIL EXPENDITURE AND FLOORSPACE PROJECTIONS

This section of the report estimates the level of retail¹ expenditure that is generated in the identified market on an annualised basis in 2014 NZ dollars by retail sector.

Retail expenditure forecasts have been based on the aforementioned population and household growth projections as outlined in Section 4, and has been prepared using the Property Economics Retail Expenditure Model. A more detailed breakdown of the model and its inputs can be seen in Appendix 2.

Growth in real retail spend has also been incorporated at a rate of 1% per annum over the forecast period. The 1% rate is an estimate based on the level of debt retail spending, interest rates and changes in disposable income levels, and is the average inflation adjusted increase in spend per household over the assessed period.

Note the figures below are in 2014 dollars and exclude the retail activities, as categorised under the ANZSIC² classification system, including:

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

The above sectors are not considered to be core retail expenditure, nor fundamental retail centre activities in terms of visibility, location, viability or functionality. Also excluded are trade based activities such as kitchen showrooms, plumbing stores, electrical stores, paint stores, etc. for similar reasons.

It is important to note that the retail expenditure generated in the identified market does not necessarily equate to the sales of any retail stores within the market. Residents can freely travel in and out of the area, and they will typically choose the centres with their preferred range of stores, products, brands, proximity, accessibility and price points. A good quality centre will attract customers from beyond its core market, whereas a low quality centre will have retail expenditure leakage out of its core market. Therefore, the retail expenditure

¹ As defined by the core retail sectors in the ANZSIC System

² Australia New Zealand Standard Industrial Classification

generated in an area represents the sales centres or retail stores within that area could potentially achieve.

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

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

Applying a pragmatic commercial market lens, the proposed Mandeville Centre will primarily perform a convenience function along with some core commercial services. For this reason the report will focus on Convenience retailing only, as it is within these markets that the centre will operate and compete in. Given its locational properties, localised market, role and function, it is also unlikely that the centre will expand on its convenience role over the foreseeable future.

Convenience retail can be generally defined as stores used for quick stop and frequently required shopping, used primarily due to their close proximity to the customer. These stores are not exclusive to any one retail category with examples of such stores including, dairies, bakeries, fruit & vegetable stores, cafes and restaurants.

Nationwide, convenience retail spend (excluding Supermarket expenditure), is estimated to represent around 19% of all retail expenditure, and this ratio has been adopted for the purpose of this analysis given the minimal variation at a localised level. In order to provide a more detailed understanding of convenience retail, a more comprehensive list of convenience store types is provided in Appendix 3.

Table 2 illustrates convenience retail expenditure generated (in 2014 NZ dollars) in the local Mandeville market and the resulting level of sustainable retail GFA. This represents the 'core' market that the proposed Mandeville Centre will service, and the retail expenditure 'pool' it is likely to draw the majority of its sales.

TABLE 2: CATCHMENT CONVENIENCE EXPENDITURE AND GFA FORECASTS

Convenience Retailing	2014	2016	2021	2026	2031
Retail Expenditure (\$m)	\$1.5	\$1.6	\$2.1	\$2.6	\$3.1
Sustainable Net Floorspace (sqm)	207	221	289	359	430
Sustainable GFA (sqm)	296	316	412	512	615

Source: Property Economics

The identified market currently generates an estimated \$1.5m per annum of Convenience retail expenditure. Growth in Convenience retail expenditure is estimated to double by the end of the assessed period to \$3.1m per annum. At the current level of retail expenditure generated, a total of just under 300sqm in convenience retail GFA is sustainable by the catchment, with this growing to around 600sqm by 2031, assuming all this convenience retail expenditure is internalised.

Note, Table 2 refers to retail activities only and does not include localised commercial / professional services or community activities often found within convenience centres. This would increase the, 'at capacity' (i.e. 2031) GFA requirement to around 1,000sqm GFA once factored in applying 40:60 of commercial activity to retail activity ratio for the centre.

It is acknowledged that this non-retail ratio typically ranges between 30% - 50% depending on local market factors (demographic, competition, supply, etc.). However for the purposes of this report Property Economics have adopted a midpoint average of 40%.

6. POTENTIAL ECONOMIC COSTS AND BENEFITS (& IMPACTS)

Economic impacts are the effects a project (or policy) has on the economy of a designated project area, measured in terms of the change in business sales, jobs, value added, income, or tax revenue. These effects are sometimes referred to as "economic development impacts". Economic Benefit-Cost Analysis is an exercise to determine an action's economic welfare effects (compared to costs), Economic Impact Analysis is an exercise to determine how a project (or policy) affects the amount and type of economic activity in a region.

Economic impacts can result from various sources, including time savings to businesses, household and business vehicle operating cost savings, the strengthening of local and regional market connectivity, induced land development, or increased tourism. In all cases, economic impacts arise when a project causes a change in prices, a change in household behaviour, or a change in business behaviour that affects business investment, attraction, expansion, retention, or competitiveness in the study area.

For the purposes of this report the cost benefit analysis includes the potential impacts upon the localised economy, its function and prosperity as well as the level of community wellbeing experienced. While many of these costs and benefits could be quantified, for the purposes of this report, it is pragmatic at this stage to identify them with some indication of their relative degree and weighting.

In terms of a retail development such as that proposed at Manderville an economic cost benefit analysis illustrates the potential net economic value to the community, taking into account the impacts on all parties within the community both residential and commercial.

It is also important to assess a net economic position including both the economic benefits of the proposal and the economic costs both in terms of the direct impacts and the potential 'loss' of alternative uses. This opportunity cost is included to assist in understanding the economic impacts not only on the current situation but on the potential economic environment that could occur under an alternative (the next best) activity.

Potential Economic Costs

While the potential costs of the proposal are limited due to the type (convenience) and quantum of retail proposed there are potential issues that are raised in relation to the market responses and whether those meet with the overall economic strategy of the Operative Plan.

Potential impacts (risks) include:

- A limited diversion of convenience retail demand from smaller centres. This impact is likely to be insignificant due to the 'convenience' nature of the retail offer and is not likely to result in any distributional impacts due to the same reason.
- The over provision of sustainable retail space leading to a lower quality space and offer. Given the market assessment in the sections above there is the potential that the quantum of this development could affect its potential quality as the demand from the local catchment will be restrictive over the shortterm. This however is not a given as the locations offer and profile could result in a higher overall quality.
- Reduction in residential land supply (assessed as the most likely alternative use). There appears to be no shortage of residential land supply within the local

catchment. Therefore the impact of reducing this potential supply by the quantum sort is likely to be inconsequential.

- Dissolution of smaller community parameters. The provision of convenience retail often defines community borders. A larger convenience centre has the potential to increase the parameters of these within a given area. Although not directly an economic issue it has the potential to affect the economic costs resulting from social issues. Given the size of both the proposed retail offer and the level of community identity this is unlikely to become an issue.
- Decreased convenience. Larger convenience centres can have the effect of decreasing overall convenience as retail needs are met for a wider area. Given the nature of the planning regulations in this area however there appears to be ample opportunity for the market to meet these convenience needs if the community identifies (through their demand preferences) this demand.
- Increased travel (through decreased convenience). While larger convenience centres meet greater levels of need, providing greater choice, they also must service a wider catchment. This has the potential to increase the level of travel required. Equally however if the level of retail required would not be met in smaller convenience centres (i.e. households would need to travel to larger centres outside the catchment for higher level retail needs potentially met by the larger convenience centre) the need for travel would be reduced.

Potential Economic Benefits

The provision of economic benefits to the local community are often subject to the current provision of retail within the area as well as the potential for the market to utilise, accept and capitalise on the additional floorspace. This will in large part be predicated on the quality and suitability of the retail offer developed and maintained.

Potential impacts include:

- Increased choice. This is a fundamental economic benefit and crucial for the local catchment to retain a greater degree of retail spend and therefore economic activity.
- Increased accessibility. Also relates to decreased travel requirements.
- Increased convenience. Relates to increased choice and the reduced need to access retail offers outside the localised catchment.
- Increased retail spend. The provision of greater levels of retail has a (although non-linear) impact upon the likely level of retail spend within a given area. Increased

convenience and choice often lead to less internet spend and greater overall spend on retail through higher profile levels.

- Decreased retail leakage. A key consideration with regard to the local economy. Retail leakage decreases local economic activity and amenity. Although retail leakage in this location will remain high it is of value to the local community to retail greater levels of convenience spend where possible.
- Increased local employment (if there is a reduction of leakage, hence net job creation). The 'economic activity' alluded to above through reduced leakage includes the increase in demand for local jobs. This in turn reduces the need for employment travel.
- Initial economic injection through construction. The development of retail to the level proposed would have an initial economic injection into the local community. Although a significant level of this development budget would fall outside the catchment there would be still be a relatively strong boost to the local economy.
- Increased 'flow-on' spend (economic multipliers). This 'boost' would flow through to household income through increased local spending both for the initial construction stage and from the potential increase in localised employment.
- Increase in other local commercial services. Retail is a key attribute sought by commercial services. The potential increase in amenity could result in increased demand from local commercial business support services.
- Increased amenity.
- Increased residential house prices. Local amenity such as access to quality retail and commercial services ultimate affects the demand and competitiveness of the local housing stock, increasing both supply and potentially prices.

From the impacts outlined above the economic perspective of the proposal is clearly a positive one. However the relativity of these costs and benefits (as stated above) are dependent on the market conditions under which they operate. These conditions are outlined in the preceding sections of this report which show a limited demand for the entire proposal. This is likely to impact upon the relative economic benefits of the development but not to the point that would discount all net economic benefits that would likely result. The potential for the development to 'future proof' retail spend within the local catchment would increase the relative value of these benefits over time.

7. SUMMARY

It is Property Economics' understanding that the Mandeville Centre is proposed to consist of the following tenancies:

- Convenience Retail Dairy / Superette – 770sqm (Potentially 1,000sqm)
- Café / Wine Bar Restaurant – 250sqm
- Takeaway Restaurant – 80sqm

Total Convenience Retailing: 1,160sqm (1,390sqm with 1,000sqm Superette)

- Bank / Post Shop – 140sqm
- Real Estate Agency – 100sqm
- Garden Centre – 150sqm
- Medical Centre – 100sqm

Total Professional and Commercial Services: 490sqm

Based on the analysis undertaken in this report (and including an appropriate localised commercial / professional service provision), an estimated 500sqm is currently sustainable by the localised Mandeville market assuming complete internalisation of the assessed convenience retail expenditure. Realistically the proposed centre is likely to capture around half of the available spending from the localised area in convenience retail, depending on the quality, amenity, and tenancies of the proposed centre, i.e. a higher quality centre would be more attractive to customers and would likely attract a higher proportion of available convenience spend.

Accounting for retail leakage, current sustainable levels of convenience activity for the Mandeville market around 200sqm – 300sqm GFA currently. Forecasting 'at capacity' demand retail expenditure out to 2031 and maintaining the same levels of retail retention, the sustainable levels of the convenience retailing provision within the catchment to satisfy future growth is in the order of 500sqm – 600sqm GFA (retail only). Adding non-retail commercial and professional services generates an 'at capacity' sustainable GFA of around 1,000sqm. From a commercial market perspective providing some flexibility around the extent and composition of the centre would be pragmatic given the role and function of the centre would not change. Applying such a buffer would increase the provision to around

1,300sqm GFA as an acceptable provision, particularly incorporating some allowance for non-localised passing traffic trade.

In terms of the total convenience retail component of the proposed centre (1,650sqm GFA), it is considered above and beyond what is sustainable by the localised Mandeville market. The proposed development (or any smaller scale development of similar store types) in my view is likely to reduce the level of retail leakage out of the localised market but will also require to service customers from markets beyond the identified area in order to be economically sustainable.

In considering potential retail impacts in an RMA context, any such impacts across a wider area are likely to be negligible given the proposed size and function of the centre. The centres in closest proximity being Rangiora and Kaiapoi, not only perform significantly higher order role and function within the wider market but are significantly larger in terms retail provision and total centre size.

It is likely that even with the Mandeville Centre development, residents within the identified catchment will continue to utilise Rangiora and Kaiapoi for the weekly shopping requirements and for higher order retailing and commercial / professional services that are currently unfeasible to provide locally. This includes higher order retail stores such as Supermarkets, Department Stores, Fashion retailing, etc. It is important to remember Kaiapoi and Rangiora have convenience activity also, and these activities form an important part of each centre's functionality, amenity and vitality.

When comparing the relative centre size of Rangiora (27,000sqm GFA) and Kaiapoi (14,000sqm GFA³) in terms of retail provision against the proposed Mandeville Centre (1,650sqm GFA), it is clear that retail distribution effects (if any) will be negligible in size. In other words, the Mandeville Centre as proposed will simply not have the scale or store types that would divert significant sales away from other centres in the market.

In essence, the proposed Mandeville Centre will service the localised market for their day to day shopping requirements only, while higher order retail needs will still be serviced by higher order centres such as Rangiora, Kaiapoi and centres further afield in Christchurch. As such the activity store types envisioned in the development are likely to 'add to' rather than 'compete with' the surrounding retail activity and centres in the catchment. This results in non-consequential retail effects in a RMA context that would not undermine the current economic and social performance of surrounding centres.

However, the District Plan envisages small rural based convenience centres to service their immediate local market only and not depend on capturing residents from wider rural

³ Based on Property Economics retail audits a few years dated, albeit still considered relevant as an indicative guide in this instance.

locations to support such a centre. If the Mandeville centre were to be developed today as proposed, its sales and continued function would depend not only on its localised market but also residents from other nearby rural communities.

While its establishment may not have any material effects on any existing centres under the RMA, the Council seek a centre designed and scaled to operate as a centre to support the local Mandeville residents only. It should be noted that full development of what is currently proposed at Mandeville is likely to impact on the commercial viability of any future provision within Swannanoa and Ohoka as such activity would compete directly against the Mandeville Centre for much of the same market.

In regard to potentially expanding the proposed Superette to 1,000sqm GFA, this would only further increase the scope and function of the Mandeville Centre and widen the area of its core customer base to well beyond the local Mandeville market. The analysis in this report indicates the local Mandeville market can only support a significantly smaller food and grocery store (both currently and 'at capacity'). This is likely to be in the order of 300-450sqm GFA.

It is important to note that the sustainable level provides an indication of what a well-functioning centre could sustain given the localised market, however it is not meant to provide a hard and fast limit as to the extent of commercial development potential. Given the quality and quantum of the surrounding retail network, developing a slightly larger centre in the order of 1,300sqm GFA would be acceptable without creating material adverse impacts on the surrounding market. The implications of such would likely be restricted to the retailers themselves in regard to potentially lower productivity levels within the centre.

In summary Property Economics consider that there are no justifiable economic RMA arguments for why the proposed Mandeville Centre should not be developed, given its implausible potential to generate significant adverse retail distribution effects on existing centres within the wider network. However, it is Property Economics understanding also that the District Plan gives a steer to limit the role and function of rural centres to servicing its localised catchment only, therefore a convenience centre in Mandeville of size around 1,000sqm – 1,300sqm GFA (retail, commercial and professional service activities inclusive) 'at capacity' is considered to be appropriate. This would allow for the establishment of additional and similarly sized centres (depending on the market) in other rural communities in close proximity to Mandeville without compromising the viability, performance, role and function of one another.