APPENDIX M

Peacocke Structure Plan

Retail Assessment

21 October 2020

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Peacocke Structure Plan

Retail Assessment

Prepared for

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Contents

Figures

1 Introduction

1.1 Background

Peacocke Is a significant growth cell in Hamilton City, and urban development in that location will play an important part of contributing to Hamilton being an attractive place to live. The vision for Peacocke is to enable the development of an attractive and sustainable community. The Peacocke growth cell is now likely to be available for development earlier than originally anticipated. As a consequence, detailed assessments are required across various disciplines to refresh the assessments that were undertaken to inform the existing Peacocke Structure Plan (2012).

The Peacocke Structure Plan ("PSP") area is south of the city and is approximately 746ha of land. It has remained undeveloped for the last thirty years due to the prohibitive cost of infrastructure needed to make the land suitable for residential living, including roads, water, wastewater and stormwater. Hamilton has seen significant growth over recent years, and it is likely to continue into the future with projected growth from 60,600 households in 2020 to nearly 84,000 by 2040, growth of 38% or 1,150 households per year. As a result of the increased growth pressure that the city is currently experiencing, Hamilton City Council ("HCC") has recently agreed to fast-track development of the area, and it will become one of the city's top priorities.

The yield estimates on which this assessment is based indicate that there is capacity for nearly 7,300 dwellings in the PSP area, plus an additional 800 in the first stage (in the west, adjacent to Dixon Dr) that are already under development or complete. Of the total 746ha in the Structure Plan area, some 304ha will be set aside for reserves, open space, wetlands, community facilities and infrastructure (including arterial roads), leaving 442ha proposed to be used for residential dwellings or centres (although at least 200ha of that will be used for local roads).

1.2 Current position

The PSP is now being revisited to take into account recent and expected growth trends, to address administrative and legal issues resulting from decisions made by the Environment Court in relation to the Operative District Plan. The revised PSP will take the opportunity to review expected dwelling yields and the appropriate provision of centre space, although any changes made are expected to be refinements more than starting from a clean slate, particularly given progress that has been made with certain roading and other infrastructure which will influence the overall urban form of the PSP area.

1.3 Objective

The PSP has identified a network of centres to provide for the needs of the future Peacocke population, including a Suburban Centre and four community focal points. The objective of this report is to review that proposed provision, and to review the number, type, size and location of those centres to ensure they are appropriate to provide for the needs of the Peacocke community.

2 Peacocke Structure Plan

This section provides an overview of the PSP's assumptions, geographic layout, and dwelling yields as the basis for the following retail assessment.

2.1 PSP objectives

The 2012 version of the PSP is being updated to reflect work undertaken since its completion, particularly in regards to stormwater, biodiversity and ecology requirements, and given the effect these changes will have on dwelling yield. In brief, expected dwelling yield from the PSP area is now somewhat lower than in the 2012 PSP, given the greater requirements for non-developable areas that will form part of the green network. That reduction is countered somewhat by an assumed higher density yield in some of the residential zones, in line with an emerging acceptance of higher density typologies, particularly terraced housing, by property owners and by developers.

Nevertheless, the net result is a reduction in dwelling yield from the PSP area since the 2012 PSP was completed, and that reduction will have implications for retail demand and centre size. Centres are a core part of the urban fabric of new growth areas, and help to make attractive places to live, with the types of amenity that contribute to an attractive and sustainable community. That outcome is consistent with the vision for the Peacocke Programme, which includes the delivery of Peacocke's strategic network infrastructure, community facilities, resource consenting and building consenting activities, ecological protection and enhancement, funding, monitoring and reporting and commercial activities.

2.2 Location

The Peacocke growth cell is located in the southern part of Hamilton, and is bordered by the established residential suburbs of Glenview and Fitzroy in the west, the Waikato River to the north and east, and the southern boundary of Hamilton City in the south (Figure 2.1).

Figure 2.1: Peacocke location

2.3 Key metrics

The PSP area is 746ha in total, of which just over a third (268ha) will be able to be developed to accommodate either dwellings or centres (Figure 2.2). Large parts of the total area will not be developable (labelled "Not Developable Area" in Figure 2.2), being required for roads and other infrastructure (water and electricity), or set aside as a green network focussed around the area's extensive stream network and bordering the Waikato River.

Figure 2.2: PSP land area by activity type (ha)

	Net developable area	Not developable area	Total area
Residential and centres			
Residential	262	174	435
Centres	6	-	6
Residnetial and centres	268	174	442
Other uses			
Reserves/open space	-	193	193
Infrastructure	-	103	103
Community facilities	-	8	8
Other uses	-	304	304
Total	268	478	746

2.4 Preferred zoning

This assessment is based on the zoning configuration and urban form proposed in the current (October 2020) version of the PSP. Notable elements of that zoning include:

- The proposed Suburban Centre in the mid-east of the PSP area.
- A network of four Neighbourhood Centres, intended to provide walkable access to a limited range of commercial goods and services.
- Major transport links, including north-south and east-west major arterial routes, a minor (north-south) arterial road through the eastern part of the area and a new bridge across the river (connecting into Cobham Drive just east of Hamilton Cemetery).
- The influence of three natural character areas:
    - Terrace Area: the high amenity area adjacent to the Waikato River, where mostly high density residential development is proposed.
    - Gully Area: The environmentally sensitive Mangakotukutuku Gully network runs through the centre of Peacocke, where lower densities are appropriate.
    - Hill Area: The undulating topography in the south is proposed for lower density, with steep slopes intended to keep their natural form.
- The significant green network and presence of wetland areas.
- The constrained areas proposed for residential activity and centres.
- The staging proposed. The exact timing of development on the ground will be flexible and will change as development proceeds, however the current staging indicates best current thinking as to sequencing of development as influenced by factors such as capital

expenditure approval for infrastructure and location in relation to established urban areas (stages 1A and 1B are under development now) and areas of high amenity (2A and 2B adjacent to the River are scheduled to be next to develop). The retail assessment in this report translates that sequence to an indicative timing to describe when centre supply sill be sustainable, however the most important indication from that assessment at present is the total quantum of space required (and location), rather than timing, which will be subject to change as development progresses.

2.5 Yields

Information provided by HCC for planning and assessment purposes has divided the PSP area into 67 residential growth areas, and separately identified other areas for potential centres and open space, etc. That structure allows HCC to apply assumed dwelling densities to each residential area, accounting for the underlying zoning. The current assumptions applied are described in Figure 2.3. Those assumptions may be subject to change as development planning for the area progresses, and, for example, in response to matters raised in submissions or by HCC officers as other disciplines complete assessments and advances in infrastructure timing and funding are made.

Key observations from the current assumptions are:

- The highest density zone is planned to be the Peacocke High Density Overlay Area, 120ha of gross land area that would yield 72ha of developable land and nearly 2,800 dwellings at average densities of 40-60 dwellings per developable hectare (that density varies depending on where within the PSP area the high density area is).
- The Medium Density Zone is planned to achieve 25-40 dwellings/ha, and just over 4,500 dwellings total, across 272ha gross land area, and 163ha net.
- A further 812 dwellings are anticipated to be developed in Peacocke Stage 1A, which is currently underway.
- Nearly 200 dwellings are provided for in the proposed Sports Park, which zone is over 8ha total area.
- A total dwelling yield of 8,381 dwellings on 273ha of developable land (464ha gross).
- A Suburban Centre spread across two sides of the minor arterial route through the eastern side of Peacocke, indicatively of around 4ha, and located in anticipation of leveraging off connection with the Waikato River to its east.
- Four Neighbourhood Centres, ranging in size from 1,000m^2 (land area) to 1.35ha (the centre in the north-west near the Water Treatment Station) (gross and net, assuming no part of the areas identified is required for roading).

Figure 2.3: PSP dwelling yields by zone

	Total area (ha)	Net developable area (ha)	Dwelling density (dwg/ha)	Dwelling yield
High Density Overlay Area	120.1	71.8	40-60	2,788
Medium Density Zone	272.1	163.3	25-40	4,528
Peacocke Stage 1A	43.3	32.5	25	812
Proposed Sports Park	22.5	5.0	n/a	198
Suburban Centre	4.1	0.9	n/a	55
Neighbourhood Centre	2.0	-	n/a	-
Total	464.1	273.5		8,381

In addition to the dwelling yields described in Figure 2.3 additional households in the fringe around the PSP area will be expected to direct some part of their retail spending into Peacocke's centres. Those areas are identified in Figure 3.3.

2.6 Staging

There is not yet any firm indication of when the various stages of Peacocke will be developed, and these will be influenced as planning timeframes progress, and will be influenced by a range of factors such as market uptake and capital funding for infrastructure. The timing is of some importance to this assessment, however perhaps the more critical output will be the appropriate centre size (and location), with timing of each centre's development likely coincident with broader development in each area. That is certainly true for the neighbourhood centres which have a limited geographic catchment, and would appropriately be developed at the same time as dwellings around them.

Timing is possibly of more importance in relation to the suburban centre, which will provide for an amount of floorspace that will be supported by households living across Peacocke (and to adjacent areas). The full extent of the Peacocke suburban centre may not be supportable before Peacocke's residential development is nearing capacity, and a staged approach to the centre could be appropriate.

For these reasons we have made assumptions about a potential development timing for the PSP area, using the stages identified in the current proposed version of the PSP. That assumed profile is subject to change, but provides a fair indication of broad temporal trends using the best information currently available. One factor guiding the assumed timing was to provide a consistent average annual dwelling completion rate, of around 350 dwellings per year, which would mean Peacocke would take around 25 years to be fully developed.

Figure 2.4: Development timing assumed for retail assessment

	pre 2020	2020-23	2023-28	2028-33	2033-38	2038-43	Post 2043	Total	Dwellings
1A	40%	40%	20%					60%	812
1B		80%	20%					100%	334
2A			40%	40%	20%			100%	2,194
2B			30%	30%	30%	10%		100%	1,251
3A			20%	25%	35%	20%		100%	1,875
3B					15%	70%	15%	100%	1,133
4					10%	60%	30%	100%	782
Peacocke total		7%	23%	21%	21%	22%	5%	100%	8,381
Dwellings/year		197	371	344	344	352			

3 Retail demand assessment

The dwelling yields assessed above are used as the basis of the retail demand assessment contained in this section. This assessment assumes that each dwelling will accommodate one household, and all households will generate retail spending. Some proportion of that spending will be directed to centres within Peacocke, with much leaving the area to be directed to larger centres within Hamilton. The sales directed to PSP centres will then require floorspace to support retail and services businesses in centres, and quantification of the space supported is the core output from the assessment.

3.1 Approach

3.1.1 Market capture

To inform assumptions about market capture, we have used Marketview data. Marketview data identifies credit and debit card transactions from BNZ customers, and establishes the geographic link between the residential address of the cardholders and the location and type of merchant involved in the transaction. It is estimated that the Marketview transactions data accounts for approximately 15% of all spending in the NZ economy. Marketview data is only made available in an aggregated form that protects the confidentiality of customers and the commercial sensitivity of merchants.

Data for this project was provided by HCC, and sourced from a dataset commissioned by Council from Marketview, which covers the 2008-2019 calendar years. For this assessment we used only data from 2018 and 2019, which is most representative of current retail patterns. That data was used to show the structure of retail spending in Hamilton by storetype, and identified:

- The origin of spend in businesses in Hamilton (9 origins: north-east, north-west, west, central, east, south, south-east, rest of Waikato, out of Waikato)
- The destination of spend in Hamilton by people from each origin (Central City zone and District Plan business zones 1-7)
- Seven storetypes (apparel, department stores/furniture/appliances, food and liquor, hardware and homeware, hospitality and accommodation, non-retail businesses, other retail).

That data provides an understanding of retail flows within, into and out of Hamilton, and gives a basis for estimating what flows might occur in Peacocke.

The destination of retail spend from the Marketview data is shown in Figure 3.1. Key observations from that data, relevant to this assessment, are:

- The Central City Zone (“CCZ”) and Sub-Regional Centres (“SRCs”, The Base and Chartwell) are dominant retail destinations for most categories, attracting 97% of Hamilton resident’s spend on apparel, 77% in the group department stores/furniture/appliances, and 67% of other retail.

- Those CCZ and SRCs have lowest shares for food and liquor, hospitality and non-retail businesses, the categories in which Suburban centres have the highest share.

Figure 3.1: Hamilton retail spend destination by centre type (Marketview)

Category	Central City Zone	B1 (Commercial Fringe)	B2 (Events Facilities Fringe)	B3 (Sub-Regional Centre)	B4 (Large Format Retail)	B5 (Suburban Centre Core)	B6 (N.hood Centre)	B7 (Frankton Commercial Fringe)	Total
Apparel	30%	0%	0%	67%	0%	2%	1%	0%	100%
Dept stores/Furniture/Appliances	26%	0%	0%	51%	14%	8%	0%	1%	100%
Food and Liquor	38%	2%	0%	7%	7%	32%	13%	0%	100%
Hardware and Homeware	9%	0%	8%	30%	47%	1%	0%	5%	100%
Hospitality and Accommodation	48%	5%	3%	8%	2%	18%	12%	4%	100%
Non-retail businesses	32%	4%	3%	20%	5%	27%	7%	2%	100%
Other retail	35%	3%	4%	32%	4%	13%	6%	3%	100%

There is nothing to indicate that households in the PSP area will be atypical of the average current Hamilton household, and therefore it is appropriate to apply the average spend destination structure identified in Figure 3.1 to projections of Peacocke households' spending, to estimate how much space they will support in each location. For the purposes of this assessment, we focus on the amount of spend those households will support in Peacocke's Suburban and Neighbourhood centres. Discussion about the potential for other centre or retail nodes types is provided in section 3.1.2.

3.1.2 Peacocke centre types

As discussed in section 1 previous work undertaken for the PSP 2012 (and prior) settled on an appropriate provision of centres in the PSP area being a Suburban centre and several small Neighbourhood centres. While Peacocke households will generate demand supporting space in a wide range of retail categories, it will not be feasible to provide for all of those different categories within the PSP area.

Take for example large format retail ("LFR") space. LFR is a space extensive retail format that requires large sites to operate from, and typically services a large catchment and many thousands of households, with each brand requiring few sites within all but the very largest retail markets. We have assessed the average market size for some of NZ's largest retail chains, and those are representative of LFR stores generally. That assessment shows:

- On average, across all of NZ, there is one The Warehouse for around 20,000 households, one Farmers per 32,000 households, and Rebel and Briscoes typically require more than 40,000 households per store (Figure 3.2).

- Supermarkets require around 4,000 households, on average to support a store, accepting that there are a wide range of sizes of supermarkets, and many smaller stores supporting smaller communities. The largest stores such as Pak'n Saves are less common and have much larger catchments (average 31,000 households per store) than smaller stores (10,000-15,000 households per store).

- Within Hamilton City most brands have a number of stores similar to what would be expected based on the national average number of households per store.

Figure 3.2: Average LFR store market size

	NZ total		Hamilton City	
	Store count	Households per store	Actual stores	Stores expected (from NZ average)
The Warehouse	93	20,200	3	3.0
Farmers	59	31,900	3	1.9
Rebel	38	49,500	1	1.2
Briscoes	46	40,900	2	1.5
Countdown	184	10,200	8	5.9
New World	140	13,400	4	4.5
Pak'n Save	60	31,300	2	1.9
Smkts generally*	463	4,100	16	14.9

** i.e. ignoring supermarket brand*

The expected yield from the PSP area is nearly 8,400 households. That indicates those households will not by themselves support any of those most common LFR stores in Figure 3.2 (aside from supermarkets). PSP area households will support parts of stores that might establish elsewhere, however there would not be a need to provide those stores in Peacocke, and they would more appropriately be located elsewhere, especially given proximity of the PSP area to the Central City. The lack of need and support for those LFR stores in the PSP area indicates that other LFR stores (furniture stores, appliances etc.), which typically share a very similar catchment size with stores such as Farmers and The Warehouse, would also not be needed, or appropriately provided, in Peacocke. Ultimately that appropriateness comes down to a policy decision about how to provide for Hamilton's retail needs at a city-wide level. LFR provision will be required somewhere, and District Plan rules for retail of >1,000m^2 indicate that it is envisaged in the Central City and Sub-Regional Centres (permitted) and Large Format Retail zone (Restricted Discretionary), but not in the Commercial Fringe (discretionary) or Suburban and Neighbourhood centres (non-complying).

So unless a new LFR zone servicing a broad part of Hamilton is decided to be pursued in Peacocke (which seems unlikely given indications in the PSP and adequacy of city-wide LFR supply now), there is little need for the PSP area to provide for any LFR space, including building and home improvement retailers such as Mitre 10 and Bunnings. This allows us to conclude that limiting centre provision to Suburban and Neighbourhood centres in the PSP area is appropriate.

There are currently 11 Suburban centres in Hamilton City, serving an average of around 5,400 households each. Neighbourhood centres have much smaller catchments, and the City's 67 Neighbourhood centres have catchments averaging 800-900 households each. At a coarse level that indicates that the following are broadly appropriate in the PSP area:

- 1 Suburban centre
- 9 Neighbourhood centres.

However, those are only a guide, and are based on existing Hamilton centres. There are a number of very small (i.e. one or two tenancy) Neighbourhood centres in Hamilton now, and some Neighbourhood centres do not offer any convenience retail supply, and are instead effectively spot zones for some non-retail activity such as an automotive workshop or service station. Taking those into account, the average catchment for Neighbourhood centres is somewhere in the range of 1,000-1,200 households, indicating that the PSP area would support 7-8 Neighbourhood centres once the additional north-western fringe area (described below in section 3.1.3) is accounted for. This is only an indicative centre yield, and the appropriate provision of Neighbourhood centres will be influenced by topography and accessibility, but the indication is useful as a cross check.

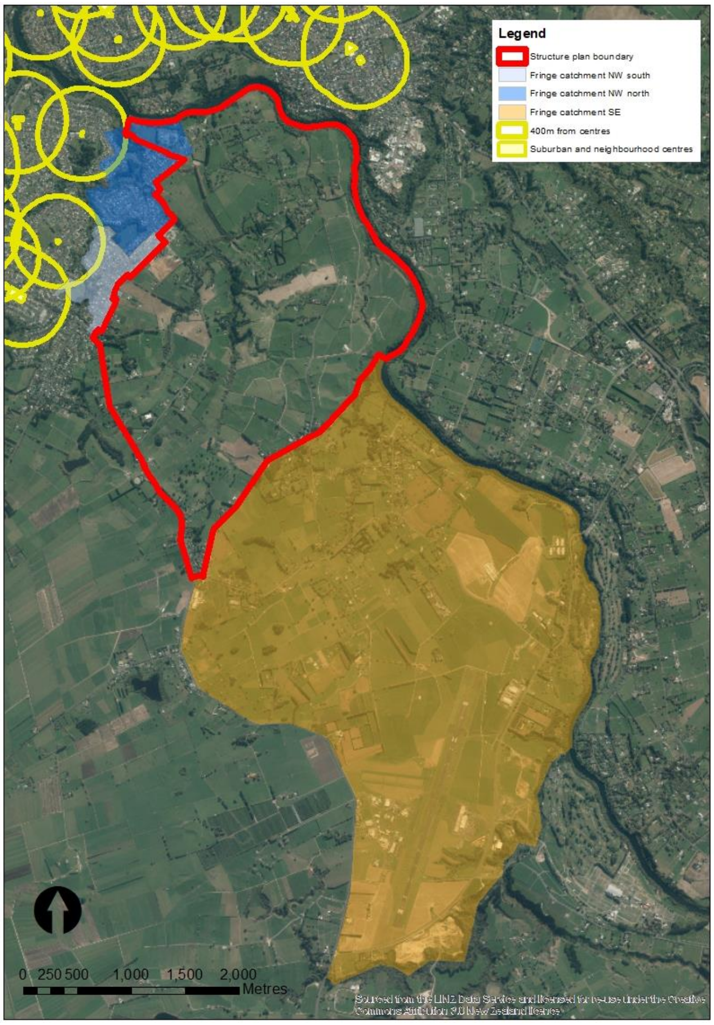
3.1.3 Catchment

The catchment for the PSP area's Suburban and Neighbourhood centres will be very strongly focussed on the PSP area, although not entirely limited to that. The nearest alternative retail supply node to the south is some distance away in Te Awamutu or Cambridge, indicating that some of the population of the large rural area in between Peacocke and those places may direct some of their spend to centres in the PSP area. However, that potential is limited by several factors, including:

- The fact that there are other retail destinations in urban Hamilton that would require travel that is not that much greater than it would take to get to centres in Peacocke, including the Central City and the Glenview Suburban centre.
- The proposed location of the Suburban centre in the PSP area will limit the accessibility of that centre for people living east of the Waikato River and west of State Highway 3.
- The presence of the Airport to the south will affect travel patterns, and, we expect act as a physical constraint to the southern edge of the catchment a Peacocke Suburban centre might draw from.
- The extent of the Suburban centre's catchment to the north and west will be limited by the existence of the Glenview Suburban centre, and by the Central City.

Taking these factors into account, we consider that the catchment of the Peacocke Suburban centre would be all of the PSP area, and also include the Fringe Rural area to the south-east (Figure 3.3). That rural area is sparsely populated, with less than 300 households resident there in 2019, projected to increase to around 400 by 2043. That area would make up only 4% of the Peacocke Suburban centre's catchment by household numbers, however, is included for completeness.

Figure 3.3: Peacocke fringe areas included in assessment



Peacocke's Neighbourhood centres will also attract some spend from outside of the PSP area, although again State Highway 3 will act as a conduit that might be expected to direct spend from the south and west towards Glenview and the Central City rather than to the interior of Peacocke. In any case, very few households live west of State Highway 3 within range of Peacocke's potential Neighbourhood centres, with only around 30 households in the area that might direct Neighbourhood centre spend to Peacocke, and so that area is not included in the catchments in Figure 3.3.

For that reason we have limited the spatial extent of Peacocke's Neighbourhood centre catchments to the PSP area plus a small fringe area in the north-west that is east of the Mangakotukutuku Gully network (blue areas in Figure 3.3). There are currently 750 households living in those two north-west fringe areas, and they are poorly served by Neighbourhood centres, being east of the gully when supply is to the west. Households in those two fringe areas are projected to increase to 1,050 by 2043, and would contribute a significant proportion of the total demand for the most north-western Neighbourhood centre in the PSP area.

3.2 Household projections

The dwelling yield estimates for the PSP area were provided in Figure 2.3, and fringe area household projections were discussed briefly in section 3.1.3. Drawing those together, household projections for the PSP area and fringe areas that will support some centre space in the PSP area are provided in Figure 3.4.

Figure 3.4: Study area household projections

Catchment	2020	2023	2028	2033	2038	2043	2048	Growth 2020-48	
								n	%
PSP area	325	917	2,774	4,496	6,214	7,976	8,381	8,056	2480%
North west fringe	757	901	923	938	958	990	1,022	265	35%
South east fringe	295	313	341	362	384	405	426	131	44%

Note that for the purposes of these projections we have assumed there are no households resident in the PSP area now, apart from those existing in Stage 1A, and so the household projections will understate household numbers in 2020. There are around 200 households in the PSP area now, and it is unclear what will happen to those: how many will be removed and replaced by comprehensive residential redevelopment and how many will be retained, albeit likely on smaller lots. That uncertainty makes it difficult to predict how that small number of rural households in the PSP area will affect total household numbers, beyond the fact that at full build-out of the PSP area they would equate to less than 3% of total households.

3.3 Total floorspace supported in all locations

The PSP area has very few households at present, and they generate a correspondingly small amount of retail spend. The fringe areas to the north-west and south-east are currently much larger markets, although this will not be the case for long as development in the PSP area proceeds. At full build-out, the PSP area is projected to be home to nearly 8,400 households, generating $281m of retail spend annually in the categories identified (Figure 3.5). That will provide a large pool of spending able to be captured by PSP centres and businesses, notwithstanding the likely limited range of retail offer provided in the PSP. Only a part of that total spend will be directed to PSP businesses/centres, with most flowing out to other centres such as the Central City, and likely even as far as The Base and Chartwell.

Figure 3.5: Total retail demand generated and supported in all locations ($m)

Storetype	2020	2023	2028	2033	2038	2043	2048	Growth 2020-48	
								n	%
PSP area									
Supermarket/Grocery	$ 3	$ 8	$ 25	$ 42	$ 61	$ 82	$ 91	$ 88	3286%
Other food	$ 0	$ 1	$ 4	$ 7	$ 10	$ 13	$ 15	$ 14	3323%
Department Stores	$ 1	$ 2	$ 7	$ 11	$ 17	$ 22	$ 25	$ 24	3315%
Apparel	$ 1	$ 2	$ 5	$ 9	$ 12	$ 17	$ 18	$ 18	3292%
Furn./Appliances/Housewares	$ 1	$ 2	$ 8	$ 14	$ 20	$ 27	$ 29	$ 28	3333%
Other retail	$ 1	$ 3	$ 9	$ 16	$ 23	$ 31	$ 34	$ 33	3326%
Hardware and Garden	$ 1	$ 3	$ 10	$ 17	$ 24	$ 33	$ 36	$ 35	3353%
Hospitality	$ 1	$ 3	$ 9	$ 15	$ 22	$ 29	$ 32	$ 31	3306%
Total	$ 8	$ 24	$ 76	$ 130	$ 189	$ 255	$ 281	$ 273	3312%
North west fringe									
Supermarket/Grocery	$ 8	$ 8	$ 9	$ 10	$ 10	$ 11	$ 12	$ 5	60%
Other food	$ 1	$ 1	$ 1	$ 2	$ 2	$ 2	$ 2	$ 1	61%
Department Stores	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 1	60%
Apparel	$ 1	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 1	59%
Furn./Appliances/Housewares	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 4	$ 1	61%
Other retail	$ 3	$ 3	$ 3	$ 4	$ 4	$ 4	$ 5	$ 2	60%
Hardware and Garden	$ 3	$ 3	$ 3	$ 4	$ 4	$ 4	$ 5	$ 2	61%
Hospitality	$ 3	$ 3	$ 4	$ 4	$ 4	$ 5	$ 5	$ 2	60%
Total	$ 23	$ 25	$ 28	$ 30	$ 32	$ 35	$ 37	$ 14	60%
South east fringe									
Supermarket/Grocery	$ 5	$ 5	$ 6	$ 6	$ 7	$ 7	$ 8	$ 3	70%
Other food	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	68%
Department Stores	$ 1	$ 1	$ 1	$ 2	$ 2	$ 2	$ 2	$ 1	71%
Apparel	$ 1	$ 1	$ 1	$ 1	$ 1	$ 2	$ 2	$ 1	69%
Furn./Appliances/Housewares	$ 1	$ 1	$ 2	$ 2	$ 2	$ 2	$ 2	$ 1	69%
Other retail	$ 2	$ 2	$ 2	$ 3	$ 3	$ 3	$ 3	$ 1	67%
Hardware and Garden	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 3	$ 1	70%
Hospitality	$ 3	$ 3	$ 3	$ 3	$ 3	$ 4	$ 4	$ 2	64%
Total	$ 15	$ 16	$ 18	$ 20	$ 22	$ 24	$ 26	$ 11	68%

That spend will support floorspace across Hamilton (and elsewhere). Applying national average sales productivity figures ($/m^2) yields an estimate of how much floorspace the PSP area, and the fringe areas, would support in all locations. The PSP area's $281m of spend in 2048 would support around 39,100m^2 of GFA, with smaller amounts supported by the fringe areas. That quantity of GFA supported in 2048 reflects the PSP being fully developed with nearly 8,400 dwellings, and space supported until then will increase nearly linearly, in line with the assumptions that growth will average around 350 dwellings a year.

Figure 3.6: Total retail floorspace generated and supported in all locations (GFA, m^2)

Storetype	2020	2023	2028	2033	2038	2043	2048	Growth 2020-48 n	Growth 2020-48 %
PSP area									
Supermarket/Grocery	300	700	2,300	3,800	5,400	7,100	7,700	7,400	2842%
Other food	100	200	500	800	1,200	1,600	1,700	1,600	2819%
Department Stores	200	500	1,500	2,400	3,400	4,500	4,900	4,700	2858%
Apparel	100	300	900	1,500	2,200	2,900	3,100	3,000	2878%
Furn./Appliances/Housewares	200	500	1,600	2,700	3,800	5,000	5,400	5,300	2914%
Other retail	200	500	1,400	2,400	3,300	4,400	4,800	4,600	2886%
Hardware and Garden	200	500	1,500	2,400	3,500	4,600	4,900	4,800	2922%
Hospitality	200	600	2,000	3,300	4,700	6,200	6,700	6,500	2882%
Total	1,300	3,800	11,700	19,500	27,600	36,300	39,100	37,800	2870%
North west fringe									
Supermarket/Grocery	700	800	800	900	900	1,000	1,000	300	41%
Other food	200	200	200	200	200	200	200	100	61%
Department Stores	400	500	500	500	600	600	600	200	45%
Apparel	300	300	300	300	400	400	400	100	35%
Furn./Appliances/Housewares	500	500	600	600	600	700	700	200	41%
Other retail	500	500	500	500	600	600	600	200	44%
Hardware and Garden	400	500	500	500	600	600	600	200	45%
Hospitality	700	800	800	900	900	1,000	1,000	300	41%
Total	3,800	4,000	4,300	4,500	4,700	5,000	5,200	1,500	40%
South east fringe									
Supermarket/Grocery	500	500	500	600	600	600	700	200	44%
Other food	100	100	100	100	100	200	200	100	88%
Department Stores	300	300	300	300	300	400	400	100	38%
Apparel	200	200	200	200	200	300	300	100	53%
Furn./Appliances/Housewares	300	300	300	400	400	400	400	100	34%
Other retail	300	300	400	400	400	400	500	100	31%
Hardware and Garden	300	300	300	300	400	400	400	100	37%
Hospitality	600	600	700	700	800	800	900	300	50%
Total	2,500	2,600	2,900	3,100	3,200	3,500	3,700	1,200	48%

3.4 Floorspace supported in PSP area

Of that space supported in all locations only part will be supported within Peacocke, with much of the spend resident in the PSP area being directed to Hamilton's larger retail centres (Central City, The Base and Chartwell). This section explains how that locally supported space has been assessed and summarises how much space might sustainably be located in Peacocke's centres.

3.4.1 Market capture

To assess locally supported space we have applied assumptions from the Marketview data presented in Figure 3.1. All market capture rates applied are sourced from that Marketview data, with the exception of supermarket floorspace.

Figure 3.7: Market capture assumptions

Storetype	B5 (Suburban Centre Core)	B6 (N.hood Centre)
Supermarket/Grocery	65%	13%
Other food	32%	13%
Department Stores	8%	0%
Apparel	2%	1%
Furn./Appliances/Housewares	8%	0%
Other retail	13%	6%
Hardware and Garden	1%	0%
Hospitality	18%	12%

Supermarkets were not provided as a distinct category in the Marketview data, and have a significant local focus, indicating that they are likely to have a high capture of PSP-resident spending, especially given the lack of other supermarkets nearby. The nearest supermarket is the relatively small New World (c.2,600m^2) at Glenview, and beyond that the Central City's Countdown and Pak'n Save (4km from the closest part of the PSP area, and 6-7km from the majority of it). Most supermarkets attract the majority of their sales from within 2-3km, and 6-7km is a very long distance to travel to a supermarket in a New Zealand urban context. That alone indicates there is likely to be at least one supermarket in the PSP area, given the quantum of demand resident there (section 3.3), and any supermarket(s) in the PSP area would likely be attractive to consumers given the relative inaccessibility of other supermarkets. For that reason a 65% market capture rate is applied.

3.4.2 Activities included

The floorspace projections in Figure 3.6 are only for the identified retail categories, which will form the core of activities in Suburban and Neighbourhood centres. Additional space in those centres is also required to provide for services activities, which are not captured in Figure 3.6 because they do not form part of the Retail Trade Survey on which our retail models are based. There is a strong relationship between retail and services activities, and the latter tend to comprise 25-35% of the floorspace in most Suburban and Neighbourhood centres, not only in Hamilton but also in other urban economies (and less in much larger centres). For this assessment we have made allowance for services space to comprise 30% of the total retail and services space in each centre.

That 30% makes allowance for services activities such as hairdressers, laundromats and dry cleaners, medical professionals, real estate and travel agents, banks and postal services to operate from the PSP centres, which are contained within various activities under the District Plan's definitions. In the 'services' category in this assessment we include public-facing activities such as those that might locate at ground level in centres (e.g. banks, medical and real estate agents), but not activities that are not reliant on exposure to draw in potential customers (such as professional and administrative offices).[1]

[1] Our summary categories do not align exactly with District Plan definitions. For example, we consider that public facing parts of the "commercial offices" activity would be included in our 'services' group, while non-public facing components (of which there

We also include 'offices' as a category, which incorporates all the non-public facing office activities that are excluded from our services category. There is very little presence of these across Hamilton's Suburban centres now, and while it is appropriate to make some limited provision for these non-public facing offices within the Suburban centre,[2] such as for small accountants or legal offices, there is unlikely to be much space required for this, and offices could be located above the ground floor level. For that reason we have allowed for a set amount of 300m^2 of office space, or enough to accommodate around 15-20 office workers.

3.4.3 Floorspace sustainable in the PSP area

Applying the market capture assumptions in Figure 3.7 to the total floorspace supported in all locations generates estimates of the floorspace that is sustainable in the PSP area (from Figure 3.6). For this assessment the Suburban centre and Neighbourhood centres are assessed separately, although all Neighbourhood centre space is grouped, with discussion about an appropriate spatial distribution of that space provided in section 3.5. All floorspace numbers presented are gross floor area ("GFA"), which include back of house, admin and storage areas.

The existing population in the area would support very little space within Peacocke, which is why there is no such space there now. As the population grows, the amount of space that will be needed to provide for the community's needs will increase, and by 2028 around 5,000m^2 of floorspace would be sustainable in the Peacocke Suburban centre, increasing to 9,400m^2 by 2038, and reaching 12,700m^2 by 2048 (Figure 3.8). It should be noted that the amount of space sustainable at the Peacocke Suburban centre only reaches the District Plan's indication of a typical Suburban centre GFA (10-20,000m^2) by around 2040.

Figure 3.8: PSP area sustainable floorspace (GFA, m^2)

Centre type	2020	2023	2028	2033	2038	2043	2048
Suburban centre							
Supermarket	800	1,000	1,900	2,700	3,600	4,500	4,800
Other retail	900	1,200	2,100	3,000	3,900	4,900	5,300
Services (incl medical)	400	500	900	1,300	1,700	2,100	2,300
Offices	-	100	100	200	200	300	300
Total Suburban centre	2,000	2,800	5,000	7,200	9,400	11,900	12,700
Neighbourhood centres	500	700	1,200	1,700	2,200	2,900	3,100

Consistent with the District Plan's explanation of Suburban centres, our assessment indicates that the PSP Suburban centre would be anchored by a supermarket, which would be appropriately sized at around 3,000m^2 in the mid-2030s, and 4,500m^2 by the mid-2040s. It will be sometime before a supermarket would be financially viable in the Suburban centre, given the household base that is required to support full-service supermarkets (around 4,000 households would support a store of close to 3,000m^2). So it is likely

would likely be very few in these smaller type of centres, would not be included, (e.g. the administrative offices required to regional bank headquarters, etc.)

[2] Offices less than 250m^2 are permitted in Suburban centres, although Discretionary in Neighbourhood centres

that for the early stages of development, say at least the 2020s, the PSP area will be without a supermarket, and possibly also a Suburban centre in anything but a much smaller form that is ultimately sustainable.

We note that once the PSP area is fully developed the quantity of sustainable supermarket space would nearly be enough to support two supermarkets, say a 2,500m^2 and a 3,000m^2 store, especially if market capture is higher than the (relatively conservative) 65% modelled. That dual supermarket outcome is conceivable if both Foodstuffs and Woolworths became interested in the area, and would sit well with effectively staging supermarket supply in line with population growth. However, the one or two store outcome could be reliant on the plans of the first mover, which may effectively shut out an opportunity for a competitor by sizing itself ahead of the market.

Neighbourhood centres capture much smaller shares of the total floorspace supported in all locations (from Figure 3.6), and total Neighbourhood centre space supported would increase by around 100m^2 per year over the development timeframe of the PSP area. At that rate of development total Neighbourhood centre space supported would be around 1,200m^2 by 2028, 2,200m^2 by 2038 and 3,100m^2 by 2048 (Figure 3.8). That space would be supported across multiple centres, and while the District Plan explanation for Neighbourhood centres is a floorspace range of 500-5,000m^2, we anticipate that the appropriate size of centres in the PSP area would be at, or even slightly below the end of that range, at say 300-800m^2. Discussion about the location of those centres is provided in section 3.5.

3.5 Centre locations

3.5.1 Suburban centre

Having established that a Suburban centre is viable in the PSP area, and described the sustainable size of that centre, the next step is to review the potential location of that centre. That location is proposed in the PSP to be in the east of the PSP area adjacent to the Waikato River, and on the minor arterial (north-south) route through the area. Our initial thoughts on that location were that a location more central within the PSP area would be more appropriate and accessible, however having considered a range of factors we agree that the more eastern location is appropriate:

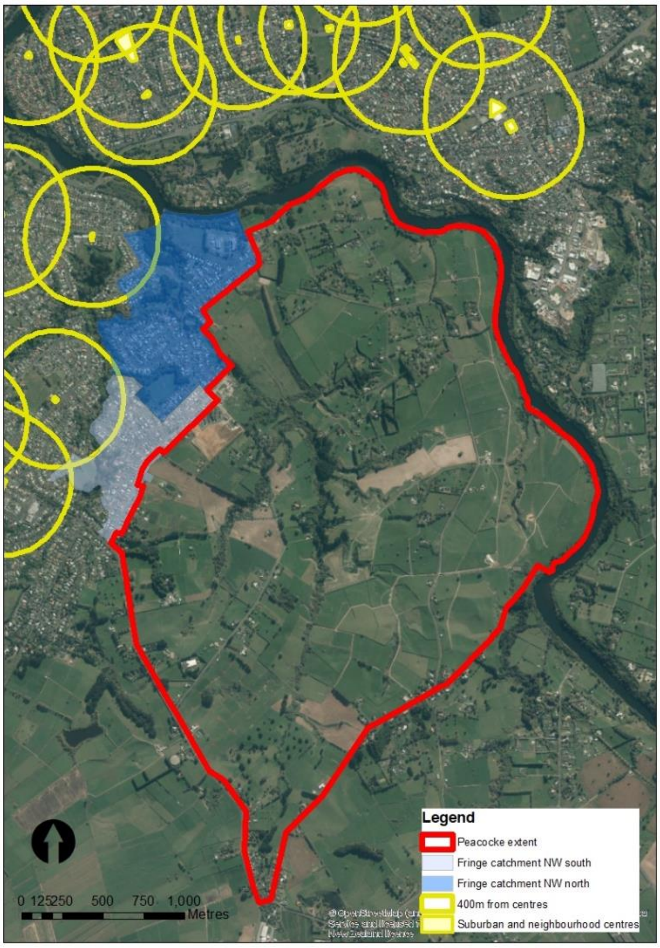
- The existing Glenview Suburban centre constrains how far west it is appropriate to locate the Peacocke Suburban centre.
- The proposed location is relatively central on a north-south axis.
- The potential link into the Waikato River would be attractive from an amenity perspective.
- There are some land use constraints further east, in the vicinity of the intersection between the north-south and east-west arterials, where there are wetlands and the stream network.

Ultimately non-economic considerations will be a stronger influence on the location of the Suburban centre than economic matters, which are largely limited to accessibility within the area. We understand that a wide range of factors have been considered in preferring the riverside location of the Suburban centre, and defer to that planning process and consideration of those other matters.

3.5.2 Neighbourhood centres

Location is much more important for Neighbourhood centres, which depend on being highly accessible to their immediate catchments for their success and to adequately provide for community needs. A 400m walkable catchment is often applied to small convenience centres such as these Neighbourhood centres to show accessibility, and to indicate adequacy of coverage in urban environments. In the existing urban areas within Hamilton there is a very good coverage of Neighbourhood centre zones, with most parts of the urban area being within 400m of a centre. Not all of those centres offer retail-based services, with some limited to commercial (office) or industrial (e.g. automotive) businesses, however there is a comprehensive network of Neighbourhood centre zones around the PSP periphery, and across most of the rest of Hamilton. That network is evident in Figure 3.9 which shows 400m catchments (yellow circles) around Neighbourhood centres (yellow dots) around the PSP periphery, and indicates that a similar network of Neighbourhood centres is an appropriate target in the PSP area.

Figure 3.9: Neighbourhood centre provision around the PSP periphery



One exception to that supply of Neighbourhood centres is the area covered by the two north west fringe area identified in Figure 3.9 (light and dark blue). Those areas are east of the Mangakotukutuku Gully network, and there is currently insufficient population in those areas to support a thriving Neighbourhood centre. Households in that area will support Neighbourhood centre space, and for that reason are included in the potential catchment of a PSP Neighbourhood centre somewhere close to the north-western edge of the PSP area. The absence of centre supply in those fringe areas now also indicates the challenge that will arise in distributing Neighbourhood centres throughout the PSP area, given the extensive green and stream network identified in the PSP.

Two options for providing for Neighbourhood centres are provided below:

- Configuration 1: In addition to the Suburban centre, six Neighbourhood centres are identified.
- Configuration 2: An amended version of configuration 1, with three additional centres, where the single centre servicing the north-east (A in Figure 3.10) splits to two (A1 and A2 in Figure 3.11), the centre immediately south of the Suburban centre (B) splits to two (B1 and B2) and a new centre is introduced in Stage 1A of the PSP area (labelled "E" in Figure 3.11).

Other configurations, including variations of them such as adding or removing a single centre, are also possible, however the following constraints are included:

- There is a Neighbourhood centre proposed within Stage 1B, forming part of the master plan for that stage and consistent with the Operative District Plan. That site is assumed to be the location of a Neighbourhood centre.
- The Suburban centre will effectively function as a Neighbourhood centre for some nearby residents, and so that centre forms part of the network of Neighbourhood centres.
- A need to service the existing residential areas just outside the north-western boundary of the PSP area (the fringe zones identified in Figure 3.9.

Those three centres are shown as the orange circle/star in the graphics below, and are considered to be 'locked in', which helpfully limits the sensible location of remaining centres. Other possibilities for Neighbourhood centre locations are show as yellow circles/stars, and two different configurations of those are shown.

The following assessment summarises the size of each Neighbourhood centre that would be required to provide for the local convenience needs of the immediately surrounding neighbourhood. That assessment disaggregates the total Neighbourhood centre space identified in Figure 3.8, and also distributes that space in line with population living around each centre.

Note that although an attempt is made to quantify the floorspace that would be sustainable in each centre, the accuracy of that is limited by the resolution at which underlying dwelling yields are available. In some cases a relatively large block is applied in the PSP yield analysis, and that could be included in the natural catchment of more than one Neighbourhood centre. However, each residential development block has been allocated to only a single centre for this assessment, so the sustainable floorspace identified below should be read with an associated margin of error.

The sustainable floorspaces discussed below focus on size at full PSP build-out, which for most centres happens quickly given the localised nature of catchments, unlike the Suburban centre where the whole of PSP area catchment continues to be influenced by growth over the entire development timeframe.

Figure 3.10: Configuration 1: PSP Neighbourhood centres

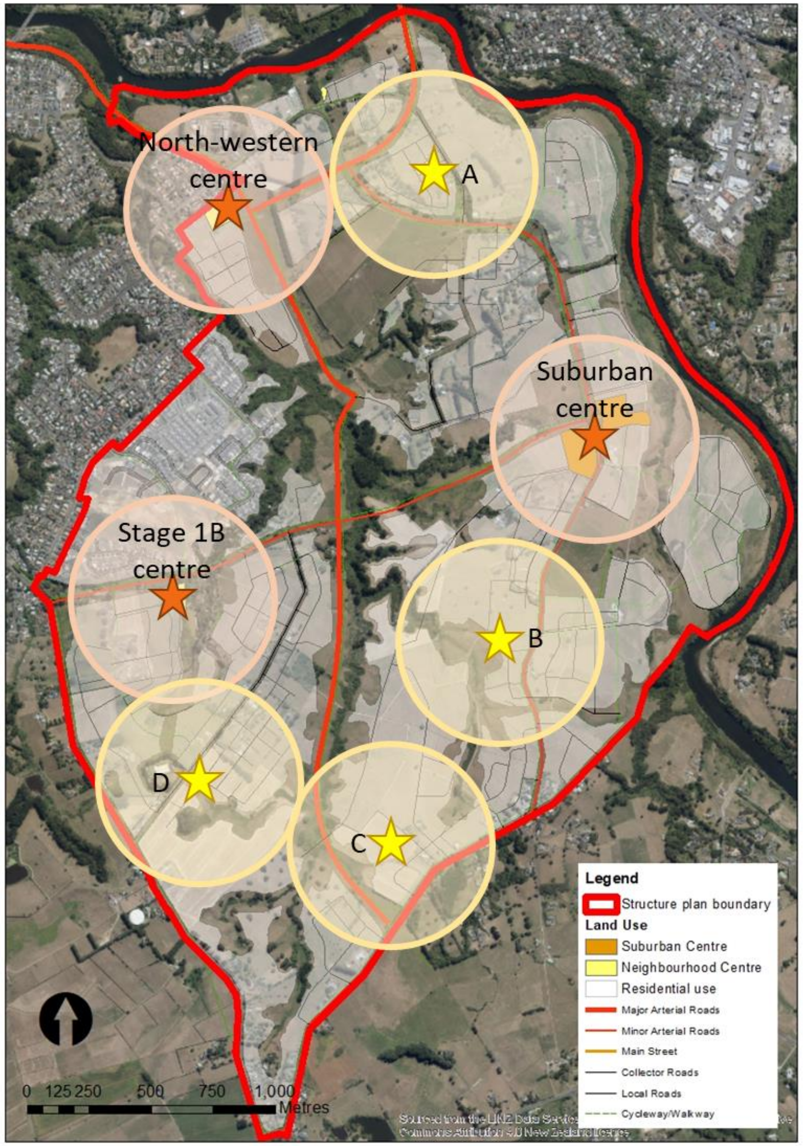
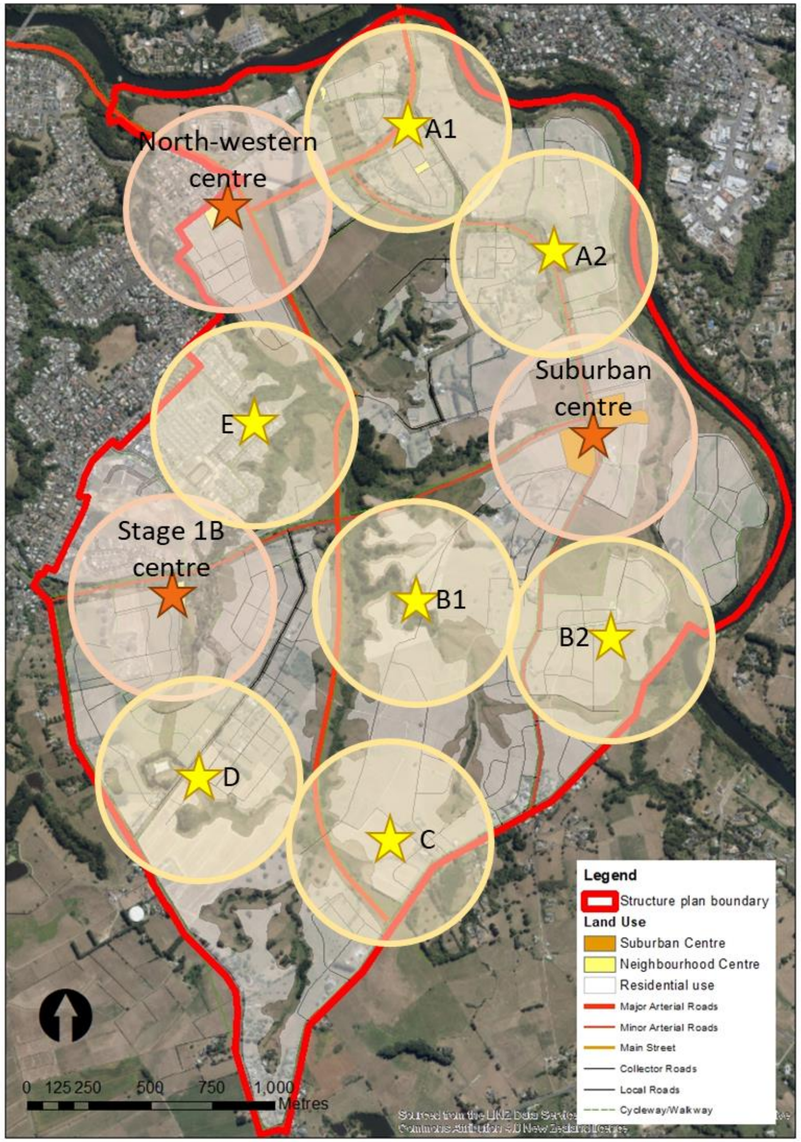


Figure 3.11: Configuration 2: More Neighbourhood centres



Under Configuration 1, the largest Neighbourhood centres in the PSP area would be expected to be those in the Stage 1B area (around 800m^2), the centre in the North-West (600m^2) and the centre labelled D in Figure 3.10 (Figure 3.12).

Figure 3.12: Configuration 1: Neighbourhood centre sustainable floorspace (GFA, m^2)

Neighbourhood centre location	2020	2023	2028	2033	2038	2043	2048
North-western centre	200	200	300	500	500	500	600
Stage 1B centre	200	500	600	700	800	800	800
NC at A	-	-	200	300	400	400	400
NC at B	-	-	100	200	300	300	400
NC at C	-	-	-	-	-	200	300
NC at D	-	-	-	100	200	500	600
Total Neighbourhood centres	400	700	1,200	1,800	2,200	2,700	3,100

The centres at A, B and C would be smaller, and only in the vicinity of 300-400m^2 would be supported in each. Those GFAs are smaller than the indicative 500m^2 minimum identified in the District Plan for Neighbourhood centres, and would accommodate no more than five stores in each centre. Configuration 1 covers a relatively broad part of the PSP area, with notable absences of:

- Much of the Stage 1A area, which we understand is to have a dairy.
- The eastern-most residential area, which is a relatively small number of households that are just beyond 400m from the Suburban centre.
- The southern-most part of the PSP area south of the centres at C and D, which will accommodate a small number of households.
- Areas that are 400-600m away from each centre. If a 600m radius had been applied instead of 400m, much larger parts of the PSP area would have been within the circles drawn. We note that 600m is still a reasonable walkable distance to plan the provision of this type of centre on.

Under Configuration 2, the three largest centres would be a similar size, and the smaller Neighbourhood centres (A, B and C from Configuration 1) would become smaller, with A1, A2, B1, B2 and C all being 100-300m^2. That is at below the scale anticipated for Neighbourhood centres by the District Plan, and indicates that only 1-3 shops would be viable in each location. That very small centre size indicates that a trade-off would be made for providing more limited range of stores (and potentially only a single dairy) in those centres as opposed to a slightly larger provision in slightly less accessible locations.

Our opinion is that a distribution of centres as described in Configuration 1 would be more appropriate, allowing each centre to be between around three to seven stores in size, and providing good accessibility to most of the PSP area population.

We note that the location of the centres identified is indicative, and would need to be settled with reference to other factors such as proximity to transport links (pedestrian, and not just road) and other community features (parks, areas of high amenity etc). It is outside the scope of this report, and in any case at present premature, to provide a more detailed recommendation about specific sites until considerably more certainty exists around urban form and layout.

Figure 3.13: Configuration 2: Neighbourhood centre sustainable floorspace (GFA, m^2)

Neighbourhood centre location	2020	2023	2028	2033	2038	2043	2048
North-western centre	200	200	300	500	500	500	600
Stage 1B centre	200	500	600	700	700	800	800
NC at A1	-	-	100	100	100	100	100
NC at A2	-	-	100	200	300	300	300
NC at B1	-	-	-	100	100	100	100
NC at B2	-	-	100	100	200	200	200
NC at C	-	-	-	-	-	200	300
NC at D	-	-	-	100	200	500	600
NC at E	-	-	-	-	-	-	-
Total Neighbourhood centres	400	700	1,200	1,800	2,100	2,700	3,000

4 Conclusion

The Peacocke Structure Plan area, south of the Central City, encompasses 746ha of land that has remained undeveloped for the last 30 years due in part to the prohibitive cost of infrastructure needed to make the land suitable for residential living. Hamilton has experienced significant growth over recent years, and that growth is expected to continue, and will be broadly equivalent to approximately 1,150 households per year out to 2040. Current yield estimates indicate that there is capacity for nearly 8,400 dwellings in the PSP area.

A Structure Plan was previously developed for the area, and that is currently being reviewed to ensure that the best urban form outcomes and liveable communities are created. The PSP identified a network of retail and commercial centres to provide for the needs of the future Peacocke population, including a Suburban centre and four community focal points. This report has examined the likely dwelling yields by location within the PSP area to estimate the likely floorspace requirements for resident households and considered the spatial layout of those centres.

We estimate that of the 39,100m² GFA retail floorspace supported by resident households in 2048 (Suburban and Neighbourhood centres), that approximately 40% should be provided for locally within the Peacocke centre, with the balance being directed to other larger sized centres in Hamilton including the CBD, The Base and Chartwell. A Suburban centre of 11,900m^2 GFA will be able to be supported by 2043, increasing to 12,700m² by 2048. At the same time, a network of Neighbourhood centres will also be required to provide approximately an additional 3,100m² GFA of retail for convenience retail goods and services.

The Suburban centre would be able to accommodate at least one larger supermarket of 3,500m^2 to 4,500m^2 GFA, or alternatively two smaller supermarkets of around 2,500m² GFA each. After reviewing a range of non-economic factors, we agree with Council's positioning of the proposed Suburban centre, in the eastern area of the PSP alongside the Waikato River.

In our opinion a distribution of six Neighbourhood centres in the PSP area in accordance with the layout presented in Figure 3.10 would be the most appropriate outcome. That layout would enable Neighbourhood centres to be comprised of approximately three to seven stores in size and would provide good accessibility to the majority to the PSP area population.