



Pukekohe Centre Household Sector Activity

Land Use Survey Analysis
Retail Impact Assessment

20 March 2020 – FINAL

m.e
consulting



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Land Use Survey Analysis
Retail Impact Assessment

Prepared for
Kiwi Income Property Group

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1 Introduction and Context

Centres play a critical role in the spatial efficiency and sustainability of urban form. They are key nodes of activity for the communities they serve, functioning as important social and economic hubs within the urban landscape. Retail is a fundamental component of this, influencing the viability and vitality of centres, and affecting other patterns of land use.

Auckland has a well-established urban hierarchy of centres where households and communities meet their needs across a range of different centres and centre types. Within this, metropolitan centres are positioned at the top of the hierarchy immediately below the city centre in relation to scale and intensity. They are major commercial development nodes within the metropolitan area where core household sector activity agglomerates to serve expansive geographic catchments.

Retail is a crucial component to the effective operation of metropolitan centres. Comparison goods retailers tend to agglomerate within these larger centres, spatially concentrating into larger nodes across the city. Retail in these centres is typically characterised by greater shares of higher-end retailers and national and even international chain stores that act to attract consumers across larger distances.

Pukekohe is one of Auckland's 2 Satellite towns. It is an established rural node serving a wider catchment of peri-urban areas. Pukekohe also serves a wide rural catchment centred on rural production of some of New Zealand's most elite soils. It is Auckland's southern-most Town centre. This report considers how Pukekohe functions in terms of meeting the needs of catchment households in order to understand the role that a competing centre at Drury might augment or impact on this centre. Assessing the retail base at Pukekohe is a critical component of this given the core role of retail in driving the geographic influence of the centre.

M.E have undertaken a land use survey to examine the types of household sector activity occurring within Pukekohe. The objective is to contribute to a better understanding of how the centre is functioning within its intended role as a key hub of commercial development, including retail. This approach is the same as adopted in assessing Papakura, Westgate and Sylvia Park. These centres are Metropolitan Centres and fulfil a more complex role than Pukekohe does currently. However, this report places Pukekohe into its context given the role it plays for the southern areas

Therefore, to understand the impact that developing Drury will have on Pukekohe's current and future role, we have also provided a retail impact assessment to accompany the retail survey analysis. In the impact assessment, the role Drury Metropolitan centre is likely to play in meeting the wider Metropolitan Centre needs of the overall southern catchment is compared with Pukekohe's current and likely future retail role with and without Drury.

The following sub-sections describe our approach to the survey and present our key findings from the information obtained in the field. These are then discussed in the context of earlier information on the spatial operation of Auckland's metropolitan centres prepared as an evidence base to support the establishment of Auckland's urban planning framework.

Finally, the retail impacts are quantified and assessed in the context of Pukekohe's overall role.



2 Approach

2.1 Land Use Surveying

Previously M.E conducted land use surveys at Papakura and Westgate to determine the mixture and nature of retail and household sector activity within each centre. The surveys were conducted in August 2019; and were undertaken during standard retail business daytime trading hours.

The surveys were spatially comprehensive to cover both the central Metropolitan Centre zones area as well as any immediately adjacent surrounding business zones. This wider coverage (in relation to only the Metropolitan Centre zone) captures the area that forms the effective commercial area of each centre, recognising that these adjacent areas effectively function together with the Metropolitan Centre zoned area as a single node of commercial activity.

A Land use survey of Pukekohe's retail core and Large Format Retail (LFR) area was carried out in February 2020. This was conducted during standard weekday business trading hours on Thursday 13th February, and was not impacted by adverse weather conditions.

The area covered by the land use survey is shown in Figure 2-1. It covered the different areas of business development within Pukekohe that collectively serve demand from the surrounding catchment area. It included the Town Centre Zone area, largely bounded by Stadium Drive, Tobin Street, Wesley Street and Massey Ave. This captured activity within the mainstreet area (King Street) as well as all other activity away from the mainstreet across the rest of the Town Centre Zone area.

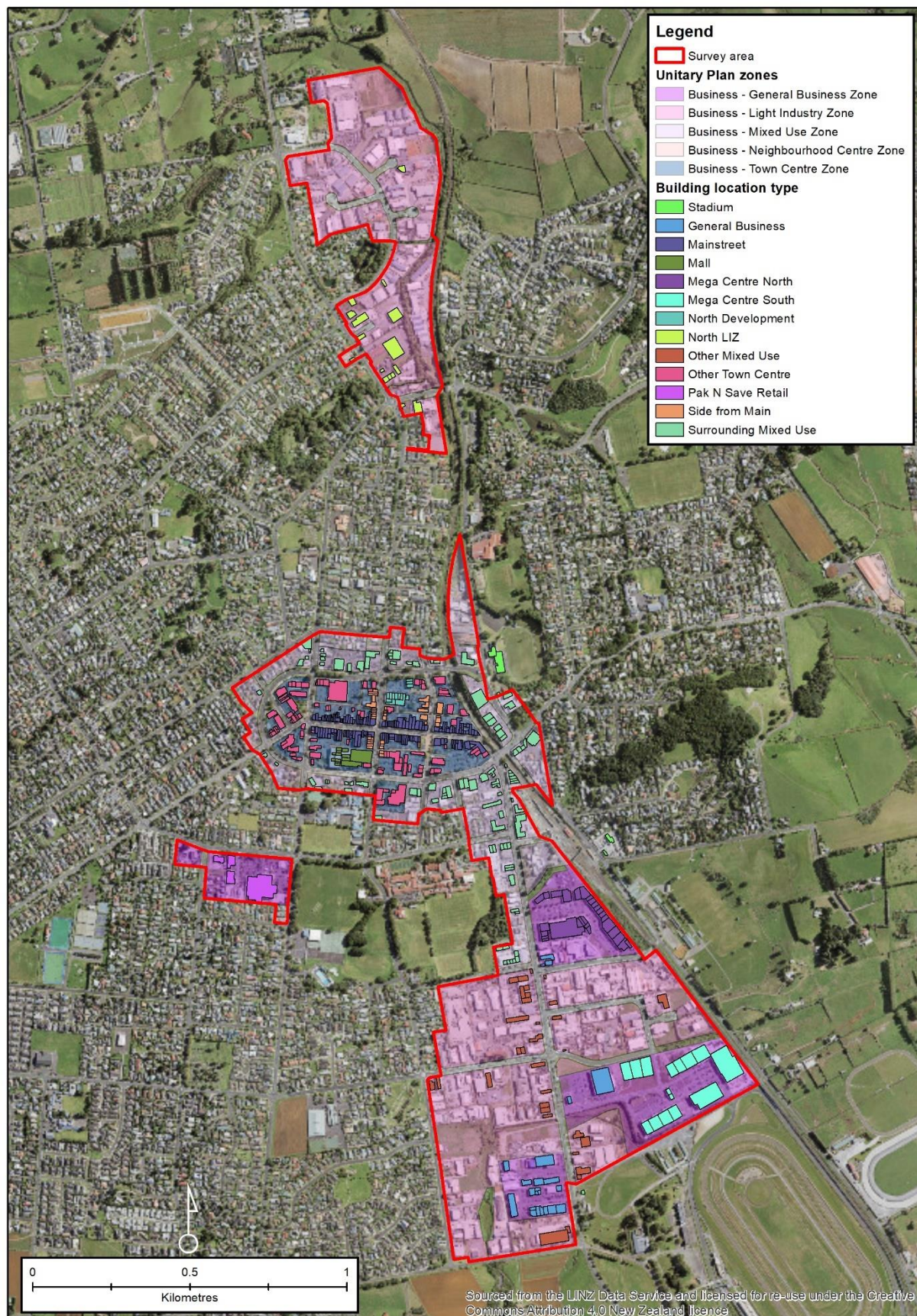
Within this zone, all activity was captured in the survey, including non-household sector activity, such as residential and offices. It is beneficial to understand the presence of these activities given their important contribution to the functioning of the town centre.

The Business Mixed Use Zone areas surrounding the Town Centre Zone were also surveyed. In these areas, the land use survey recorded household sector activity, but did not record other activity. Instances of household sector activity adjacent to these zones were also captured within the survey.

The business area in the southern part of Pukekohe was also surveyed. This included the two mega centres located within the General Business Zone, the remainder of the General Business Zone, and the extent of the Light Industry Zone area. The General Business Zone area on Harris Street was also surveyed. Only household sector activity was included in the survey of these areas.

Lastly, the Light Industrial Zone area in the northern part of Pukekohe was also surveyed. This covered the full extent of the zoned area and captured all household sector activity.

Figure 2-1: Pukekohe Land Use Survey Area and Auckland Unitary Plan Zones





The land use survey captures all retail and other household sector activity contained within these areas. This includes activity that primarily serves household demand that occupies floorspace within a centre that is generally accessible (in whole or part) by consumers, without appointment, when they access the centre. The types of activity, in addition to retail, captured by the framework include household services (e.g. drycleaners, hairdressers, clothing repair, etc), entertainment and recreation (e.g. cinemas and rec centres), and core pieces of social infrastructure (e.g. public regulatory services, churches, etc). It excludes office-based or light industrial activity that services household demand, such as households accessing small commercial firms (e.g. accountants, lawyers, etc) or trades services (e.g. plumbers, electricians, etc).

These activities have been categorised using an officially established classification system – the Australian and New Zealand Standard Industrial Classification (ANZSIC 2006). These form the base level activity classification within the land use survey. They have been aggregated up into broader categories for the purposes of analysis to reflect the key types of household sector groupings within centres. A full list of activities is contained within Appendix 1.

Each centre was visited by two surveyors. These consisted of a surveyor experienced in retail economic analysis and an economic analyst. The surveyors travelled around the extent of the survey area within each centre, making visual observations on each household sector business. The location and spatial extent of each business was identified on an aerial photograph¹. Observations were then made on the industry classification type of each business, the floorspace level (ground vs. above/below-ground floor), and the perceptions of quality of the building². It was also determined whether businesses were chain stores as the prevalence of chain stores within a centre provides an indication of the role of a centre within the urban hierarchy as chain stores typically concentrate into the larger retail nodes.

Vacant tenancies and their floorspace were also recorded in the survey. These were unoccupied ground floor spaces that could otherwise be occupied by the activities defined within the household sector of the survey.

The survey field information was then digitised within a GIS mapping system (ESRI ArcMap). The spatial boundaries recorded on the aerial photos were drawn into ArcMap mapping software. This was then used to calculate the floorspace area of each business as the aerial photographs were georeferenced to the New Zealand mapping coordinate system.

Businesses were also spatially categorised in the GIS in relation to their type of location within the centre. At a broad level, these include the Town Centre Zone area (and surrounding Business Mixed Use Zone), the General Business Zone areas, and the northern and Southern Light Industry Zone areas. Analysis was also conducted at a greater spatial disaggregation to reflect important variations within these areas, which are shown in Figure 2-2 and Figure 2-3. Within the Town Centre Zone, businesses were categorised as being located within the mainstreet area³, on the side streets running perpendicular to the mainstreet⁴, in the

¹ The businesses contained within the NorthWest shopping mall were instead obtained from the online store listings and mall directory map (dated August 2019). The mall map was georeferenced into ArcMap, enabling the digitisation of individual store outlines.

² The perceptions on the quality of the building were based on the surveyor's visual assessment. This is outlined further in Section 3.6.

³ The mainstreet includes King Street from Seddon Street to Massey Ave.

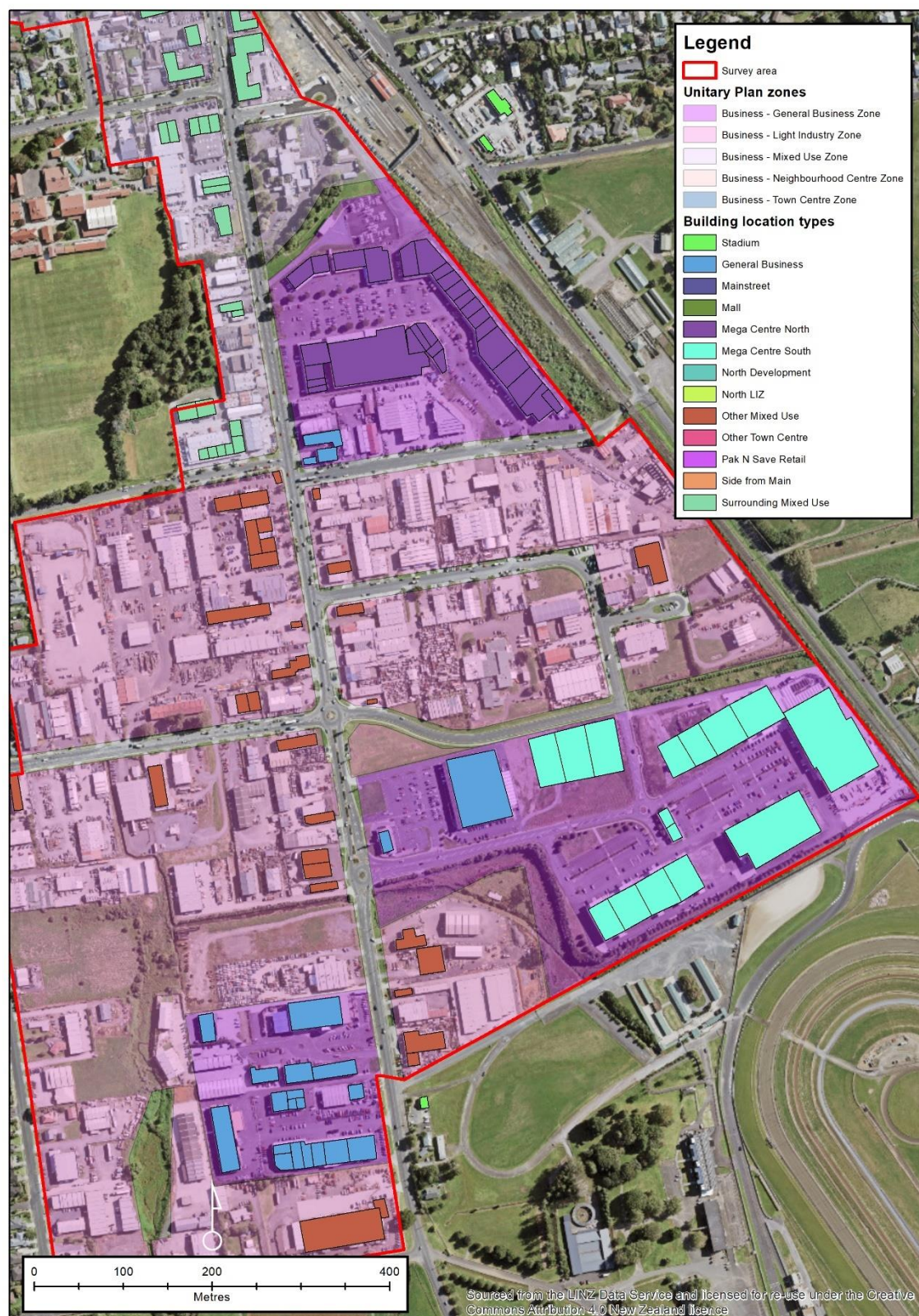
⁴ This includes activity that is still directly contiguously connected to the mainstreet activity. Activity further away from the mainstreet is instead classified as 'Other Town Centre'.

mall development (on Wesley Street), in the Edinburgh Retail Centre (on Lodge Street) (“North Development”), or in the rest of the Town Centre area.

Figure 2-2: Spatial Classification of Pukekohe Survey Area: Town Centre Zone Area



Figure 2-3: Spatial Classification of Pukekohe Survey Area: Southern Light Industrial Zone and General Business Zone Areas





The individual record information obtained in the field survey was then brought together and analysed for Pukekohe. Core aspects were examined, including:

- The structure of businesses and floorspace area within each area.
- The location and nature of businesses and floorspace area within each area.
- The prevalence of chain stores within each household sector activity type within each area.
- The size and quality distribution of floorspace by location within each area.

The analyses across each of these areas are then brought together to assess the commercial health of Pukekohe centre and how this is influenced by its role and function within the surrounding centres network and anticipated future catchment demand growth, including areas of future urban expansion.

The analysed field survey results were then further considered within the context of earlier information on the spatial operation of Auckland's southern urban centres structure. This earlier information formed part of the evidence based used to inform the development of the Auckland Unitary Plan. It includes detailed spatial information that empirically defines the spatial extent of the catchment areas. Within this assessment it considers how the current centres structure is likely to meet household demand across the catchment area served by Pukekohe and how this is likely to affect the spatial efficiency and sustainability of household retail travel patterns.

2.2 Retail Impact Assessment

A retail impact assessment has also been carried out to highlight what (if any) significant retail impacts are anticipated following the development of a Metropolitan Centre on the Kiwi land to the east of State Highway 1 at the Drury Interchange. A full description of the approach, assumptions and findings are contained in section 6 of this report.



3 Land Use Survey Findings

3.1 Household Sector Businesses

The land use survey identified a total of 438 household sector businesses. The distribution of businesses by household sector activity type are shown in Table 3-1. Approximately one-third (32%) of these are in comparison goods retail, and are spread across a range of comparison goods retail types. Relatively even shares, of approximately one-fifth each, are within each of hospitality (21%), household services (19%) and 'other' household sector activity (20%). The remaining 9% of businesses are in food retail, which includes supermarkets, dairies and other food retail.

The distribution of businesses across these categories reflects the role of Pukekohe within its surrounding catchment area and its function within Auckland's southern retail centres hierarchy. The scale and extent of the retail offering, including the two mega centres, reflects the core role of Pukekohe as a main retail centre within the wider southern Franklin area. The range of services and social infrastructure also reflects the wider function of the centre as a social amenity hub within its catchment area. It also reflects a local role where many of the household services are likely to serve a more localised catchment than the geographically extensive area served by the substantial retail offering.

Table 3-1: Pukekohe Household Sector Businesses by Type, 2020

HOUSEHOLD SECTOR CATEGORY		Number of Businesses	Share of Businesses
Food Retail	Supermarket	6	1%
	Dairy	6	1%
	Other Food and Beverage Retailing	26	6%
	TOTAL FOOD RETAIL	38	9%
Comparison Retail	Furniture and Floor Coverings Retailing	10	2%
	Houseware and Textile Goods Retailing	7	2%
	Electrical and Electronic Goods Retailing	9	2%
	Hardware, Building and Garden Supplies Retailing	21	5%
	Recreational Goods Retailing	9	2%
	Clothing, Footwear and Personal Accessories Retailing	36	8%
	Department Stores	4	1%
	Pharmaceutical and Other Store-Base Retailing	45	10%
	TOTAL COMPARISON RETAIL	141	32%
Hospitality	Takeaways	41	9%
	Cafes, Restaurants and Bars	50	11%
	TOTAL HOSPITALITY	91	21%
Household Services	Household Services	82	19%
Other	Recreation	21	5%
	Education	7	2%
	Medical	45	10%
	Social and Transport Infrastructure	13	3%
	TOTAL OTHER	86	20%
TOTAL HOUSEHOLD SECTOR		438	100%
Vacant	Vacant	0	0%
TOTAL HOUSEHOLD SECTOR + VACANT		438	100%
Non-Household Sector ¹	Offices	n/a	
	Residential	n/a	
	Light Industry	n/a	
	Automotive	21	

Source: M.E Land Use Survey, 2020.

¹ The number of offices, residential units and light industrial businesses were not identified within the floorspace areas identified in the land use survey.

3.2 Household Sector Floorspace

In total, the land use survey identified 178,200 m² of household sector floorspace across Pukekohe. This occurs in the retail, hospitality and household services sectors (combined 139,300 m²) as well as the other activities of recreation (13,000 m²), medical (11,700 m²), social/transport infrastructure (11,100 m²) and education (3,100 m²) (refer to Table 3-2). In addition, there is 5,200 m² of vacant floorspace (ground floor space of 3,900 m²), offices (19,200 m²) and residential (4,200 m²) floorspace within the Town Centre Zone, and 11,500 m² of floorspace within the automotive sectors (i.e. car and parts retailing and fuel retailing) across Pukekohe overall.

Comparison goods retail accounts for the largest share (41%) of household sector floorspace. There are smaller shares in the food retail (15%), hospitality (11%), household services (10%) and 'other' categories (21%).

Vacant floorspace makes up 6% of the Town Centre Zone household sector floorspace overall⁵. Most of the vacant space is located on the ground floor, with the largest share in the mainstreet area. Vacant space accounts for 9% of the total ground floor mainstreet areas.

Table 3-2: Pukekohe Household Sector Businesses by Type, 2020

HOUSEHOLD SECTOR CATEGORY		Floorspace (m2)	Share of Floorspace
Food Retail	Supermarket	18,400	10%
	Dairy	1,000	1%
	Other Food and Beverage Retailing	7,300	4%
	TOTAL FOOD RETAIL	26,700	15%
Comparison Retail	Furniture and Floor Coverings Retailing	8,400	5%
	Houseware and Textile Goods Retailing	3,100	2%
	Electrical and Electronic Goods Retailing	3,100	2%
	Hardware, Building and Garden Supplies Retailing	19,300	11%
	Recreational Goods Retailing	4,600	3%
	Clothing, Footwear and Personal Accessories Retailing	7,000	4%
	Department Stores	16,700	9%
	Pharmaceutical and Other Store-Base Retailing	13,200	7%
	TOTAL COMPARISON RETAIL	75,400	41%
Hospitality	Takeaways	7,400	4%
	Cafes, Restaurants and Bars	11,900	6%
	TOTAL HOSPITALITY	19,300	11%
Household Services	Household Services	17,900	10%
Other	Recreation	13,000	7%
	Education	3,100	2%
	Medical	11,700	6%
	Social and Transport Infrastructure	11,100	6%
	TOTAL OTHER	38,900	21%
TOTAL HOUSEHOLD SECTOR		178,200	97%
Vacant	Vacant	5,200	3%
TOTAL HOUSEHOLD SECTOR + VACANT		183,400	100%
Non-Household Sector ¹	Offices	19,200	
	Residential	4,200	
	Light Industry	14,000	
	Automotive	11,500	

Source: M.E Land Use Survey, 2020.

¹ Offices, residential and light industry activity is included only within the Town Centre Zone.

⁵ This is not able to be compared as a rate to other areas of Pukekohe outside the Town Centre Zone as the land use survey only captured household sector activity in other areas.

3.3 Spatial Distribution of Activity within Pukekohe

Pukekohe contains a number of different and distinct retail/household sector areas. These are the Town Centre Zone area, the mega centres/large format retail within the General Business Zone within the southern part of Pukekohe, the General Business Zone area on Harris Street, and other household sector activity scattered throughout the Business Mixed Use Zone surrounding the Town Centre, and the Light Industry Zone in the southern and northern parts of Pukekohe.

The nature and structure of household sector activity differs across these locations and is shown in Table 3-3. There are substantial differences in the size and scale of retail, the retail category composition, and the ownership structure (i.e. chain stores vs. individually owned operators).

Figure 3-1 shows the composition of household sector floorspace by location across Pukekohe. Activity in the Town Centre Zone area is well distributed across the broad household sector groups in relation to other areas. It has its largest shares in comparison retail (28%) and 'other' activity (26%). In contrast, the household sector activity within the General Business Zone is heavily concentrated into the comparison goods retail, which accounts for two-thirds (67%) of activity. This is predominantly due to the presence of the two mega centres within this zone.

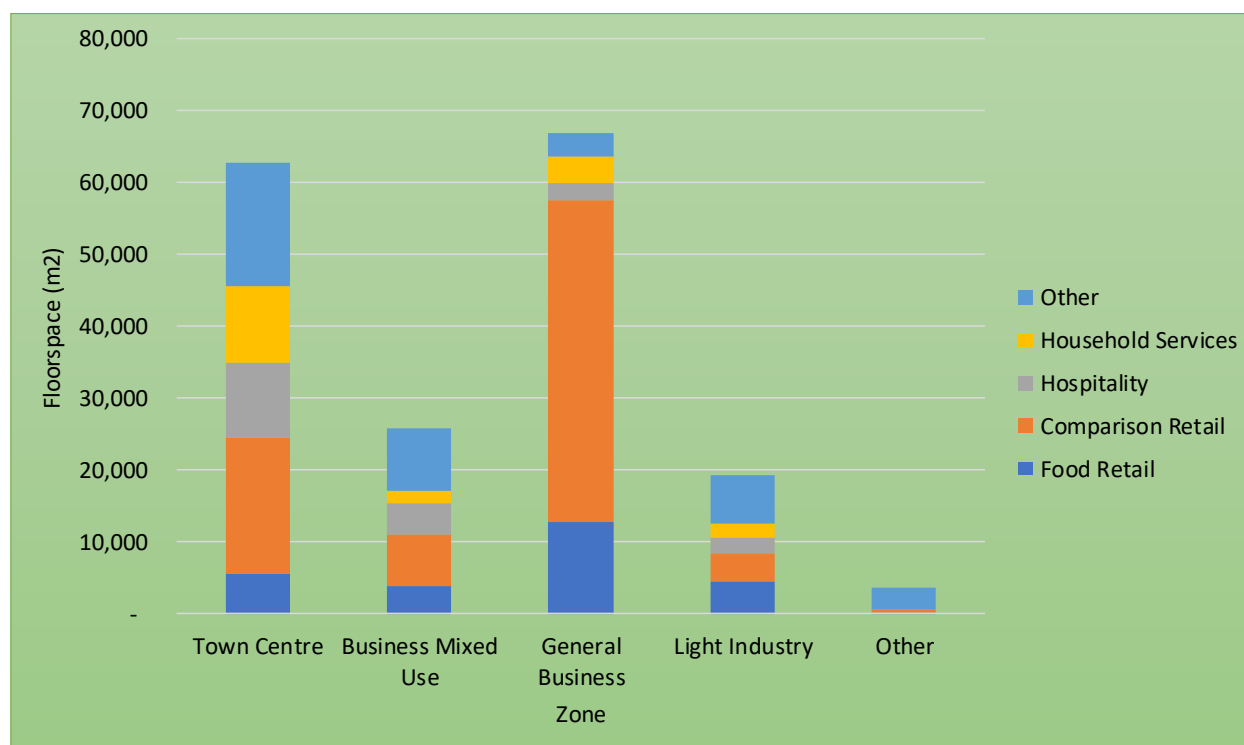
Table 3-3: Pukekohe Household Sector Floorspace by Type and Location, 2020

HOUSEHOLD SECTOR CATEGORY		LOCATION (Zone)					SHARE BY LOCATION (Zone)				
		Town Centre	Business Mixed Use	General Business	Light Industry	Other	Town Centre	Business Mixed Use	General Business	Light Industry	Other
Food Retail	Supermarket	3,600	400	11,700	2,700	-	20%	2%	64%	15%	0%
	Dairy	500	100	-	200	100	50%	14%	0%	21%	14%
	Other Food and Beverage Retailing	1,400	3,300	1,000	1,500	-	20%	46%	13%	21%	0%
	TOTAL FOOD RETAIL	5,600	3,800	12,700	4,400	100	21%	14%	48%	17%	1%
Comparison Retail	Furniture and Floor Coverings Retailing	200	200	7,500	500	-	3%	2%	90%	6%	0%
	Houseware and Textile Goods Retailing	1,200	-	1,900	-	-	38%	0%	62%	0%	0%
	Electrical and Electronic Goods Retailing	400	200	2,400	-	-	15%	7%	79%	0%	0%
	Hardware, Building and Garden Supplies Retailing	800	4,800	11,200	2,000	500	4%	25%	58%	10%	3%
	Recreational Goods Retailing	100	100	3,400	900	-	3%	3%	74%	20%	0%
	Clothing, Footwear and Personal Accessories Retailing	4,900	300	1,700	-	-	71%	4%	25%	0%	0%
	Department Stores	5,300	-	11,400	-	-	32%	0%	68%	0%	0%
	Pharmaceutical and Other Store-Base Retailing	5,800	1,700	5,200	500	-	44%	13%	40%	4%	0%
	TOTAL COMPARISON RETAIL	18,800	7,300	44,900	3,900	500	25%	10%	60%	5%	1%
Hospitality	Takeaways	3,200	1,200	1,700	1,200	-	43%	16%	23%	17%	0%
	Cafes, Restaurants and Bars	7,400	3,000	500	1,000	-	62%	26%	4%	8%	0%
	TOTAL HOSPITALITY	10,600	4,300	2,300	2,200	-	55%	22%	12%	11%	0%
Household Services	Household Services	10,600	1,600	3,800	2,000	-	59%	9%	21%	11%	0%
Other	Recreation	3,200	1,400	2,500	3,000	2,800	25%	11%	19%	23%	22%
	Education	1,900	700	-	500	-	62%	21%	0%	17%	0%
	Medical	5,300	4,000	200	2,300	-	45%	34%	2%	19%	0%
	Social and Transport Infrastructure	6,700	2,600	600	1,000	100	61%	23%	6%	9%	1%
	TOTAL OTHER	17,100	8,700	3,300	6,800	2,900	44%	22%	9%	18%	7%
TOTAL HOUSEHOLD SECTOR		62,600	25,600	66,900	19,400	3,600	35%	14%	38%	11%	2%
Vacant	Vacant	4,300	600	300	-	-	82%	11%	6%	0%	0%
TOTAL HOUSEHOLD SECTOR + VACANT		66,900	26,200	67,200	19,400	3,600	36%	14%	37%	11%	2%

Source: M.E Land Use Survey, 2020.



Figure 3-1: Structure of Household Sector Floorspace by Location in Pukekohe, 2020

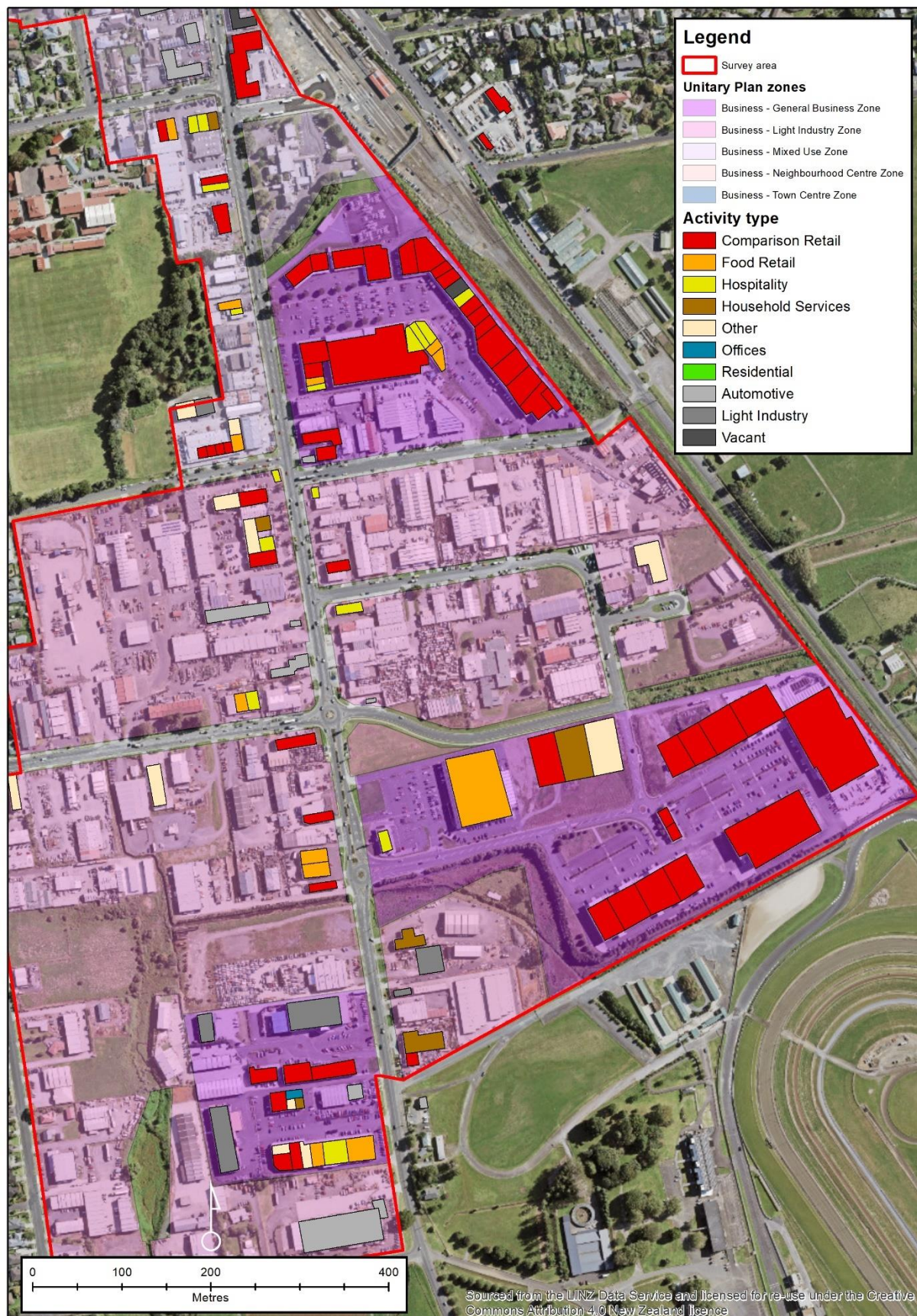


The detailed spatial distribution of the household sector activity by location across the survey area is shown in Figure 3-2 and Figure 3-3. It shows the concentration of comparison goods retail within the mega centre developments within the southern area, and the greater mixture of household sector activity across the mainstreet and Town Centre area in the main centre area. Of note, there are a greater concentration of household services and 'other' household sector activity (including social infrastructure) within the Town Centre area.

Figure 3-2: Spatial Distribution of Household Sector Activities Across Pukekohe: Town Centre Area, 2020



Figure 3-3: Spatial Distribution of Household Sector Activities Across Pukekohe: Southern Area, 2020



3.4 Size of Household Sector Activity in Pukekohe

The land use survey identified important patterns in business floorspace size across different locations within Pukekohe. The average floorspace size of household sector businesses by activity type and location are displayed in Table 3-4.

The larger shops are predominantly located within the General Business Zone areas which reflects the planning provisions of the zone. The mega centres account for a large proportion of the household sector (69%) floorspace within this zone, accommodating the bulk of Pukekohe's comparison goods large format retail offering. There are also a number of other household sector businesses in the General Business Zone outside of the mega centres. Many of these also have larger floorspace sizes and are interspersed with industrial activity and would therefore be less likely to occupy a centre-zoned location.

In contrast, household sector businesses within the Town Centre Zone are typically smaller, with the exception of the supermarket and Farmers department store in the mall. Businesses located on the mainstreet and the side roads running perpendicular to the mainstreet and the mall (excluding Farmers) have the smallest average tenancy sizes.

The average size of businesses in other parts of the Town Centre Zone are higher due to the influence of a number of larger businesses. These include the supermarket as well as key pieces of social/community infrastructure (i.e. the Town Hall, Masonic Centre, Arts Centre, Library and community centre).

Table 3-4: Average Size of Pukekohe Household Sector Businesses by Type and Location, 2020

HOUSEHOLD SECTOR CATEGORY		LOCATION (Zone)					TOTAL
		Town Centre	Business Mixed Use	General Business	Light Industry	Other	
Food Retail	Supermarket	3,640	370	3,900	2,700	-	3,070
	Dairy	170	140	-	210	140	170
	Other Food and Beverage Retailing	180	330	240	380	-	280
	TOTAL FOOD RETAIL	460	320	1,810	740	140	700
Comparison Retail	Furniture and Floor Coverings Retailing	230	160	1,080	470	-	840
	Houseware and Textile Goods Retailing	230	-	970	-	-	440
	Electrical and Electronic Goods Retailing	110	200	610	-	-	340
	Hardware, Building and Garden Supplies Retailing	380	600	1,600	680	540	920
	Recreational Goods Retailing	140	130	850	310	-	510
	Clothing, Footwear and Personal Accessories Retailing	160	150	440	-	-	190
	Department Stores	5,280	-	3,800	-	-	4,170
	Pharmaceutical and Other Store-Base Retailing	190	340	580	490	-	290
	TOTAL COMPARISON RETAIL	250	400	1,120	490	540	530
Hospitality	Takeaways	130	200	350	210	-	180
	Cafes, Restaurants and Bars	200	340	260	490	-	240
	TOTAL HOSPITALITY	170	280	320	280	-	210
Household Services	Household Services	160	200	1,260	500	-	220
Other	Recreation	350	470	840	600	2,820	620
	Education	480	660	-	270	-	450
	Medical	200	310	200	450	-	260
	Social and Transport Infrastructure	1,680	430	620	1,040	90	850
	TOTAL OTHER	400	380	670	530	1,450	450
TOTAL HOUSEHOLD SECTOR		240	340	1,080	500	900	410
Vacant	Vacant	-	-	-	-	-	-
TOTAL HOUSEHOLD SECTOR + VACANT		260	340	1,080	500	900	420

Source: M.E Land Use Survey, 2020.



3.5 Characteristics of Household Sector Activity: Chain Store Operators

The land use survey also captured information on the number of chain store operators⁶ within each retail category within Pukekohe. The presence of chain stores is an important indicator, particularly of the nature of retail activity. At the city-scale, the higher end chain store retailers tend to concentrate into the larger centres as major focal points to serve wider catchment areas. As such, the propensity of a centre to attract these types of retailers can reflect its ability to serve the wider geographic areas.

Across the retail, hospitality and household service component of the household sector⁷, the land use survey found that 41% of Pukekohe's businesses are chain store operators. This amounts to a total of 144 businesses. These collectively contain 96,500 m² of floorspace, which equates to 69% of Pukekohe's floorspace in this part of the household sector. Their share of floorspace is larger (than the share of businesses) as chain store operators typically occupy larger tenancies – accounting for 85% of the floorspace within the mega centre developments.

The shares of chain stores are higher within just the retail component of the household sector, which is typical for the sector across most locations overall. They make up 55% of retail businesses and 81% of floorspace, with slightly higher shares in the comparison goods retail (60% of businesses and 83% of floorspace).

Retail chain stores are distributed across a range of locations within Pukekohe. The quantity and share of businesses and floorspace as chain stores in each location and household sector type is shown in Table 3-5. Equal numbers of chain store businesses are located within the Town Centre Zone (36 businesses – 37%) and the General Business Zone (36; 37%), with a significant number (19; 19%) in the Business Mixed Use Zone. However, the chain stores within the General Business Zone are typically larger, meaning that this area accounts for nearly two-thirds (63%) of Pukekohe's chain store floorspace.

Figure 3-4 and Figure 3-5 show the spatial distribution of chain stores by activity type across Pukekohe. Despite the concentration of chain stores into the General Business Zone, Pukekohe's Town Centre Zone still has a sizeable share of its activity in chain stores. Overall, 42% of the Town Centre's retail businesses are chain stores (46% in comparison retail), which signals a strong ability for the town centre to attract these types of retailers. Moreover, albeit accounting for a smaller share of the activity, Pukekohe's Town Centre Zone attracts over half (55%; 12 businesses) of the hospitality chain stores. Most of these are takeaway food businesses.

⁶ These also include franchise operations.

⁷ That is, the household sector excluding the 'other' category that includes social and transport infrastructure, recreation, education and medical businesses.

Table 3-5: Chain Stores Activity by Household Sector Type and Location in Pukekohe, 2020

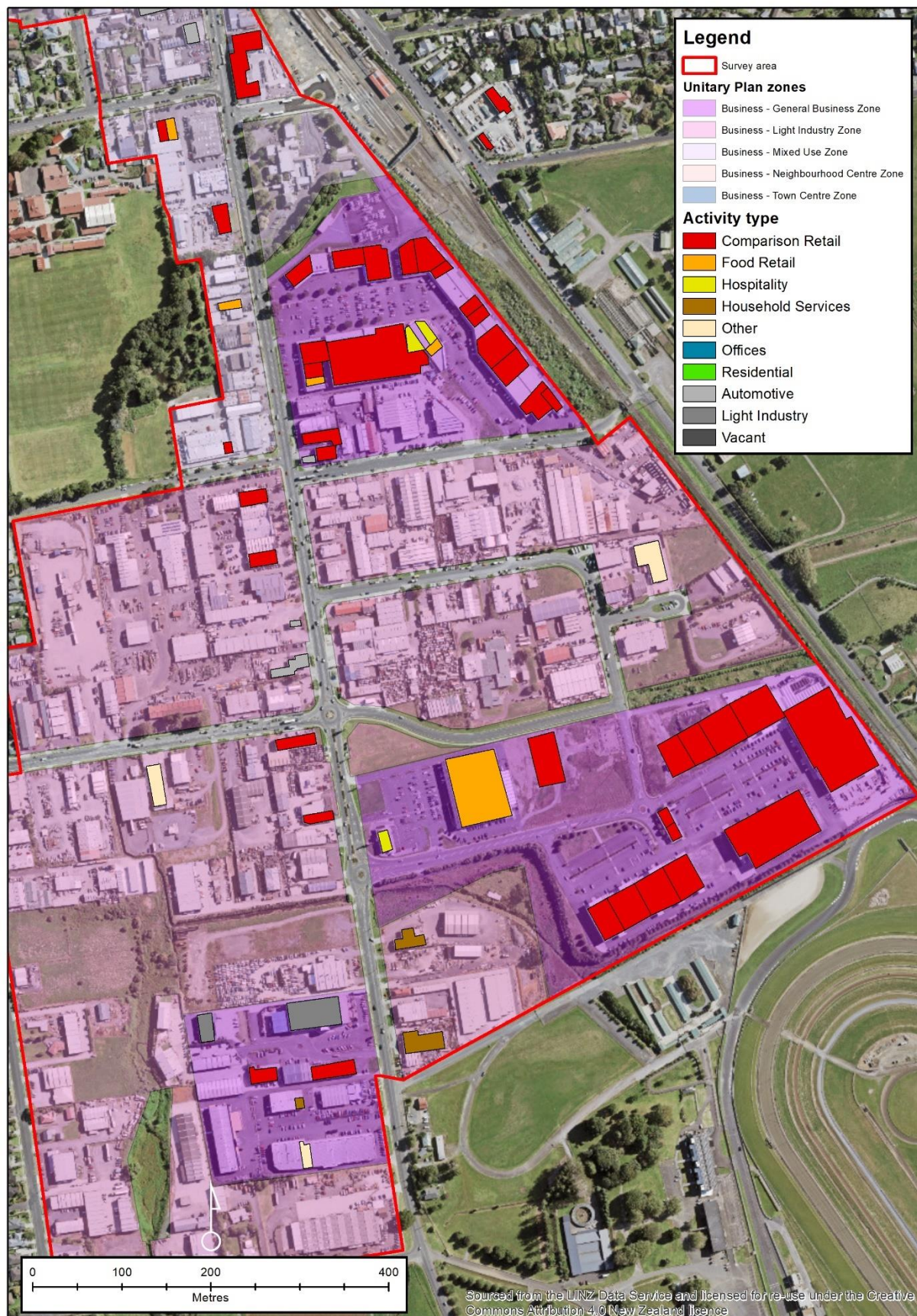
	LOCATION (Zone)					
HOUSEHOLD SECTOR CATEGORY	Town Centre	Business Mixed Use	General Business	Light Industry	Other	TOTAL
	Chain Store Businesses					
Food Retail	2	7	4	1	-	14
Comparison Retail	34	12	32	5	1	84
Total Retail	36	19	36	6	1	98
Hospitality	12	7	3	-	-	22
Total Retail and Hospitality	48	26	39	6	1	120
Household Services	16	3	2	3	-	24
Total Retail, Hospitality and Household Services	64	29	41	9	1	144
Other	12	5	2	4	-	23
Total Household Sector	76	34	43	13	1	167
	Share of Businesses as Chain Stores					
Food Retail	17%	58%	57%	17%	0%	37%
Comparison Retail	46%	67%	80%	63%	100%	60%
Total Retail	42%	63%	77%	43%	50%	55%
Hospitality	20%	47%	43%	0%	0%	24%
Total Retail and Hospitality	33%	58%	72%	27%	50%	44%
Household Services	24%	38%	67%	75%	0%	29%
Total Retail, Hospitality and Household Services	30%	55%	72%	35%	50%	41%
Other	28%	22%	40%	31%	0%	27%
Total Household Sector	30%	45%	69%	33%	25%	38%
	Chain Store Floorspace					
Food Retail	3,700	2,700	11,300	2,700	-	20,400
Comparison Retail	12,100	5,900	40,800	3,100	500	62,500
Total Retail	15,800	8,600	52,100	5,800	500	82,800
Hospitality	2,200	1,900	900	-	-	5,000
Total Retail and Hospitality	18,000	10,500	53,000	5,800	500	87,800
Household Services	4,300	800	1,800	1,700	-	8,700
Total Retail, Hospitality and Household Services	22,300	11,300	54,800	7,600	500	96,500
Other	2,100	3,600	900	2,200	-	8,800
Total Household Sector	24,400	14,900	55,700	9,700	500	105,300
	Share of Floorspace as Chain Stores					
Food Retail	66%	70%	89%	61%	0%	76%
Comparison Retail	64%	81%	91%	80%	100%	83%
Total Retail	65%	77%	91%	70%	79%	81%
Hospitality	21%	44%	40%	0%	0%	26%
Total Retail and Hospitality	52%	68%	89%	55%	79%	72%
Household Services	41%	53%	48%	87%	0%	48%
Total Retail, Hospitality and Household Services	49%	67%	86%	60%	79%	69%
Other	12%	42%	28%	32%	0%	23%
Total Household Sector	39%	58%	83%	50%	15%	59%

Source: M.E Land Use Survey, 2020.

Figure 3-4: Map of Household Sector Chain Stores by Activity Type in Pukekohe: Town Centre, 2020



Figure 3-5: Map of Household Sector Chain Stores by Activity Type in Pukekohe: Southern Area, 2020





3.6 Quality of Floorspace

The land use survey also made observations on the quality of floorspace within each centre. The quality of floorspace is based on the relative appearance of the building containing the floorspace. It is a high-level indicator that reflects the apparent age and condition of the building and does not consider the location of the building. Specific information on the age of the building was not sought and this was based on the impressions of the surveyors only.

Poor quality ratings were used to describe buildings that were relatively run-down, had the appearance of lower quality construction or were older without significant maintenance. Average quality buildings typically reflected older building stock that was maintained, without renovation or improvement, to a tidy standard. Good quality buildings are characterised by newer buildings or existing older buildings that had obvious improvement or renovation.

Overall, Pukekohe has relatively good levels of commercial floorspace quality. The quality of floorspace by location is shown in Table 3-6. A high proportion of floorspace (85% of tenancies) were assessed to be of average-good or better quality. Only 4% of the household sector floorspace assessed in the land use survey areas was of poor or poor to average quality. Of these, only one tenancy was of poor quality (with another two currently vacant tenancies of poor quality). Most of the buildings containing household sector activity are either well maintained, were relatively recently constructed or were older buildings that had obvious renovations or improvements to increase the quality of the floorspace.

The land use survey findings on the quality of floorspace across Pukekohe are shown in Figure 3-6 and Figure 3-7. Within the Town Centre Zone, many of the mainstreet household sector businesses occupy older building stock. However, these are well maintained and provide a good level of visual amenity to the streetscape area. A number of the buildings also appeared to be historic buildings that were renovated with modern building fittings. Several of these are identified as buildings of significant historic heritage with the application of an Historic Heritage Overlay Extent of Place within the Auckland Unitary Plan.

Importantly, household sector businesses located on the side roads running perpendicular to the mainstreet also had good levels of floorspace quality. These were also largely older buildings that had obvious signs of renovations or improvements to the floorspace and street frontage display area. This is significant as tenancies away from the mainstreet in a centre are typically lower quality than those within a mainstreet as they are more difficult to sustain. The continual investment in floorspace outward from the mainstreet area suggests that the commercial household sector component of Pukekohe is sufficiently healthy to sustain this activity.

There have been a number of retail developments within the Town Centre Zone area that are much more recent than the mainstreet area. These include the Edinburgh Retail Centre on Lodge Street, a range of incremental development at the western end of the mainstreet, and, most recently (2012/2012), the development of a small shopping mall/office complex on Wesley Street on the southern side of the centre. The newer age of these developments mean they have relatively high quality floorspace.

Table 3-6: Retail, Hospitality and Household Services Businesses by Building Quality and Centre Location in Pukekohe, 2019

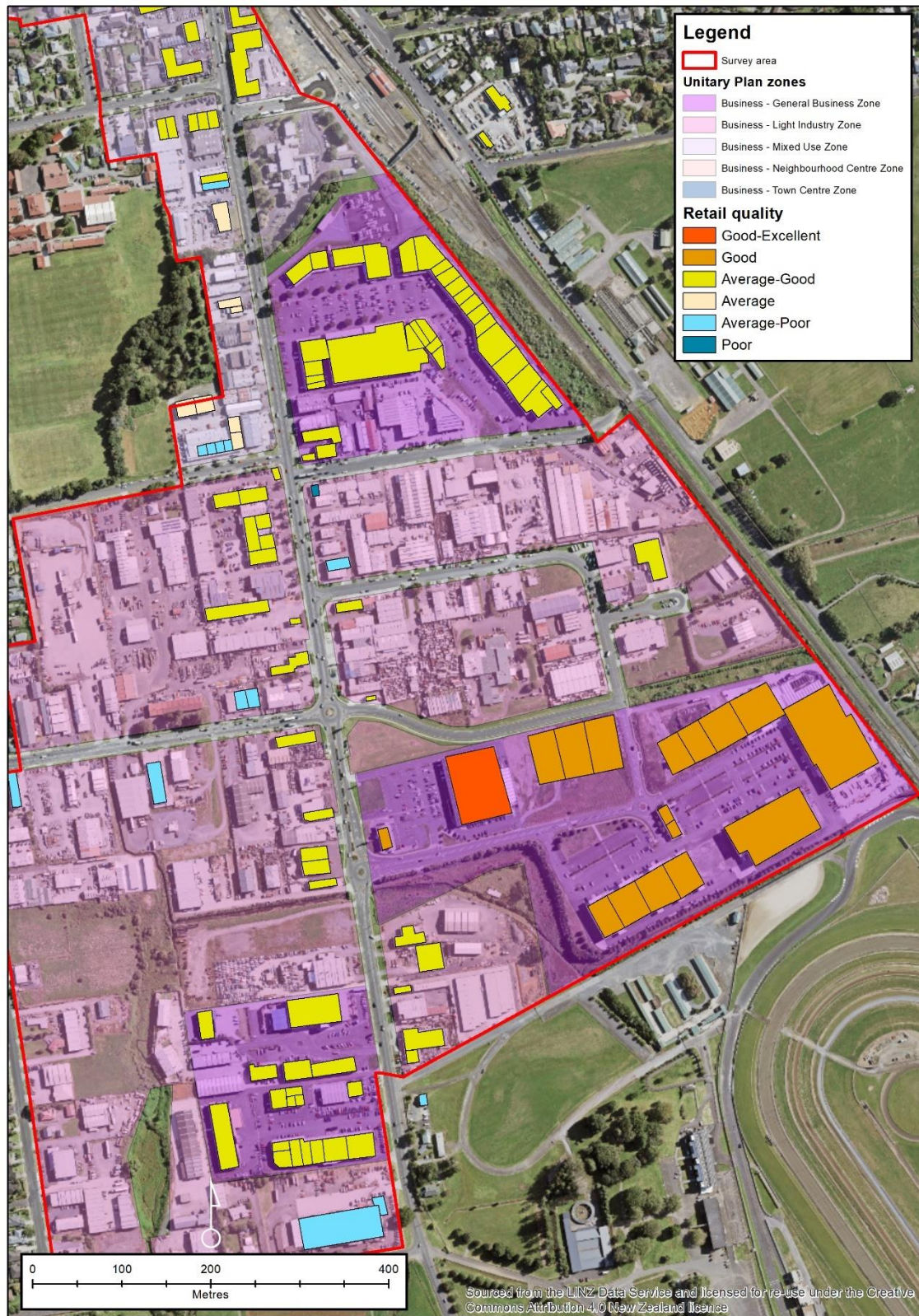
BUILDING QUALITY	LOCATION (Zone)					TOTAL
	Town Centre	Business Mixed Use	General Business	Light Industry	Other	
	NUMBER					
Poor	-	-	-	1	-	1
Poor to Average	6	6	-	6	1	19
Average	32	13	-	-	1	46
Average to Good	172	36	45	32	2	287
Good	47	21	16	-	-	84
Good to Excellent	-	-	1	-	-	1
TOTAL	257	76	62	39	4	438
	SHARE BY LOCATION					
Poor	0%	0%	0%	3%	0%	0%
Poor to Average	2%	8%	0%	15%	25%	4%
Average	12%	17%	0%	0%	25%	11%
Average to Good	67%	47%	73%	82%	50%	66%
Good	18%	28%	26%	0%	0%	19%
Good to Excellent	0%	0%	2%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%
	SHARE BY QUALITY TYPE					
Poor	0%	0%	0%	100%	0%	100%
Poor to Average	32%	32%	0%	32%	5%	100%
Average	70%	28%	0%	0%	2%	100%
Average to Good	60%	13%	16%	11%	1%	100%
Good	56%	25%	19%	0%	0%	100%
Good to Excellent	0%	0%	100%	0%	0%	100%
TOTAL	59%	17%	14%	9%	1%	100%

Source: M.E Land Use Survey, 2020.

Figure 3-6: Location of Retail, Hospitality and Household Services Businesses by Building Quality in Pukekohe: Town Centre, 2020



Figure 3-7: Location of Retail, Hospitality and Household Services Businesses by Building Quality in Pukekohe: Southern Area, 2020





4 Pukekohe Commercial Health Summary

Overall, the land use survey indicated a high level of commercial health across Pukekohe's household sector. At 178,200 m², the centre contains a sizeable volume of household sector floorspace. It is larger than, albeit comparable to, Albany Metropolitan Centre (167,400 m²) on Auckland's North Shore, and significantly larger than that in the recently surveyed metropolitan centres of Westgate (143,000 m²) and Papakura (108,600 m²). The large volume of floorspace reflects the extensive geographic role that Pukekohe plays within its surrounding catchment area, and the scale of growth within this catchment.

Within the Town Centre Zone, demand is sufficiently high to sustain activity both on upper levels above the ground floor, and geographically beyond the mainstreet area. Moreover, the above-ground activity also includes household sector activity, primarily serving household demand, and is not limited to office and residential activity, which are typically the only activity sustained above the ground floor.

The spatial and vertical distribution of household sector activity are important indicators of the centres commercial health. Retail outside of integrated retail complex developments is typically easiest to sustain within the mainstreet area, with a much lower level of viability (and often, quality) away from the mainstreet area. However, Pukekohe has significant retail development down the side road areas, and other non-centre locations within the Town Centre Zone. Importantly, most of this floorspace also has a good level of quality, demonstrating the continued investment beyond the mainstreet area.

There are also a number of tenancies in other spaces around the back of the mainstreet tenancies, accessed via service lanes, as well as others significantly distanced from the mainstreet. The ability to sustain businesses in these locations is likely, in part, to reflect the commercial health of the centre.

The composition and quality (i.e. market positioning) of the retail and other household sector offering within the town centre is also indicative of a relatively high level of commercial health of the centre. The retail sector contains a relatively high share of comparison goods activity, which is an important indicator of the role of a centre as a comparison goods destination. Importantly, substantial chain store tenancies, and substantial comparison goods retail activity generally, is still able to be sustained within the mainstreet and Town Centre Zone area despite the presence of the mega centres in the southern parts of Pukekohe.

Many of the tenancies within the comparison goods sector are also mid to mid-high end retailers, including a number of designer clothing retailers. There are fewer lower-end retailers or discount stores.

During the land use survey, there was a high level of pedestrian activity and vehicle movement within the town centre area of Pukekohe. It is noted that the high traffic volume impeded the pedestrian accessibility of the centre, which was compounded by the limited number/absence of pedestrian crossing areas.

The commercial health of the town centre and mainstreet area is important to the overall functioning of Pukekohe and the consequent amenity to the communities it serves. The amenity extends beyond the commercial household sector offering of the centre. The centre also plays an important social role for these communities. This is reflected in the social infrastructure activity identified within the land use survey.

Pukekohe, as a Town Centre, attracts a level of public sector investment, with a number of key pieces of public infrastructure provided within the centre. The Town Centre Zone area also contains a level of public open space and other smaller seating areas within the mainstreet that encourage social interaction within




the centre. The high level of commercial viability is important in sustaining this wider social function of the centre through attracting consumers to the centre.

With the exception of the mall, the more recent areas of retail expansion in Pukekohe have occurred within the southern area. Significantly, there has been the development of the mega centres, approximately 0.5 kilometres and 1.5 kilometres south of the main Town Centre Zone area. These are characterised by large format retail that is heavily dominated by comparison goods chain stores. Further incremental large format retail development has continued to occur around the southern-most mega centre with a number of tenancies under construction at the time of the land use survey.

Household activity within these mega centres, and across the southern Light Industry/General Business Zone areas more broadly, is substantially different to that within the Town Centre Zone. It is predominantly much larger format, or are types of retail categories (e.g. bulky goods retail) that would be unlikely to seek a town centre mainstreet location. The continued expansion of this larger format retail in southern Pukekohe indicates there is significant, and growing, demand for additional retail activity in Pukekohe or other surrounding locations to meet the catchment retail needs.

The high level of activity within Pukekohe's Town Centre Zone area, together with the indication of good commercial health, suggests that retail growth in the southern area of Pukekohe has not undermined the role and function of the town centre. Although not well spatially integrated at a pedestrian scale, these different components of Pukekohe function concurrently to meet household demand within the wider catchment area.

Pukekohe's geographically expansive catchment area, together with the large areas of future urban residential capacity around Pukekohe suggest that the commercial health of the centre is likely to continue. Significant areas zoned for future urban expansion mean that demand is likely to substantially increase for Pukekohe centre. This is examined in the following section and assed in Section 6.



5 Observations within the Context of the Spatial Role of Auckland's Centres Network

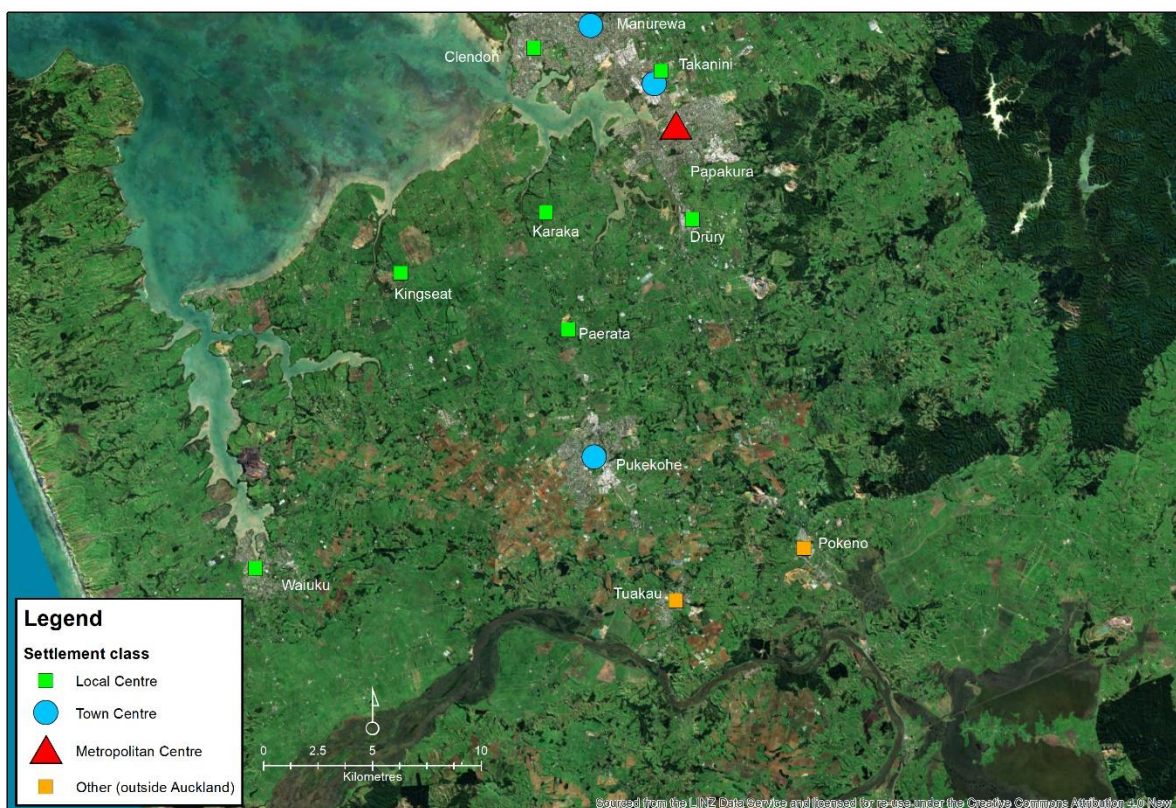
It is important to consider Pukekohe within its wider geographic context of the southern Auckland centres hierarchy. This provides key consideration of the role and function of Pukekohe in relation to the catchment it serves and how this relates to the role played by other centres within the area. It is important to take account of this function and structure together with the future urban growth potential to anticipate how the centres are likely to function into the future. These are key aspects as the centres structure will generate significant economic effects on households. It will affect the spatial efficiency and sustainability of household travel patterns as households in the catchment area access their needs across the centres structure.

The land use survey has found Pukekohe to be a large centre with a wide and varied range of household sector activity. This includes activity that is likely to serve more localised demand across the surrounding Pukekohe urban area and adjacent rural households, as well as a strong comparison goods core that serves a wider demand across a much more expansive geographic area – oriented towards the south. In addition, it is likely that the geographically expansive draw also meets a substantial portion of non-local demand beyond the comparison goods sector. This is partly due to the absence of major supermarkets and other household core services/infrastructure in many of the surrounding centres across the wider rural area and small urban settlements.

Within this catchment area there are a number of other centres that are likely to concurrently serve shares of demand from the catchment. The relative positioning of Pukekohe in relation to the surrounding centres network is shown in Figure 5-1. Pukekohe is the major retail destination within the lower southern part of Auckland and the northern part of the Waikato Region. Most other centres in the area are smaller town, local or neighbourhood centres that primarily serve limited localised demand, with only minor core retail offering.

Papakura is the closest centre within the urban centres hierarchy, which is substantially further north of Pukekohe. As a Metropolitan Centre, it is intended, under the Auckland Unitary Plan, to act as a major core retail destination, serving demand across the southern urban/rural catchment area. However, a recent land use survey found that Papakura is not currently functioning as an effective Metropolitan Centre. It has only a small core comparison goods retail component and does not currently fulfil this important Metropolitan Centre role. The Papakura land use survey found that its function was closer to a Town Centre. Further evidence from an earlier empirical study of spatial spending flows data showed Papakura was underperforming in relation to other Metropolitan Centres and not drawing customers from a similarly expansive geographic area.

Figure 5-1: Pukekohe within the Southern Auckland Centres Structure



As a consequence, Pukekohe is currently fulfilling a more Metropolitan Centre retail function within the centres hierarchy. It is likely to be drawing spending from across large geographic distances to meet demand from southern rural fringe Auckland households. This has important implications for the economic efficiency and sustainability of Auckland's retail household travel as consumers are drawn from across extensive geographic areas.

This situation is likely to continue and become exacerbated into the future under the existing centres structure (absent any retail development at Drury). There are sizeable areas zoned for future urban expansion under the Auckland Unitary Plan, including around Pukekohe and, to the north, around Drury. The Papakura land use survey has identified constraints to Papakura centre being able to significantly increase into a Metropolitan Centre role to better meet this demand. These constraints relate to the existing building condition, age and structure.

As a consequence, Pukekohe, *under the existing centres network*, is likely to meet a portion of this future demand across these large geographic distances. This is likely to generate non-optimal household travel efficiency for future households in the northern part of Pukekohe's catchment area in the areas of future urban expansion around Drury.



6 Retail Impact Assessment

In this section the potential retail trade impacts a Metropolitan Centre developed at Drury might have on Pukekohe are assessed.

Retail effects of new developments on existing centres are in and of themselves not sufficient to generate impacts that Councils should be concerned about. They are a by-product of a competitive market operating and are termed 'trade competition' (to be specifically excluded from the decision process under the provisions of the Resource Management Act (**RMA**)). However, when retail effects lead to a range of other associated effects that begin to impact on a centres ability to provide a range of amenities to the public, then the impacts are significant and become relevant under the RMA.

Another consideration is when the impacts on the centre network arise from a development that is unplanned and not envisaged as part of the centre network or a known out of centre location. In these instances Councils are able to consider the impacts on the integrity of the plan as relevant in their decision process. This is because Councils plan for a city form and function around the location and scale of centres within the network. These centre network structures provide the city with form and allow for an efficient market to operate as well as ensuring investments in infrastructure are able to be planned ahead of time and made in an efficient manner. Some out of centre or unplanned developments may lead to under utilisation of infrastructure and/or cause a need for additional investments in infrastructure to be made. These inefficient outcomes are not compensated for by the developer – rather they are costs that are absorbed by the general public and or ratepayers.

In this instance Pukekohe is an integral component of Auckland's overall centre network. It is the major rural town centre in the south and will form a satellite town to Auckland within the Auckland Region balancing the role Warkworth plays to the north of the city. As mentioned above, Pukekohe is an agricultural support centre providing goods and services for some of New Zealand's most productive horticultural and pastoral land. The role played by Pukekohe extends outside of the Auckland Regional boundaries

Set against this is the requirements of Auckland to grow. The area around the Drury interchange has been recognised as an important growth location that will ultimately accommodate nearly 30,000 households and 12 – 15,000 workers. This is a sizable city in the wider New Zealand context. As part of that development Council has recognised the importance of providing for a number of commercial centres to meet household needs. Kiwi Property have plans before Council to develop the core of Drury into a Metropolitan Centre – the highest order centre (other than the CBD) within the region.

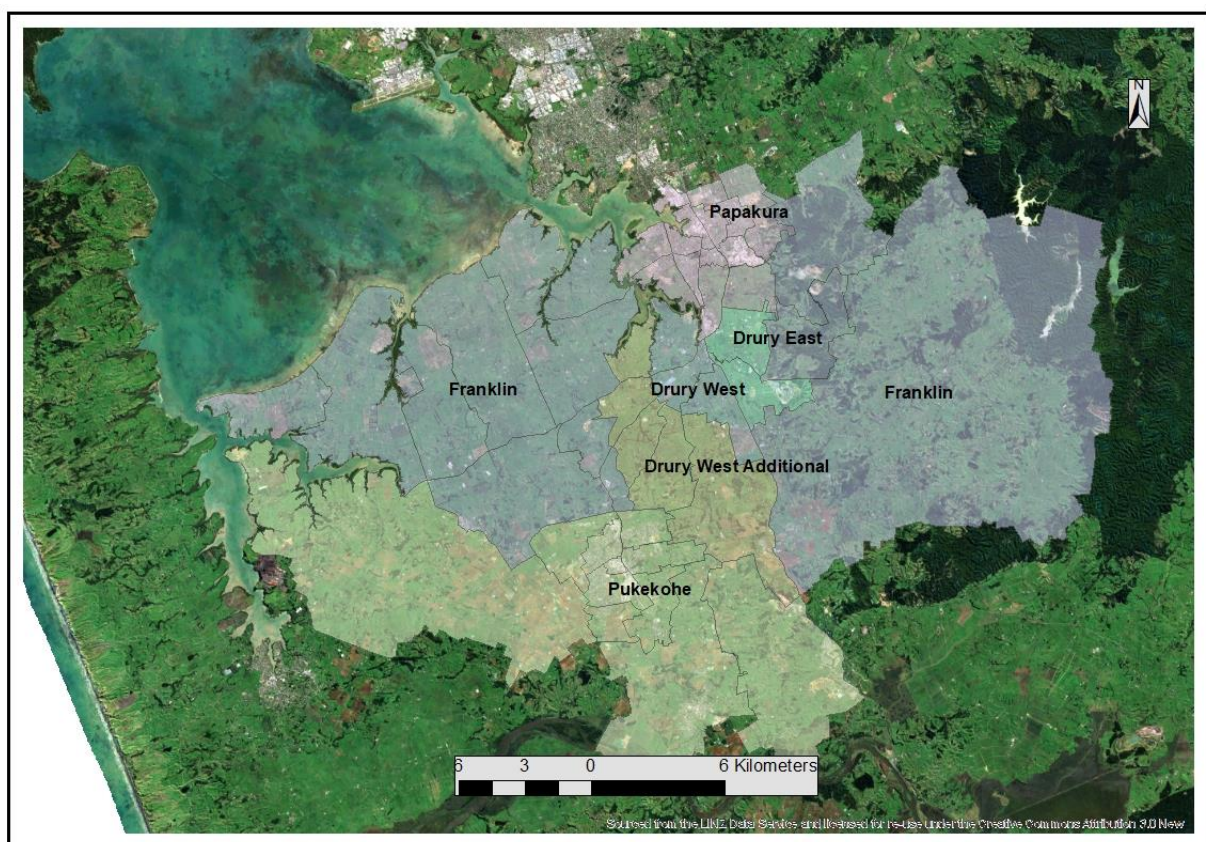
In addition to recognising the need for a centre to support the wider Drury development, Council need to ensure that any adverse impacts on the existing centre network in terms of their ability to provide for people and communities – in particular impacts on higher order centres are avoided or mitigated.

6.1 Retail Impact Approach


In summary, to assess potential retail impacts I have;

- For each identified catchment (see figure below), I have translated current and future households into first an amount of retail spend they are expected to generate, and second to the amount of retail floorspace this spend supports in all centre types, and by centre type
- Generated estimates of the share of spend from each catchment being attracted to each centre – by retail type and centre type
- Translated that spend into the amount of floorspace supported by each catchment in each centre – by retail type
- Developed 2 scenarios of the retail future to compare. First, with a metropolitan centre located in the Drury East catchment on the Kiwi land adjacent to the Motorway off-ramp, and second, a future without the Drury Metropolitan Centre. Note that in both scenarios growth is as defined in the ART Scenario I Modified, Version 11 projections.
- The amount of floorspace attracted to Drury Metropolitan Centre in the First scenario is then made available to Pukekohe (and other centres) in the second scenario.
- Floorspace growth estimates for Pukekohe are then compared under the 2 scenarios and the differences reported as the potential retail impacts.

Figure 6.1: Southern Sector Catchments



I have allowed the catchments to grow in line with projections contained in the ART Scenario 1 Modified Version 11 datasets. This scenario sees the Pukekohe catchment (Figure 6.1) grow from around 11,870



dwellings in 2016 to over 21,800 by 2043. The effects of this growth will offset (to a great extent), the retail impact effects of a metropolitan centre developing at Drury.

For each snapshot year (2023, 2028, 2033, 2038, 2043), I have estimated the amount of retail spend generated in each catchment and have assumed it is distributed to centres in line with the manner in which different centres meet household needs. This means that most retail spend is focused locally with smaller shares travelling to be spent at work locations and at higher order centres (where relevant).

I have then compared the Retail GFA likely to be sustained at Pukekohe with the situation if Drury Metro centre is established (according to the growth of sustainable floorspace outlined in Figure 5.4 of the Drury Centre Assessment report).

6.2 Caveats and Assumptions

There are a significant number of caveats and assumptions in this process that Council needs to be aware of - including;

- In the original estimates of GFA able to be sustained in the Drury Metropolitan Centre, no demand was drawn from the Pukekohe catchment (as defined in Figure 6.1). This assumption is made because currently Pukekohe offers a wide range of comparison retail and hospitality options, these would be replicated at Drury Metropolitan Centre but the main categories of retail would not necessarily be increased. Other than 'newness' and diversity, Drury Metropolitan Centre may not offer significant additions to Pukekohe.
- Drury Metropolitan Centre draws approximately 16% of the core retail and hospitality spend arising in the Franklin catchment (Figure 6.1), 3% of the Papakura catchment, 29% of the Drury West and Drury West additional catchment, and almost 50% of the demand from the Drury East catchment.
- If Drury Metropolitan Centre is not developed and there is no major centre developed in the Drury FUZ – in other words the local centres in Drury West and the neighbourhood centres are the only ones meeting household needs, demand captured by the Drury Metropolitan Centre (defined in the bullet point above) is distributed across other centres.
- In that scenario, Pukekohe Town Centre is expected to capture 60% of the demand that arises out of the Franklin catchment that was attracted to Drury Metropolitan Centre, 50% of demand that arises in Drury West and Drury West additional captured by Drury Metropolitan centre is diverted to Pukekohe, 20% of the Drury East demand, 10% of the Drury South demand and 5% of the captured Papakura demand would be spent at Pukekohe.
- The future without Drury Metropolitan Centre is made up from Pukekohe performing its normal role with respect to its catchments and capturing demand that would otherwise have been met at Drury Metropolitan Centre. This is then compared to the 'with Drury Metropolitan Centre' situation.
- Impacts are felt most strongly in the year a competing centre opens. Over time catchment growth often compensates for the retail diversions. In a high growth environment, such as in and around Pukekohe, growth is expected to offset any diverted trade in a very short time frame (1- 2 years at most).
- Finally, retail impacts assessed focus on the core retail and hospitality sector that is supported by the Pukekohe catchment identified in Figure 6.1. As the Centre Survey discussed in previous sections identifies Pukekohe meets a wide range of needs from across a much greater area than simply this catchment. This means that the estimates of overall floorspace drawn from the survey are higher than those estimated to have been supported by demand that arises from the

identified Pukekohe Catchment. This is important as it means that the estimates of retail impact that follow in this section may be higher than in reality.

All of the impacts described below are based on a business as usual future, that means that the future manner in which centres operate and households interact with centres is the same as recent history. No account has been made for significant increases in home delivery of retail goods and services, or alternative forms of transportation and consumption.

6.3 Retail Impacts

6.3.1 Catchment Retail Demand

Total Core retail and hospitality demand from the identified catchments is expected to grow from around \$1.3 billion in 2016 to over \$5.4 billion by 2048 (Figure 6.2). In total this level of core retail and hospitality demand is expected to sustain 125,800sqm GFA in 2016 rising to over 507,000sqm GFA by 2048 (Figure 6.3).

Figure 6.2: Catchment Core Retail and Hospitality Demand 2016 – 2048 (\$m)

Catchment	2016	2018	2023	2028	2033	2038	2043	2048
Pukekohe	\$ 528.9	\$ 601.1	\$ 759.7	\$ 901.1	\$ 1,044.5	\$ 1,155.3	\$ 1,260.2	\$ 1,368.0
Franklin	\$ 207.6	\$ 231.4	\$ 306.9	\$ 413.5	\$ 539.1	\$ 667.9	\$ 776.3	\$ 893.8
Drury West	\$ 16.7	\$ 25.5	\$ 49.1	\$ 74.9	\$ 190.5	\$ 317.6	\$ 577.7	\$ 863.6
Drury East	\$ 38.5	\$ 57.4	\$ 107.9	\$ 163.4	\$ 235.5	\$ 314.6	\$ 472.0	\$ 644.7
Drury South	\$ 5.1	\$ 12.1	\$ 30.8	\$ 51.5	\$ 59.6	\$ 68.5	\$ 75.2	\$ 82.5
Papakura	\$ 547.6	\$ 617.4	\$ 794.2	\$ 980.2	\$ 1,155.0	\$ 1,283.3	\$ 1,421.2	\$ 1,569.8
Total	\$ 1,344.4	\$ 1,544.9	\$ 2,048.6	\$ 2,584.5	\$ 3,224.2	\$ 3,807.1	\$ 4,582.6	\$ 5,422.5

Figure 6.3: Catchment Core Retail and Hospitality Demand 2016 – 208 (sqm)

Catchment	2016	2018	2023	2028	2033	2038	2043	2048
Pukekohe	49,292	56,026	70,843	84,034	97,414	107,716	117,452	127,498
Franklin	19,503	21,742	28,829	38,848	50,650	62,744	72,928	83,970
Drury West	1,554	2,374	4,568	6,981	17,795	29,695	54,114	80,948
Drury East	3,570	5,330	10,036	15,208	21,899	29,232	43,964	60,123
Drury South	469	1,115	2,844	4,746	5,455	6,223	6,818	7,456
Papakura	51,421	57,977	74,591	92,063	108,487	120,543	133,499	147,463
Total	125,809	144,565	191,711	241,879	301,699	356,154	428,775	507,458

In total Core Retail and Hospitality GFA supported by the Pukekohe catchment (Figure 6.1) grows from 49,300sqm in 2016 to almost 127,500sqm by 2048 (128% growth) (Figure 6.3). In the 'with Drury Metropolitan Centre' scenario, none of this GFA is assumed to be captured by Drury. However, by 2048 some 73,000 sqm of Core retail and Hospitality demand from the other catchments (identified in Figure

5.1) is estimated to be serviced by the core retail and hospitality space developed at the Drury Metropolitan centre (by 2048) (Figure 6.4).

Figure 6.4: Catchment Origin of Drury Metropolitan Centre Core Retail and Hospitality GFA (sqm)

Catchment	2016	2018	2023	2028	2033	2038	2043	2048
<i>Pukekohe</i>	0	0	0	0	0	0	0	0
Franklin	3,120	3,478	4,611	6,214	8,102	10,036	11,665	13,431
Drury West	451	690	1,327	2,027	5,164	8,615	15,695	23,475
Drury East	1,662	2,481	4,670	7,077	10,191	13,605	20,457	27,973
Drury South	218	519	1,324	2,210	2,542	2,902	3,180	3,478
Papakura	1,684	1,899	2,443	3,015	3,553	3,948	4,372	4,829
Total	7,136	9,066	14,375	20,543	29,551	39,106	55,369	73,187

If the Drury Metropolitan Centre was not developed, this spend would be accommodated elsewhere. As described above, I have estimated that approximately 60% of the Franklin spend captured would flow to Pukekohe, 50% of the Drury West spend, 20% of the Drury East, 10% of the Drury South and only 5% of the Papakura Spend. These figures are based on assumptions about how people are likely to move across the southern sector. Again, a significant number of workers flow north to employment destinations closer to the centre of Auckland. Spend is also likely to mostly flow north to the larger metropolitan centres of Manukau and Papakura along with the large format areas around Takanini. However, a portion of the Drury FUZ based spend will flow south to Pukekohe and a very small portion of Papakura domiciled demand will flow south.

Under these assumptions, with no Drury Metropolitan Centre, I have estimated that approximately 2,500sqm in 2016 growing to just under 26,000sqm by 2048 of Core Retail and Hospitality space would potentially be captured and provided for at Pukekohe (Figure 6.5).

Figure 6.5: Diverted Core Retail and Hospitality Demand (sqm GFA) Captured by Pukekohe Town Centre (2016 – 48)

Catchment	2016	2018	2023	2028	2033	2038	2043	2048
<i>Pukekohe</i>	0	0	0	0	0	0	0	0
Franklin	1,872	2,087	2,767	3,728	4,861	6,022	6,999	8,059
Drury West	226	345	663	1,013	2,582	4,308	7,848	11,738
Drury East	332	496	934	1,415	2,038	2,721	4,091	5,595
Drury South	22	52	132	221	254	290	318	348
Papakura	84	95	122	151	178	197	219	241
Total	2,536	3,074	4,619	6,529	9,913	13,538	19,475	25,980

6.3.2 Pukekohe Retail Impact Assessment

Obviously, the Drury Metropolitan Centre is not currently built, therefore the figures for 2016 and 2018 are simply an exercise assuming the centre was developed. The year in which the Drury Metropolitan Centre opens has a significant bearing on the potential levels of 'impact' it has on Pukekohe. This is because the levels of otherwise captured retail demand increase over time and the base level of demand from other

catchments focused on Pukekohe also increase (both do so at different rates, commensurate with their catchment dynamics).

In Figure 6.6, below, Total Pukekohe Catchment demand for core retail and hospitality sqm GFA is translated to the portion likely to be focused on Pukekohe Town Centre (assumed 80%). To this is added the portion of demand from other surrounding catchments that are anticipated to be provided for by the Drury Metropolitan Centre (when it is built) but in the 'no Drury centre' scenario, are captured and provided for at Pukekohe Town Centre.

This then generates estimates of 'Total Demand at Pukekohe TC' – the 4th line of the table. This sees GFA increase from an estimated 47,900sqm in 2018 to almost 128,000sqm by 2048 (Figure 6.6).


Figure 6.6: Potential Drury Metropolitan Centre Impacts on Pukekohe Town Centre (sqm and %)

Category	2016	2018	2023	2028	2033	2038	2043	2048
Pukekohe Total Catchment Demand	49,292	56,026	70,843	84,034	97,414	107,716	117,452	127,498
Pukekohe Town Centre Focused Demand	39,433	44,821	56,674	67,227	77,931	86,173	93,961	101,998
<i>Other Catchment Demand - Pukekohe met</i>	2,536	3,074	4,619	6,529	9,913	13,538	19,475	25,980
Total Demand at Pukekohe TC	41,969	47,896	61,293	73,756	87,844	99,711	113,436	127,979
Post Impact Pukekohe Demand	39,433	44,821	56,674	67,227	77,931	86,173	93,961	101,998
Impacts Compared to Total	-6.0%	-6.4%	-7.5%	-8.9%	-11.3%	-13.6%	-17.2%	-20.3%
Sales Change vs 2018		-6.4%	18.3%	40.4%	62.7%	79.9%	96.2%	113.0%
Sales Change vs 2023			-7.5%	9.7%	27.1%	40.6%	53.3%	66.4%
Sales Change vs 2028				-8.9%	5.7%	16.8%	27.4%	38.3%

Having established the likely maximum potential demand focused on Pukekohe, removing the portion drawn from catchments that would otherwise support Drury Metropolitan Centre, allows estimates of potential retail impact to be generated. By comparing Total demand at Pukekohe with Post Impact Demand in a raw form generates an estimate for the impact on any given year should the Drury Centre open in that specific year. This means that if the Drury Metropolitan Centre had opened in 2016, it would have had a 6% core retail and hospitality impact on Pukekohe at the time. Opening the Drury Metropolitan Centre in 2028 generates an 8.9% impact on sales performance in that year at Pukekohe. This rises to slightly more than 20% if Drury was to open in 2048 (Figure 6.6).

While these estimates are interesting, they do not tell the whole story. Following the opening of the Drury Metropolitan Centre the household markets in each catchment continue to grow. This generate additional core retail and hospitality demand focused on all centres in the south – offsetting original impacts on an ongoing basis. This is clearly seen in the bottom three lines of Figure 6.6. If Drury Metropolitan Centre were to open in 2018 (for example) – I anticipate a direct 6.4% reduction in the retail sales level for Pukekohe (compared to the no Drury Metropolitan Centre) for that year. This can be seen in the Sales Change vs 2018 line in Figure 6.6 above.

While the initial impact (if the Drury Metropolitan Centre were to open in 2018) is estimated to be 6.4%, by 2023 turnover in Pukekohe would be 18.3% higher than it was in 2018 (Figure 6.6). This is important as it suggests that any impacts on the core retail and hospitality sector in Pukekohe are likely to be very short lived. This is also the case if the Drury Metropolitan Centre were to open in 2023 where a 7.5% impact in the first year reverses so that by 2028, Pukekohe Core Retail and Hospitality sector is almost 10% larger



than in 2023. Growth of the entire market post 2028 sees Pukekohe's Core Retail and Hospitality sector grow to be 66% larger in 2048 than it was in 2023 (Figure 6.6).

6.3.3 Overall Centre Impacts

I also note at this point that Core Retail and Hospitality is only a portion of the activity that occurs in Pukekohe town centre. This means that the impacts expressed as a percentage reduction of activity across the entire centre are significantly less than those modelled in the retail impact tables above.

As described in sections 3.1 and 3.2 above, Pukekohe's Town Centre is made up of a large diversity of centre uses. Core Retail and hospitality within the Centre represents an estimated 68% of total floorspace dedicated to the household sector (as per the Centre Survey). If activities such as office, residential automotive and light industry are added, this reduces to around 55%.

The retail impacts discussed in 5.3.2 therefore only impact on between 55% and 68% of total Pukekohe Centre activity – depending on perspective.

This means that the direct impacts arising from the development of a Metropolitan Centre in Drury are not sufficient to generate overall centre effects on Pukekohe Town Centre to cause a reduction in its ability to provide for the needs of its community and residents.



7 Concluding Comments

The assessment has found that Pukekohe is a large centre playing an important relative role within its catchment area. The land use survey has identified a sizeable amount of household sector activity, exceeding the household sector floorspace area of the previously surveyed Metropolitan Centres of Papakura and Westgate, and of Albany.

Pukekohe centre has multiple components to its retail offering, including a mainstreet area, two mega centres, and other retail distributed across the business zoned areas. Within this, it has a strong comparison goods retail component.

The significant household sector offering means that Pukekohe draws custom from across an expansive geographic area. It is the largest key retail destination within the southern Auckland rural and lower southern urban areas, and also serves demand from Pokeno and Tuakau within the Waikato Region. Its wide and varied retail role means that it is effectively acting as a retail Metropolitan Centre.

The extensive and dominant geographic role of Pukekohe means that it is a commercially healthy centre. The land use survey found that the centre was able to sustain a large amount of household sector activity. This extends beyond the mainstreet and retail complex areas, where retail on side roads and in other low-pedestrian areas was also viable, as well as above-ground level. The retail offering was typically positioned within the mid area of the market, with some retail (e.g. designer clothing) within the mid to higher ends. There were few discount stores or retail in lower parts of the market present.

The good commercial health of the centre is also reflected in the relatively good quality of the floorspace, with substantial amounts of investment in new retail floorspace and upgrades of existing, older space.

The large relative role of Pukekohe is likely to continue, and to increase, into the future due to the large amounts of future urban growth zoned land around the edges of Pukekohe and around Drury in the northern part of the catchment area.

The positioning of Pukekohe within the urban centres structure is likely to have an effect on household travel and time efficiency, and sustainability, as households travel to meet their retail needs. Households currently travel long distances to Pukekohe as a key southern retail destination, which is likely to generate inefficient patterns for households in Auckland's southern urban area. This may be exacerbated in the future if further growth occurs through the future urban expansion in the northern parts of the catchment near Drury (under the current centre structure).

The closest Metropolitan Centre, as an intended large retail destination, is Papakura, which is to the north of Pukekohe. However, earlier research has estimated that Papakura is currently underperforming in the Metropolitan Centre role, with its function closer to that of a Town Centre. Constraints in Papakura mean it is unlikely to fulfil a larger relative role in the future.

As a consequence, Pukekohe, *under the existing centres network*, is likely to meet a sizeable portion of this future demand across these large geographic distances. This is likely to generate non-optimal household travel efficiency for future households in the northern part of Pukekohe's catchment area in the areas of future urban expansion around Drury.



In terms of direct retail impacts on Pukekohe's role in providing Core Retail and Hospitality services to its community, the development of a Metropolitan centre on the Kiwi land to the east of the southern motorway at Drury is expected to reduce turnover by between 7.5% and around 10% depending on when the centre opened (2023 or 2028). However, this direct impact is short lived. The modelling carried out in section 6 points to market growth off setting these impacts within 1-2 years such that Pukekohe's Core Retail and Hospitality role will be larger than the pre impact sales levels by between 6% and 10% within 5 years.

Based on the centre assessment that has highlighted Pukekohe is a robust centre meeting a wide range of retail and other needs for a large rural hinterland and local urban communities, and the retail impact assessment that points to relatively low immediate impacts that are off set within 5 years, I do not consider that developing a Metropolitan Centre will impact on Pukekohe's form and function or Auckland's centres network's ability to meet community needs into the future.