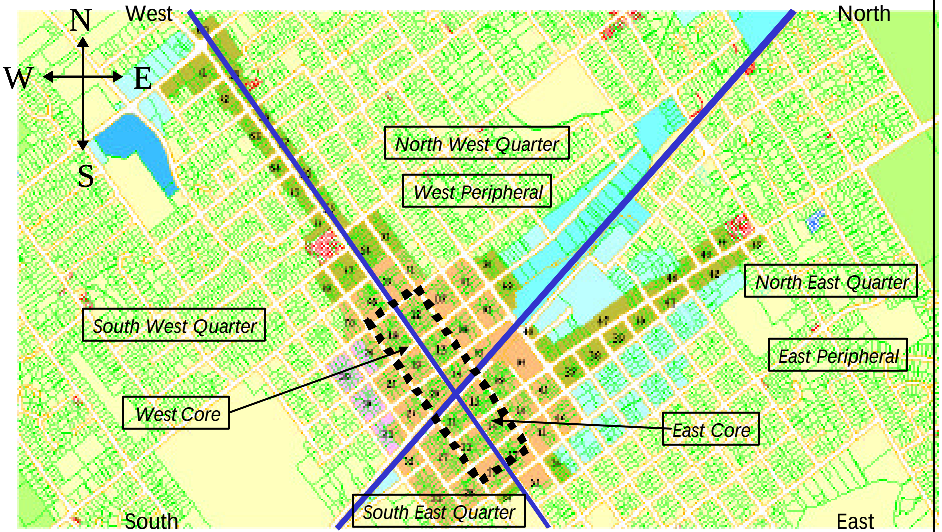
3. EMERGING RETAIL PATTERN IN HASTINGS

3.1 DISTRIBUTION OF RETAIL FLOORSPACE IN QUARTERS OF HASTINGS CBD AND PERIPHERY

In this section we consider the current distribution of floorspace in retail uses in Hastings Central commercial, Commercial Service, and Central Residential Commercial zones.

In **Figure 3.1** below, the total Commercial area is divided into core (subdivided into West Core and East Core) and periphery areas (subdivided into the four quarters). **Figure 3.2** graphs the distribution of floorspace by these areas.

Figure 3.1 Quarters



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The data is derived from the Hastings District Council Property Database. This records the "specific use" of each property, its floorspace, and lists the tenants. We used this data to estimate the floorspace in each tenancy and assign each tenancy in retail use to one of six store types.

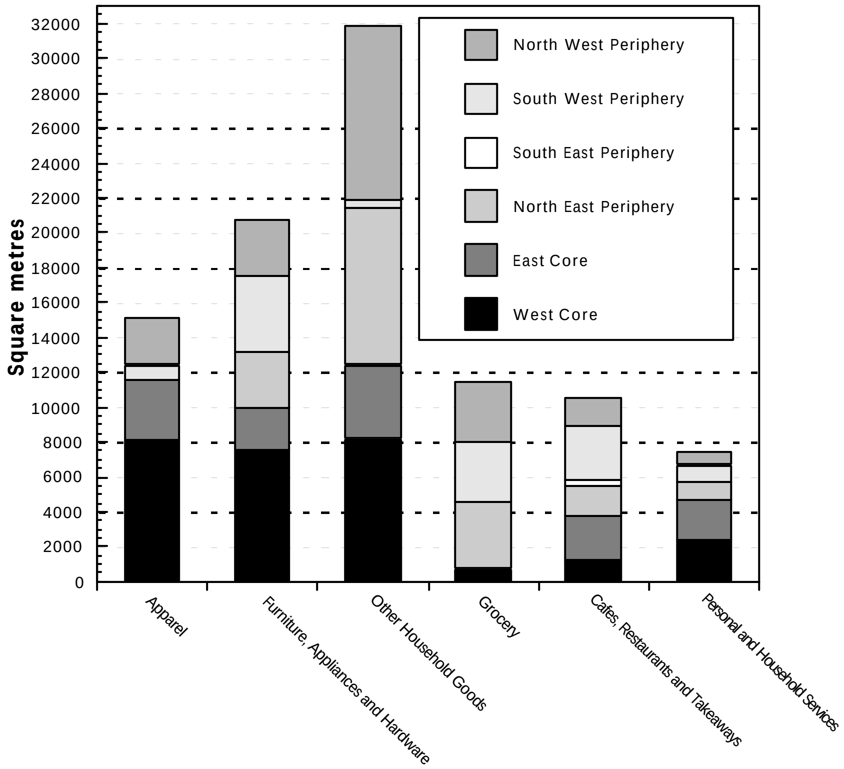
- Grocery stores
- Cafes, Restaurants and Takeaways
- Personal and Household Services outlets
- Specialist Apparel and Accessories stores
- Furniture, Appliances and Hardware stores
- Other Household Goods stores (includes department stores)

The final three store types, together comprise the "comparison shopping" group.

The following points emerge from this analysis:

- The CBD core has a 44% share of floorspace in retail and related uses; these West Core has a 29% share and 15% is in the East Core
- The North East Periphery has a 19% share of floorspace in retail and related uses; this is slightly less than the North West Periphery's 22%.
- The CBD core is dominant in Apparel and accessories specialist stores, with 77% of the total floorspace; 54% is in the West Core area alone.
- The CBD core has nearly half (48%) of floorspace in Furniture, Appliances and Hardware and;
- The CBD core has a share of 39% of other household goods stores floorspace (including Department stores).
- There is little grocery floorspace in the CBD Core – only 6%.
- Floorspace in Cafes, Restaurants and Takeaways is concentrated in the South West Periphery (29% share, chiefly in the Commercial Service Zone for example, McDonalds and the Corn Exchange) and in the East CBD Core (25% share).
- The CBD core has a majority of Personal and Household Service floorspace – some 62%, and this is distributed approximately equally between the East and West core areas.

Figure 3.2: Distribution of Floorspace in Hastings CBD and Periphery, June Year 2002



Note: Department Stores are included under Other Household Goods stores
Source: Hastings District Council Property Database
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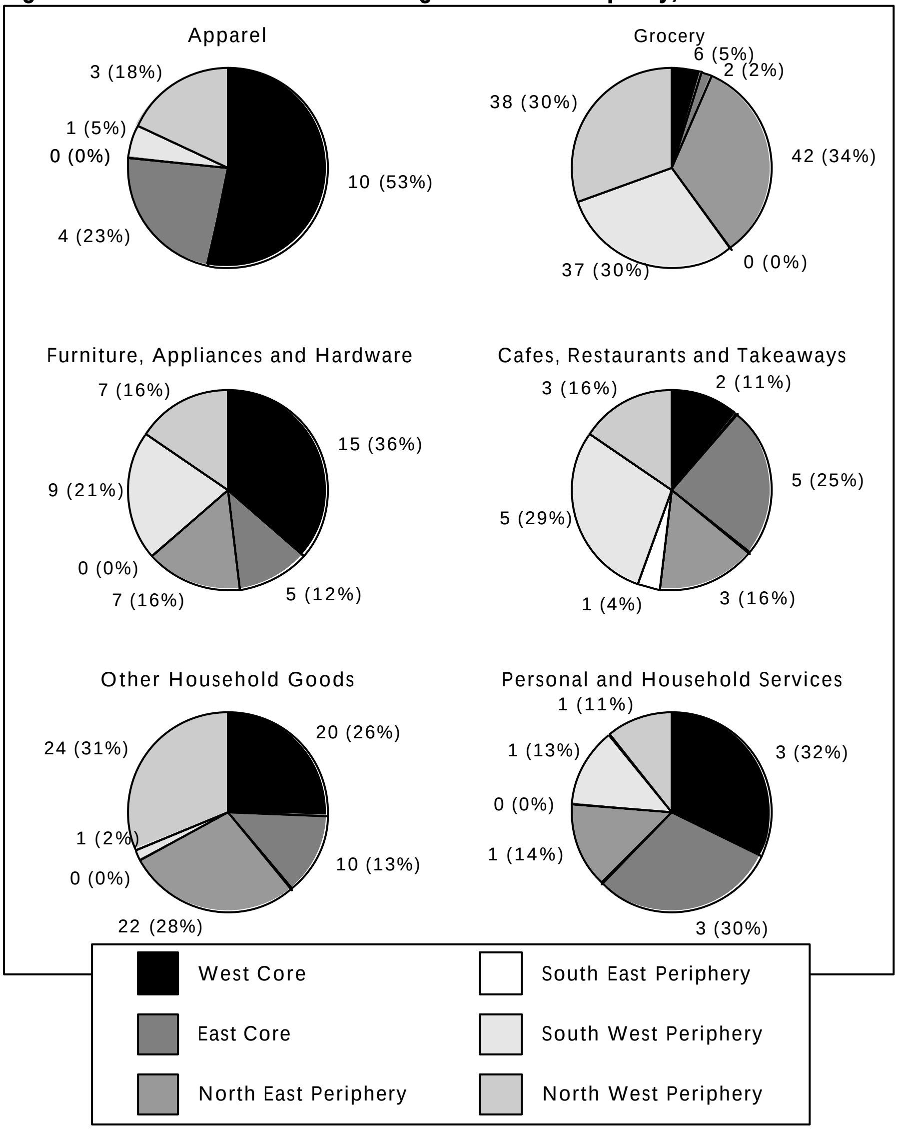
3.2 ESTIMATED SALES IN QUARTERS OF HASTINGS CBD AND PERIPHERY

Estimated sales in June Year 2002 within Hastings' central commercial and commercial service zones (using the same breakdown of areas as the floorspace data of **Table 5.1**) are shown in **Figure 3.3**. This shows that:

- The CBD core has only a 29% share of sales in the six store types combined, whereas it has a 44% share of floorspace; this is because there is no supermarket in the core CBD. Supermarkets have annual sales performance of around $10,000 per m^2, as compared to only around $2000 per m^2 in CBD stores.
- The CBD core's share of comparison goods store sales is around 47%; the West Core has a share of around 33% and the East Core around 14%.

Figure 3.3: Estimated Sales in Hastings CBD and Periphery, June Year 2002



Note: Department Stores are included under Other Household Goods stores
Source: McDermott Miller estimates

3.3 LARGE FORMAT RETAILING

LFR TRENDS

The review of retailing and the future Commercial Zones of Hastings is partly a response to growing pressure for "Large Format Retailing" (LFR) in the city, both within and outside the present commercial zones.

Large Format Retailing has been a growing national trend in retailing over the last decade, with national retail chains developing larger and larger stores that specialise in providing a wide selection of merchandise in a particular product range catering to the weekend, car-driving shopper. Examples of Large Format Retailing already in Hastings include: The Warehouse, Big Save Furniture, Noel Leeming, Harvey Norman and Mitre 10. In some cases, the high marketing profile, large physical presence and range and price of merchandise make Large Format Retailers shopping destinations in their own right.

In general terms, Large Format Retail tends to come in three forms:

- The first is a **stand-alone store**, sometimes with its own parking. These stores tend to form on the outskirts of the CBD of a city and become specific shopping destinations within that CBD. The minimum size for this type of store is the around 2,500m^2. This is the type of Large Format Retailing that Hastings has seen so far.
- The second form of Large Format Retailing is popularly known as a **"powerstrip"**. This is where a collection of these stores locate individually along a common street on their own sites and with separate parking. "Powerstrips" can be in the commercial zones of the CBD, but sometimes occur outside it in the surrounding commercial service and industrial zones (for example, in Taradale Road, Napier). Such "powerstrips" can create traffic and parking difficulties if they are on the main arterial routes of a city and do not have enough parking for all of the stores. The size of such a strip is difficult to predict, but some 600 metres long is possible (about the length of 6 Hastings City blocks).
- The third and most recent form of Large Format Retail is the **Megacentre**. This involves a collection of Large Format Retailers on a common large site (around 5 hectares or the equivalent of 5 Hastings City blocks) acquired by a separate property developer and later promoted by the retailers as a single shopping destination. The typical Megacentre is built around a large shared central carpark. These retail developments tend to occur on the periphery of a city's CBD in commercial service and industrial zones. They do sometimes develop on "Greenfield" sites on the rural fringe of a city. Megacentre type retail development requires larger blocks of land than is currently available in the Hastings CBD, unless aggregation of existing commercial lots occurs, or the CBD is expanded in some way.

Megacentres Development

It is highly likely, that at least one megacentre consisting of a cluster of large format retail stores will soon be developed somewhere in the Hastings District – Napier City area. Such a development would draw in spending from households located in what would otherwise be the catchments of other shopping centres; this would be viewed as an increase in "leakage" from the catchment of the shopping centre without the megacentre. There would also be increased employment opportunities at the new megacentre, but at some cost in jobs at other shopping centres. It is therefore in the interest of a local authority to have a megacentre locate in its District, rather than have one locate in an adjoining district and have none in their own.

In other words, if Hastings were to be the only community to gain a megacentre there would be a decrease in spending leakage from Hastings. Gaining a megacentre for Hastings is also a matter of gaining greater spending from households of the wider Heretaunga Plains. This will help maximise retail employment opportunities in Hastings.

3.4 THREAT OR OPPORTUNITY

Over the last 22 years, the urban form of Hastings (and the pattern of retail activity which helped shape it) has been changing from a linear form along and East-West axis of Heretaunga Street to Pakowhai Road, to a more compact urban-grid form around the original Heretaunga Street retail strip and the newer stand-alone LFR development in the North-Western and North-Eastern quarters of the CBD.

Prospective LFR development presents both a threat and opportunity to the continuation of a consolidated urban form of retailing in Hastings. If future LFR is permitted, either as stand alone stores, or as a "powerstrip", or as a megacentre to develop west of Pakowhai Road (in the Omahu Road area for instance) then the pattern of retail in Hastings could once again become attenuated along its western axis. This ultimately could lead to the emergence of a separate retail centre which rivals Hasting's CBD in size and significance. On the other hand, if LFR can be consolidated within an albeit enlarged CBD Central Commercial Zone, then the trend towards retail consolidation in the urban grid bounded by Heretaunga Street and the North West and East of Hastings would be reinforced and the CBD would continue to be intensively visited and shopped.