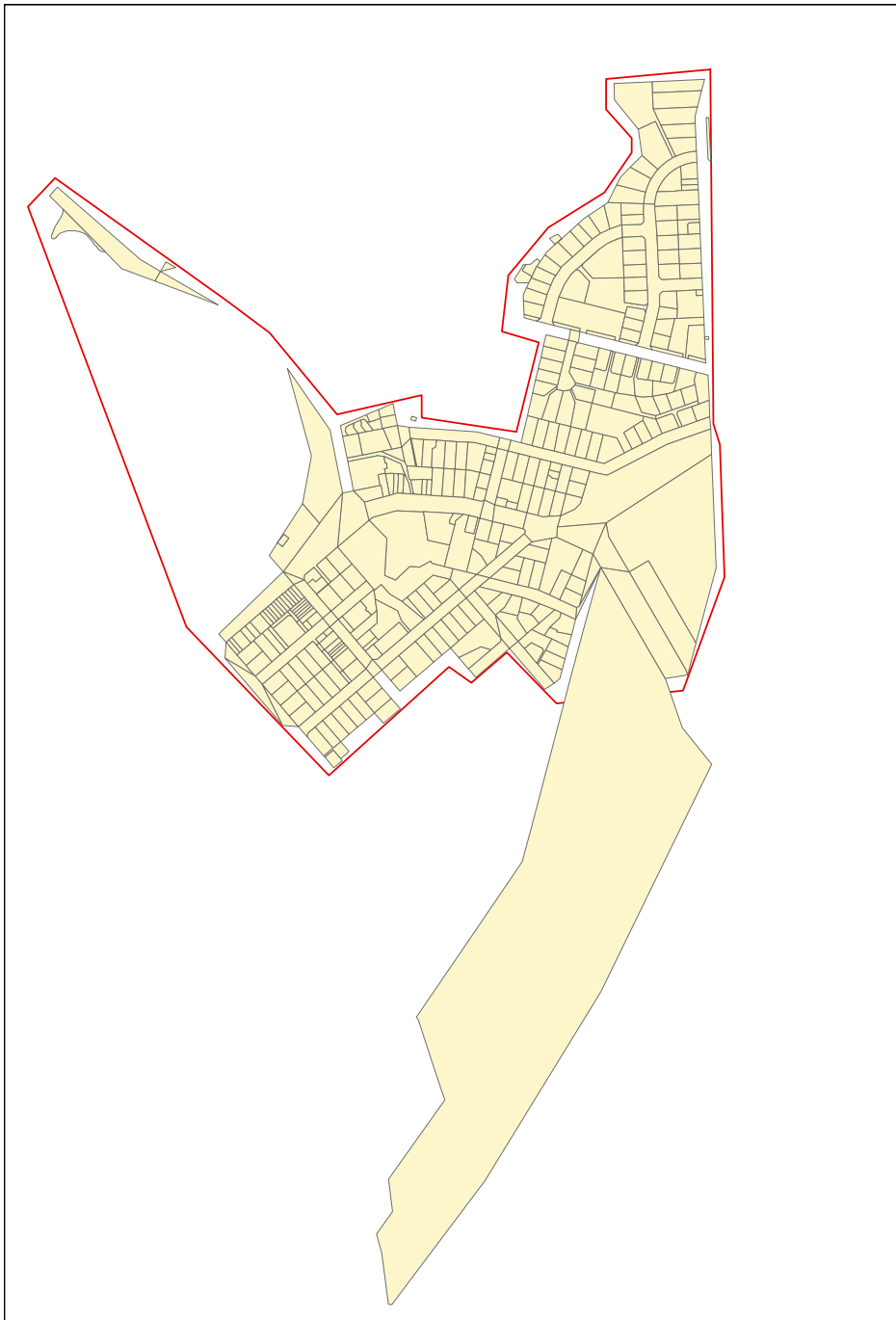


**CAPACITY ANALYSIS FOR LARGE FORMAT
RETAIL IN WANAKA – PREPARED BY
QUEENSTOWN LAKES DISTRICT COUNCIL**

The Study Area

The development potential of a number of areas was assessed with particular attention to whether sites could realistically accommodate Large Format Retail. The study concentrated on the Wanaka Town Centre and areas surrounding while the Anderson Heights Business Area was also considered. The area is shown below:

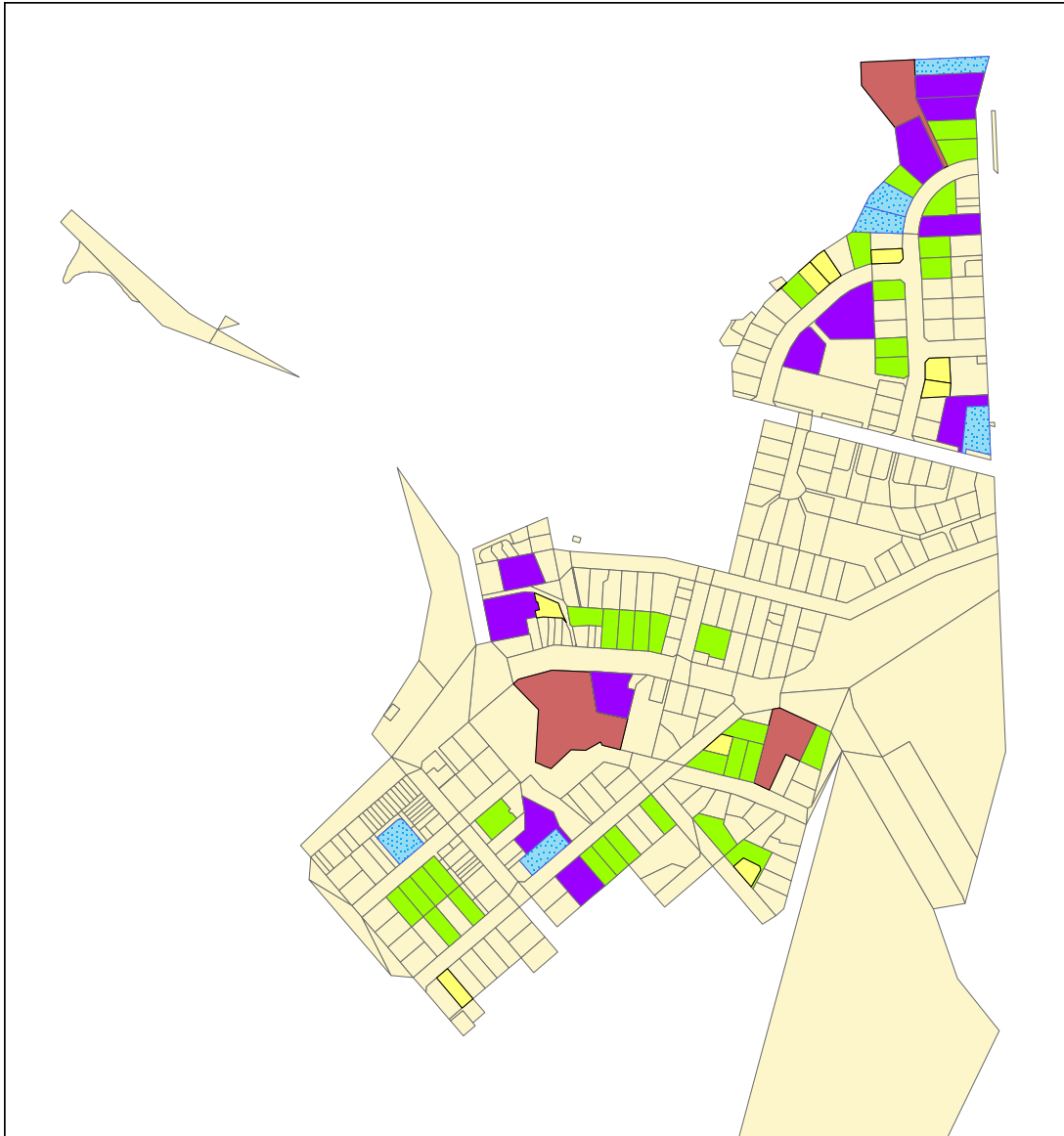


Deduction of small sites:

Given the relatively high demands for land of Large Format Retail, smaller sites were not regarded as feasible locations for Large Format Retail. Sites with areas less than 1200 square metres, unless they were contiguous with larger parcels owned by the same person or company were not regarded as development opportunities for Large Format Retail.

After those parcels were removed, only 67 parcels remained out of an original 377. The map below shows the sites larger than 1200 m². This assumption is based on the preference of a large amount of onsite parking for Large Format Retail stores. Large Format Retail stores often seek a floorspace to ratio of 0.35 or below (this was the assumption that was applied in the amount land area dedicated to the Three Parks Commercial Core as recorded in the report Wanaka Land Demands). Using this assumption, 400m² buildings would wish to locate on landholdings of 1200m² or larger.

It is acknowledged that there may in fact be sites smaller than 1200 m² that can accommodate Large Format Retail and it also is acknowledged that the Council's approach in Three Parks has been to promote shared car parking and even constrain car parking as a form of managing travel demand. However, if the car parking in Wanaka is not to be provided on site, there are likely to be pressures for car parking on Council owned land in the Wanaka Town Centre. Without feasible public transport alternatives in the short or medium term this could lead to adverse effects. Despite the acknowledgement that increasing car parking in the Town Centre such as through providing car parking buildings might be a desirable strategy in the Wanaka Town Centre, there is unlikely to be sufficient funding to undertake such projects for some time. It is therefore concluded that Large Format Retail will not be attracted to the Town Centre unless the sites are large enough to accommodate considerable on-site car parking. This is the reason that, given the current dynamics of the Wanaka Town Centre, sites of 1200 m² are not considered to provide capacity for large format retail in the Town Centre in the near future.



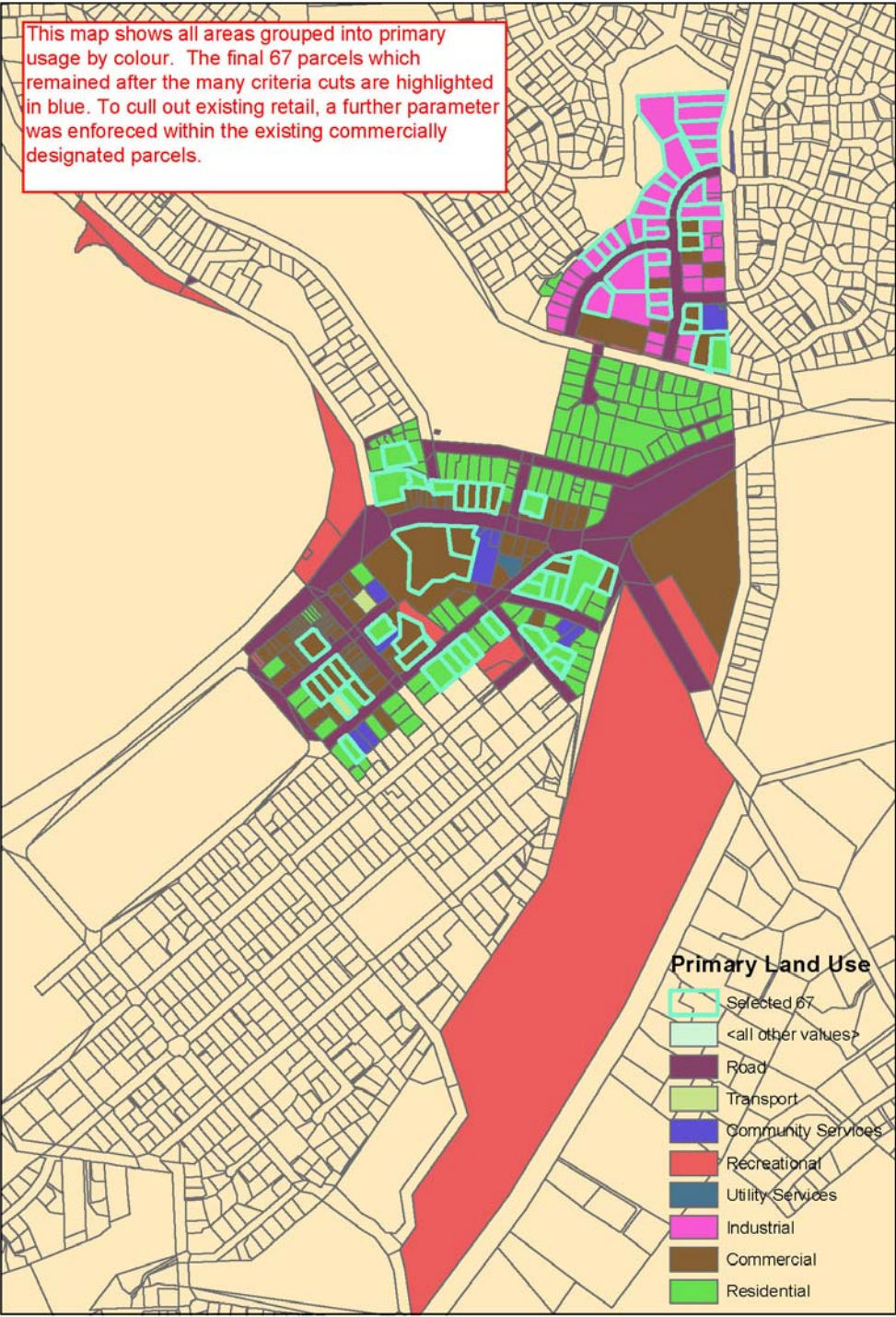
Parcel Areas-Square metres

- 0.82 - 200.00
- 200.01 - 600.00
- 600.01 - 1000.00
- 1000.01 - 1500.00
- 1500.01 - 2000.00
- 2000.01 - 4000.00
- 4000.01 - 270000.00

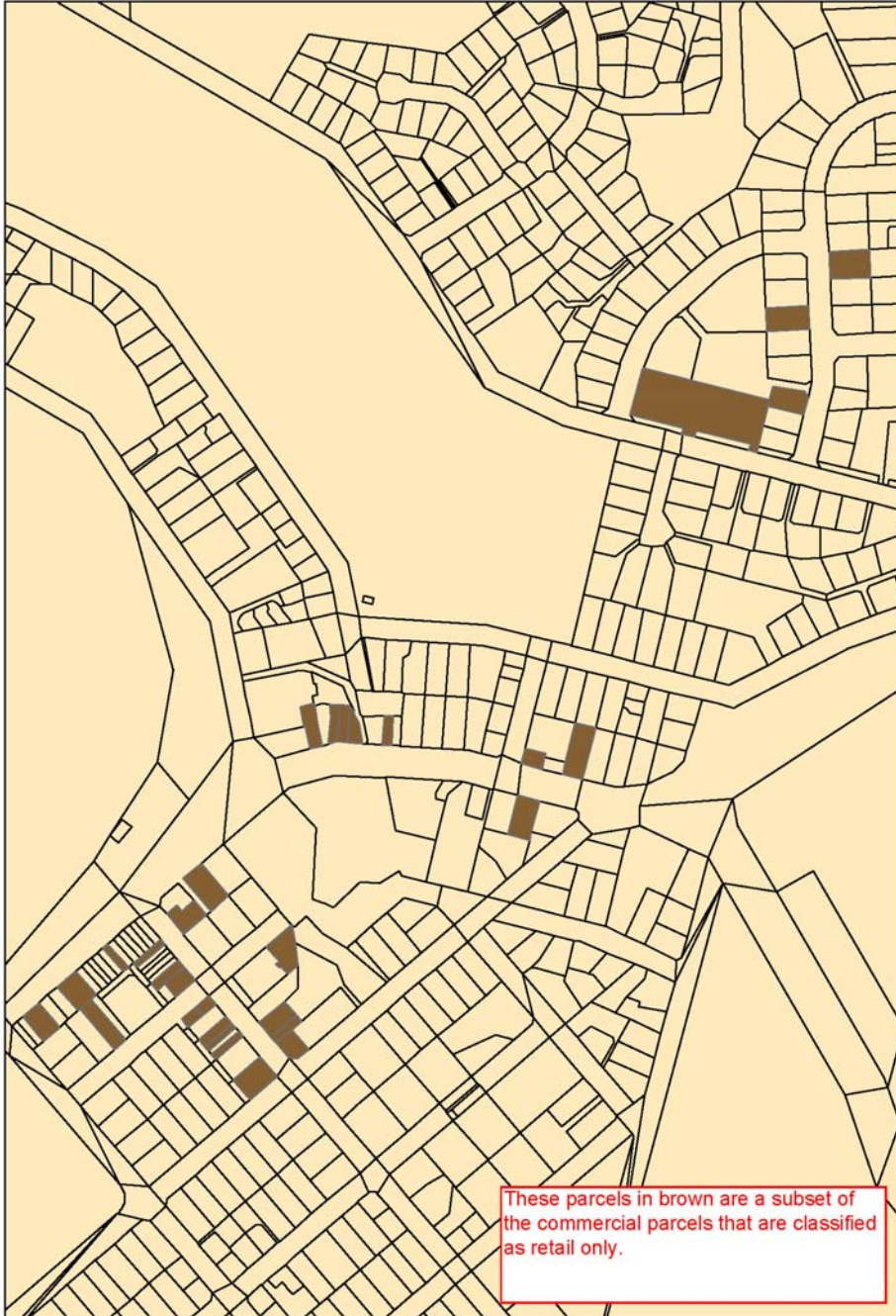
Current Uses

All areas already developed for retail were identified as unlikely to provide for future demand (unless the space was very underutilized as shown in the map showing land as a proportion of rateable value below). Consider the following map:

This map shows all areas grouped into primary usage by colour. The final 67 parcels which remained after the many criteria cuts are highlighted in blue. To cull out existing retail, a further parameter was enforced within the existing commercially designated parcels.



Retail is a subset of commercial. The following map shows those areas that have been assessed as only retail:



Evidently there are often a mix of uses on a site, such as office with retail.

Ownership

Ownership patterns are also important for understanding constraints and opportunities.

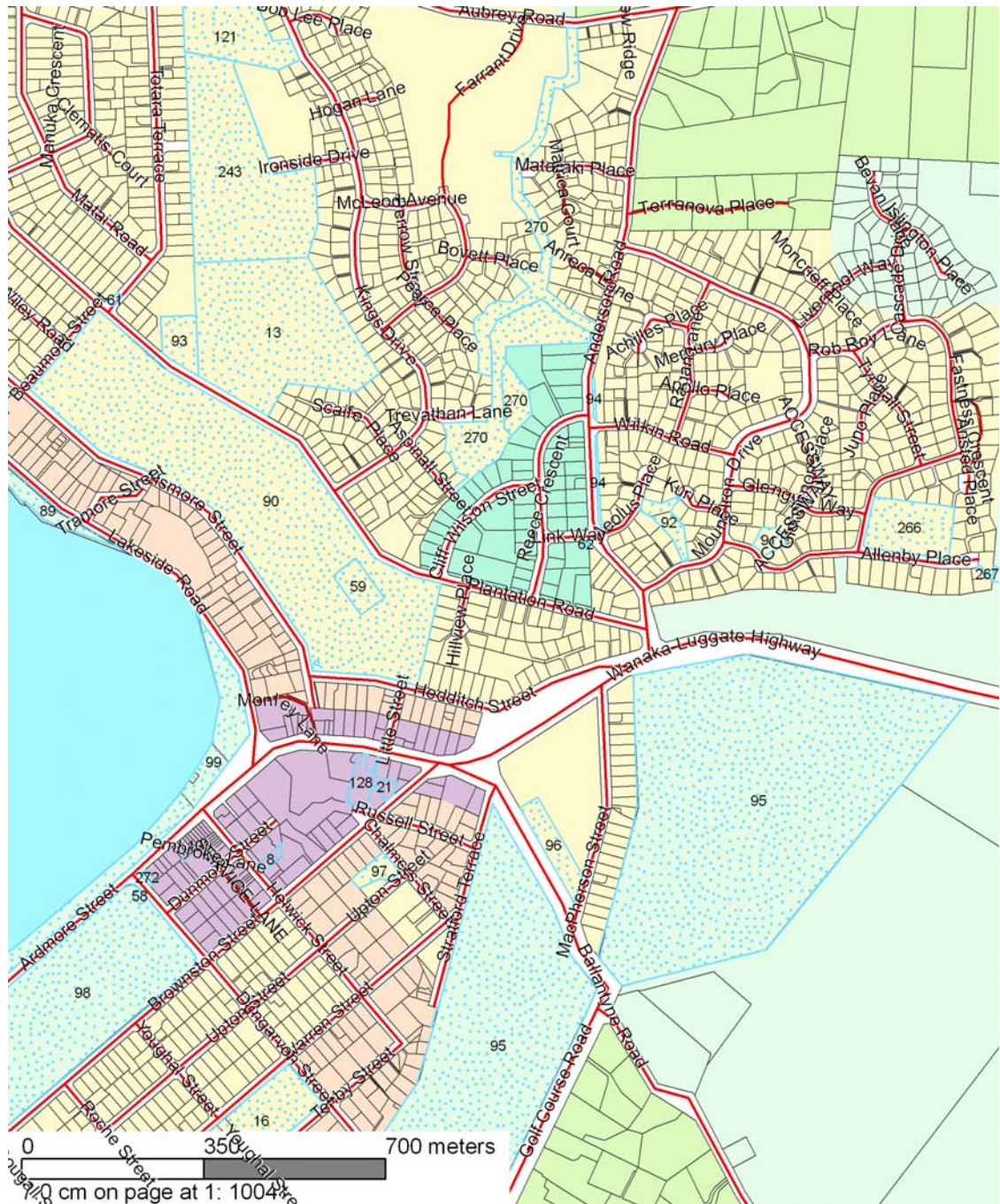
The map below does not suggest that the market is unreasonably constrained with few owners. It also shows up opportunities of contiguous ownership which may mean sites can be amalgamated. The map below shows the ownership pattern of those sites above 1200 square meters that are not already retail (legend is on the following page).



Legend

	<all other values>
	ALPINE MOTEL LTD
	APPORTIONMENT FOLLOWS
	BP OIL NEW ZEALAND LIMITED
	BROWNSTON STREET LIMITED
	BRUCE GILLIES BUTCHERY LIMITED
	CENTRAL OTAGO LAND HOLDINGS LIMITED
	CHARTRES KENNETH JOHN & ROBYN DALE
	ECROYD BRUCE ARTHUR ECROYD ARTHUR KEVIN
	EMOHRUO INVESTMENTS LTD
	FIT FOR WANAKA LIMITED
	FOODSTUFFS (SOUTH ISLAND) PROPERTIES LTD
	GARDINER ROGER BLAIR
	HUANUI DEVELOPMENT LIMITED
	INFINITY PROPERTIES LIMITED
	INVINCIBLE RESOURCES LIMITED
	INVINCIBLE RESOURCES LTD
	KUZMA HELEN JANE
	LAKELAND CUSTODIANS LIMITED
	MCIVOR STUART RONALD MCIVOR JANE MARIE
	MCKENZIE JOHN MITCHELL
	PEZARO DENNIS LOUIS
	PITTAWAY NORMAN WILLIAM PITTAWAY DOROTHY JOSEPHI
	QUEENSTOWN LAKES DISTRICT COUNCIL
	REUDAN INVESTMENTS LIMITED
	ROULSTON IVAN WILLIAM
	SEW HOY PETER HERBERT CHRISTOPHER
	TAYLOR DONALD RODMAN
	TAYLOR IAN DAVID
	TELFER DEAN BRUCE TELFER MICHELLE L
	TELFER DEAN BRUCE TELFER MICHELLE LOUISE
	VARINA PTY LIMITED
	VARIOUS
	WAIKOURO HOLDINGS LIMITED
	WANAKA HOTEL CORPORATION LTD
	WANAKA PROPERTY INVESTMENTS LIMITED
	WORKS CIVIL CONSTRUCTION
	YOUNG JOHN WILLIAM JOHNSON JUDITH
	coraxpoly

The above map also disregarded those areas that are reserves and/or are owned by the Department of Conservation or identified in the Rates classification as recreational areas or utility areas. These are shown below (the blue dotted areas have designations as reserves):

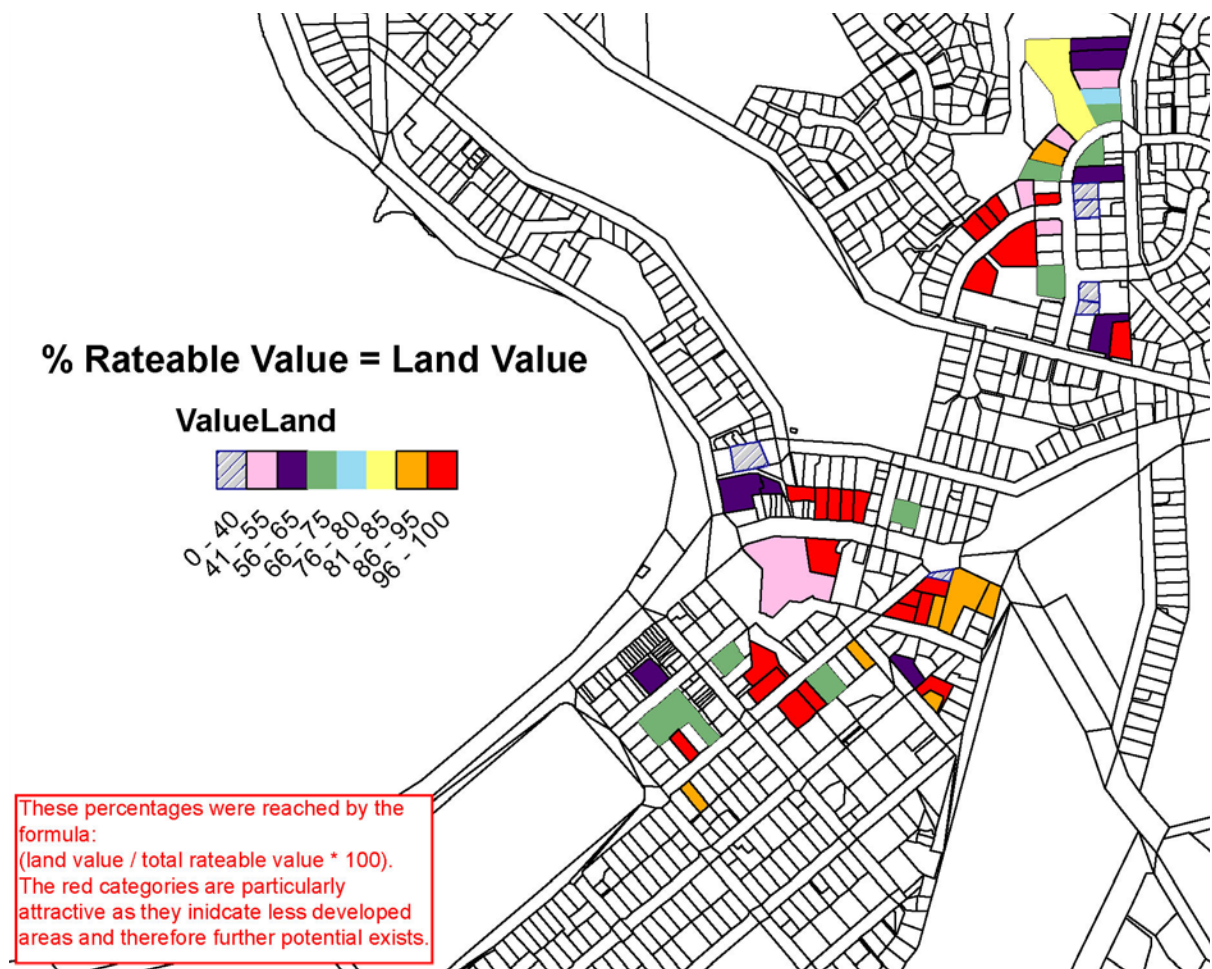


Some consideration was given as to whether reserves could be developed. Previous community planning exercises have been clear that the majority of the community do not

support development on Pembroke Park. Other areas were identified as having some potential for large format retail in the vicinity of the Town Centre, but a process of lifting a reserve classification is complex, is often unpopular with the community (especially if where commercial benefit can be incurred by the Council or other entity) and regardless is expected to be so slow as to not match the demand for large format retail in Wanaka (allowing it to locate in less appropriate places in Wanaka such as business and industrial areas).

Identification of redevelopment opportunities

As an indicator of the likelihood of a site to be redeveloped, the indicator used was the percentage of total rateable value made up by land.



The orange and red sites are those that are either vacant or have a low improvement value as a proportion of their overall value.

For reasons outlined in the Planning Officers Report for the Hearing of Plan Change 16 – Three Parks, Anderson Heights is not supported as a location for the continued location of retail uses. It is considered that those large development opportunities that do exist in that area would be better utilised by other uses such as wholesale, storage and light industrial uses.

The notable development opportunities for large format retail development that do exist are summarised as follows:



With regards to the identified sites, the following comments are made:

A: This is currently a petrol station. With the street improvements planned for Ardmore Street and plans to make it a more pedestrian orientated environment it seems quite likely

that in time the petrol station may wish to relocate. Indeed, Three Parks specifically provides for a Petrol Station area, partly to encourage those in the town centre to relocate. However, the resulting environment is considered more likely to attract specialty retail, especially when regard is given to the current land values. Nevertheless, the site is not discounted as a possibility for large format retail to locate.

B: The sites in the block marked B perhaps offer the most promising potential sites for Large Format Retail to locate. They either have buildings of relatively low value or they are vacant. The main issue is the land values and whether Large Format Retail would in fact be an attractive proposition for owners.

C: This site is large and could accommodate some large format retail but the site abounds a stream and is of a high land value, so it is anticipated to attract smaller format uses attracted to the amenity available. This is also seen as a more appropriate outcome for the site.

D: The conclusion is similar to C above

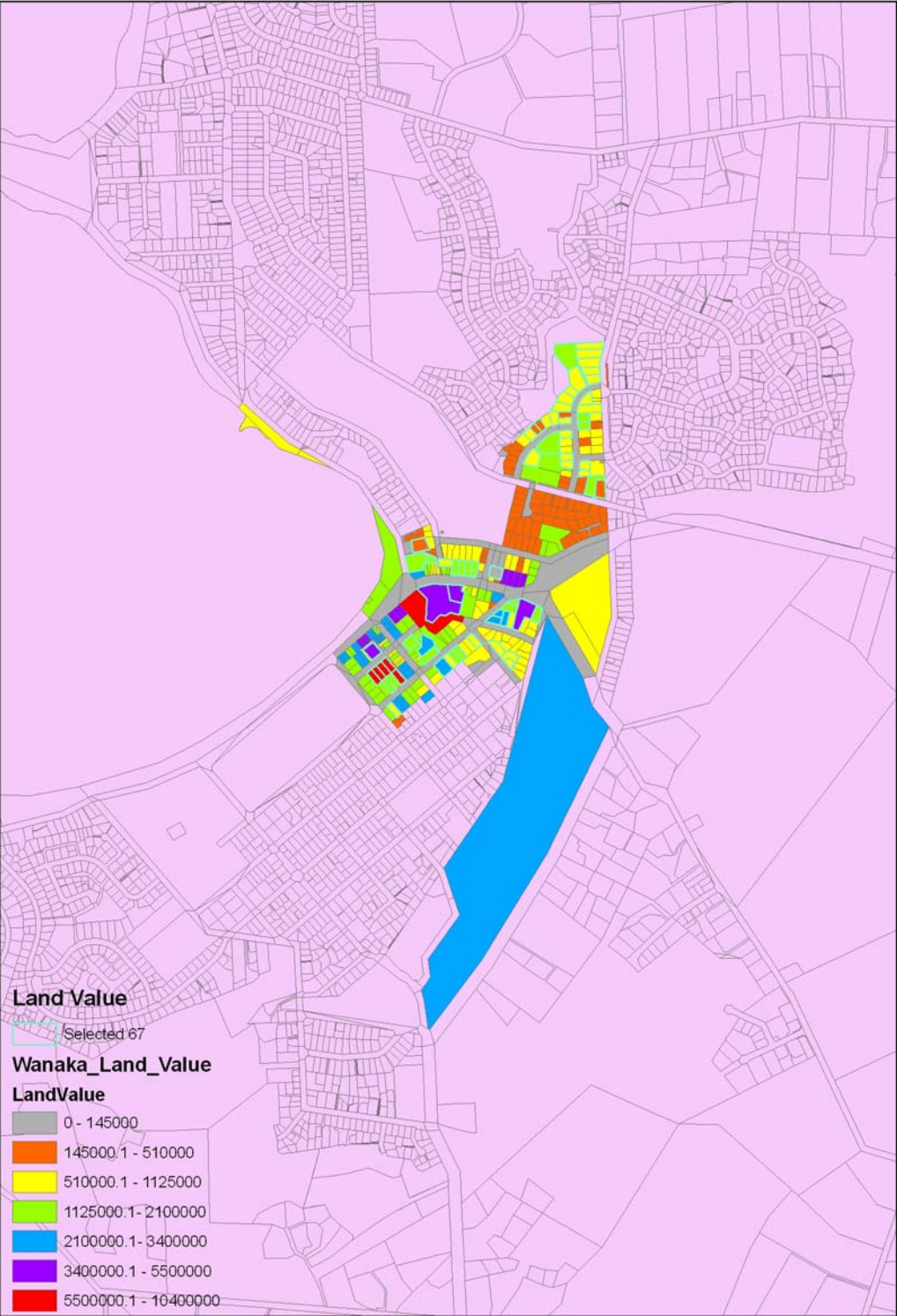
E: The site is the current supermarket. It is not seen as a likely development opportunity but rather it is noted that should a supermarket locate at Three Parks, whether this site is vacated and what is used for will be a matter of interest for future applications to increase the retail area of Three Parks.

F: The site is large but is reasonably well developed (according to the ratio between land and total rateable value). Notably, the body corporate arrangement makes redevelopment difficult to achieve.

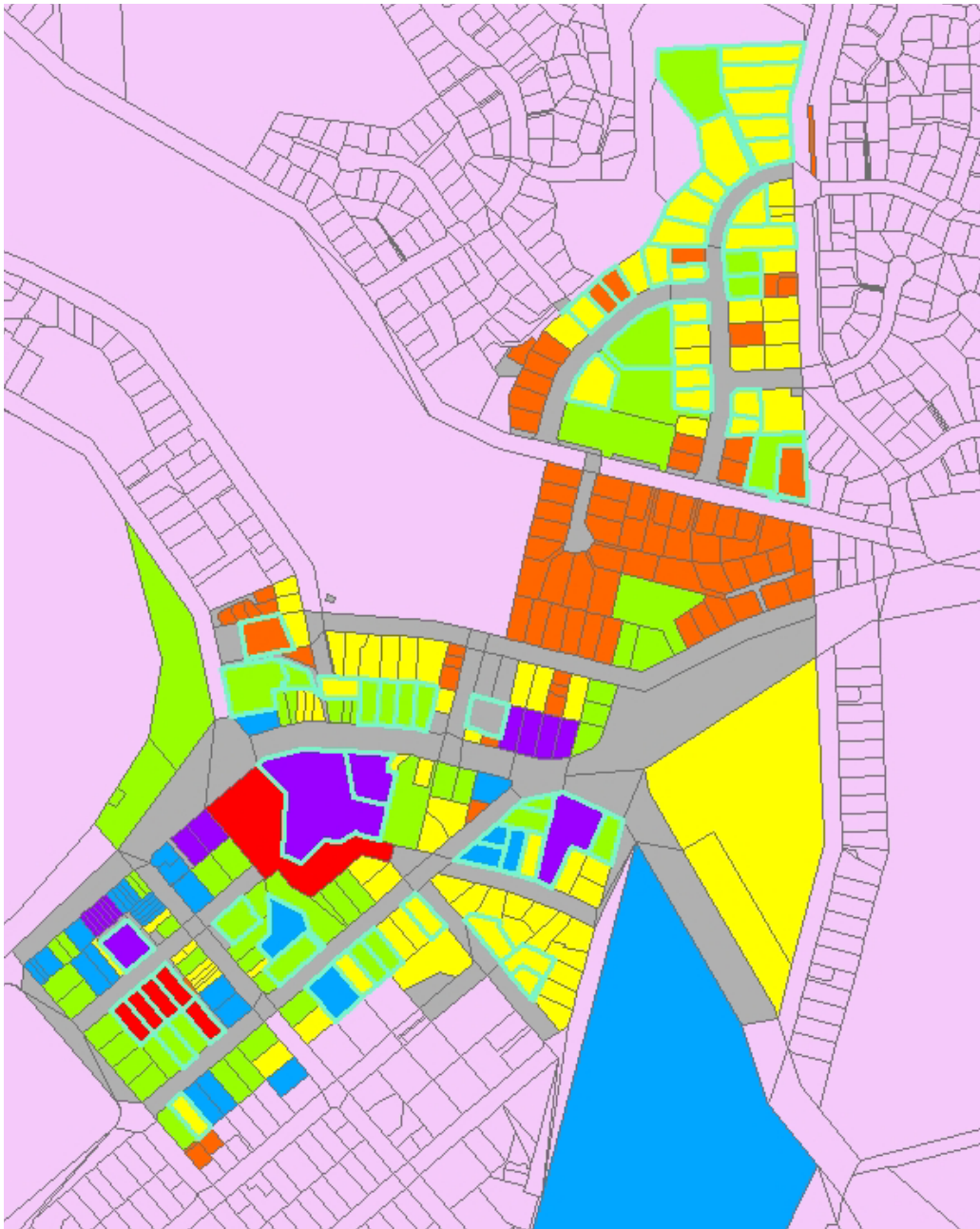
G: The site is steep and not expected to attract Large Format Retail or be appropriate for that use.

It is therefore evident that there are some locations where Large Format Retail could locate. But the very large sites that would enable a Mitre 10 store or supermarket to relocate appear to be lacking. Compare the size of the existing supermarket (Site G) with the available sites.

More modestly sized stores could be located on many of the other sites, but the problem is more to do with whether they would be attracted to such areas given the land value. Consider the following map (the values are in NZ dollars):



Closer view of previous map:



Given the sheer value of some of these sites it seems quite questionable whether they would actually attract large format retail. This is because Large Format Retail stores generally seek large floor areas and therefore relatively low or moderate rents. The report of Philip Donnelly 'Review of Proposed Retail Floor Space At Three Parks Wanaka' suggests that enabling more competition via Three Parks may actually encourage development opportunities to be taken up in the Town Centre. Certainly, future proposals to expand

Three Parks will need to reassess whether effects have been incurred on the Town Centre by the initial stages and reassess what effects enabling further development in Three Parks might have.

Conclusion

It is therefore concluded that there are opportunities for Large Format Retail to locate in the Town Centre but that these are limited to more moderately sized buildings rather than large stores such as Mitre 10 or a new supermarket. However, it is quite questionable whether these opportunities would be taken up given the land values of those opportunities that exist and the rental returns that might be expected from Large Format Retail. Rather, if opportunities exist, it is suggested such stores are more likely to wish to locate in other parts of Wanaka if in Wanaka at all.