Horsham

Central Activities District Strategy

2013

DRAFT

Prepared by
Essential Economics Pty Ltd
In conjunction with
Meinhardt Australia Pty Ltd
Urban Initiatives Pty Ltd
March 2013

Reviewed by Horsham Rural City Council
April 2013

Authorship

The Horsham Central Activity District (CAD) Strategy was originally prepared by Essential Economic, In conjunction with Meinhardt Australia Pty Ltd and Urban Initiatives Pty Ltd, on behalf of Horsham Rural City Council.

This version of the report has been reviewed and edited by the Horsham Rural City Council.

INTRODUCTION

Background

The Horsham Central Activities District (CAD) provides shopping, entertainment, business, civic and community services to Horsham and the wider Wimmera region. This region contains a resident population of approximately 51,000 residents in Horsham Rural City Council and the shires of Northern Grampians, West Wimmera, Hindmarsh and Yarriambiack.

The Wimmera is one of Victoria's most important agricultural regions. However, over the last couple of decades, the Wimmera's rural hinterland has experience population decline, associated with larger land holdings and more mechanised agricultural practices, and a rationalisation of the delivery of government and private sector services.

However, Horsham has maintained a strong regional role over many years and this has allowed the town to project an image of vibrancy and economic prosperity relative to other smaller townships in the region. In this respect, population growth in the Central Horsham Statistical Local Area has averaged +0.7% per annum over the period 2006 to 2011, representing an additional +520 residents, while the balance of the main trade area served by the Horsham CAD has declined by -1,470 persons or at a rate of -0.9% per annum.
The relative economic health of the regional centre is reflected in a number of recent and current retail and commercial developments.

The Horsham CAD has an important role in providing services and jobs for the regional population, and this is reflected in the strategic policy commitments contained in the *Horsham Planning Scheme*.

While the CAD appears to be performing a strong regional role at present, a number of key development sites are located in the centre which, if developed appropriately, could contribute to the further vibrancy of the CAD.

Project Objectives

In this context, it is opportune to prepare a Strategy for the Horsham CAD which provides a policy framework to achieve orderly and appropriate development. Specifically, the objectives for the Strategy are as follows:

1. To provide a framework for future development of the CAD.

2. To provide a clear understanding of the current supply and projected demand for retail and commercial floor space in the Horsham CAD.

3. To provide Council with the planning tools to manage and direct development and potential future growth of the CAD.

Report Format

This report contains the following chapters:

1 Context Analysis: Reviews the location and planning context within which the Horsham CAD is situated.

2 Overview of the Horsham CAD: Provides an overview of land use patterns in the Horsham CAD and the centre's urban design features.

3 Retail Economic Analysis: Assesses the retail market and role the Horsham CAD performs, including analysis of trade area population and spending forecasts, retail turnover and market shares, and forecast retail development opportunities over the 2013-2028 period.

4 Non-retail Development Trends and Opportunities: Reviews recent trends in non-retail development and identifies potential future development opportunities in the Horsham CAD.

5 Future Development of the Horsham CAD: Provides a framework for the future development of the Horsham CAD.

6 Horsham Central Activities District Strategy: Provides a 'vision' and set of objectives and actions for Council to following in order to achieve the vision.

Terms and Definitions

Retail activities

Retail activity is defined according to the Australian Bureau of Statistics (ABS) classification adopted for the 1991/92 Retail and Services Census but excludes garden supplies, marine equipment and motor vehicle and related traders. This definition of retail is consistent with the normal practice for undertaking retail-economic analysis in Australia.
A range of non-retail uses often operate in conjunction with, or adjacent to, many retail traders. These uses include cinemas, offices, travel agencies, lotto and gaming outlets, banks and other financial institutions, equipment hire and garden supplies, and so on. In addition, a range of other activities is excluded from the definition of retail because they mainly serve the trade, or non-household, sector. These activities include building supplies, garden supplies, and timber yards and so on.

Retail Categories

For the purpose of this Strategy, estimates of retail floorspace and expenditure are divided into the following product categories:

- Food, Liquor and Groceries (FLG): Comprises household spending and floorspace involved in the selling of take-home food, groceries and liquor.
- Food Catering: Comprises household spending and floorspace associated with cafes, restaurants and take-away food stores.
- Non-Food: Comprises spending on non-food retail products such as apparel, homewares, bulky merchandise, leisure goods and other general merchandise.
- Retail Services: Comprises spending on services such as hairdressers, video hire, dry cleaning, photo processing and optical dispensing which typically operate from shopfront locations.

GST

All spending and turnover figures expressed in this report are inclusive of GST.

Shopfront Office

This term refers to offices located in shopfront tenancies that could otherwise be used as retail tenancies.

Dedicated Office

This term refers to purpose-built office buildings and offices located above ground floor shopfront tenancies.

Land Use Zones

Business 1 Zone (B1Z) Purpose: To encourage the intensive development of business centres for retailing and other complementary commercial, entertainment and community uses.

Business 2 Zone (B2Z) Purpose: To encourage the development of offices and associated commercial uses.

Business 3 Zone (B3Z) Purpose: To encourage the integrated development of offices and manufacturing industries and associated commercial and industrial uses.

Business 4 Zone (B4Z) Purpose: To encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.

Residential 1 Zone (R1Z) Purpose: To provide for residential development at a range of densities with a variety of dwellings to meet the housing needs of all households. To encourage residential development that respects the neighbourhood character. In appropriate locations, to allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs.

Residential 2 Zone (R2Z) Purpose: To encourage residential development at medium or higher densities to make optimum use of the facilities and services available. To encourage residential development that respects the neighbourhood character. In appropriate locations, to allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs.

Industry Specifications

Reference to employment is made to the following broad industry sectors:

- Primary sector, which includes agriculture and mining
- Secondary sector, which includes manufacturing and construction
- Tertiary sector, which includes producer services (e.g. electricity, transport and storage, property and business services, finance, etc.) and consumer services (e.g. retail trade, education, cultural and recreational services, health and community services, etc.).

1 CONTEXT ANALYSIS

This Chapter provides background to the study and includes a description of Horsham's regional location, the broader economic trends and influences affecting the region, and the strategic policy context in which the CAD is situated.

1.1 Regional Location

Horsham is a major regional centre in western Victoria, located along the Wimmera River, approximately 300km north-west of Melbourne CBD and 190km north-west of Ballarat. Adelaide is located a further 450km west of Horsham.
In terms of population, Horsham is the largest urban centre in the Wimmera Region, and provides a range of higher order commercial, community, entertainment, administrative and retail functions to an extensive rural hinterland.

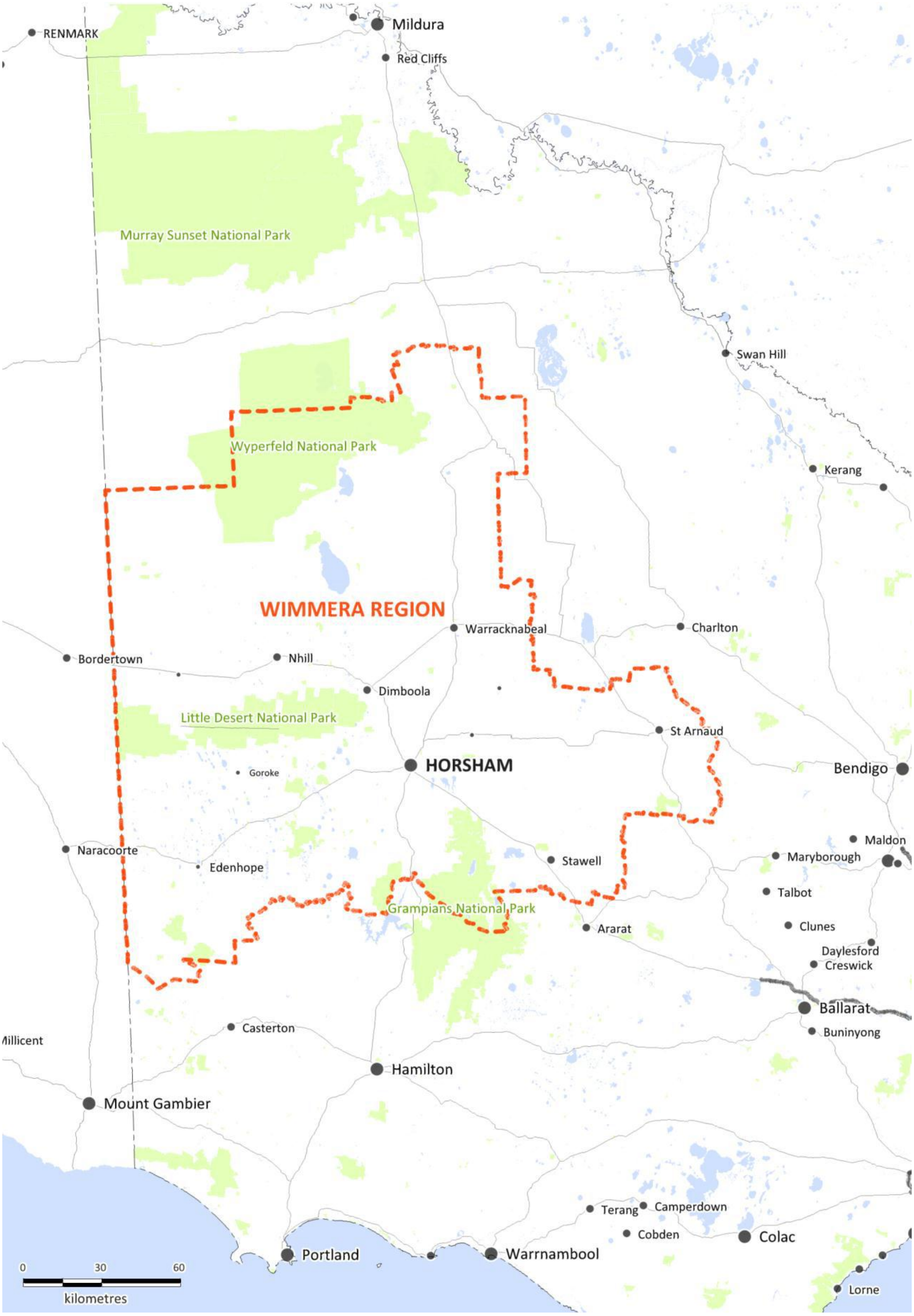
The Wimmera is one of Victoria's most important agricultural regions, and broadly extends from the Pyrenees in the east to the South Australian boarder in the west, and from the Glenelg River in the south to the township of Ouyen in the north. As well as the Rural City of Horsham, the Wimmera includes the municipalities of Northern Grampians, West Wimmera, Hindmarsh and Yarriambiack. Other important towns in the Wimmera of relevance to Horsham include Warracknabeal (approximately 58km to the north), Stawell (67km to the east), Nhill (74km to the west) and Dimboola (36km to the north-west).

Horsham is centrally located within the Wimmera and, as the regional centre servicing the region, is suitably situated at the intersections of the Henty, Wimmera and Western Highways. These Highways provide important road connections between Horsham, other regional and metropolitan centres, and surrounding townships. The Western Highway, which links Melbourne to Adelaide via cities such as Horsham and Ballarat, is arguably the most important of these road connections.

Horsham is also situated within 100km of three National Parks, the most popular being the Grampians National Park which covers approximately 167,000 hectares and is located approximately 30km to the south-east of Horsham. The Grampians – a world renowned location for nature-based activities which include rock-climbing, abseiling, canoeing, and mountain biking – attracts a large number of domestic and international visitors annually. As a region, the Grampians attracted approximately 1.4 million visitors in 2011, according to statistics published by Grampians Tourism.

Figure 1.1 shows the location of Horsham and its broader regional context

Figure 1.1: Horsham Regional Context



Produced by Essential Economics with MapInfo and StreetPro

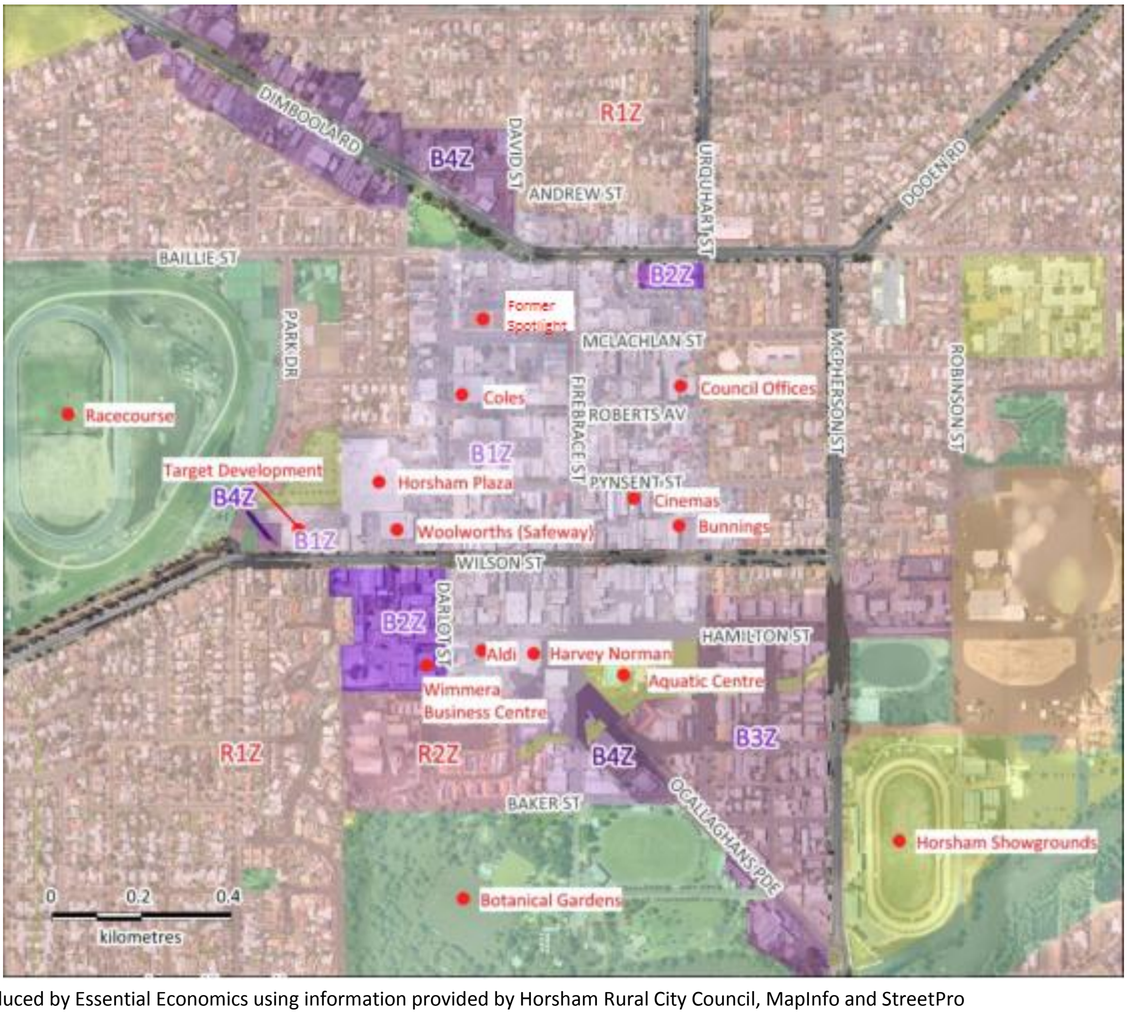
1.2 Horsham Central Activities District

For the purpose of this Strategy, the Horsham CAD comprises the areas contained within the existing business zoned land, as shown in Figure 1.2 and described below:

- Business 1 Zone (B1Z) and Business 2 Zone (B2) land situated in the central part of the CAD
- Business 4 Zone (B4Z) land located to the north-west along Dimboola Road
- B4Z land located to the south-east along O'Callaghans Parade
- Business 3 Zoned (B3Z) land located to the south-east in the vicinity of McPherson Street and Urquhart Street.

In general, core business activities are located centrally to the CAD in the B1Z and B2Z land, while more peripheral business activities (eg. light industrial, fast-food, motels, agricultural supplies, etc) are located in the B4Z to the north-west and the B3Z and B4Z land to the south-east.

Figure 1.2: Horsham Central Activities District



Produced by Essential Economics using information provided by Horsham Rural City Council, MapInfo and StreetPro

1.3 Regional Importance of the Horsham CAD

The Horsham CAD is the regional centre serving residents, businesses and visitors to the wider Wimmera region and, consequently, is the main business and employment location in the Wimmera.

The Wimmera is recognised as one of the largest grain-growing regions in the world. In 2010, the Wimmera produced in excess of 3.5 million tonnes of grain, around 60% of which is exported, according to information from the Department of Primary Industries (DPI).

In terms of employment, agriculture accounted for 3,580 jobs in the Wimmera in 2011, which represented 18% of all jobs in the Wimmera. This level of agricultural employment illustrates the importance of agriculture to the Wimmera economy. In addition, the expected development of the Wimmera Intermodal Freight Terminal in Dooen, approximately 8km north-east of the Horsham CAD, will assist in the production and export of grain from the Wimmera.

While agriculture is the largest employing industry in the rural parts of the Wimmera, the Horsham CAD (including the surrounding urban areas) is the main employment location and accounts for 38% of all jobs in the Wimmera.

In 2011, a total of approximately 7,535 jobs were located in the Horsham - Central, which comprises the Horsham CAD and surrounding urban area.
A significant proportion of jobs in Horsham are in the Tertiary Sector (refer p3 for definition), particularly in the provision of *consumer services* such as retail, health care and social assistance, education and accommodation and food services. The Tertiary Sector provided approximately 6,365 jobs in 2011 and accounted for 65% of jobs in the Horsham - CAD.

The importance of the Horsham CAD is providing service-based jobs is highlighted by the share of Wimmera Tertiary Sector jobs that are located in Horsham. In 2011, Horsham – Central was the location for 48% of Tertiary Sector jobs in the Wimmera and the main activities included:

- 52% of retail jobs
- 60% of property & business services jobs
- 55% of administration and support service jobs
- 63% of financial & insurance service jobs
- 71% of information media and telecommunication service jobs.

Table 1.1 on the following page compares the number of jobs by industry in Horsham - Central and the Wimmera Region in 2011. The data illustrates the importance of the Horsham CAD (including the surrounding urban areas) in providing employment and services for residents and businesses in the wider Wimmera region.

Table 1.1 Rural City of Horsham Employment by Industry Sector, 2011

Industry	Horsham - Central	Horsham - Central	Wimmera	Wimmera	Share of Wimmera Jobs in Horsham
	No.	**%**	**No.**	**%**	
Primary Sector					
Agriculture, Forestry & Fishing	155	2.1%	3,580	18.4%	4.3%
Mining	5	0.1%	330	1.7%	1.5%
Sub-total	**160**	**2.1%**	**3,910**	**20.1%**	**4.1%**
Secondary Sector					
Manufacturing	420	5.6%	1,315	6.8%	31.9%
Construction	535	7.2%	985	5.1%	54.3%
Sub-total	**955**	**12.8%**	**2,300**	**11.8%**	**41.5%**
Tertiary Sector					
Producer Services					
Electricity, Gas, Water and Waste Services	195	2.6%	250	1.3%	78.0%
Financial and Insurance Services	195	2.6%	310	1.6%	62.9%
Information Media and Telecommunications	110	1.5%	155	0.8%	71.0%
Professional, Scientific and Technical Services	270	3.6%	530	2.7%	50.9%
Property & Business Services	75	1.0%	125	0.6%	60.0%
Transport, Postal and Warehousing	315	4.2%	800	4.1%	39.4%
Wholesale Trade	360	4.8%	665	3.4%	54.1%
Sub-total (Producer	**1,520**	**20.3%**	**2,835**	**14.6%**	**53.6%**

Services)					
Consumer Services					
Accommodation and Food Services	550	7.4%	1,195	6.1%	46.0%
Administrative and Support Services	205	2.7%	370	1.9%	55.4%
Arts and Recreation Services	85	1.1%	215	1.1%	39.5%
Education and Training	520	7.0%	1,340	6.9%	38.8%
Health Care and Social Assistance	1,370	18.3%	3,185	16.4%	43.0%
Public Administration and Safety	540	7.2%	1,140	5.9%	47.4%
Retail Trade	1,145	15.3%	2,205	11.3%	51.9%
Other Services	430	5.7%	755	3.9%	57.0%
Sub-total (Consumer Services)	**4,845**	**64.8%**	**10,405**	**53.5%**	**46.6%**
Sub-total (Tertiary Sector)	**6,365**	**85.1%**	**13,240**	**68.1%**	**48.1%**
Total (excluding not stated / not classified)	**7,480**	**100.0%**	**19,450**	**100.0%**	**38.5%**
Not Stated Not Classified	**55**		**160**		
TOTAL	**7,535**		**19,610**		**38.4%**

Note: Figures rounded to the nearest 5
Source: ABS Census 2011

1.4 Trends in Retailing and Regional CBD Development

A number of key trends in retailing and other sectors of the economy need to be considered in assessing the future prospects for the Horsham CAD. These trends relate to the structure and size of the retail and commercial sectors; the demographic, spending and behavioural patterns of people using the centres; the emergence of new development formats which respond to these trends; and the advent of technological innovations which influence economic activity.

Importance of the Retail Sector

The retail industry is important in terms of the national economy; it accounts for a significant 4.5% share of gross domestic product in Australia (ABS, Cat. No. 5206.0), and generates employment for around 1.4 million persons (ABS, Cat. No. 8155.0).

Retail is one of the most diverse of industries, with individual retailers ranging from single owner-operators to family businesses, medium-scale operations, national chains, large supermarket and department store corporations, big-box/bulky goods retailers, and the like. A well-functioning and efficient retail sector that meets the needs of consumers can make a substantial contribution to an area's economic strength, in addition to enhancing the general lifestyle, interests and well-being of a community.

While the diversity of retailing is likely to continue, fundamental shifts are occurring in the structure of the retail industry, and these need to be taken into account. In particular, a trend over the past 20 years has been for smaller operators to lose market share to the retail 'giants' such as supermarket chains, department stores, category killers (large stores selling particular ranges of goods, such as Officeworks or Dan Murphy's), and big-box retailers in bulky goods merchandise. These larger operations do not always seek locations in the traditional shopping strip – they generally prefer an enclosed shopping centre or free-standing site with good exposure. This trend is occurring throughout Australia and overseas, and is likely to continue for some time.

The historical development of the Horsham CAD is an illustration of this trend occurring in a Regional City. Where the Horsham CAD was once a traditional strip-based centre focused along Firebrace Street, the introduction of new retail formats which could not feasibly locate in a traditional strip has led to the development of the Horsham Plaza in 1987, with more recent development occurring along Hamilton Street, and with the current development of a Target Discount Department Store to the south-west of Horsham Plaza.

However, signs exist in both urban and regional centres that traditional strip centres are re-capturing some market share through re-focused and improved marketing, as well as a growing preference by consumers for 'main street' style shopping compared with enclosed shopping centres.

Consumer Behaviour and Demographics

The shopping public are continually re-defining their demands for goods and services (in terms of types of goods and services demanded and the total level of expenditure on retail items), and adapting to the ways in which these goods and services are provided in the marketplace.

The types of retail goods and services purchased by shoppers are also constantly evolving. For example, since the mid-1990s a general shift has taken place in retailing which now places increased focus on entertainment and leisure merchandise and services, rather than traditional household items, clothing and the like. Customers are also increasingly attracted to places where a mix of retail and entertainment is presented at the one location.

All these factors contribute to the trends that are evident in retailing: the ongoing expansion of the concept of large self-contained shopping centres; the development of big box retailers (including homemaker retail), often seeking to locate outside established retail activity centres; the centralisation of retail activity in larger centres; the growth in the function of supermarkets and discount department stores; the emergence of outlet centre retailing (ie, factory outlets); the spread of convenience stores and petrol stations which have a convenience retail function; the revitalisation of traditional retail strips; a new emphasis on 'main street' designs in centre development and refurbishment; and so on.

Technological Change and Internet Retailing

A number of ongoing advances in information technology are affecting the way in which retailing is undertaken, including - most importantly - the increasing use of the Internet as a purchasing medium, as well as other changes which affect how retailers operate, such as point-of-sales systems. The following trends are noted:

- Potential exists for local retailers to lose market share as households undertake a greater share of their shopping through the Internet and other information media. The extent to which Internet sales are likely to affect the existing retail industry remains uncertain, although it is apparent that particular retail sectors are well-suited to purchases by Internet, including music, books, wines, etc. The Internet market share for food shopping (especially in dry produce) may also increase over time. Current estimates (Urbis, *Unravelling Online Retail*, 2011) indicate that online retailing accounts for approximately 4% of retail spending and that this is forecast to increase to approximately 16% over the next decade or so.

- In many respects, the Internet is used in conjunction with traditional retail outlets. Consumers are increasingly using the Internet to research prices and products before going to stores to purchase items. As a result, many large retailers see the Internet as part of their overall sales and marketing strategy.

- Importantly, the Internet presents significant opportunities for local retailers to expand their market significantly, including the potential to export to a worldwide market. This opportunity is more pronounced for specialty retail or niche shops which otherwise do not have an extensive store network.

- In a demographic context, Internet retailing is increasingly dominated by younger users, with indications that over 50% of visitors to shopping and classified web sites are in the 18-34 years age bracket. As the broader population becomes more computer literate, the market penetration of Internet retailing is expected to increase over time.

- Other new forms of technology may be developed in the future, which may affect 'traditional' bricks and mortar retailing. For instance, mobile phone applications have been developed that can scan barcodes, and allow the user to purchase products through their smart phones. These continuing changes in technology will require some form of adaptation by traditional retailers.

- The extent to which the Internet and other sales media (eg, telemarketing, smart phones, etc) can capture retail market share is likely to be largely limited by the community and entertainment-related aspects of shopping. Thus, while some retail purchases are likely to be made over the internet, for the foreseeable future the majority of shopping will continue to be undertaken at shopping centres or individual stores; this form of ’traditional’ shopping provides an opportunity for social interaction and browsing, which, of course, cannot be experienced online. This social aspect is recognised as a key strength of traditional ‘bricks and mortar’ retailing.

Non-Retail Development in Regional Cities

Regional cities are the location for a wide range of activities in addition to retail. Examples include:

- Commercial services such as travel, insurance and real estate agents

- Professional services such as legal and accounting practises

- Health care such as doctors, dentists, podiatrists and physiotherapists

- Community services including Centrelink, employment agencies and social support service

- Hospitality in the form of bars, cafes and restaurants

- Entertainment and recreation facilities like cinemas, gaming, aquatic centres, gymnasiums, arts centres, etc.

In addition, regional cities are becoming popular as locations for increased residential densities, although at a more limited scale than that being experienced in and around centres in metropolitan areas. In the context of Horsham, the Horsham City Gardens Estate is an example of an increased level of residential density in and around the CAD.

In general, the trend to incorporate more residential uses in centres is supported by the ongoing decline in household sizes and changes in lifestyle which are driving the popularity of medium-density housing.

A further and important consideration is that strategic land use policies across Australia increasingly recognise that a range of social, environment, economic and cultural benefits can be realised where a wide mix of uses is encouraged to co-locate in and around centres. As a result, government administrative and support services are increasingly concentrated in regional centres, while a wide range of cultural and recreational facilities – which in past decades might have been located on standalone sites – are now seeking locations within or on the edge of centres.

Development of 'Satellite' Centres

Where in the past, a singular CBD or CAD was sufficient to meet the requirements for residents in regional cities, increasing pressure for the development of new centres located beyond the traditional CBD/CAD is occurring, as population growth and the spread of residential development occurs.

Typically, these new centres may commence as neighbourhood centres which provide convenience retailing to the surrounding community; however, they may expand to provide a larger extent of retail and other services, depending on the level of population growth in the surrounding area. While these new centres provide an increased level of retail choice for residents, they do have implications on the role and operation of the traditional CBDs/CADs.

Examples of new 'satellite' centres which have developed in regional Victoria include Mildura, Warrnambool, Shepparton, Ballarat and Bendigo, all of which contain significantly larger urban populations than Horsham.

1.5 Planning Policy Context

A summary of state, regional and local planning policies as they relate to the future development of the Horsham CAD is provided below.

Horsham Planning Scheme

The Horsham Planning Scheme provides a policy basis for development in Horsham, and consists of strategic directions and policies contained in the State Planning Policy Framework (SPPF) and Local Planning Policy Framework (LPPF).

State Planning Policy Framework

Clauses 11.05 (Regional development) and Clause 17 (Economic Development) of the SPPF both have relevance to the future development of the Horsham CAD.

Clause 11 implements the policies identified in *Ready for Tomorrow – a Blueprint for Regional and Rural Victoria* (State Government of Victoria, 2010), and seeks to promote sustainable growth of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework. Horsham is identified as a Regional City, together with Echuca, Swan Hill and Mildura. Ballarat, approximately 187km (direct distance) to the east of Horsham, is identified as a Major Regional City.
Planning, as described in *Clause 17 (Economic Development):*

> "*is to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity*".

Clause 17.01-01 relates specifically to commercial and business development and seeks to:

> "*encourage development which meet the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities*".

In addition, DPCD are currently preparing the *Wimmera Southern Mallee Regional Growth Plan (WSMRGP)* which aims to guide land use and infrastructure development throughout the region. Horsham is identified as a Regional City in the Draft Regional Growth Plan which also provides a set of land use policies, strategies and actions relating to commercial activity. The Draft Growth Plan notes that further development of retail and office floorspace is encouraged in the Horsham CAD, particularly for projects of regional significance. The draft Growth Plan also provides support for the consolidation of prime commercial activities within existing town centres.

Another consideration for Council is the State Government's proposed new land use zones. The Minister for Planning has proposed the introduction of two new Commercial Zones (Commercial 1 Zone and Commercial 2 Zone) into the planning scheme. These new zones will be at the expense of the existing Business 1, Business 2, Business 3, Business 4 and Business 5 zones. If approved, the new zones will have implications regarding the location of retail activity in the Horsham CAD and in non-CAD locations.

Local Planning Policy Framework

The LPPF identifies Horsham as the capital of the Wimmera and *Clause 21.04 – 1 Role of Horsham* establishes the following objective:

> "*To promote and enhance the role of Horsham as the key population centre and provider of retail, business, industrial, health and government services, to the local population and the wider Wimmera region of Western Victoria.*"

The strategies relevant to the Horsham CAD identified in Clause 21.04-1 include the following:

- Facilitate the provision of a wide range of housing types and opportunities, including medium density housing in areas within close proximity of the Central Activities District.
- Reinforce the strong and vibrant Central Activities District of the Horsham regional centre, by encouraging the development of new commercial premises within the existing CAD.

Horsham CBD Urban Design Framework, 2001

Council commissioned the Horsham CBD Urban Design Framework (UDF) in 2001 which provided guidance to the future development of the CBD and a raft of urban design guidelines. A broad vision for the Horsham CBD was identified, which included the following statements (pages 17 and 18):

- Maintain the compact CBD area, intensifying the area rather than allowing it to spread.
- Build upon the regional function of the town, to make it a more attractive and pleasant place to visit, with public and private land uses and qualities that will extend the time that people spend in Horsham.
- Providing facilities and activities that will attract both short and longer term visitors, capitalising on the Western Highway.
- Using both public space development and private sector development to create continuous linkages between the key activity sites about the CBD, including the parklands areas in close proximity to the CBD.
- Creating the opportunities for higher density of residential development, particularly within and immediately adjacent to the CBD area, to generate less reliance on the motor car, and so that people who are relatively transport disadvantaged can enjoy the high standard of activities and facilities that are and will be available.
- Encourage the grouping of activities in mutually beneficial ways, including :-
    - Intensifying specialty retail within Firebrace Street rather than spreading it too far towards Darlot Street.

- Having peripheral sales activities aggregate around Hamilton Street, so that the parking and relatively intensive weekend shopping traffic does not disadvantage Firebrace Street.
- Encouraging office space above retail, possibly through the use of Council property as a pilot exercise.
- Having a CBD public realm that supports adjacent business and other land use, through streetscape, pedestrian facilities, carparking and traffic management methods that respond to the different types of activity that occur in different areas of the CBD. This builds upon the existing structure of wide, inter connected streets.
- Creating an opportunity for better balance to the traditional Firebrace Street "main street", by allowing for additional parking and a future major attraction (for example a large store) on the east side of Firebrace Street.

The existing urban design features of the Horsham CAD are discussed in Section 2.5 of this report.

1.6 Conclusion

The Horsham CAD is the regional centre serving the retail, business, civic, entertainment and cultural needs for residents, businesses and visitors to the broader Wimmera region. The importance of Horsham's regional role is identified in various Local and State Government policies, and there is a need to ensure that the CAD continues to perform this regional role.

2 OVERVIEW OF THE HORSHAM CAD

This chapter provides an overview of the Horsham CAD and includes the following:

- An analysis of the land use patterns in the Horsham CAD, including estimates of retail and commercial floorspace.
- A description of approved developments.
- An analysis of the urban design aspects of the CAD.

2.1 Land Use Patterns in the Horsham CAD

Retail and Commercial Land Uses

For the purpose of this study, a comprehensive retail and commercial floorspace survey was undertaken in October 2011 and again in March 2013. The latest survey ensures that the analysis and conclusions in this report are informed by the latest available information on current trading conditions in the Horsham CAD.

The Horsham CAD contains a total of approximately 59,720m2 of retail floorspace and 34,440m2 of commercial office floorspace (including both shopfront and dedicated office floorspace, refer page 3 for definitions).
Table 2.1 summarises the provision of commercial floorspace in the CAD in 2011; and Table 2.2 summarises the existing provision of commercial floorspace in the CAD.

Table 2.1: Retail and Commercial Floorspace, Horsham CAD, 2011

Tenancy Type	Floorspace (m^2)	Share of Retail Floorspace (%)	Share of Shopfront Floorspace (%)
Food, liquor and groceries	9,690m^2	16.1%	11.7%
Food catering	3,600m^2	6.0%	4.3%
Non-food	42,270m^2	70.4%	51.1%
Retail Services	4,460m^2	7.4%	5.4%
Total retail floorspace	**60,020m^2**	**100.0%**	**72.5%**
Shopfront office floorspace	17,060m^2		20.6%
Total occupied shopfront floorspace	**77,080m^2**		**93.1%**
Vacant shop front floorspace	5,680m^2		6.9%
Total shopfront floorspace	**82,760m^2**		**100.0%**
Dedicated office floorspace (occupied)	*16,600m2*		

Source: Essential Economics floorspace survey, March 2011

Table 2.2: Retail and Commercial Floorspace, Horsham CAD, 2013

Tenancy Type	Floorspace	Share of Retail Floorspace	Share of Shopfront Floorspace
Food, liquor and groceries	9,610m²	16.1%	11.6%
Food catering	3,400m²	5.7%	4.1%
Non-food	42,900m²	71.8%	51.8%
Retail services	3,810m²	6.4%	4.6%
Total retail floorspace	**59,720m²**	**100.0%**	**72.1%**
Shopfront office floorspace	18,530m²		22.4%
Total occupied shopfront floorspace	78,250m²		94.4%
Vacant shop front floorspace	4,630m²		5.6%
Total shopfront floorspace	**82,880m²**		**100.0%**
Dedicated office floorspace (occupied)	*15,910m2*		

Source: Essential Economics floorspace survey, March 2013

Key features of the floorspace mix in the Horsham CAD include the following:

- The CAD has a strong focus on non-food retailing, which is representative of the regional role performed by the centre. Major non-food retail tenants include Kmart, a new Bunnings store, Target Country, Spotlight, Harvey Norman and Dick Smith. In addition, a Target DDS is currently under-construction.

- Apart from the three strong performing supermarkets (Woolworths, Coles and ALDI), the CAD has a limited representation of fresh food retailing.
- Although the Horsham CAD contains approximately 3,400m2 of food catering floorspace, no discernible dining precinct is located in the CAD.

Firebrace Street was the original 'main street' in Horsham and has been the primary location for shopping and business activity for many years. As the population in Horsham and the surrounding areas increased over time, so has the geographical spread of the Horsham CAD. Today, retail and commercial precincts are located throughout the CAD, which provide varying types of facilities and services. These general areas include those described below, and are shown in Figure 2.1 on p27:

- Firebrace Street: Remains one of the main areas for shopping and personal services in the CAD. Firebrace Street is a typical regional city 'main street' and provides an array of speciality retailing and small-scale offices. The majority of retail activity is in the non-food sector, although a number of food catering and retail services premises are also provided. Few FLG retailers are located in Firebrace Street.

  The core retail and business activity along Firebrace Street is located between Pynsent Street in the south and McLachlan Street in the north. The area of Firebrace

Street to the north of McLachlan Street is struggling and has a high vacancy rate. At the time of the floorspace survey (March 2013), 11 shopfronts (or 11%) in Firebrace Street were vacant, including 10 vacant shopfronts north of McLachlan Street.

- Horsham Plaza/Woolworths: Located at the western edge of the CAD, the Horsham Plaza is an enclosed shopping centre containing approximately 10,790m2 of occupied retail floorspace. A large Kmart Discount Department Store (DDS) of 7,710m2 anchors the centre, which also includes a mix of speciality retailing. A large vacancy of 1,780m2 (16.5%) is currently located in the centre; this space was previously occupied by a Maxi supermarket. It is understood through discussions with Horsham Plaza management, that Spotlight are considering relocating form their current location on McLachlan Street to the Plaza.

  A Woolworths (Safeway) supermarket of approximately 2,730m2 (including Woolworths Liquor) is located directly south of the Horsham Plaza. The Plaza and Woolworths supermarket are not well integrated and the Woolworths does not represent a full-line store (refer 'Full-line supermarkets' on page 18). Despite this, the Woolworths appears to trading at a very high level.

  A development comprising a Target DDS and speciality stores is under construction on the site located to the west of the Woolworths supermarket. The development is well advanced as of March 2013.

- Coles supermarket: The Coles supermarket is a significant activity generator in the CAD and is located on the north-east corner of Roberts Street and Darlot Street. The Coles supermarket contains approximately 3,400m2 of floorspace (including Liquorland) and is understood to also be trading at a very high level.

- Hamilton Street: Hamilton Street has been the focus of recent retail development in the CAD. In recent years, a number of new retail tenancies have been developed between Darlot Street in the west and Firebrace Street in the east. These new tenancies include an ALDI supermarket, Dick Smith Electronics, Harvey Norman and Cheap As Chips.

- Darlot Street: The northern part of Darlot Street comprises a mix of office and visitor accommodation.

- Dimboola Road: The strip of B4Z located along Dimboola Road contains a mix of visitor accommodation, fast food, auto-sales and offices. The majority of land uses in this area are highway based land uses which rely on the exposure provided to passing vehicles along Dimboola Road, which forms part of the Western Highway.

- Roberts Avenue and Pynsent Street: These streets provide a link between Firebrace Street and Horsham Plaza, which are two of the main retail and commercial areas in the CAD. These streets contain a mix of speciality retailing (namely food catering and retail services) and small-scale offices.

- East of Firebrace Street: The area to the east of Firebrace Street comprises a mix of community, civic, entertainment and lower-order retail and office uses.

Full-line Supermarkets

Full-line supermarkets provide the full-range of supermarket merchandise and typically occupy at least 3,000m2 of retail floorspace. Compared to smaller supermarkets, full-line supermarkets provide a superior range of fresh food merchandise, a greater range of deli and butchery produce, offer fresh bakery products, wider aisles and additional check-outs for customer comfort.

Typically, a catchment of around 8,000-10,000 residents is required to support a full-line supermarket, depending of the level of competition and individual site characteristics.

Light Industrial Land Uses

An area of B3Z and B4Z land is located in the south-east portion of the CAD which provides a mix of light industrial related activities, including small-scale manufacturing, auto-related sales and service, and trade supply stores. This cluster of activities is located close to the commercial activities in the central part of the CAD and is central to residents in the urban areas of Horsham.

Table 2.2: Light Industrial Uses in Horsham CAD, 2013

Industrial Activities	Business Count	Share
Light Industry	15	27%
Trade Services/Supplies	17	31%
Automotive Related	18	33%
Agricultural Related	4	7%
Storage	1	2%
Total	55	100%

Source: Essential Economics floorspace survey, 2013

Other Facilities and Services

The CAD also comprises a range of community, civic, entertainment, recreation, cultural and health-related services that contribute significantly to the overall functionality and sustainability of the CAD. A mix of uses assists in attracting people to centres for a variety of purposes, and encourages residents to spend more time in the centre, adding to the vibrancy of the place and contributing to business sales and employment.

Commentary on the provision of these activities and services in the Horsham CAD is provided below:

- Cultural, recreation and entertainment facilities: A range of cultural, recreational and entertainment facilities are located throughout the CAD, and these include a cinema complex, an aquatic/leisure centre, a number of hotels/pubs, a performing arts centre, regional art gallery, numerous churches, and a 24-hour fitness studio.

  In addition, the development of a new performing arts centre has been approved.

- Health-related services: A small cluster of medical centres and practitioners is located on the north-western edge of the Horsham CAD, operating from a mix of dedicated consulting suites and former residential dwellings. Other medical-related services are located throughout the centre. The Wimmera Base Hospital is located approximately 700 metres to the east of the CAD, where another cluster of medical services is developing.

- Community services: A variety of community facilities and services are located in the Horsham CAD, including a library, child care, aged care and employment services.

- Civic and administrative services: Civic and administrative services include Council and State Government offices in Roberts Avenue, and Centrelink located on Darlot Street.

Surrounding Land Uses

The general land use patterns in the areas surrounding the Horsham CAD are summarised below:

- East: A residential zone occupies land to the east of Urquhart Street. Although the area to the east is generally residential in nature, a mix of land uses currently occupy land with frontage to Urquhart Street, including the following:
  - established residential homes
  - new residential townhouse development
  - two churches and a masonic hall
  - car parks
  - senior citizens club.

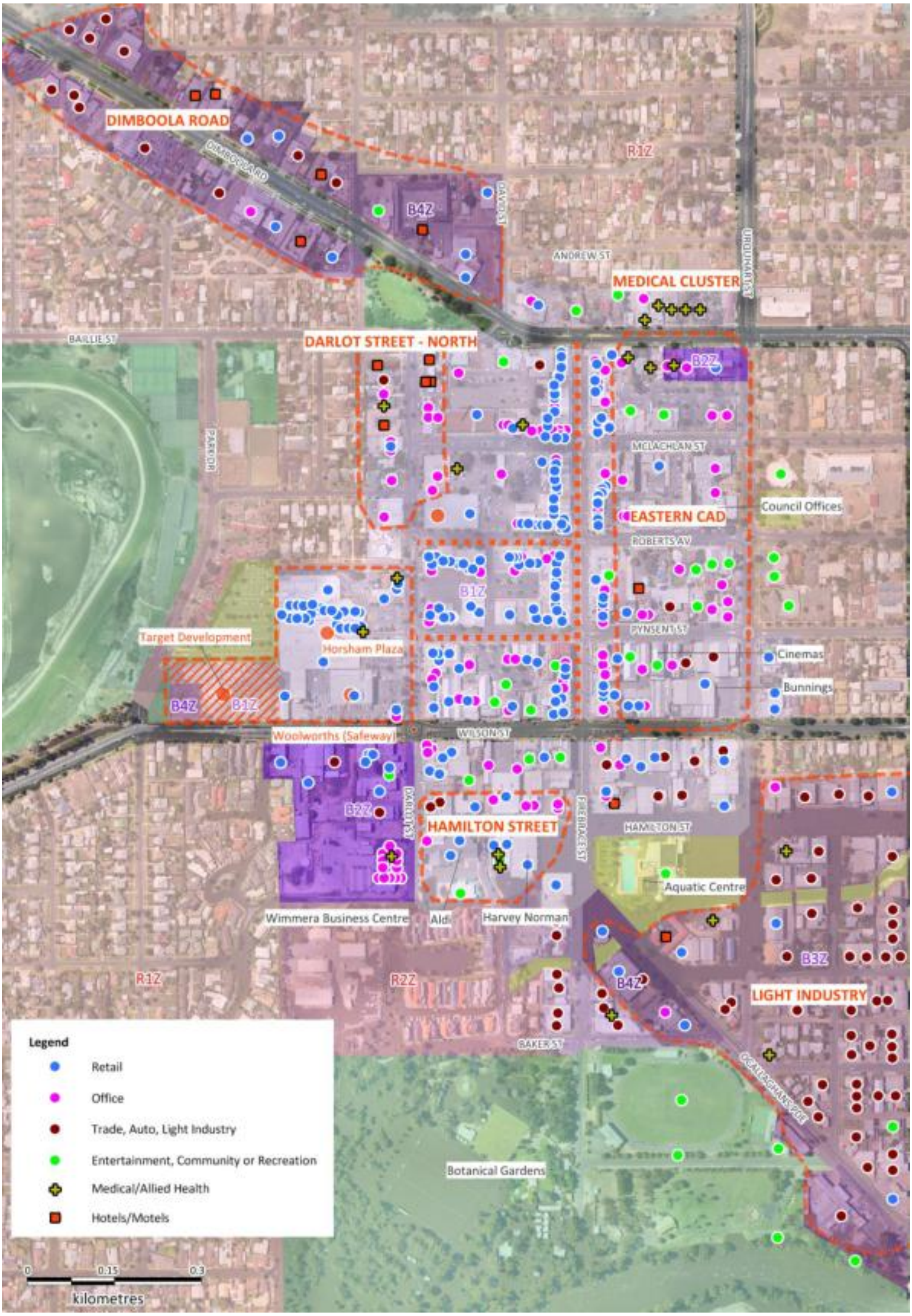
  A section of B1Z land also has frontage to the eastern side of Urquhart Street where a mix of peripheral retailing and residential uses are located.

- West: A mix of residential and recreational uses are located to the west of the Horsham CAD. The recreational uses include a lawn bowling club and the Horsham Racecourse.

- South: R2Z land is located to the immediate south of the CAD and comprises the Horsham City Gardens Estate and the Horsham Rural City Council Depot.
- North: R1Z land occupied land to the north of the Horsham CAD is an established residential area.

Figure 2.1 on the following page illustrates the varying land use patterns located throughout the Horsham CAD.

Figure 2.1: Horsham CAD Land Use Patterns, 2013



Source: Essential Economics floorspace survey, March 2013
Produced by Essential Economics using MapInfo and StreetPro

2.2 Vacancy Rates and Commercial Rents

Vacant Floorspace

The relative 'health' of a centre is often indicated by the level of vacant shopfront floorspace. Shopfront floorspace typically incorporates a mix of both retail and non-retail traders.

At present, the Horsham CAD contains approximately 82,880m² of shopfront floorspace, of which 4,630m2 is vacant, representing a vacancy rate of 5.6%. This current vacancy rate is considered consistent with a well-performing centre, which would typically have a vacancy rate between 4% and 6%.

The vacancy rate in the Horsham CAD has declined from 6.9% in 2011 to 5.6% in 2013, with the vacant floorspace declining by approximately -1,050m² over this period. Table 2.3 summarises these recent changes in vacant floorspace.

Furthermore, the share of vacant shopfront floorspace along Firebrace Street has declined from 8.3% in 2011 to 7.2% in 2013. A decline in vacant floorspace along Firebrace Street to the south of McLachlan Street from 6.0% in 2011 to just 1.5% vacancy in 2013 was the main contributing factor to this overall decline.

However, the overall decline in vacant floorspace has been offset by a significant increase in vacant floorspace in the poorly-performing section of Firebrace Street that is north of McLachlan Street, which experienced a significant increase in its vacancy rate from 16.6% in 2011 to 28.2% in 2013.

Over the same period, vacancy rates in the balance of the CAD have declined from 6.6% in 2011 to 5.2% in 2013, representing an overall reduction -885m² of vacant floorspace. This was primarily influenced by two large tenancies located along Wilson Street with combined floorspace of approximately 1,500m², and which were previously vacant and have since been occupied by bulky goods and electrical traders.

Horsham Plaza contains three vacancies, including a large vacancy of approximately 1,780m2 which was formerly a Maxi supermarket. It is understood that Spotlight will occupy this tenancy in the near future.

Table 2.3: Vacant Shopfront Floorspace, 2011- 2013

Location	2011			2013			Change		
	Floor space	Vacancy Rate	Share of Total CAD Vacancy	Floor space	Vacancy Rate	Share of Total CAD Vacancy	No.	Vacancy Rate	Share of Total CAD Vacancy
Firebrace Street - North of McLachlan Street	525m²	16.6%	9.2%	890m²	28.2%	15.7%	365m²	11.6%	6.4%
Firebrace Street – Central (between Pynsent Street & McLachlan Street)	230m²	3.7%	4.0%	0m²	0.0%	0.0%	-230m²	-3.7%	-4.0%
Firebrace Street – South of Pynsent Street	480m²	8.6%	8.5%	180m²	3.2%	3.2%	-300m²	-5.4%	-5.3%
Firebrace Street - Total	**1,235m²**	**8.3%**	**21.7%**	**1,070m²**	**7.2%**	**18.8%**	**-165m²**	**-1.1%**	**-2.9%**
Balance of Horsham CAD	**4,445m²**	**6.6%**	**78.3%**	**3,560m²**	**5.2%**	**62.7%**	**-885m²**	**-1.3%**	**-15.6%**
Total of Horsham CAD	**5,680m²**	**6.9%**	**100.0%**	**4,630m²**	**5.6%**	**81.5%**	**-1,050m²**	**-1.3%**	**-18.5%**

Source: Essential Economics floorspace survey, October 2011 and March 2013

<u>Vacant Shopfront Tenancies</u>

Although vacant shopfront floorspace has declined in the Horsham CAD since 2011, the actual number of vacant shopfronts has increased from 28 to 31 tenancies, and now represent almost 10% of total shopfronts, as shown in Table 2.4. This indicates that since 2011, while total vacant floorspace has declined due mostly to the attraction of a few large tenancies, a number of smaller shopfronts have since become vacant.

Recent changes in the share of vacant shopfronts along Firebrace Street are similar to changes in the levels of vacant floorspace. The most recent floorspace survey identified a total of 11 vacant shopfronts in Firebrace Street, representing 10.9% of all shopfront tenancies, and an overall reduction of 1 vacant shopfront from 2011 levels.

Although this rate remains relatively high compared to typical benchmarks of 4%-6%, it is important to note that it is influenced considerably by a high and increasing number of vacancies in the poorly-performing northern section of Firebrace Street. Of the 11 vacant shopfronts identified in Firebrace Street:

- Ten are located **north of McLachlan Street**, which represented a vacancy rate of 31% of shopfronts and accounted for 32% of vacant shopfronts across the entire CAD. Since 2011, vacant shopfronts in this section have increased by four tenancies.
- None is located in the **central and busiest part of Firebrace Street between McLachlan Street and Pynsent Street**. The only three vacant shopfronts in 2011 have since been tenanted.
- One is located **south of Pynsent Street**. Since 2011, two vacant shopfronts have since been tenanted.

The number of vacancies north of McLachlan Street and the comparably lower commercial rents associated with properties in this area reflects the relatively poor performance of this part of the CAD. Information gathered from local real estate agents and from available information for existing shopfronts that are for lease, indicates that in general the commercial rent for shops north of McLachlan Street is in the order of $100-150/m2 (per annum), and this contrasts with commercial rents of around $200-250/m2 in the central part of Firebrace Street.

Figure 2.2 and Figure 2.3 (refer pages 25 and 26) shows the locations of vacant shopfronts in 2011 and in 2013, and provides a illustrative comparison of changes in size and location of these vacant tenancies over this period.

Table 2.4: Count of Vacant Shopfronts, 2011- 2013

Location	2011			2013			Change		
	No.	Vacancy Rate	Share of Total CAD Vacancy	No.	Vacancy Rate	Share of Total CAD Vacancy	No.	Vacancy Rate	Share of Total CAD Vacancy
Firebrace Street - North of McLachlan Street	6	18.8%	21.4%	10	31.3%	32.3%	4	12.5%	10.8%
Firebrace Street – Central (between Pynsent Street & McLachlan Street)	3	7.0%	10.7%	0	0.0%	0.0%	-3	-7.0%	-10.7%
Firebrace Street - South of Pynsent Street	3	11.5%	10.7%	1	3.8%	3.2%	-2	-7.7%	-7.5%

Location	2011			2013			Change		
Firebrace Street - Total	**12**	**11.9%**	**42.9%**	**11**	**10.9%**	**35.5%**	**-1**	**-1.0%**	**-7.4%**
Balance of Horsham CAD	16	7.7%	57.1%	20	9.4%	64.5%	4	1.7%	7.4%
Total of Horsham CAD	28	9.1%	100.0%	31	9.9%	100.0%	3	0.8%	0.0%

Source: Essential Economics floorspace survey, October 2011 and March 2013

Commercial Rents

Consultation with real estate agents in other regional cities indicates that commercial rents in the core part of the Horsham CAD are significantly lower than other regional cities. While commercial rents are in the order of $200-$250/m2 along the busiest parts of Firebrace Street, this compares to the following commercial rents in other regional cities:

- Hamilton: approximately $250-$300/m2
- Warrnambool: approximately $300/m2
- Mildura: approximately $300-$350/m2
- Bendigo: approximately $400-$450/m2.

While lower commercial rents contribute to the overall profit margin and the viability of businesses, particularly businesses that trade at lower turnover levels, these lower rents are also an indication of the demand for floorspace and the quality of tenants in a centre, as well as the physical condition and presentation of the properties involved. Typically, a centre that has lower commercial rents will attract lower quality tenants who achieve lower than average turnover. In a general sense, this is the situation in the Horsham CAD.

2.3 Approved Developments

A number of retail developments have occurred in Horsham in recent years, comprising developments along Hamilton Street, as described in Section 2.1.

The proposed new Target DDS on the site to the west of the Woolworths supermarket is the only major retail development at present. It is understood that the development is intended to open in May 2013; at the time of preparing this Strategy, the development was well progressed.

The Target development will contain a small Target DDS of approximately 3,820m2 and speciality retail floorspace totalling 900m2. In total, the development will contribute approximately 4,720m2 of new retail floorspace. The development will have limited integration with the surrounding retail precinct, apart from a vehicle entry/exit point into the Horsham Plaza car park.

Another major approved development for the Horsham CAD is the approved Performing Arts Centre, located on a site which has frontage to both Wilson Street and Pynsent Street.

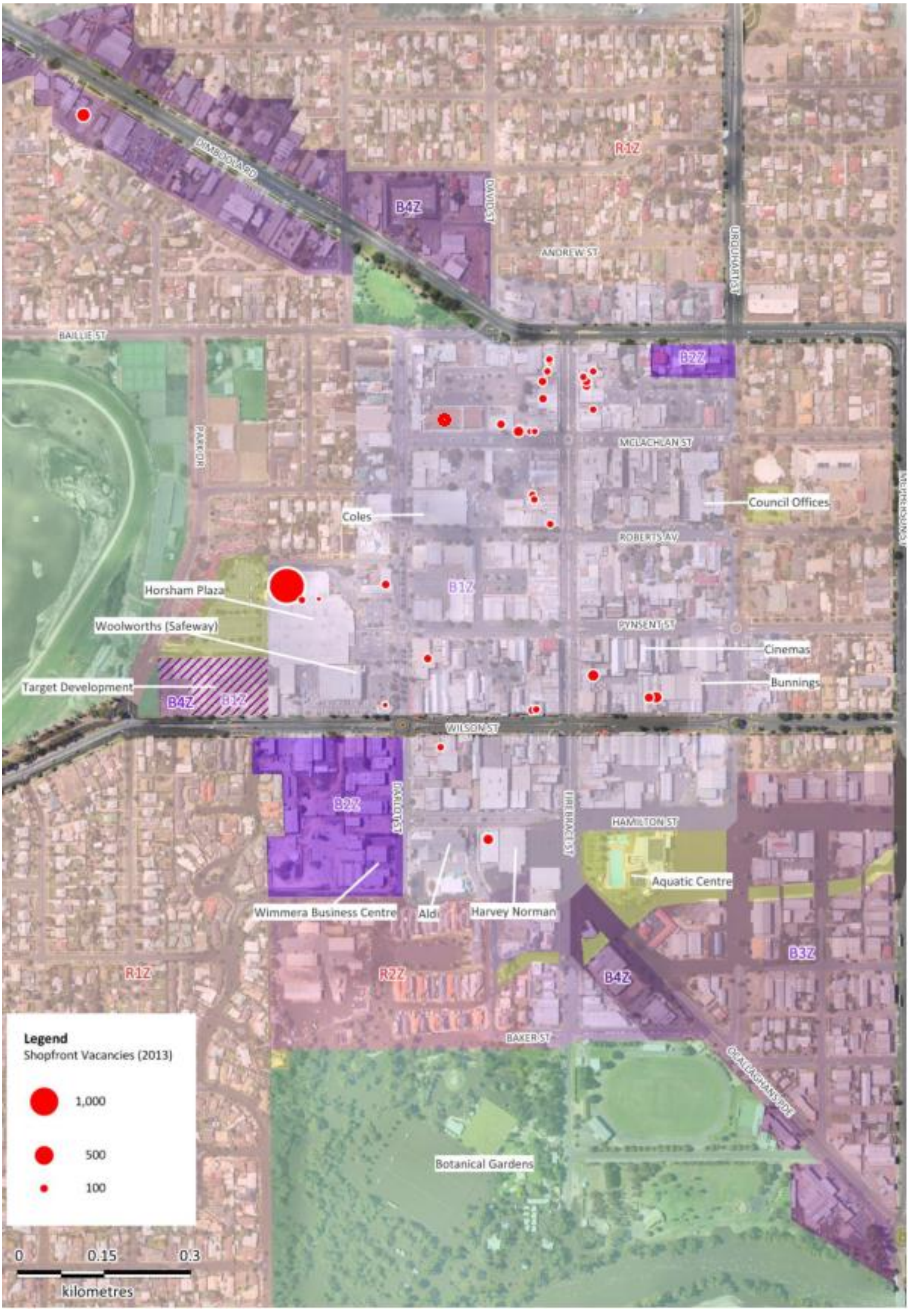
2.4 Other Retail and Business Locations in Horsham

In addition to the Horsham CAD, the only other relevant commercial area in urban Horsham is the strip of B4Z land located along the Western Highway, approximately 2.5km to the south-east of the CAD.

Currently, this land contains mainly businesses associated with agricultural machinery and auto-related servicing and sales, and industrial activities. Although previous proposals for the development of a homemaker retailing precinct have been associated with land in this area, none of these proposals has been approved or acted upon.

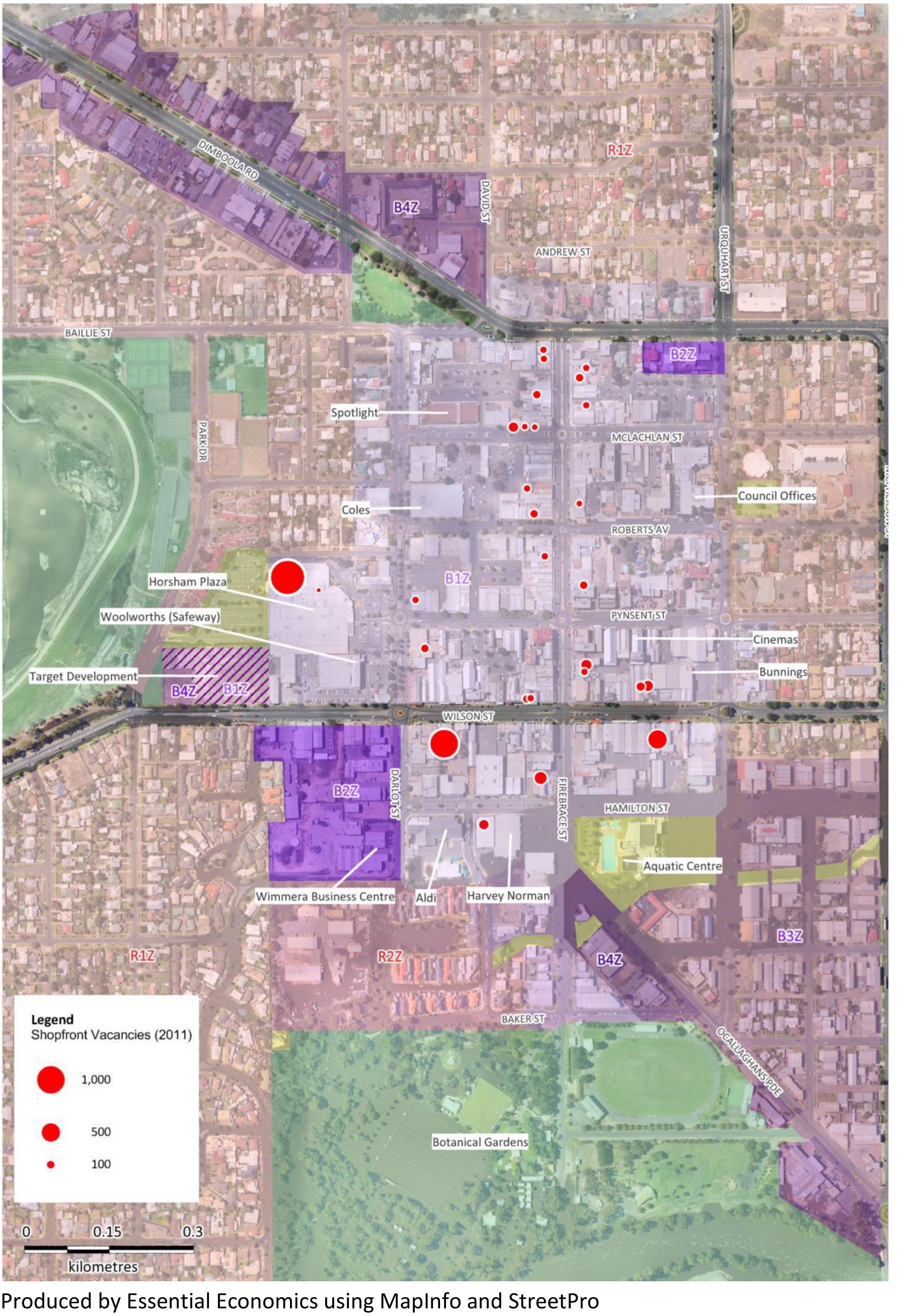
It is not anticipated that demand for any significant retail centres in the Horsham urban area will eventuate in the future.

Figure 2.2: Horsham CAD Vacancies, 2013



Produced by Essential Economics using MapInfo and StreetPro

Figure 2.3: Horsham CAD Vacancies, 2011



Produced by Essential Economics using MapInfo and StreetPro

2.5 Urban Design Features of the CAD

Urban Initiatives have undertaken a review of the existing issues and opportunities associated with the urban design features of the Horsham CAD, including a review of the Horsham CBD Urban Design Framework conducted in 2001 (TTM Consulting Pty Ltd) and an assessment of the relevance of that project today. The main points from the review are summarised below.

<u>Activities</u>

The 2001 study states that the Horsham CAD has been successful in incorporating 'modern' retailing activities (eg. DDS and supermarkets) on sites within the centre that are reasonably close to Firebrace Street, which is the spine of the CBD. This is a strength of Horsham because many similar regional cities allow this form of development to locate outside a walkable CAD.

The compactness of the CAD has been largely maintained over the past decade, although the quality of these 'modern' retailing developments – especially associated parking, pedestrian environment and street interface – are generally quite poor.

The 2001 study also notes that the development of 'modern' retail along the western edge of the CAD has given Darlot Street new prominence and tended to move the centre of gravity of retail activity away from Firebrace Street, which was the traditional retail spine.

The development of 'modern' retailing in the western part of the CAD makes the number and quality of east-west pedestrian links very important, particularly to the level of activity and continued viability of businesses in Firebrace Street. The impacts of poor east-west pedestrian links were identified in the UDF, and these have only been partially realised.

<u>Traffic and Accessibility</u>

The Western Highway to the north and east, together with the highly permeable and generous local street system, provides excellent accessibility for the CAD.
Figure 2.4 illustrates the street network throughout the Horsham CAD.
Parking

The 2001 study states that extensive amounts of on- and off-street parking exist throughout the CAD, with the highest density of spaces located between Firebrace and Darlot Streets in a series of exceptionally unattractive car parks. These locations are placed to cater for the demand for car parking, but have a severely negative effect on the visual and pedestrian amenity of the CAD.

The design of car parking areas and the associated visual and pedestrian amenity in the Horsham CAD has not improved over the past decade,

Figure 2.5 shows the location of car parking in the Horsham CAD.

<u>Pedestrians</u>

Pedestrian amenity is assisted by the generous grid street system, but is also reduced by the large street block dimensions of 100 x 200 metres and the difficulty of safe pedestrian movement through wide intersections. Establishment of more east-west mid-block pedestrian links was suggested in the 2001 assessment.

The issue of poorly designed surface car parks that cause breaks in the active frontages along key pedestrian routes, raised in the 2001 study, remains today.

Figure 2.6 shows the pedestrian linkages throughout the Horsham CAD.

<u>Street Design</u>

Considerable change appears to have occurred within the streets over the past decade and this appears to have been informed by the recommendations of the 2001 UDF. This includes the introduction of roundabouts at intersections, off-set pedestrian crossing points, and extensive centre-of-road and angle parking. These works appear to have been undertaken according to normal, but very dated, traffic engineering standards which tended to favour cars over pedestrians. Planning for cyclists on CAD streets seems almost non-existent.

The heavily-engineered approach is out of step with more contemporary thinking of street design which has been implemented widely elsewhere over the past two decades. Works undertaken by Council in the CAD streets over these years represent a significant investment that will be hard to reverse or improve in the future. Any ‘unimproved’ streets should be given better treatments rather than following the established patterns and designs of recent years. Of all the street works undertaken, the design of Darlot Street closely resembles best practice because of the reduced dominance of cars, the better use of street trees, and the superior pedestrian amenity provided by the use of a trafficable central median.

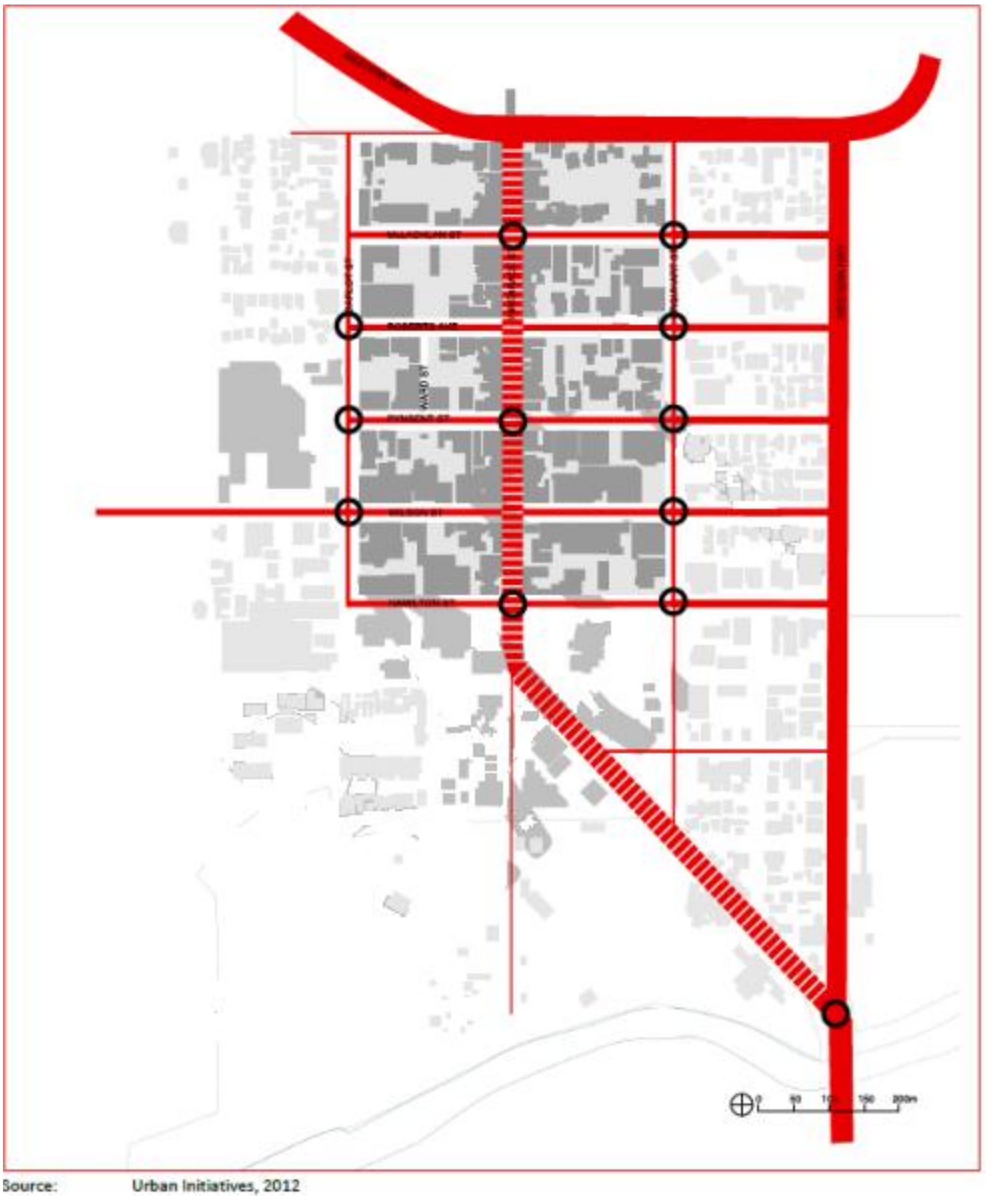
Figure 2.7 shows the design of street in the Horsham CAD.

Street Trees

Regional cities, like Horsham, benefit greatly from well-considered and planned street trees because of their effect on the microclimate and because they can add continuity to CAD streetscapes. In the CAD, the only street where trees have been given adequate consideration is Darlot Street.

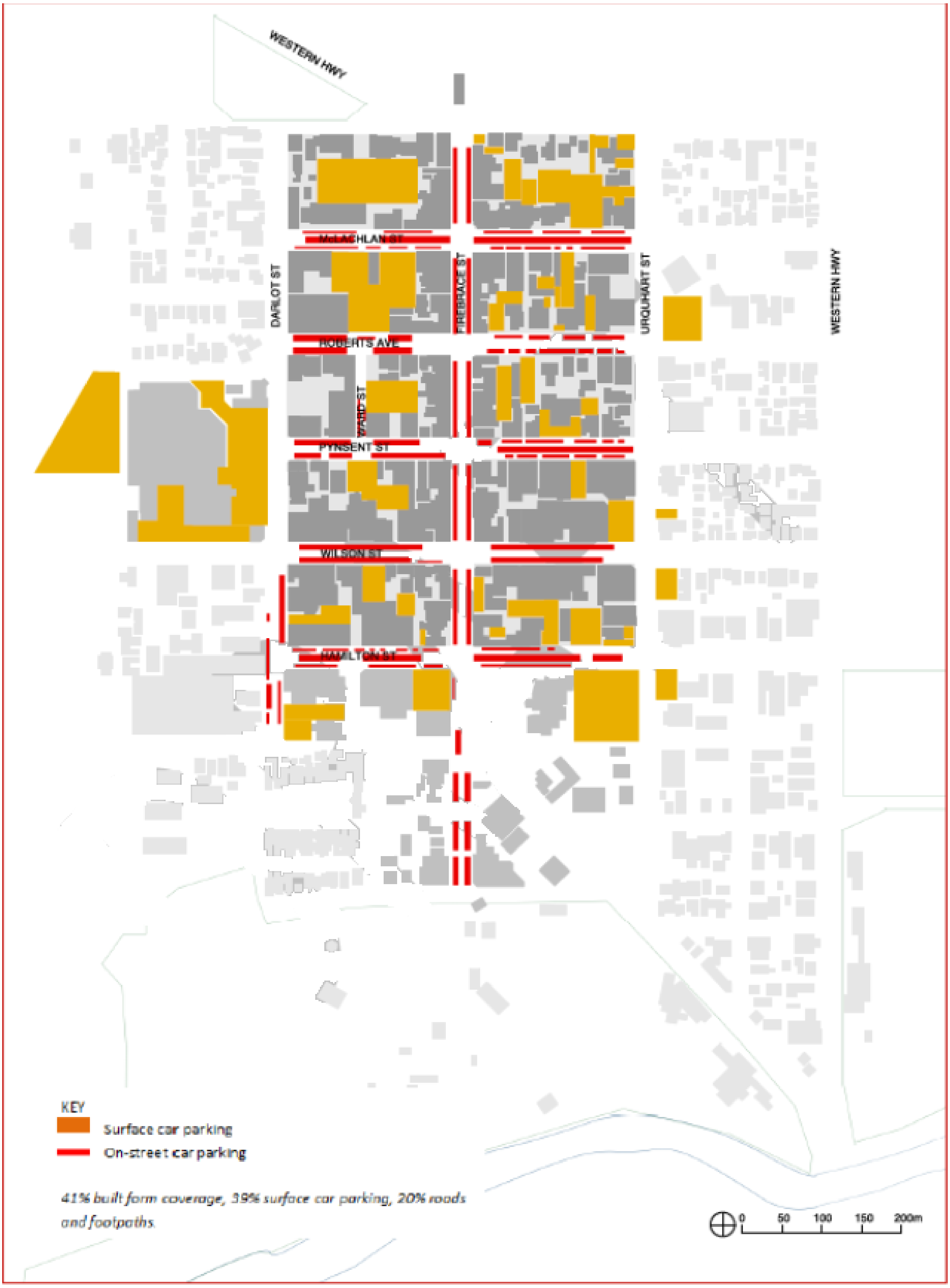
Horsham CAD has streets that are very wide and dominated by car circulation and parking. These streets should be able to accommodate many more large-scale street trees that will greatly add to amenity and assist the town in coping with more extreme climate events.

Figure 2.4: Horsham CAD Street Network



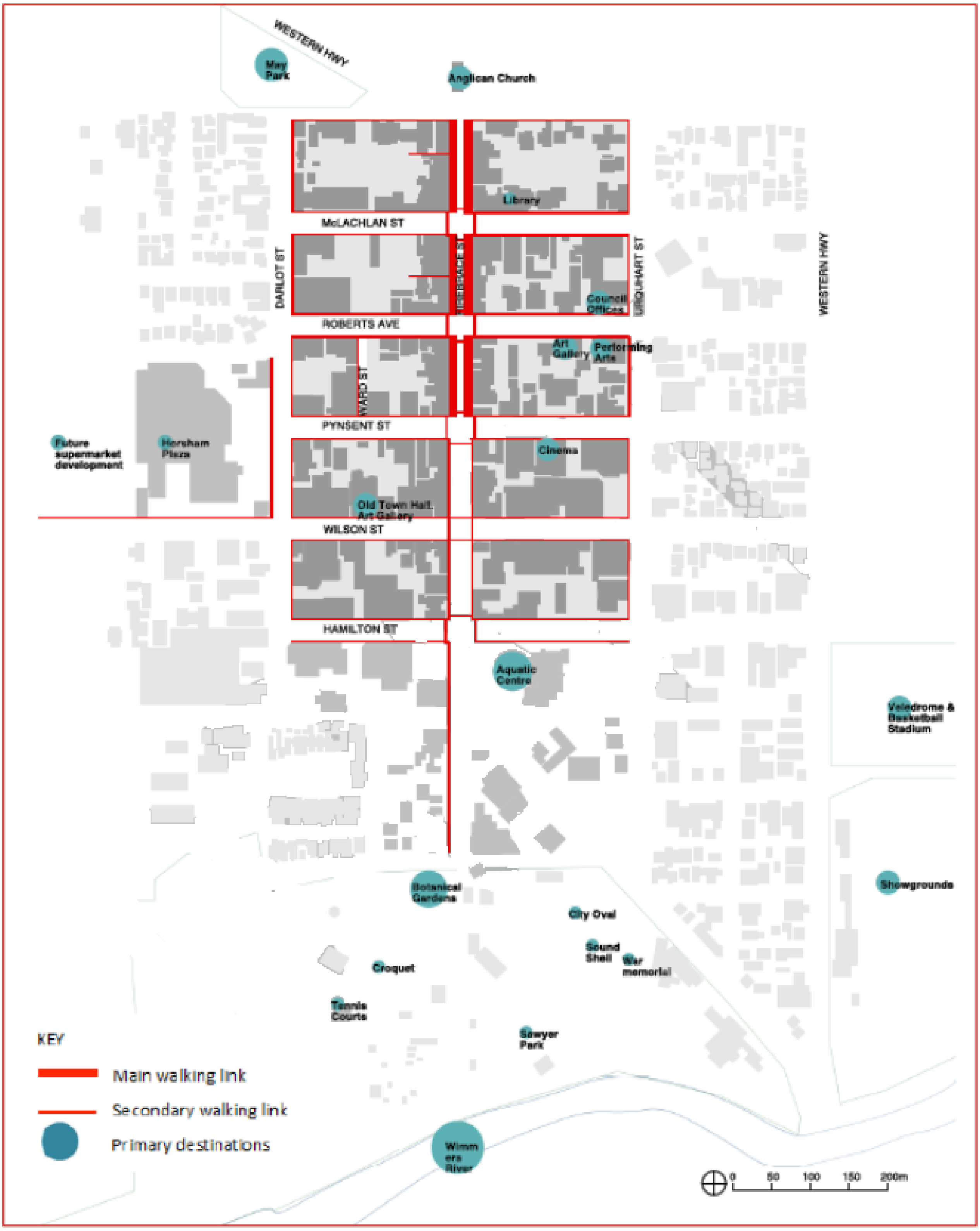
Source: Urban Initiatives, 2012

Figure 2.5: Horsham CAD Car Parking



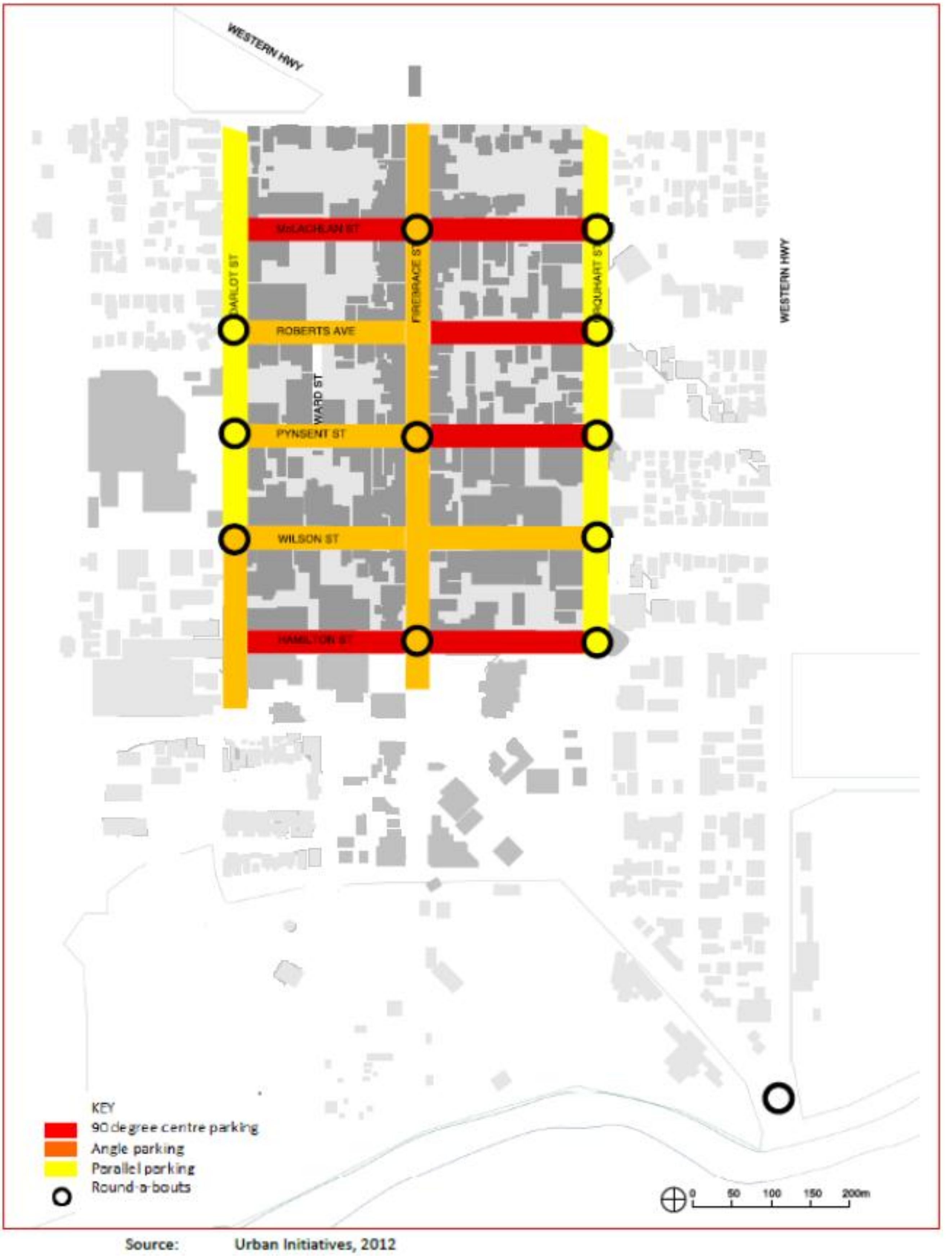
Source: Urban Initiatives, 2012

Figure 2.6: Horsham CAD Pedestrian Linkages



Source: Urban Initiatives, 2012

Figure 2.7: Horsham CAD Street Design



Source: Urban Initiatives, 2012

2.6 Implications

The main implications for the Strategy derived from the analysis presented in this Chapter are as follows:

1 **The Horsham CAD is a large regional centre which has expanded to contain a number of 'precincts'.** It will be important to encourage strong linkages between the varying precincts for both vehicles and pedestrians.

2 **The overall vacancy rate in the Horsham CAD is consistent with well-performing regional centres; however, sections of the CAD have significantly high vacancy rates and commercial rents are comparatively low.** This indicates opportunities do exist to improve the overall performance certain sections of the CAD and the overall performance retailers and businesses. Future development in the CAD should have regard for the impact such development will have on the overall function of the centre.

3 **The Horsham CAD has a limited representation of speciality fresh food retailing.** Opportunities to foster the development of these retail markets should be encouraged, as they will provide a wider array of choice and services to residents and visitors.

4 **Opportunities exist to improve the urban design features of the CAD**, including the following:

- Linkages between the east and west parts of the CAD.
- The design and visual and pedestrian amenity associated with car parking in the Horsham CAD.
- Improved street design, incorporating cyclists, street trees, improved pedestrian amenity, etc.

5 **The Horsham CAD has no obvious entertainment/dining precinct.** The Horsham CAD currently has very little activity outside of normal office hours. The successful development of an entertainment/dining precinct will contribute positively to the vibrancy and activity levels within a centre, particularly at night time, creating a centre that provides a wider range of goods and services to the region.

3 RETAIL ECONOMIC ANALYSIS

This Chapter presents an assessment of the current performance of the retail sector in the Horsham CAD and identifies the economic opportunity for the centre to generate additional retail sales and to accommodate new retail development over coming years.

3.1 Competition Analysis

The Horsham CAD is the regional centre serving residents in the Rural City of Horsham and surrounding rural and regional areas. Residents from these areas also visit other centres and retail destinations, depending on the location of these centres and the shopping purpose. A summary of the relevant competing centres is provided below, while the location of these centres is shown in Figure 3.1 on page 38.

<ins>Regional Centres</ins>

The following regional centres provide a range of retail and other services to their surrounding regions. While the location of these centres influence the geographic area (or trade area) from which the Horsham CAD trades, some of the larger centres, namely Ballarat and Bendigo, also directly compete with Horsham due to the greater range of retail choice in these larger centres.

The competing regional centres include the following:

- <ins>Ballarat</ins>: Ballarat is a large regional centre located approximately 188km south-east of Horsham, along the Western Highway. Ballarat is a major administrative and commercial centre serving an extensive region in western Victoria, and contains a wide range of commercial and community facilities and services.

  The Ballarat CBD contains approximately 145,000m² of retail floorspace, including the Central Square Shopping Centre which contains more than 23,000m² of retail floorspace. Major traders include Myer, Kmart, Big W, Target, and Coles, Safeway (Woolworths), ALDI, Supa IGA and Foodworks supermarkets.

- <ins>Bendigo</ins>: Bendigo is located approximately 214km east of Horsham and contains approximately 125,000m² of retail floorspace in the CBD. Like Ballarat, Bendigo is a key administrative and commercial centre serving a large region. Major traders include Myer, Big W, Kmart, Target, and Coles, Woolworths, ALDI, Supa IGA and Foodworks supermarkets.

- <u>Mildura</u>: Mildura comprises approximately 65,000m2 of retail floorspace in the CBD and is located 309km north of Horsham. Mildura provides a wide range of services, including retail shopping, business and community services, civic functions, as well as the provision of entertainment and tourist activity. Major traders in the CBD include Kmart DDS, and Woolworths, Coles and Supa IGA supermarkets.

  In addition, a sub-regional shopping centre is also located in Mildura and includes Target and Big W DDSs, a Woolworths supermarket and speciality retailing.

- <u>Warrnambool</u>: Warrnambool is the regional centre serving the south-western region of Victoria and is located approximately 229km to the south of Horsham. Retailing in Warrnambool is situated in the traditional CBD and the Gateway Shopping Centre. Major retailers in Warrnambool include Kmart and Target DDSs, and Safeway, Coles (x3) and ALDI supermarkets.

- <u>Hamilton</u>: Hamilton contains approximately 40,000m^2 of retail floorspace and is located approximately 131km south of Horsham. Hamilton is the main retailing destination for residents in the Southern Grampians, and major traders include Target Country, Harvey Norman, and Woolworths, Coles, ALDI and Supa IGA supermarkets

- <u>Mount Gambier</u>: Mount Gambier is a regional centre consisting of approximately 78,000m^2 of retail floorspace and is located approximately 224km south-west of Horsham. Major traders include Kmart, Target, and Woolworths, Coles and Supa IGA supermarkets.

- <u>Swan Hill</u>: Swan Hill is located 238km north-west of Horsham and contains approximately 38,000m^2 of retail floorspace. Major tenants include a small Target DDS, and Coles, Woolworths and ALDI supermarkets.

<u>Large Town Centres</u>

Large Town Centres serve the basic day-to-day retail and service needs of the surrounding trade area and typically include at least one full-line supermarket, as well as a number of shops primarily aimed towards convenience retailing, plus a number of higher-order specialty stores.

The following large town centres compete with the Horsham CAD and influence the trade area served by centre:

- <u>Stawell</u>: Stawell is a large town centre located along the Western Highway, approximately 67km south-east of the Horsham CAD. The centre contains a recently refurbished Woolworths Supermarket, a large IGA supermarket, and a range of speciality shops catering to residents and visitors to the town.

- Ararat: Ararat is located approximately 95km south-east of Horsham. Major tenants include Country Target, Dick Smith, RetraVision, and Woolworths, ALDI and Fishers Super IGA supermarkets.

Small Town Centres

A number of small town centres are located throughout the surrounding region. Local residents shop at these centre for local convenience items, and would typically shop at Horsham, or other larger centres, for their higher-order shopping needs. Relevant small town centres include the following:

- Murtoa: Located approximately 30 km north-east of Horsham and includes a small IGA Express supermarket.

- Dimboola: Located along the Western Highway, approximately 36 km north-west of Horsham, and includes a mid-sized IGA plus liquor supermarket.

- Minyip: Located approximately 54 km north-east of Horsham and includes a small IGA Express supermarket.

- Warracknabeal: Located along the Henty Highway, approximately 58km north of Horsham, and includes a mid-sized Fishers IGA plus liquor, a small Foodworks and a small Country Target.

- Nhill: Located approximately 74 km north-west of Horsham and includes a large, recently developed Supa IGA Supermarket of approximately 3,000m².

- Goroke: Located approximately 68 km west of Horsham and includes a small IGA Express supermarket.

- Donald: Located approximately 94km north-east of Horsham and includes a small Weir's IGA supermarket.

- Edenhope: Located approximately 93 km south-west of Horsham and includes a small Foodworks supermarket.

- Kaniva: Located approximately 113 km north-west of Horsham and includes a mid-sized Browns IGA supermarket and a small Foodworks supermarket.

- St Arnaud: Located approximately 108 km east of Horsham and includes a mid-sized Weir's Supa IGA supermarket.

3.2 Horsham CAD Trade Area

A trade area is the geographic area for which a centre generates the majority of its turnover and visitation. The extent of a trade area is influenced by a number of factors including:

- The range and nature of retail and other facilities in the subject centre
- The location and composition of competing centres (refer Section 3.1)
- Accessibility to the subject centre via the surrounding road network including consideration of travel times
- Presence of physical barriers such as National Parks, rivers and lakes
- The location of nearby towns and residential areas.

The Horsham CAD serves a Main Trade Area (MTA) which has been defined with regard to these factors and with additional reference to the following inputs:

- Average travel times to the Horsham CAD from surrounding regions, using the existing road network and observed speed limits
- Analysis of the residential locations of entrants to a shopper competition conducted by Horsham Plaza.

The Horsham CAD MTA covers an extensive geographic area that extends approximately 135km to the north, 80km to the east, 90km to the south and 120km to the west, and includes:

- Primary Trade Area (PTA): Comprising the Rural City of Horsham, including the urban areas surrounding the CAD, small townships and the surrounding rural areas. The PTA generally includes those regions within a 30-minute drive of the CAD.
- Secondary East Trade Area (SETA): Extends east of Horsham along the Western, Wimmera and Henty Highways, to include those regions that are broadly within a 60-minute drive of the CAD. The SETA includes the townships of Warracknabeal, Stawell, Minyip and Halls Gap.

- Secondary West Trade Area (SWTA): Extends west of Horsham along the Western and Wimmera Highways, as far as the Victorian-South Australian border. The SWTA comprises those regions that are generally within a 90-minute drive of the CAD, and includes the townships of Dimboola, Nhill and Edenhope.

Residents of the PTA are likely to visit Horsham CAD more frequently for their basic day-to-day retail needs, compared to residents of the STAs, who are likely to visit the CAD on a less frequent basis for larger shopping trips.

Figure 3.1 defines the MTA.

3.3 Population Trends and Forecasts

The MTA contains an estimated population of approximately 44,610 persons in 2013, and this includes 19,790 persons in the PTA and 24,820 persons in the STA.

Over the period 2001 to 2006, the MTA experienced a population decline of approximately -820 persons, which occurred at an average rate -0.4% pa; this overall decline takes into account the increase in PTA population (by approximately +570 residents) and the decline in STA population (-1,390 residents).

More recently, population decline has continued in the MTA, with an overall decline of -950 persons between 2006 and 2011, at an average rate of -0.4% pa. Over this period the STA resident population declined by a further -1,330 persons, while PTA experienced population growth of +380 residents, at an average rate of +0.4% pa. Over this period, the Horsham urban area experienced stronger population growth of +520 residents at an average rate of +0.7% pa. This highlights the ongoing popularity of Horsham as a place to live and the continued decline in the population in the surrounding rural areas.

Over the next 15 years (2013-2028), the MTA population is forecast to increase by approximately +800 residents, increasing from approximately 44,610 residents in 2013 to 45,410 residents by 2028. It is expected that the urban areas of Horsham will continue to experience population growth, while the surrounding rural areas will experience population decline; this is illustrated in population forecasts over the period 2013 to 2028 summarised below:

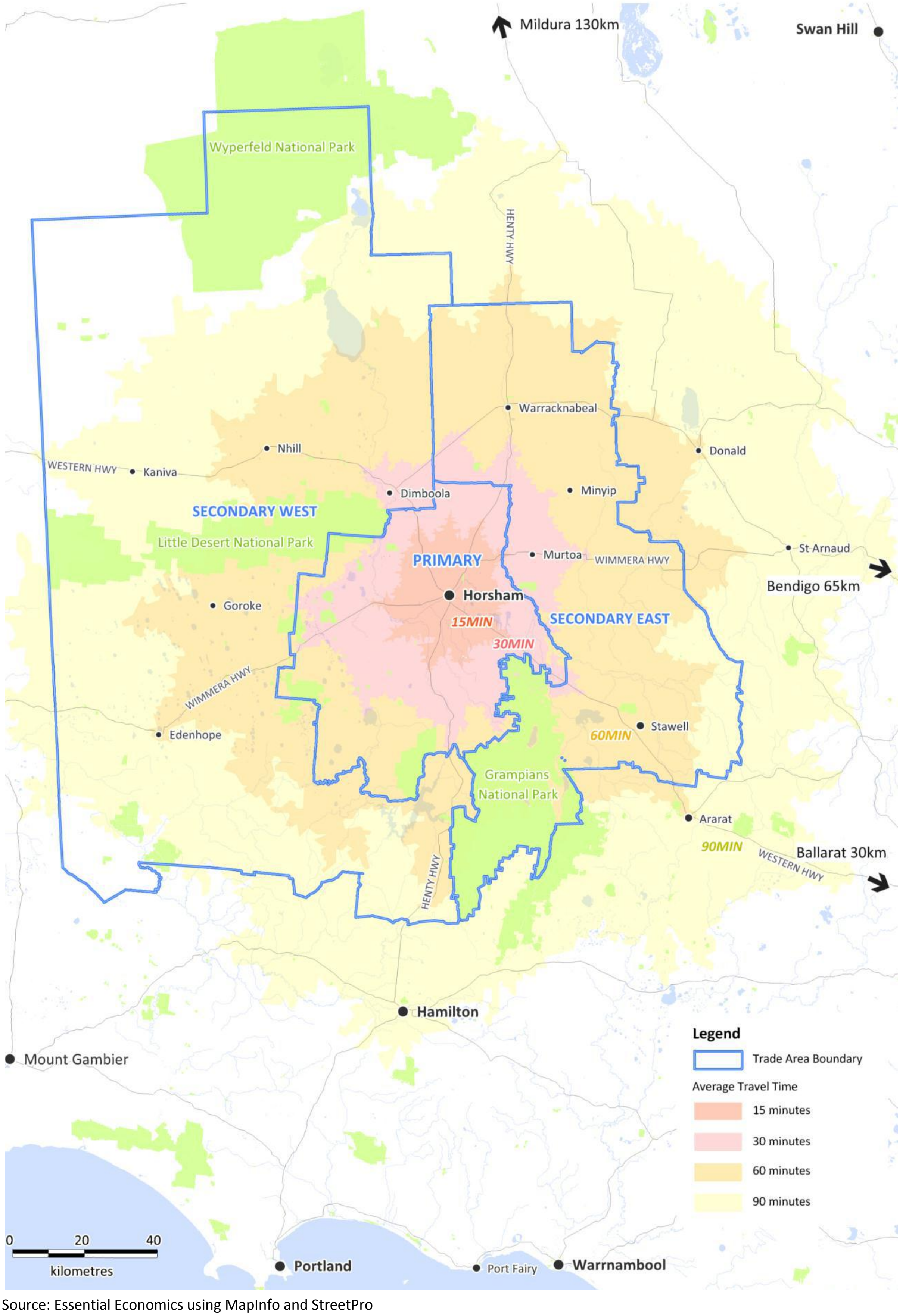
- PTA population is forecast to increase by approximately +1,710 residents, at an average annual rate of +0.6%pa

- STA population is forecast to decline by approximately -910 residents, at an average annual rate of -0.2%pa.

These population trends are representative of typical population trends across regional Victoria, where the majority of population growth occurs in the regional centres, such as Horsham, with the surrounding rural areas experiencing declining or at least stable population levels.

The population estimates and projections shown in Table 3.1 have been prepared with regard to official Australian Bureau of Statistics (ABS) population estimates and the latest forecasts prepared by the Department of Planning and Community Development (DPCD).

Figure 3.1: Main Trade Area, Horsham CAD



Source: Essential Economics using MapInfo and StreetPro

Table 3.1: Horsham CAD Main Trade Area Population, 2001 to 2028

Trade Area	2001	2006	2011	2013	2018	2023	2028
Population (No.)							
Primary Trade Area - City	13,580	13,960	14,480	14,660	15,100	15,520	15,920
Primary Trade Area - Rural	5,010	5,200	5,060	5,130	5,300	5,440	5,580
Primary Trade Area	**18,590**	**19,160**	**19,540**	**19,790**	**20,400**	**20,960**	**21,500**
Secondary East Trade Area	15,610	14,850	14,230	14,070	14,080	13,960	13,850
Secondary West Trade Area	12,230	11,600	10,890	10,750	10,600	10,330	10,060
Total Secondary Trade Area	**27,840**	**26,450**	**25,120**	**24,820**	**24,680**	**24,290**	**23,910**
Main Trade Area	**46,430**	**45,610**	**44,660**	**44,610**	**45,080**	**45,250**	**45,410**
Regional Victoria	*1,333,100*	*1,383,530*	*1,426,580*	*1,466,710*	*1,569,990*	*1,680,170*	*1,794,050*
Average Annual Growth (No.)							
Primary Trade Area - City	-	+80	+100	+90	+90	+80	+80
Primary Trade Area - Rural	-	+40	-30	+40	+30	+30	+30
Primary Trade Area	**-**	**+110**	**+80**	**+130**	**+120**	**+110**	**+110**
Secondary East Trade Area	-	-150	-120	-80	+0	-20	-20
Secondary West Trade Area	-	-130	-140	-70	-30	-50	-50
Total Secondary Trade Area	**-**	**-280**	**-270**	**-150**	**-30**	**-80**	**-80**
Main Trade Area	**-**	**-160**	**-190**	**-30**	**+90**	**+30**	**+30**
Average Annual Growth (%)							
Primary Trade Area - City	-	+0.6%	+0.7%	+0.6%	+0.6%	+0.6%	+0.5%
Primary Trade Area - Rural	-	+0.7%	-0.5%	+0.7%	+0.7%	+0.5%	+0.5%
Primary Trade Area	**-**	**+0.6%**	**+0.4%**	**+0.6%**	**+0.6%**	**+0.5%**	**+0.5%**
Secondary East Trade Area	-	-1.0%	-0.8%	-0.6%	+0.0%	-0.2%	-0.2%
Secondary West Trade Area	-	-1.1%	-1.3%	-0.6%	-0.3%	-0.5%	-0.5%
Total Secondary Trade Area	**-**	**-1.0%**	**-1.0%**	**-0.6%**	**-0.1%**	**-0.3%**	**-0.3%**

Main Trade Area	**-**	**-0.4%**	**-0.4%**	**-0.1%**	**+0.2%**	**+0.1%**	**+0.1%**
Regional Victoria	*-*	*0.7%*	*0.6%*	*1.4%*	*1.4%*	*1.4%*	*1.3%*

Source: ABS, Regional Population Growth, Cat No: 3218.0; Department of Planning and Community Development, Victoria in Future, 2012; Essential Economics
Note: Totals Subject to Rounding

3.4 Socio-Economic Characteristics

The socio-economic characteristics of residents in the MTA are summarised in Table 3.2 and are based on ABS 2011 Census of Population and Housing data.

In general, the socio-economic characteristics of the PTA and STA reflect the dynamics of a regional centre surrounded by rural areas. Therefore, many of the socio-economic variables shown in Table 3.2 are broadly in line with the averages for regional Victoria, with the following exceptions:

- The MTA has a slightly older population, with 20.4% of residents aged 65 years or over, compared to 17.5% for regional Victoria.
- Median household incomes in the MTA are approximately -7.5% below the median for regional Victoria, and this includes median incomes in the PTA which are -1.4% below that of regional Victorian and median incomes in the STA-East and STA- West which are -12.9% and -11.7% below the regional Victorian median respectively.
- The MTA has a high proportion of employed residents working as managers & professional (37.0%) compared to regional Victoria (32.6%).
- A greater proportion of homes are owned outright in the MTA (46.5%) compared to regional Victoria (39.6%).
- The MTA has slightly smaller proportion of occupied dwellings connected to the internet (67.6%) compared to regional Victoria (73.2%).
- Housing costs are lower in the MTA compared to regional Victoria; for instance, median monthly mortgage repayment are -23.5% lower than regional Victoria.
- Median weekly rents are -26.3% lower in the MTA compared to regional Victoria.

Table 3.2: Horsham Main Trade Area Socio-Economic Characteristics, 2011

Category	Primary Trade Area	Secondary East	Secondary West	Main Trade Area	Regional Victoria
Income					
Median individual income (annual)	$27,010	$23,440	$24,290	$25,240	$25,740
Variation from Rest of Vic. median	4.9%	-8.9%	-5.6%	-1.9%	-
Median household income (annual)	$48,560	$42,890	$43,520	$45,590	$49,270
Variation from Rest of Vic. median	-1.4%	-12.9%	-11.7%	-7.5%	-
Age Structure					
0-4 years	6.4%	5.4%	5.7%	5.9%	6.3%
5-19 years	19.8%	18.6%	18.9%	19.2%	19.7%
20-34 years	15.9%	12.8%	11.1%	13.8%	16.0%
35-64 years	39.3%	41.7%	41.8%	40.6%	40.4%
65-84 years	15.9%	18.1%	18.9%	17.3%	15.2%
85 years and over	2.8%	3.3%	3.6%	3.1%	2.3%
Median Age (years)	41	46	47	43	41
Country of Birth					
Australia	94.0%	93.1%	93.5%	93.6%	88.8%
Other Major English Speaking Countries	2.8%	3.7%	3.7%	3.3%	5.4%
Other Overseas Born	3.3%	3.1%	2.9%	3.1%	5.9%
Dwelling Structure (Occupied Private Dwellings)					
Separate house	88.4%	93.3%	95.6%	91.6%	88.9%
Semi-detached, row or terrace house, townhouse etc.	4.6%	2.6%	0.3%	3.0%	4.0%
Flat, unit or apartment	6.3%	2.5%	2.8%	4.3%	6.1%
Other dwelling	0.6%	1.7%	1.3%	1.1%	1.1%
Average household size	2.3	2.3	2.3	2.3	2.4
Tenure Type (Occupied Private Dwellings)					
Owned outright	40.9%	47.8%	55.5%	46.5%	39.6%
Owned with a mortgage	32.8%	29.7%	24.0%	29.7%	34.3%
Rented	25.6%	21.8%	19.0%	22.9%	25.2%
Other tenure type	0.8%	0.7%	1.5%	0.9%	0.8%
Housing Costs					
Median monthly mortgage repayment	$1,160	$910	$750	$1,010	$1,320
Variation from Rest of Vic. median	-12.1%	-31.1%	-43.2%	-23.5%	-
Median mortgage as a share of median household income	28.7%	25.5%	20.7%	26.6%	32.1%
Median weekly rents	$170	$140	$100	$140	$190
Variation from Rest of Vic. median	-10.5%	-26.3%	-47.4%	-26.3%	-
Share of occupied dwellings connected to the internet	69.4%	66.3%	65.7%	67.6%	73.2%
Car Ownership per Dwelling					
None	7.9%	7.8%	5.2%	7.2%	6.7%
One	34.8%	36.0%	29.1%	33.7%	34.8%
Two	38.0%	36.0%	37.6%	37.3%	38.7%
Three of more	19.4%	20.2%	28.0%	21.8%	19.8%
Employment Status					
Unemployed/ looking for work	3.7%	4.4%	3.2%	3.7%	5.2%
Labour force participation rate	62.6%	57.1%	59.6%	60.2%	61.3%
Occupation					
Managers & professionals	33.8%	33.2%	47.5%	37.0%	32.6%
Clerical & sales workers	33.0%	30.8%	21.6%	29.6%	32.2%
Technicians & trades workers	15.1%	12.8%	9.3%	13.0%	15.7%
Machinery operators & drivers	8.0%	8.3%	7.8%	8.0%	7.0%
Labourers & related workers	10.1%	14.9%	13.8%	12.3%	12.5%

Source: ABS Census of Population and Housing, 2011

Note: MESC Major English Speaking Countries - Canada, Ireland, New Zealand, South Africa, UK, USA

3.5 Retail Spending Analysis

Estimates of the total available retail spending of trade area residents take into account average per capita spending figures and total population numbers. Estimates of average per capita retail spending by residents in the Horsham MTA have been prepared with reference to the MarketInfo retail spending model. MarketInfo is a micro-simulation model prepared by MDS Pty Ltd which uses data from the ABS Household Expenditure Survey, ABS Population and Housing Census, ABS Australian National Accounts and other relevant sources.

Table 3.3 shows estimates of average per capita retail spending in 2013 by trade area sector and compares these with the regional Victorian average. The spending data is presented in four major spending categories:

- Food, Liquor and Groceries – including fresh food, groceries and take-home liquor
- Food Catering – including cafes, restaurants and takeaway food
- Non-Food – including apparel, homewares, bulky merchandise and general merchandise
- Services – including hairdressers, beauty salons etc.

Total average retail spending by MTA residents is estimated at approximately $12,190 per capita, which is -2.0% below the regional Victorian average. As a whole, MTA average retail spending is below the regional Victorian average for all four product categories; however, PTA residents spend, on average, more on food catering and retail services compared to the average for regional Victoria.

Table 3.3: Horsham MTA Average Per Capita Retail Expenditure, 2013 ($2013)

Retail Category	Primary Trade Area	Secondary East Trade Area	Secondary West Trade Area	Total Secondary Trade Area	Main Trade Area	Regional Victorian Average
Food, Liquor & Groceries	$5,580	$5,580	$5,550	$5,560	$5,570	$5,590
Food Catering	$940	$870	$860	$870	$900	$930
Non-Food	$5,510	$5,280	$5,110	$5,200	$5,340	$5,530
Services	$400	$380	$360	$370	$380	$390
Total Retail	**$12,420**	**$12,100**	**$11,880**	**$12,000**	**$12,190**	**$12,440**
Variation from Regional Victorian Average						
Food, Liquor & Groceries	-0.2%	-0.2%	-0.7%	-0.4%	-0.3%	-
Food Catering	+1.2%	-6.2%	-7.6%	-6.8%	-3.3%	-
Non-Food	-0.4%	-4.5%	-7.6%	-5.9%	-3.5%	-
Services	+1.0%	-4.2%	-8.3%	-6.0%	-2.9%	-
Total Retail	**-0.1%**	**-2.7%**	**-4.5%**	**-3.5%**	**-2.0%**	**-**

Source: MarketInfo; Essential Economics

In 2013, total available retail spending by MTA residents is estimated at approximately $552 million. This figure includes available spending (in rounded terms) on:

- Food, Liquor and Groceries: $249 million
- Food catering: $41 million
- Non-food: $244 million
- Services: $18 million.

Approximately $250 million in 2013 in available retail spending is generated by people living in the PTA, while STA residents generate approximately $302 million. This expenditure pool reflects the retail market within which Horsham CAD competes with other centres.

Forecasts of retail expenditure are shown in Table 3.4 and are based on the following considerations:

- Forecast population growth shown in Table 3.1
- Average per capita retail spending estimates shown in Table 3.3
- Forecast real growth in retail expenditure per capita of approximately 1.3% per annum, which reflects historical trends and assumes relatively stable growth in the Australian economy over the forecast period
- Forecasts are expressed in constant 2013 prices, ie excluding price inflation over the period.

Total retail spending by MTA residents is forecast to increase from approximately $552 million in 2013 to $685 million in 2028 (in constant 2013 dollars).

Table 3.4: Horsham MTA Total Retail Expenditure, 2013 to 2028 ($2013)

Region/Retail Category	2013	2018	2023	2028	Av Annual Growth, 2013-2028
Primary Trade Area					
FLG	$110.7m	$117.0m	$123.2m	$129.5m	+1.1%
Food catering	$19.1m	$20.9m	$22.9m	$24.9m	+1.8%
Non-food	$111.7m	$126.9m	$144.3m	$163.8m	+2.6%
Services	$8.1m	$9.2m	$10.5m	$12.1m	+2.7%
Total Retail	**$249.5m**	**$273.9m**	**$300.8m**	**$330.3m**	**+1.9%**
Secondary East Trade Area					
FLG	$78.8m	$80.8m	$82.1m	$83.5m	+0.4%
Food catering	$12.6m	$13.4m	$14.1m	$14.9m	+1.1%
Non-food	$76.1m	$83.9m	$92.1m	$101.2m	+1.9%
Services	$5.4m	$6.0m	$6.6m	$7.4m	+2.0%
Total Retail	**$172.9m**	**$184.1m**	**$195.0m**	**$207.0m**	**+1.2%**
Secondary West Trade Area					
FLG	$59.8m	$60.5m	$60.4m	$60.4m	+0.1%
Food catering	$9.5m	$9.9m	$10.3m	$10.7m	+0.8%
Non-food	$56.3m	$61.1m	$65.9m	$71.2m	+1.6%
Services	$4.0m	$4.3m	$4.7m	$5.1m	+1.7%
Total Retail	**$129.5m**	**$135.9m**	**$141.3m**	**$147.3m**	**+0.9%**
Total Secondary Trade Area					
FLG	$138.6m	$141.3m	$142.5m	$143.9m	+0.2%
Food catering	$22.0m	$23.3m	$24.4m	$25.6m	+1.0%
Non-food	$132.4m	$145.1m	$158.0m	$172.4m	+1.8%
Services	$9.4m	$10.3m	$11.4m	$12.5m	+1.9%
Total Retail	**$302.4m**	**$320.0m**	**$336.3m**	**$354.3m**	**+1.1%**
Main Trade Area					
FLG	$249.3m	$258.2m	$265.7m	$273.4m	+0.6%
Food catering	$41.1m	$44.2m	$47.3m	$50.5m	+1.4%
Non-food	$244.1m	$271.9m	$302.3m	$336.1m	+2.2%
Services	$17.5m	$19.5m	$21.9m	$24.5m	+2.3%
Total Retail	**$551.9m**	**$593.9m**	**$637.2m**	**$684.6m**	**+1.4%**

Source: MarketInfo; Essential Economics

3.6 Retail Turnover and Market Share Analysis

<u>Estimated Retail Turnover</u>

In 2013, the Horsham CAD achieved estimated retail turnover of approximately $274 million, representing an average trading level of approximately $4,600/m2 (expressed in 2013 dollars and inclusive of GST).

As shown in Table 3.5, $133 million or almost 50% of sales in the Horsham CAD are generated in the non-food retail category, illustrating the regional shopping role performed by the Horsham CAD. The average trading level for the non-food retailers in the Horsham CAD is relatively low at an estimated $3,100/m2. The low average trading level for non-food retailers is reflective of the following:

- A number of large non-food retailers in the CAD which typically trade at lower average trading levels, for example Kmart DDS, Harvey Norman, Dahlsens, etc.

- The Horsham CAD contains a significant number of independent non-food speciality shops, which do not appear to be trading at overly high trading levels.

FLG turnover is the other major retail sector in terms of total turnover, generating an estimated $117 million in sales in 2013. A significant proportion of this turnover is generated from the three supermarkets (Coles, Woolworths and ALDI) and the strong performance of these supermarkets is reflected in the high average trading level of $12,220/m2. The CAD contains only a limited number of speciality FLG retailers.
The food catering and retail services sector are estimated to have generates sales of approximately $17 million and $9 million, respectively.

Retail turnover estimates are summarised in Table 3.5 and have been prepared with the application of appropriate average trading levels (turnover per square metre) to the retail floorspace estimates presented in Chapter 2. The turnover estimates are based on published sales data (where available) and information on likely trading performance gathered from floorspace surveys conducted by the consultant. The retail turnover figures should therefore be regarded as a fair and reasonable approximation of existing trading conditions for the Horsham CAD.

Importantly, these estimates refer to total retail turnover in the Horsham CBD, including turnover attributable to MTA residents, workers, tourists and other visitors.

Table 3.5: Estimated Retail Turnover in the Horsham CAD, 2013 ($2013)

Category	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total
Retail floorspace	9,610 m2	3,400 m2	42,900 m2	3,810 m2	59,720 m2
Average trading level	$12,220/m2	$4,310/m2	$3,100/m2	$2,280/m2	$4,580/m2
Total turnover	**$117.4m**	**$14.6m**	**$133.0m**	**$8.7m**	**$273.7m**

Source: Essential Economics; industry sources
Note: Figures are in constant 2013 dollars

In general, the supermarkets, major non-food retailers and a selection of speciality retailers in areas of the CAD that experience high levels of activity appear to be trading at above-average trading levels. However, a number of speciality shops in the CAD, particularly in locations considered to be secondary locations, appear to be trading below-average. This is also reflected in the comparably low commercial rents achieved in the Horsham CAD compared to other regional centres (refer Section 2.2).

Retail Turnover Attributable to Trade Area Residents

In order to prepare an analysis of retail market shares captured by retailers in the Horsham CAD, it is necessary to examine the extent to which sales at retail facilities are attributable to trade area residents. This analysis is shown in Table 3.6 and is based on the consultant’s estimates of the trading patterns of varying retailers in the CBD and information gathered from analysis of the residential locations of entrants to a shopper competition conducted by Horsham Plaza.

The analysis shows that in 2013, approximately $247 million, or 90%, of retail turnover in the Horsham CAD is captured from MTA residents. This includes approximately $178 million (or 65%) from the PTA and $69 million (or 25%) from the STA.

The balance of approximately $27 million or 10% of turnover is derived from trade area non-residents, including tourists, other visitors to the centre and purchases by trades and businesses.

Table 3.6: Retail Turnover in Horsham CAD Attributable to Trade Area Residents, 2013

Category	**Food, Liquor and Groceries**	**Food Catering**	**Non-Food**	**Services**	**Total**
Total turnover	$117.4m	$14.6m	$133.0m	$8.7m	$273.7m
Turnover distribution - %					
PTA	72%	75%	57%	78%	65%
SETA	11%	8%	16%	10%	13%
SWTA	9%	8%	15%	8%	12%
STA - Total	20%	15%	31%	17%	25%
MTA - Total	**92%**	**90%**	**88%**	**95%**	**90%**
Elsewhere (businesses, visitors, etc)	8%	10%	12%	5%	10%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Turnover distribution - %					
PTA	$85.1m	$11.0m	$75.2m	$6.8m	$178.0m
SETA	$12.9m	$1.1m	$21.0m	$0.8m	$35.9m
SWTA	$10.6m	$1.1m	$20.5m	$0.7m	$32.6m
STA - Total	$23.5m	$2.2m	$41.3m	$1.5m	$68.5m
MTA - Total	**$108.6m**	**$13.2m**	**$116.5m**	**$8.3m**	**$246.5m**
Elsewhere (businesses, visitors, etc)	$8.8m	$1.4m	$16.5m	$0.4m	$27.2m
Total	**$117.4m**	**$14.6m**	**$133.0m**	**$8.7m**	**$273.7m**

Source: Essential Economics; industry sources

Note: Figures are in constant 2013 dollars

Market Share Analysis

In 2013, the Horsham CAD captured approximately 45% or $248 million of the $552 million of available retail expenditure by MTA residents (refer Table 3.4). The balance of $305 million in MTA spending is directed to other local centres and individual shops within the MTA, and to centres further afield and to internet purchases.

The Horsham CAD achieves a relatively high market share (71%) of total PTA resident spending, indicating that a large proportion of the retail requirements of PTA residents are being met by the existing provision of retailing in the Horsham CAD. A lower market share is achieved in the STA (23%) which reflects a higher degree of choice for retail locations for residents in the STA.

The relatively low market shares in Food Catering reflect a rather limited retail offering and significant share of Food Catering spending being directed to local pubs and hotels, which for the purpose of this analysis are not classified as 'retail'.

Table 3.7 summarises this analysis of market share performance for the Horsham CAD in 2013.

Table 3.7: Retail Market Share Analysis, 2013

Category	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total
PTA	77%	58%	67%	84%	71%
SETA	16%	9%	28%	15%	21%
SWTA	18%	12%	36%	16%	25%
STA - Total	17%	10%	31%	16%	23%
MTA - Total	**44%**	**32%**	**48%**	**47%**	**45%**

Source: MarketInfo; Essential Economics; industry sources

Note: Figures are in constant 2013 dollars

3.7 Forecast Retail Floorspace Requirements

Forecasts of retail development potential in the Horsham CAD have been prepared on the basis of the following approach:

1 Retailers will continue to capture an appropriate market share of the forecast available retail spending by MTA residents. In certain retail categories, an increase in market share has been adopted to reflect opportunities for both an increase in performance of existing retail facilities and new retail development opportunities. The forecast market shares reflect a level that the Horsham CAD should be able to achieve, having regard for the trade area characteristics and level of competition.

2 The Horsham CAD will continue to capture trade from people living beyond the MTA, including visitors, tourists and other passing trade. The future Western Highway bypass of Horsham has been taken into consideration in the preparation of these forecasts.

3 Some local retailers will also derive a share of turnover from non-retail customers, such as other businesses or tradespeople.

4 An aggregation of these three sources of turnover provides an estimate of the total future turnover that might be achieved at the Horsham CAD. By applying an appropriate average turnover level ($/m2), an indication of the total supportable retail floorspace can be calculated.

5 An estimate of total retail development potential is made by comparing total supportable floorspace (from point 4 above) against existing floorspace provision.

This approach has been applied individually to each retail category.

Forecast Market Shares, 2013-2028

The Horsham CAD currently achieves market shares which reflect the expectation of a regional centre in Horsham's location. Limited opportunities to improve the current market shares may exist, and these may incorporate an improvement in existing businesses, or attraction of new businesses that would assist in capturing higher market shares from the PTA, STA and visitor market segments. Even to maintain existing market shares, there is a need to continue to improve the quality of retailing, and potentially the quantum of retail floorspace.

Table 3.8 summaries the existing and forecast market share of the Horsham CAD over the period 2013 to 2028.

In summary, the market share of the Horsham CAD is forecast to increase from 71% to 78% in the PTA, 23% to 27% in the STA, and from 45% to 52% in the overall MTA.

The main increase in market shares, in percentage-point terms, is expected to occur in the non-food sector, which reflects the development of a Target DDS, and the food catering sector where potential exists to improve the existing retail offer.

Table 3.8: Horsham CAD Existing and Forecast Market Shares, 2013 and 2028

Category	**FLG**	**Food Catering**	**Non-food**	**Services**	**Total Retail**
Existing market shares					
PTA	77%	58%	67%	84%	71%
STA	17%	10%	31%	16%	23%
MTA	44%	32%	48%	47%	45%
Potential market shares					
PTA	83%	66%	75%	90%	78%
STA	21%	15%	35%	18%	27%
MTA	50%	40%	54%	53%	52%

Note: Figures are rounded
Source: Essential Economics

Forecast Retail Turnover, 2028

Total turnover by retailers in the Horsham CAD is forecast to increase from $274 million in 2013 to $390 million in 2028 (expressed in constant 2013 prices), allowing for the forecast increase in market shares described in Table 3.8. This is equivalent to an annual increase of +2.4% per annum.

These estimates of turnover growth are based on the following:

- Application of the estimated market shares (as described above) to forecast retail spending levels (refer Table 3.4).

- Estimated increase in turnover derived from people living beyond the MTA. This figure amounted to approximately $27 million in 2013 and is forecast to increase to $36 million in 2028.

The largest increase in retail turnover is forecast for the non-food sector. As discussed earlier, this takes into consideration the approved Target DDS.

A summary of forecast retail turnover for the Horsham CAD by retail category is shown in Table 3.9 for the period 2013 to 2028.

Table 3.9: Forecast Turnover in Horsham CAD, 2013 to 2028 (constant 2013 dollars)

Category	**FLG**	**Food Catering**	**Non-food**	**Services**	**Total Retail**
2013	$117.4m	$14.6m	$133.0m	$8.7m	$273.7m
2028	$146.6m	$22.3m	$206.8m	$13.6m	$389.2m
Change, $m	+$29.2m	+$7.6m	+$73.8m	+$4.9m	+$115.5m
Average annual change, %	+1.5%	+2.8%	+3.0%	+3.0%	+2.4%

<u>Retail Development Potential, 2013 to 2028</u>

Analysis of potential supportable retail floorspace and the amount of new retail development that might be supported in the Horsham CAD over the period 2013 to 2028 is presented below and summarised in Table 3.10.

It is important to recognise that this analysis is only intended to provide an indication of potential supportable retail development, as many factors will affect the opportunity to deliver new retail floorspace over the next fifteen years.

The analysis takes into consideration forecast retail turnover and market shares described above. In addition, the relatively low average retail turnover levels experienced throughout the Horsham CAD have also been considered, together with the need to continually improve the performance of existing retail areas. While growth in retail turnover and market share can be achieved by retail development, opportunities to improve the performance of existing retail areas, measured as average turnover per square metre ($/m2), will also generate growth in retail turnover.

The forecasts of retail development opportunities in the Horsham CAD shown in Table 3.10 take into consideration the following with regard to the average trading levels:

- FLG: Currently, the average turnover level for FLG retailers in the Horsham CAD is estimated at approximately $12,200/m2, which largely reflects the strong performance of the three supermarkets in the centre. This strong performance indicates that opportunities for additional supermarket floorspace in the centre exist, whether it is a new supermarket or expansions to existing stores. An allowance has been made in the forecasts to reflect an expansion in supermarket floorspace and an improved fresh food speciality offer in the centre. These changes in the FLG offer in the Horsham CAD are reflected in the forecast average trading level of $9,500/m2.

- Food catering: The estimated average trading level of Food Catering retailers in the Horsham CAD is approximately $4,300/m2, which is considered reasonable for a regional centre. An allowance for a +0.5% per annum increase in the average trading level for Food Catering has been applied in the analysis, whereby the average trading level will increase to approximately $4,700/m2 by 2028.

- Non-food: Currently, the Horsham CAD has a relatively low average turnover level for Non-food retailers, estimated at approximately $3,100/m2 in 2013. While this reflects the presence of a large DDS (which typically have lower than average turnover levels by virtue of the large display areas required for these stores), it also reflects a number of stores achieving relatively low turnover. Improving the performance of existing non-food retailers is important, particularly along Firebrace Street. The forecasts of supportable retail floorspace assume the average trading level for non-food retailers will increase by approximately 2% per annum over the next 15 years, to an estimated $4,250/m2 in 2028.

- Services: Currently, the Horsham CAD has a relatively low average turnover level for retail service providers, estimated at approximately $2,300/m2 in 2013. The forecasts of supportable retail floorspace assume the average trading level for retail service providers will increase by approximately 2% per annum over the next 15 years, to an estimated $3,200/m2 in 2026.

- Total retail: Average retail turnover for all forms of retail in the Horsham CAD is forecast to increase by approximately +1% per annum over the 2013 to 2028 period, increasing from $4,600/m2 in 2013 to $5,300/m2 in 2028, and this reflects a stronger performing retail sector.

Based on the above, the Horsham CAD could support approximately 73,000m2 of retail floorspace in 2028, or an increase of approximately +13,300m2 on current levels. Forecasts of supportable retail floorspace in the Horsham CAD are provided in Table 3.10.

Table 3.10: Retail Development Potential in the Horsham CAD, 2013 to 2028

Category	FLG	Food Catering	Non-Food	Services	Total
Existing retail floorspace, 2013	9,610 m2	3,400 m2	42,900 m2	3,810 m2	59,720 m2
Forecast turnover in the Horsham CAD, 2028	$146.6m	$22.3m	$206.8m	$13.6m	$389.2m
Supportable average retail turnover level, 2028	$9,500/m2	$4,700/m2	$4,250/m2	$3,200/m2	$5,330/m2
Supportable retail floorspace, 2028	**15,430 m2**	**4,740 m2**	**48,650 m2**	**4,250 m2**	**73,070 m2**
Retail floorspace development potential in the Horsham CAD, 2013-2028	**+5,820 m2**	**+1,340 m2**	**+5,750 m2**	**+440 m2**	**+13,350m2**

Source: Essential Economics
Note: Figures in constant 2013 dollars

Approximately 4,700m2 of the forecast additional floorspace will be allocated to the Target development that is currently being constructed. Therefore, potential exists for approximately an additional +8,600m2 of new retail floorspace in the Horsham CAD over the 2013 to 2028 period.

Having regard for the proposed Target development, which will largely consist of non-food retailing, an ‘indicative’ composition of new retail development over the period 2013 to 2028 is provided below:

- Approximately an additional +5,600m2 of FLG retail floorspace to accommodate new or expanded supermarkets and specialty food, liquor and grocery stores.
- Approximately an additional +1,250m2 of Food Catering retail floorspace, comprising new cafés, restaurants and takeaway food stores.
- Approximately an additional +1,250m2 of Non-food retail floorspace, mainly associated with specialty stores.
- Approximately an additional +500m2 of Retail Services floorspace.

3.8 Implications

The main implications for the Strategy derived from the analysis presented in this Chapter are as follows:

1 **The Horsham CAD currently provides a good level of retail choice for residents in the MTA**, and this is reflected in the relatively high retail market shares, particularly the market shares associated with retail spending by PTA residents. The proposed development of a second, albeit smaller, DDS will contribute further to the level of retail choice.

2 **Opportunities exist to improve the performance of existing retail areas**, and this is reflected in the relatively low average retail turnover levels, together with low commercial rents.

3 **Demand for additional retail development is anticipated over the next 15 year period**, and this is due to a forecast increase in retail spending by MTA residents, opportunities for growth in retail markets shares, and the presence of supermarkets trading at above-average trading levels.

4 **Total forecast demand for additional retail floorspace in the Horsham CAD over the 2013 to 2028 period is estimated at approximately 8,700m2**, which may include the following:

- Approximately an additional +5,600m2 of FLG retail floorspace to accommodate new or expanded supermarkets and specialty food, liquor and grocery stores.

- Approximately an additional +1,250m2 of Food Catering retail floorspace, comprising new cafés, restaurants and takeaway food stores.

- Approximately an additional +1,250m2 of Non-food retail floorspace, mainly associated with specialty stores.

- Approximately an additional +500m2 of Retail Services floorspace.

4 NON-RETAIL DEVELOPMENT TRENDS AND OPPORTUNITIES

Although retailing is an important component of the Horsham CAD, other non-retail land uses are required in order to provide a full-range of facilities and services. The potential development opportunities for non-retail land uses in the Horsham CAD which are assessed in the chapter include the following:

- Office accommodation
- Light industrial activities
- Visitor accommodation
- Residential development
- Other land uses.

4.1 Office Accommodation

Existing Situation and Recent Trends

Based on the results of the floorspace survey undertaken in March 2013, an estimated 34,440m2 of occupied office floorspace is located in the Horsham CAD, which includes the following:

- Shopfront office floorspace: An estimated 18,530m2 of shopfront office floorspace, which typically includes businesses operating smaller offices and which benefit from the exposure to passing pedestrian traffic associated with the co-location with retail uses. These include real estate agents, travel agents, tax accountants, solicitors and medical practitioners.

- Dedicated office floorspace: An estimated 15,910m2 of occupied dedicated floorspace, that would not conceivably be used for retailing, and includes office floorspace located above-ground floor. A mix of private businesses and government agencies are operating out of dedicated office buildings in the Horsham CAD, including the following:
  - Department of Health, Department of Human Services, Department of Justice located at the State Government office building at 21 McLachlan Street.
  - Centrelink at the corner of McLachlan & Darlot Street
  - Wimmera Catchment Authority and the Minister for Education at 24-26 Darlot Street

- Regional Development Australia, Regional Development Victoria, VECCI Apprenticeship Services, Wimmera Development Association and a number of 'incubator' tenants operate from the Wimmera Business Centre in Darlot Street.

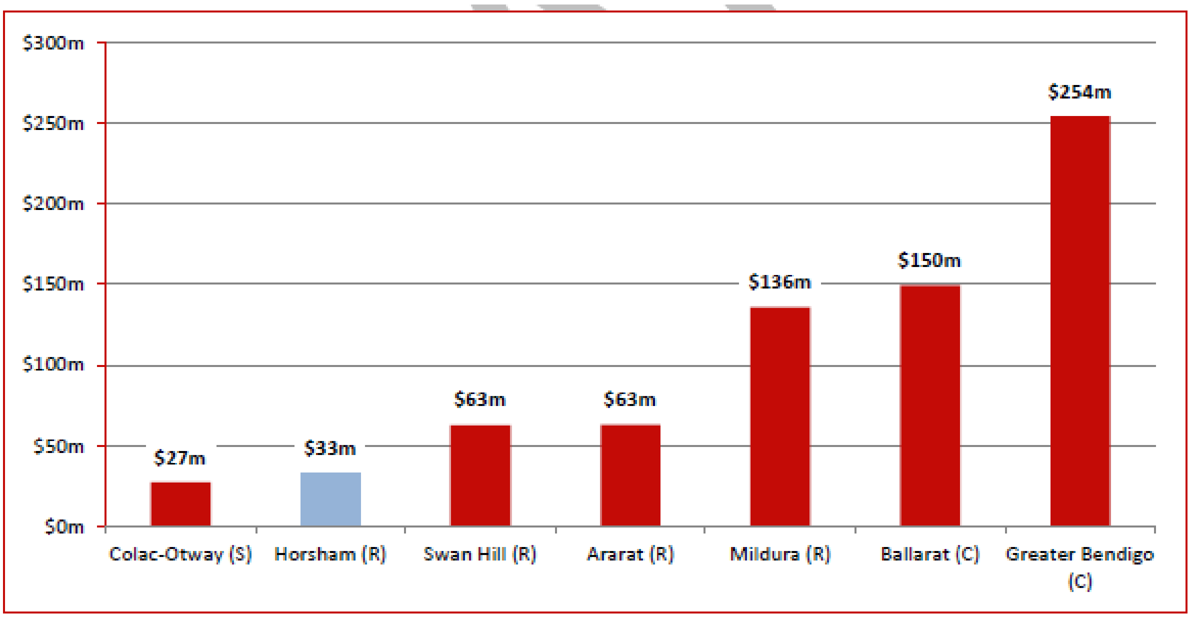
In general, the location of office buildings tends to be in the more secondary locations, including the southern parts of Firebrace Street, the northern parts of Darlot Street and along the McLachlan Street, Pynsent Street and Roberts Avenue. According to local real estate agents, office floorspace of up to approximately 200m2 tends to be easily let, with more limited demand for larger office tenancies and those located above ground level.

Furthermore, the State Government offices at 21 McLachlan Street are under-utilised and do not represent the expectations of contemporary businesses for modern office accommodation. This building represents a substantial development containing five levels; opportunities may exist to redevelop or retro-fit the building to improve the standard of office space available.

Horsham has not been a major location for commercial development over the past decade or so when compared to other regional cities. Figure 4.1 shows that between January 2002 and December 2012, the total value of commercial building permits for new buildings in the municipality amounted to $33 million, or approximately $3.3 million pa. This compares with the following amounts over the same period for other regional cities in western Victoria:

- $254 million in Greater Bendigo
- $150 million in Ballarat
- $136 million in Mildura
- $63 million in Ararat
- $63 million in Swan Hill
- $27 million in Colac-Otway.

Figure: 4.1: Value of Commercial Building Permits, January 2002-December 2012 ($m)



Note: Building permits includes permits for new buildings only.
Source: Building Commission of Victoria Pulse

<u>Development Opportunities</u>

The ability to accurately forecast the magnitude of commercial and government agency office floorspace development that may occur in the future is made difficult by the range of factors that influence demand for office floorspace. In particular, the locational decisions made by individual businesses in respect to office locations are subject to a wide range of factors for which accurate forecasts cannot be made. (In contrast, forecasting retail floorspace demand is largely a matter of taking into account trade area population levels, forecasts of available spending, and likely market shares, and all of this data to underpin retail floorspace projections can be readily captured).

While specific forecasts of office floorspace requirements are difficult to prepare, it is nevertheless prudent to plan for office development in the context of understanding the future development opportunities in the Horsham CAD. On this basis, an analysis has been prepared to provide a broad indication of potential demand for office development. The analysis is based on an expectation that the current ratio of commercial office floorspace to total floorspace within the CAD will at least be maintained over the forecast period 2013 to 2028.

In 2013, commercial office floorspace, accounted for 37% of total occupied retail and office floorspace in the Horsham CAD. Having regard for the forecasts of potential retail development presented in Section 3.7, and assuming that commercial office will continue to account for 37% of retail and office floorspace in the Horsham CAD, potential exists for approximately +7,700m2 (rounded) of new office development in the CAD over the period 2013 to 2028.

Having regard for the forecasts of additional retail floorspace presented in the previous chapter and the current Target development (approximately 4,700m2), potential exists for approximately an additional 16,000m2 of retail and office floorspace (i.e. 21,000m2 less 4,700m2 = 16,300m2 (rounded: 16,000m2)).

This analysis is summarised in Table 4.1.

Table 4.1: Retail and Office Development Potential in the Horsham CAD, 2013 to 2028

Floorspace Type	2013	2028	Change, 2013 to 2028
Occupied retail floorspace	59,720m2	73,070m2	+13,350m2
Occupied office floorspace	34,440m2	42,140m2	+7,700m2
Total occupied retail and office floorspace	94,160m2	115,210m2	+21,050m2 **(+21,000m2 – rounded)**
Office share of occupied floorspace	37%	37%	-

Source: Essential Economics

It will be important for the CAD to accommodate new office development that suits the requirements of existing and new businesses. To this extent, it is noted in comments from local real estate agents and observations from the floorspace survey that Horsham CAD currently lacks high quality office space. Although the demand for larger office accommodation in Horsham is spasmodic or irregular, the ability to attract regional offices and government departments is important, especially in providing new local employment opportunities. Therefore, it is recommended that the provision of viable re-development sites be identified in the CAD which could accommodate the development of office buildings that allow for the flexible configuration of internal floorspace.

4.2 Light Industrial Activities

As identified in Chapter 2, a mix of light industrial activities operates from the B3Z and B4Z land located to the south-east of the CAD. This area performs its role in providing a range of uses that service the needs of the nearby population and businesses, and from a location that is easily accessed.

Limited opportunities for the future development in this area exist, with only a limited number of vacant sites currently available for development. This precinct is serving its role without having negative impacts on surrounding land uses.

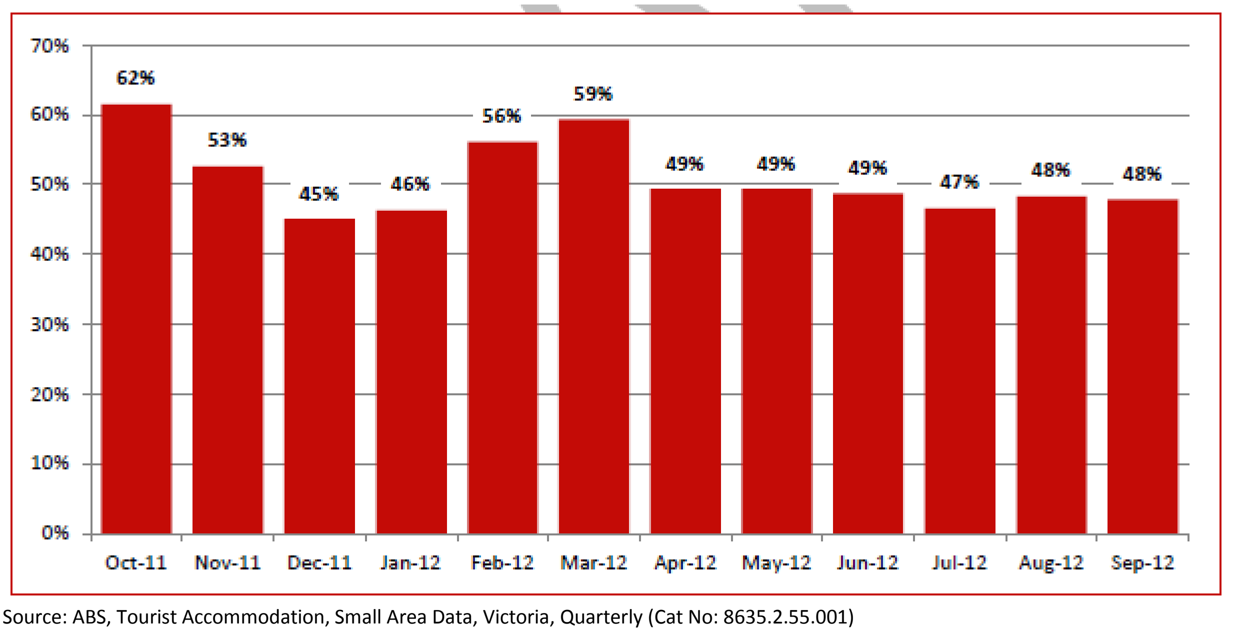
4.3 Visitor Accommodation

Commercial accommodation in the Horsham CAD is largely supported by the travelling business market. Horsham is centrally-located to the western region of Victoria and is situated approximately half-way between Adelaide and Melbourne. This strategic location makes Horsham both a convenient stop-over location for those travelling from Melbourne to Adelaide, and a base for commercial travellers and others who service towns and regional cities in western Victoria. In addition, Horsham is located only approximately a one-hour drive from the Grampians National Park, and so opportunities exist in Horsham to attract and accommodate visitors from these significant attractions.

Currently, eleven visitor accommodation establishments are located in the Horsham CAD, the majority of which are located on the fringes of the CAD. This provision includes the recently-developed Mercure Motel and the May Park Executive Apartments. According to the RACV Accommodation Guide, the May Park Executive Apartments is the only 4 ½ star accommodation in Horsham; the Mercure is yet to be rated by the RACV.

Based on analysis of ABS visitor accommodation data (ABS, Cat No: 8635.2.55.001), motels with 15 or more rooms in the Rural City of Horsham had a room occupancy rate of 51% for the year ending September 2012. The majority of these motels are located in the Horsham CAD. Room occupancy rates were among the lowest in the summer school holiday periods, indicating a reliance on mid-week business travel. These patterns are shown in Figure 4.2.

Figure 4.2: Room Occupancy Rate, Horsham Rural City, October 2011 to September 2012



Source: ABS, Tourist Accommodation, Small Area Data, Victoria, Quarterly (Cat No: 8635.2.55.001)

Although the average monthly room occupancy rates shown above do not indicate the accommodation sector in Horsham is operating at capacity when measured across the whole year, it is often difficult to obtain quality accommodation during the week. This is especially the case when regional events are held, such as agricultural field days. The recent development activity in the accommodation sector illustrates the market opportunity for quality commercial accommodation in Horsham.

Tourism Research Australia forecast that domestic visitor nights in regional Victoria will increase at a moderate rate of 0.9% per annum over the 2012-2017 period. The business travel market is forecast to experience the highest rate of growth over this period, with domestic visitor nights forecast to increase by +2.2% per annum. This contrasts with forecast annual growth of +0.7% per annum in the 'holiday' market and +1.1% per annum in the 'visiting family and friends' market.

Further development opportunities for visitor accommodation in the Horsham CAD may exist, particularly as the existing accommodation stock ages and becomes less appealing to visitors.

4.4 Residential

Currently, no high-density residential development is located in the Horsham CAD; however, examples are evident on the fringes of the CAD. This includes the subdivision of traditional housing blocks to enable townhouse and unit developments. In addition, the success of the Horsham City Gardens Estate, which began development in 2003 and which is located on the southern fringe of the CAD, illustrates an interest expressed by purchasers /residents to live close to the CAD.

Under a low growth scenario, there will be demand for an additional 1,413 dwellings in Horsham over the next 20 years. This amount could be accommodated through an existing supply of residential land, and infill opportunities. Under a high growth scenario (based on Council building records, and further supported by ABS data), there would be a requirement for an additional 2,500 dwellings over the next 20 years. This is likely to include a mixture of greenfield development opportunities, as well as infill development of key sites and the provision of higher density housing formats. While a large proportion of these new dwellings would be expected to be provided on the urban fringes and established areas of Horsham, a proportion of this dwelling demand may occur in the CAD.

Encouraging residential development both in and on the fringes of the CAD is recommended, as this type of development provides support to nearby shops and other businesses. However, consultation with local real estate agents have identified some doubts regarding the viability of the development of high-density housing in the CAD, including apartments and shop-top housing developments at this point in time. Nevertheless, planning policy should encourage this form of development to occur so that the marketplace can respond in a positive manner as and when interest in this form of residential development becomes evident in the future.

4.5 Other Potential Development Opportunities

Other community related development opportunities in the Horsham CAD may arise which would contribute to the overall role, function and range of activities in the centre. These include additional recreation or leisure activities, improved community facilities (eg. libraries, community centres, youth centres, etc), additional education facilities, and the proposed Performing Arts Centre. For example, the securing of two major conferences with overnight stays at the redeveloped Performing Arts Centre per annum would inject $1.8 million into the local economy and produce positive flow on effects through hospitality, accommodation and retail industry sectors

The University of Ballarat has a campus in Baillie Street Horsham, approximately 1km to the west of the CAD. Opportunities may arise for further tertiary education in Horsham and, where possible, these should be encouraged to locate in or close to the CAD as they will contribute to the overall vitality of the centre.

4.6 Implications

The main implications for the Strategy derived from the analysis presented in this Chapter are as follows:

1 **Development opportunities exist in the Horsham CAD over the next 15-year period**, with forecasts indicating that potential exists for approximately an additional 7,700m2 of office floorspace.

2 **It will be important for the CAD to accommodate new office development that suits the requirements of existing and new businesses**. At present, smaller office tenancies tend to be easily let, but with more limited demand for larger office tenancies and those above ground level. The ability to attract regional offices and government departments is important and provides for local employment opportunities. Therefore, it is recommended a provision of land or viable re-development sites be identified in the CAD that could accommodate the development of flexibly designed office buildings that would suit the requirements for both large and small businesses.

3 **The light industrial precinct located on B3Z land to the south-east of the CAD is suitably performing its role**, and without having negative impacts on surrounding land uses. Continued support is encouraged for this precinct as a service-related industrial location.

4 **Opportunities for additional visitor accommodation exist**, particularly as existing accommodation stock ages and becomes less appealing to visitors. Opportunities for commercial visitor accommodation above ground floor retail/business tenancies in the Horsham CAD may exist and should be encouraged where appropriate.

5 **Encouraging medium to high-density residential development, or mixed use development, in or in close proximity to the CAD will contribute to the overall viability of the centre**. Although the commercial viability of multi-storey residential development may be limited at present, planning policy should be flexible to enable this form of development in the future should demand eventuate.

6 **Opportunities to increase and improve the range of facilities and services in the CAD should be encouraged**, including community, recreation, leisure, education and health. Ensuring a genuine mix of activities in the CAD contributes to the overall appeal of the centre and will encourage people to spend more time there, bringing vibrancy to the centre and supporting businesses, workplaces and other activities.

5 FUTURE DEVELOPMENT OF THE HORSHAM CAD

This Chapter identifies and assesses the potential future development options in the Horsham CAD, having regard for the development opportunities identified in the previous chapters. The future opportunities for the growth and expansion of the Horsham CAD are based on a set of strategic principles which will assist in the development and improvement of existing businesses in Horsham.

5.1 Locational Principles for the Future Development of the CAD

Chapters 3 and 4 identify a range of potential development opportunities over the next 15 years in the Horsham CAD, including demand for approximately an additional 16,000m2 of retail and office floorspace, and the potential for new and upgraded commercial visitor accommodation.

In addition, where the opportunity arises, the development of additional higher-density residential, recreation, community, health and educational facilities should also be encouraged to locate within the CAD, as they contribute to the overall vitality of the centre. The analysis also identifies, with the exception of supermarkets, a relative under-performance of the retail and property sector; this is reflected in relatively low average retail turnover per square metre and lower commercial rents compared with other similar-sized regional cities. In particular, the high number of retail vacancies in the northern part of Firebrace Street indicates the poor performance of this part of the centre.

While Horsham CAD has expanded over the past few decades – from a main-street based centre with a strong focus on Firebrace Street, to a centre that now contains a number of different precincts with varying roles – the primacy of Firebrace Street should be maintained. 'Mainstreets', and Firebrace Street in the context of the Horsham CAD, are:

- A community focal point, where residents come to undertake a variety of activities including shopping, banking, recreation, cultural and social activities.
- An important component in the promotion of tourism in the town, as the 'main street' is typically the main location in a town where people can interact as a community and with visitors.
- A connection with the town's history, as illustrated by the presence of historic buildings.

In the context of the Horsham CAD, the full range of shopping choices, including supermarkets and DDSs, cannot be provided along Firebrace Street, and support for the continued viability of the retail locations beyond Firebrace Street is also required. The Horsham Plaza and the surrounding areas (including the Target development), and the more recent retail development along Hamilton Street which includes the ALDI and a medical centre, provide important services to residents in the trade area, all of which would be difficult to accommodate in a 'main street' setting. Consequently, a continuing focus on improving the linkages between the various business locations in the CAD is required.

Based on the analysis provided in the previous chapters and the discussion above, the following locational principles should be considered when assessing the future development options for the Horsham CAD:

1. Encourage the location of new development to those areas which generate an improvement in the performance of the existing business areas.

2. Encourage increased density and utilisation of land within the Horsham CAD.

3. Limit expansion of business areas where it would otherwise lead to a negative effect on the performance of existing areas.

5.2 Development Capacity on Existing Development and Re-development Sites in the CAD

The Horsham CAD contains a number of vacant development sites and potential re-development sites. These sites are shown in Figure 5.1 on the following page and comprise the following:

- <u>Development Sites</u>, which for the purpose of this study represent largely vacant sites. Combined, the identified development sites comprise approximately 5,480m2 of B1Z and B2Z land, and land currently zoned B4Z which is adjacent to the Target development on Wilson Street.

- <u>Re-development Sites</u>, which comprise land that is under-utilised and where potential re-development could occur in the future; this includes land currently for sale. Combined, the identified re-development sites comprise approximately 2.7ha of B1Z and B2Z land and include a number of larger sites which could accommodate significant retail and/or commercial development.

- <u>Two Key Re-development Sites</u>, which are strategically located in the centre of the Horsham CAD and where appropriate re-development could improve the overall functionality of the CAD and provide benefits to businesses located in the surrounding areas.

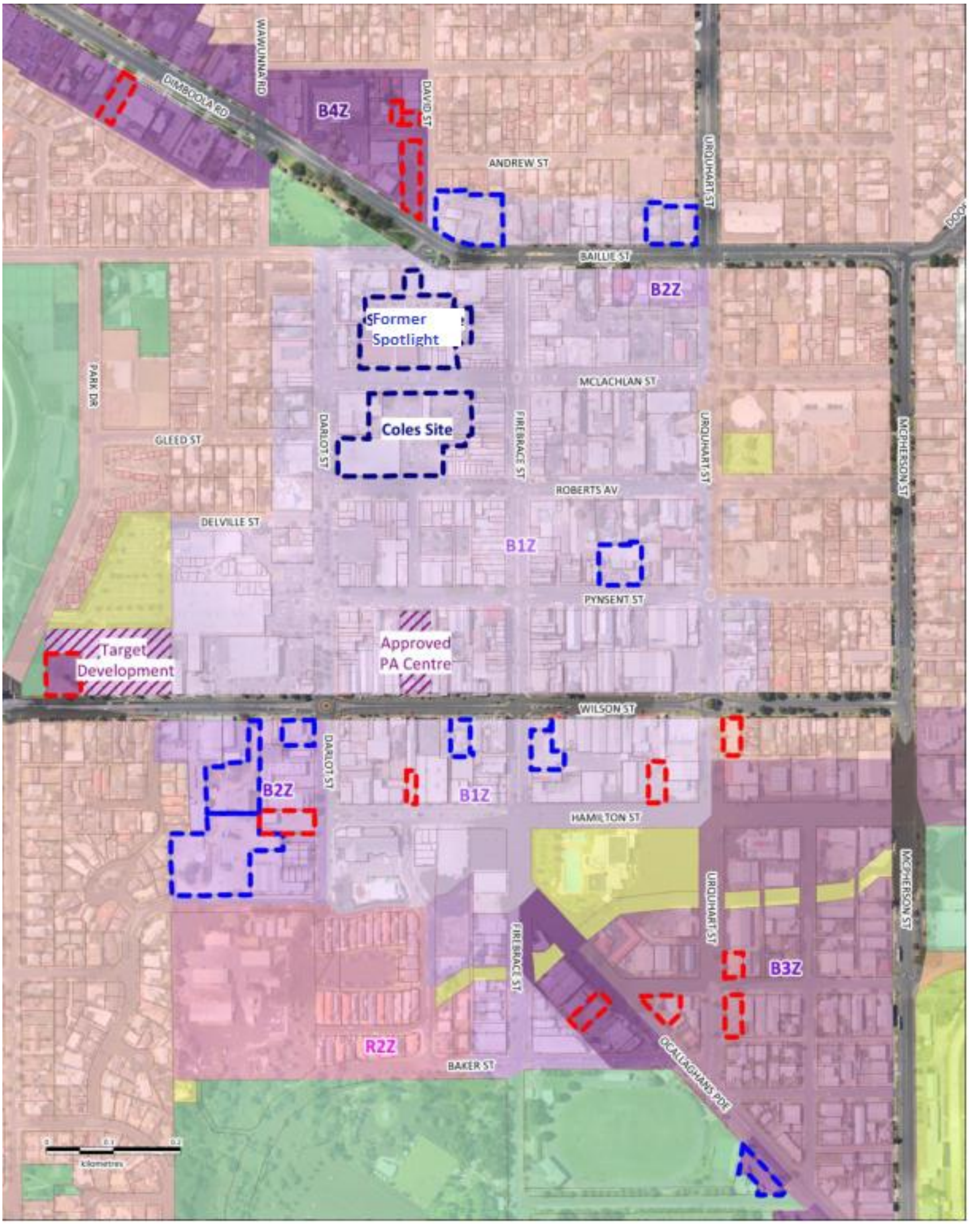
The two key redevelopment sites comprise the following:

- Site 1 (former Spotlight site), which is located to the north of McLachlan Street and currently contains the former Spotlight building, a small group of shops and a car park. The existing buildings on the site are old, poorly presented and are not reflective of modern retail and commercial properties. The site also has the potential for access to Baillie Street. In total, the former Spotlight site contains approximately 1.1ha of land.

- Site 2 (Coles site), which comprises approximately 1.3ha of land located to the south of McLachlan Street and to the north of Roberts Avenue. The site also has a frontage to Darlot Street, where the Coles supermarket is situated.

The above sites currently represent poor urban design outcomes, including the presence of non-active street frontages. The re-development of these sites would provide an opportunity to improve the urban design outcomes for the CAD, while also providing a link to nearby Firebrace Street. The sites currently accommodate a significant level of car parking, and any re-development would require consideration of car parking outcomes for the CAD. In addition to the redevelopment/development of these specific sites, potential may exist for the amalgamation of adjoining sites. This should be encouraged, particularly where the amalgamation of sites would contribute to the creation of a development parcel that would enable a good planning and commercial outcome.

Figure 5.1: Potential Development and Re-development Sites



Source: DPCD; MapInfo and Nearmap
Produced by Essential Economics

In total, an estimated 16,000m2 to 22,000m2 of net additional ground floor floorspace could be accommodated on the development and re-development sites identified in Figure 5.1. The amalgamation of sites adjoining the identified redevelopment/development sites would contribute further to the development capacity within the existing Horsham CAD, as would the identification of any other sites that may become available for redevelopment in the future.

The indicative development potential of the above mentioned sites is summarised in Table 5.1 and assumes that ground level floorspace would account for 40-50% of land area. The extent of development that could be achieved on these sites would depend on the extent of land required for car parking, access and landscaping; however, a ratio of 40-50% broadly reflects development in regional CADs. In addition, potential for multiple storey commercial development may exist in the future, and this would contribute further to the development capacity of these sites.

Table 5.1: Indicative Development Potential on Development and Re-development Sites located on B1Z and B2Z Land in Horsham

Category	Development Sites	Re-development Sites	Key Re-development Sites	Total
Land Area	5,480m²	27,790m²	23,940m²	57,210m²
Supportable Net Floorspace (assuming ground level floorspace accounts for 40-50% of land area)	**2,200m2 to 2,700m2**	**10,500m2 to 13,300m2**	**3,400m2 to 5,800m2**	**16,100m2 to 21,800m2**

Source: Essential Economics

Note: Estimates of net supportable floorspace take into consideration existing floorspace on the sites.

5.3 Recommended Locations for Future Development in the CAD

Sufficient development and re-development opportunities exist within the Horsham CAD to accommodate the anticipated demand for development over the next 15 or so years, having regard for the following:

- The capacity of identified development and re-development sites in the Horsham CAD of an estimated 16,000m2 to 22,000m2 of ground floor floorspace, depending on land required for car parking, access, landscaping etc.

- Potential that new sites may become available for re-development over the next 15 years.
- Forecast demand for approximately +16,000m2 of retail and office floorspace, plus potential for commercial accommodation and other recreational, community,

entertainment, and/or education facilities - should these opportunities arise in the future.

- Potential that future commercial development will incorporate a mix of uses and multiple storeys, in particular office or commercial accommodation.

Having regard for the above and the locational principles outlined in Section 5.1, the following recommendations are made in relation to the location of future development in the Horsham CAD:

1 Direct commercial development to locate in the existing business zones.

2 Encourage, where appropriate, a greater intensity of development in the central part of the CAD bounded by Baillie Street to the north, Firebrace Street to the east, Darlot Street to the west and Wilson Street to the south (refer Figure 5.2). New development in this location should represent quality design that considers favourable urban design outcomes and has regard for any historical buildings that contribute to the character of the CAD.

   Opportunities for mixed-use development, possibly containing residential and/or short-term/visitor accommodation above ground floor in the CAD, should be encouraged.

3 Encourage the redevelopment of the Coles and former Spotlight sites in a manner that results in a greater efficiency of land use and improved urban design outcomes.

4 Encourage the Coles and former Spotlight sites as the preferred locations for an additional anchor tenant (in addition to the Coles supermarket), should the opportunity arise. This would contribute to improved levels of activity in this part of the CAD which, providing that strong linkages are provided to nearby Firebrace Street, will have positive impacts on the performance on the main street.

5 Encourage the redevelopment of under-utilised sites throughout the entire CAD; this may involve the assisting in the amalgamation of smaller sites.

6 Discourage large-scale traditional retail development on B2Z land to the south-west of the intersection of Wilson Street and Darlot Street. The development of supermarkets, DDSs or conventional speciality retailing at this location would contribute to a further dilution of retail activities in the Horsham CAD. These types of development should be encouraged to develop in locations described in point 2.

7 Encourage a mix of uses on the B2Z land to the south-west of the intersection of Wilson Street and Darlot Street, and these may include office, commercial accommodation, education, health-related uses or limited retailing. The potential for mixed-use development in this location could also be investigated. The potential for an extension of Hamilton Street to the west, through the B2Z land and connecting to Wilson Street in the north, was identified during consultation; this opportunity should be investigated as it could potentially provide an impetus for a greater scale of development in this location.

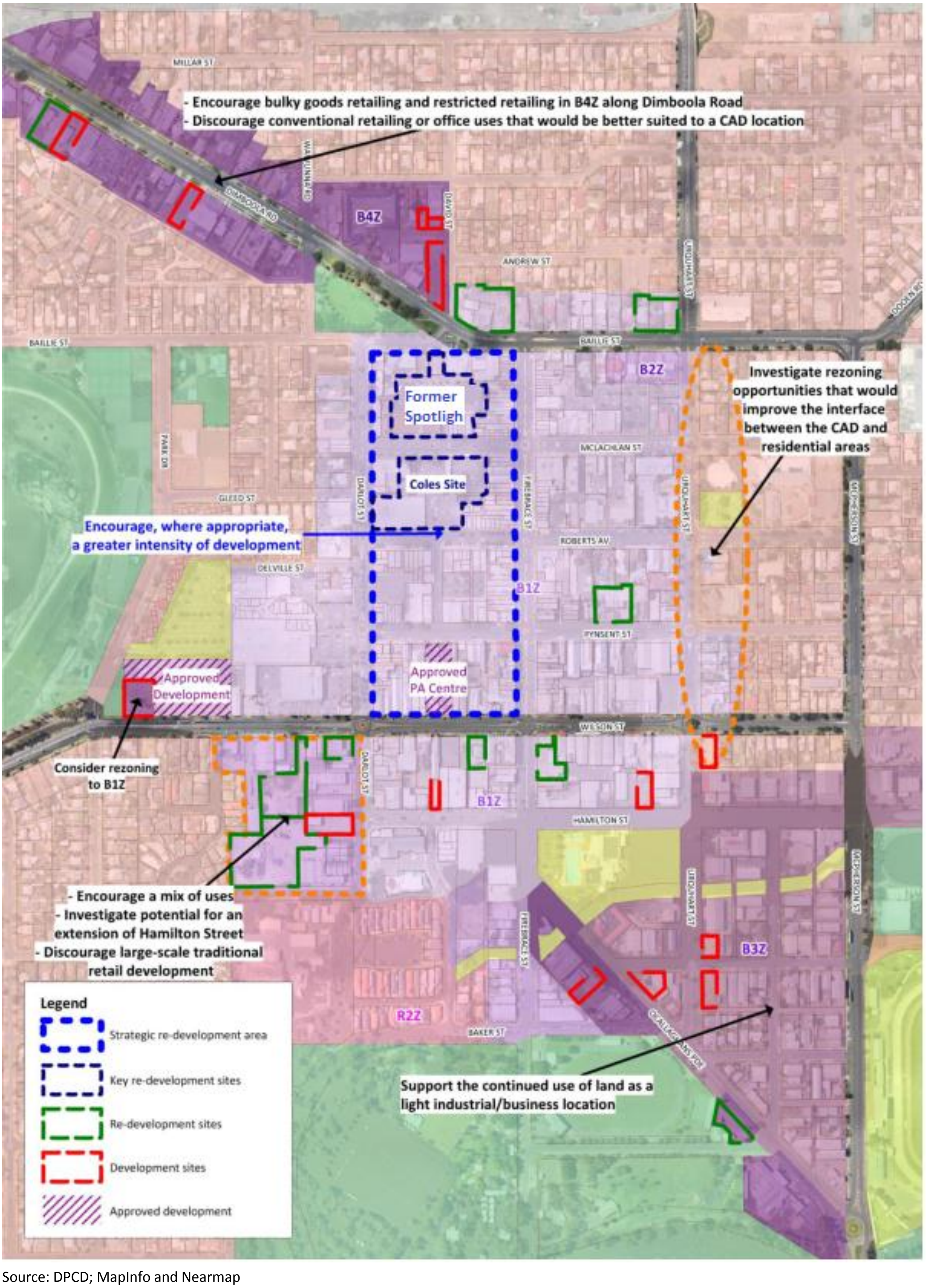
8 Investigate opportunities for the zoning of land with frontage to the eastern side of Urquhart Street that would encourage mixed-use development, having regard for the exposure Urquhart Street would provide businesses, the mix of existing uses in this area, the provision of business zoned land in this locality and opportunities for increased residential density.

9 Encourage highway-based retailing and restricted retailing to locate in the B4Z land along Dimboola Road, and discourage conventional retailing or office uses that would be better suited to a CAD location.

10 Investigate the opportunity to rezone the small parcel of B4Z land located to the immediate west of the Target development to B1Z, so that it is in-line with the surrounding land use zones.

Figure 5.2 on the following page summarises the above recommendations.

Figure 5.2: Recommended Development Locations in the Horsham CAD



Source: DPCD; MapInfo and Nearmap
Produced by Essential Economics

5.4 Future Expansion of the Horsham CAD

This strategy is focus on determining the future demand for commercial floorspace in Horsham for a fifteen year time horizon. The previous sections of the strategy identified that sufficient development and re-development opportunities exist within the Horsham CAD to accommodate projected floorspace demands for this time scale.

Once these development and re-development opportunities have been realised, consideration will need to be given to how and where to expand the CAD so as to accommodate future demand that is beyond the scope of this strategy.

The following principles should guide decision making of when and how to expand the CAD once the conditions necessitating expansion have been reached.

1. Ongoing monitoring of take up rates of development and re-development sites identified in the strategy shall be undertaken by Council (see the Monitoring and Review Section 6.4).

2. Expansion of the CAD can only occur once the existing CAD is unable to accommodate projected demand.

3. Encourage the CAD to expand into areas where there will be as little disruption to residential use as is possible.

4. Expansion of the CAD shall not be at the expense of public open space.

5. The principle of a compact and well integrated CAD shall remain an overriding principle.

6. Ensure that the CAD remains the primary activity centre in Horsham.

7. Expansion of the CAD shall be directed towards major growth areas.

It is considered that future expansion of the CAD, once conditions for expansion are met, should proceed in a westerly direction towards the existing race course. It is considered that the westerly direction best meets the principles above.

Identification of this direction as a long term objective allows for ongoing dialogue with land holders in this area, so as to assist with transitional arrangements. It is also noted that the racecourse offers a great opportunity to incorporate landscaped open space within an expanded CAD.

5.4 Urban Design Guidelines for the Horsham CAD

The following provides a summary of the urban design guidelines which could be applied in guiding the future development of the Horsham CAD.

Access and Movement

Horsham CAD has more than adequate vehicle access and parking provision; however, movement for pedestrians and cycles is less satisfactory.

The next phase of development of Horsham CAD should address this imbalance in accessibility and movement by progressively improving the provision for walking and cycling. Designing improvements for cyclists and pedestrians will become increasingly important in the future for the personal health and satisfaction of Horsham residents and visitors. Some actions that should be considered when opportunities arise include the following:

- Re-development of surface car parks on private land so they do not intrude on active street frontages and so they provide comfortable, safe, shaded and separated pedestrian routes leading to and from parked cars and destinations.

- Develop, where possible, sites with basement or multi-level parking spaces behind or below commercial or mixed use development (and also noting the additional cost involved in such development).

- Minimise and/or eliminate vehicle crossings on to private sites for car parking and service delivery so that the footpaths remain free of conflict with vehicles.

Buildings and Development

The following guidelines should be considered in assessing new developments in the CAD:

- Large areas of private and public land in the CAD located between and to the rear of buildings are typically under-utilised as service areas and surface car parks. New development should be encouraged to occupy these spaces with multi-level development which accommodates parking and other uses, including retail, entertainment, hospitality, residential, office and other public and community uses. All street interfaces of this new development should have active frontages.

- Buildings in the CAD should generally be built to the front property line unless a setback is justified by the provision of high-quality public space, say, in the instance of a cafe that sets the ground floor back in order to provide for out-door dining.

- The existing built fabric of Horsham is important to the city's identity. Heritage buildings, pubs and other commercial buildings, especially any pre-war buildings that contribute positively to the streetscape, should be retained in re-development proposals unless they are replaced by exceptional and sympathetic contemporary architecture. Older (ie, non-heritage) industrial buildings and newer commercial shopping centre developments which do not respect the prevailing street pattern and which lack continuous active frontages are the buildings that should be replaced with more sympathetic development.

- Council should actively encourage innovative mixed use and medium-density residential development in the CAD. Council could lead development by commissioning design and feasibility studies for the re-development of Council-owned land in the CAD, and with the view to selling the land for agreed development, or partnering in developments which enhance the amenity and activity of the CAD.

- Apartment development of 4 to 5 levels should be encouraged in the CAD to cater for young people, retirees and those seeking to be close to the facilities and services provided in the CAD. In order to minimise development costs and encourage this form of development, consideration maybe given to incentives that can be delivered through the planning process, where appropriate.

- An urban design strategy should be developed for the block between Darlot Street, Wilson Street, Firebrace Street and the Baillie Street to the north; such a strategy would propose development envelopes and guidelines for the future development of public and private land in this locality. An opportunity may exist to create a new north-south extension of Ward Street to May Park and the Western Highway. This new street could activate and reinvigorate the most accessible and least attractive part of the existing CAD. Priority should be given to re-development of this precinct as a high-quality, mixed-use area before any further retail or office development is allowed outside the CAD.

  Figure 5.3 on the following page provides an indication of how this area could develop in the future. Note that this is provided as an illustration only.

- Multi-level development (including residential and mixed use) of between 2 and 6 levels should be encouraged throughout the CAD, provided such development is sympathetic with existing facades and streetscapes, and design to a high standard that contributes to the overall attractiveness of the city. Development of this form and type will help activate the streets, enable provision of parking out of view, and provide housing options and other employment-creating activities.

Open Space

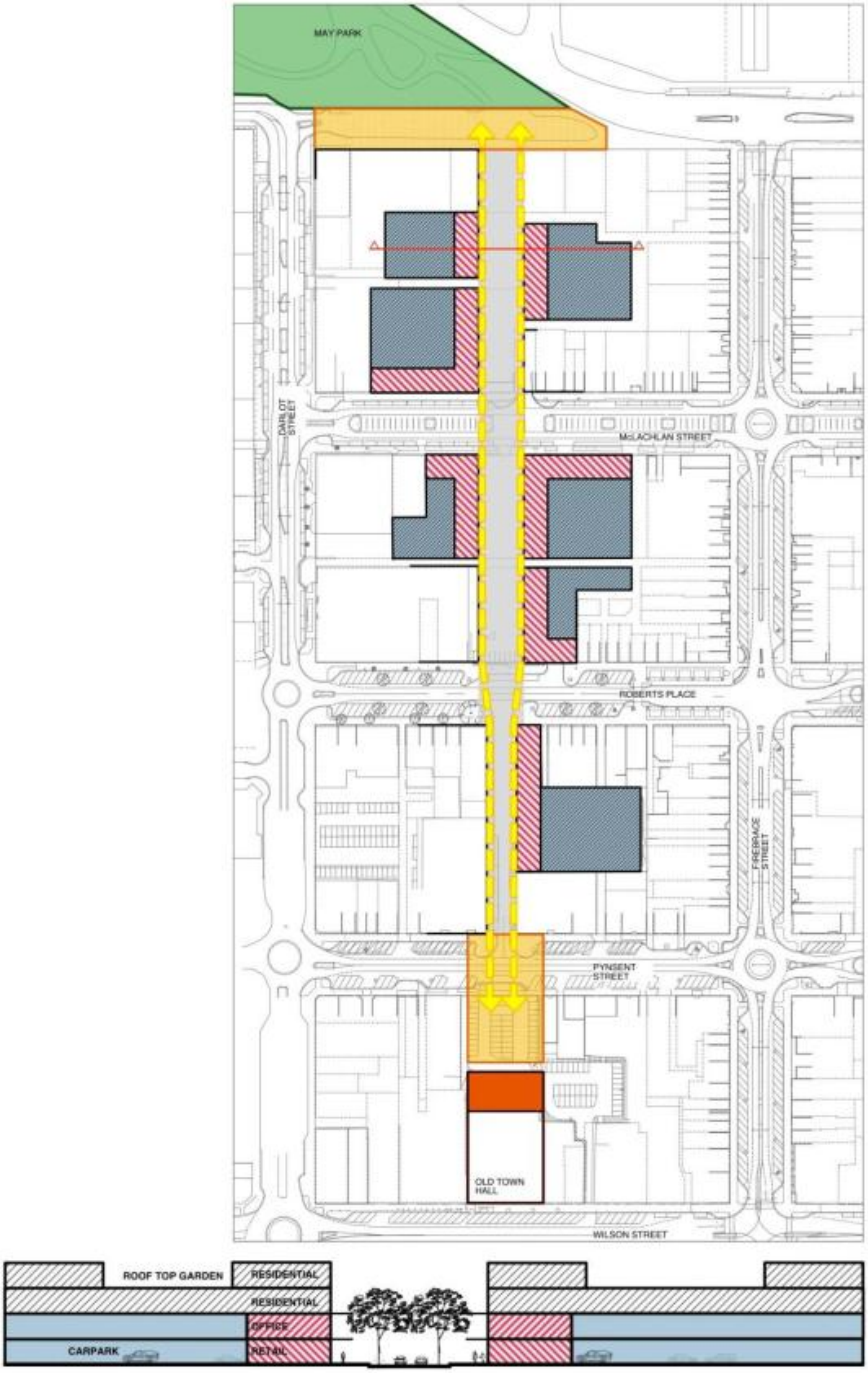
The Horsham CAD has significant open space on its perimeter; however, virtually no parks or plazas are located within the CAD.

May Park is an attractive period garden that serves as a stopping point for tourists passing through. Pedestrian connection with the CAD is limited, and the park feels surrounded by a sea of cars. Significant potential exists to further connect May Park to the CAD.

The Wimmera River, the **Botanical Gardens**, **Rotary Park** and the **Showgrounds** all sit to the south and east of the Horsham CAD, and at distances which encourage driving and discourage walking, despite walking and cycling options being entirely feasible. These open spaces should be developed to encourage walking and cycling, with strong off-road links provided through the CAD. The story of the river and its flooding needs development and interpretation through landscape design to help capture an important essence of Horsham and its history.

Opportunities should be explored to create attractive new urban squares and mini-parks for casual use and events throughout the CAD. This can be achieved by occupying excess road space and underutilised land at strategic locations where such spaces can accentuate public uses or provide amenity for cafes and other outdoor activities.

Figure 5.3: "Indicative" Long-term Development of New Street between May Park and the Old Town Hall, Horsham



Source: Urban Initiatives

Street Design

For each improvement opportunity in the Horsham CAD, and in order to achieve quality streets, it is recommended that Council develop and introduce a rigorous process involving the development of a concept design and cost estimate under the control of an experienced urban designer. This approach has been followed successfully by the City of Melbourne for more than 15 years.

Input into this process is usually required from civil and traffic engineers, but the design should be driven by an expert urban designer to ensure quality design which meets the needs of pedestrians, cyclists and motorists in that order.

As new works are implemented a vocabulary of design details including kerbs, crossings, pavement, furniture, lighting and landscaping, including Water Sensitive Urban Design (WSUD), detailing can be documented to build up to a CAD technical or urban design manual that will establish well-understood standards for further application over time as funds allow. Many urban and rural Councils have followed the City of Melbourne's lead with this approach, including Geelong, Bendigo, Ballarat and Shepparton, as well as many suburban councils.

Figure 5.4: In-principle Drawing of Potential Up-grades for Streets within the Horsham CAD - Firebrace and Wilson Streets

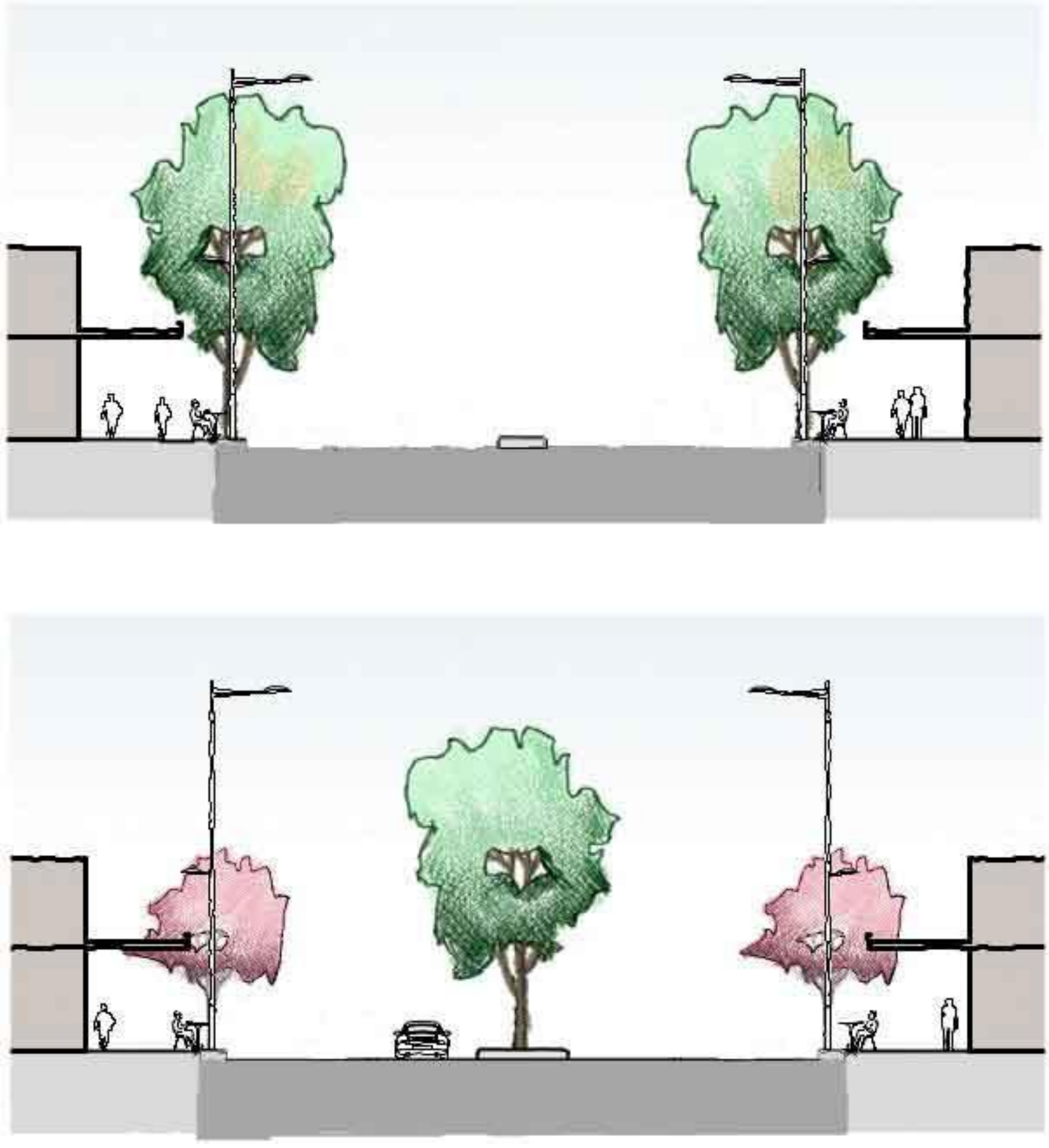


Figure 5.5: In-principle Drawing of Potential Up-grades for Streets within the Horsham CAD - Firebrace and Wilson Streets

Street Trees

Planning for street trees should be undertaken in conjunction with street concept design, so that trees are selected and located to fully integrate with the engineering design. This approach is becoming increasingly important now that WSUD tree pits can be designed to capture and partially treat storm water.

All of Horsham CAD streets, except Ward Street, have a scale that can support large shade trees and they should be planted so that they ultimately provide up to 60% shade in Horsham's streets during summer. This will substantially modify the microclimate of the CAD.

Current practice recommends increased diversity of species for urban planting, and the selection of species that will tolerate more arid conditions than those currently existing, so that these trees can continue as the effects of prolonged period of drought or reduced rainfall.

Conclusion

Meeting these important objectives justifies a careful planning and design process for Horsham's CAD streets, followed by consistent implementation over the following decade or longer. This will enable Horsham CAD to become an attractive, memorable and more sustainable regional urban city for residents and visitors alike.

5.5 Implications

The Horsham CAD Strategy, which is provided in Chapter 6, will have regard for and refer to the locational principles for future development in the CAD, the recommended locations for future development, and the urban design guidelines presented in this chapter.

6 HORSHAM CENTRAL ACTIVITIES DISTRICT STRATEGY

The Horsham Central Activities District Strategy 2013 is presented in this Chapter and is based on the analysis and findings provided throughout this report. The Strategy comprises the following components:

1 A Vision Statement which provides overall guidance for the future development of the Horsham CAD.

2 A set of Objectives designed to support the Vision and provide additional guidance.

3 A listing of detailed Actions and Implementation Plans which present recommended measures to achieve the objectives, and identify roles, responsibilities and timing.

4 A Monitoring and Review process.

6.1 Vision Statement

The Vision – which is defined as an overall guiding statement to assist Council and other stakeholders in suitably planning for the on-going development of the Horsham CAD – is as follows:

> The Horsham Central Activities District will continue to develop as the regional centre serving the Wimmera, providing a range of shopping, entertainment, business, civic, recreational and cultural facilities and services to residents and visitors.
>
> The future development of the Horsham CAD will occur in a manner which supports the continued viability of existing businesses in the CAD, while also acknowledging opportunities to improve the level of services to the region.
>
> The Horsham CAD will be a desirable place to visit, and a place to shop, invest, work and live. A genuine mix of activities will be provided which acknowledges the history and story of Horsham

6.2 Objectives

The following key objectives are identified for the Horsham CAD:

1 To reinforce Horsham CAD as the regional centre serving the Wimmera and Southern Mallee region

2 To maintain a compact and integrated CAD

3 To support the on-going growth and development of the retail and commercial sector in the Horsham CAD

4 To support Firebrace Street as the traditional 'main-street' in Horsham

5 To introduce medium-density residential development within, or immediately adjacent to, the Horsham CAD

6 To promote the on-going development of community and social infrastructure

7 To improve the functionality and overall built environment of the Horsham CAD

8 To support the continued use of land zoned B3Z/B4Z to the south-east of the CAD as a light industrial/business location

9 To encourage the continuing development of B4Z land along Dimboola Road as a location for highway-based retailing and for restricted retailing

10 To establish an 'entertainment' precinct in the Horsham CAD

11 To protect and enhance connections to the west of the existing CAD in order to allow for future expansion of the CAD once conditions for expansion are achieved.

12 To implement the Horsham CAD Strategy by incorporating the Strategy into the Horsham Planning Scheme

6.3 Actions and Implementation

The following provides a set of actions designed to implement the Horsham CAD Strategy. For each underlying objective, a supporting rationale is provided, together with detailed actions and an implementation plan identifying key roles and responsibilities.

The following conventions have been adopted in identifying the suggested timing for implementation:

- Short-term: Within 12 months
- Medium-term: From 1 year to under 3 years
- Longer-term: From 3 years to 5 years or beyond
- On-going: An existing action that continues into the future

Objective 1: **To reinforce Horsham CAD as the regional centre serving the Wimmera and Southern Mallee region**

Rationale: The Horsham CAD is the largest centre in the Wimmera and provides regional-level services to residents and visitors. Horsham is centrally located to the Wimmera and Southern Mallee, is easily accessible, and is the preferred location to continue to provide these regional services, including shopping, business, tourism, entertainment, cultural, civic and community.

Action 1: **Encourage the attraction of businesses and developments that serve the Wimmera region and beyond.**

Responsible Authority: Council (Economic Development and Planning), Wimmera Development Association, Regional Development Victoria

Partnerships: Property owners, developers, businesses

Timeframe: Ongoing

Supporting Tasks:

- Prepare promotional material highlighting the business opportunities in Horsham
- Maintain a database of potential development and/or redevelopment sites

Action 2: **Identify opportunities to enhance the commercial, cultural and administrative facilities and amenities in the CAD, consistent with its important role as a regional service centre and the recommendations provided in this Strategy.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Property owners, developers, businesses

Timeframe: Ongoing

Objective 2: To maintain a compact and integrated CAD

Rationale: Sufficient opportunities exist within the existing business zoned land in the CAD to accommodate forecast retail and commercial growth; however, this will involve the re-development of key sites and a greater intensity of land use. A compact CAD assists in creating linkages between different precincts and building synergies between businesses.

Action 3: **Encourage the redevelopment of the Coles and former Spotlight sites in a manner that results in a greater efficiency of land use and improved urban design outcomes. Identify these sites as the preferred location for major activity generating land uses.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Property owners (Coles and former Spotlight site), developers

Timeframe: Longer-term

Supporting Tasks:

- Begin dialogue with the land owners to ascertain their future intentions for the site
- Assist (where possible) the land owners/developers in reaching a development outcome that is consistent with this Strategy

Action 4: Encourage, where appropriate, a greater intensity of development in the central part of the CAD bounded by Baillie Street to the north, Firebrace Street to the east, Darlot Street to the west, and Wilson Street to the south.

Responsible Authority: Council (Planning), Wimmera Development Association

Partnerships: Property owners, developers

Timeframe: Ongoing

Supporting Tasks: Identify potential development/redevelopment sites in this part of the CAD and consult with land owners to ascertain their future intentions

Prepare an urban design framework for this part of the CAD that will provide design guidelines for the future development of these sites (refer Action 7)

Support development/redevelopment proposals that will contribute to a physical consolidation of activity

Action 5: **Encourage a mix of uses on the B2Z land located to the south-west of the intersection of Wilson Street and Darlot Street. These uses may include office, commercial accommodation, education or health-related uses.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Property owners, developers

Timeframe: Longer-term

Supporting Tasks: Continue to consult with the land owners and businesses to ascertain their future intentions

Assist (where possible) in streamlining development and planning approvals for appropriate developments

Further investigate the opportunity for improved access throughout the precinct

Prepare a Structure Plan for the precinct

Action 6: **Identify land suitable for rezoning for retail and commercial development, only as identified in section 5.3 of this Strategy.**

Responsible Authority: Council (Planning)

Partnerships: Property owners, developers

Timeframe: Short-term

Action 7: **Develop an urban design framework which provides for improved pedestrian, vehicular and bicycle linkages between the different areas of the CAD, as identified in this Strategy (Section 5.4).**

Responsible Authority: Council (Planning)

Partnerships: Community, property owners, developers

Timeframe: Short-term to Medium-term

Objective 3: **To support the ongoing growth and development of the retail and commercial sector in the Horsham CAD.**

Rationale: Opportunities exist, or will emerge over time, to accommodate new development and to address areas of under-performance in the Horsham CAD. In order for the retail and commercial sector to continue to expand and prosper, a mix of new development and improvements to the performance of existing businesses and locations is required.

Action 8: **Assist existing property owners and businesses to improve the performance of individual businesses and centres through appropriate redevelopment and refurbishment.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Property owners, businesses, business associations

Timeframe: Ongoing

Action 9: **Assist businesses and business associations in the development and implementation of marketing plans to aid the growth and prosperity of CAD businesses (and, by extension, to other businesses in Horsham and the municipality).**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Businesses, business associations

Timeframe: Short-term

Supporting Tasks: Assist businesses and trader associations in the development and implementation of marketing plans for centres

Action 10: **Maintain a database of potential development and redevelopment sites in the Horsham CAD, and work with the property owners and developers to ensure land is released for appropriate development.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Land owners, developers, real estate industry

Timeframe: Short-term

Objective 4: **To support Firebrace Street as the traditional 'main-street' in Horsham**

Rationale: Firebrace Street has traditionally been the "main street" in Horsham and the primary location for shopping and business activity. The focus and role of Firebrace Street has changed over the years, and will continue to evolve in the future. The importance of Firebrace Street in the context of the Horsham CAD should be recognised, as it:

- Provides a community focal point, where residents come to undertake a variety of activities, including shopping, banking, recreation, cultural and social activities.
- Is an important component in the promotion of tourism in the town, as the main-street is often the principal location where a town and its community will interact in civic and recreational activities, and with visitors.
- Provides a connection with the town's history, as illustrated by the presence of historic buildings and places.

Action 11: **Continue to invest in improvements to the streetscape, amenity and public realm which meet best practise urban design outcomes.**

Responsible Authority: Council (Planning)

Partnerships: Community, property owners, developers, businesses

Timeframe: Ongoing

Action 12: **Investigate opportunities for a 'main-street' traders association that promotes, markets and organises events for Firebrace Street and its traders.**

Responsible Authority: Council (Economic Development)

Partnerships: Businesses, business associations

Timeframe: Ongoing

Objective 5: **To introduce medium-density residential development within, and/or immediately adjacent to, the Horsham CAD.**

Rationale: Encouraging mixed-use development in the CAD and increased residential densities in close proximity to the CAD will assist in improving business viability and in fostering an increase in the overall levels of community activity in the CAD. In addition, such development will assist in meeting changes associated with changing demographics, such as smaller dwellings and a reduction in vehicular traffic.

Action 13: **Provide support for development proposals which encourage mixed-use development in the CAD, consisting of residential or accommodation uses above ground floor and an increase in residential density in surrounding areas.**

Responsible Authority: Council (Planning)

Partnerships: Property owners, developers

Timeframe: Ongoing

Objective 6: **To promote the ongoing development of community and social infrastructure.**

Rationale: Community and social-related development opportunities in the Horsham CAD may arise in the future which would contribute to an enhancement of the overall role, function and range of activities in the CAD. These may include the approved Performing Arts Centre, additional recreation or leisure activities, improved community facilities (eg. libraries, community centres, youth centres, etc), and additional education facilities. Where appropriate, these development opportunities should be encouraged to locate in the CAD.

Action 14: **Encourage a mix of community and social infrastructure development in the Horsham CAD.**

Responsible Authority: Council (Planning)

Partnerships: Property owners, developers, community service providers

Timeframe: Ongoing

Action 15: **Develop a community and social infrastructure plan that identifies the future requirements for Horsham and identifies the potential role the CAD can perform in providing a location for these facilities and services.**

Responsible Authority: Council (Planning)

Partnerships: Community and social service providers

Timeframe: Short-term to Medium-term

Action 16: **Develop an open space strategy that identifies Council's role in the provision of open space within the CAD.**

Responsible Authority: Council (Planning)

Partnerships: Community, property owners, developers, businesses

Timeframe: Medium-term

Objective 7: **To improve the functionality and overall built environment of the Horsham CAD.**

Rationale: Meeting the important objectives identified in Section 5.4 of the Strategy justifies a careful planning and design process for Horsham CAD streets, followed by consistent implementation over the following decade or longer. This will enable Horsham CAD to become an attractive, memorable and more sustainable regional urban city for residents and visitors alike.

Action 17: **Develop a urban design framework for the Horsham CAD which meets best practice principles in urban design, and which has regard for the recommendations and discussion provided in this Strategy.**

Responsible Authority: Council (Planning)

Partnerships: Consultants, Community

Timeframe: Medium-term

Objective 8: **To support the continued use of land zoned B3Z/B4Z to the south-east of the CAD as a light industrial/business location.**

Rationale: A mix of light industrial activities operates from the B3Z and B4Z land located to the south-east of the CAD. This area provides a range of uses that service the needs of the nearby population and businesses, in a location that is easily accessed.

Limited opportunities for future development in this area exist, with only a small number of vacant sites currently available for development. This precinct performs its role without negative impacts on surrounding land uses.

Action 18: **Support the continued development of this area as a light industrial/business location for service-related businesses which would preferably not locate in the CAD and which do not impact adversely on the amenity of surrounding areas.**

Responsible Authority: Council (Planning)

Partnerships: Land owners, businesses, developers

Timeframe: Ongoing

Objective 9: **To encourage the continue development of B4Z land along Dimboola Road and Stawell Road as a location for highway-based retailing and restricted retailing.**

Rationale: The B4Z land located along Dimboola Road (or the Western Highway) to the north-west of the CAD provides an opportunity for retailing and restricted retailing businesses to benefit from the significant level of exposure to passing trade. These types of businesses, which often require large site areas from which to conduct their business, should be encouraged to locate in this location. Conversely, businesses that would typically contribute to activity levels in the CAD, such as core retailing and office development, should be discouraged from locating in this location.

Action 19: **Encourage bulky goods and restricted retailing to locate in the B4Z land along Dimboola Road, and discourage conventional retailing or office uses that would be better suited to a CAD location.**

Responsible Authority: Council (Planning)

Partnerships: Property owners, businesses, developers, land owners

Timeframe: Ongoing

Objective 10: **To establish an 'entertainment' precinct in the Horsham CAD.**

Rationale: The clustering of entertainment and dining activities within one precinct assists in creating a critical mass of businesses, that as a whole contribute positively the overall offer and experience of a regional city. The successful development of a 'entertainment' precinct will contribute positively to the vibrancy and activity levels within a centre, particularly at night time.

Action 20: **Identify a preferred location for an 'entertainment' precinct in the Horsham CAD.**

Responsible Authority: Council (Economic Development and Planning), businesses, business associations, land owners

Partnerships: Business, business associations, land owners

Timeframe: Short-term

Action 21: **Develop a theme for the 'entertainment' precinct which will be implemented through a streetscaping program.**

Responsible Authority: Council (Economic Development and Planning), businesses, business associations, land owners

Partnerships: Business, business associations, land owners

Timeframe: Short-term

Action 22: **Assist in the attraction of appropriate businesses and land uses to the 'entertainment' precinct.**

Responsible Authority: Council (Economic Development and Planning)

Partnerships: Business, business associations, land owners

Timeframe: Short-term

Objective 11: To protect and enhance connections to the west of the existing CAD in order to allow for future expansion of the CAD once conditions for expansion are achieved.

Rationale: Although it is recognised that the need for expansion of the CAD is some time off, it is important for future opportunities to not be lost. With the greatest potential for expansion being towards the west of the existing CAD, towards the emerging residential development areas, this strategy should seek to ensure that future development does not prejudice the ability of the CAD to expand when required. This strategy recognises the potential that exists in the site currently occupied by the Horsham Race Course for future expansion of the CAD.

Action 23: **Maintain and enhance east/west connectivity between the existing CAD and the areas surrounding and including the Horsham Race Course.**

Responsible Authority: Council (Economic Development and Planning), businesses, business associations, land owners

Partnerships: Business, business associations, land owners

Timeframe: Long-term

Action 24: **Prepare structure Plans for future expansion of the CAD once conditions for expansion are approached.**

Responsible Authority: Council (Economic Development and Planning), businesses, business associations, land owners

Partnerships: Business, business associations, land owners

Timeframe: Long-term

Objective 12: **To implement the Horsham CAD Strategy by incorporating the Strategy into the Horsham Planning Scheme.**

Rationale: The Horsham Planning Scheme will need to be reviewed to ensure that the Horsham CAD Strategy is implemented appropriately, and this will involve rewriting parts of the MSS, and modifying local planning policies.

Action 25: **Adopt the Horsham Central Activities District Strategy 2013 and ensure that this is reflected in the Horsham Planning Scheme through changes to the MSS and local planning policy.**

Responsible Authority: Council (Planning)

Timeframe: Short-term

6.4 Monitoring and Review

An important part of the implementation process for the Horsham CAD Strategy is to ensure that the strategy remains relevant as circumstances change and as new opportunities arise.

Monitoring of progress in the implementation of the Strategy will be important, and this will allow proper assessment as to how the Strategy is performing and whether or not changes are warranted as a result of new and emerging trends.

Monitoring also enables the Council and the community to judge how well and how efficiently the Strategy is being implemented (or not, as the case may be). It is important, however, that speed of implementation should not be the sole criterion for success. Most communities seek good quality planning outcomes and, with a little patience, will be pleased to see on-the-ground results which ensure – in the Horsham case – an attractive, competitive CAD and its community of interests.

Council must ensure, therefore, that the Strategy is monitored and reviewed on a regular basis. Review of the implementation of this strategy, and the indicators included in Table 6.1, should become part of Council's 4 yearly review of the Planning Scheme. Earlier review may be warranted if important changes are identified in market and other conditions that have the ability to effect the supply and demand for commercial floorspace in the Horsham CAD are identified.

Suggested indicators for monitoring and review purposes would be those listed in the Table on the following page. These indicators are based on readily-available and relatively inexpensive data, including official data, Council planning approvals and commencements data, land use/floorspace surveys, and reference to consultant reports.

Table 6.1: Indicators for Monitoring Progress in the Implementation of the Horsham CAD Strategy

Indicator	Source	Comment
1. Retail and commercial floorspace	Floorspace surveys; new development applications	Implement retail/commercial floorspace survey in order to allow an up-to-date estimate of total and the mix of retail/office floorspace. The floorspace survey presented in the Strategy will serve as the base-year survey. Alternatively, Council planning and approvals data could be added to the floorspace data presented in this Strategy.
2. In-centre surveys	In-centre surveys	Undertake, in cooperation with business associations, a series of short in-centre surveys of businesses and customers on a regular basis (eg every two years). The survey could cover issues such as changes in people's perception of the CAD as a place to visit, competing centres they visit or compete with, issues they identify and actions that need doing, trends in employment levels, etc. The surveys should be a helpful reference point in assessing potential impacts of the initiatives contained in the CAD Strategy.
3. Property development proposals and projects	Council records	Track development applications, proposals, conditions on permits, and completions in the CAD.
4. Retail trading performance	Consultant reports; Property Council; Shopping Centre News	Especially track official sources of data.
5. Increased floorspace provision for shops and services, as well as increased value of buildings and works	Council data for planning and building approvals, and building completions	This measure uses regular and up-to-date data, and is therefore very useful. Can indicate change in use from shop to other use and vice-versa.
6. Vacancy rates for retail and commercial floorspace	Land use and floorspace surveys	Can be undertaken at any time. As a guideline, the average shopfront floorspace vacancy rates are around 4%-6% of total floorspace for traditional strip shopping centres. In contrast, planned under-cover modern shopping centres usually have zero vacancies due to good management of tenant mix. These measures provide a useful indication of general health of a centre.
7. Changes in land use patterns (incl. retail, service, office, community, higher-density residential, etc)	Regular land use surveys	Inexpensive means of monitoring land use and activity changes. Important to show new roles and functions served by the CAD.
8. Changes in property values and rates	Council rate records; data from Victorian Valuer-General	Useful indicator, especially as a relative indicator (eg different rate valuations for between the CAD and competing centres).
9. Viewpoints on health of the CAD as expressed by property owners, real estate, retailers and other businesses, and community interests	Regular contact with real estate agents, property owners, developers, retail industry, other businesses, business associations, and the wider community.	Annual forum organised by Council as an avenue for information exchange between property and retail industry, local traders, other businesses and stakeholders, Council and other community representatives.