

Australian Shopping Centre Industry



Information Update, March 2007

Prepared for : Shopping Centre Council of Australia

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Australia's Retail Centres

This report presents current findings on the size and significance of Australia's retail industry, based on a top level audit conducted at the national and state level. These update select key parts of a report issued to the Shopping Centre Council of Australia (SCCA) in April 2001, titled 'Shopping Centres in Australia, Vital Statistics'.

Overview of Findings

Australia currently has some 1,102 shopping centres, comprised of 63 regional centres, 268 discount department store based centres, 759 supermarket centres, and 12 central Central Business District (CBD) based shopping centres. *[Refer Table 1, and Definitions].*

Within these centres there are an estimated 48,400 specialty shops (including some non-retail such as travel, post office, banks etc). 29% are located in regional centres, 39% in sub-regional centres, 30% in supermarket centres and 3% in CBD based centres. *[Refer Table 2]*

There is approximately 17.8 million sq.m of shopping centre floorspace, of which 15 million or 84% is occupied by retail uses.

New South Wales makes up almost a third of all retail floorspace, whilst Tasmania, South Australia, Northern Territory and the Australian Capital Territory together make up only 12%. *[Refer Tables 3 and 4].*

Victoria and Queensland have nearly twice the provision of sub-regional centre floorspace as regional centre floorspace. In New South Wales however it is fairly equal. The remaining five states all have greater amounts of supermarket centre floorspace, averaging from 31% up to 49% of total shopping centre floorspace, compared to an average of 27% in the major states.

For the year ending June 2006, total aggregated centre turnover was estimated at \$90.8 billion. The regional centres share was 27%, sub-regional centres 39%, supermarket centres 31% and CBD centres 2%. The retail component of aggregated centre turnover was in the order of \$84.4 billion. Again, it was sub-regional centres which contributed the largest share. *[Refer Tables 5 and 6]*

Overall, the shopping centre industry generated 39.2% of Australia's retail sales achieved for the year ending June 2006, as recorded by Australian National Accounts (ANA). Regional centres captured around 11%, sub-regional centres 15%, and supermarket centres 12%. CBD centres accounted for less than 1%. Furthermore, Australian shopping centres generate a gross operating surplus from their \$84 billion in retail sales estimated at 1.7% of Gross Domestic Product (GDP) in 2006.

Compared with seven years ago (1998/99) :

- There has been growth in the number of sub-regional and supermarket centres, both in the order of 25%. The number of regional centres however, remains the same.
- Not surprisingly then, regional centres have lost ground in terms of their share of Australian retail centre floorspace (33% in 1998/99, 28% today). Sub-regional centres continue to account for the larger share, whilst supermarket centres now account for more than regional centres.

Australia's Retail Centres

- Notwithstanding a robust expansion program, retail sales at shopping centres has grown \$33.4 billion since 1998/99 (expressed in constant dollars), representing a 52.0% share of total retail sales growth in Australia over this period. Based on comparable retail trade data, published by ANA, the shopping centres' share of the retail market has grown. Once accounting for 35.6% of Australian retail sales (1998/99), today they account for a higher 39.2%.

Australia's Retail Centres

Retail Supply

**Australian Shopping Centres
Centres By Centre Type, 2007** **Table 1**

Centre Type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total Australia ¹	
									No.	(%)
Regional	25	12	14	4	4	na.	na.	4	63	6%
DDS Based	82	63	62	24	28	7	2	na.	268	24%
Smkt Based	208	135	170	67	126	13	12	28	759	69%
CBD Centres	<u>2</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>na.</u>	<u>na.</u>	<u>na.</u>	<u>12</u>	<u>1%</u>
Total										
Shopping Centres	317	212	249	97	161	20	14	32	1,102	100%
(%) Australia	29%	19%	23%	9%	15%	2%	1%	3%	100%	

1. Centre types may not sum to 100% due to rounding.

Source : Australian Shopping Centre Directory 2006; UrbisJHD

**Australian Shopping Centres
Number of Specialty Shops By Centre Type, 2007** **Table 2**

Centre Type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total Australia ¹	
									No.	(%)
Regional	5,482	2,856	2,598	719	794	na.	na.	730	13,179	27%
DDS Based	5,317	4,755	4,661	1,189	2,642	243	220	na.	19,028	39%
Smkt Based	4,556	2,527	3,663	1,016	1,890	216	204	680	14,752	30%
CBD Centres	<u>161</u>	<u>568</u>	<u>272</u>	<u>263</u>	<u>179</u>	<u>na.</u>	<u>na.</u>	<u>na.</u>	<u>1,443</u>	<u>3%</u>
Total										
Shopping Centres	15,517	10,706	11,195	3,187	5,505	459	424	1,410	48,402	100%
(%) Australia	32%	22%	23%	7%	11%	1%	1%	3%	100%	

1. Centre types may not sum to 100% due to rounding.

Source : Australian Shopping Centre Directory 2006; UrbisJHD

Australia's Retail Centres

Australian Shopping Centres **Table 3**
Retail Floorspace By Centre Type (GLA), 2007

Centre Type	NSW	VIC	QLD	Sq.m ('000)					Total Australia ¹	
				SA	WA	TAS	NT	ACT	No.	(%)
Regional	1,682	886	826	254	246	na.	na.	234	4,128	28%
DDS Based	1,612	1,534	1,410	424	808	95	60	na.	5,944	40%
Smkt Based	1,179	838	993	333	826	75	58	157	4,458	30%
CBD Centres	<u>99</u>	<u>96</u>	<u>94</u>	<u>67</u>	<u>49</u>	<u>na.</u>	<u>na.</u>	<u>na.</u>	<u>405</u>	<u>3%</u>
Total										
Shopping Centres	4,572	3,353	3,323	1,078	1,929	170	118	391	14,934	100%
(%) Australia	31%	22%	22%	7%	13%	1%	1%	3%	100%	

1. Centre types may not sum to 100% due to rounding.

Source : Australian Shopping Centre Directory 2006; UrbisJHD

Australian Shopping Centres **Table 4**
Total Centre Floorspace By Centre Type (GLA), 2007

Centre Type	NSW	VIC	QLD	Sq.m ('000)					Total Australia ¹	
				SA	WA	TAS	NT	ACT	No.	(%)
Regional	1,910	1,024	970	315	278	na.	na.	234	4,731	27%
DDS Based	1,867	1,884	1,680	483	936	100	69	na.	7,021	39%
Smkt Based	1,462	1,039	1,231	412	1,024	93	72	195	5,528	31%
CBD Centres	<u>109</u>	<u>124</u>	<u>122</u>	<u>83</u>	<u>60</u>	<u>na.</u>	<u>na.</u>	<u>na.</u>	<u>499</u>	<u>3%</u>
Total										
Shopping Centres	5,349	4,071	4,003	1,294	2,299	193	141	429	17,778	100%
(%) Australia	30%	23%	23%	7%	13%	1%	1%	2%	100%	

1. Centre types may not sum to 100% due to rounding.

Source : Australian Shopping Centre Directory 2006; UrbisJHD

Australia's Retail Centres

Performance

Australian Shopping Centres **Table 5**
Estimated Retail Turnover By Centre Type, 2005-06 (\$M), Excluding GST

Centre Type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total Australia ¹	
									No.	(%)
Regional	9,800	4,759	4,501	1,263	1,380	na.	na.	1,218	22,922	28%
DDS Based	9,870	7,728	7,811	2,326	4,581	416	341	na.	33,075	40%
Smkt Based	<u>7,923</u>	<u>4,630</u>	<u>5,708</u>	<u>2,249</u>	<u>4,017</u>	<u>418</u>	<u>379</u>	<u>1,055</u>	<u>26,380</u>	<u>32%</u>
Total										
Shopping Centres	27,594	17,117	18,021	5,839	9,978	834	721	2,273	82,376	100%
(%) Australia	33%	21%	22%	7%	12%	1%	1%	3%	100%	
CBD Centres ²	**	**	**	**	**	**	**	**	<u>2,027</u>	<u>2%</u>
Total										
Shopping Centres (incl. CBD Centres)									84,404	100%

1. Centre types may not sum to 100% due to rounding.

2. State based data unable to be provided due to data confidentiality

Source : Australian Shopping Centre Directory 2006; UrbisJHD

Australian Shopping Centres **Table 6**
Estimated Total Centre Turnover By Centre Type, 2005-06 (\$M), Excluding GST

Centre Type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total Australia ¹	
									No.	(%)
Regional	10,475	5,195	4,887	1,396	1,509	na.	na.	1,293	24,755	28%
DDS Based	10,398	8,511	8,360	2,530	5,041	432	365	na.	35,638	40%
Smkt Based	<u>8,399</u>	<u>5,001</u>	<u>6,108</u>	<u>2,429</u>	<u>4,378</u>	<u>448</u>	<u>406</u>	<u>1,118</u>	<u>28,286</u>	<u>32%</u>
Total										
Shopping Centres	29,272	18,706	19,355	6,355	10,928	880	771	2,411	88,678	100%
(%) Australia	33%	21%	22%	7%	12%	1%	1%	3%	100%	
CBD Centres ²	**	**	**	**	**	**	**	**	<u>2,150</u>	<u>2%</u>
Total										
Shopping Centres (incl. CBD Centres)									90,828	100%

1. Centre types may not sum to 100% due to rounding.

2. State based data unable to be provided due to data confidentiality

Source : Australian Shopping Centre Directory 2006; UrbisJHD

Australia's Retail Centres

Significance

Australian Shopping Centres **Table 7**
Estimated Total Centre Retail Turnover - Share of Retail Sales and GDP, 2005-06¹

Centre Type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total Australia
<u>Share of Retail Sales (%)</u>									
Regional	14.0%	9.0%	10.4%	7.8%	6.4%	na.	na.	28.2%	10.6%
DDS Based	14.1%	14.7%	18.1%	14.4%	21.1%	8.4%	14.8%	na.	15.4%
Smkt Based	<u>11.3%</u>	<u>8.8%</u>	<u>13.2%</u>	<u>13.9%</u>	<u>18.5%</u>	<u>8.4%</u>	<u>16.4%</u>	<u>24.4%</u>	12.2%
Total									
Shopping Centres	39.4%	32.5%	41.7%	36.1%	45.9%	16.8%	31.2%	52.6%	38.2%
CBD Centres ²	**	**	**	**	**	**	**	**	0.9%
Total									
Shopping Centres (incl. CBD Centres)									39.2%
Retail Sales (\$M)	70,044	52,746	43,171	16,176	21,716	4,961	2,310	4,325	215,449
<u>Gross Operating Surplus - Share of Gross State Product (%)</u>									
Regional	0.6%	0.4%	0.5%	0.4%	0.2%	na.	na.	1.2%	0.4%
DDS Based	0.6%	0.6%	0.8%	0.7%	0.8%	0.5%	0.5%	na.	0.6%
Smkt Based	0.5%	0.4%	0.6%	0.7%	0.7%	0.5%	0.6%	1.0%	0.5%
Total									
Shopping Centres	1.6%	1.4%	1.9%	1.7%	1.7%	0.9%	1.1%	2.2%	1.6%
CBD Centres ²	**	**	**	**	**	**	**	**	0.04%
Total									
Shopping Centres									1.7%
GSP (\$M)	310,091	228,198	168,937	60,737	107,910	16,546	11,476	19,098	922,993

1. Excluding GST

2. State based data unable to be provided due to data confidentiality

Source : Australian Shopping Centre Directory 2006; ABS Australian National Accounts, Cat No's. 5220.0 and 8622.0 ; UrbisJHD

Definitions

Definitions

The following definitions have been adopted for the purposes of this report :

1. **Retail** refers to the Australian Bureau of Statistics (ABS) definition adopted for the purposes of the 1991/92 Retail and Services Census, with some minor exclusions. This definition includes Total Shopfront Retailing less garden supplies and marine equipment. Motor vehicle and related retailers are also excluded. This definition has been adopted for the purposes of detailing the retail market using the ABS Household Expenditure Survey (HES), and also for categorising shopping centre turnover and tenancy details.
2. **Non-Retail** therefore refers to various store types, services and expenditure categories, not included in the appropriate Australian & New Zealand Standard Industrial Classification (ANZSIC) included within the scope of the latest Retail and Services Census. The non-retail component includes the following tenancy types :

▪ Amusements	▪ Garden Supplies
▪ Appliance Rental	▪ Lottery & Gaming
▪ Auto Accessories	▪ Marine Equipment
▪ Banks and Building Societies	▪ Medical and Dental Services
▪ Cinemas	▪ Offices
▪ Equipment Hire	▪ Post Office
▪ Financial and Property Services	▪ Travel Agency

In addition to the above tenant types which are quite often found in shopping centres, facilities such as garden supplies, builders supplies, and similar businesses which are predominantly wholesale, are usually treated entirely as non-retail stores, despite the fact that a proportion of the business may be retail orientated.

3. A **Regional Centre** is defined as a major retail facility within one integrated building structure, incorporating at least one major department store as well as a wide range of other facilities.
4. **Discount Department Store (DDS) Based Centres** are smaller, typically sub-regional facilities built around one or two major DDSs and one or more supermarkets. DDS-based centres are usually around 20,000 sq.m in size and include specialty shops. In a small number of cases DDS-based centres throughout Australia may also include a small junior department store (generally less than 6000 sq.m).
5. **Supermarket Based Centres** comprise one or two major supermarkets with a minimum retail trading area of 400 sq.m, along with a collection of food and non-food specialty shops and services. Retail is provided in the same enclosed area or in 'neighbourhood' strip style centres.
6. **CBD Centres** are enclosed centres anchored by a major retail tenant (i.e. a supermarket, DDS or department store), located in the core retail periphery of Australian capital cities. They comprise a minimum retail floorspace of 1,000 sq.m.
7. **Gross Leasable Area (GLA)** is assessed according to the Property Council of Australia's 'Method of Measurement for Lettable Area' and includes the leased area of all tenants located at the centre, whether currently leased or not. The GLA excludes separate storage areas. Tenants with occupancy by way of land lease, such as freestanding pad sites, are included for GLA purposes using the building area as the basis for measurement.
8. **Gross State Product** is the reference given to the state / territory proportion of national Gross Domestic Product (Australia).

Definitions

Abbreviations

The following abbreviations are used in this report :

ABS	Australian Bureau of Statistics
ANA	Australian National Accounts
CBD	Central Business District
DDS	Discount Department Store
GDP	Gross Domestic Product
GLA	Gross Leasable Area
GSP	Gross State Product
SCCA	Shopping Centre Council of Australia