

## 14. FUTURE DIRECTIONS

The future direction of the City of Yarra's main activity centres will be determined by a number of factors that have been explored during the course of this Study. As indicated earlier in this report, the performance of centres will be broadly influenced by:

- Catchment characteristics;
- Shopper behaviour;
- Centre composition and tenancy mix;
- Macro-economic environment;
- Retail industry structure and competition; and
- Travel behaviour and transport infrastructure.

Each of these factors has been investigated, either through the in-centre surveys that were undertaken, or as separate research. The findings have been analysed to provide both a strategic assessment of each activity centre, as well as an assessment of their likely future direction. Where appropriate, recommendations have been provided for the enhancement of each centres performance.

### 14.1 Retail Hierarchy

The Study identified a distinct retail hierarchy amongst the five centres, reflecting the role of each centre in meeting the needs of local residents and workers, as well as visitors from outside the City of Yarra. Smith Street and Bridge Road will continued be the principal suppliers of higher-order goods and services for local residents, as well as maintaining their attraction to non-local visitors as clothing precincts. The development of Victoria Gardens, and the increased diversity of visitors drawn into the eastern portion of the municipality, has the potential to enhance patronage of the three nearby centres. This, combined with the continued development of a diversified homewares offer within Richmond, is expected to strengthen the position of Richmond within the metropolitan retail hierarchy. In light of the relative demise of department store formats over recent years, Richmond has the opportunity to establish itself as a location offering a diverse range of retail formats and associated entertainment facilities, thus increasing its competitive position across the metropolitan region.

Brunswick Street, Victoria Street and Swan Street will remain second tier centres within the local retail hierarchy, although continuing to develop as increased residential and commercial development in nearby locations impacts upon the tenancy mix within these centres. The development of an Aldi supermarket within Victoria Street is expected to increase the attractiveness of this centre to both local and non-local residents.

### 14.2 Gentrification

The gentrification of inner Melbourne over the past decade has provided the greatest impetus for increased centre performance and retail property values. Data from the 2001 Census indicates that the trend towards increasing numbers of higher income individuals residing within the City of Yarra has continued unabated. In addition, the results of in-centre surveys indicate, local residents provide the greatest contribution to retail turnover within the five centres. Higher income households have a significantly higher propensity to consume café's and restaurants meals, clothing, and to a lesser extent household goods. Given the nature of the local retail hierarchy discussed above, much of this increased demand is likely to be directed towards Smith Street and Bridge Road, although café and restaurant activity will be more evenly dispersed.

### 14.3 Individual Activity Centres : Future Directions

Determining the likely future direction of individual activity centres requires identifying the strategic assets of each centre that influence its competitive position relative to other centres. Similarly, opportunities for residential and commercial development which act to increase the size of the available retail market within their catchment will also influence their future role and performance. As has been displayed by both Brunswick Street and Bridge Road, the ability to attract non-local visitors is significantly influenced by the consolidation of particular forms of retail activity into geographically defined precincts, which may be promoted. The opportunity exists for the City of Yarra to play an active role in the development of such precincts through its Planning Scheme and the attraction of key tenants to the municipality.

### **Brunswick Street**

The results of in-centre surveys undertaken in Brunswick Street confirmed the role of this centre as a restaurant / entertainment precinct servicing the wider metropolitan area, while also meeting the needs of local residents for daily goods and services. The proximity of this centre to the much larger Smith Street will limit its role to being that of a 'themed centre'.

Increasing competition has begun to emerge from traditional retail strips in Melbourne's inner north which have been developing into restaurant precincts over recent years in response to the gentrification of the surrounding area. The promotion of its existing 'alternative' theme is considered essential for differentiating it from other restaurant precincts, and supporting its future performance.

Car parking will continue to be a major issue within the City of Yarra, particularly within centres like Brunswick Street, and may limit the extent to which individual centres may develop. Opportunities for the establishment of commercial car parking facilities remain limited given the centre is unlikely to develop into a major office precinct and provide the additional daytime demand required to make such a venture commercially viable.

It is recommended that Council continues to promote the themed nature of Brunswick Street through decorative facades, and the utilisation of upper levels even if only for promotional purposes. While the centre has matured in its role as a themed centre, additional visitors will result from the continued gentrification of industrial areas to the east of the centre.

### **Smith Street**

This centre has undergone considerable change in its northern section over recent years through the development of a factory outlet precinct with a critical mass of brand name outlets. The continued development of this precinct should be encouraged by Council, although it should be limited to larger floorspace premises which do not directly compete with Bridge Road retailers. From a property perspective, many sites within this centre are underdeveloped with the potential for properties to be either extended or redevelopment. However, there is likely to be a need by Council to provide incentives for this to proceed via parking concessions etc. The potential also exists for further office development in the surrounding area, with proximity to the Victoria Parade medical precinct offer the opportunity for further development within the southern end of the centre subject to an improvement in its amenity.

Given the length of the centre, activity levels have become dispersed. This has created the impression that the centre is unsafe, particularly when combined with the incidence of drug and alcohol consumption on the street. The continued redevelopment of former industrial warehouses for residential uses will increase the level of activity within the centre over time, as will the proposed development of a second supermarket and associated speciality shops.

It is recommended that Council promote non-retail land uses within the immediate surrounding area in order to increase the number of local residents and workers. Consideration should be given to providing incentives for the redevelopment of existing under-utilised, sites. The role of Smith Street as the principal supplier of higher-order goods and services west of Hoodle Street should be encouraged, together with the consolidation of larger factory retail outlets within the northern section of the centre.

### **Victoria Street**

Generally, this centre is characterised by a lack of diversity. While this has enabled its creation as an Asian precinct it has also restricted its potential growth, which is evidenced by the poorly performing fringes of the centre. The development of an Aldi supermarket within the centre will provide the opportunity to diversify the range of retailers while also maintaining the Asian theme of the centre. The new development will also provide opportunities for the strengthening of its catchment to include new visitor groups. There may be an opportunity for Council to play an active role in promoting the theme of this centre to potential new visitors via street works, which focus upon an Asian theme.

### **Bridge Road**

The future development of Bridge Road will be largely influenced by the opportunities created by the new Victoria Gardens development. The impact of this development has already begun to emerge with a number of homeware retailers including Oz Design establishing outlets adjacent to the site in Burnley Street. It is anticipated that a major benefit to be derived from the development will be the attraction of more visitors to Richmond to undertake comparison shopping at both Victoria Gardens, and existing homewares outlets in Bridge Road and Church Street. The introduction of a cinema as part of the Victoria Gardens development is also likely to complement the existing restaurant precincts of Bridge Road and Victoria Street.

Bridge Road will continue to reflect the increased spending power of new residents, which is likely to support all retail precincts, and particularly those businesses within the clothing, homewares and café / restaurant sectors. There will also exist the opportunity to capture an increasing share of the expenditure of higher income residents from Melbourne's inner east as the image of Bridge Road continues to change.

The attraction of new visitors via the Victoria Gardens development will be dependent upon the continued promotion of distinct, identifiable precincts. Accordingly, Council should promote the consolidation of similar activities in order to strengthen precincts.

### **Swan Street**

The role of Swan Street has been to largely service the needs of local residents, although the emergence of a homewares precinct along Church Street over recent years will continue to increase the exposure of the centre to non-locals. Similarly the emergence of office precincts within the surrounding area will continue increase the diversity of visitors to this centre.

Unlike nearby Bridge Road or Victoria Street, this Centre suffers from the absence of an identifiable restaurant precinct, despite the opportunity to reinstate and promote the well established Greek restaurant precinct immediately to the east of Church Street. Given the existence of a number of Greek restaurants already within the location, this theme may be promoted further. The future redevelopment of the Richmond Railway Station, and the potential for the inclusion of a food and beverage precinct will assist in consolidating retail activity between these two precincts. In addition, both will have positive spill over impacts on the core retail area through increasing the number of visitors in the area.

It is recommended that the core retail precinct continue to service the needs of local residents and workers as a daytime precinct focusing upon general retailing, business services, cafes and other food outlets. The proliferation of restaurants, which predominately operate in the evening, should be discouraged within the retail core in order to maintain the continuity of retailing within the centre. Similarly, through consolidating restaurants to the east of Church Street, the amenity of this location will be improved through increased pedestrian traffic, safety etc. General retailing is likely to continue to be anchored at the western end of Swan Street.

A homewares precinct has begun to emerge along Swan Street, near Burnley Street, in response to the availability of larger sites suitable for the development of showrooms. A number of recent sales of sites in this area have achieved prices above their intrinsic industrial value in recognition of the development of the wider Richmond area as an increasingly recognisable destination for the purchase of homewares.

## **14.4 Study Conclusions**

The Victorian retail sector is expected to experience an extended period of noticeably slower growth in the future. When combined with increasing competition from new retail developments, the emergence of new café and restaurant precincts within Melbourne's inner northern suburbs and free-standing factory outlets in suburban locations, it is apparent that the dominance of the City of Yarra's retail sector may be challenged in the future. As a result, increasing pressure will be placed upon both Council and businesses to take a more strategically based approach to the management of their centres. Such an approach will enable them to be differentiated from new forms of competition and improve their competitive position. A failure to do so may result in increasingly difficult trading conditions with associated declines in employment, investment, property values and Council revenue. Central to the

strategic management of centres will be a well organised business group working effectively with Council to promote centres based upon the findings of this Study.

Based upon the results of this Study, Council will have a better understanding of factors influencing the performance of its activity centres. This will assist in developing planning policies, promoting economic development and allocating expenditure on infrastructure works to address issues relating to car parking, amenity and safety. With the State Government's release of 'Melbourne 2030' Council have been given increased responsibilities for monitoring and enhancing the development of its activity centres in a sustainable manner. This Study also provides a basis for the implementation of strategies and programs to meet Council's new obligations under Melbourne 2030, and to play a more active and informed role in urban management.