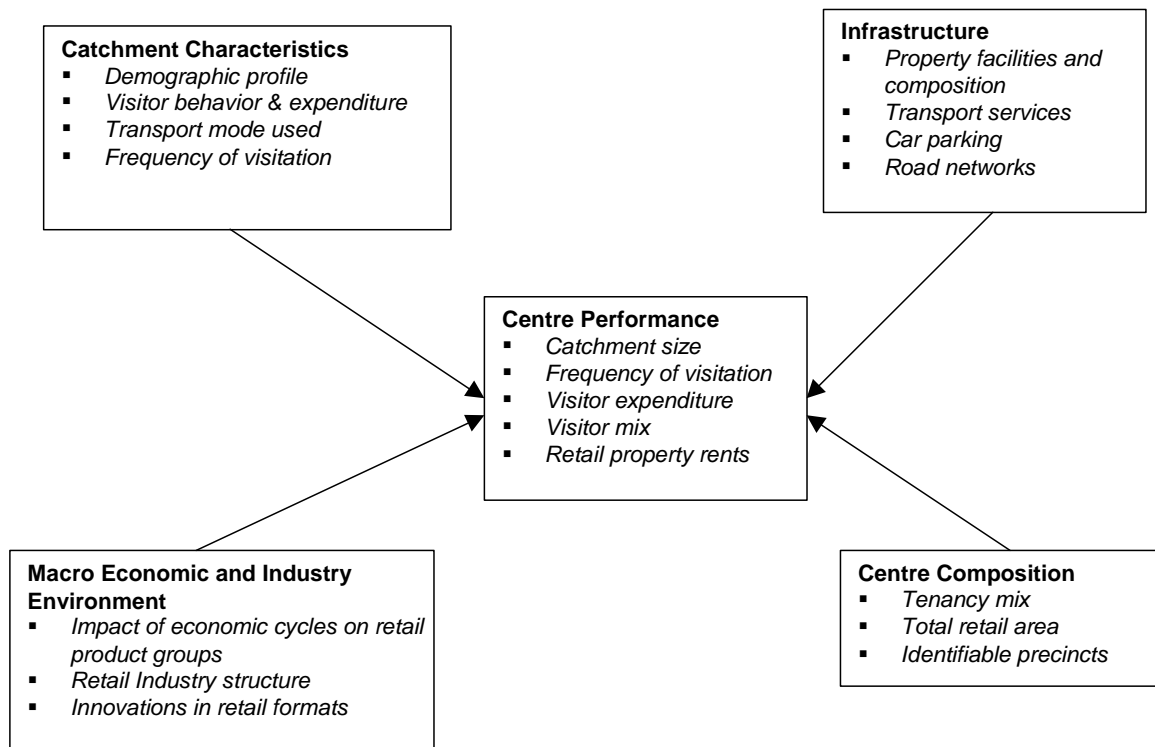


### 3. METHODOLOGY

The methodology adopted for the purpose of this Study reflects the diverse range of inter-related factors which impact upon the performance of individual activity centres as depicted in Figure 1 below.

**Figure 1: Key Factors Influencing Activity Centre Performance**



The methodology was designed to capture information and data at both the industry and activity centre level through:

- The design, implementation and analysis of visitor surveys for each activity centre;
- Undertaking land use surveys and subsequent analysis of tenant mix for each centre;
- Analysis of property sales / leasing information;
- Assessing retail sector developments and performance; and
- Analysis of anecdotal evidence collected by Charter Keck Cramer's *Retail Practice Group*.

This approach is reflected in a number of distinct, yet interrelated, stages as follows.

#### 3.1 Stage 1 : In-Centre Visitor Surveys

Surveys were undertaken at each of the five activity centres during the period May to June 2002. In order to acquire data and information on shopper origin and behaviour. This was achieved via a two-stage process involving an initial short intercept survey to acquire factual information, followed by a subsequent "in-depth" interview to obtain information of a more subjective nature. In total, 3,078 surveys were conducted across the five centres.

### **3.2 Stage 2 : Analysis of In-Centre Survey Results**

Surveys were analysed to obtain key information on the role and utilisation of individual activity centres, origin of visitors, modes of transport used, expenditure, shops and services used, etc. More detailed analysis of survey results was also undertaken in later stages, as required. The purpose of this stage of the Study was to identify key issues impacting upon individual centres from a demand side perspective, to be complemented by land use surveys representing the supply side (Stage 3). Information on each centre's exposure to particular retail sectors and visitor groups provided a basis for further analysis undertaken in Stages 4 and 5.

### **3.3 Stage 3 : Land Use Surveys and Analysis**

Land use surveys were undertaken during June 2002 to obtain information on tenants and activity undertaken. Data was entered into a Geographic Information System (GIS) to enable the production of thematic maps and the calculation of key statistics including street frontage and vacancy rates. Activities were coded according to the Australian and New Zealand Standard Industry Code (ANZSIC) to enable an analysis of activity mix, and if required in the future, comparison with other statistical information collected at the state or national level (e.g. retail turnover, etc.).

For the purpose of this Study, the results of these surveys provided valuable information on:

- Structure of the retail hierarchy within the City of Yarra; and
- The composition of centres.

### **3.4 Stage 4 : Analysis of Key Visitor Markets**

The three key visitor groups (local residents, local workers and non-local visitors) are analysed in detail based upon in-centre survey data. Given that each of these groups have significantly different retail requirements, the future strategic direction of each activity centre is dependent upon a detailed understanding of each group's behaviour and contribution to centre performance.

### **3.5 Stage 5 : Visitor Group Catchment Analysis**

The origin of each visitor group has been analysed to provide a measure of the penetration of each centre across both the City of Yarra and metropolitan Melbourne. This analysis provides insight into the competitive position of each centre, as well as the retail hierarchy as it operates within the City of Yarra. When combined with information on visitor behaviour, centre size and composition, an appreciation of each centre's role is gained. Using data obtained from the 2001 Census of Population and Housing, an analysis of suburbs within each centre's catchment has been undertaken. Emerging trends, particularly in respect to family type and individual income, provide a basis for assessing the future direction of each activity centre.

### **3.6 Stage 6 : Retail Sector Analysis**

Developments at the industry level have been analysed in order to assess the impact of future macro economic developments upon the level of retail activity. Particular attention has been given to explaining the strong performance of the retail sector in Victoria over recent years, and the potential for further growth in retail turnover. Relationships between each retail sub-sector and the broader economic cycle have been analysed as a basis for assessing the strategic position of each centre.

### **3.7 Stage 7: Review of Retail Sub-Sectors**

Based on the findings of earlier stages of the Study, three retail sub-sectors were identified as being of particular strategic importance to the City of Yarra's major activity centres. The food, clothing and softgoods retailing, and café and restaurant sub-sectors are major components of the five activity centres. Accordingly, they have been analysed in terms of industry performance, emergence of new retail formats, and implications for the future direction of the City of Yarra's activity centres. The performance of the café and restaurant sector is closely linked to the lifestyle and entertainment component of the dining experience. This has implications for the performance of this sector within the City of Yarra's activity centres having regard to the

development of identifiable restaurant precincts. Such precincts not only contribute to the lifestyle experience, but also provide an opportunity to achieve some form of differentiation from competing centres.

### **3.8 Stage 8: Retail Property Sector Analysis**

The property sector plays an important role in facilitating activity within centres, as well as reflecting the overall performance of centres as indicated by rental and vacancy rates for retail premises. This stage of the Report investigates factors impacting upon a centre's performance from a property perspective, as well as determining indicative rental levels for retail properties that may be monitored in the future.

### **3.9 Stage 9: Impact of Victoria Gardens**

Based on the findings of the earlier stages of the Study, a preliminary assessment of the potential impact of the Victoria Gardens development upon activity centres within the City of Yarra has been undertaken.

### **3.10 Stage 10: Future Directions**

A strategic assessment of each activity centre has been undertaken based upon the findings of each of the earlier stages of the Study. The existing characteristics of each centre that have determined its role within the regional and metropolitan retail hierarchy, together with emerging trends at the industry level and the opportunities created by the continued gentrification of inner Melbourne, have been taken into account.