6. ANALYSIS OF GEOGRAPHIC CATCHMENT VISITOR GROUPS

The catchment for each visitor group has been analysed in terms of their geographic origin. In addition to the following descriptive analysis, a series of catchment maps are presented in Section 4.2, with graphs relating to the demographic profile of each catchment's population are presented in Appendix 3.

6.1 Non-Local Visitors

Non-local visitors to the City of Yarra are estimated to account for 15%-35% of retail turnover of individual activity centres. Due to this group not having any strong connection with these centres through either living or working locally, their continued patronage is dependent upon the ability of centres to compete with suburban retail centres. Through analysing and monitoring the origin of this group of visitors it will be possible to obtain an indication of the likely impacts of new retail developments across metropolitan Melbourne upon the level of retail turnover within the City of Yarra.

The market penetration of the City of Yarra's activity centres is influenced by a number of factors including:

- Melbourne's freeway and arterial road network;
- Distribution of major shopping centres across suburban Melbourne; and
- Proximity to the Melbourne CBD.

Survey results indicate that 59% of non-local visitors travelled to the relevant activity centre using a private motor vehicle either as a driver or passenger. The next most used form of travel were trains, which accounted for 25% of non-local visitors. While the City of Yarra's activity centres may differ substantially from regional shopping centres in terms of their underlying retail concept, it remains that clothing and footwear feature significantly in the tenant mix of each. Similarly, the continuing transformation of traditional shopping strips into restaurant precincts across inner and middle suburban Melbourne has generated increasing levels of competition for hospitality related activities in the City of Yarra's activity centres, which also account for a significant proportion of tenants.

The origin of non-local visitors is relatively evenly dispersed across metropolitan Melbourne subject to the following observations:

- The number of visitors gradually decreases with the distance from the City of Yarra;
- Visitation from Melbourne's western suburbs is noticeably lower than that from the eastern suburbs for the same distance away, most likely due to the level of competition from the Melbourne CBD; and
- Relatively higher visitor numbers from Melbourne's northern suburbs possibly reflecting fewer regional shopping centres, and fewer restaurant / café precincts, and a greater usage of public transport.

6.2 Local Resident Visitors

Local residents represent the main source of patronage for the City of Yarra's activity centres, and are estimated to generate between 59% and 74% of total retail expenditure at the individual strip level. As already indicated, over 80% of residents visit an activity centre at least once per week, reflecting the demand for lower-order retail goods which are purchased on a regular basis (e.g. food and groceries).

Catchment maps for each of the individual centres (refer Section 4.2) indicate the penetration of each centre across the City of Yarra. From these maps a number of interesting observations have been made including:

- The tendency for Hoddle Street to divide residents use of centres; and
- The retail hierarchy within each group of centres.

There is limited evidence of local residents crossing Hoddle Street to visit another centre. This reflects the tendency for local residents not to travel by car with only 18% of survey respondents using this mode of transport. By comparison, 78% of residents travelled by either foot or bicycle, and a further 10% of visitors arrived by tram. This pattern of distribution may be expected to remain unchanged into the foreseeable future due to:

- The physical distance between the two groups of centres on either side of Hoddle Street;
- The linking of centres within each group by physical proximity and tram services; and
- The extent to which each centre complements each other within a group to provide a full range of goods and services, thus eliminating the need for local residents to travel beyond their immediate local area.

Further discussion on the final point is warranted given the findings of the land use survey undertaken in Section 5. Bridge Road and Smith Street are the two largest activity centres within the City of Yarra with respect to the proportion of total shop frontage within the municipality dedicated to:

- Business services (Bridge Road 36% and Smith Street 30%);
- Clothing and footwear (41% and 26%);
- General retailing (37% and 27%; and
- Personal services (21% and 39%).

As a result, each side of Hoddle Street is equally well serviced by higher-order retail outlets, thus forming a division between centres.

Further to the above discussion, Bridge Road and Smith Street have positioned themselves at the top of the each group's retail hierarchy. Due to their tenancy mix favouring the provision of higher-order goods and services, each centre has a catchment, which draws upon that of smaller nearby centres. Both these centres also have a significant proportion of traders devoted to the provision of lower-order retail goods that are purchased on a regular basis by local residents. There is evidence that within the smaller activity centres (Brunswick Street, Victoria Street and Swan Street) the non-local market accounts for a relatively smaller proportion of retail sales, although it may account for a larger share of visitors.

6.3 Local Worker Visitors

For the purpose of this Study, information on workplace location was not collected except to determine if local workers are within walking distance of the centre visited. This group is estimated to account for between 6% and 14% of total turnover at the individual centre level. Smith Street is estimated to have the highest dependence upon local workers reflecting the surrounding land use mix of this traditionally industrial area, although the area is currently undergoing gentrification with the resident population expected to increase in the future. Local workers were least represented in Victoria Street due to the predominantly residential nature of the surrounding area.

This segment of the market offers particular opportunities for the future growth of activity centres within the City of Yarra given the likely continued transformation of former industrial areas into commercial uses in the future. The net benefits from this market are potentially high given that there is a greater likelihood of local workers walking to an activity centre rather than driving.

6.4 Demographic Analysis of Local Resident Catchments

The underlying demographic characteristics of each visitor group will impact upon the performance of activity centres within the City of Yarra through changes in the level and pattern of expenditure undertaken in each centre. For the purpose of this Study only the local resident populations have been analysed. While the non-local visitor population is relevant to the performance of centres, more detail on visitor characteristics would be required before this could be adequately undertaken.

The Department of Infrastructure forecasts that the City of Yarra's resident population will increase from 69,000 to 73,100 persons over the period 2001-2021. The number of households is expected to increase from 31,600 to 35,800, while the average household size is expected to fall slightly from 2.13 to 2.0 persons per household over the same period. Perhaps more significantly however is the Department's forecast that the proportion of the population in the 15-29 year age group will decline gradually over the next 20 years from 32.6% in 2001 to 29.2% by 2021. The 30-49 age group is forecast to increase their representation slightly from 34.7% to 35.9%, while the 50-74 year age group will increase from 17.8% to 20.8%. When combined with an anticipated increase in the proportion of over 75 year old residents in the City of Yarra from 4.3% to 5.3%, it is apparent that there will be an overall ageing of the population. It is difficult to determine what the net impact of these changes will be, although when combined with continued gentrification, the population is likely to be characterised by wealthier households. Such households will have a greater propensity to purchase goods and services within local activity centres.

6.4.1 Brunswick Street

There was a general ageing in the catchment population of this centre over the period 1996-2001, with the proportion of the population in the 15-29 year age group falling from 34% to 30%. At the same time, the 30-49 year age group has grown from 32% to 34% and similarly the 50-74 year age group from 16.5% to 19%. Preliminary data from the 2001 Census indicates that there has been an increase in 'non-family' type households. The individual income distribution profile for residents has improved relative to metropolitan Melbourne with the greatest relative increase being in the over $1,500 per week income group. These changes are consistent with those observed over the period 1981-1996, which contributed to the gentrification of Fitzroy and supported this activity centre.

6.4.2 Smith Street

There has been a less noticeable ageing in this centre's catchment population, which may explain a shift towards high-income individuals relative to metropolitan Melbourne, as a greater proportion of the population is of working age. There has at the same time however been a shift towards couple based families without children, which would also provide for higher income households given that the majority of the population are of working age. These trends represent a continuation of previous trends with a more significant increase in the proportion of the population that are high income individuals, than has occurred in the Brunswick Street catchment. This may reflect a maturing of the Fitzroy residential property market, and a subsequent spillover into Collingwood.

6.4.3 Victoria Street

The most noticeable development in this centre's catchment over the past 5 years has been the continued shift towards couple households without children, at the expense of those with children. In addition, there has been a strong shift in income distribution in favour of higher income earners. These developments mainly reflect the rapid gentrification of the Richmond portion of this centre's catchment that occurred during much of the 1990's.

6.4.4 Bridge Road

Bridge Road's catchment experienced a slight increase in the proportion of people in the 30-49 year and 50-74 year age groups at the expense of younger age groups. There has been little change in the relative size of the over 75 year age group. The income distribution of residents has continued to shift in favour of higher income groups, relative to metropolitan Melbourne. Most notably, the proportion of people earning in excess of $1,500 per week increased from 2.7% to 9.2% over the period 1996-2001, compared to a relatively smaller increase across metropolitan Melbourne from 2.2% to 5% over the same period. The most noticeable change in household structure appears to have been a strong increase in the number of couple families without children.

6.4.5 Swan Street

Similar to Bridge Road, this centre's catchment has experienced strong growth in the number of couple families without children, representing a continuation of a trend which emerged in Richmond during the mid 1980s. There has been a slight decrease in the number of middle income individuals, with a marginal increase in the number of higher income individuals. Again, there has been a strong increase in the proportion of residents earning in excess of $1,500 per week relative to the wider metropolitan population.