

September/October 2008

## Takapuna Retail Steady for Now

### ➤ Redevelopment Options Raised Again

Retail property in Takapuna's CBD precinct remains reasonably well occupied but there are also indicators pointing to tougher economic times. According to Darroch Valuations latest survey, the vacancy rate for *strip retailing* is 6.5% overall. Prime properties recorded a 4.1% vacancy and secondary properties an 8.0% vacancy rate.



The Darroch survey looked at 270 individual premises in the central Takapuna area. Interestingly the most prolific trade was *Café/Restaurant and Food* related establishments which comprised a quarter of all businesses in the precinct. This was followed by *Clothing/Footwear & Personal Grooming* which captured 24% and *Specialist Retailing* with 11%.

**Even with the respectable vacancy rate, there are signs that the current economic downturn is hurting some retailers.** Competition for consumer spending remains tight and bargain 'sale' signs appear across most shop windows. These observations are now mirrored in many retail centres across New Zealand. It is likely that sustained economic pressure will test the viability of some businesses and hence vacancy levels in due course. Discretionary spending has tightened across the board with purchasing of non-essential items the first area to feel the pinch. A recent study commissioned by North Shore City indicated that retail spend in Takapuna declined 8.7% in the 12 months to June 2008.

**Even in current economic climate, Takapuna remains an area mooted for redevelopment.** The revitalisation of Takapuna has been raised many times in past years with emphasis on providing some alternative to the pulling power of Albany. The *Takapuna Retail Development Group* – a North Shore City initiative – has been set up to discuss prudent development options for Takapuna CBD. Making better use of Hurstmere Road's proximity to Takapuna Beach, getting a more balanced range of retail businesses and providing suitable car park facilities has been a particular focus. A good balance of local individuals and businesses are involved in the study group and a draft recommendation is expected towards the end of the year.