

ATTACHMENT 4

Economic Need Assessment

Prepared by:

Norling Consulting

ECONOMIC IMPACT ASSESSMENT BUSHLAND BEACH

PROPOSED COMMERCIAL DEVELOPMENT

Prepared for: Swan Land Group Pty Ltd
Date: December 2025

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DISCLAIMER:

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1 INTRODUCTION

1.1 Background

Swan Land Group Pty Ltd (Applicant) has lodged a Development Permit Application for a Material Change of Use for Food and Drink Outlet, Indoor Sport and Recreation, Office and Shop for a 3,735m² part of the 4.79ha Subject Site that directly adjoins the Bushland Beach Local Centre. This Centre and Subject Site are conveniently centrally located within Bushland Beach, a growth suburb in the northern part of Townsville.

Council issued an Information Request requiring the lodgement of an Economic Impact Assessment prepared in accordance with SC6.5 Economic Impact Assessment Planning Scheme Policy.

Norling Consulting is a specialist economic and market research consultancy for the property industry and has considerable experience in undertaking market feasibility studies and economic need and impact assessments of projects within several property market sectors, including retail and commercial, across Queensland.

1.2 Study Objective and Methodology

The overall objective of this Economic Impact Assessment (EIA) is to assess the level of economic, community and planning need for and the level of impact, if any, of the Proposed Development upon the centre network in accordance with SC6.5.

To achieve this objective, the following tasks were completed:

- (a) Obtained an overall understanding of the Proposed Development, levels of pre-commitment and nearby Applications/Approvals;
- (b) Reviewed relevant parts of the Townsville City Plan 2014 (Version 2024/01), particularly SC6.5;
- (c) Defined a Trade Area for the Proposed Development, comprising the suburb of Bushland Beach;
- (d) Reviewed historic populations of the Trade Area and projected future populations;
- (e) Reviewed the socio-economic characteristics of the Trade Area;
- (f) Identified the retail expenditure profile of the Trade Area and projected future expenditure levels;
- (g) Detailed the current and proposed supply of retail and gym facilities in and outside the Trade Area;
- (h) Projected the demand for the Proposed Development (including market shares) and the extent to which a gap exists for the Proposed Development;
- (i) Concluded as to the extent to which a community and economic need exists for the Proposed Development;
- (j) Examined the availability of sites that could accommodate the Proposed Development in a Code Assessable form and concluded as to the level of planning need for the Proposed Development to locate on the Subject Site; and
- (k) Estimated the economic impact of the Proposed Development upon the centre network.

A site inspection of Bushland Beach and the competitive network was undertaken in December 2025.

2 THE PROPOSED DEVELOPMENT

Bushland Beach is a growth suburb in the northern corridor of Townsville, 22km to the northwest of the Townsville CBD. Bushland Beach is serviced by a Local Centre (anchored by Coles supermarket) and a Neighbourhood Centre. Bushland Beach is otherwise largely a dormitory suburb of the Townsville Region.

Bushland Beach is separated from the adjoining Mount Low suburb to its south by a ridge line and from North Shore and other urban areas to the southeast by the Bohle River. Consequently, it operates as a cul-de-sac, with only Mount Low Parkway connecting it to Mount Low and Deeragun and to North Shore via North Shore Boulevard. It is proposed that Lionel Turner Drive would be extended in the future to the southeast to provide a shorter connection to the North Shore via North Shore Boulevard.

The 4.79ha Subject Site directly adjoins the Local Centre to its east at 10-32 Lionel Turner Drive, Bushland Beach. The Site is formally described as Lot 2 on SP218628. The Proposed Development is in respect of a small 3,735m² part of the Site, in its southwest corner, adjoining the Bushland Beach Local Centre.

Figure 2.1: Bushland Beach and the Subject Site



Source: Maptitude, Norling Consulting

Swan Land Group Pty Ltd (Applicant) has lodged a Development Permit Application for a Material Change of Use for Food and Drink Outlet, Indoor Sport and Recreation, Office and Shop. Plans provide for a commercial development comprising:

- (a) Indoor Sport and Recreation (Gymnasium) of 615m²;
- (b) Food and Drink Outlet of 51m²; and
- (c) Offices and Shops in six tenancies totalling 675m².

The Applicant has received expressions of interest from the following prospective tenants:

- (a) A successful gym operator with an existing presence in Townsville's northern corridor has signed a Heads of Agreement to tenant the proposed Gymnasium, with the Applicant advising that it is proceeding to negotiate an Agreement to Lease with this operator;
- (b) A successful discount store operator has provided a written expression of interest to occupy a tenancy of up to 722m², effectively the whole of the area proposed for Offices and Shops; and
- (c) The Applicant intends to occupy one of the smaller tenancies to use as a sales display (real estate agency) for its master-planned estate.

Whilst tenant interest has therefore been obtained for more than the proposed floorspace identified for the Indoor Sport and Recreation, Offices and Shops of the Proposed Development, the Applicant advises that it is its intention to let out the Offices and Shops as six smaller tenancies rather than as a single tenancy (as demonstrated by the interest shown by the discount store operator). Notwithstanding these options, Norling Consulting considers that either alternative would result in complementary tenants to the Bushland Beach Local Centre.

It has been assumed for the purposes of the impact assessment that, if approved, the Proposed Development would open during 2027.

As identified in greater detail below, there are no vacant appropriately zoned lands to accommodate the Proposed Development in the Trade Area. The Subject Site's edge-of-centre location is therefore considered to be the next best alternative.

3 PLANNING FRAMEWORK

Townsville City Plan 2014 (Version 2024/01) establishes a hierarchy of centres to ensure optimum access to employment, services and facilities (3.3.4.1(2)). They are to comprise a Principal Centre (CBD), Major Centres, District Centres, Local Centres, Neighbourhood Centres and Specialised Centres (3.3.4.1(4)).

Of relevance to Bushland Beach is the following centre hierarchy:

- (a) Principal Centre, comprising the Townsville CBD, 22km to the southeast;
- (b) Major Centres, of which the closest is North Shore (referred to as Burdell in the City Plan), 8.5km to the southeast;
- (c) District Centres, of which the closest is Deeragun, 7km to the south;
- (d) The Bushland Beach Local Centre, which adjoins the Subject Site to its west. The Townsville City Plan 2014 also provides for a future Local Centre at Mount Low, 2.0km to the south (3.3.4.1(26)); and
- (e) The Bushland Beach Neighbourhood Centre, 1.0km to the north.

With respect to the adjoining Bushland Beach Local Centre, City Plan provides that “*Local centres are convenience-oriented centres focused on a full-line supermarket and complementary and ancillary activities servicing the needs of surrounding communities*” (3.3.4.1(26)). It also provides that Local Centre catchments “*are in the order of 3,000 to 5,000 households*” (8,000 to 13,000 persons) and that they are to include “*local shopping, local employment nodes, commercial, cafes and dining, entertainment, community services*” (6.3.2.2(1)).

With the exception of the two Centres located in Bushland Beach identified above, all of the developable lands within this Beach are included in the Low Density Residential zone, including the Subject Site.

All of the proposed uses are Impact Assessable in this Low Density Residential zone (Table 5.5.1). The Low Density Residential Zone Code provides that “*non-residential uses only occur within the zone where they primarily support the day-to-day needs of the immediate residential community, do not unreasonably detract from the residential amenity of the area and are not better located in nearby centre zones*” (6.2.1.2(3)(h)).

Whilst the Proposed Development is not located on Centre zoned land, Norling Consulting considers the proper characterisation of the development as being an edge-of-centre development, which is to be preferred over out-of-centre locations.

The Proposed Development is therefore viewed as supporting and extending the range of facilities at the Bushland Beach Local Centre by providing complementary and ancillary services to the Local population.

4 TRADE AREA ANALYSIS

This chapter details the Trade Area for the proposed commercial development at Bushland Beach.

4.1 Definition

The Trade Area is the area from which the proposed commercial development would typically expect to draw the majority of its customers. It has been defined based on the following:

- (a) Its location adjoining the Bushland Beach Local Centre and its complementary suite of tenancies such that it would provide a logical extension to and service a similar catchment area to that of the Local Centre;
- (b) The presence of non-urban areas to the north (beach), west (Black River), south (ridge line) and east (Bohle River) and the existing pattern of residential and employment areas;
- (c) The road network limiting access from Bushland Beach to Mount Low Parkway;
- (d) The location of higher order centres at Deeragun and North Shore; and
- (e) The existence of suburban boundaries, for which statistical data is available (although is more limited than that available for the larger Statistical Area Level 2s (SA2s)).

The Trade Area is therefore defined as the suburb of Bushland Beach which, together with the suburbs of Burdell (North Shore), Mount Low and Beach Holm, form the Burdell – Mount Low SA2.

The Trade Area is shown in Figure 4.1.

Figure 4.1: Trade Area



Source: Maptitude, Norling Consulting

4.2 Population

The historical population growth of the Trade Area is outlined in Table 4.1, together with the Burdell – Mount Low SA2 and Townsville Region (LGA) as comparators, with the Trade Area forming part of this SA2 and the Region. The Burdell – Mount Low SA2 is located north of the Bruce Highway and comprises the suburbs of Bushland Beach, Mount Low, Burdell (North Shore) and Beach Holm.

Table 4.1: Historical Population Growth

Population	2011	2016	2021	2024
Trade Area	5,514	6,128	6,535	7,039
Burdell – Mount Low SA2	10,553	17,050	19,726	21,706
Townsville Region	180,114	191,348	195,457	204,541

Source: *ABS Estimated Resident Populations, Norling Consulting*

The Townsville Region enjoyed strong population growth to 2014, before enduring a period of low growth to 2021 caused by a contraction of mining and mining construction jobs, as well as the closure of the Nickel Refinery. Annual population growth in the 2011 to 2014 period averaged 2,888 persons or 1.6%, compared to only 954 persons or 0.5% in the 2014 to 2021 period. Similar to many parts of regional Queensland, Townsville experienced stronger annual population growth again in the 2021 to 2024 post-COVID-19 years, averaging 3,028 persons or 1.5%.

The Trade Area is a small growth suburb in the Townsville Region, increasing its proportion of the Region's population from 3.1% in 2011 to 3.4% in 2024.

The Trade Area population experienced the same population trends established by the Townsville Region. The Trade Area obtained annual growth of 201 persons or 3.5% during the 2011 to 2014 period. Annual growth fell to 60 persons or 1.0% during the 2014 to 2021 period. During the post-COVID-19 period of 2021 to 2024, annual population growth in the Trade Area increased to 168 persons or 2.5%.

The population growth of the Burdell – Mount Low SA2 also exhibited a similar pattern to those of the Townsville Region and the Trade Area, except that population growth in the last three years has not returned to the pre-2014 growth levels. This has resulted in the Trade Area's share of the SA2's growth increasing from 14% in the 2011 to 2014 period and 8% in the 2014 to 2021 period, to 25% in the 2021 to 2024 period.

Population projections have been based upon the latest (2023) medium series population projections produced by the Queensland Government Statistician's Office (QGSO), as adjusted by the 2024 ABS Estimated Resident Populations and subsequent building approvals. In this case, the adopted projections are slightly higher than the medium series projections for the Townsville Region and slightly lower than the medium series projections for the Burdell – Mount Low SA2.

The Trade Area's population projections have been based upon the estimated population capacity of Bushland Beach based upon City Plan 2014 zonings and the Trade Area achieving a 20% market share of the Burdell – Mount Low SA2's growth. Based upon City Plan 2014 zonings and site inspections of vacant lands in the Low Density Residential zone, it is estimated that the Trade Area can accommodate an additional 870 dwellings from mid-2025, resulting in a capacity population of about 9,600 persons.

Norling Consulting notes that there are two larger allotments located to the east of the future Lionel Turner Drive that are located in the Environmental Management zone, one of which is owned by the Applicant. It is also aware that there is some expectation by these landowners that these allotments could accommodate some form of residential development. Due to the current zoning, Norling Consulting has not factored that into account, whilst noting that they could yield a further population of about 300 persons (subject to future approvals).

It is noted that the Applicant has recently sold out of Stages 8, 9 and 10 and is currently working on and/or selling stages 14 and 18 of its master-planned estate in Bushland Beach. It has reported strong sales levels (with most of stages 14 and 18 having already been sold 'off the plan'), indicating that population growth, at least the near future, is and should remain strong.

Table 4.2: Population Projections

Population	2024	2026	2031	2036	2041
Trade Area	7,039	7,400	8,800	9,600	9,600
Burdell – Mount Low SA2	21,706	23,500	30,700	37,500	42,300
Townsville Region	204,541	210,000	224,000	238,000	252,000

Source: ABS 2024 Estimated Resident Populations, Norling Consulting projections

It is therefore projected that the population of the Townsville Region would increase to just over 250,000 persons by 2041 at an average annual rate of 2,800 persons or 1.2%.

The Burdell – Mount Low SA2 is expected to obtain a very significant 43% of the Townsville Region's growth over the projection period. Its population is projected to exceed 42,000 persons by 2041 at an average annual rate of 1,210 persons or 4.0%.

The Trade Area is expected to reach its capacity population of 9,600 persons by 2034. During the 2024 to 2034 period, it is expected to obtain an average annual growth of 260 persons or 3.2%.

4.3 Demographic and Socio-Economic Characteristics

The results of the 2021 Australian Bureau of Statistics (ABS) Population and Household Census have been analysed to obtain an understanding of the demographic and socioeconomic characteristics of the Trade Area. Tables 4.3 and 4.4 show a comparison of these characteristics with the Townsville Region and Queensland.

The Townsville Region had a demographic profile that was quite similar to that of Queensland. However, its population was slightly younger, had a slightly higher workforce participation rate and had higher proportions of workers involved in defence and health care and social assistance. There was a lower proportion of flats and units and a greater proportion of rental accommodation.

In comparison to the Townsville Region, the Trade Area's population was younger, more likely to be in employment, had higher incomes and was more likely to be committed to a mortgage. The Trade Area population had the following characteristics:

- (a) The proportion of children aged up to 19-years-old was 22% higher and the proportion of persons aged 55 and over was 23% lower;
- (b) The proportion of couple families with children was 57% higher, with the proportion of lone households being 56% lower;
- (c) More than half of households were committed to a mortgage (51%, 40% above that of the Region), with the proportion of households paying rent being 27% below that of the Region;

- (d) The Trade Area was dominated by detached dwellings, comprising 98.5% of all dwellings;
- (e) Due to the Trade Area's distance from Townsville's urban services, less than 1% of households did not have a motor vehicle and the proportion of households with two or more motor vehicles was 30% above the Region's average;
- (f) There was a high level of employment in the Trade Area, with the workforce participation rate being 10% above that of the Region and the unemployment rate being 31% below;
- (g) Workers were more likely to be involved in a trade, with those holding a certificate or Advanced Diploma comprising 42% (18% above that of the Region) and the proportion holding a Bachelor Degree or higher (18%) being 13% below that of the Region;
- (h) The largest industry sectors of the workforce comprised health care and social assistance (16%), public administration and safety (14%), wholesale and retail trade (11%), finance and insurance, property and business (11%) and construction (11%). Whilst the proportion of workers in the mining sector was only 5%, this proportion was 73% higher than that of the Region and 117% higher than that of the State; and
- (i) Household income levels were a significant 22% above that of the Region.

Whilst the ABS does not report employed workforce data at the suburb level, it is available at the SA2 level. In respect of the Burdell – Mount Low SA2 (within which the Trade Area is located), the net jobs balance (the number of jobs provided in an area divided by the number of employed workers living in an area) in 2021 was an extremely low 19.9%. This means that the vast majority of workers work outside the SA2. Given that the majority of jobs provided within this SA2 are located at Burdell (North Shore), it is estimated that the net jobs balance in the Trade Area is in the order of only 10%.

With the undeveloped residential zoned lands within the Trade Area also being in the Low Density Residential zone, it is expected that the future population of the Trade Area would remain similar to that identified in 2021. That is, younger, more likely to be in employment, living in detached dwellings, committed to a mortgage and having higher incomes.

Table 4.3: Key Demographic Characteristics

	Bushland Beach	Townsville (LGA)	Queensland
Age Distribution (%)			
0 - 4	7.0%	5.8%	5.7%
5 - 14	17.2%	13.4%	13.0%
15 - 19	7.3%	6.7%	6.1%
20 - 24	4.8%	7.8%	6.3%
25 - 34	13.3%	14.5%	13.6%
35 - 44	15.5%	13.1%	13.3%
45 - 54	14.7%	12.9%	13.1%
55 - 64	10.3%	11.7%	11.9%
65+	9.8%	14.3%	17.0%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Household Composition (%)			
Couple Only	31.1%	27.4%	28.2%
Couple family with children	44.0%	28.0%	29.8%
One parent families	11.0%	12.8%	11.9%
Other family	.6%	1.3%	1.2%
Group Household	2.1%	4.4%	4.3%
Lone Persons	11.4%	26.1%	24.7%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Nature of Occupied Dwellings (%)*			
Owned outright	21.6%	25.1%	29.5%
Mortgage committed	51.0%	36.3%	35.0%
Rented	26.9%	37.1%	33.6%
Other tenure type	.5%	1.5%	1.9%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Structure of Occupied Dwellings (%)*			
Separate house	98.5%	81.3%	75.0%
Semi-detached row/terrace/townhouse	1.2%	11.0%	11.7%
Flat/unit	.3%	7.0%	12.5%
Other Dwelling	.0%	.7%	.7%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Number of Motor Vehicles per Dwelling (%)*			
No vehicle	.9%	5.4%	5.8%
1 vehicle	21.7%	35.0%	35.8%
2+ vehicles	77.5%	59.7%	58.4%
<i>Total</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Average Annual Household Income (\$)*	\$125,800	\$103,000	\$104,400

Source: 2021 ABS Census, Norling Consulting

*based on place of enumeration (all other statistics based on place of usual residence)

Table 4.4: Key Socioeconomic Characteristics

	Bushland Beach	Townsville (LGA)	Queensland
Workforce Status (%)			
Male workforce participation rate	77.4%	71.1%	69.2%
Female workforce participation rate	74.6%	66.9%	62.7%
Total workforce participation rate	75.9%	68.9%	65.8%
Unemployment Rate	3.5%	5.1%	5.4%
Highest Qualification Achieved (%)			
Post graduate qualification	5.4%	6.0%	7.6%
Bachelor degree	12.1%	14.1%	16.5%
Certificate/Advanced diploma	42.0%	35.7%	34.7%
No Qualification	40.4%	44.2%	41.2%
<i>Total</i>	100.0%	100.0%	100.0%
Occupation of the Workforce (%)			
Managers/Professionals	29.0%	30.4%	34.6%
Technicians and Trades	17.0%	14.8%	13.9%
Community, personal services, admin and sales	36.8%	37.7%	34.3%
Machine operators, drivers and labourers	17.2%	17.1%	17.2%
<i>Total</i>	100.0%	100.0%	100.0%
Industry of the Workforce (%)			
Agriculture, forestry and fishing	.5%	.7%	2.7%
Mining	5.2%	3.0%	2.4%
Manufacturing, transport, postal and warehouse	9.6%	9.1%	11.0%
Electricity, gas, water and water services	1.7%	1.5%	1.2%
Construction	10.7%	8.9%	9.5%
Wholesale and retail trade	11.2%	11.5%	12.2%
Accommodation and food services	6.7%	7.7%	7.5%
Finance and insurance, property and business	10.8%	11.2%	16.1%
Public administration and safety	13.5%	13.0%	6.4%
Education and training	8.4%	9.7%	9.3%
Health care and social assistance	16.3%	18.2%	16.1%
Arts and recreation services	1.0%	1.4%	1.6%
Other services	4.5%	4.1%	4.1%
<i>Total</i>	100.0%	100.0%	100.0%

Source: 2021 ABS Census, Norling Consulting

5 SUPPLY OF COMMERCIAL FACILITIES

This Chapter details the available network of Centres in and surrounding the Trade Area, together with information on the location of gyms.

The relevant Centres servicing the needs of the Trade Area population, consistent with the provisions of Townsville City Plan 2014, comprise the Bushland Beach Neighbourhood and Local Centres, located within the Trade Area, and the Deeragun District and North Shore Major Centres. A future Local Centre has been identified by the Townsville City Plan 2014 at Mount Low.

This network of Centres is shown in Figure 5.1 below, followed by a summary of their features.

Figure 5.1: Existing Centres Network



Source: Townsville City Plan 2014, Maptitude, Norling Consulting

The aged **Bushland Beach Neighbourhood Centre** comprises 1,300m² of retail and commercial facilities plus a tavern fronting the beach located nearby. It is located 1.0km to the north of the Subject Site. This small Centre is anchored by a 220m² independent grocery and gift store, a large medical centre and a tavern. There were no vacancies at the time of inspection and there is no opportunity to expand facilities at this Centre. A Pilates gym previously operated at this Centre, but had vacated at the time of inspection. This Centre appears to be under-performing, mainly due to there being low traffic volumes during the middle hours of weekdays. The independent grocery store was opened in 1991, with the western part of the strip centre opening in 1995 and the eastern part in 2011.

The **Bushland Beach Local Centre**, which adjoins the Subject Site to its west, comprises the 5,400m² Bushland Beach Plaza. It is anchored by a 3,900m² Coles supermarket and eight supporting tenancies. These tenancies are occupied by an eclectic mix: pharmacy; café; pizza; medical centre; dentist; detached bottle shop; hairdresser; and real estate agency. There were no vacancies at the time of inspection, indicating that the Plaza is performing better than when Norling Consulting previously inspected this Centre (2021). The Plaza opened progressively in line with the suburb's population growth, with Stage 1 opening in about 2010 and Stage 2 (Coles supermarket) opening in 2017.

There appears to be approximately 500m² of vacant land within the Local Centre zone at Bushland Beach Plaza, located in its southeastern corner. This area is grassed and contains some small and medium-sized trees and presents as a 'pocket park.' Whilst theoretically able to accommodate a small additional tenancy, the approved plan for Stage 2 Bushland Beach Plaza identifies that this area comprises landscaping (and presumably included in that development's contribution to landscaping requirements). It has therefore been assumed that this small pocket of landscaping is not capable of accommodating additional development.

Whilst not located on Local Centre zoned land, commercial facilities have been developed and/or are approved on Low Density Residential zoned land to the north and west of the Centre, supporting the role of this District Centre. Existing facilities include the older 115-place Imagine Childcare and Kindergarten Bushland Beach, the newer 150-place Milestones Early Learning Centre Bushland Beach, 7-Eleven Service Station and Bushland Beach Car and Dog Wash. Proposed facilities include a 2022 approved 98-place Childcare Centre and a 2025 Court approved Self Storage Facility (135 units). There is no evidence of construction having commenced on the approved Childcare Centre, although cyclone fencing surrounds the Self Storage Facility site, indicating that construction may commence in the near future. These existing and approved facilities significantly elevate the role of the Bushland Beach Local Centre beyond that provided simply by Bushland Beach Plaza.

The future **Mount Low Local Centre** is located 2.0km to the south of the Subject Site. It is intended to serve the local needs of the emerging Mount Low community, which is separated from the Bushland Beach community by a ridgeline and limited road connectivity. This site is currently vacant.

The **Deeragun District Centre** is located 7km to the south of the Subject Site. It comprises a total retail and commercial floorspace of 18,000m² spread across three main centres plus intervening smaller developments. The three main centres comprise: an older Woodlands Village, that was previously anchored by a Woolworths supermarket (vacated in early 2021, claiming that this smaller 40-year-old tenancy was unable to be upgraded to required modern standards, such as by including 'click and collect' facilities); a newer Deeragun Village, anchored by a Coles supermarket; and Northside Square, comprising a mix of showrooms, fast food, medical services and service industry.

Following the departure of Woolworths, Woodlands Village recorded an extremely high vacancy rate of 67%. At the time of inspection, the former Woolworths tenancy was being fitted out for a new tenant, World Gym. Once operational, the vacancy rate at the Woodlands Village would reduce to 15%, although the owner would be expecting that the opening of the World Gym anchor may attract new tenant interest in the remaining four vacant tenancies.

In contrast, Deeragun Village and Northside Square both looked to be trading well, with Deeragun Village recording no vacancies and Northside Square recording only a single vacancy (representing less than 2% of its floorspace).

Anytime Fitness operates from a 210m² tenancy in Northside Square.

There is a large 1.5ha vacant site within the District Centre zone that could accommodate a further 5,000m² (approximately) of retail space. This site is owned by the Coles Property Group and appears earmarked for a future expansion of Deeragun Village.

A number of commercial/community facilities are located in the residential areas surrounding the Deeragun District Centre. These include six Childcare Centres, three Places of Worship, a veterinary surgery, a swim school and a police station. These facilities all serve to reinforce the role of the Deeragun District Centre.

The **North Shore Major Centre** is located 8.5km to the southeast of the Subject Site. It currently comprises total retail and commercial floorspace of 26,000m², dominated by an almost 12,000m² Bunnings Warehouse.

The 5,700m² North Shore Marketplace is anchored by a Woolworths supermarket and a good range of supporting specialty shops. A small Studio Pilates operates from a first floor location at this centre. A single vacancy resulted in a vacancy rate of less than 2% (slightly below the acceptable range).

A range of medical, fast food and showrooms have recently been developed in other locations within this Major Centre. Two large gyms operate in this area, comprising Strand Fitness and Snap Fitness 24/7.

An increasing range of community facilities are being developed within and surrounding this centre, reinforcing its role as a Major Centre servicing the needs of the broader northern beaches of Townsville.

The North Shore Major Centre has several large vacant allotments, which are able to accommodate significant further expansion of this Major Centre as the population of this corridor increases.

With respect to gyms, there are no facilities operational within the **Trade Area**. A small Pilates tenancy no longer operates from Bushland Beach Neighbourhood Centre and fitness facilities are limited to the Bushland Beach Bootcamp, which operates at Bushland Beach Park, opposite the Subject Site. It offers three outdoor training sessions per week early in the mornings. The limited offering of this outdoor facility is not considered comparable with built facilities and these types of offerings have not been included in the projections of demand that are provided in Chapter 6.

One gym is operational and another proposed at **Deeragun**.

Anytime Fitness operates a small 210m² tenancy at Northside Square. It provides a variety of cardio machines, functional training options and free weights. It is accessible on a 24/7 basis and offers classes and personal training.

A very large 2,700m² World Gym is being fitted out in the former Woolworths tenancy at Woodlands Plaza. Based upon its large size and the operation of World Gym at Idalia (southeastern part of Townsville and 27km by road from Deeragun), it is expected that it would provide 24/7 access, a large range of classes, cardio machines, functional fitness, strength machines, free weights and personal training.

Two large and one small gyms operate at **North Shore**:

- (a) Strand Fitness operates from a large 950m² tenancy. It is a full service gym, offering a variety of training facilities and classes for cardio and functional 45 minute workouts;
- (b) Snap Fitness 24/7 operates from a 500m² first floor tenancy, providing a wide range of cardio, strength and functional training equipment. Open on a 24/7 basis, it also offers personal training; and
- (c) Studio Pilates operates from a small 100m² first floor tenancy at North Shore Marketplace. It primarily provides the popular Reformer Pilates classes about ten times daily.

As identified above, the two Centres located within the Trade Area have progressively developed in step with the Trade Area's population growth, with the latest retail expansion occurring eight years ago. These Centres have no capacity to accommodate additional retail or commercial facilities. It is noted that the larger Centres located well outside the Trade Area do have capacity to accommodate expansion, but are not suitably located to service the Trade Area population with Local Centre scale facilities.

6 DEMAND ANALYSIS

This Chapter details the demand for retail space and gyms within the Trade Area, identifies the extent of escape expenditure from the Trade Area and projects retail turnover for the Proposed Development.

6.1 Retail Expenditure Base

The retail expenditure base is an estimate of the proportion of household expenditure directed towards retail facilities. The level and direction of this expenditure is dependent on a multitude of factors including the demographic and socio-economic characteristics of the population, as well as the location and mix of retail facilities available to the community.

The retail expenditure base per capita for Queensland has been derived from the results of the 2024/5 ABS Retail Trade, as adjusted for subsequent changes reported by the ABS Household Spending Indicator) to 2025 dollar values. It is estimated that the average retail expenditure base for Queenslanders is \$15,200 in 2025 dollar values. This comprises expenditure that is spent in Australian retail stores, including online sales made by retailers with a physical retail presence. It excludes domestic online retailers that do not have a physical retail presence and international online retailers. It also excludes expenditure at hotels, taverns, clubs and liquor barns (although it includes expenditure at detached bottle shops). Consequently, the quantum adopted by Norling Consulting is typically lower than those adopted by other consultants.

Based on the demographic and socio-economic characteristics of the Catchment Area, the average household retail expenditure for this area is estimated to be **\$17,000**, which is significantly above the Queensland and Townsville Region averages.

To estimate the retail expenditure base of the Trade Area, the average annual household retail expenditure per capita is multiplied by the population of the Trade Area at the relevant dates. The results are summarised in Table 6.1.

Table 6.1: Available Retail Expenditure Base 2025 - 2041

	2025 (\$m)	2026 (\$m)	2031 (\$m)	2036 (\$m)	2041 (\$m)
Trade Area	122.7	126.4	154.1	172.4	176.8

Source: *Norling Consulting estimates*

Whilst there is evidence of real increases in the retail expenditure base being recorded over time, the quantum has varied considerably in accordance with general economic conditions (in excess of 1% per annum to negative growth). Based upon recent modest economic growth in Australia and the expectation that this modest rate of growth would continue, this Assessment adopts an annual real growth of 0.5% per annum for the projection period. Short term fluctuations around this level may occur over the projection period.

No allowance has been made for inflation (as inflation does not create demand for retail space). The projections are therefore expressed in constant 2025 dollar values, as adjusted by the modest real increase of 0.5% per annum.

Therefore, the pool of retail expenditure of residents living within the Trade Area is projected to increase by \$54.1 million between 2025 and 2041 to reach a total retail expenditure base of \$176.8 million. During the population growth period of 2025 to 2034, the retail expenditure is expected to increase at an average annual rate of \$4.7 million or 3.3%.

6.2 Escape Expenditure

Escape expenditure refers to a situation where the retail expenditure base of a defined area exceeds the retail turnover of retail facilities within that defined area, such that there is a net balance of retail expenditure that 'escapes' from the defined area to retail facilities located outside that defined area.

Whilst it may be desirable (from a shopper's convenience and accessibility perspective) to minimise escape expenditure levels, that is not always possible, due to the hierarchical nature of the provision of retail facilities, with higher order facilities (such as department stores and large showrooms) being located in a sparse fashion (with each drawing trade from large areas).

It is also relevant to note that, apart from the larger shopping centres, there is no published data on retail turnovers obtained by individual shops, groups of shops or centres. That necessarily poses difficulties in the estimation of escape expenditure, where reliance needs to be placed upon estimates of floorspaces and productivity levels (turnover per floorspace, expressed as annual turnover per square metre) based upon site inspections and experience.

In this case site inspections revealed that the retail floorspace within the Trade Area is currently 4,700m² at the Bushland Beach Local Centre and 370m² at the Bushland Beach Neighbourhood Centre. Based upon the retail tenants and an inspection of their performance, it is estimated that these two Centres obtained a 2025 turnover of about \$47 million (it is noted that none of the centres report turnovers publicly). On this basis, it is estimated that there is a significant level of net escape expenditure out of the Trade Area, in the order of \$76 million or 62% of the total retail expenditure base. This expenditure is most likely to be directed towards the larger Deeragun District and North Shore Major Centres.

As explained in Chapter 8 (Table 8.1), it is projected that existing retail at the Bushland Beach Local and Neighbourhood Centres would reach a 2027 turnover of \$50.3 million and that the Proposed Development would obtain a turnover in that year of \$5.1 million. Net escape expenditure from the Trade Area in 2027 is therefore estimated at 58%. The Proposed Development is therefore anticipated to reduce the net escape expenditure by only four percentage points over the next two years, indicating that the Proposed Development would not result in an excess of supply in the Trade Area.

6.3 Rogue Expenditure

The Proposed Development is expected attract a level of rogue expenditure, that is, expenditure from persons not living within the Trade Area. With the Trade Area effectively being a cul-de-sac, with few employment opportunities, rogue expenditure is likely to be limited to the small number of daytrippers to the Beach, visitors staying in Bushland Beach Motel (forming part of the Tavern) and construction workers involved in the development of the Bushland Beach residential estate.

It is therefore estimated that rogue expenditure is likely to be at the lower end of the usual range, in the order of 10% of total turnover.

6.4 Projected Market Shares

With the proposed gym not forming part of retail supply, for the purposes of this Assessment, the remaining 726m² of Food and Drink, Office and Shop tenancies would be occupied by retail tenants (a worst case scenario for the purpose of estimating impacts on the centre hierarchy).

Due to the proposed retail facilities adjoining the Bushland Beach Local Centre and being much smaller than the retail facilities at that Centre (about 15% of its retail provision), the proposed retail facilities are expected to achieve a very small market share of the 2027 Trade Area retail expenditure base (\$131.9 million) – in the order of 3.5%.

Table 6.2: Proposed Development - Projected Retail Turnover - 2027

	Projected Turnover (\$m)	Market Share (%)
Trade Area	4.6	3.5%
Rogue (10% of Total Turnover)	0.5	
Total Projected Turnover	5.1	

Source: Norling Consulting estimates

It is therefore projected that the proposed retail facilities would obtain a productivity level in the order of \$7,025/m² in 2027. This is considered sufficient to sustain the type of tenants likely to be attracted to the Proposed Development.

6.5 Demand for Indoor Sport and Recreation

IBISWorld provides useful information on the Gym and Fitness Centres market in Australia on an annual basis. It has identified that the number of these facilities peaked at 7,582 establishments in 2020, prior to the COVID-19 pandemic. The number subsequently declined before reaching 7,595 establishments in 2024. This 2024 provision translates into a demand rate of one establishment per 3,580 persons. It also reported average revenue per establishment at \$500,000.

With the Trade Area having a current population of 7,220 persons and expecting to increase to 9,600 persons at capacity, there is sufficient demand to support two establishments presently, increasing to three at capacity.

Presently, there are no gyms operating in the Trade Area, and no capacity for the Local and Neighbourhood Centre zoned lands to accommodate any.

The previous Chapter has identified that there are four establishments operating in the Deeragun District Centre and the North Shore Major Centre. With World Gym currently being fitted out at Deeragun, there will soon be five gyms operating in these two Centres.

The gyms operating in these Centres effectively service the populations of Burdell – Mount Low, Deeragun – Jensen and Northern Beaches SA2s. The 2025 populations of these three SA2s is estimated at 36,500 persons and projected to increase to 59,000 persons by 2041.

Adoption of the Australian provision of one gym and fitness centre per 3,580 persons suggests that this wider catchment could support about ten establishments currently, increasing to 16 by 2041.

At this wider level, the provision of gyms and fitness centres at Deeragun and North Shore is well below the standard provision, indicating that either or both the existing gyms are performing very well and/or many residents are travelling to the urban parts of Townsville to visit the greater concentration of gyms in that area.

At either the Trade Area or the wider northern corridor level, there is a significant shortfall in the number of gym and fitness centre establishments.

7 NEED ANALYSIS

This Chapter summarises the levels of need for the Proposed Development to locate on the Subject Site. It draws upon the material presented in the earlier Chapters.

Currently, the Bushland Beach Local Centre provides the following retail tenancies:

- (a) Coles supermarket;
- (b) Pharmacy;
- (c) Detached bottle shop;
- (d) Café;
- (e) Pizza takeaway; and
- (f) Hairdresser.

These six retail tenancies are supported by medical centre, dentist, real estate agency, two Childcare Centres, a service station and a car and dog wash. Approvals are in place for a third Childcare Centre and a self storage facility.

It is Norling Consulting's view that the following tenancies are needed to complement the above current list and reinforce the role and vitality of this Local Centre:

- (a) Gymnasium;
- (b) Newsagency;
- (c) Bakery;
- (d) Beauty;
- (e) Optometry;
- (f) Flower retailing;
- (g) The Applicant's sales display acting as a second real estate agency;
- (h) Discount store; and
- (i) A third Food and Drink Outlet.

Accordingly, it is concluded that there is a strong level of need for the Proposed Development to complement and support the Bushland Beach Local Centre in order to meet the emerging needs of the growing Bushland Beach population. This conclusion is effectively summarised below under the traditional economic, community and planning elements of need.

Economic Need:

- The Trade Area is a growth suburb of the greater Townsville area that offers further residential growth over the next decade;
- Stage 1 of Bushland Beach Plaza (specialty shops) opened in about 2010 when the Trade Area population was about 5,400 persons. Stage 2 of Bushland Beach Plaza (Coles supermarket) opened in 2017 when the population was about 6,200 persons. The Proposed Development is planned to open in 2027 when the population is expected to reach 7,700 persons. With a capacity population of about 9,600 persons, the Trade Area has sufficient demand to support the existing Local Centre together with the Proposed Development;

- Net escape retail expenditure from the Trade Area is estimated at 62%, offering considerable scope to reduce this level;
- There is a large gap in the provision of gyms, with there being no gyms operating in the Trade Area and a lower than average provision in Townsville's northern corridor;
- The retail expenditure base of the Trade Area is sufficient to support the Proposed Development;
- There is a gap in the market for additional retail tenants to support the existing retail provision at the Bushland Beach Local Centre;
- The Applicant has received expressions of interest to tenant 96% of the proposed floorspace;

Community Need:

- The Proposed Development would increase the range and depth of goods and services conveniently available to the Trade Area;
- The Proposed Development would increase the local competition between providers of goods and services;
- The Proposed Development would reduce travel time and costs for Trade Area residents by reducing the frequency that they may need to travel outside the Trade Area for goods and services;
- The Proposed Development would generate increased employment opportunities during construction and operation, both indirect and direct;

Planning Need:

- There are currently no vacant Centre zoned lands in the Trade Area to accommodate the Proposed Development; and
- The Subject Site provides an opportunity for the Proposed Development to be an edge-of-centre development, that is preferred over an out-of-centre location.

8 IMPACT ANALYSIS

This chapter examines the likely impacts of the Proposed Development on the surrounding network of Centres. In particular, an assessment of the likely impacts on the roles and performances is presented, based upon the projected retail turnover estimates.

Based on the market share assessment undertaken in Chapter 6, it is estimated that the retail elements of the Proposed Development would achieve a turnover of \$5.1 million in 2027. This amount is assessed in terms of impact upon other centres in the relevant network. Table 8.1 provides the estimates of likely impacts upon the existing network assumed to be operating in 2027. Due to the limited provision of retail facilities within the Trade Area and the high level of escape expenditure, it is assumed that the majority of impacts would be directed towards centres located outside the Trade Area.

It is important to note that the table below provides only a broad guide, given that a range of factors can influence centre turnovers and therefore future impacts recorded by the centres network. For example, whilst the Applicant has obtained an expression of interest to tenant all of the Office and Shop tenancies, it is the Applicant's preference that they be tenanted by six smaller tenants, with these tenants being unknown at this stage. Such factors may also include amelioration measures that may be instituted by competitors in direct response to increased competition or the threat of increased competition:

- (a) Attraction of new tenants;
- (b) Adoption of new management;
- (c) Changes to marketing strategy;
- (d) Rebranding of a centre; and/or
- (e) Expansions/renovations to existing centres.

Table 8.1 demonstrates that impacts are expected to be insignificant across the whole centre network, with the highest percentage impacts at only -5% and the majority at -2% or less. This is due to the small scale of retail facilities proposed in the Proposed Development, the significant net escape expenditure that is present in the Trade Area and the significant annual growth of the Trade Area's retail expenditure base, which slightly exceeds the estimated annual retail turnover of the Proposed Development.

With the Subject Site adjoining the Bushland Beach Local Centre, the Proposed Development should be viewed as being edge-of-centre. On this basis, the Bushland Beach Local Centre's retail turnover is expected to increase by in the order of 8% in 2027.

Impacts upon the performance of gyms at Deeragun and North Shore are not expected to be significant due to the large shortfall in gym facilities in these locations.

The respective roles and functions of the Major, District, Local and Neighbourhood Centres located in the northern corridor of Townsville would be preserved and reinforced by the Proposed Development.

Table 8.1: Estimated Retail Turnovers and Impacts

Assessment of Likely Retail Economic Impacts					
Location	Centre	Estimated Turnover 2025 (\$m)	Projected Turnover 2027 (\$m)	Distribution of Impact 2027 (\$m)	Impact on Turnover 2027 (%)
Trade Area					
<u>Neighbourhood Centre</u>		1.9	2.0	-0.1	-5.2%
<u>Local Centre</u>	Bushland Beach Plaza	44.7	48.3	-1.3	-2.6%
	Proposed Development	n/a	n/a	5.1	n/a
	<i>Sub-total</i>	<i>44.7</i>	<i>48.3</i>	<i>3.8</i>	<i>7.9%</i>
<i>Total Trade Area</i>		<i>46.5</i>	<i>50.3</i>	<i>3.7</i>	<i>7.4%</i>
Other					
<u>Deeragun</u>	Woodlands Village	9.4	10.4	-0.3	-2.5%
	Deeragun Village	57.2	60.7	-1.0	-1.7%
	Northside Square	30.3	32.1	-0.5	-1.6%
	<i>Sub-Total</i>	<i>96.9</i>	<i>103.2</i>	<i>-1.8</i>	<i>-1.7%</i>
<u>North Shore</u>	Marketplace	53.4	58.8	-0.8	-1.3%
	Bunnings	41.0	45.1	-0.2	-0.3%
	Other	37.4	41.2	-0.5	-1.2%
	<i>Sub-Total</i>	<i>131.7</i>	<i>145.2</i>	<i>-1.4</i>	<i>-1.0%</i>
Other Centres		<i>n/a</i>	<i>n/a</i>	<i>-0.5</i>	<i>n/a</i>
Total		275.1	298.6	0.0	n/a

Source: Norling Consulting estimates

* Other Centres includes convenience facilities or higher order centres located outside the centres network.

With respect to the proposed gym, the Applicant reports that a Heads of Agreement has been obtained from a gym operator with an existing presence in Townsville's northern corridor. The proposed gym would therefore be this operator's second establishment in this corridor and it can confidently be assumed that its likely impact upon its existing operation is acceptable to it. Together with the complete lack of gyms in the Trade Area and a lower than average provision in the northern corridor, the proposed gym would not have a significant impact upon the gym network.

9 CONCLUSION

Bushland Beach is a growth suburb in the northern part of Townsville, 22km to the northwest of the Townsville CBD. Bushland Beach is serviced by a Local Centre (anchored by Coles supermarket) and a Neighbourhood Centre. Bushland Beach is otherwise largely a dormitory suburb of the Townsville Region. It is populated by mortgage-belt younger families with high workforce participation rates and significantly higher average incomes.

Bushland Beach has enjoyed strong population growth, with a recent acceleration of residential development expected to increase the current 7,220 population to 9,600 persons by 2034.

The Subject Site adjoins the Local Centre such that it is viewed as delivering an edge-of-centre development, reinforcing the range of facilities and the role of the Local Centre. Providing a total floorspace of only 1,341m², almost half is to comprise a gym, with the remainder comprising a Food and Drink Outlet, Offices and Shops. Pre-commitments have been obtained for the gym and from the Applicant to operate a residential sales office, and an expression of interest for the Offices and Shops from a discount store operator. However, the Applicant intends to let the Offices and Shops to about seven different tenancies rather than a single discount store.

Retail facilities have been developed in the Trade Area on an incremental basis over the 1995 to 2017 period, in line with population growth. With an expected opening date of 2027, existing retail facilities will have been operating for a decade without needing to compete against new local facilities.

There is a strong level of community, economic and planning need for the Proposed Development due to ongoing population growth, an expanding retail expenditure base, almost two-thirds of retail expenditure escaping from the Trade Area and the total lack of gym facilities within the Trade Area.

Likely economic impacts are insignificant due to the small scale of development proposed, ongoing population growth and the shortfall in gym facilities in Townsville's northern growth corridor.

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Business & Property Economics

ECONOMIC IMPACT ASSESSMENT

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