

CITY OF NORWOOD
PAYNEHAM & ST PETERS

Activity Precincts Occupancy Report

2022



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Kaurna Acknowledgement

The City of Norwood Payneham & St Peters acknowledges that this land is the traditional land of the Kaurna people and that we respect their spiritual connection with their country.

We also acknowledge the Kaurna people as the custodians of the greater Adelaide region and that their cultural and heritage beliefs are still important to the living Kaurna people today.

Located directly to the east of Adelaide's Central Business District (CBD) and covering an area of approximately 180 hectares, is the City of Norwood Payneham & St Peters, home to over 7,000 businesses and approximately 24,367 workers.

Introduction

Nestled amongst the predominately residential setting of the City are six major activity precincts, comprising of The Parade, Magill Road, Payneham Road, Glynde, Stepney and Kent Town, as well as two significant commercial strips located along Kensington Road and Glynburn Road. The location of each of the City's activity precincts and commercial strips, is shown on the Activity Precincts Map.

The activity precincts within the City, and in particular, the mainstreets, are a large and vital component of the retail, commercial and visitor landscape of the City. These are places for residents and visitors to gather, meet, shop, recreate and be entertained, as well as key service delivery points and important providers of jobs.

The character of these precincts, together with their historical and cultural significance, have contributed towards making them places that help to define the local community and its culture and more broadly the City of Norwood Payneham & St Peters, as the commercial centre of Adelaide's eastern region.

Each of these activity precincts comprise of a characteristically diverse range of businesses, services and settings, which over time have been proven to be essential in ensuring their sustainability and longevity—recognising that mainstreets and activity precincts across the world continue to face significant competition from 'hardtop' centres, the growth of online sales and the automation and agglomeration of jobs and business activity. The success or failure of an activity precinct is determined by its ability to adapt and evolve over time, and where necessary, change its primary role, in order to maintain a competitive advantage and to meet the changing trends and demands.

One of the unexpected and more positive consequences of the restrictions that were introduced during the COVID-19 Pandemic, has been the 'rediscovery' of the suburban mainstreets and relocation of businesses to activity precincts outside of Adelaide's Central Business District. This distribution of activities has helped to reinvigorate and strengthen the City's activity precincts.

Purpose

The purpose of this document is to:

01

Measure the occupancy and vacancy rates within all of the Council's activity precincts and to monitor and report on their changes over time.

02

Identify and monitor the business and industry mix within each of the Council's activity precincts and establish a baseline to be able to monitor the changes over time, in order to identify trends and patterns.

03

Provide a consistent measure of all of the occupancy and vacancy rates and the business and industry mix within each of the City's activity precincts.

04

Highlight the contribution that each of these activity precincts make to the City's economy.

The Activity Precincts investigated in this report are:



THE PARADE
NORWOOD

MAGILL 

This document has been designed to enable the Council to expand the number of activity precincts that are measured and monitored, which over time will provide a more holistic picture of the business environment within the City of Norwood Payneham & St Peters.

Role of the Council



The characteristics, diversity of use and clustering of complementary activities around the City's activity precincts, means that they are generally resilient and have the capacity to change form and function.

However, given that the City's activity precincts are not owned and managed by a single entity (that is, there are multiple land owners), there is an absence of a coordinated management service to guide and determine the best use and mix of the tenancies.

As the third tier of government and the overarching central authority, the Council has the opportunity to contribute and play a critical role, particularly in the areas of marketing and promotion. The Council has

elected to adopt this approach, with funding for these activities currently provided through a combination of the Differential Rate, which is applied to all commercial properties and through the collection of a Separate Rate, which is levied on the affected properties, in the case of The Parade, Norwood.

Through the collection of data, the Council can identify the strengths and weaknesses of a precinct and identify opportunities, deliver streetscape and amenity improvements and introduce

policies and programs to support the businesses and assist to market and promote a precinct in order to increase visitation and investment.

A critical component of the data collection is understanding a precinct's occupancy rate, vacancy rate and turnover. It is through the collection of this data that the Council can monitor the 'health' of the key precincts within the City and can identify trends and opportunities to assist its activity precincts to evolve and thrive.

Strategic Alignment

The monitoring of the City's activity precincts aligns with a number of the Council's strategic documents including *CityPlan 2030: Shaping Our Future*, the *Economic Development Strategy 2021–2026*, and the *Kent Town Economic Growth Strategy 2020–2025*.



CityPlan 2030: Shaping Our Future

CityPlan 2030: Shaping Our Future is the Council's long-term Strategic Management Plan, which outlines the long-term Vision and Outcomes for the City. Monitoring the occupancy levels and tenancies within the City's activity precincts strongly aligns with

Outcome 3: Economic Prosperity
- A dynamic and thriving centre for business and services.

The specific Objectives and Strategies that support this Outcome are:

Objective 3.1 – A diverse range of businesses and services.

Strategy 3.1.2 – Attract diverse businesses to locate in our City.

Objective 3.2 – Cosmopolitan business precincts contributing to the prosperity of the community.

Strategy 3.2.1 – Retain, enhance and promote the unique character of all our City's business precincts.

Strategy 3.2.3 – Promote the City as a visitor destination.

Objective 3.5 – A local economy supporting and supported by its community.

Strategy 3.5.1 – Support opportunities for people to collaborate and interact in business precincts.



Economic Development Strategy 2021–2026

The *Economic Development Strategy 2021–2026*, is designed to guide economic development within the City, identify the priority areas over the five year period and articulate the Council's role in supporting business and economic development.

The relevant Themes, Outcomes and Strategies which align with the collection of data on the occupancy levels and tenancies within the City's activity precincts are:

Theme 1: Dynamic & Diverse City

Outcome - Support the growth and viability of the City's business sectors based on their competitive strength and strategic priority.

Strategy 1.1 - Focus on the support and growth of the City's priority sectors.

Theme 2: Destination City

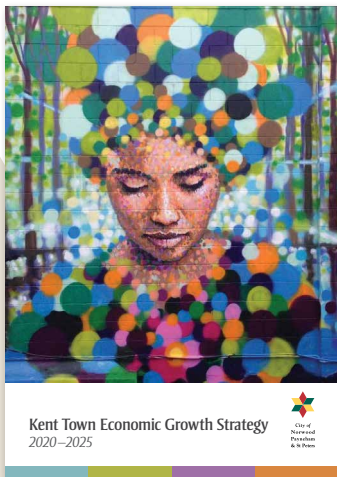
Outcome - Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.

Strategy 2.2 - Support the City's vibrant mainstreet precincts.

Theme 3: Innovative City

Outcome - Attract and maintain competitive businesses with the capacity for resilience and ongoing sustainability, innovation and growth.

Strategy 3.3 - Facilitate communication, education and networking programs to support businesses.



Kent Town Economic Growth Strategy 2020–2025

The Kent Town Economic Growth Strategy 2020–2025 recognises the commercial importance of Kent Town and acknowledges the suburb's location, accessibility and convenience, all of which make it a desirable location for future growth. The Kent Town Economic Growth Strategy is driven by the following three key themes to attract investment, support growth and create prosperity.

Theme 1: Attract Investment

Objective - Attract investment opportunities that build on the existing

strengths of Kent Town and drive business and residential population growth.

Theme 2: Support Growth

Objective – To facilitate growth and equip businesses to thrive by providing support and facilitating relationships and connections that are linked to the broader well-being of the community.

Theme 3: Create Prosperity

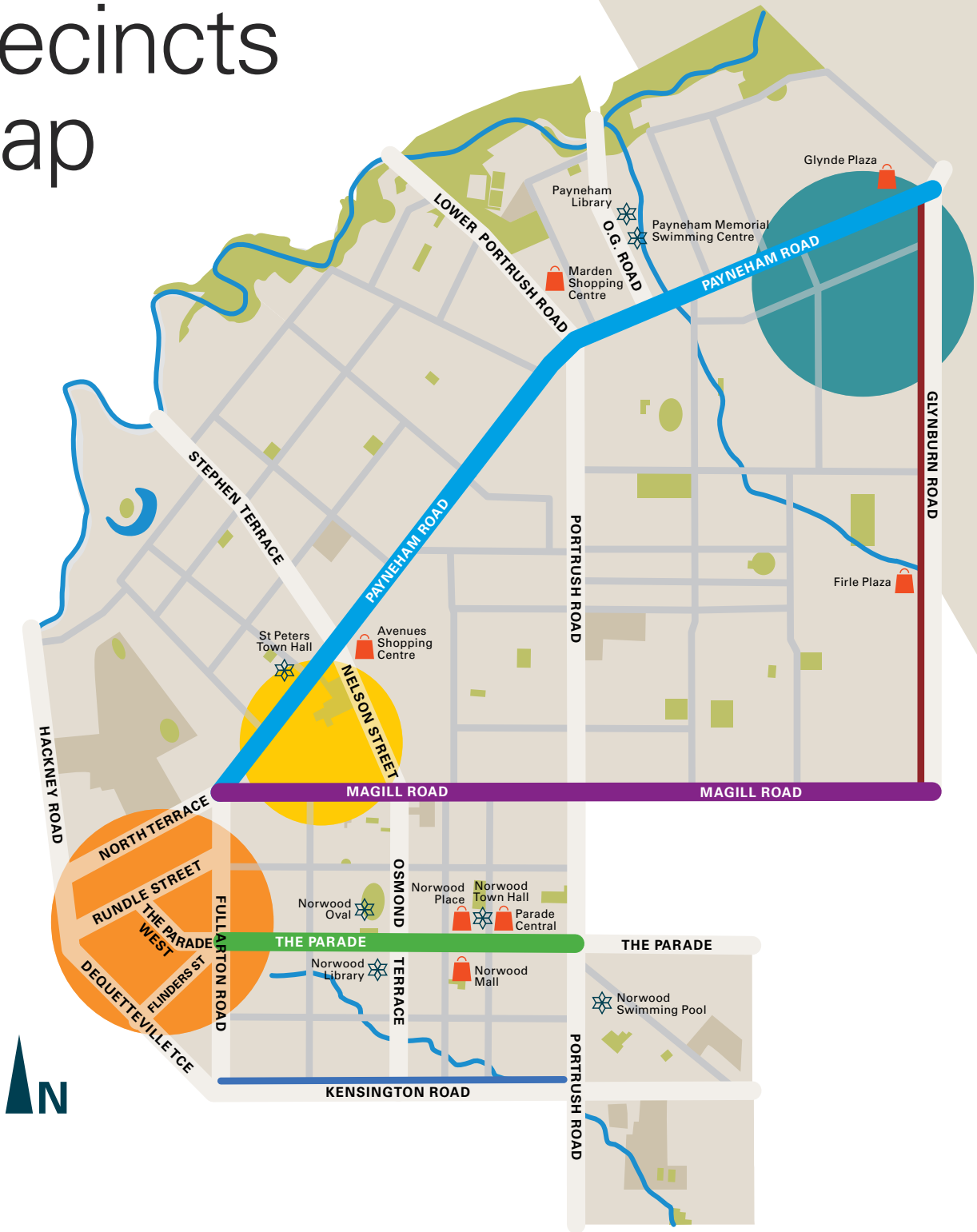
Objective - To maximise the economic potential of Kent Town by creating a supportive business environment and a vibrant and liveable community.

Community Alignment

Based on the comments which the Council has received through consultation on a number of the Council's strategic documents, the citizens within the City of Norwood Payneham & St Peters define a successful precinct as:

- an attractive, vibrant and diverse location
- having places and/or businesses that act as a drawcard
- comprising of a unique and eclectic mix of businesses
- having a connection with the local community, and
- accessible (pedestrian and cycle friendly).

Activity Precincts Map



- | | | | | | |
|---|-----------------|---|---------------|---|--------------------|
|  | Glynde |  | Payneham Road |  | Shopping Centres |
|  | Stepney |  | Magill Road |  | Council Facilities |
|  | Kent Town |  | The Parade | | |
|  | Kensington Road |  | Glynburn Road | | |

A Successful Precinct

A successful precinct drives connection through a concentration of activity and people and builds on existing competitive strengths.

There are a number of key elements that work together to create a successful precinct.



Diversity

A diverse mix of businesses with a healthy combination of day-time and night-time trade.



Local Economy

A strong connection to the local area, offering residents and visitors quality and convenience.



Identity

A unique character, history and value that is expressed in creative ways including marketing and events.



Drawcards

A number of drawcards that regularly bring in a large number of people, such as sporting facilities, a supermarket, movie complex, restaurants and flagship retail stores.



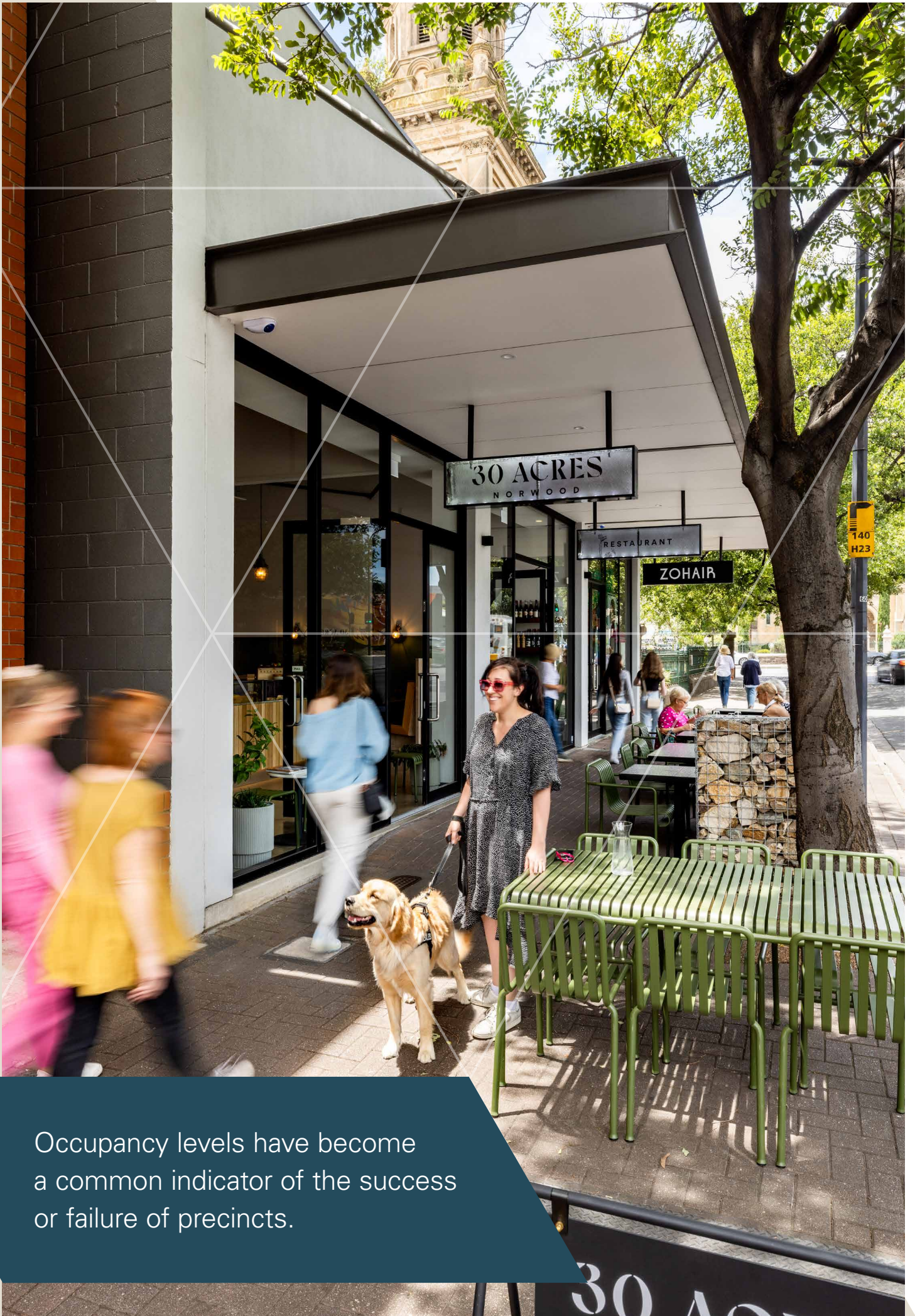
Placemaking

Built infrastructure and landscaping that makes the place more attractive, inviting and encourages visitors to stay and play.



Accessibility

Footpaths, public transport linkages, car parking and clear signage that enables people to easily access the precinct.



Occupancy levels have become a common indicator of the success or failure of precincts.

30 ACRES

What is occupancy?

Occupancy levels have become a common indicator of the success or failure of precincts, however as a measurement tool, it is not scientific. Occupancy is measured as a percentage of all available tenancies within a precinct that are being actively occupied at a particular point in time. The measurement of occupancy over time reflects the ability of a precinct to attract and retain businesses.

Is there an 'optimal' level of vacancy?

The general consensus is that a high occupancy level is a positive reflection of the health of a precinct. However, research has shown that when vacancy rates fall below 5%, the rental market is considered to be in a good state, which can lead to landlords increasing rent. This can have a negative impact on the precinct. Therefore, maintaining an occupancy rate of between 90% and 95% is the optimal level for a successful precinct.

What causes vacancies?

It is inevitable that there will be some degree of vacancy within any precinct and there are often a number of factors that contribute to this, such as:

- High leasing rates
- Leasing terms
- Landlord sentiment
- Unsuccessful traders
- Accessibility
- Perception
- Functionality
- Changing demographics
- Fit-out costs
- Closure of nearby businesses
- Retirement
- Development disruption
- Competition

The effects of low occupancy levels

If occupancy levels fall below the 'optimal' range, it can have significant consequences for a precinct, such as:

- making the precinct feel like it is in decline;
- making the precinct feel unkept;
- making the precinct feel unsafe;
- impacts on business attraction and retention;
- impacts on overall visitation and expenditure; and/or
- impacts on the identity and character of a precinct.

Methodology

The Parade and Magill Road are two key commercial precincts within the City of Norwood Payneham & St Peters and are the first activity precincts within the City to have their occupancy levels measured and monitored. Monitoring of The Parade first commenced in 2020 and Magill Road commenced in 2021.

A consistent methodology ensures that the data that is collected and reported on, is comparable between each annual period of measuring occupancy.

Timing

The assessment of precinct occupancy occurs on an annual basis and generally, the on-ground assessment is undertaken annually in September or October.

Stages

The audit of the individual precincts comprises of two stages:

Field Survey - Physically conducting an assessment of each precinct and recording the location and name of each business in each tenancy.

Reporting - The data from each precinct assessment is then used to update the Activity Precinct Occupancy Reports, as well as update the statistics found in this document. The findings from each annual assessment are presented to the Norwood Parade Precinct Committee and the Council's Business & Economic Development Advisory Committee, prior to being presented to the Council.

The intent over time is that all of the City's activity precincts will be measured and monitored to track their success and performance.

Monitoring the occupancy levels of precincts ensures that decision making is informed and the necessary marketing, promotion and support is being provided. Being aware of the occupancy levels and overall performance of the precincts within the City allows for comparisons to be made with other precincts across metropolitan Adelaide such as Prospect Road, Jetty Road, Unley Road, King William Road, Hindley Street, Rundle Street and O'Connell Street.

Definitions

Average Daily Expenditure

Taken from Spendmapp by Geografia and is an account of total expenditure within the suburb during each calendar year. This expenditure is from both citizens of the City of Norwood Payneham & St Peters and visitors. Spendmapp data takes real banking transaction data (EFTPOS and credit/debit) and transforms it to create a comprehensive representation of the City's economy, taking into account a cash component which is informed by a survey conducted by the Reserve Bank of Australia (RBA). The process also ensures that outlier transactions do not skew the data, and seeks to maintain the privacy of merchants and cardholders by applying a degree of randomisation when there are small transaction volumes.

Industry Mix

Percentages may not add up to 100% due to rounding. Industry categorisation and inclusions are explained below.

Retail

Product: Includes businesses that retail in paint, alcohol (i.e. Parade Cellars, Dan Murphy's etc), homewares, furnishings, fuel, groceries, toys, equipment (bikes etc), jewellery, books, pet stores, dog day cares and cleaning services.

Clothing: Includes businesses that sell clothing (op shops included), footwear, lingerie as their main offering.

Dining & Entertainment

Includes cafes, restaurants, gelato/ice-cream, cinemas, theatres, pubs, bars, cellar doors, takeaway outlets and painting studios (i.e. Pinot & Picasso).

Medical, Health & Wellbeing

Includes general practitioners, dentists, supplement stores, pilates and yoga studios, gyms, physiotherapy clinics, care providers, psychologists, specialist health providers (i.e. SA Heart), health food providers, optometrists and Vet's.

Professional

Technical: Includes architects, graphic designers, IT support, engineers, business advisors, lawyers, builders, local Members of Parliament, phone providers, travel agencies, photographers, marketing agencies, taekwondo studios and car repairers.

Financial: Includes accountants, banks, mortgage brokers, financial advisers, conveyancers and tax agencies.

Real Estate: Includes real estate agencies.

Hair/Beauty

Includes women and men hairdressers, massage providers, day spas, hair removal, manicures and pedicures.

Training/Employment

Includes employment agencies, training centres and educational tutoring.

Community

Includes libraries, sporting ovals, parks, churches and community centres.

N/A

Includes tenancies that have a 'Leased' sign up, however no business has moved in, meaning no tenancy mix can be allocated. Also includes George House on The Parade.

New Businesses

Businesses that have opened and were not previously within the precinct.

Occupancy Rate

Defined as a percentage of all available occupiable commercial properties (residential not included) in a particular area that have a business actively trading from the premises.

Relocated Businesses

The total number of businesses that were previously operating within the Precinct and have since moved to another tenancy within the Precinct.

Turnover Rate

The number of new businesses and vacant tenancies as a percentage of the total number of tenancies within the Precinct.

Vacant Tenancy

Tenancies are noted as being vacant if:

- there is signage indicating that the tenancy or part of multi-tenancy building was for lease
- the tenancy had a 'leased' sign yet the premises was still vacant and the Council was not aware of a new business preparing to occupy the space, or
- the tenancy did not have any signage indicating it was for lease, however the space was vacant and the Council was not aware of a new business preparing to occupy the space.

THE PARADE

The Parade, Norwood is located only a short distance east of the Adelaide CBD and is the major drawcard to the City of Norwood Payneham & St Peters.



The Parade is approximately 1.6km in length and is recognised as Adelaide's premier mainstreet, offering a diverse range of businesses including dining and entertainment, clothing and retail, professional and financial services and hair and beauty. The Norwood Town Hall and the adjacent cinema complex located near the heart of the Precinct, are iconic and help to define the street.

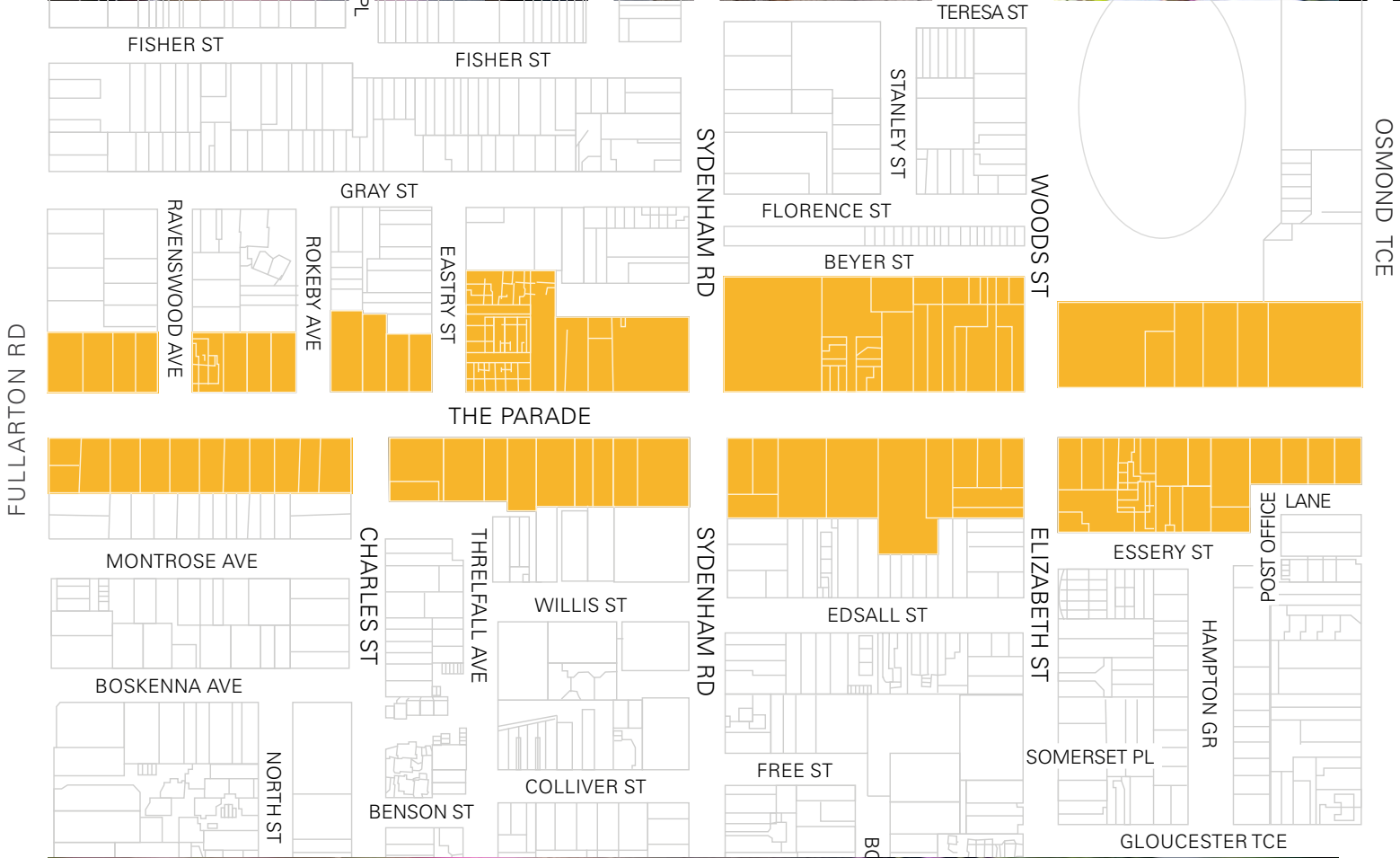
The Foodland and Coles (currently being redeveloped) supermarkets are major anchors and attractions to the

street. Although strongly represented by independent retailers and other businesses, The Parade also hosts a number of major retailers and national brands. Over the last 20 years The Parade has continued to evolve and change, with the completion of The Bath and Nuova Apartments and the imminent completion of the COMO Development providing new medium density housing and a number of ground-floor retail spaces. These major developments along the street attract and create opportunity for

new businesses to enter the street, which subsequently plays a vital role in attracting visitors to the City, whilst also servicing local residents.

The Parade Precinct is currently the only mainstreet in the City where the Council collects a separate rate. The Parade Separate Rate is money which is raised through a levy on properties to be used for marketing and promotional purposes.




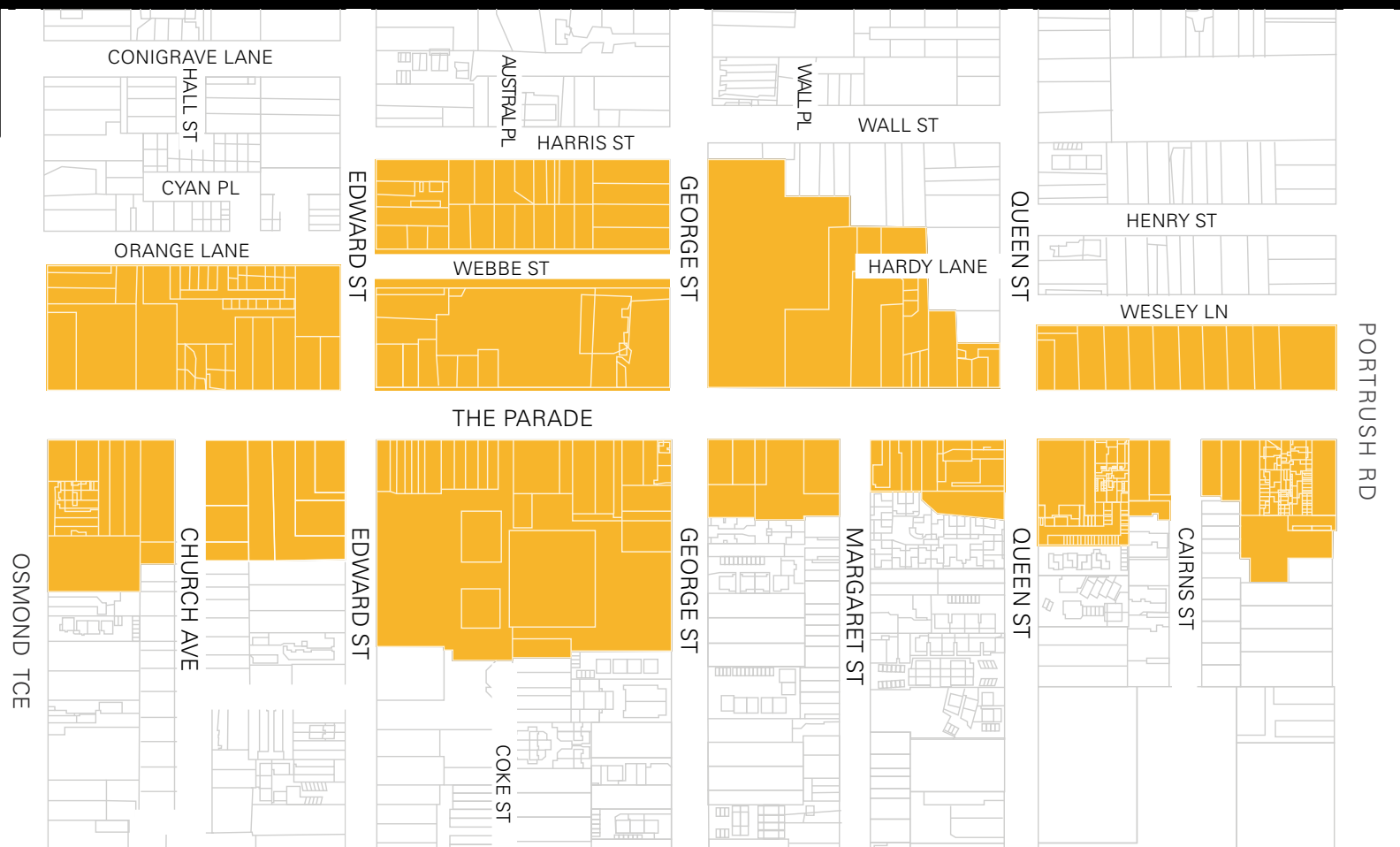


The Parade Precinct Boundary

The boundary for the assessment of occupancy levels within The Parade Precinct is based on Planning Zones defined within the Planning & Design Code 2016.

These zones highlight where commercial activity may be legally permitted and also form the basis for defining the Precinct for the collection of The Parade Separate Rate. The Precinct extends from Fullarton Road to Portrush Road and includes all ground level and non-ground level tenancies.

 The Parade Precinct



Occupancy Rate



373 Total Tenancies

Compared to **368** in 2021 and **381** in 2020

345

Total Businesses

Compared to **349** in 2021 and **341** in 2020



19

New Businesses

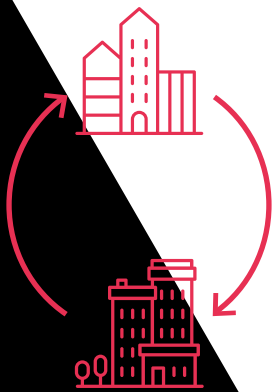
Compared to **34** in 2021 and **24** in 2020

28

Total Vacant Tenancies

Compared to **19** in 2021 and **40** in 2020





13%

Turnover Rate

Compared to **14%** in 2021 and **23%** in 2020

3 Relocated Businesses

Compared to **8** in 2021 and **0** in 2021



91%

Occupancy rate compared to **94%** in 2021 and **91%** in 2020

Between Fullarton Rd & Osmond Tce

94%

Occupancy rate compared to **95%** in 2021 and **91%** in 2020

Between Osmond Tce & George St

93%

Occupancy rate compared to **95%** in 2021 and **87%** in 2020

Between George St & Portrush Rd

Industry Mix

The Norwood Parade Precinct consists of a variety of business industries as depicted below. This industry mix contributes to The Parade being Adelaide's premier mainstreet due to its unique and vibrant offering.

20%
Dining & Entertainment

19%
Professional
54% Technical
9% Real Estate
37% Financial

16%
Medical, Health & Wellbeing

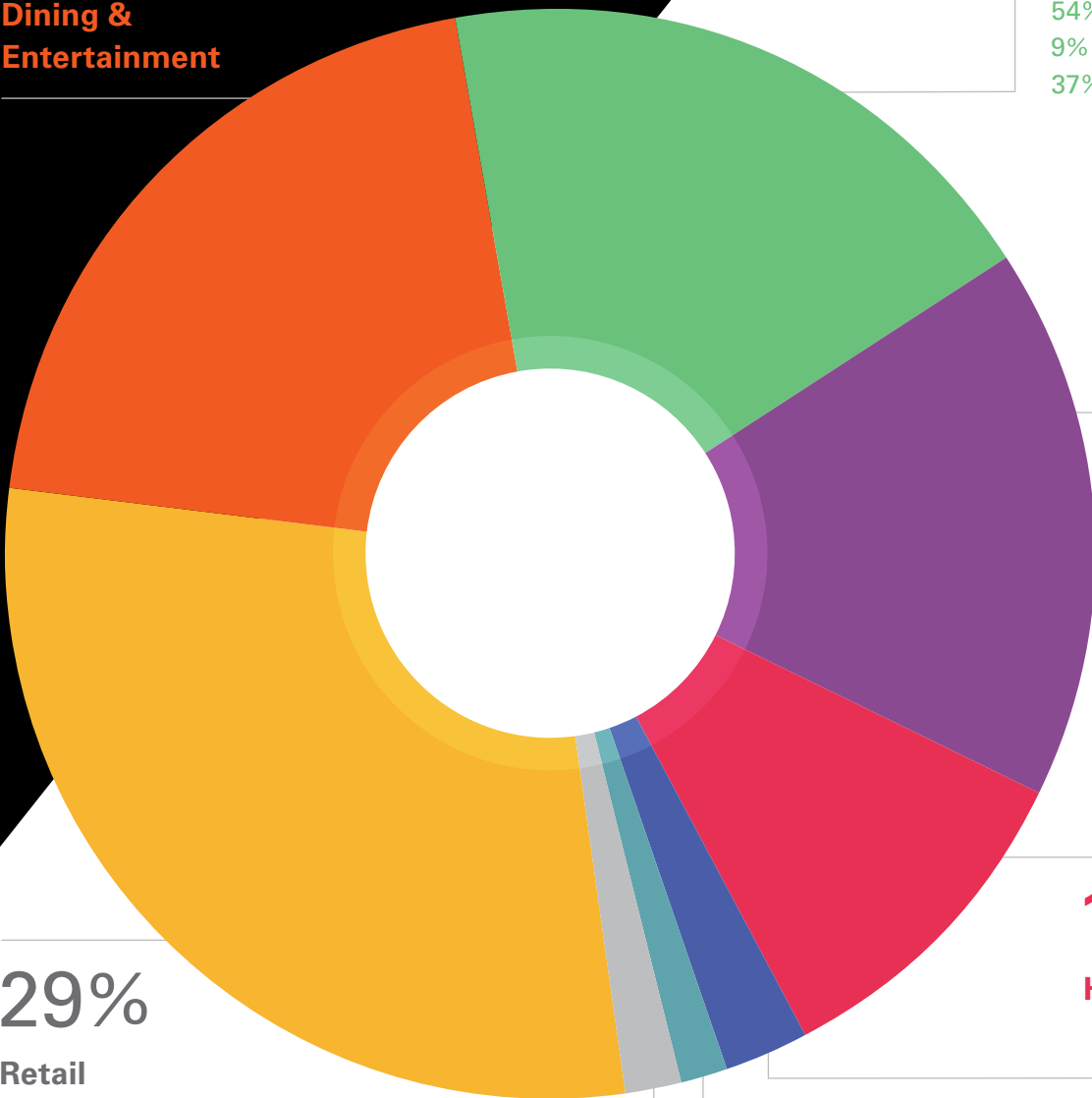
10%
Hair/Beauty

29%
Retail
65% Products
35% Clothing

1%
N/A

1%
Community

3%
Training/ Employment



Expenditure



Norwood Total Yearly Expenditure

\$562.40m*

Compared to **\$603.97m** in 2021 and **\$540.64m** in 2020

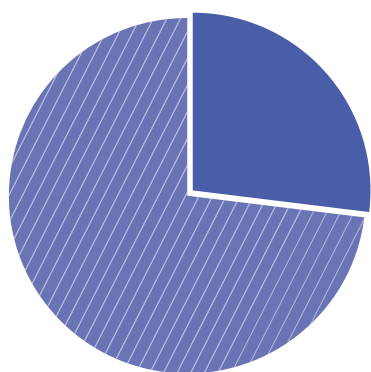


Norwood Average Daily Expenditure

\$1.54m*

Compared to **\$1.66m** in 2021 and **\$1.48m** in 2020

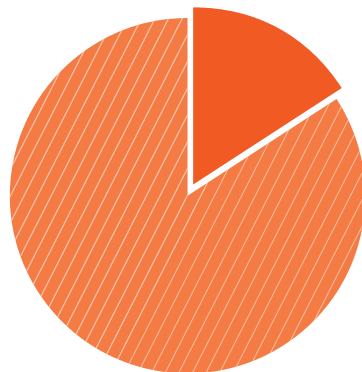
Top 3 Expenditure Categories



27%

Dining & Entertainment

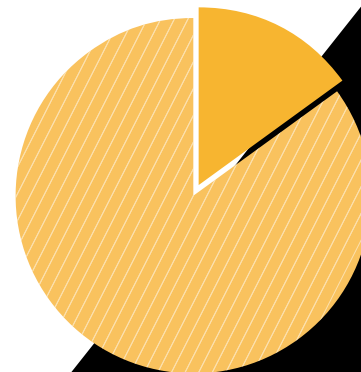
Compared to **27%** in 2021 and **23%** in 2020



16%

Grocery Stores & Supermarkets

Compared to **15%** in 2021 and **18%** in 2020



15%

Professional Services

Compared to **15%** in 2021
In 2020 **Specialised & Luxury Goods** made up **14%**

**The data represents the activity in the entire suburb of Norwood.*

MAGILL ROAD

Magill Road is located a short distance from the Adelaide CBD and extends for a length of approximately 3.2km, from Payneham Road to Glynburn Road, recognising that the southern side of Magill Road, between Portrush Road and Glynburn Road, falls within the City of Burnside.



The Magill Road Precinct encompasses an eclectic mix of retail, as well as some residential premises and larger manufacturers that break up the continuity of the commercial land uses. Unlike The Parade, Magill Road is predominantly represented by independent small businesses, however in recent years this main street has seen the emergence of some major retailers such as Aldi.

Over the last five years Magill Road has evolved, gaining a reputation as a destination due to its substantial

offering including homewares, furniture, retail, dining & entertainment and professional services. In addition to being one of Adelaide's most recognised mainstreets, Magill Road is also a major transport thoroughfare, connecting the CBD with the eastern suburbs.

In the case of Magill Road, while a large proportion of the businesses are owned and run by small business operators who are serving the local catchment, there is a portion of the businesses that are highly regarded providers of

unique goods and services, acting as an attractor to visitors from outside the catchment.

The distinctive brand identity that captures the unique essence and vibrancy of the street attracts customers, businesses and the community, and offers them an experience through its mix of eclectic and eccentric products and services. It is envisaged that the retail tenancies that form part of the Norwood Green development will complement the retail offering of this mainstreet.



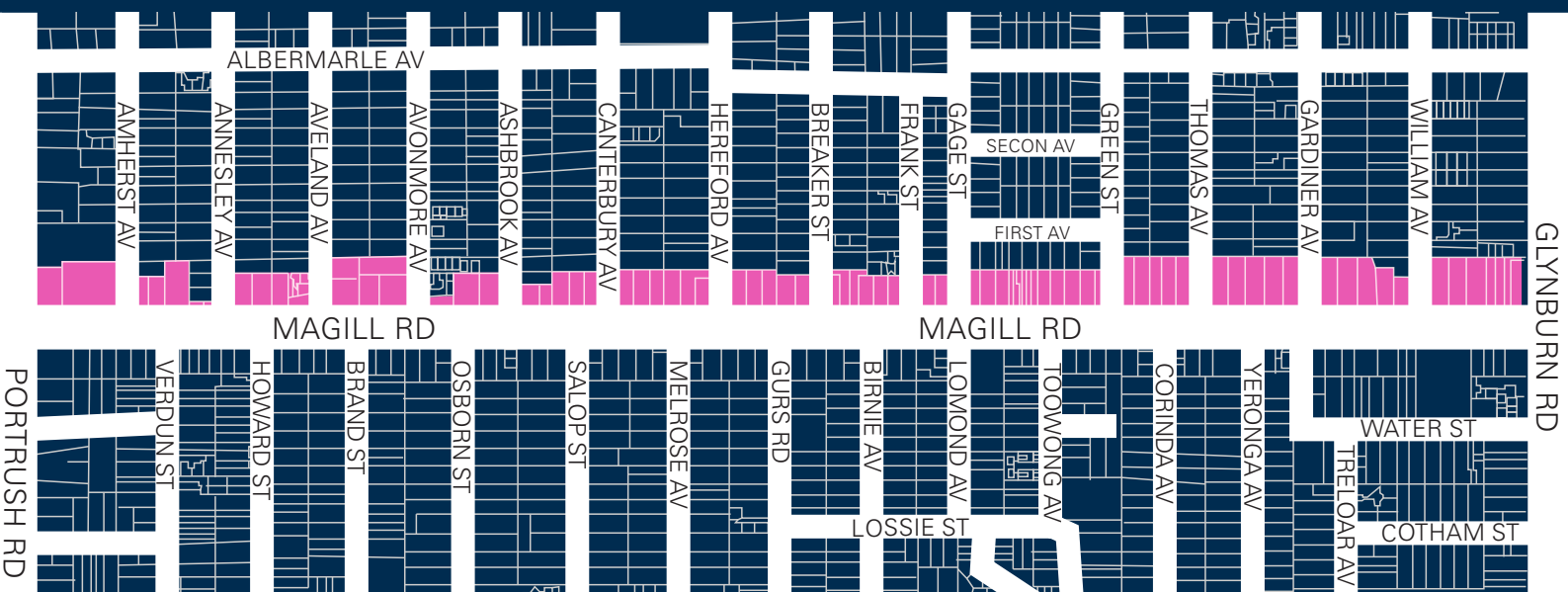


Magill Road Precinct Boundary

The boundary for the assessment of occupancy levels within the Magill Road Precinct is defined as being the entirety of Magill Road that falls within the City of Norwood Payneham & St Peters Council area.

This extends from Fullarton Road to Portrush Road, along both sides of the road and then from Portrush Road to Glynburn Road, only on the northern side of the road, recognising that the southern portion falls within the City of Burnside. Both ground level and non-ground level tenancies are included in the assessment.

 Magill Road Precinct



Occupancy Rate



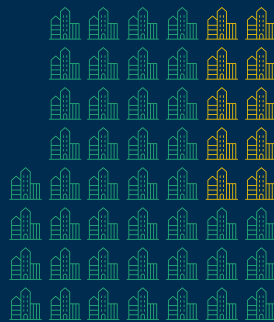
215

Total Tenancies

202

Total Businesses

Compared to **205** in 2021



10

New Businesses

Compared to **10** in 2021

13

Total Vacant Tenancies

Compared to **10** in 2021



11%

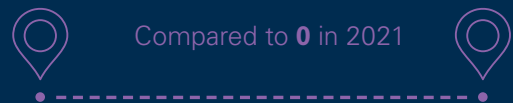
Turnover Rate

Compared to **9%** in 2021

1

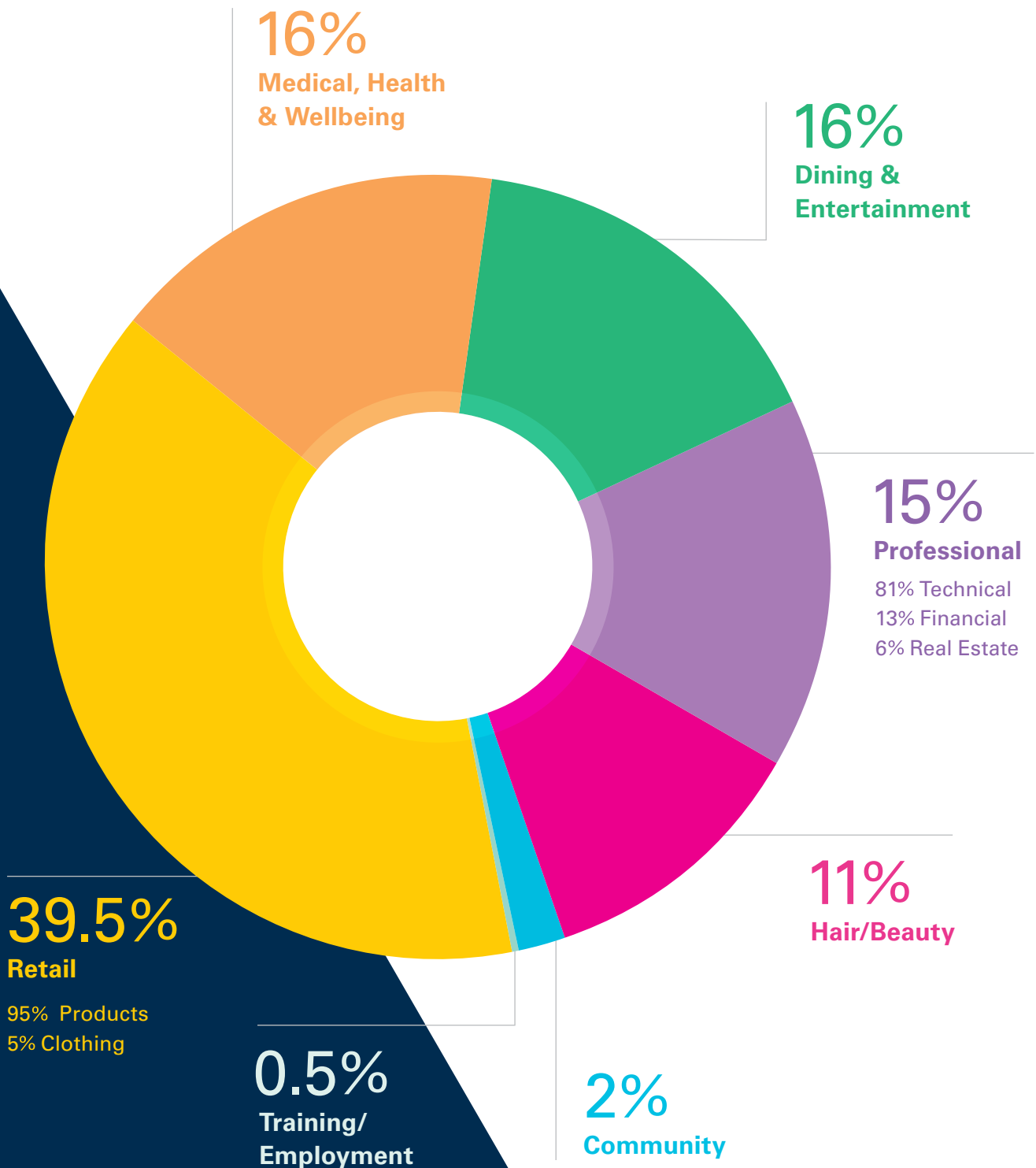
Relocated Businesses

Compared to **0** in 2021





Industry Mix

Magill Road consists of a variety of business industries as illustrated below.



City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials  /cityofnpsp  @cityofnpsp



City of
**Norwood
Payneham
& St Peters**