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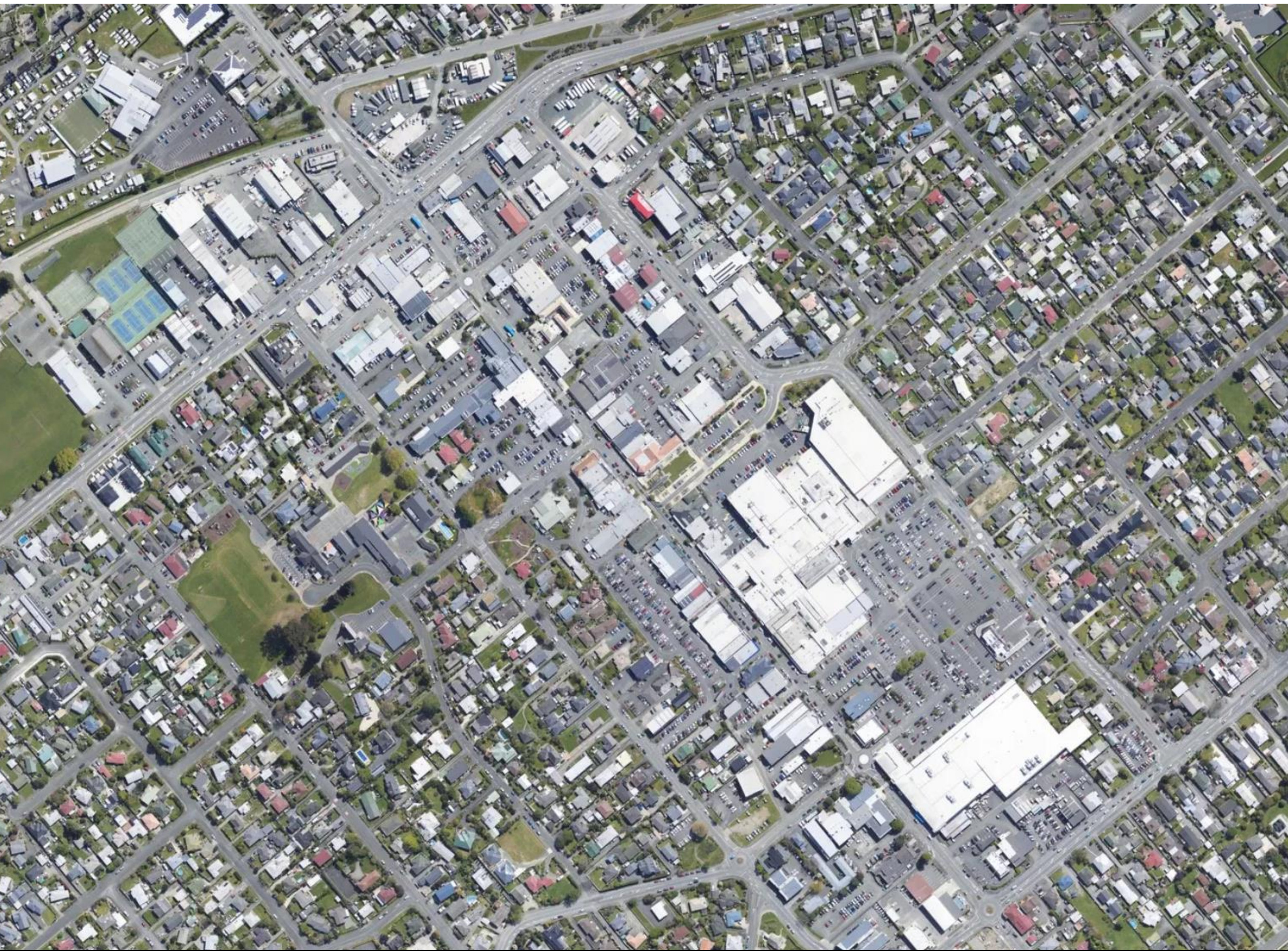

Final Report: 28 June 2025

# Impact Assessment for Potential Retail Development Scenarios in Tasman

Prepared for:
**Tasman District Council**

**Authorship**

This document was written by Fraser Colegrave, Danielle Chaumeil, and Nic Keith.

**Contact Details**

For further information about this document, please contact us at the details below:

Nic
Phone: +64 20 417 50185
Email: nic@ieco.co.nz

Fraser
Phone: +64 21 346 553
Email: fraser@ieco.co.nz

Danielle
Phone: +64 21 346 553
Email: danielle@ieco.co.nz

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# Contents

# 1. Executive Summary

Tasman District is one of New Zealand's fastest-growing regions. To help ensure that future retail supply growth occurs in a coordinated and efficient manner, Tasman District Council (**TDC**) commissioned us to assess the potential impacts of various retail development scenarios on its centres network. This report presents our assessment.

We begin by defining a study area spanning the Nelson-Tasman region to reflect the interconnected nature of the two area's retail markets. However, we also present retail demand estimates for only Tasman too. In both cases, strong and sustained retail demand is projected well into the future, providing considerable headroom for new retail floorspace to establish over time.

Against this backdrop, we then briefly profiled existing centres, including the Richmond CBD, Stoke, Motueka, Mapua, Nelson CBD, Nelson Junction, and Berryfields Crossing. Richmond is by far the largest retail location in Tasman and sits atop the district's centres hierarchy, so potential impacts on it are the focus of this assessment.

Seven future retail development scenarios were assessed. Five scenarios reflect varying, plausible scales and mixes of retail development at Berryfields Crossing based on current resource consent applications. The other two are extreme, but theoretically possible, outcomes where all projected growth in Nelson-Tasman core retail demand is met by large-scale development on land zoned – or proposed to be zoned – as Mixed Business Zone (**MBZ**) along the Appleby Highway.

Our modelling results show that the five Berryfields Crossing scenarios would have minimal impacts on existing centres, including the Richmond CBD. While some store types, like electronic goods, could face trade impacts of more than 20%, such stores are minor contributors to centre turnover. As a result, effects on them pose no material risk to the overall health or function of the CBD.

The estimated trade impacts of the two other, extreme scenarios are naturally far higher, posing significant risks to the Richmond CBD over time. Many retail categories would likely experience sales declines of more than 30%, probably causing many stores to close, reducing foot traffic, and substantially weakening Richmond's role as the district's primary centre.

We therefore recommend that additional planning provisions be considered for the MBZ land along the Appleby Highway to manage any risks on the Richmond CBD accordingly.

# 2. Introduction

## 2.1. Context

Tasman District is one of New Zealand's most desirable and fastest growing regions. To keep pace with this growth and to ensure that it occurs in a planned and coordinated fashion, Tasman District Council (**TDC**) recently notified Plan Change 81 (**PC81**) to the Tasman Resource Management Plan (**TMRP**). Amongst other things, PC81 aims to:

- Implement the first 10 years of the Nelson Tasman Future Development Strategy (**FDS**);
- Increase the variety of homes available in towns and urban centres; and
- Identify and support the role and function of commercial centres in Tasman.

## 2.2. Purpose of Assessment

To help inform PC81 work on the role and function of Tasman's commercial centres network, TDC commissioned us to assess the potential impacts of various potential retail development scenarios on the role, function, health, and vitality of existing centres, especially the Richmond Town Centre. The retail development scenarios assessed in this report focus on Berryfields Crossing, but they also include two extreme scenarios related to large-scale (unfettered) development within two large vacant areas along the Appleby Highway that are either zoned Mixed Business Zone (**MBZ**) now, or which are proposed to be zoned that way via PC81. This report presents our assessment, including our methodology and key findings.

## 2.3. Structure of Report

The remainder of this report is structured as follows:

- Section **3** describes the methodology used in our assessment.
- Section **4** summarises the retail model used to estimate demand and test the effects of various retail development scenarios.
- Section **5** estimates current and future retail demand by store type from 2023 to 2048.
- Section **6** identifies and briefly profiles centres most likely to be affected by future retail developments within the district.
- Section **7** estimates the impacts of seven different retail development scenarios on the future sales of existing retailers across Nelson-Tasman.
- Section **8** considers the potential for significant retail distribution effects to arise due to the trade impacts estimated in the previous section.
- Section **9** provides and overall summary and conclusion.

# 3. Methodology

This section summarises the methodology used in our assessment.

## 3.1. Steps in the Analysis

Figure 1 identifies the key steps in our assessment, which can be summarised as follows: The analysis begins by delineating a study area to define the geographic scope. Then, current and future retail demand are estimated by store type, customer type, and customer origin from 2023 to 2048. Next, centres most likely to be affected by the retail scenarios modelled in the assessment are profiled to identify their current and expected future roles, and functions. Having set the scene, various retail development scenarios are then derived and run through our retail impact model to estimate the effects of each on the sales of existing stores and centres, which are formally known as trade impacts. Finally, those trade impact estimates are fed into an assessment of potential retail distribution effects to reach an overall summary and conclusion.

Figure 1: Key Steps in the Assessment

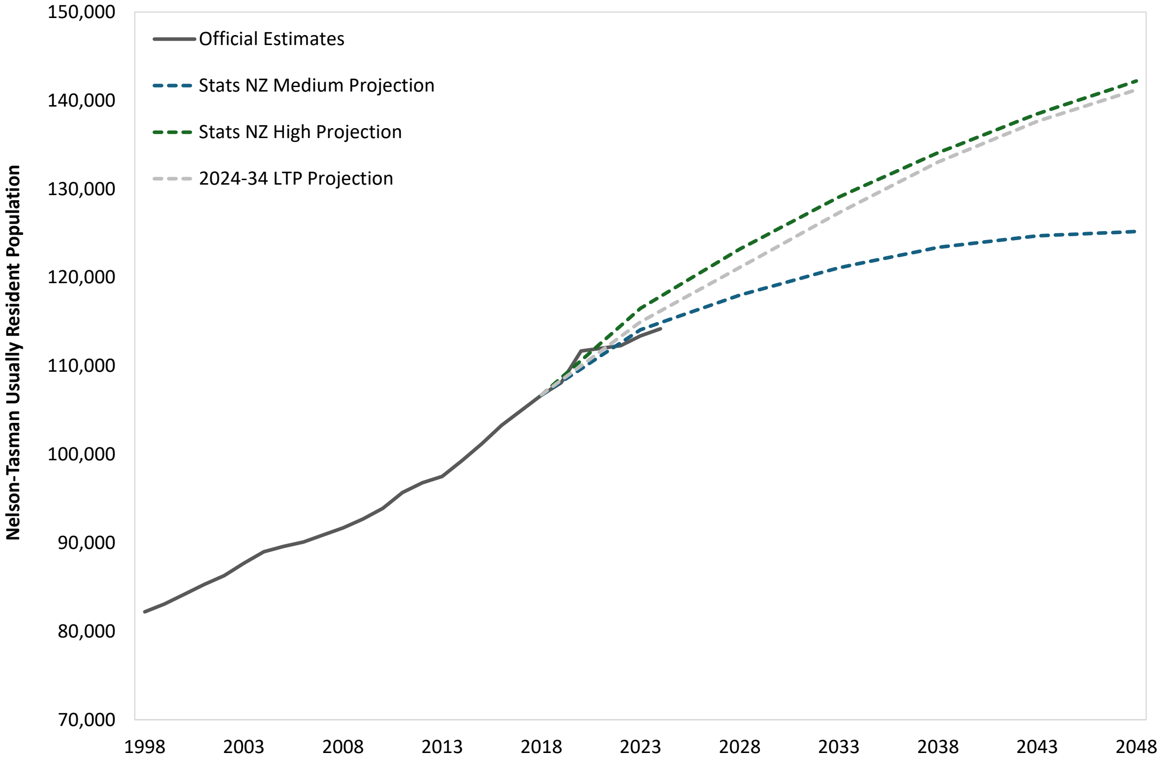

## 3.2. Study Area

Although this report focusses on the potential effects of each scenario on centres located within the Tasman District, **we adopt the Nelson-Tasman region as our study area** to reflect the highly interconnected nature of the two district’s retail markets.

## 3.3. Growth Projections

Our retail model, which is described further in the next section, uses Statistics New Zealand's official population projections to estimate future retail demand. However, Tasman District Council (**TDC**) and Nelson City Council (**NCC**) have both adopted custom population projections for their LTPs, which differ from the official ones. While that is not an issue *per se*, it is important that our analysis is as consistent with the LTP as possible. Accordingly, we compared the LTP projections used by TDC and NCC with the official ones embedded in our model. Figure 2 below plots the results, which show that the projections used in the LTPS fall between the official medium and high scenarios. So, **we project future retail demand for the official medium and high** population scenarios in this report.

Figure 2: Stats NZ Official Medium & High Projections vs Adopted LTP Projections to 2048



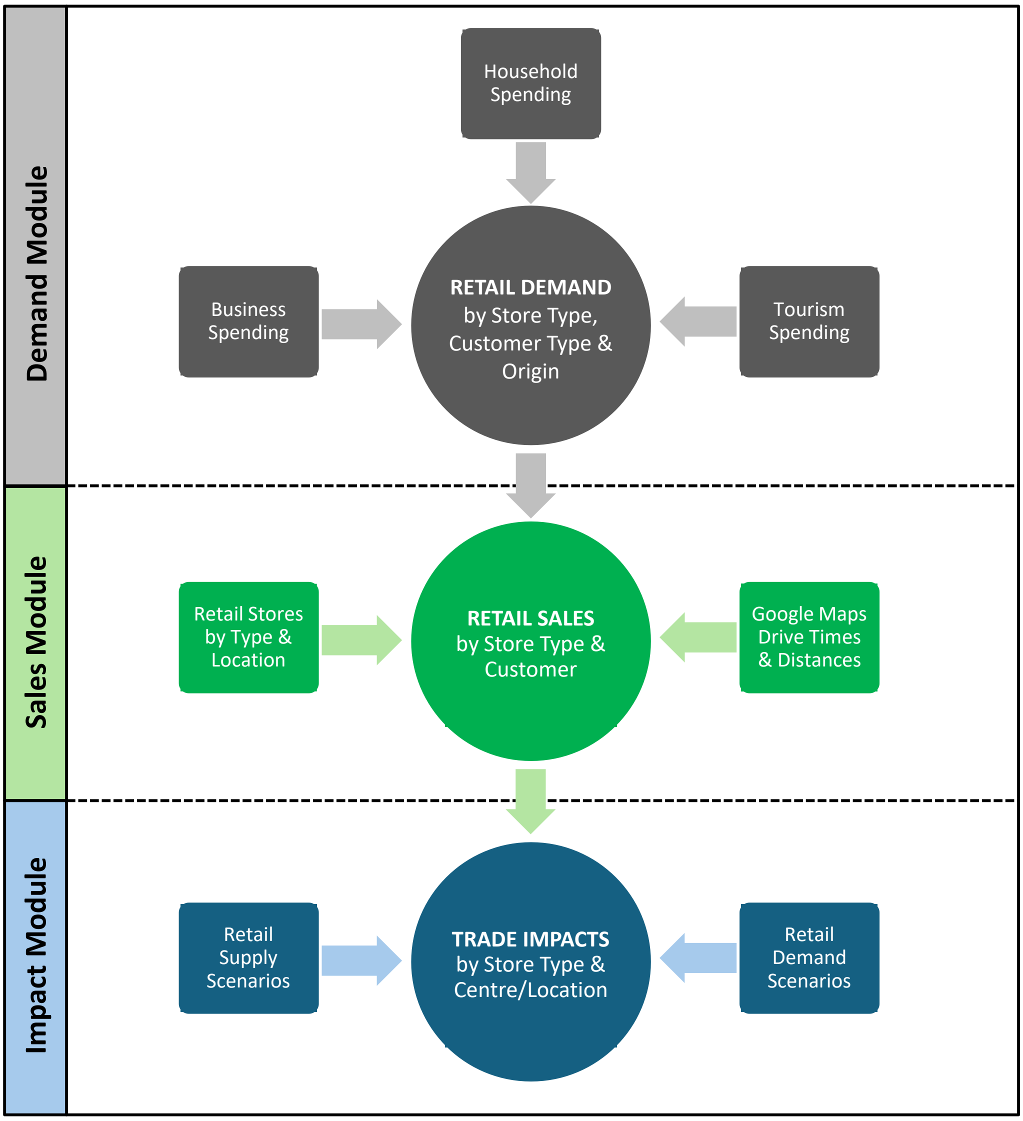
# 4. Retail Model Overview

This section describes the retail model used in our assessment.

## 4.1. Model Structure

Over the past 15 years, we have developed a sophisticated, proprietary modelling suite called the Integrated Retail Model (**IRM**). It comprises three interrelated modules, as depicted below.

Figure 3: IRM Structure – 3 Interrelated Modules




To summarise: First, retail demand is estimated based on a wide range of official datasets related to household, tourism, and business retail spending. Those demand estimates then feed into the sales module, which traces how spending originating in each suburb is distributed across that region's retail stores based on their size/attractiveness and proximity. The third module then tests the impacts of user-defined retail supply and demand scenarios on the turnovers of existing stores and centres to inform retail planning and consenting work.

## 4.2. Key Outputs

The model produces three key outputs, namely:

- Retail **demand** by store type, customer type, and customer origin using fine-grained spatial building blocks called Statistical Area 2s (**SA2s**) at 5-year intervals from 2023 to 2048;

- Retail **sales** by store type and SA2 at 5-year intervals from 2023 to 2048; and

- Trade **impacts** by store type and SA2/centre for various user-defined scenarios

## 4.3. Store Types

The outputs above are produced for the 15 store types in Stats NZ's Retail Trade Survey (**RTS**):[1]

- **Core Retail**
  - Supermarket & grocery stores
  - Specialised food (e.g. butcher, fruit & veg shop, bakery etc)
  - Liquor stores
  - Department stores
  - Furniture, floor coverings, houseware, textiles
  - Hardware, building, & garden supplies
  - Recreational goods
  - Clothing, footwear, & accessories
  - Electrical & electronic goods
  - Pharmaceutical & other store-based retailing
  - Food & beverage services
- **Non-Core Retail**
  - Accommodation
  - Non-store & commission-based retailing
  - Motor vehicles
  - Fuel

## 4.4. Customer Types

The model estimates current and future demand for three customer types on a region-by-region basis. Their estimated demands are defined as follows:

- **Household** = spending by households within their home region only. *i.e.* excluding spending outside the region, either online or in-store.

- **Business** = spending by businesses and other organisations within their home regions. *i.e.* excluding spending outside the region, either online or in-store.

- **Visitor** = spending by domestic and international visitors in each region.

[1] This differs slightly from the RTS, which treats accommodation & non-store/commission-based retailing as core retail.

To summarise: Household retail demand is based on income and household size, using national spending patterns adjusted each suburb's household characteristics. Business demand is linked to the number of firms and employees in each major industry, while visitor spending is estimated using detailed tourism and accommodation data. Together, these three sources of demand equal regional retail sales for each store type for the model base year (ended September 2023). Future retail demand is projected from 2023 to 2048 at five-year intervals by scaling up 2023 demand to reflect official population projections and assumed spending growth rates by store type.

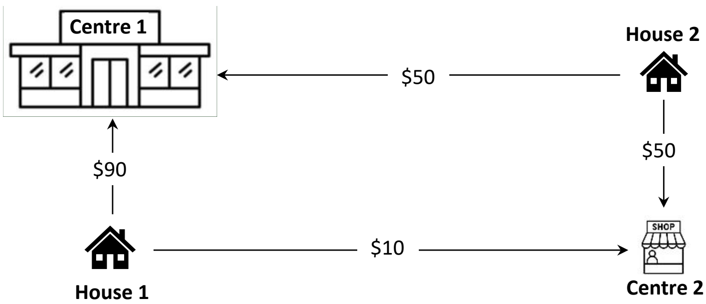
## 4.5. Estimating Sales

The model's spatial interaction module traces the flow of retail demand (by store type) from each SA2 to each store based on principles based on Newton's law of gravity. These emulate the highly predictable nature of typical shopping behaviour, where people are naturally attracted to stores that are either large and/or nearby. To put it slightly differently, shoppers tend to visit the closest store that meets their needs, but they may sometimes travel further afield to visit another, newer, or larger stores with greater choice, better prices, and so on. Or, just for variety.

*Example*

Consider an example with two houses spending $100 each across 2 centres: one large & one small. In this example, because House 1 lives much closer to Centre 1, and because Centre 1 is much larger, House 1 does most (say 90%) of their shopping there. They only visit centre 2 relatively rarely, perhaps "for a change of scenery", to meet friends, or to visit a specific store. The situation for House 2 is different. Although centre 2 is closer, centre 1 is bigger, so the offsetting forces of store size and distance cancel out. So, House 2 spends a similar amount at both centres.

Figure 4: Simple Illustration of Retail Gravity Model Principles




The table below shows how these demand flows translate into sales in our model. In this example, Centre 1's sales are $140, comprised of $90 from House 1 and $50 from House 2. Centre 2's sales are $60; $10 from House 1, and $50 from House 2. Repeating this for every origin-destination combination in a region, its retailer's sales can be readily estimated.

Table 1: Calculation of Centre Sales Using Gravity Model Example

| Spend Origins | Spend Destinations: Centre 1 | Centre 2 | Total |
|---|---|---|---|
| House 1 | $90 | $10 | $100 |
| House 2 | $50 | $50 | $100 |
| **Total Sales** | **$140** | **$60** | **$200** |

## 4.6. Estimating Trade Impacts

The third module estimates the potential trade impacts of user-defined retail development scenarios. For each scenario, the model is run twice. First, the proposed development(s) is excluded to estimate the baseline turnovers of existing stores absent it. Then, the model is run again including the proposed development. By holding total sales constant between model runs, every dollar turned over at new stores represents a dollar diverted from elsewhere, which provides direct estimates of trade impacts by store type and location.

*Example*

Let us return to the stylized example above with two households and two centres and imagine that a third centre opens about halfway between the two households, as per the illustration below. Because each household is still spending only $100 each, every dollar spent at the new centre represents a dollar no longer spent at the original two centres.

Figure 5: Recalculation of Sales Including an Extra Centre as an Impact Scenario

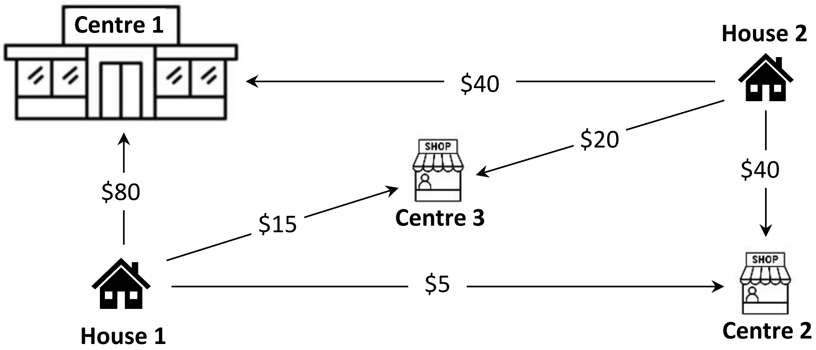



Table 2 shows how these revised spending flows affect the sales of each centre. In short, the new centre is estimated to turnover $35, $20 of which is diverted from Centre 1, and $15 from centre 2. These dollar impacts are then usually expressed as percentages of the baseline turnover figures to inform a subsequent assessment of retail distribution effects.

Table 2: Recalculation of Centre Sales Using Gravity Model Example

| | Spend Destinations | | | |
|---|---|---|---|---|
| **BASELINE** | Centre 1 | Centre 2 | Centre 3 | **Total** |
| House 1 | $90 | $10 | n/a | $100 |
| House 2 | $50 | $50 | n/a | $100 |
| **Total Sales** | **$140** | **$60** | **n/a** | **$200** |
| | | | | |
| **SCENARIO** | **Centre 1** | **Centre 2** | **Centre 3** | **Total** |
| House 1 | $80 | $5 | $15 | $100 |
| House 2 | $40 | $40 | $20 | $100 |
| **Total Sales** | **$120** | **$45** | **$35** | **$200** |
| | | | | |
| **IMPACTS** | **Centre 1** | **Centre 2** | **Centre 3** | **Total** |
| House 1 | -$10 | -$5 | $15 | $0 |
| House 2 | -$10 | -$10 | $20 | $0 |
| **Total Sales** | **-$20** | **-$15** | **$35** | **$0** |

Finally, the model also allows users to define retail *demand* scenarios. i.e. increases or decreases in retail demand by store type and SA2. These might reflect, for example, the potential impacts of a new centre being developed within an emerging commercial area, or the redevelopment of an old centre within the existing urban area.

## 4.7. Information Sources

The model was derived using numerous interrelated datasets, including:

1. Retail Trade Survey – national sales by store type
2. Retail Trade Survey – regional core & non-core sales
3. REAWT – TA total retail sales
4. Annual Enterprise Survey – main dataset
5. Annual Enterprise Survey – supplementary/detailed data
6. Input output tables – transactions table
7. MRTE – domestic and international tourism spending by product
8. Business Demography – GUs and employees by SA2 & store type (Feb 2023)
9. Stats NZ Population estimates – by SA2 to 2024
10. Stats NZ Population projections – by SA2 & scenario from 2023 to 2048
11. Stats NZ Building consents
12. Property Council Shopping Centre Database
13. Tourism Satellite Account – tourism product ratios and tourism industry ratios
14. Household Expenditure Statistics (HES) – weekly spend by household income & size
15. Household Expenditure Statistics – retail spend by store type & HES item
16. Census 2023 – number of households by income band and by household size.
17. Core Logic Property Guru tool – retail and services GFA by TA.
18. Marketview data – various snapshots over space and time since 2013.

# 5. Current & Future Retail Demand

This section summarises our estimates of current and projected future retail demand estimates.

## 5.1. Current (2023) Demand

To begin, Table 3 and Table 4 first show retail demand by store and customer type in 2023 for the Tasman District only, and for the Nelson-Tasman region combined, respectively. As noted above, the demand figures presented in this section should be interpreted as follows:

- **Household** demand = spending by households within the region(s) assessed. *i.e.* excluding spending outside the region(s), either online or in-store.
- **Business** demand = spending by businesses and other organisations within the region(s) assessed. *i.e.* excluding spending outside the region(s), either online or in-store.
- **Visitor** demand = spending by domestic/international visitors based outside the region(s).

Table 3: Current (2023) **Tasman District** Retail Demand by Customer Type & Store Type ($m)

| Core Retail Store Types | Household Demand | Businesses Demand | Visitors Demand | Total Demand |
|---|---|---|---|---|
| Supermarket & grocery stores | $271 | $15 | $75 | $361 |
| Specialised food | $20 | $1 | $3 | $25 |
| Liquor | $23 | $1 | $14 | $38 |
| Department stores | $65 | $4 | $5 | $73 |
| Furniture, floor coverings, houseware, textiles | $14 | $3 | $2 | $19 |
| Hardware, building, & garden supplies | $40 | $19 | $4 | $64 |
| Recreational goods | $21 | $2 | $2 | $24 |
| Clothing, footwear, & accessories | $18 | $2 | $7 | $27 |
| Electrical & electronic goods | $9 | $3 | $2 | $14 |
| Pharmaceutical & other store-based retailing | $64 | $9 | $3 | $76 |
| Food & beverage services | $47 | $14 | $54 | $115 |
| **Core Retail Sub-total** | **$594** | **$72** | **$171** | **$837** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $29 | $24 | $7 | $61 |
| Fuel | $84 | $19 | $35 | $138 |
| Accommodation | $21 | $7 | $44 | $72 |
| Non-store & commission-based retailing | $20 | $0 | $9 | $29 |
| **Non-Core Sub-total** | **$154** | **$50** | **$96** | **$300** |
| | | | | |
| **All Retail Stores** | **$748** | **$122** | **$267** | **$1,137** |

In 2023, Tasman District's retail demand was $1.14 billion, $837 million (74%) of which was on core retail store types, and 26% of which was on non-core retail. Like most (if not all) regions of New Zealand, household spending dominates most store types. However, visitor spending is also strong in several categories, including accommodation, food & beverage services, and liquor, reflecting the importance of tourism to the local economy.

When the Tasman district is combined with the neighbouring Nelson city to form the Nelson-Tasman region, retail demand surpassed $2.5 billion in 2023. Visitor spend becomes slightly more important, while hardware and building supplies emerge as a high-value category, likely reflecting both regional construction activity, plus spillover from Tasman's sustained high growth. Despite those small shifts, households remain the dominant spending force, while the split between core and non-core retail remains about the same.

Table 4: Current (2023) **Nelson-Tasman** Retail Demand by Customer Type & Store Type ($m)

| Core Retail Store Types | Household Demand | Businesses Demand | Visitors Demand | Total Demand |
|---|---|---|---|---|
| Supermarket & grocery stores | $516 | $30 | $90 | $635 |
| Specialised food | $33 | $2 | $4 | $40 |
| Liquor | $37 | $2 | $19 | $58 |
| Department stores | $108 | $7 | $16 | $131 |
| Furniture, floor coverings, houseware, textiles | $32 | $6 | $5 | $43 |
| Hardware, building, & garden supplies | $130 | $44 | $92 | $265 |
| Recreational goods | $51 | $3 | $18 | $72 |
| Clothing, footwear, & accessories | $50 | $4 | $24 | $77 |
| Electrical & electronic goods | $34 | $7 | $6 | $46 |
| Pharmaceutical & other store-based retailing | $130 | $18 | $10 | $158 |
| Food & beverage services | $147 | $36 | $130 | $313 |
| **Core Retail Sub-total** | **$1,267** | **$158** | **$414** | **$1,839** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $160 | $55 | $69 | $284 |
| Fuel | $123 | $35 | $48 | $206 |
| Accommodation | $31 | $15 | $86 | $132 |
| Non-store & commission-based retailing | $40 | $0 | $13 | $52 |
| **Non-Core Sub-total** | **$353** | **$105** | **$216** | **$674** |
| | | | | |
| **All Retail Stores Total** | **$1,620** | **$263** | **$629** | **$2,513** |

## 5.2. Projected Demand (Stats NZ Medium Scenario)

The following two tables now show how the demand estimated for 2023 above is projected to grow by 2048, including the implied 25-year change and corresponding compound annual growth rates (**CAGR**). These projections assume that:

- Population growth follows the Stats NZ medium scenario;
- Household spending increases 1% per annum over and above inflation; and
- That business and visitor spending grow pro-rata with household spending to maintain their respective shares by SA2 and store type over time.

Table 5: **Tasman District** Retail Demand in 2023 & 2048 – Stats NZ **Medium Scenario** ($m)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | $361 | $529 | $168 | 1.5% |
| Specialised food | $25 | $36 | $12 | 1.5% |
| Liquor | $38 | $55 | $17 | 1.5% |
| Department stores | $73 | $108 | $35 | 1.6% |
| Furniture, floor coverings, houseware, textiles | $19 | $27 | $9 | 1.6% |
| Hardware, building, & garden supplies | $64 | $94 | $30 | 1.6% |
| Recreational goods | $24 | $36 | $11 | 1.6% |
| Clothing, footwear, & accessories | $27 | $40 | $13 | 1.5% |
| Electrical & electronic goods | $14 | $21 | $7 | 1.6% |
| Pharmaceutical & other store-based retailing | $76 | $112 | $36 | 1.6% |
| Food & beverage services | $115 | $168 | $53 | 1.5% |
| **Core Retail Sub-total** | **$837** | **$1,227** | **$390** | **1.5%** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $61 | $90 | $29 | 1.6% |
| Fuel | $138 | $202 | $64 | 1.5% |
| Accommodation | $72 | $104 | $32 | 1.5% |
| Non-store & commission-based retailing | $29 | $43 | $13 | 1.5% |
| **Non-Core Sub-total** | **$300** | **$438** | **$138** | **1.5%** |
| | | | | |
| **All Retail Stores Total** | **$1,137** | **$1,665** | **$528** | **1.5%** |

Table 6 shows that Tasman District retail demand is projected to grow from $1.14 billion in 2023 to $1.67 billion in 2048, an increase of about $530 million. For the Nelson-Tasman region combined, retail demand is projected to increase by $1.03 billion over the 25-year period. These translate to CAGRs of 1.5% for the Tasman District, and 1.4% for Nelson-Tasman.

Table 6: **Nelson-Tasman** Retail Demand Projections – Stats NZ **Medium Scenario** ($m)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | $635 | $902 | $267 | 1.4% |
| Specialised food | $40 | $56 | $17 | 1.4% |
| Liquor | $58 | $82 | $24 | 1.4% |
| Department stores | $131 | $186 | $55 | 1.4% |
| Furniture, floor coverings, houseware, textiles | $43 | $61 | $18 | 1.4% |
| Hardware, building, & garden supplies | $265 | $368 | $103 | 1.3% |
| Recreational goods | $72 | $101 | $28 | 1.3% |
| Clothing, footwear, & accessories | $77 | $108 | $30 | 1.3% |
| Electrical & electronic goods | $46 | $65 | $19 | 1.4% |
| Pharmaceutical & other store-based retailing | $158 | $224 | $66 | 1.4% |
| Food & beverage services | $313 | $437 | $124 | 1.3% |
| **Core Retail Sub-total** | **$1,839** | **$2,591** | **$751** | **1.4%** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $284 | $394 | $111 | 1.3% |
| Fuel | $206 | $296 | $90 | 1.5% |
| Accommodation | $132 | $186 | $54 | 1.4% |
| Non-store & commission-based retailing | $52 | $74 | $22 | 1.4% |
| **Non-Core Sub-total** | **$674** | **$950** | **$276** | **1.4%** |
| | | | | |
| **All Retail Stores Total** | **$2,513** | **$3,540** | **$1,028** | **1.4%** |

## 5.3. Projected Demand (Stats NZ High Scenario)

Next, we project demand using the same assumptions as above, but this time adopting the Stats NZ high population growth scenario, not the medium. This results in projected demand growth of $714 million for the Tasman District over the 25-year period, and $1.45 billion for Nelson-Tasman.

**Table 7: Tasman District** Retail Demand in 2023 & 2048 – Stats **NZ High Scenario** ($m)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | $361 | $588 | $227 | 2.0% |
| Specialised food | $25 | $40 | $16 | 2.0% |
| Liquor | $38 | $61 | $23 | 2.0% |
| Department stores | $73 | $120 | $47 | 2.0% |
| Furniture, floor coverings, houseware, textiles | $19 | $31 | $12 | 2.0% |
| Hardware, building, & garden supplies | $64 | $105 | $41 | 2.0% |
| Recreational goods | $24 | $40 | $15 | 2.0% |
| Clothing, footwear, & accessories | $27 | $45 | $17 | 2.0% |
| Electrical & electronic goods | $14 | $24 | $9 | 2.0% |
| Pharmaceutical & other store-based retailing | $76 | $125 | $48 | 2.0% |
| Food & beverage services | $115 | $187 | $71 | 1.9% |
| **Core Retail Sub-total** | **$837** | **$1,364** | **$527** | **2.0%** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $61 | $100 | $39 | 2.0% |
| Fuel | $138 | $224 | $86 | 2.0% |
| Accommodation | $72 | $116 | $44 | 1.9% |
| Non-store & commission-based retailing | $29 | $47 | $18 | 2.0% |
| **Non-Core Sub-total** | **$300** | **$487** | **$187** | **2.0%** |
| | | | | |
| **All Retail Stores Total** | **$1,137** | **$1,851** | **$714** | **2.0%** |

Table 8: **Nelson-Tasman** Retail Demand Projections – Stats NZ **High Scenario** ($m)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | $635 | $1,009 | $374 | 1.9% |
| Specialised food | $40 | $63 | $24 | 1.9% |
| Liquor | $58 | $92 | $34 | 1.9% |
| Department stores | $131 | $208 | $77 | 1.9% |
| Furniture, floor coverings, houseware, textiles | $43 | $68 | $25 | 1.9% |
| Hardware, building, & garden supplies | $265 | $414 | $149 | 1.8% |
| Recreational goods | $72 | $113 | $41 | 1.8% |
| Clothing, footwear, & accessories | $77 | $121 | $44 | 1.8% |
| Electrical & electronic goods | $46 | $73 | $27 | 1.8% |
| Pharmaceutical & other store-based retailing | $158 | $251 | $93 | 1.9% |
| Food & beverage services | $313 | $490 | $177 | 1.8% |
| **Core Retail Sub-total** | **$1,839** | **$2,902** | **$1,063** | **1.8%** |
| | | | | |
| **Non-Core Retail Stores** | | | | |
| Motor vehicles | $284 | $444 | $160 | 1.8% |
| Fuel | $206 | $331 | $125 | 1.9% |
| Accommodation | $132 | $208 | $76 | 1.8% |
| Non-store & commission-based retailing | $52 | $82 | $30 | 1.8% |
| **Non-Core Sub-total** | **$674** | **$1,065** | **$391** | **1.8%** |
| | | | | |
| **All Retail Stores Total** | **$2,513** | **$3,967** | **$1,454** | **1.8%** |

## 5.4. GFA Supportable – Medium Scenario

We translated the demand projections above into the level of core retail store floorspace that can theoretically be supported in 2023 and 2048 – along with the implied changes – using our in-house database of sales per square metre of GFA by territorial authority and store type. For the Tasman district, the medium scenario produces demand for about 148,000m$^2$ in 2023 rising to more than 217,000m$^2$ by 2048, implying 25-year growth of 69,000m$^2$. For the Tasman-Nelson region, floorspace demand is projected to increase from almost 355,000m2 in 2023 to nearly 499,000m2 in 2048, signalling potential growth of almost 144,000m$^2$.

Table 9: **Tasman District** Core Retail GFA Supported in 2023 & 2048: **Medium Scenario** (m$^2$)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | 33,610 | 49,250 | 15,640 | 1.5% |
| Specialised food (including liquor) | 7,600 | 11,120 | 3,520 | 1.5% |
| Department stores | 19,790 | 29,150 | 9,360 | 1.6% |
| Furniture, floor coverings, houseware, textiles | 5,830 | 8,590 | 2,760 | 1.6% |
| Hardware, building, & garden supplies | 26,620 | 39,200 | 12,580 | 1.6% |
| Recreational goods | 8,110 | 11,930 | 3,820 | 1.6% |
| Clothing, footwear, & accessories | 6,430 | 9,430 | 3,000 | 1.5% |
| Electrical & electronic goods | 2,460 | 3,630 | 1,170 | 1.6% |
| Pharmaceutical & other store-based retailing | 14,020 | 20,600 | 6,580 | 1.6% |
| Food & beverage services | 23,750 | 34,580 | 10,830 | 1.5% |
| **Core Retail Total** | **148,220** | **217,480** | **69,260** | **1.5%** |

Table 10: **Nelson-Tasman** Core Retail GFA Supported in 2023 & 2048: **Medium Scenario** (m$^2$)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | 57,630 | 81,930 | 24,300 | 1.4% |
| Specialised food (including liquor) | 11,690 | 16,680 | 4,990 | 1.4% |
| Department stores | 34,580 | 49,250 | 14,670 | 1.4% |
| Furniture, floor coverings, houseware, textiles | 13,560 | 19,160 | 5,600 | 1.4% |
| Hardware, building, & garden supplies | 98,620 | 137,200 | 38,580 | 1.3% |
| Recreational goods | 22,220 | 31,040 | 8,820 | 1.3% |
| Clothing, footwear, & accessories | 17,910 | 24,980 | 7,070 | 1.3% |
| Electrical & electronic goods | 8,400 | 11,750 | 3,350 | 1.4% |
| Pharmaceutical & other store-based retailing | 27,770 | 39,380 | 11,610 | 1.4% |
| Food & beverage services | 62,580 | 87,390 | 24,810 | 1.3% |
| **Core Retail Total** | **354,960** | **498,760** | **143,800** | **1.4%** |

## 5.5. GFA Supportable – High Scenario

Finally, the next two tables translate the high scenario demand projections above into the amount of floorspace supportable in 2023 and 2048, along with projected growth from one period to the next. In short, out projections indicate 25-year growth of more than 93,000m$^2$ of core retail floorspace for the Tasman District, and 204,000m$^2$ for Nelson-Tasman, representing CAGRs of 2.0% and 1.8%, respectively.

Table 11: **Tasman District** Core Retail GFA Supported in 2023 & 2048: **High Scenario** ($m^2$)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | 33,610 | 54,740 | 21,130 | 2.0% |
| Specialised food (including liquor) | 7,600 | 12,360 | 4,760 | 2.0% |
| Department stores | 19,790 | 32,380 | 12,590 | 2.0% |
| Furniture, floor coverings, houseware, textiles | 5,830 | 9,540 | 3,710 | 2.0% |
| Hardware, building, & garden supplies | 26,620 | 43,540 | 16,920 | 2.0% |
| Recreational goods | 8,110 | 13,250 | 5,140 | 2.0% |
| Clothing, footwear, & accessories | 6,430 | 10,470 | 4,040 | 2.0% |
| Electrical & electronic goods | 2,460 | 4,030 | 1,570 | 2.0% |
| Pharmaceutical & other store-based retailing | 14,020 | 22,890 | 8,870 | 2.0% |
| Food & beverage services | 23,750 | 38,460 | 14,710 | 1.9% |
| **Core Retail Total** | **148,220** | **241,660** | **93,440** | **2.0%** |

Table 12: **Nelson-Tasman** Core Retail GFA Supported in 2023 & 2048: **High Scenario** ($m^2$)

| Core Retail Store Types | 2023 Demand | 2048 Demand | 25-Year Change | CAGR |
|---|---|---|---|---|
| Supermarket & grocery stores | 57,630 | 91,610 | 33,980 | 1.9% |
| Specialised food (including liquor) | 11,690 | 18,640 | 6,950 | 1.9% |
| Department stores | 34,580 | 55,060 | 20,480 | 1.9% |
| Furniture, floor coverings, houseware, textiles | 13,560 | 21,480 | 7,920 | 1.9% |
| Hardware, building, & garden supplies | 98,620 | 154,170 | 55,550 | 1.8% |
| Recreational goods | 22,220 | 34,790 | 12,570 | 1.8% |
| Clothing, footwear, & accessories | 17,910 | 28,000 | 10,090 | 1.8% |
| Electrical & electronic goods | 8,400 | 13,200 | 4,800 | 1.8% |
| Pharmaceutical & other store-based retailing | 27,770 | 44,080 | 16,310 | 1.9% |
| Food & beverage services | 62,580 | 97,990 | 35,410 | 1.8% |
| **Core Retail Total** | **354,960** | **559,020** | **204,060** | **1.8%** |

## 5.6. Summary

This section has shown that strong retail demand growth is expected across the Tasman District, plus the Tasman-Nelson region combined, from 2023 to 2048 under both Stats NZ's medium and high official population projections. This strong and ongoing demand growth provides significant headroom to accommodate ongoing increases in retail floorspace supply over time.

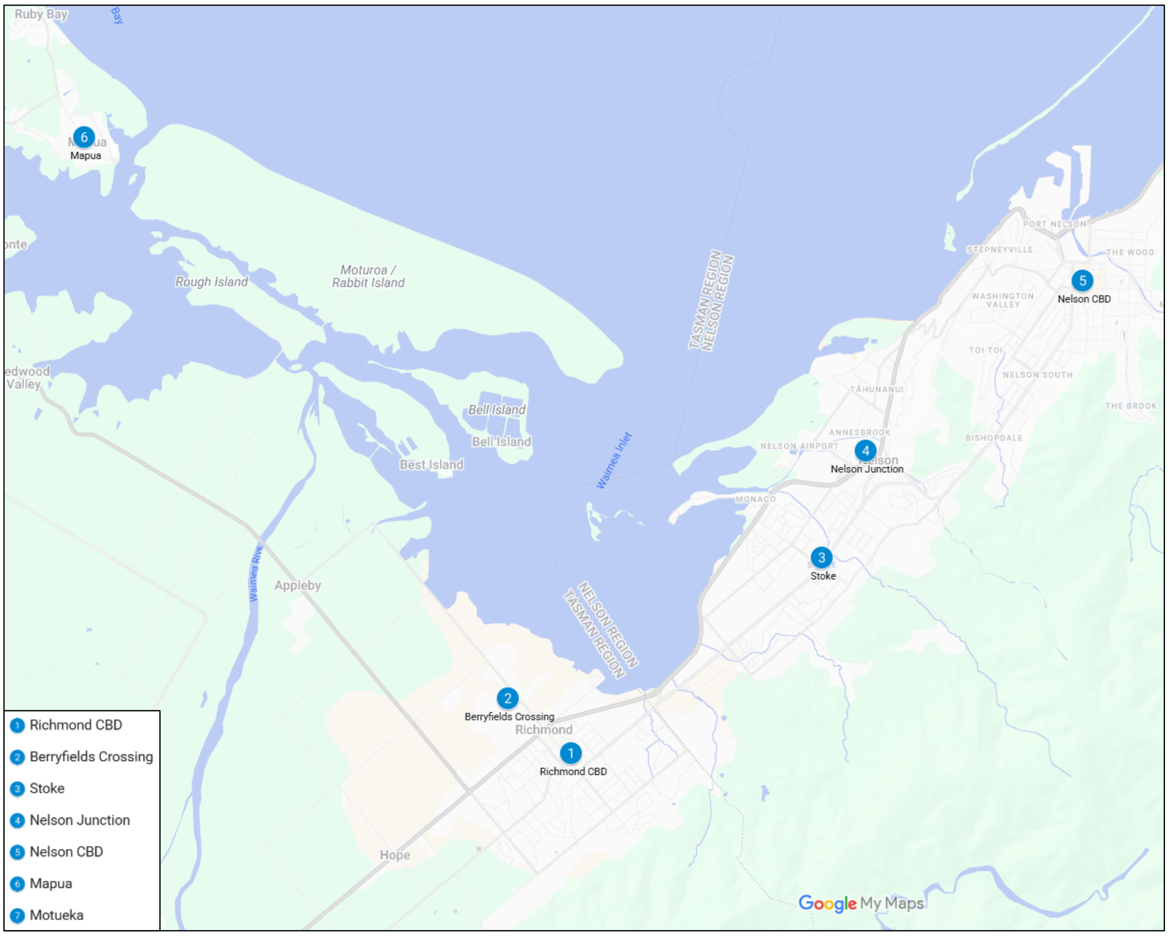
# 6. Current Retail Supply

This section identifies centres most likely to be affected by the retail scenarios modelled in later sections of this report, then briefly profiles their current roles and functions.

## 6.1. Centres Map

We reviewed every commercially zoned area in the Nelson-Tasman region to identify those most likely to be affected by potential future development at Berryfields Cross, or at the vacant land zoned (or proposed to be zoned) MBZ along Appleby Highway. Seven centres were identified. Figure 6 identifies (six of) these, with the seventh – Motueka – located off the map to the northwest of Mapua. Four of the centres identified are in the Tasman region, and three are in Nelson.[2]

Figure 6: Map of Key Centres in the Assessment




## 6.2. Centre Descriptions

Below are brief descriptions for each of the seven centres identified above.

[2] While all retailers, regardless of location, are included in the trade impact assessment underlying this report, we do not profile those smaller and typically convenience-focused retailers and centres in this section because they either won't be materially affected by the proposal and/or are too small for any impacts to be relevant in RMA terms beyond pure trade competition. This also keeps the analysis focused just on the centres at greatest risk.

1. **The Richmond Town Centre (aka Richmond CBD)** is the district's largest retail location. It includes the Richmond Mall and various other tenancies located within the area bound by Oxford, Salisbury, Talbot, McGlashen & Gladstone Roads. The mall itself spans 23,600m$^2$ of leasable floorspace and is currently home to more than 70 retailers. Anchored by a Farmers department store and a PAK'nSAVE grocery warehouse, it attracts more than 6.1 million shoppers annually, with revenues in 2023 exceeding $275 million.[3] Beyond the mall is an array of retailers, mainly independent brands, but with a few national banners too.

2. **Berryfields Crossing** is an emerging commercial area within the Berryfields subdivision in Richmond West, just off Lower Queen Street. It currently contains a Silky Otter cinema, three food and beverage outlets, and an early childhood education centre. Resource consent applications have been filed for the next stages of development and they are the focus of our retail scenario modelling in this report.

3. **Stoke** is the closest major Nelson centre to the Tasman District. It is anchored by two full-service supermarkets and contains an array of smaller (mostly convenience) retailers and service providers to meet the needs of its surrounding residential catchment.

4. **Nelson Junction** is a new large-format retail centre at the intersection of State Highway 6 and Quarantine Road in Nelson. It comprises 12 retail tenancies with a total GFA of nearly 10,400 square metres. Anchored by the existing Mitre 10 Mega and Speight's Ale House, it now also includes JB Hi-Fi, Chemist Warehouse, Hunting & Fishing, Early Settler, Mountain Warehouse, The Baby Factory, Toyworld, Petstock, and Bed Bath & Beyond. A 4,000m$^2$ Woolworths supermarket is also set to open in late 2025.

5. **Nelson CBD** is the key commercial and administrative centre for Nelson. It features a diverse and concentrated mix of retail, hospitality, office, and civic uses, including anchor tenants such as Farmers, Whitcoulls, and Kathmandu, alongside numerous independent boutiques, cafes, and galleries. The CBD's retail core is centred around Trafalgar, Bridge, Hardy, and Montgomery Squares, with pedestrian-friendly streetscapes supporting a strong hospitality scene. It benefits from significant foot traffic driven by tourism, cruise ship visits, and civic functions, including proximity to the Nelson Provincial Museum, Council offices, and Trafalgar Centre. While retail floorspace is more fragmented than in Richmond, the CBD retains strategic importance as a regional destination for fashion, dining, and events, and continues to be a key focus for urban revitalisation efforts.

6. **Mapua's** retail offer is centered on The Village Mapua, a compact shopping hub featuring nine shops and offices. Its retail offerings are complemented by nearby community facilities and businesses, fostering a close-knit and convenient shopping environment.

7. **Motueka** is the main service centre for the northwestern parts of the Tasman District, with a strong convenience and tourism focus, including supermarkets, pharmacies, and tourism-related retailers.

[3] https://www.tinline.co.nz/retail

# 7. Trade Impact Assessment

This section presents our assessment of trade impacts for each retail development scenario.

## 7.1. Steps in the Analysis

Following are the key steps in our analysis:

1. Build and calibrate a model to estimate trade impacts;
2. Update the model's 'baseline supply' data to capture recent or consented developments.
3. Estimate baseline turnovers excluding any further development in Nelson-Tasman.
4. Derive modelling scenarios for future retail development(s) with input from TDC.
5. Rerun the model for each scenario while holding total demand/sales constant; then
6. Subtract baseline turnovers from scenario turnovers to estimate their trade impacts.

We now work through each step.

## 7.2. Model Calibration & Testing

The retail trade impacts presented in this report were generated via the spatial interaction module of our IRM, the mechanics of which are very briefly described in section 3.3 above. Before estimating baseline sales and the impacts of each scenario on them, we first ran some calibration (or accuracy) checks to ensure that the model was working properly and producing accurate results. All tests strongly indicated that the model worked well and accurately captured the spatial flows of retail demand and supply across the Nelson-Tasman region.

## 7.3. Updating Baseline Retail Supply

In our spatial interaction model, retail supply is measured by the number of employees and the number of stores in each SA2 by store type, as per Statistics New Zealand's business demography dataset. While that data is highly detailed and spatially rich, the latest snapshot is from early 2024. Accordingly, an important first step after calibrating the model to historic/2024 data was to review various data sources – like building consents and resource consents – to ensure that any recent or pending supply changes are included in the model's table of 'baseline' retail supply. This was a time-consuming but important process, which led to the following updates within the model:

- **Nelson Junction** – Information on the centre's website[4] was used to identify the GFA and retailer of each occupied tenancy, which was then mapped to retail store types in our model and converted to estimated employees. The 4,000m$^2$ Woolworths supermarket set to open at Nelson Junction later this year was also included, but the two vacant tenancies were excluded for now because we would otherwise have to guess the future store types. We note in passing that this will have no discernible impact on the estimated trade impacts of the various modelling scenarios, as the combined GFA of the two vacant tenancies is less than 0.5% of the Nelson-Tasman total.

[4] https://www.nelsonjunction.co.nz/opportunities

- **Berryfields Crossing** – the GFA of the three food and beverage providers[5] was converted to employees using the same method as Nelson Junction and included in the model. All proposed future additions, including those promoted via current resource consent applications, have been excluded from baseline supply because they instead form the seven scenarios identified below for trade modelling purposes.

- **Richmond Mall** – this is currently undergoing a multi-stage refresh, with Stage 1 reconfiguring the former Fresh Choice store into a mix of specialty storefronts. Completion is scheduled for September 2025. This was captured in the model by reducing supermarket employment and increasing employment in clothing, footwear and personal accessory retailing, recreational goods, and other store-based retailers. Future stages are still in the planning stage and thus too uncertain to include. Suffice to note, however, that omitting future stages of the refresh will have little, if any, impact, because they are more akin to reconfigurations than expansions and therefore do not materially increase the mall's leasable floorspace, nor that of the broader CBD of which it forms part.

- **Popeyes** – a Popeyes Fried Chicken restaurant has been proposed as part of a wider resource consent on the corner of McGlashen Avenue and Doran Street, in Richmond CBD. The 340m$^2$ GFA associated with the restaurant was converted to employment and added to the model. However, any other potential retailers enabled by that consent have (again) been excluded for now due to unknown tenant types/mixes.

- **Supermarkets** – building consents were recently issued for three new supermarkets in addition to the pending Woolworths at Nelson Junction described above; one in Nelson, and two in Tasman. These were converted to employees using the same process as described above for other centres and then hardcoded in the model.

No further changes were made to the model's supply information before estimating baseline sales. For reference, Table 13 shows the final retail employment counts in our baseline retail supply scenario by centre and store type.[6]

[5] https://www.berryfieldscrossing.co.nz/opportunities
[6] The three existing F&B operators at Berryfields Crossing also comprise our baseline scenario but were omitted from this table due to space constraints, as were the numerous retailers located outside the centres explicitly network herein.

Table 13: Baseline Retail Supply (employment counts + store counts) by Centre for Modelling Purposes

| Core Retail Stores | Nelson CBD[7] | Richmond CBD[8] | Motueka Township | Nelson Junction | Stoke Township | Mapua Township |
|---|---|---|---|---|---|---|
| Supermarket & grocery stores | 472 | 439 | 285 | 134 | 213 | 18 |
| Specialised food | 69 | 54 | 48 | 0 | 28 | 3 |
| Department stores | 173 | 173 | 60 | 0 | 0 | 0 |
| Furniture, floor coverings, housewares | 69 | 21 | 18 | 36 | 0 | 9 |
| Hardware, building, & garden supplies | 41 | 12 | 103 | 276 | 3 | 3 |
| Recreational goods | 148 | 84 | 18 | 54 | 0 | 3 |
| Clothing, footwear, & accessories | 285 | 103 | 24 | 64 | 6 | 3 |
| Electrical & electronic goods | 108 | 24 | 9 | 32 | 0 | 0 |
| Pharmaceutical & other retailing | 285 | 164 | 69 | 49 | 46 | 21 |
| Food & beverage services | 793 | 383 | 347 | 59 | 72 | 92 |
| **Core Retail Sub-total** | **2,443** | **1,457** | **981** | **704** | **368** | **152** |
| | | | | | | |
| **Non-Core Retail Stores** | | | | | | |
| Motor vehicles | 201 | 44 | 48 | 3 | 0 | 0 |
| Fuel | 25 | 33 | 12 | 0 | 12 | 6 |
| Accommodation | 267 | 39 | 76 | 0 | 3 | 33 |
| Non-store & commission-based | 46 | 0 | 3 | 0 | 3 | 3 |
| **Non-Core Sub-total** | **539** | **116** | **139** | **3** | **18** | **42** |
| | | | | | | |
| **All Retail Stores Total** | **2,982** | **1,573** | **1,120** | **707** | **386** | **194** |

## 7.4. Baseline Sales Over Time

Table 14 shows the projected sales of each centre from 2028 to 2048 under the baseline scenario, where there is no further retail development beyond the changes identified and hardcoded above. The sales estimates are expressed in millions of dollars and exclude GST. They show, for example, that total retail sales are projected to increase from $2.8 billion in 2028 to nearly $4 billion by 2048 for Nelson-Tasman combined, with stronger at Tasman centres than Nelson ones due to Tasman's higher projected population growth.

Table 14: **Nelson-Tasman** Baseline Total Retail Sales - $ millions (excluding GST)

| Centres | 2028 | 2033 | 2038 | 2043 | 2048 | $ incr. | % incr. |
|---|---|---|---|---|---|---|---|
| Berryfields Crossing | $5 | $6 | $6 | $7 | $8 | $2 | 47% |
| Mapua | $39 | $44 | $49 | $53 | $58 | $19 | 47% |
| Motueka | $231 | $255 | $281 | $306 | $331 | $101 | 44% |
| Nelson City Centre | $686 | $752 | $820 | $891 | $958 | $272 | 40% |
| Nelson Junction | $240 | $264 | $288 | $313 | $338 | $99 | 41% |
| Richmond Town Centre | $383 | $425 | $468 | $512 | $556 | $173 | 45% |
| Stoke | $192 | $212 | $232 | $252 | $273 | $81 | 42% |
| Rest of Nelson-Tasman | $1,020 | $1,125 | $1,230 | $1,338 | $1,444 | $424 | 42% |
| **Nelson-Tasman Totals** | **$2,797** | **$3,083** | **$3,373** | **$3,673** | **$3,967** | **$1,170** | **42%** |

Table 15 provides further details about the Richmond CBD's projected baseline sales, breaking them down by store type.

[7] As defined by the Nelson Central-Trafalgar SA2, which may include some out of centre stores.
[8] As defined by the Richmond Central SA2, which may include some out of centre stores.

Table 15: **Richmond CBD** Baseline Retail Sales by Store Type - $ millions (excluding GST)

| Store Types | 2028 | 2033 | 2038 | 2043 | 2048 | $ incr. | % incr. |
|---|---|---|---|---|---|---|---|
| Accommodation | $6 | $6 | $7 | $8 | $8 | $3 | 45% |
| Clothing, footwear, & accessories | $18 | $19 | $21 | $23 | $25 | $8 | 44% |
| Department stores | $68 | $75 | $82 | $90 | $98 | $30 | 45% |
| Electrical & electronic goods | $6 | $7 | $7 | $8 | $9 | $3 | 45% |
| Food & beverage services | $48 | $53 | $58 | $63 | $69 | $21 | 44% |
| Fuel | $34 | $38 | $41 | $45 | $49 | $15 | 45% |
| Furniture, flooring, housewares | $5 | $5 | $6 | $6 | $7 | $2 | 45% |
| Hardware, building, & gardening | $4 | $4 | $5 | $5 | $6 | $2 | 42% |
| Motor vehicles | $18 | $20 | $22 | $24 | $27 | $8 | 45% |
| Non-store & commission-based | $0 | $0 | $0 | $0 | $0 | $0 | 45% |
| Pharmaceutical & other retailing | $34 | $38 | $42 | $46 | $50 | $15 | 45% |
| Recreational goods | $13 | $15 | $16 | $18 | $19 | $6 | 45% |
| Specialised food | $14 | $16 | $17 | $19 | $20 | $6 | 44% |
| Supermarket & grocery stores | $116 | $129 | $142 | $155 | $169 | $53 | 46% |
| **Totals** | **$383** | **$425** | **$468** | **$512** | **$556** | **$173** | **45%** |

## 7.5. Retail Development Scenarios

We worked with TDC to derive seven retail development scenarios, each of which was run through our model to assess its likely trade impacts. The first five scenarios represent plausible development outcomes at Berryfields Crossing based on current resource consent applications and other known, relevant information. Those five Berryfields Crossing scenarios are set out below.

Table 16: Details for Modelling Scenario 1 to 5 at Berryfields Crossing

| Name | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 | Scenario 5 |
|---|---|---|---|---|---|
| **Scenario Description** | Current RC applications RM250093 and 250169 | Mitre 10 Mega plus a few other LFR stores | as per PC81 - circa 1.4ha of developable land | scenario 1 but with a delayed opening | scenario 1 plus adjacent land for a DIY store |
| **Assumed Opening Year** | 2028 | 2028 | 2028 | 2033 | 2033 |
| **GFA by Store Types (m²)** | | | | | |
| Clothing, footwear, & accessories | 987 | 1,000 | 0 | 987 | 987 |
| Department Stores | 1,603 | 1,600 | 0 | 1,603 | 1,603 |
| Electrical & electronic goods | 1,441 | 0 | 1,300 | 1,441 | 1,441 |
| Food & beverage services | 1,043 | 459 | 460 | 1,043 | 1,043 |
| Hardware, building, & gardening | 0 | 8,000 | 0 | 0 | 7,200 |
| Pharmaceutical & other retailing | 1,441 | 0 | 1,300 | 1,441 | 1,441 |
| Recreational goods | 1,441 | 1,600 | 1,300 | 1,441 | 1,441 |
| Supermarket & grocery stores | 600 | 600 | 600 | 600 | 600 |
| **Total GFA m²** | **8,556** | **13,259** | **4,960** | **8,556** | **15,756** |

The other two scenarios are hypothetical "worst-case" outcomes related to the rapid build-out of vacant land along Appleby Highway that is either zoned MBZ now, or is which proposed to be zoned MBZ under PC81. Despite being theoretically possible under current planning provisions, these scenarios are not intended to represent likely outcomes. Instead, they were examined purely to identify the scale at which future development in that area might produce trade impacts so acute that they pose a real risk of significant flow-on effects occurring.

Specifically:

- **Scenario 6** assumes that all growth in Nelson-Tasman core retail demand from 2028 to 2048 (under the medium scenario) is met by corresponding growth in retail floorspace at the two MBZ areas along the Appleby Highway, with development occurring in four equal stages. i.e. with the first tranche in 2033, the second tranche in 2038, and so on.

- **Scenario 7** is the same as scenario 6, except that it adopts the high growth scenario.

The two tables below show the rate and nature of retail development implied by these two final modelling scenarios.

Table 17: **Scenario Six** Cumulative GFA added on MBZ Land by Year & Store Type ($m^2$)

| Store types | 2028 | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|---|
| Clothing, footwear, & accessories | 0 | 1,400 | 2,800 | 4,200 | 5,600 |
| Department Stores | 0 | 3,400 | 6,900 | 10,300 | 13,800 |
| Electrical & electronic goods | 0 | 800 | 1,600 | 2,400 | 3,100 |
| Food & beverage services | 0 | 3,500 | 7,000 | 10,600 | 14,100 |
| Furniture, flooring, housewares | 0 | 1,300 | 2,600 | 3,900 | 5,200 |
| Hardware, building, & gardening | 0 | 5,700 | 11,300 | 17,000 | 22,600 |
| Pharmaceutical & other retailing | 0 | 2,700 | 5,500 | 8,200 | 10,900 |
| Recreational goods | 0 | 2,000 | 4,100 | 6,100 | 8,100 |
| Specialised food | 0 | 1,100 | 2,100 | 3,200 | 4,200 |
| Supermarket & grocery stores | 0 | 5,700 | 11,400 | 17,100 | 22,800 |
| Totals | **0** | **27,600** | **55,300** | **83,000** | **110,400** |

Table 18: **Scenario Seven** Cumulative GFA added on MBZ Land by Year & Store Type ($m^2$)

| Store types | 2028 | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|---|
| Clothing, footwear, & accessories | 0 | 2,000 | 4,100 | 6,100 | 8,100 |
| Department Stores | 0 | 4,100 | 8,200 | 12,400 | 16,500 |
| Electrical & electronic goods | 0 | 1,000 | 1,900 | 2,900 | 3,900 |
| Food & beverage services | 0 | 7,100 | 14,200 | 21,300 | 28,400 |
| Furniture, flooring, housewares | 0 | 1,600 | 3,200 | 4,800 | 6,400 |
| Hardware, building, & gardening | 0 | 11,100 | 22,200 | 33,300 | 44,400 |
| Pharmaceutical & other retailing | 0 | 3,300 | 6,500 | 9,800 | 13,100 |
| Recreational goods | 0 | 2,500 | 5,000 | 7,500 | 10,100 |
| Specialised food | 0 | 1,400 | 2,800 | 4,200 | 5,600 |
| Supermarket & grocery stores | 0 | 6,800 | 13,700 | 20,500 | 27,300 |
| Totals | **0** | **40,900** | **81,800** | **122,800** | **163,800** |

To summarise: under scenario six, 27,600$m^2$ of GFA is added in 2033, and then again in 2038, 2043, and 2048 to reach a total of 110,400$m^2$ by full build-out. In scenario 7, the same pattern occurs, but with nearly 41,000$m^2$ added each time to reach 163,800$m^2$ GFA by 2048.

## 7.6. Estimated Impacts: Scenarios 1 to 5

We ran scenarios 1 to 5 through our model to estimate the impacts on existing retailers. Table 19 reports the results for 2033, by which time all 5 scenarios are assumed to be 'live'. They show, for example, that scenarios 1, 4, and 5 would initially reduce Richmond CBD's retail turnover by 3.3%, with scenarios 2 and 3 having lower impacts on Richmond (of 2.2% and 1.7%, respectively). Conversely, scenario 2 has the greatest impact on Nelson Junction due to the similarity of store mixes, with the presumed new hardware store at Berryfields Crossing competing directly with the Mitre 10 Mega at Nelson Junction. Similarly, scenario 5 hits Nelson CBD hardest due to the greatest overlap with assumed/modelled future GFA at Berryfields Crossing.

Table 19: **Nelson-Tasman** Baseline Sales & Estimated Trade Impacts in 2033

| Centres | Baseline Sales $m | Scenario 1 Impacts | Scenario 2 Impacts | Scenario 3 Impacts | Scenario 4 Impacts | Scenario 5 Impacts |
|---|---|---|---|---|---|---|
| Berryfields Crossing | $6 | - | - | - | - | - |
| Mapua | $44 | -1.2% | -0.6% | -0.9% | -1.2% | -1.3% |
| Motueka | $255 | -1.0% | -1.1% | -0.5% | -1.0% | -1.4% |
| Nelson CBD | $752 | -1.2% | -0.9% | -0.7% | -1.2% | -1.4% |
| Nelson Junction | $264 | -1.4% | -3.9% | -1.0% | -1.4% | -4.2% |
| Richmond CBD | $425 | -3.3% | -2.2% | -1.7% | -3.3% | -3.3% |
| Stoke | $212 | -0.9% | -0.6% | -0.8% | -0.9% | -0.9% |
| Rest of Nelson-Tasman | $1,125 | -0.9% | -1.1% | -0.7% | -0.9% | -1.6% |
| **Nelson-Tasman Totals** | **$3,083** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |

Next, we drilled down to examine the estimated impacts on Richmond CBD by store type, as per the table below. It reveals much higher impacts at the store type level than for the centre overall, with electrical and electronic goods retailers facing potential revenue declines of over 20% in some scenarios. While those impacts themselves are quite high, this store type accounts for a very small (1.7%) share of total centre retail sales. As a result, any direct impacts on this category will have negligible impacts on the total retail sales of Richmond overall. In other words, these store-level trade impacts are extremely unlikely to give rise to any potential flow-on effects.

Table 20: **Richmond CBD** Baseline Sales & Estimated Trade Impacts by Store Type in 2033

| Store Types | Baseline Sales $m | Scenario 1 Impacts | Scenario 2 Impacts | Scenario 3 Impacts | Scenario 4 Impacts | Scenario 5 Impacts |
|---|---|---|---|---|---|---|
| Accommodation | $6 | | | | | |
| Clothing, footwear, & accessories | $19 | -5.8% | -5.9% | | -5.8% | -5.8% |
| Department stores | $75 | -5.8% | -5.8% | | -5.8% | -5.8% |
| Electrical & electronic goods | $7 | -21.0% | | -19.5% | -21.0% | -21.0% |
| Food & beverage services | $53 | -2.2% | -1.0% | -1.0% | -2.2% | -2.2% |
| Fuel retailing | $38 | | | | | |
| Furniture, flooring, housewares | $5 | | | | | |
| Hardware, building, & gardening | $4 | | -7.7% | | 0.0% | -7.0% |
| Motor vehicles | $20 | | | | | |
| Non-store & commission-based | $0 | | | | | |
| Pharmaceutical & other retailing | $38 | -8.0% | | -7.3% | -8.0% | -8.0% |
| Recreational goods | $15 | -7.8% | -8.6% | -7.2% | -7.8% | -7.8% |
| Specialised food | $16 | | | | | |
| Supermarket & grocery stores | $129 | -1.3% | -1.3% | -1.3% | -1.3% | -1.3% |
| **Totals** | **$425** | **-3.3%** | **-2.2%** | **-1.7%** | **-3.3%** | **-3.3%** |

## 7.7. Estimated Impacts: Scenario 6

We now summarise the trade impacts of scenario six across its four stages of development. Table 21 shows the results by centre, while Table 24 drills down to show the estimated impacts by store type for the Richmond CBD.

Table 21: **Nelson-Tasman** Estimated Trade Impacts by Centre & Year

| Centres | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|
| Mapua | -3% | -5% | -7% | -9% |
| Motueka | -4% | -8% | -12% | -15% |
| Nelson CBD | -3% | -6% | -9% | -11% |
| Nelson Junction | -5% | -10% | -14% | -18% |
| Richmond CBD | -9% | -16% | -22% | -27% |
| Stoke | -7% | -13% | -18% | -23% |
| Rest of Nelson-Tasman | -4% | -7% | -10% | -13% |
| **Nelson-Tasman Totals** | **0%** | **0%** | **0%** | **0%** |

Table 22: **Richmond CBD** Estimated Trade Impacts by Store Type & Year

| Store Types | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|
| Accommodation | - | - | - | - |
| Clothing, footwear, & accessories | -8% | -14% | -20% | -24% |
| Department stores | -11% | -20% | -27% | -33% |
| Electrical & electronic goods | -13% | -22% | -29% | -35% |
| Food & beverage services | -7% | -13% | -18% | -22% |
| Fuel retailing | - | - | - | - |
| Furniture, flooring, housewares | -11% | -20% | -26% | -32% |
| Hardware, building, & gardening | -6% | -11% | -15% | -19% |
| Motor vehicles | - | - | - | - |
| Non-store & commission-based | - | - | - | - |
| Pharmaceutical & other retailing | -14% | -23% | -31% | -37% |
| Recreational goods | -10% | -18% | -24% | -30% |
| Specialised food | -12% | -21% | -29% | -35% |
| Supermarket & grocery stores | -11% | -21% | -28% | -35% |
| **Totals** | **-9%** | **-16%** | **-22%** | **-27%** |

As expected, given its vast scale, this scenario produces higher trade impacts than the other five scenarios summarised above, particularly as the modelled new GFA accumulates on the MBZ land over time. Indeed, while the estimated trade impacts in 2033 are unremarkable for all centres modelled, they increase rapidly over time as the assumed retail expansion gains pace. By 2043, the impacts on some centres - especially Richmond - are significant and are highly likely to generate adverse flow-on effects that go well beyond pure trade competition.

## 7.8. Estimated Impacts: Scenario 7

Scenario 7 (naturally) produces even greater impacts than Scenario 6, as tabulated below. By 2038, the estimated trade impacts become a real concern for most centres, while by 2048 they represent a profound problem, particularly for Richmond CBD, where revenues are nearly a third lower than under the baseline.

Table 23: **Nelson-Tasman** Estimated Trade Impacts by Centre & Year

| Centres | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|
| Mapua | -4% | -7% | -9% | -11% |
| Motueka | -6% | -11% | -15% | -19% |
| Nelson CBD | -4% | -8% | -11% | -14% |
| Nelson Junction | -8% | -15% | -21% | -26% |
| Richmond CBD | -11% | -20% | -26% | -32% |
| Stoke | -8% | -16% | -22% | -27% |
| Rest of Nelson-Tasman | -6% | -10% | -14% | -17% |
| **Nelson-Tasman Totals** | **0%** | **0%** | **0%** | **0%** |

To provide future information, we now drill down to show the impacts on the Richmond CBD by store type, where quite acute impacts are evident. Many store types are predicted to lose more than 20% of their sales by 2038, with most losing more than 30% by 2043 or 2048. Such impacts would, in our view, be catastrophic and clearly justify planning provision updates to avoid them.

Table 24: **Richmond CBD** Estimated Trade Impacts by Store Type & Year

| Store Types | 2033 | 2038 | 2043 | 2048 |
|---|---|---|---|---|
| Accommodation | - | - | - | - |
| Clothing, footwear, & accessories | -11% | -19% | -26% | -31% |
| Department stores | -13% | -23% | -31% | -37% |
| Electrical & electronic goods | -15% | -26% | -33% | -39% |
| Food & beverage services | -13% | -22% | -29% | -35% |
| Fuel retailing | - | - | - | - |
| Furniture, flooring, housewares | -13% | -23% | -30% | -36% |
| Hardware, building, & gardening | -10% | -19% | -25% | -31% |
| Motor vehicles | - | - | - | - |
| Non-store & commission-based | - | - | - | - |
| Pharmaceutical & other retailing | -16% | -26% | -34% | -40% |
| Recreational goods | -12% | -21% | -28% | -34% |
| Specialised food | -15% | -26% | -35% | -41% |
| Supermarket & grocery stores | -13% | -24% | -32% | -39% |
| **Totals** | **-11%** | **-20%** | **-26%** | **-32%** |

## 7.9. Summary

This section has shown that the future build-out of Berryfields Crossing is highly unlikely to cause significant adverse effects on the role, function, health, and vitality of competing centres. However, the unfettered development of MBZ land along the Appleby Highway conversely has the potential to materially affect the retail sales of many centres, including Richmond, to a degree that significant adverse flow-on effects would be highly likely.

# 8. Retail Distribution Assessment

## 8.1. Steps in the Analysis

Following are the key steps in our assessment of potential retail distribution effects:

1. Define retail distribution effects and distinguish them from trade competition effects;
2. Identify centres at greatest risk of experiencing potential retail distribution effects;
3. Summarise the current role, function, health, and vitality of each at-risk centre;
4. Assess the materiality of estimated trade impacts on at-risk centres; then
5. Consider the overall likelihood of retail distribution effects arising.

## 8.2. Definition of Retail Distribution Effects

Under the Resource Management Act 1991 (**RMA**), decision makers must ignore effects ordinarily associated with trade competition when evaluating proposed developments. Instead, they many only consider possible flow-on effects, which are commonly termed retail distribution effects. These *may* occur if a development reduces the patronage and turnover of existing stores so acutely that some close, which erodes the broader amenity (i.e. roles and functions) of the centres they comprise so significantly that the community's social and economic wellbeing is undermined.

Case law confirms that trade impacts must be very high to go beyond effects ordinarily associated with trade competition, and that effects on individual stores are irrelevant. In addition, any flow-on effects must be significant to reach the threshold at which intervention is justified.

## 8.3. Identification of At-Risk Centres

Based on our trade impact analysis, Richmond CBD and Nelson Junction are the centres at greatest risk of experiencing adverse flow-on effects from the specific scenarios analysed. They consistently show the highest turnover reductions across nearly all scenarios given their similar retail mixes and relative proximities. However, because Richmond CBD is the civic and commercial heart of Tasman while Nelson Junction is a stand-alone shopping centre with relatively limited roles and functions, the remainder of **this report considers only potential retail distribution effects on Richmond CBD.**

## 8.4. Current Role & Function

In 2020, and again in late 2024, TDC undertook extensive audits of its various commercial areas to profile the tenant mixes, and track any major changes over time. This exercise produced a rich and detailed snapshot of Richmond CBD's current activity mix and hence its overall roles and functions. Accordingly, Table 25 shows the current mix of tenancies by type, two of which are retail, and the rest of which cover a wide range of typical centre land uses.

Table 25: Richmond CBD Tenant Types

| Richmond CBD Tenant Types | Counts | Shares |
|---|---|---|
| Comparison retail | 84 | 22% |
| Convenience retail | 11 | 3% |
| Offices | 60 | 16% |
| Other | 18 | 5% |
| Residential | 30 | 8% |
| Restaurant/pub/cafe/takeaway | 52 | 13% |
| Services | 114 | 30% |
| Vacant/undeveloped | 17 | 4% |
| **Richmond CBD total** | **386** | **100%** |

Table 25 confirms that Richmond CBD fulfils a wide range of roles and functions beyond just being a retail destination. In fact, while the CBD is home to a wide range of comparison and convenience retailers, they comprise only 25% of centre tenants. When food and beverages are included in retail (as they often are), that category still accounts for less than 40% of centre tenants. This, in turn highlights the CBD's naturally broad role and function as Tasman's primary commercial, civic, and cultural precinct.

TDC's retail audits also revealed quite significant change in the mix of tenants since 2020 when the previous audit was completed, particularly among services and offices tenancies. However, despite those many tenancy changes, and even with the opening of several restaurants at the top of Queen Street – such as Ugly Dog and Kitchen, Sals Pizza, and Zambrebro – there has been little change to the centre's overall vacancy rate, which remains low.

That said, Richmond's overall role and function has evolved somewhat, with services and comparison retail becoming more important. Looking forward, the CBD is likely to also become home to more as intensification gains momentum. Amongst other things, this will help transform the centre from mainly just a day-time destination today to a place with a strong night-time economy for the benefit of locals and visitors alike.

Finally, we note that there are also tangible differences in the respective roles and functions of the Richmond Mall and the rest of the CBD of which it forms part. These are illustrated below, where the Mall has a stronger focus on comparison retail and food/beverages, but no residential uses.

Table 26: Tenancy Mixes in Richmond Mall vs Rest of CBD

| CBD Tenant Types | Richmond Mall | Rest of CBD |
|---|---|---|
| Comparison retail | 43.5% | 17.7% |
| Convenience retail | 2.9% | 3.1% |
| Offices | 7.2% | 17.7% |
| Other | 1.5% | 6.2% |
| Residential | 0.0% | 10.2% |
| Restaurant/pub/cafe/takeaway | 18.8% | 13.0% |
| Services | 26.1% | 32.1% |
| **Totals** | **100.0%** | **100.0%** |

The key takeaway here is that the CBD is a large and diverse commercial area with a wide range of roles and functions, only some of which relate to retail activities.

## 8.5. Current Health and Vitality

Having profiled the CBD's current role and function, we next evaluated its health and vitality, which helps understand its ability to withstand competitive pressure from future retail development. To that end, we first note that TDC's own retail audits revealed a strong and evolving CBD with few vacancies, which tends to suggest that it is healthy and vital. To cross check that, we reviewed a range of online information sources and found a May 2025 report by Bayleys, which compared the rental rates and vacancy rates of 25 town/city centres in early 2025. Figure 7 presents the vacancy rates reported therein, which include both the Richmond and Nelson CBDs.

Figure 7: Bayleys Retail Leasing Indicators (May 2025)[9]

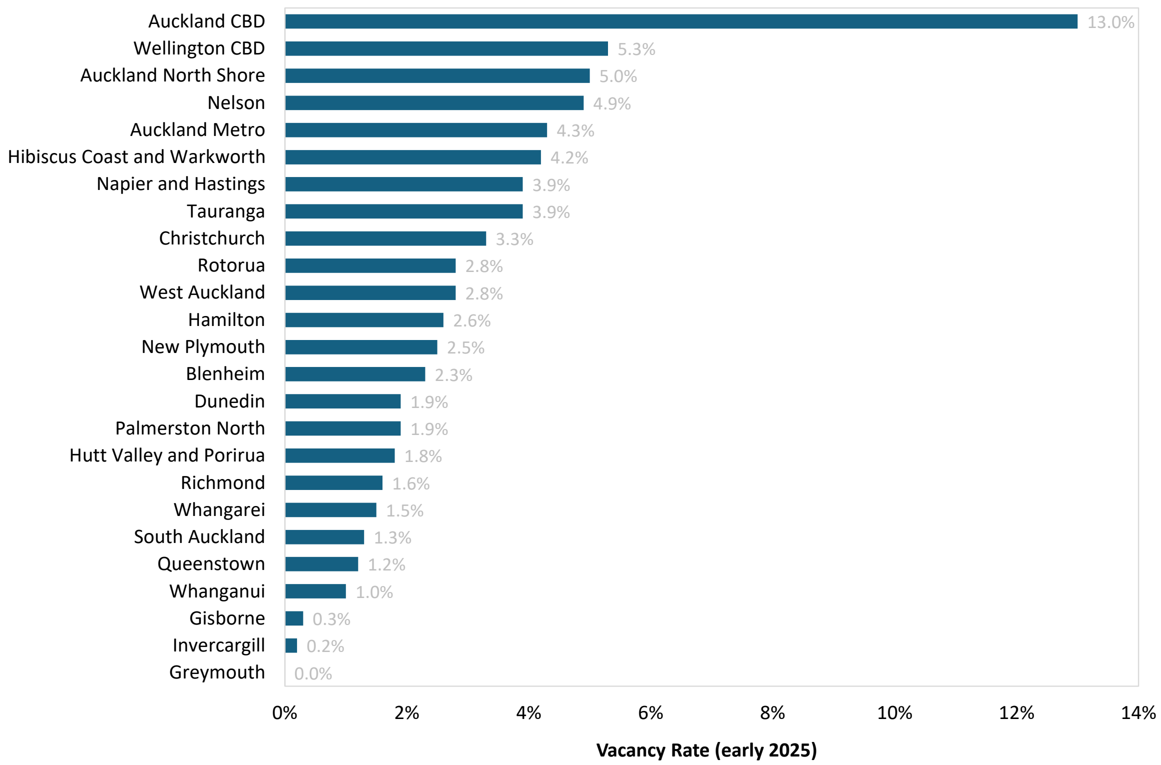



Figure 7 shows that Richmond's vacancy rate was only 1.6% earlier this year, which is consistent with TDC's retail audits, while Nelson's was more than triple that (at 4.9%). As a result, Richmond was among some of the lowest vacancy rates reported, while Nelson's was among the highest. Only Wellington and Auckland's CBD, along with Auckland's North Shore, had higher vacancy rates.

As a further cross-check, we used Core Logic's various tools to identify Richmond CBD retail tenancies currently available for rent. Five tenancies were identified, but three were two-storey and this unsuitable for retail uses, with only two ground floor tenancies available at 199 and 247 Queen Street. Together, these units comprise only a few hundred square metres of floorspace, which is well below 1% of the CBD's total.

Based on TDC's retail audits and our independent checks, we consider Richmond CBD to be very healthy and vital, and thus able to withstand competition from other retail locations over time. This

[9] https://www.bayleys.co.nz/insightsanddata/new-zealand-retail-update-2025

is further reinforced by other passages of the Bayleys report cited above, which showed that rental yields in Richmond are towards the lower end of the range, and significantly lower than for the Nelson CBD. These low yields occur when investor demand pushes the price of commercial property up and depresses and reduces the return (i.e. yield) from rental revenues. Thus, all other things being equal, the lower the yield, the stronger the demand for investment property, and vice versa.

## 8.6. Materiality of Estimated Trade Impacts

Having set the scene, we now consider the materiality of trade impacts on Richmond and hence their potential to give rise to adverse flow-on effects. In our view, the estimated trade impacts of scenarios 1 to 5 fall well short of the level at which any flow-on effects may occur, with limited (if any) risk of stores closing there as a result.

The situation for scenarios 6 and 7 is different, though, particularly as they progress through their hypothetical roll outs, with more and more GFA being added every five years. In our view, such rapid and unfettered development has significant potential to disrupt the role and function of the CBD by draining its retail trade and diverting footfall elsewhere.

To put these effects in context, we measured the time it might take the CBD to recover retail revenue losses caused by each scenario, which we call recovery timeframes. These differ by scenario, with the losses under scenarios 1 to 5 being recovered within only a year or so. Conversely, according to our analysis, Richmond CBD’s sales would take decades to recover to current levels under scenario 6, while they would never recover to current levels under scenario 7.

To summarise: only scenarios 6 and 7 pose any significant risks in terms of estimated trade impacts.

## 8.7. Potential for Store Relocations

In addition to the trade impacts just discussed, another important consideration is the possibility of existing Richmond retailers relocating to the new or emerging commercial area(s) modelled, which would exacerbate trade impacts and elevate the risk of retail distribution effects occurring.

Put simply, an existing Richmond retailer may seek relocation to a new or emerging commercial area nearby if doing so is expected to be commercially beneficial. This, in turn, requires either costs to fall and/or revenues to grow. Let us now consider each side of the equation.

First, it is important to recognise that relocation incurs significant one-off costs, including those associated with “making good” on the premises being vacated, moving to the new premises, fitting them out, then refreshing all marketing and advertising materials to reflect the change. At the same time, there is the opportunity cost of foregone sales/market share during relocation itself.

On the other side of the ledger, turnover increases – if any – are likely to be relatively modest. While stores may enjoy a temporary uplift during the early days of relocation, this will likely subside once the novelty of the new location wears-off and patronage for that retailer returns to steady-state levels. Over the long term, store turnover for any retailer is capped by catchment spending power and store size. Thus, higher revenues may be sustained at the new location only if the retailer occupies a bigger space. But this would lead to further rent increases, so the overall effect on profitability is unclear.

As a result, we do not expect a significant relocation of existing retailers to the areas modelled if or when space became available. That said, we accept that a small number of relocations may occur.

## 8.8. Overall Likelihood of Significant Flow-on Effects

After carefully examining the likely impacts of the various scenarios modelled on the role, function, health and vitality of Richmond CBD, **we do not consider scenarios 1 to 5 to pose any material risks of significant adverse retail distribution effects** because:

- Trade impacts will be spread across a diverse network of centres and retailers, not shouldered just by Richmond CBD.
- The proposal's relatively accessible location (amongst the fastest growing parts of the district) will help to draw customers from a wide geographic catchment spanning both regions, which further helps to diffuse trade impacts.
- Moreover, because local retail demand is forecast to continue growing so rapidly over time, any initial trade impacts experienced by CBD stores will be relatively short-lived, with turnovers recovering briskly due to ongoing increases in Nelson-Tasman retail spending.
- At the same time, a material proportion or Tasman retail spending currently leaks out to Nelson, which the various scenarios would help to address. Consequently, future retail development in Tasman will help to increase the size of the district retail pie which, in turn, will further help reduce the impacts of trade diversion.
- As a result, we consider it highly unlikely that any Richmond stores would close, which significantly curtails the scope for retail distribution effects to occur.
- Richmond also fulfils a wide range of non-retail roles and functions, none of which will be affected by the retail development scenarios modelled.
- In addition, people who previously shopped at specific specialty stores in Richmond will still return to those stores even if they frequent new stores elsewhere, because those Richmond specialty shops will remain the best way to meet those specific retail needs.
- Existing Richmond retailers are unlikely to relocate *en masse* due to the long-term nature of leases, and the significant one-off costs of moving. Further, even if some relocations did occur, the resulting vacancies would likely soon be backfilled by another tenancy.
- The latter is particularly true given the abject lack of space available for additional retail development in and around the CBD today.

For these reasons, we do not consider scenario 1 to 5 to pose any material threats. However, scenarios 6 and 7 are entirely different stories. Their trade impacts would be crippling and suggest that **additional planning provisions may be required to prevent excessive retail development occurring in the district's MBZ areas** over time.

# 9. Summary & Conclusion

This report has assessed the potential impacts of a range of retail development scenarios on the role, function, health, and vitality of key centres in the Nelson-Tasman region, with a particular focus on the Richmond CBD. The analysis was underpinned by robust population and spending projections, a detailed review of baseline supply and demand, and spatial modelling of trade impacts using our Integrated Retail Model.

The analysis shows that future development at Berryfields Crossing is not a concern. However, large-scale, unfettered development of MBZ land along the Appleby Highway presents a material risk to the future functioning and viability of the Richmond CBD. We therefore recommend that additional planning provisions be considered for the MBZ to manage such risks accordingly.