

EDITORIAL

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Massive Bulky Goods Development in the Victorian Pipeline

Bulky goods retailing has emerged as the fastest growing retailing sector in Australia, substantially contributing to economic growth and investment. Nationally we employ over 150,000 people directly and more than 160,000 indirectly.

Latest industry research by BIS Shrapnel shows that the bulky goods retail sector accounts for over 22 per cent of all retail sales Australia wide, or a massive \$38.5 billion annually. The annual sales forecast for Victoria to June 30, 2007 is a healthy \$10.25 billion.*

And not only has bulky goods retailing become a popular format among retailers and consumers but it is also favoured by developers and investors who are increasingly pouring funds and resources into the development of bulky goods retail facilities around the country.

The proliferation of property development is being driven by consumer demand for greater bulky goods retail precincts, the retailers who are keen to expand their store numbers, and developers and investors seeking to profit from the strength of the sector.

In 2006 a massive 750,000 square metres of new bulky goods retail space was constructed in Australia according to BIS Shrapnel estimates. This eclipsed the previous record of 440,000 square metres in 2005 and surpassed the expectations of every forecaster in the country.

Bulky goods development was also strong in Victoria in 2006 with a total of 131,400 square metres of space added across metropolitan Melbourne alone. In fact Victoria will see the largest increase in bulky goods floor space than any other state in 2007/08.

There is currently 183,000 square metres of bulky goods floor space under construction and scheduled for completion before the conclusion of 2008. These include developments in a number of regional areas, namely Pakenham, Wodonga, Shepparton, Geelong, Bendigo and Frankston.

It is expected that 2009 will see 189,000 square metres of bulky goods floor space added in Victoria including large scale developments in Mentone, Toorak plus the 50,000 square metre Melbourne Convention Centre homemaker complex.

The Bulky Goods Retailers Association is confident that the Victorian market can absorb this increase in new floor space. Through working closely with the Victorian government, developers, and other stakeholders, we aim to ensure all future developments are viable in the long-term for all involved, while creating retail facilities that add value to the community in keeping with environmental and other planning considerations.

Philippa Kelly, Executive Director
Bulky Goods Retailers Association

The Bulky Goods Retailers Association is the peak national body for bulky goods retailers in Australia. For further information phone (03) 9859 0534 or email pkelly@bgra.com.au.

*BIS Shrapnel Bulky Goods Property, 2006 – 2011

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