

# Bulky goods shopping space to soar next year

By **CHRIS VEDELAGO**

CONSTRUCTION of “bulky goods” shopping centres in Melbourne is expected to hit a high next year, defying expectations of a wider slowdown in the retail market.

CB Richard Ellis estimates that 286,200 square metres of bulky goods space will be completed in 2009, more than double the space that entered the market in the record year of 2005.

About 167,700 sq m is already under construction, compared with the 108,700 sq m set to come on line this year. There was just 41,986 sq m of new supply last year.

The estimated supply rise follows a period of strong performance for the sector, during which rents in the six months to June rose by 8.43% to an average of \$193 a sq m and vacancies fell from 5.14% to 1.7%.

Chris Parry, a CBRE bulky goods negotiator, said the demands of servicing Melbourne’s rapidly growing population — estimated to be increasing by 1200 to 1500 people a week — would mitigate the effects of slowing economic conditions for the industry.

“People who relocate to

Melbourne need to outfit their (homes) with household goods, and the majority of the new bulky goods centres are positioned in the city’s growth areas,” he said. “The market is maturing a lot, with many of these centres anchoring with very high-profile, well-known tenants.”

Philippa Kelly, executive director of the Bulky Goods Retailers Association, said population growth projections suggested that the extra space coming on line would only partly meet the demands of consumers.

BIS Shrapnel senior project manager for property Maria Lee said nearly a decade of steady development had resulted in some of the city’s middle and outer suburbs becoming crowded with competing bulky goods centres.

“That would imply that any new developments are likely to have an impact on existing centres,” she said. “I don’t think spending growth in Melbourne will be enough to offset that . . . and some of the existing centres will suffer in the process.”

**LINK**

► [www.bulkygoodsretailers.com.au](http://www.bulkygoodsretailers.com.au)



The mall, the merrier.

PICTURE: REUTERS