

BIGGER THAN BAYFAIR

\$100 million

shopping centre for Tauranga

By Graham Skellern
Business Editor

The Bay's biggest shopping centre, with an emphasis on fashion, will be built on the southern edge of Tauranga.

New Zealand Retail Property Group (NZRPG) has prepared a revised plan for the Tauriko Crossing shopping centre, which will be a mixture of open-air, bulk retail and a two-level enclosed mall.

NZRPG — which has completed the earthworks on the 12.5ha site next to the state highway and Route K roundabout — put the multimillion-dollar development on hold during the economic recession.

"We are picking it up and dusting it off," said NZRPG commercial manager, Rachel Emerson.

"The leasing campaign will start with a vengeance in the New Year."

Already, two anchor tenants have signed up for the bulk retail area — Countdown supermarket and discount department store, Kmart.

Ms Emerson said Tauriko Crossing would be a true regional fashion centre and would attract shoppers from Matamua, Katikati, Te Puke and Rotorua, as well as Tauranga.

"We are very comfortable with the catchment. We can justify some business here now because of the expansion of The Lakes, Pyes Pa and Tauriko Business Estate," she said.

"Our figures tell us an enclosed mall stacks up today but we are not looking to speculate leasing space.

"We are prepared to have a 12-month



DEVELOPMENT: The Bay's biggest shopping centre is planned for this site at Tauriko. PICTURE / MARK MCKEOWN/020710M2480P

leasing campaign before we start building."

"We want the specialist retailers to feel more positive about the future of their businesses as the economy recovers," Ms Emerson said.

She was confident there would be leasing demand.

"Some people may feel there's a lot in Tauranga already, but they are mainly community shopping centres and you need a regional fashion centre.

"There's an awful lot of brands that are not represented here," she said.

Her company manages the Fraser

Cove Shopping Centre and has developed the Tauriko Business Estate.

Tauriko Crossing, to be built in three stages, will finish up with 41,000 sq m of retail space — bigger than the 35,000 sq m Bayfair Shopping Centre. The next biggest, Fraser Cove, has 31,000 sq m of retail.

When complete it would have cost \$100 million.

NZRPG wants to start building the bulk retail area, of 25,000 sq m, in early 2012 — and some of the large stores, as well as a cafe and bar, should be

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STREET VIEW: Which shops would you like to see at the new complex?



"Rebel Sports, Pet Essentials, Status Clothing, Staxs, a sushi bar, Paper Plus. You could just go on and on."

Robyn Dabis, 50s, Pahia



"Caroline Eve, a Hellenistics would be good, a shoe shop, maybe a nick-neck shop, hardware, and some eating establishments and coffee bars."

Gloria Miles, 67, Pyes Pa



"A jewellery store, Cabbages and Kings, and something for those on lower incomes and with young families. Not too many cafes."

Marlon Bright, 72, Katikati



"Saddlery Warehouse, that's what I'd love to see. They just have better prices and our closest one is Cambridge."

Kelly Kerrahan, 31, Avenues

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operating 12 to 18 months after that.

By then, the developer will have the 15,000 sq m mall under way, featuring about 70 specialist retailers.

NZRPG is taking a similar approach to The Base shopping centre in Te Rapa, Hamilton. The large format stores were built first and a mall is now being added, with work starting at The Base this month.

Ms Emerson said the entire Tauriko Crossing could be eventually enclosed but that would be some years away.

"We could put some more retail in front of it and new activities

such as a fruit and vegetable precinct and a fresh food market. We will take our cue from international developments," she said.

Tauranga's existing mall, Bayfair shopping centre, has welcomed the competition from the Tauriko development.

Andrew Wadsworth said competition could only benefit consumers and supported growth of retail in the region.

"From that point of view, we welcome it."

Mr Wadsworth said Bayfair's \$15 million refurbishment currently under way was well timed to meet the competition and shoppers' needs.

"We will continue to be a convenience shopping destination," Kirby Weis of Downtown Tauranga said the CBD was "hiding in very difficult" in the current economic climate and the Tauriko development "won't make it any easier".

"Tauriko will have an impact on [other] shopping areas, particularly the Pyes Pa and Creerton part of town."

The CBD was at a disadvantage because it was the only area which charged for parking, he said. But Mr Weis said the new 70-store mall "doesn't compete with the 250 shops in the Tauranga CBD."

"In the city centre we have got

an amazing retail and commercial mix."

"We have the biggest number of retail stores in Tauranga."

Mr Weis said downtown retailers would work closely with customers to provide "exceptional customer service" to fight competition in the market.

There was an over-supply of retail in Tauranga, which the council had acknowledged by establishing the City Centre Strategy and Action Group, led by Priority One.

"We are the heart of the city. If you have the heart of the city die, your whole region starts to die," Mr Weis said.

— with Ellen Irvine