

Retail growth building jobs

Neil Keene

WORK will soon begin on a \$50 million retail development at Kotara, further adding to the pressure on Newcastle's CBD.

The 30,000sq m second stage of the Kotara Homemaker Centre will be built behind the Domayne department store, with 22 new stores employing a total of up to 400 people.

The new precinct will more than double the size of the existing Homemaker Centre and increase Kotara's total retail floorspace to 125,000sq m, including the adjacent Westfield shopping centre.

Kotara developer BB Retail Capital said 60 per cent of the new centre's floorspace had already been leased to national retailers.

"We've had a waiting list of tenants to get into the first stage so the natural option was to expand," BB Retail Capital property CEO Darren Holland said.

"We've done our demographic research very thoroughly and the fact that 60 per cent has already been pre-committed speaks well for the demand in Kotara."

The surging growth in Kotara's retail trade is in stark contrast to Newcastle CBD, where plans for a new shopping centre have been shelved indefinitely and dozens of shops sit empty and in decay.

Surviving city centre shops are struggling to compete with suburban shopping districts like Kotara and the latest development is bound to add to the strain.

Details about which retailers have already signed on to the new development are expected to be released today, but Mr Holland said the list included newcomers to the region.

"Up until now they haven't been able to get into the area," Mr Holland said.

Construction is expected to start within weeks, creating up to 400 jobs until the centre's completion by Christmas 2010.

The new shops will generate another 400 permanent positions once open.

Mr Holland said the development would include 600 parking spaces, a 10m "green buffer" along the Kotara rail line and a long-awaited traffic and pedestrian bridge over the Styx Creek drain.