



LEYSHON CONSULTING

Suite 1106 Level 11
109 Pitt Street, Sydney
NSW Australia 2000

Telephone 61 2 9224 6111
Facsimile 61 2 9224 6150
ABN 12 003 203 709

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23 July, 2008

Mr Paul Altree-Williams
Associate Director
urbis
Level 21
321 Kent Street
SYDNEY NSW 2000

Dear Mr Altree-Williams

RE: PROPOSED GRAVITY PROJECT – WOLLONGONG CITY CENTRE

I write concerning your request for comment on the implications of a provision of Wollongong City Centre Local Environmental Plan 2007 (LEP 2007) which places a limit on retail development in the B4 Mixed Use zone.

We understand that LEP 2007 prohibits retail premises in this zone but only if the floor area of the premises exceeds 400 sq.m..

We further understand that this zone applies to that part of the Gravity site to the east of Corrimal Street and to the south of Crown Street.

The proposed development currently being considered by the Minister for Planning contains four tenancies which exceed 400 sq.m.. These premises are as follows:

- | | | |
|---|-----|-------------|
| ▶ major discount department store (DDS) | ... | 5,390 sq.m. |
| ▶ supermarket | ... | 3,760 sq.m. |
| ▶ mini-major (liquor) | ... | 1,232 sq.m. |
| ▶ mini-major | ... | 802 sq.m.. |

If the above tenants were excluded from the proposed development by virtue of the provisions of LEP2007, as discussed above, it would, in my opinion, render the retail component of the development unviable.

It is a generally accepted principle that major retail development requires anchor tenants to attract sufficient shoppers to underwrite the viability of smaller speciality stores. In Australia these anchors are department stores (such as Myer and David Jones), DDSs (such as Target, Big W and Kmart), full-line supermarkets (Woolworths and Coles) and certain mini-majors including Dan Murphy's Liquor, Best & Less, Go-Lo, Rebel Sport and the like.

Without the presence of such tenants it is impossible, in my opinion, to sustain a shopping centre of the scale proposed (20,318 sq.m.).

Further, it is critical in a multi-level project, such as that proposed on the Gravity site, that anchor tenants (of the type described above) are located on each level of the development so as to generate sufficient pedestrian circulation throughout the development to make the overall concept viable.

In summary, if such tenants were not permissible in the development, it would be my recommendation to the owners of the subject site (Belmorgan) that they revisit the retail development concept.

This would have a flow-on effect of substantially weakening the overall development as a shopper and pedestrian attractor at the eastern end of the Wollongong City Centre.

The corollary is that the eastern end of the Wollongong City Centre would be denied a major economic and pedestrian attractor and would thus be deprived a significant amount of retail, commercial and entertainment vibrancy which it otherwise might have.

I trust the above is of assistance. Please do not hesitate to contact me if additional information is required.

Yours sincerely

LEYSHON CONSULTING PTY LTD

PETER LEYSHON

DIRECTOR.