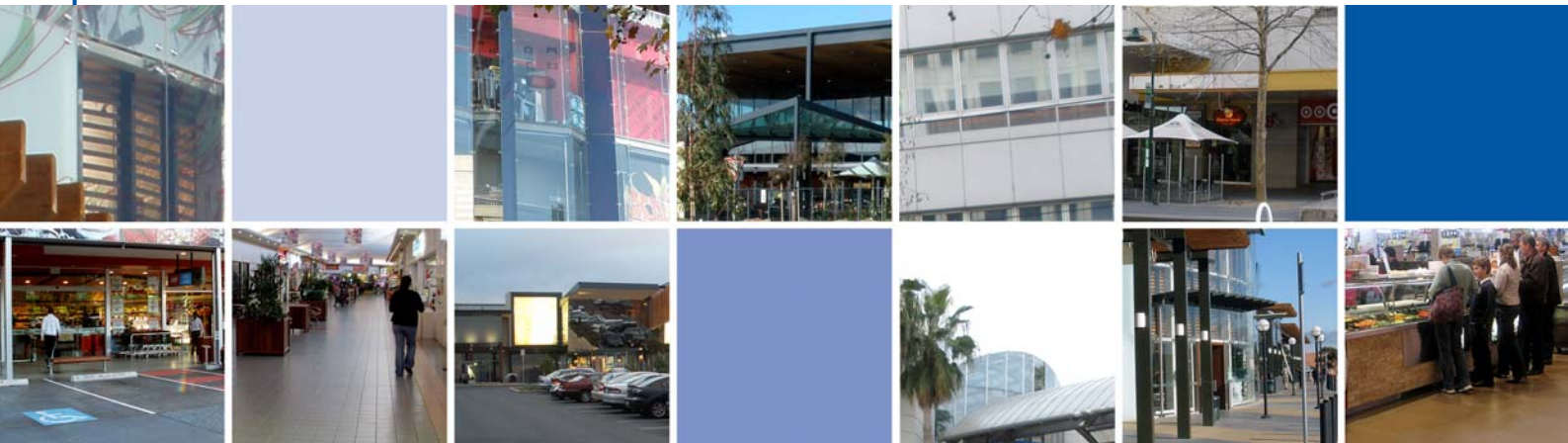


# Clemtown Park retail and bulky goods development

Consideration of economic impacts

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## Introduction

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This report considers the question of likely economic impact arising from the proposal by Davids Group to develop the former Sunbeam site in Clemton Park for the purposes of a mixed use development which will include a convenience retail component and a bulky goods/homemaker component.

The proposed development is the subject of a detailed Economic Impact Assessment (EIA) prepared in September 2008 by MacroPlan Australia. This review is not intended as another similarly detailed EIA, rather the objectives of this review are to:

- Consider further the question of likely trading impacts for the Campsie Town Centre of the proposed incorporation of a supermarket of 2,585 sq.m together with approximately 4,000 sq.m of other retail specialty retail and non-retail shopfront floorspace in the Clemton Park development; and
- Consider further the question of likely impacts for the existing provision of bulky goods retailing on Canterbury Road from the incorporation of a bulky goods component of 18,268 sq.m.

It is important in any consideration of the likely impacts of the Clemton Park proposal to draw a clear distinction between the component which may be referred to as convenience/neighbourhood retailing (i.e. the supermarket and associated specialty retail and non-retail shopfront space) and the bulky goods/homemaker retail component. It is not appropriate to combine the two elements for consideration of impacts, since they will clearly serve very different needs, and very different catchments.

In particular, it is important to make this distinction because the bulky goods/homemaker retail component will provide retail stores which have no particular implications for the existing Campsie Town Centre. It would therefore be misleading to assess the likely impacts of the development on an 'en globo' basis, since those impacts would not enable sensible or helpful conclusions to be drawn about the implications of this proposal for the Campsie Town Centre, which appears to be Council's major concerns with the proposal from an impact point of view.

## 1: Supermarket and associated specialty retail and non-retail shopfront space

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The Clemton Park proposal includes a supermarket of 2,585 sq.m together with associated specialty retail and non-retail shopfront floorspace of 4,001 sq.m.

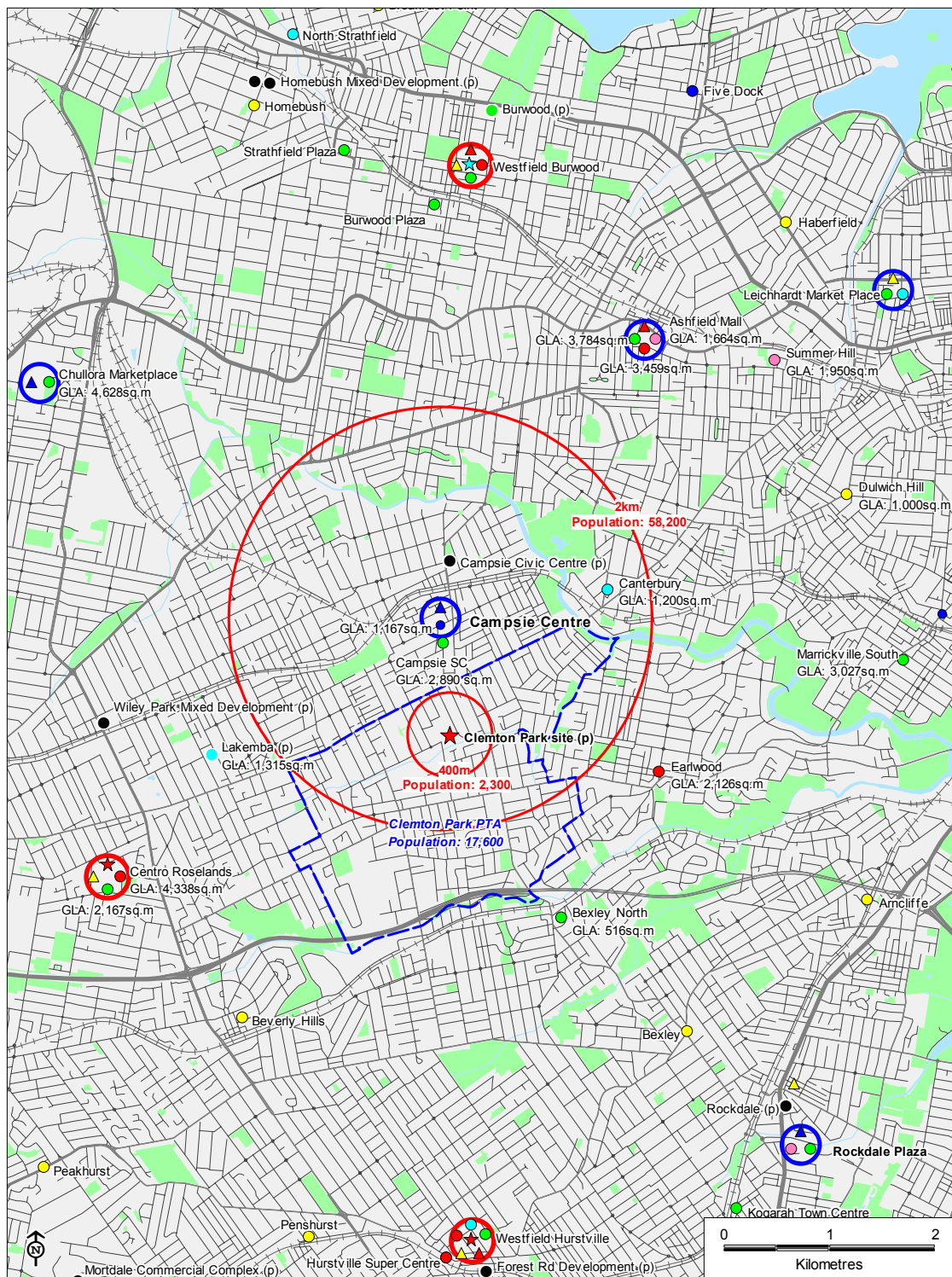
The Economic Impact Assessment prepared by MacroPlan Australia arrived at the following conclusions with regard to the likely impacts of the proposed new supermarket on existing supermarkets both at Campsie and in the surrounding area:

- An impact of 4.6% on the existing Woolworths store at Campsie.
- An impact of 4.6% on the smaller supermarket within Campsie Centre (previously Food For Less, but now trading as an Asian supermarket, V Plus).
- An impact of 3.7% on the small Fleming store at Bexley North.
- An impact of 3.7% on the small Coles store at Earlwood.

These impacts are all either minor or minimal, and certainly do not bear out Council's expressed concern that the supermarket proposed for Clemton Park is a *"...large supermarket that will impact adversely on existing retailers and the Campsie Town Centre in particular"*.

There is a number of reasons why the proposed new supermarket at Clemton Park will have only minor or minimal trading impacts on the existing provision of supermarkets both within the Campsie Town Centre and in the surrounding area. These are effectively summarised in the attached Map 1.1, which highlights both the high population density within the area surrounding Campsie Town Centre, and the extremely limited provision of supermarket floorspace within the same area.

## 1: Supermarket and associated specialty retail and non-retail shopfront space



**Map 1.1: Campsie & Clemton Park  
Population Density & Retail Facilities**

*\*Halo objects indicate proposed stores*

- |                   |               |
|-------------------|---------------|
| ○ Regional SC     | ● Woolworths  |
| ○ Sub-regional SC | ● Coles       |
| ★ Myer            | ● Aldi        |
| ★ David Jones     | ● IGA         |
| ▲ Big W           | ● Supermarket |
| ▲ Target          | ● Foodworks   |
| ▲ Kmart           | ● Independent |



Map 1.1 shows the following:

- The resident population within a 2 km radius of Campsie Town Centre is 58,200.
- Within this area there is at present no supermarket greater than 3,000 sq.m in size, and only one store approaching that size, namely the Woolworths store on Evaline Street in Campsie Town Centre, which is 2,890 sq.m in size. The other supermarkets located within 2 km of the Campsie Town Centre, of which there are only two, are both extremely small by modern standards, including:
  - The V Plus Asian supermarket in Campsie Centre, which is 1,167 sq.m in size.
  - Aldi at Canterbury, which is 1,200 sq.m in size.
- In total, the current provision of supermarket floorspace in the area within 2 km of the Campsie Town Centre is 5,257 sq.m, with an available population in the same area of 58,200. The provision of supermarket floorspace relative to population is 90 sq.m per 1,000 people. This compares with a national provision throughout Australia of approximately 320 sq.m per 1,000 persons, and an average provision throughout Sydney of 241 sq.m per 1,000 persons.
- The estimated shortfall in supermarket floorspace provision for this area is therefore in the order of 8,700 sq.m even if one adopts the very low Sydney metropolitan average of 241 sq.m per 1,000 people.
- Also shown on Map 1.1 is the population within what I would regard as the primary trade area for the Clemton Park convenience centre, the extent of which is outlined in the dotted blue line. In my view this is the area from which the supermarket developed at Clemton Park would draw the majority of its business, since for virtually all residents of this area, the Clemton Park store would represent the closest and most easily accessible supermarket. In particular, Canterbury Road would be a significant delineator to the north of any primary trade area to be served by the neighbourhood retail facility on the Clemton Park site.

## 1: Supermarket and associated specialty retail and non-retail shopfront space

- Within this relatively small area, virtually all situated within about 1 km of the site or less, there is a population of 17,600, which alone is sufficient to support about one and a half full scale supermarkets.
- If the Sydney metropolitan average of 241 sq.m per 1,000 people is applied to this population, then the level of supportable supermarket floorspace for this population is approximately 4,200 sq.m.
- The resident population within a comfortable walking distance of the Clemton Park side, i.e. within 400 metres, is also shown on the map. At present some 2,300 people reside within this area, and this figure will be further increased with the development of the Clemton Park site.

All of this information highlights the fact that the area around Campsie, and around Clemton Park, is very densely populated, and at present grossly underprovided with modern supermarket facilities. The Clemton Park convenience retail centre would serve a clearly evident need for the population living in the area generally south of Canterbury Road around Clemton Park, and would offer great convenience to that local population.

The population of the Campsie area is also served by an extensive provision of other fresh food retailers, provided largely within the Campsie Town Centre, discussed further below. Therefore, it is perhaps reasonable that the provision of supermarket floorspace within this area might be lower than that which is provided elsewhere throughout suburban Australia. However, these figures show that at present the available provision is extremely low, and there is certainly scope for that provision to be significantly increased. Realistically, it could be doubled, at the very least, since the current provision is less than one-third the Australian average, and about 40% of the (very low) Sydney average.

A review of the Campsie Town Centre highlights the fact that there are many fresh food specialty stores provided within the centre, including many duplicate stores – large numbers of butchers, hot bread shops, as well as large numbers of other specialist food stores. Within the centre there are also at least four chemist stores provided within a total of some 150 retail stores.

The Campsie Centre is therefore a very substantial and very active centre, which contains two supermarkets (one of which is very small) and large numbers of other food and convenience related specialty stores. A third supermarket is proposed to be provided at the northern end of the centre, in the Campsie Civic Centre development.

One of the downsides of the Campsie Centre is that it suffers from a relatively high level of traffic congestion. This is not surprising given the density of population in the area surrounding the centre, as highlighted on Map 1.1, and given the paucity of retail floorspace generally in the surrounding area.

Furthermore, the provision of retail facilities in the areas generally outside this densely population 2 km radial area, including outside the Clemton Park area, is similarly limited. The nearest major supermarkets provided to the south of Campsie Town Centre are those located at Hurstville, more than 6 km away in a direct line and considerably further by road. The nearest major supermarkets available to the south-west of Campsie Town Centre are those provided at Centro Roselands, more than 4 km away, while the nearest major supermarkets provided to the east are those at Marrickville, also some 6 km away.

The provision of a supermarket at Clemton Park which can be described as medium sized (at 2,585 sq.m it is certainly not large, since typical modern chain supermarkets are 3,200-3,800 sq.m in size) will both provide increased amenity for the surrounding local neighbourhood, and increased convenience for surrounding residents.

The main reason why the proposed supermarket and associated convenience retail floorspace to be provided at Clemton Park will not impact to any noticeable degree on the existing supermarkets and other food and convenience retailers in the Campsie Town Centre is the equation of supply and demand, which shows that at present within the area surrounding the Campsie Town Centre there is strong demand for such facilities, and very limited supply. This is clearly evident when one examines the extent of duplication of specialty stores, particularly food and convenience related specialty stores, present in the Campsie Town Centre.

A second important reason is the extent of specialisation which is available in the Campsie Town Centre, and it's very strong focus on Asian oriented retailers and retail stores. This is a feature and a strength of the centre, and one which will ensure its continued trading success.

Against this, the development will provide much needed convenience shopping facilities for the Clemton Park area, with many of the centre's patrons likely to walk to it. In addition, it would provide substantial new employment opportunities, and again the local population would be able to take advantage of those opportunities.

A recent report, titled *Red alert suburbs: An employment vulnerability index for Australia's major urban regions*, compiled by the Centre of Full Employment and Equity (CofFEE) at The University of Newcastle and the Urban Research Program (URP) at Griffith University, developed an index of job loss potential at the suburb level for Capital Cities and large non-metropolitan urban regions in Australia. The index is known as the *CofFEE/URP Employment vulnerability index (EVI)*.

The EVI reveals those suburbs – Red Alert and Amber Alert – are the suburbs most exposed to potential job losses and least well placed to escape disadvantage associated with increasing unemployment. Campsie and Clemton Park have been identified as a Amber Alert suburbs, suggesting that the residents of these suburbs are **quite vulnerable** to employment loss if the national economy contracts.

## 2: Bulky goods/homemaker space

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In addition to the supermarket and convenience retail component, the Clemton Park proposal also includes 18,268 sq.m of floorspace for bulky goods/trade retail uses.

The EIA prepared by MacroPlan Australia arrived at the following conclusions with regard to this component of the proposal:

- The most significant impact would be felt by the existing bulky goods/homemaker retailers provided on Canterbury Road, which are situated approximately 1 km from the Clemton Park site. The anticipated impact on these retailers, on average, is in the order of 13%.
- Impacts of approximately half this magnitude will also be experienced by the Harvey Norman stores provided at Wiley Park and Punchbowl.

The EIA also pointed out that the bulky goods, trade retail premises and showrooms provided along Canterbury Road will continue to take advantage of opportunistic trade that prime road frontage provides (i.e. passing traffic).

A separate independent analysis of the scope for the inclusion of a significant bulky goods/homemaker retail component on the Clemton Park site was prepared by Leyshon Consulting in August 2006. Leyshon Consulting concluded in that report that the annual available expenditure on bulky goods type items generated by the resident population within 5 km of the Campsie Town Centre would support about 230,000 sq.m of bulky goods type floorspace.

Based on that conclusion, Leyshon expressed the view that a substantial provision of bulky goods retailing could be developed on the former Sunbeam site without substantially diminishing opportunities to establish bulky goods retailing along Canterbury Road. Leyshon also noted that the number of large sites available along Canterbury Road in single ownership which might be suitable for

## 2: Bulky goods/homemaker space

development of a bulky goods retail complex of 15,000 – 30,000 sq.m was very limited.

MacroPlan in its EIA details the various provisions of bulky goods/homemaker retail floorspace in the area around Campsie, including centres such as Home Central on Chapel Road and Homemaker City at the corner of Canterbury and Chapel Roads which are located approximately 7 km from the Clemton Park site. Even if these facilities are included, the total provision of bulky goods/homemaker floorspace as shown in Table 7 on page 15 of the MacroPlan report, is in the order of 90,000 sq.m. The attached Map 2.1 shows the main concentrations of bulky goods/homemaker retail facilities in the area surrounding Campsie.

Therefore, based on MacroPlan's estimates of floorspace provision within the relevant area, it can be estimated that there is a floorspace deficiency in bulky goods/homemaker retail floorspace of more than 100,000 sq.m, even after allowing for the possibility that the MacroPlan surveys may have not counted all smaller bulky goods facilities within the relevant area.

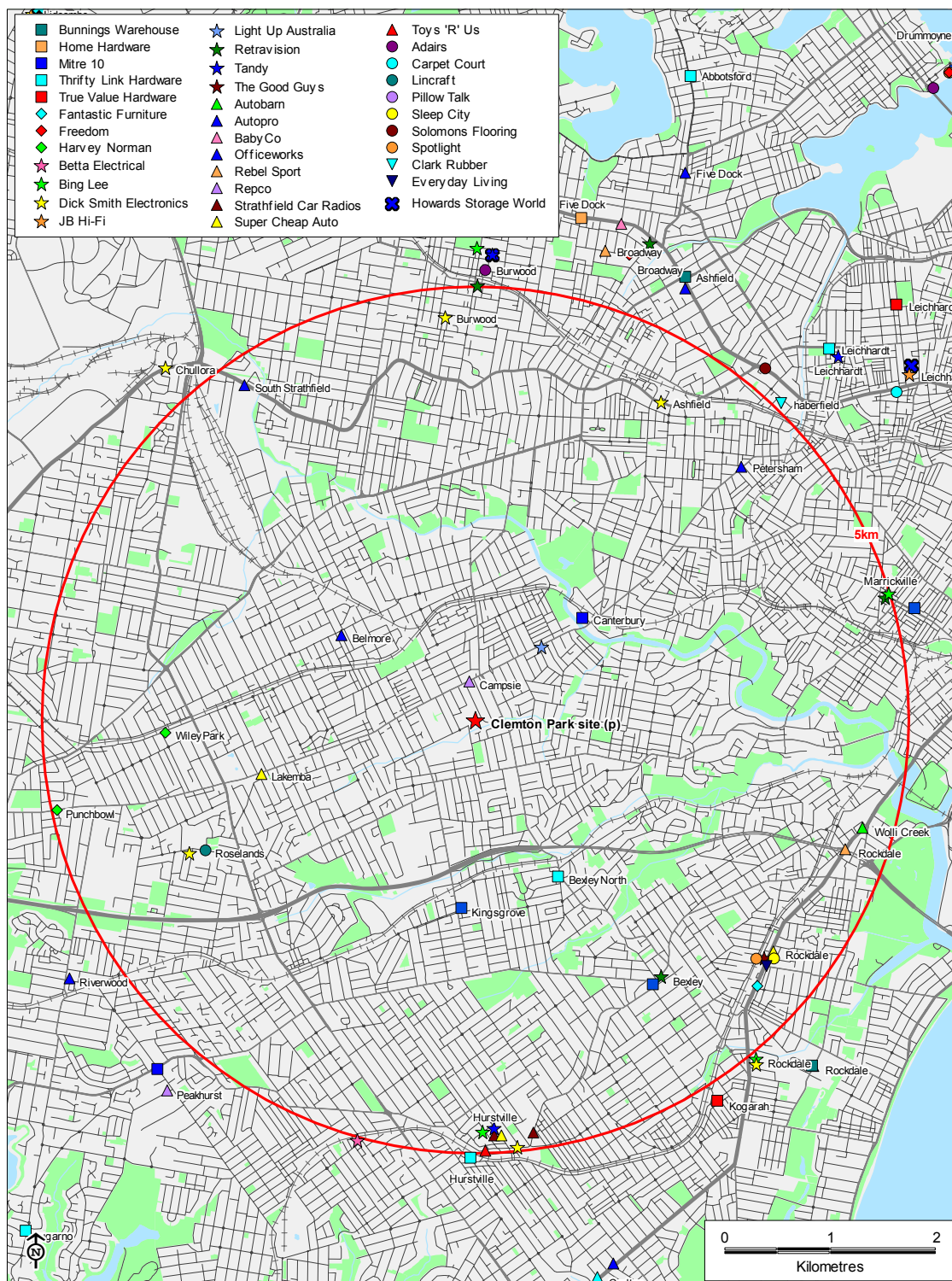
All of the available information relating to bulky goods/homemaker retail floorspace therefore suggests that the supply/demand balance reflects similar findings to the analysis undertaken for supermarket/convenience retailing. The population density in the area surrounding Campsie is very high, whereas the provision of retail floorspace is relatively low, including both supermarket/convenience retail floorspace and bulky goods/homemaker retail space.

Therefore, a similar conclusion can be drawn regarding the proposed provision of bulky goods/homemaker floorspace on the Clemton Road site as that which has been drawn regarding the proposed addition of a supermarket and supporting convenience retail floorspace, namely that there is ample market scope available for such addition, and that the trading impacts on existing facilities will not in any way threaten the future of those facilities.

The trends in provision of homemaker/bulky goods floorspace over the past decade have seen the emergence of integrated centres offering a range of these types of facilities, under single management and with common carparking facilities. This arrangement has suited both the consumer, who is then able to access a critical mass of these types of retailers for genuine comparison shopping in the one location (leading to trip efficiency) and the retailers, who are able to share the benefits of co-location, including common carparking and mutual attraction to customers wanting to compare goods and prices.



## 2: Bulky goods/homemaker space



**Map 2.1: Campsie Region**  
**Homemaker / Bulky Goods Floorspace Provision**

*\*Halo objects indicate proposed stores*



### 3: Conclusions

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The main conclusions drawn from this examination of the likely economic impacts of the proposed development of the former Sunbeam site at Clemton Park are as follows:

- The area surrounding both the Campsie Town Centre and the Clemton Park Sunbeam site is densely populated, and has relatively low provisions of retail floorspace, both traditional floorspace such as food and grocery convenience retailing and homemaker/bulky goods floorspace.
- In particular, in the area within 2 km of the Campsie Town Centre, which includes the Clemton Park site, there is at present no supermarket of 3,000 sq.m or greater in size, and only one store approaching that size (Woolworths in the Campsie Town Centre) despite the fact that the area houses a population of 58,200 people.
- In total, the current provision of supermarket floorspace in the area within 2 km of the Campsie Town Centre is less than one-third the national average, and about 40% of the metropolitan Sydney average.
- The Campsie Town Centre is a vibrant centre with many duplicate specialty stores, particularly in fresh food and weekly shopping requirements.
- Against this background, the provision of a medium size supermarket at Clemton Park, together with supporting specialty convenience retail and services, would provide increased amenity for the surrounding local neighbourhood, and increased convenience for surrounding residents. Such a development would not impact to any noticeable degree on the existing supermarkets and other food and convenience retailers in the Campsie Town Centre, because of the very strong demand for such facilities from the surrounding population, coupled with the very limited supply of such facilities which is currently available within the relevant area.

### 3: Conclusions

- The Campsie Town Centre also has a very strong focus on Asian oriented retailers and retail stores, and this feature is a strength of the centre which will ensure its continued trading success.
- With regard to the provision of bulky goods/homemaker space, there are no implications for the Campsie Town Centre from the addition of such facilities on the Clemton Park site. These facilities will compete more directly with the other homemaker/bulky goods facilities provided throughout the surrounding region, including on Canterbury Road, and not with the Campsie Town Centre.
- Again, however, the provision of such facilities is also quite limited in the Campsie region, relative to available population. All of the available information, including previous independent analyses, relating to bulky goods/homemaker retail floorspace throughout this region shows that the supply of such facilities is low compared with the potential demand.
- As a consequence, there is ample market scope available for the addition of such homemaker/bulky goods retail facilities on the Clemton Park site, and the trading impacts on existing facilities in the region, including those provided on Canterbury Road, will not in any way threaten the future of those facilities.



