HillPDA
CONSULTING

Level 3, 234 George St
Sydney NSW 2000
02 9252 8777
sydney@hillpda.com
hillpda.com

ABN 52 003 963 755

Emelie Watkinson
Development Manager
Frasers Property Australia
Level 9, 484 St Kilda Road,
Melbourne VIC 3004

5 March 2020

Dear Emelie,

Subject: Eastern Creek Business Hub – Response to Request for Additional Information from NSW Department of Planning, Industry and Environment 2 March 2020

This letter is a response to the additional information requested by NSW Department of Planning, Industry and Environment 2 March 2020 in relation to the Stage 2 of the Eastern Creek Business Hub.

In relation to the impact on Evans Road shopping centre the difference between 9.9% and 10.2% loss in trade is not considered significant. There was some updating of data between the assessments including the first year of trading (year of impact), trading levels of the competing centres and minor changes to the design.

An immediate, or point-in-time, impact of 10.2% loss in trade is still considered to be within reasonable competitive range. Only an impact greater than 15% loss in trade is considered significant. 15% loss in trade is a yardstick that has been suggested or referred to by some consultants (including Leyshon Consulting), but it never been formalised as a target. Other factors are also important including growth in the trade area, current trading levels of centres, the level to which those affected centres are providing an important economic and social role in the locality and whether or not a proposal more than makes good for its loss.

Given growth in the area our estimate is that Evans Road would return to its 2018 trading levels by 2023 assuming no changes in tenancies.

With respect to the competing bulky goods centres the impacts have come down a little due to the redefining of spaces. In particular the total size of bulky goods (or large format stores) has come down a little due to the introduction of the likely tyre retail and servicing outlet which has taken up some of the space.

We can't really comment on SGS assessment since we don't have access to their methods and calculations. In our impact assessment we also include bulky goods retailers in Blacktown (around 37,000sqm), Mount Druitt (around 6,000sqm) and Wetherill Park (around 20,000sqm). In total there is some 150,000sqm of competing bulky goods / large format retailers in the wider bulky goods trade area. Since Eastern Creek Stage 2 will provide less than 9,000sqm of bulky goods we expect average impact to be below 5% loss in trade.

I trust this letter addresses the relevant matters in relation to the economic impact of the proposals. If I can be of further assistance please don't hesitate to contact me.

Yours sincerely,

Adrian Hack
Principal, Urban and Retail Economics
M. Land Econ. B.Town Planning (Hons). MPIA
Adrian.Hack@hillpda.com