



West Hoxton Precinct Retail Demand Assessment

Prepared for Western Sydney Parklands Trust

Final February 2015

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EXECUTIVE SUMMARY

HillPDA was commissioned by the Western Sydney Parklands Trust (WSPT) to assess demand for a business hub within the suburb of West Hoxton which is located in close proximity to Sydney's South West Growth Centre (SWGCG).

The 8.95ha proposed business hub site, hereafter referred to as the West Hoxton Precinct (Precinct), is located at the intersection of Fifteenth Avenue and Twenty-Seventh Avenue in the suburb of West Hoxton.

As a preliminary part of this assessment we have considered the existing and growing demand for retail space within the vicinity of the Precinct. Our assessment has given particular consideration to the site's close proximity to the South West Growth Centre that is forecast to experience a net population growth of 300,000 people (110,000 new dwellings) in addition to new retail centres and employment lands¹.

A localised trade area for the Precinct has been defined encompassing all or part of the surrounding suburbs of Middletown Grange, West Hoxton, Austral and Rossmore.

Of particular importance, the population of the trade area is projected to substantially increase from 9,019 residents in 2011 to 36,597 in 2036 – a fourfold increase. Residents in the trade area generated \$127m of retail expenditure in 2012 across all retail store types. This is expected to grow to \$529m by 2031, an increase of \$402m over the next 19 years.

In 2012 trade area residents demanded around 22,000sqm of retail floorspace, and this is expected to increase to 83,000sqm by 2031. Around 25% of this space is required in village and neighborhood centres (generally single supermarket based centres). Assuming all planned new centres and expansion of existing centres are realized, by 2031 there would be an undersupply of approximately 7,000sqm.

The Precinct should capitalise on the clear strengths of this location which are:

The population of the Trade Area is projected to increase from 9,019 residents in 2011 to 36,597 in 2036 – a fourfold increase.

¹ <http://growthcentres.planning.nsw.gov.au/TheGrowthCentres/SouthWestGrowthCentre.aspx>

- Access to existing public transport;
- Gateway to the northern SWGC and on a future major vehicular route - forming a major east/west connector for the residents of South Western Sydney (and also future Western Sydney Airport users);
- Strategically positioned in a highly accessible and visible location which will offer convenience to the local residents; and
- Within Western Sydney Parklands and complementary to the recreational uses in the parklands.

In the context of population growth and the potential sources of expenditure, a neighbourhood centre of up to 5,000sqm to 6,000sqm GLA would be justifiable and sustainable.

The site could serve the early convenience needs of residents in Austral prior to the planned centres being implemented. It could also serve the needs of construction workers in the SWGC.

HillPDA recommends the following land uses that would be appropriate for the proposed Precinct:

Appropriate land uses include:

- School;
- Fuel service centre;
- Medical centre;
- Childcare centre;
- Gymnasium / fitness centre; and
- Retail Centre up to say 5,000 to 6,000sqm.

An appropriate mix for the retail centre includes:

- Supermarket at say 1,500sqm;
- Specialty shops 1,200sqm;
- Mini-major such as a large discount liquor store, chemist or office supplies depending on the market (up to 1,500sqm); and
- A pad site with a 400sqm fast food / family restaurant.

1 INTRODUCTION

The Western Sydney Parklands Trust (WSPT) is considering the potential for a site in Hoxton to become a business hub. HillPDA was engaged to undertake an analysis of retail market demand in the locality of the site and to advise on possible future land uses, should the business hub proceed. This is in the context of planned population growth and retail provision in the surrounding area.

The Precinct

The West Hoxton Precinct (Precinct) is situated at the intersection of Fifteenth Avenue and Twenty-Seventh Avenue in the suburb of West Hoxton. It is immediately adjacent to the Austral Precinct of the South West Growth Centre (SWGC). It fronts south onto Fifteenth Avenue, west onto Twenty-Seventh Avenue and north onto Flynn Avenue and encompasses approximately 8.95ha of land area. Fifteenth Avenue is proposed to be extended to link the SWGC to Badgerys Creek and will form a major east-west connecting road with up to three lanes of traffic in each direction being accommodated. The locational attributes of the Subject Site enable it to be easily accessible by car from a wide area when planned upgrades are complete. It has a high degree of exposure to passing traffic and will create a precinct with the adjacent West Hoxton Shops.

The location and extent of the Precinct is depicted in the following figure.

Figure 1 –Precinct Boundary



Source: Map produced by HillPDA using Nearmap

Study Methodology

To address the requirements of the project brief this market demand study, hereafter referred to as the Study, applies the following methodology:

- Analysis of the demographic characteristics of residents in the area around the Precinct and planned development;
- Analysis of relevant planning policies and strategies;
- Analysis of existing and planned future centres within the area around the Precinct;
- Analysis of the existing and proposed retail floorspace supply;
- Identification of retail opportunities for the Precinct in the context of existing and planned centres and growth;
- Definition of a trade area for the Precinct potential uses and retail demand modelling to examine growth in demand over time; and

- Analysis of retail market demand for the proposed uses in the context of growth and recommendations on potential floorspace size, timing and economic benefits.

2 EXISTING AND PLANNED DEVELOPMENT

This Chapter undertakes an analysis of the existing patterns of urban development around the Precinct and considers future planned development particularly that associated with the SWGC. For the purposes of this Study a high-level assessment is undertaken at a Subregional level comprising the LGAs of Camden, Campbelltown, Liverpool and Wollondilly. These LGAs comprise the South West Subregion as defined in the Draft South West Subregional Strategy. Hereafter this area is referred to as the Subregion.

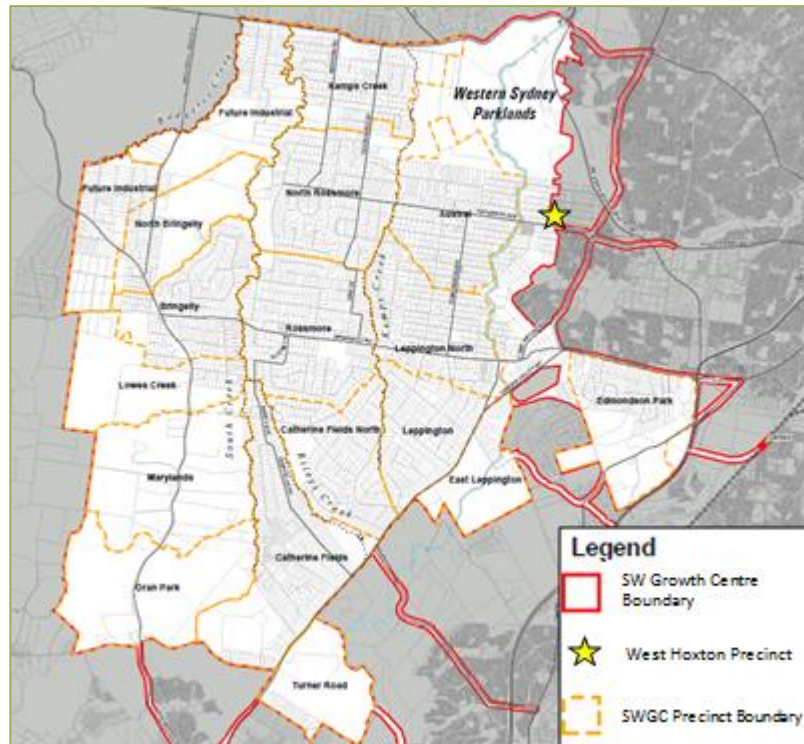
South West Growth Centre

A major consideration for future retail market demand in this location relates to the planned SWGC. The SWGC is located within the LGA boundaries of Liverpool, Camden and Campbelltown. Once complete the SWGC will accommodate 110,000 new dwellings and 300,000 residents in addition to new retail centres and employment lands².

The SWGC comprises 18 separate precincts which will be released for development in stages. Precinct planning is continuing. The location of these precincts is depicted in the following figure.

² Source: South West Growth Centre, NSW Department of Planning and Infrastructure website (accessed May 2013)

Figure 2 - Sydney Region Growth Centres Precinct Boundaries Map - South West Growth Centre



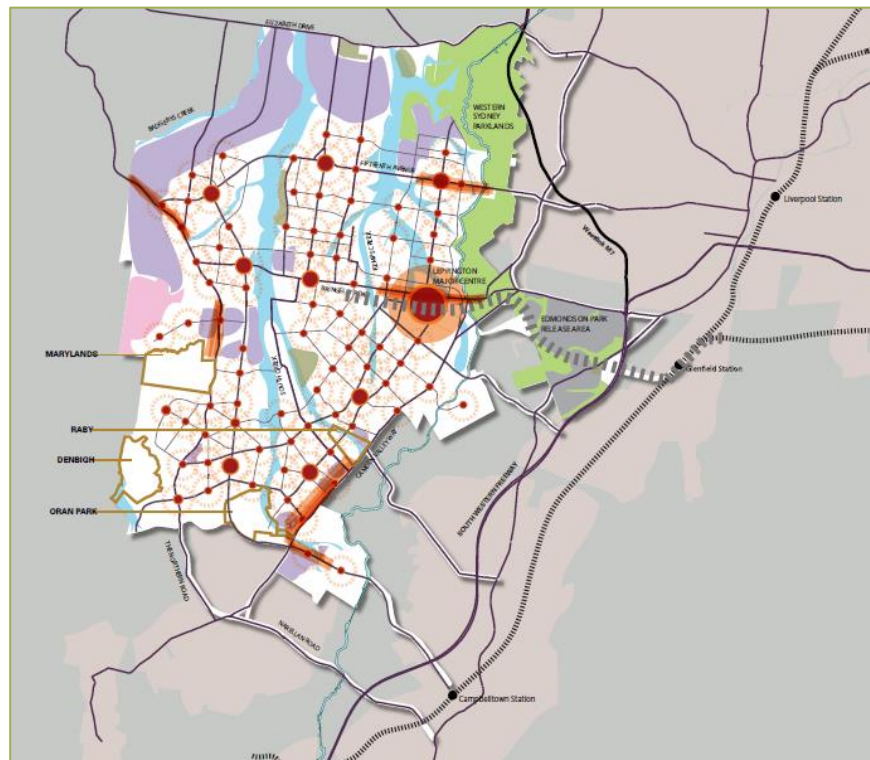
Source: Sydney Region Growth Centres Precinct Boundaries Map - South West Growth Centre, DP&E, amended by HillPDA (2013)

To date, seven SWGC Precincts including Oran Park, Turner Road, Edmondson Park, Austral, Leppington North, Catherine Field (part) and East Leppington have been rezoned to allow urban development.

These Precincts combined have potential for 42,560 homes to accommodate approximately 130,200 residents and capacity for 22,120 jobs. In addition to this the Leppington Precinct is currently undergoing Precinct Planning. Upon rezoning, it is expected the Precinct will provide land for approximately 9,000 additional homes.

As depicted in the SWGC Structure Plan below, the Precinct has been identified as a mixed employment corridor.

Figure 3 - South West Growth Centre Structure Plan



Source: South West Growth Centre Structure Plan Edition 3, DP&E

Table 1 - The South West Growth Centre Precincts

Precinct	Dwelling (dwg) / Population (pop) Targets	Retail Centres	Employment Land
Austral and Leppington North	17,350 dwg 54,000 pop	Leppington Major Centre Community services 3 Neighbourhood Centres	220 hectares of employment land
Bringelly	5,000 dwg 14,000 pop	1 Town Centre Several Neighbourhood Centres	
Catherine Fields	5,000 dwg 14,000 pop	1 Town Centre Several Neighbourhood Centres	Employment areas
Catherine Fields North	9,500 dwg 26,000 pop	1 Town Centre Several Neighbourhood Centres	Employment areas
East Leppington	4,450 dwg 14,700 pop	Neighbourhood Centre	
Edmondson Park	6,000 dwg 18,000 pop	1 Town Centre	
Kemps Creek	1,000 dwg 2,500 pop		
Leppington	9,000 dwg 24,000 pop	1 Town Centre Several Neighbourhood Centres	
Lowes Creek	2,000 dwg 5,000 pop	Several Neighbourhoods	Employment areas
Marylands	9,000 dwg 25,000 pop	Several Neighbourhood Centres	Employment areas
North Bringelly	5,000 dwg 14,000 pop	1 Town Centre Several Neighbourhood Centres	
North Rossmore	6,500 dwg 18,000 pop	1 Town Centre Several Neighbourhood Centres	
Oran Park	7,540 dwg 21,500 pop	1 50,000sqm Town Centre 2 Neighbourhood Centres	18ha of employment land
Rossmore	9,000 dwg 25,000 pop	1 Town Centre Several Neighbourhood Centres	Employment areas
Turner Road	2,000 dwg 12,000 pop	15,000sqm Town Centre	96ha of employment land
Employment Precinct	2 future employment precincts these have “yet to be released for planning”		

Source: South West Growth Centre Structure Plan – Explanatory Notes, NSW Department of Planning and Infrastructure (March 2010)

Planning Policy Context

This Section examines a range of planning policy documents to determine the main implications on existing and future land use planning within the Subregion.

NSW Draft Centres Policy (2009)

Over the past few years there has been a growing awareness and investigation of barriers to competition in Australia, particularly in the retail industry. As a result of these investigations the Australian Government directed State government and planning authorities to review the flexibility of planning regulations and policies regarding retail development. In response the DP&E (formerly known as the Department of Planning and Infrastructure at the time) released the NSW Draft Centres Policy in April 2009.

The NSW Draft Centres Policy focuses around six key principles as described in the following table.

Table 2 - NSW Draft Centres Policy Key Principles

Principle	Direction	Description
Principle 1	Retail and commercial activity should be located within centres.	Reinforces the longstanding strategy to concentrate the predominant share of retail and business floor space within town centres. The clustering of uses within centres is justified for environmental and economic reasons. By way of example, focusing uses within centres makes efficient use of existing infrastructure, can improve business efficiency and productivity and allow for a range of uses to be provided to meet consumer needs.
Principle 2	Centres should be able to grow and new centres form.	The Draft Centres Policy identifies that areas experiencing significant increases in population and real income must be dynamic and respond to “prevailing market demands” through the extension of existing centres or the growth of new ones. Principle 2 of the Draft Centres Policy notes that increases in population and real incomes and a constantly changing and evolving economy means that the planning system needs to respond dynamically to prevailing market demand.
Principle 3	Market determines need for development, planning regulates location and scale.	Identifies that the market is best placed to determine demand for retail and commercial development. Accordingly, the role of the planning system is not to assess the appropriateness of development on the basis of demand, but rather to make an assessment as to the external costs and benefits. It also notes that the planning system should be flexible and enable new centres to form which may mean that new centres may form and compete with more established centres.
Principle 4	Ensuring the supply of floor space accommodates market demand.	Emphasises the importance of competition between retailers. The key intention of this principle is to create better quality, cheaper and more accessible goods for all consumers through enhanced competition. To support opportunities for greater competition, the Draft policy requires councils to ensure that there is sufficient zoned land to enable additional (and new) large format retailers to enter the NSW retail market.
Principle 5	Support a wide range of retail and commercial premises and contribute to a competitive retail market.	Subject to meeting the appropriate location and design criteria, the zoning and development assessment process should not consider impacts between existing and proposed retailers as a planning consideration.
Principle 6	Contributing to the amenity, accessibility, urban context and sustainability of centres.	Centres should be well designed for functionality, providing ambience, convenience and accessibility and well integrated with surrounding land uses.

Source: NSW Draft Centres Policy, NSW Department of Planning and Infrastructure (2009)

Draft SEPP (Competition) (2010)

Following a review undertaken by the Department of Planning and Infrastructure and the Better Regulation Office into how economic growth and competition were impacted by the planning system, a

Draft State Environmental Planning Policy (SEPP) was prepared and placed on public exhibition in July 2010.

The proposed state-wide planning policy removes artificial barriers on competition between retail businesses. The Draft SEPP proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

Metropolitan Plan for Sydney 2036

The Metropolitan Plan for Sydney 2036 was released by the Department of Planning and Infrastructure in December 2010. The Plan aims to shape the future growth of Sydney to 2036 ensuring a more resilient, compact, connected, multi-centred and sustainable city. The Metropolitan Plan integrates land use and transport planning by integrating the Metropolitan Transport Plan, which was published for consultation earlier in 2010.

The Plan aims to address key challenges facing Sydney which includes managing a growing and changing population, providing more jobs closer to home, more efficient transport delivery, climate change and maintaining our global competitiveness. These challenges are addressed through strategic directions.

The Plan anticipates Sydney's population will reach close to 6 million by 2036. To accommodate this population growth, land use service provision and infrastructure capacity must be planned to provide for +769,000 additional homes and +760,000 additional jobs by 2036. Of these an additional +155,000 dwellings and +141,000 jobs are to be provided in the South West Subregion.

The Plan forecasts that an additional 10 million sqm of additional commercial floorspace and 5 million sqm of additional retail floorspace will be required across Sydney by 2036 in order to cater for employment growth and increasing demand.

Draft Metropolitan Strategy for Sydney to 2031 (2013)

The NSW Department of Planning and Environment (DP&E) published the draft Metropolitan Strategy for Sydney to 2031 ('the draft Strategy') for consultation in March 2013. It seeks to achieve the following outcomes:

- Balanced growth;
- A liveable City;
- Productivity and prosperity;
- Healthy and resilient environment; and
- Accessibility and connectivity.

The Draft Strategy seeks to promote and facilitate growth which acknowledges market considerations and which integrates transport, infrastructure and land use. Job growth will thus be concentrated on Metropolitan areas. An additional +625,000 new jobs across Sydney by 2031 is targeted and minimum job targets are set across the Subregions in Sydney to achieve this.

The Draft Strategy defines the South West Subregion as comprising the LGAs of Bankstown, Camden, Campbelltown, Fairfield, Liverpool and Wollondilly. Within this area a minimum of +469,000 residents, +141,000 houses and +134,000 jobs are targeted by 2031. This includes planning for at least +64,000 new dwellings by 2031 as part of the SWGC.

Key objectives relevant to this Study include:

- **Objective 7:** Deliver well-designed and active centres that attract investment and growth – Providing well designed new centres where they are needed.
- **Objective 15:** Provide for a good supply of retail space – Facilitating sufficient floorspace supply to meet demand growth and ensuring that viable options are provided.
- **Objective 26:** Improve accessibility and connectivity for centres and for new urban areas – Maintaining a network of local



centres, supported by public transport and with well integrated pedestrian routes.

Metropolitan priorities for the South West Subregion include to support new employment growth in the SWGC and to strengthen the role of Liverpool Regional City.

Draft South West Subregional Strategy (2007)

The DP&E's Draft South West Subregional Strategy relates to the LGAs of Camden, Campbelltown, Liverpool and Wollondilly.

The Draft Subregional Strategy provides a number of targets, aims and objectives to be achieved by 2031. These include planning for +89,000 new jobs, of which +35,000 jobs (39% of the Subregional total) are to be accommodated in the Liverpool LGA.

The Draft Subregional Strategy seeks to focus the majority of new economic development on defined Strategic Centres. Enterprise Corridors are recognised as supporting the role of strategic centres by accommodating start-up businesses, showrooms, building supplies, small retail outlets and bulky goods clusters which do not always 'fit' in Strategic Centres.

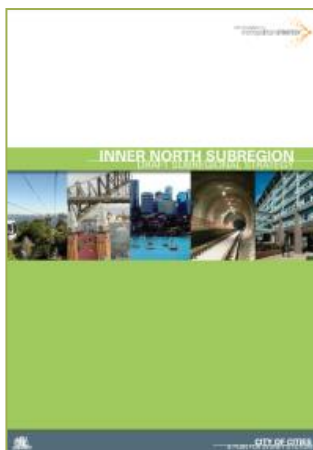
We also note that, in line with the Metropolitan Plan for Sydney 2036, the Draft Subregional Strategy requires +155,000 new dwellings be accommodated in the South West over the lifespan of the Strategy (2004–2031). The major contributor to this growth in dwellings will be the SWGC.

Liverpool Retail Hierarchy Review Version 2, July 2012 (2012)

HillPDA completed the Retail Hierarchy Review for Liverpool City Council in July 2012. The Review assessed future demand and supply for retail floorspace within the LGA over the 2011 to 2031 period and made recommendations as to how future retail need should be distributed across centres. The Review excluded that part of the Liverpool LGA which forms part of the SWGC.

Planning Policy Implications for the Precinct

The analysis of planning policy informs the principle of new retail facilities located on the Precinct. The State planning frameworks



seeks to provide a flexible approach towards the centres hierarchy which should be allowed to grow and new centres form in line with demand. Overall economic impacts on the role and function of other existing and planned centres is a consideration in assessing new centres, however impacts on individual retailers are not relevant.

Metropolitan and Subregional planning policy seeks to support economic development and employment opportunities and additional retail floorspace supply to meet future demand. New retail centres are thus viewed positively subject to impacts on existing and planned centres.

In the context of the policy review the principle of new retail facilities within the Precinct is supportable from an economic perspective subject to issues of need, scale and trading impacts. The appropriateness of the location is a consideration.

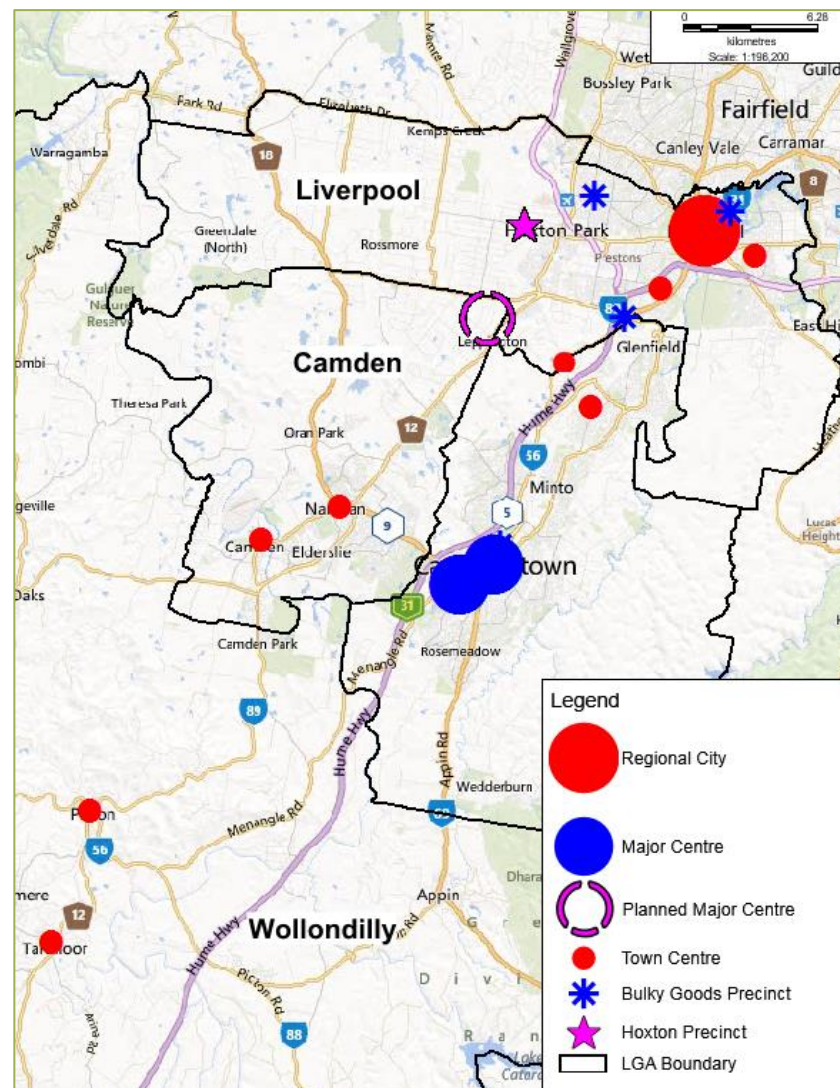
3 RETAIL HIERARCHY REVIEW

This Chapter undertakes a review of the existing location, role and function of the larger retail centres in the Subregion. Following this high-level review of the retail hierarchy the Chapter undertakes a more localised examination of existing and planned centres in the area immediately surrounding the Precinct. The purpose of this Chapter is to gain an understanding of the location and nature of existing and planned future retail provision and in doing so to identify the role the Precinct could perform within this context.

Retail Hierarchy Overview

Figure 4 over the page depicts the location and categorisation of the main retail centres in the South West Subregion. Note that by 'main centres' we refer to the larger centres which are classified as 'Main Centres' or above in the Draft South West Subregional Strategy. The main bulky goods clusters in the Subregion are also identified. Such locations are not identified in planning policy as 'centres' but nevertheless are an important component of the retail landscape.

Figure 4 - The Main Centres/ Locations in the South West Subregional Retail Hierarchy



Source: Map produced by HillPDA using MapInfo 11.0 software and Microsoft Bing (c) 2011 Microsoft Corporation

Liverpool Regional City

Liverpool Major Centre or CBD is the only Regional City in the South West Subregion and one of three in the Sydney Metropolitan Area. Over and above the role of the centre in providing retail goods and services it serves important employment, administrative and educational functions. Based on HillPDA's 2011 floorspace survey Liverpool CBD contains approximately 150,000sqm of gross lettable

area (GLA)³ retail and commercial shopfront floorspace (including vacant floorspace)⁴.

Westfield Liverpool accounts for 84,200sqm GLA⁵ retail and commercial floorspace in Liverpool CBD. It contains the major retail anchors of Myer (13,334sqm), Target (8,291sqm), Big W (8,250sqm), Coles (3,876sqm), Woolworths (3,659sqm), Toys R Us (3,260sqm) and Best & Less (1,189sqm). Westfield Liverpool recorded a turnover of \$470m for the year to December 2012⁶, equivalent to \$6,374/sqm. This ranks the centre 57th nationally of the 88 similar sized centres in Australia for which trading data is recorded (of over 45,000sqm GLA retail floorspace as ranked by Shopping Centre News (SCN)) and 5% below the median. This reflects lower socio-demographic characteristics of residents in the trade area which it serves.

Liverpool CBD draws from a wide trade area which includes all of Liverpool and Fairfield LGAs and part of Campbelltown LGA. The role of Liverpool CBD will change over time. Initially as the SWGC is developed the centre will experience growth in the available pool of retail expenditure as population in the trade area grows. However as new centres come on line in the SWGC, particularly the Planned Leppington North Major Centre it is likely to contract Liverpool's trade area over time. Residents of Liverpool LGA to the west of the M7 are likely to direct a large proportion of their regional expenditure to Leppington.

³ Note: Gross Lettable Area – Gross Lettable Area (GLA) is the common measure used for lease and for other descriptive purposes in retail centres and shops. It is usually defined as the total area of the lease and includes back of house, storage, offices and mezzanine levels but usually excludes loading docks and common mall spaces. GLA is more commonly used in the industry because it defines the area of the lease. Shopping centre owners report rents and turnover figures on the leased area and benchmarking is usually made on the GLA. For the purpose of HillPDA's demand modelling all floor areas expressed are in GLA.

⁴ Note: This has been adjusted downwards in this Study compared the figure quoted in the Liverpool Retail Centres Hierarchy Review (HillPDA, 2012) to reflect the reduction in floorspace recorded by in the NSW/ ACT Property Council of Australia Shopping Centre Database for Westfield Liverpool from 94,500sqm in 2011/12 to 84,200sqm in 2012/13

⁵ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

⁶ Source: Shopping Centre News Big Guns 2013

Major Centres

Campbelltown Macarthur

Campbelltown Macarthur is the largest regional centre in the South West Subregion. In addition to providing retail goods and services the centre also performs a range of employment, education, administrative, medical and civic functions. In total the centre provides in the order of 202,000sqm GLA of shopfront retail and commercial floorspace⁷. The majority of this floorspace is provided in two purpose built shopping centres: Macarthur Square and Campbelltown Mall.

Macarthur Square contains 94,650sqm GLA of retail and commercial floorspace⁸. Anchor tenants include David Jones (12,243sqm), Big W (8,792sqm), Target (4,450sqm), Woolworths (4,185sqm), Coles (3,760sqm), Dick Smith (1,995sqm), Rebel Sport (1,680sqm) and Dan Murphy's (1,475sqm). Trading data indicates that this centre achieved a turnover of \$543.8m for the year to December 2012⁹. This equates to a turnover per sqm of \$6,677/sqm which ranks the centre 45th out of the 88 similar sized centres in Australia (of greater than 45,000sqm GLA of retail floorspace) and comparable to the median.

Campbelltown Mall provides approximately 41,000sqm GLA¹⁰ of retail floorspace anchored by Kmart (8,224sqm), Target (7,093sqm), Woolworths (4,000sqm), Coles (3,825sqm), Franklins (1,577sqm) and Best & Less (1,047sqm). Trading data shows that this centre attained a turnover of \$221m for the October 2011 to September 2012 period¹¹. This equates to \$5,258/sqm which is some \$1,795/sqm (or 25%) below the median of \$7,053/sqm for the 99 similar sized centres in Australia (of between 20,000sqm and 40,000sqm based on SCN data) and ranking the centre 84th in this regard.

Campbelltown Macarthur also contains Brands on Sale discount factory outlet located on Queen Street. This outlet provides an

⁷ Source: HillPDA floorspace survey January 2013

⁸ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

⁹ Source: Shopping Centre News Big Guns 2013

¹⁰ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

¹¹ Source: Shopping Centre News Little Guns 2012

additional 16,000sqm of fashion outlet retail floorspace (gross floor area or GFA¹²) as well as 2,000sqm GFA of bulky goods floorspace¹³.

Leppington North (Planned)

Leppington North Major Centre will be the principal new retail centre serving new residents in the SWGC. The development of the centre is anticipated to commence sometime between 2016 and 2021 although it is likely to be developed over a number of stages when there is sufficient local population to support it. It is anticipated that Leppington will accommodate around 120,000sqm of retail and commercial floorspace¹⁴, in addition to bulky goods floorspace along Bringelly Road, upon completion. There is potential for Leppington to be even larger in the longer term. It will also include a civic precinct including a TAFE campus, community and health care facilities.

Once it is developed Leppington will serve a catchment largely encompassing the SWGC and the suburbs of Liverpool west of the M7, an area which will eventually accommodate 300,000 residents.

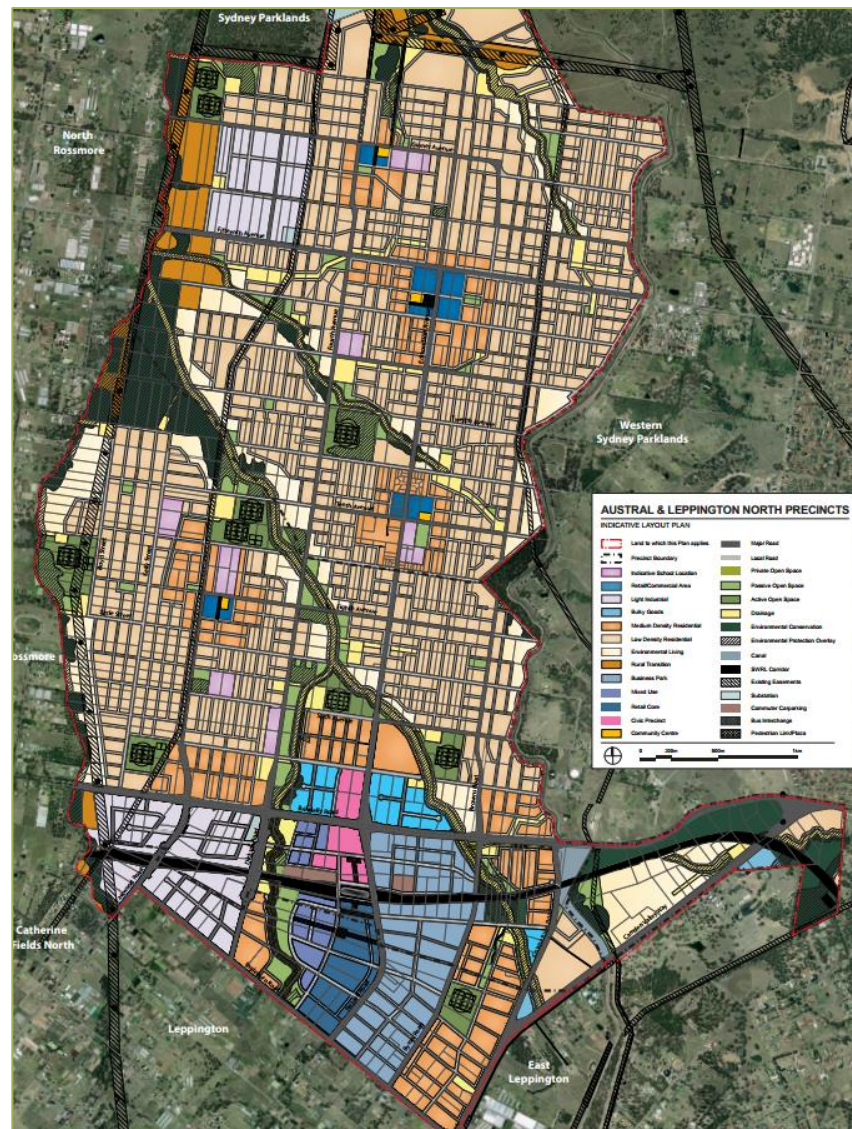
It is not clear at this stage whether delivery of Leppington will be left to the private sector and individual landowners or whether compulsory acquisition will be used by UrbanGrowth NSW (or equivalent) to ensure that larger land plots are delivered to the market.

¹² Note: Gross Floor Area – Gross Floor Area (GFA) is Gross Lettable Area plus common mall spaces (including amenities), centre management area and plant rooms. In a typical indoor centre with at least one department store and supermarket the GLA makes up around 72% to 75% of the GFA.

¹³ Source: Campbelltown City Council (email dated 04/01/2013)

¹⁴ Source: Leppington Major Centre Indicative Layout Plan (2011)

Figure 5 – Austral and Leppington North Indicative Layout Plan



Source: Department of Planning and Environment

Town Centres

Carnes Hill

This centre comprises the Carnes Hill Marketplace shopping centre which provides 17,200sqm GLA of retail and commercial floorspace¹⁵. Anchor tenants include Big W (7,301sqm), Woolworths (4,414sqm) and Dan Murphy's (1,438sqm). Carnes Hill Marketplace recorded a

¹⁵ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

turnover of \$131.03m for the August 2011 to July 2012 period¹⁶. This equates to a turnover per square metre of \$8,063/sqm which ranks it 87th nationally of the 166 similar sized centres (of between 6,000sqm and 20,000sqm GLA retail floorspace as recorded by SCN) and marginally below the median trading level.

The main trade area of Carnes Hill comprises the surrounding suburbs of Carnes Hill, West Hoxton, Hoxton Park and Horningsea Park together with part of Prestons and a small part of Hinchinbrook which is southwest of the M7 motorway. The population in this trade area will grow as a result of planned development which will benefit the retailers in Carnes Hill. The provision of additional community uses in this location to include a library and sports facilities is planned.

Casula Mall

Casula Mall comprises a shopping centre of 20,050sqm¹⁷ retail floorspace with anchor traders being Kmart (7,815sqm), Coles (5,307sqm) and Franklins (1,905sqm). The main trade area for Casula Mall comprises the suburbs of Lurnea, Casula and part of Prestons. Casula Mall recorded a turnover of \$177m for the October 2011 to September 2012 period¹⁸. This equates to a turnover of \$9,087/sqm which is 32% higher than the median for similar sized shopping centres in Australia (of between 20,000- 45,000sqm GLA of retail floorspace) and ranks the centre 15th of the 99 similar shopping centres surveyed in Australia. This indicates that the centre is currently performing strongly.

Moorebank

Moorebank provides approximately 10,150sqm GLA of retail floorspace¹⁹ predominately within the Moorebank Shopping Centre which is anchored by a Woolworths (2,200sqm) supermarket. It accommodates 48 additional specialty retail units both within the shopping centre itself and along Maddecks Avenue and Stockton Avenue and an anytime fitness.

The primary trade area for Moorebank comprises the suburb of Moorebank and it is also likely to derive a proportion of trade from

¹⁶ Source: Shopping Centre News Mini-Guns 2012

¹⁷ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

¹⁸ Source: Shopping Centre News Little Guns 2012

¹⁹ Source: HillPDA Floorspace Survey December 2011

residents in Chipping Norton, Holsworthy and Hammondville. There is no published data concerning the trading performance of Moorebank Town Centre.

Narellan

Narellan Town Centre currently provides 40,150sqm GLA of retail and commercial floorspace anchored by Woolworths (3,831sqm), Coles (3,398sqm) and Big W (6,535sqm)²⁰. An expansion to the existing shopping centre is proposed which would take the size of the centre to around 96,000sqm once fully implemented²¹. It is proposed that the expansion would be implemented in two stages:

- Stage 1 (prior to 2020) would comprise 38,300sqm GLA of additional retail floorspace; and
- Stage 2 would add a 20,000sqm GLA of retail floorspace including a national department store.

Local Centres

This Section focuses on the local area around the Precinct from analysis of our previous work on the Liverpool Retail Centres Hierarchy Review (HillPDA, 2012) and examination of the 'Austral and Leppington North Precinct Plan State Environmental Planning Policy (Sydney Region Growth Centres) Post-exhibition Planning Report' (DP&E, December 2012).

²⁰ Source: NSW/ ACT Property Council of Australia Shopping Centre Database 2012/13

²¹ Source: Narellan Town Centre Economic Impact Assessment, Deep End Services (2012)

Figure 6 - Retail Hierarchy around the Precinct



Source: Map produced by HillPDA using MapInfo 11.0 software and Microsoft Bing (c) 2011 Microsoft Corporation

- West Hoxton Shopping Centre (Edmondson Avenue / 15th Avenue) – Located some 1.5km or 1 minute drive to the west of the Precinct this centre provides over 5,000sqm of retail floorspace and contains an IGA supermarket (1,000sqm) and 18 convenience stores including Home Timber and Hardware outlet, pharmacy, newsagency, Celebrations, restaurants, and service station as well as a medical centre.
- 15th / 22nd Austral Neighbourhood Centre – Directly opposite the Precinct this small centre provides approximately 1,500sqm²² of retail floorspace and contains a small parade of shops including a Italian deli / butcher/ grocer of 500sqm, hairdresser, Local Liquor, LJ Hooker, Australia Post and Avati Auto Repairs and J&C Mowers;
- Hoxton Park Road/ Dorrigo Avenue Small Village Centre – Located some 2.5km to the east of the Precinct via Hoxton Park Road²³ this centre contains approximately 1,140sqm GLA retail floorspace²⁴. It serves a localised role including convenience

²² Measured using Nearmap, includes properties located at 214, 202-208, 198 and 192-196 Fifteenth Avenue, West Hoxton

²³ ibid

²⁴ Source: HillPDA floorspace survey December 2011

stores, grocer, a doctors surgery, Australia Post and several pharmacies; and

- Austral Shopping Centre (Edmondson Avenue / 10th Avenue) – Situated some 3km or a 3 minute drive south west of the Precinct²⁵ this centre currently provides around 3,260sqm of retail floorspace including an IGA supermarket (1,090sqm)²⁶. The role of the centre will grow with the development of the SWGC as examined below.

Planned Centres / Facilities

Middletown Grange Town Centre

Some 3.7ha of land is zoned for B2 Local Centre purposes on land adjacent to Middleton Grange Public School to accommodate a new centre. This centre will be located some 1.8km or a 3 minute drive northeast of the Precinct²⁷. This centre will serve the surrounding new suburb of Middleton Grange which will accommodate 9,000 residents upon completion. The centre is expected to provide around 5,500sqm of retail floorspace, including a new supermarket and homemaker style floorspace²⁸. The site is considered inferior to the WSPT site since access is via local streets and it has no visibility from arterial roads. Accordingly the centre is likely to serve a localised catchment and will effectively serve a different catchment to subject site.

Austral Town Centre

Located at the intersection of Edmondson Avenue and 15th Avenue this centre will replace the existing West Hoxton Shopping Centre and will provide 25,000 to 30,000sqm GLA of retail floorspace²⁹ which will include two supermarkets, a DDS and specialty floorspace. This centre is located approximately 1.5km or a 1 minute drive³⁰ west of

²⁵ Source: Googlemaps

²⁶ Source: HillPDA floorspace survey December 2011

²⁷ Source: Googlemaps

²⁸ Source: Liverpool Retail Hierarchy Review Version 2, HillPDA (2012)

²⁹ Source: Austral and Leppington North Precinct Plan State Environmental Planning Policy (Sydney Region Growth Centres) Post-exhibition Planning Report, NSW Department of Planning and Infrastructure (December 2012)

³⁰ Source: Googlemaps

the Precinct. It is anticipated that this centre would be developed in two stages in line with population growth. Stage 1 of 10,000sqm would be developed by 2021 and Stage 2 of 20,000sqm by 2031³¹. Further the planned Austral Town Centre will absorb the West Hoxton Shopping Centre's GFA;

Austral Village Centre

Up to 8,000sqm of retail floorspace will be provided in this centre on the site of the existing Austral Shopping Centre (Edmondson Avenue/ 10th Avenue)³². The planned Austral Village Centre will absorb the 3,260sqm of the existing centre.

Gurner Avenue Neighbourhood Centre

This will provide up to 8,000sqm GLA of retail floorspace³³. It is situated 2.8km or a 4 minute drive northwest of the Precinct³⁴.

Other Retail

A Masters store of 13,600sqm³⁵ recently opened on the Len Waters industrial estate some 2.7km³⁶ to the north east of the Precinct. A service centre with highway support retail uses comprising up to 8,000sqm GLA of retail floorspace is also proposed in this area³⁷;

³¹ Source: Retail Floorspace Capacity and Staging Project in the Austral, Leppington North and Oran Park Precincts, HillPDA (2010)

³² Source: Austral and Leppington North Precinct Plan State Environmental Planning Policy (Sydney Region Growth Centres) Post-exhibition Planning Report, NSW Department of Planning and Infrastructure (December 2012)

³³ ibid

³⁴ Source: Googlemaps

³⁵ ibid

³⁶ Source: Googlemaps

³⁷ Source: Hoxton Park Economic Assessment, HillPDA (2013)

4 OPPORTUNITY ANALYSIS

This Chapter considers the opportunities presented by the Precinct to function as a business hub. The type of uses which could be accommodated in light of the strengths of each precinct and in the context of existing and planned retail provision, are assessed.

The Precinct is located at the main eastern gateway to the Austral precinct of the SWGC with Fifteenth Avenue potentially accommodating up to three car lanes in each direction. It is situated opposite a modest area of existing retail which is identified as a neighbourhood centre in the Draft Subregional Strategy and the Liverpool Local Environmental Plan 2008.

The opportunities presented to the Precinct relate to its situation and accessibility. It is located adjacent to an existing bus route served by Westbus³⁸. The Precinct's topography is relatively flat with low ecological value and high visibility from Fifteenth Avenue. The Precinct is likely to be commercially viable for retail operators. Notwithstanding this, future retail uses on this site should not detract from planned retail provision within the SWGC.

The Precinct offers the ability to provide a range of uses which recognise and complement the role of the Western Sydney Parklands area which bounds the site to the north and east. Uses which may be appropriate in this location could include private schools, childcare facilities or other community uses. Commercial offices uses would be a desirable use on the Precinct but we do not believe that these would be financially viable in the current market. There may be scope to accommodate low density campus commercial uses, if market demand is sufficient.

Neighbourhood centre type retail uses also could be incorporated which capitalise on the accessibility nature of this site, its visibility to passing traffic and its proximity to existing residents in West Hoxton. We also believe the Precinct could have potential for specialist retail which reflects its unique attributes.

The site is ideally located to accommodate a petrol station and such a use would not detract from existing or planned future provision in

³⁸ Source: South West Advertiser (09/04/2013)

the SWGC. It is envisaged that such a facility would also provide some convenience retailing. A petrol station would support the role of the precinct as a highly accessible commercial hub and at a key gateway is a logical place for such a facility.

Large bottle shop operators such as Dan Murphy's, First Choice Liquor and the new Liquorland Warehouse concept³⁹ require large land plots capable of delivering their business model – a large floor area of up to 1,500sqm GLA plus car parking and sufficient space for access and servicing. It can be difficult to provide suitable land within centres to accommodate these requirements. Although it is too early to say the format and type of retail which will be provided in planned centres in the locality, we do note that land requirements are tight and it may be difficult to accommodate this style of retail within planned centres. On this basis, the Precinct offers a good opportunity to provide residents with access to this style of retail in view of its accessible location and sizeable land plot. Such provision would represent an offer not provided for within centres.

We note that a First Choice liquor outlet recently opened on Camden Valley Way and the closest existing Dan Murphy's store is located in Carnes Hill. The Liquorland Warehouse concept is currently being trialled in NSW and none presently existing within the South West Subregion.

The provision of other freestanding retail operators of a comparable size (1,000sqm) could be viable and appropriate in this location, provided that they could not be accommodated within centres, for example a hardware and building supplier like Mitre 10 or Chemist such as Chemist warehouse or Chemist Outlet / Discount Chemist.

A freestanding fast food pad site(s) such as KFC, McDonalds or Hungry Jacks may also be a viable use. Such facilities would likely be financially viable in the Precinct given its accessibility and would constitute an attractor in their own right, not dependent upon wider retail provision but which could work well with a petrol station or large liquor store. This use would not compete with the retail uses envisaged in planned centres in the SWGC to any great extent as it would be serving a different role and function to planned centres.

³⁹ Note: These comprise freestanding Liquorland stores two to three times larger than typical Liquorland stores which aim to better compete with Dan Murphy's style retail format.

There are catalysts which will add to the success of the proposal. In particular development of the West Sydney Airport at Badgerys Creek and the planned upgrade to Fifteenth Avenue to 4 to 6 lanes would result in large volumes of passing traffic. Additionally the delivery of key infrastructure such as sewer and telecommunications would provide further stimulus to development within the area.

In summary we consider that opportunities to be located on this Precinct could comprise:

A combination of the following uses:

- Community uses such as school, childcare centre;
- Commercial uses such as gym, medical centre, dentist which do not rely on passing trade;
- Neighbourhood centre retail uses serving the needs of local residents, commuters and passing motorists;
- Petrol station;
- Large format liquor outlet / Chemist; and
- Fast-food pad site(s).

5 RETAIL DEMAND ASSESSMENT

Based on the retail opportunities provided by the Precinct this Chapter undertakes an assessment of demand for such uses based on retail expenditure modelling. Note that the delivery of centres within the SWGC is unknown at this stage but we have used our best estimates on timing and scale to inform this Chapter.

Trade Area Identification

A trade area can be understood as the area within which a proposed centre or facility will draw the majority of its trade and will be the main destination for the type of role or function that it performs.

The trade area served by any retail centre/ facility is determined by consideration of:

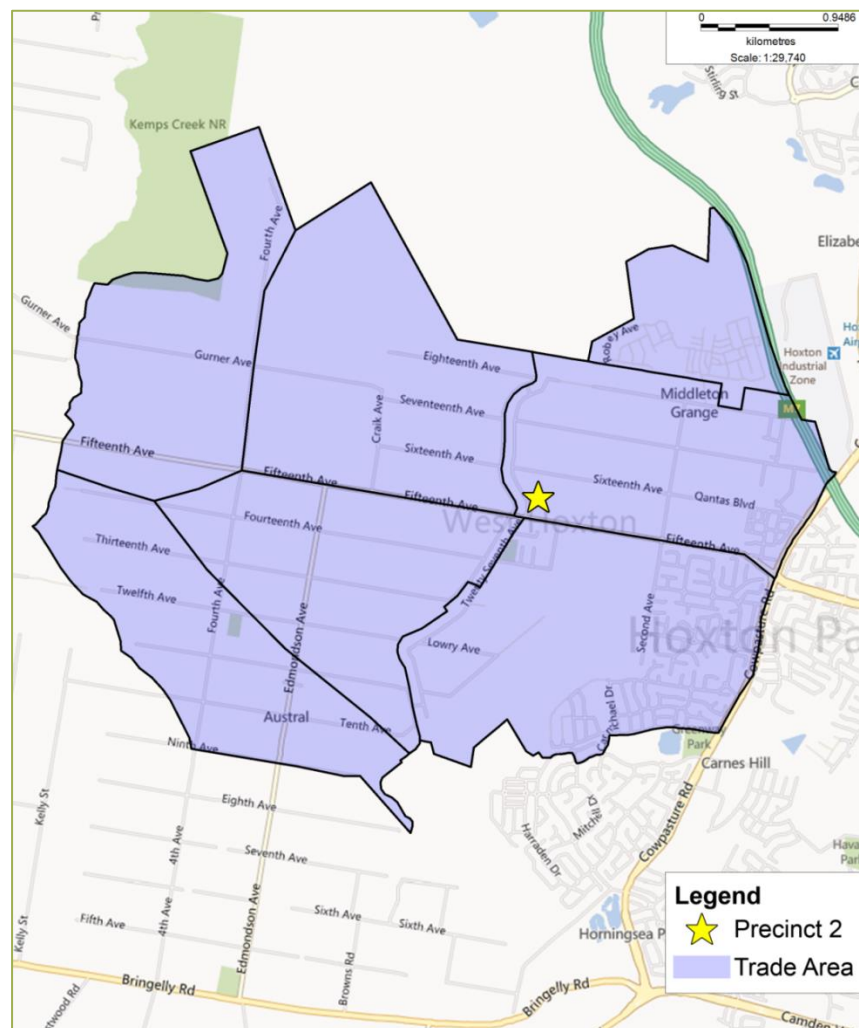
- The strength and attraction of the centre/ facility as determined by factors such as the composition, layout, ambience/atmosphere and car parking;
- Competitive retail centres, particularly their proximity to the subject centre/ facility and respective sizes, retail offer and attraction;
- The location and accessibility of the centre/ facility including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

The starting point for undertaking retail demand modelling is to define a trade area for the proposed centre/ facility. Population projections for the trade area over the period of analysis must then be sourced. For the purposes of this Study, retail demand is considered over the 2011 to 2031 period in five year increments which aligns with DP&E projection periods in the draft Metropolitan Strategy for Sydney to 2031.

A localised trade area for the Precinct has been defined encompassing all or part of the surrounding suburbs of Middletown Grange, West Hoxton, Austral and Rossmore based on the provision

of a neighbourhood centre. The trade area has been defined based on travel zones⁴⁰. A petrol station, large liquor store or fast food retailer would serve a larger trade area than that identified below as such retail provision would perform a different role to that of a neighbourhood centre. In addition to residents in this area, future retail facilities can also expect to capture trade from commuters, local workers and passing motorists.

Figure 7 - Potential Trade Area for the Precinct



Source: Map produced by HillPDA using MapInfo 11.0 software and Microsoft Bing (c) 2011 Microsoft Corporation.

⁴⁰ Note: Travel Zone – a small geographic area used as the basis for NSW Bureau of Transport Statistics modelling and data analysis

Again wildcards or catalysts such as Western Sydney Airport at Badgerys Creek, combined with an upgrade of 15th Avenue to 4 to 6 lanes would result in large volumes of passing traffic.

Demographic Characteristics

Demand for retail floorspace is dependant not just on the number of households in an area but also on the demographic characteristics of those households. To inform this Study an analysis of the demographic characteristics of the Subregion is undertaken to derive implications for retail market demand. This is based on information derived from the 2011 ABS Census.

The following table provides details of the population and dwelling characteristics for the LGAs which constitute the South West Subregion and the Subregional total. This is benchmarked against Greater Sydney⁴¹.

Table 3 - Subregional Population and Dwelling Characteristics (2011)

Characteristic	Camden LGA	Campbell-town LGA	Liverpool LGA	Wollondilly LGA	Southwest Subregion	Greater Sydney
Population and Dwellings						
Total Population	56,720	145,968	180,142	43,261	426,091	4,391,676
Total Private Dwellings	18,806	51,279	58,563	15,038	139,288	1,720,333
Occupied Private Dwellings	17,873	49,417	55,958	13,951	132,707	1,640,199
Occupied Private Dwellings (%)	95%	96%	96%	93%	95%	95%
Avg Household Size	3.0	2.9	3.2	3.0	3.0	2.7
Age Distribution						
0-14	24%	22%	23%	23%	23%	19%
15-29	20%	23%	22%	19%	22%	21%
30-44	23%	20%	22%	21%	21%	23%
45-59	18%	20%	19%	21%	20%	19%
60-74	10%	11%	10%	12%	11%	12%
75+	4%	4%	4%	4%	4%	6%
Median Age	34	33	33	36	33	36

⁴¹ Note: Greater Sydney is based on the ABS Greater Capital City Statistical Areas (GCCSAs) for Sydney– The GCCSAs represent the socio-economic extent of each of the eight State and Territory capital cities The GCCSAs combined with the 'Rest of State' regions cover the whole of Australia without gaps or overlaps and aggregate directly to State/Territory.

Source: ABS Census 2011

From the above table it can be determined that:

- The estimated resident population in the Subregion was 426,091 persons in 2011. Liverpool LGA had the greatest population of 180,142 (42% of the Subregional total) followed by Campbelltown LGA, Camden LGA and Wollondilly LGA;
- Average household sizes in the Subregion were greater than those recorded for Greater Sydney; and
- The South West Subregion generally recorded a lower median age than that for Greater Sydney and it also contained a comparably greater proportion of young residents (aged under 30) and a lesser proportion of elderly residents (aged 60 or older).

The following table details household characteristics for the South West Subregion compared to Greater Sydney.

Table 4 - Subregional Household Characteristics (2011)

Characteristic	Camden LGA	Campbelltown LGA	Liverpool LGA	Wollondilly LGA	Southwest Subregion	Greater Sydney
Home Ownership						
Owned or Being Purchased	79%	67%	66%	81%	69%	65%
Rented	19%	30%	30%	16%	27%	32%
Other	2%	3%	4%	3%	3%	3%
Household Structure						
Family Households	84%	79%	82%	82%	83%	73%
Lone Person Households	14%	19%	16%	16%	15%	23%
Group Households	2%	2%	2%	2%	2%	4%
Family Type						
Couple with children	55%	49%	57%	52%	53%	49%
Couple without children	30%	27%	24%	33%	27%	33%
One parent family	14%	22%	18%	14%	19%	16%
Other family	1%	2%	1%	1%	1%	2%
Dwelling Type						
Separate house	93%	81%	75%	95%	81%	61%
Townhouse	6%	15%	12%	3%	11%	13%
Flat-Unit-Apartment	2%	4%	13%	2%	7%	26%

Source: ABS Census 2011

The data presented above indicates that:

- A greater proportion of households in the Subregion owned or were in the process of purchasing their homes compared to Greater Sydney;
- Family households dominated household structure in the Subregion and were prevalent in greater proportions than for Greater Sydney. The Subregion contained a correspondingly lower proportion of lone person households;
- Couple families with children accounted for over half of all family types in the Subregion. Campbelltown LGA recorded the lowest proportion of families with children and was comparable to the Greater Sydney average (49%); and
- The vast majority of dwellings in the Subregion were separate dwellings which accounted for a significantly greater proportion of total dwellings than in Greater Sydney. There were comparatively few flat-unit-apartment dwellings within the Subregion.

The following table identifies the employment and income characteristics for the residents within the Subregion and for Greater Sydney.

Table 5 - Subregional Employment and Income Characteristics (2011)

Characteristic	Camden LGA	Campbell-town LGA	Liverpool LGA	Wollondilly LGA	Southwest Subregion	Greater Sydney
Labour Force by Occupation						
Managers	12%	8%	9%	12%	10%	13%
Professionals	17%	13%	14%	14%	14%	24%
Technicians & Trade Workers	15%	14%	15%	17%	15%	11%
Community & Personal Services Workers	9%	10%	9%	9%	9%	8%
Clerical and Administrative Workers	17%	17%	16%	15%	16%	15%
Sales Workers	10%	9%	8%	8%	9%	8%
Machinery Operators & Drivers	8%	10%	10%	9%	10%	5%
Labourers	7%	10%	10%	9%	9%	7%
Inadequately described or N.S.	1%	2%	2%	2%	2%	2%
Unemployment	4%	7%	7%	5%	6%	6%
Weekly Household Income						
\$0-\$599	13%	18%	19%	18%	18%	18%
\$600-\$1,249	19%	25%	24%	25%	23%	21%
\$1,250-\$2,499	34%	19%	30%	19%	31%	27%
\$2,500-\$3,999	20%	17%	13%	17%	14%	18%
\$4,000+	4%	8%	3%	8%	3%	5%
Partial income stated	8%	2%	8%	2%	8%	8%
All incomes not stated	2%	11%	3%	11%	3%	2%
Median Weekly Household Income	\$1,727	\$1,251	\$1,299	\$1,478	\$1,358	\$1,447

Source: ABS Census 2011

From the above table, the following can be determined:

- Working residents in the Subregion exhibited a lesser propensity to be employed in white collar occupations such as 'managers' and 'professionals' and a greater propensity to be employed in blue collar occupations such as 'labourers' and 'machinery operators & drivers' comparative to Greater Sydney;
- Unemployment in the most populous LGAs in the Subregion was above the Greater Sydney average rate; and

- With the exception of Camden LGA the Subregion contained a higher proportion of low earning households with an income of less than \$1,250/ week compared to Greater Sydney. Reflective of this, the median weekly household income for most residents in the Subregion was below that for Greater Sydney.

In summary the demographic analysis has indicated that residents in the Subregion are likely to be younger and live in larger households relative to residents in Greater Sydney. Whilst residents in the South West Subregion are more likely to be employed in blue collar professions and households to have below median incomes comparative to Greater Sydney, they are also more likely to be home owners and reside in detached properties. These demographics indicate that residents have lower disposal incomes and thus retail expenditure than average across Sydney, although may have a proportionally greater need for family and dwelling related items and greater demand for affordable retail types.

Population Growth

The BTS forecasts for the trade area are shown below. These demonstrate a significant population increase over the 2006 to 2031 period reflective of planned residential development in the trade area.

Table 6 – Trade Area Population Projections

	2012	2016	2021	2026	2031	Change 2006-31	Growth /ann (%)
Population	8,510	12,069	18,892	25,464	32,619	24,214	6.50%

Source: NSW Population Projections (September 2014 release), NSW Bureau of Transport Statistics

Retail Demand

To forecast demand over the 2012 to 2031 period household expenditure was sourced from:

- ABS Household Expenditure Survey (HES) 2003-04 (updated to 2009) which provides household expenditure by broad commodity type by household income quintile;

- Marketinfo 2009 database which is generated by combining and updating data from the Population Census and the ABS HES using 'microsimulation modelling techniques'.

MarketInfo combines the data from the Census, HES and other sources to derive total household expenditure by commodity type. This data, which was validated using taxation and national accounts figures, quantifies around 12% more expenditure than the ABS HES Survey. Household expenditure by commodity type is then applied to population forecasts for the trade area to determine total demand for retail floorspace.

Resident expenditure forecasts for the trade area have been estimated by examining expenditure levels in new suburbs which are likely to have comparable socio-demographic characteristics to those of future residents in this location. Comparable suburbs include Harrington Park, Mount Annan, Currans Hill, Blair Athol, West Hoxton, Horningsea Park, Prestons and Cecil Hills. These assumptions are consistent with those used by HillPDA in advising the DP&E on the appropriate staging and size of future centres in the SWGC.

To convert retail demand by commodity type to retail demand by store type, HillPDA has used the results of the ABS Retail Survey 1998-99 (Cat No. 8624.0). The ABS Retail Survey 1998-99 provides a cross tabulation of store type (defined by ANZIC) by commodity type. Multiplying the percentages in the cross tabulation by total dollars spent generates household expenditure by retail store type.

The total expenditure generated by retail store type based on the methodology outlined above is shown in the following table.

Table 7 - Forecast Expenditure by Trade Area Residents by Retail Store Type (2013 dollars in million)

Store Type	2012	2016	2021	2026	2031
Supermarkets & Grocery Stores	34.1	50.5	83.5	118.9	160.9
Specialty Food Stores	7.8	11.5	19.1	27.2	36.8
Fast-Food Stores	7.3	10.8	17.8	25.4	34.3
Restaurants, Hotels and Clubs*	8.5	12.7	20.9	29.8	40.3
Department Stores	7.8	11.5	19.1	27.1	36.7
Apparel Stores	8.3	12.2	20.2	28.8	38.9
Bulky Goods Stores	17.9	26.5	43.9	62.5	84.5
Other Personal & Household Goods	13.6	20.1	33.2	47.3	63.9
Selected Personal Services**	2.5	3.8	6.2	8.9	12.0
Total Retailing	107.7	159.6	263.9	375.7	508.4

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Bulky Goods includes fabrics, soft goods, furniture, floor coverings, hardware, houseware, electrical appliances, sports and camping stores.

*** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

Forecast assumes 1.1% real growth in retail spend per capita per annum in line with historic trend since 1986.

As a result of population growth and increasing affluence, total retail expenditure in the Precinct's trade area is forecast to increase from \$108m in 2012 to \$508m by 2031, an increase of +\$401m over the 19 year period.

Demand for Retail Floorspace

Demand for retail floorspace is then derived by applying target turnover rates (or industry benchmarks⁴²) to the amount of retail sales generated by households in the defined trade areas by retail store type. The assumed target turnover rates are shown in the following table. Note that these are consistent with those used to inform the Liverpool Retail Centres Hierarchy Study which HillPDA completed for Liverpool City Council in 2012.

⁴² Note: Derived from various sources including Urbis Retail Averages, ABS Retail Survey 1998-99 escalated at CPI to \$2009, Shopping Centre News, HillPDA and various consultancy studies

Table 8 - Industry Benchmark Turnover Levels in 2014 (2013 dollars)

Retail Store Type	Target Turnover (2013 dollars/sqm)^
Supermarkets & Grocery Stores	11,000
Specialty Food Stores	9,500
Fast-Food Stores	8,500
Restaurants, Hotels and Clubs*	5,000
Department Stores	3,500
Clothing Stores	6,000
Bulky Goods Stores	3,700
Other Personal & Household Goods	4,700
Selected Personal Services**	3,500

Note: * Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

^ Source: Various including ABS Retail Survey 1998-99 indexed to 2011 dollars, Shopping Centre News, Urbis Retail Averages, various consultancy studies and HillPDA research. Target turnover levels are expected to increase at a rate of 0.5% per annum in line with the historic trend.

The following table outlines floorspace demand generated by trade area residents by retail store type over the 2012 to 2031 period.

Table 9 - Forecast Retail Demand from Precinct TA Residents (GLA sqm)

YEAR	2012	2016	2021	2026	2031	Growth 2012-2036
Supermarkets & Grocery Stores	3,099	4,501	7,259	10,079	13,301	10,202
Specialty Food Stores	820	1,192	1,921	2,668	3,521	2,701
Fast-Food Stores	855	1,242	2,003	2,782	3,671	2,816
Restaurants, Hotels and Clubs	1,709	2,482	4,002	5,558	7,334	5,626
Department Stores	2,223	3,228	5,206	7,228	9,539	7,317
Clothing Stores	1,375	1,997	3,221	4,472	5,902	4,527
Bulky Goods Stores	4,842	7,032	11,340	15,747	20,781	15,939
Other Personal & Household Goods Retailing	2,883	4,187	6,752	9,377	12,374	9,491
Selected Personal Services	727	1,056	1,702	2,364	3,119	2,392
Total Retailing	18,534	26,917	43,407	60,276	79,544	61,010

Planned Supply Additions

Approximately 61,000sqm of additional retail floorspace will be demanded by residents in the Precinct TA over the 2012 to 2031 period.

Planned floorspace supply additions in the trade area comprise:

- Up to 30,000sqm GLA retail at Austral Town Centre by 2031 once fully developed;
- Up to 5,500sqm GLA at Middletown Grange Town Centre;
- Up to 8,000sqm GLA at Austral Village Centre; and
- Up to 8,000sqm GLA at Gurner Avenue Neighbourhood Centre.

Comparing floorspace demand to planned floorspace is vexed given that each planned centre would serve a separate trade area which would differ from that identified of any future centre provided in the Precinct. Austral Town Centre, for example, will serve a large trade area comprising the entire Austral precinct. Furthermore only a proportion of the identified growth in demand would be expected to be met locally with a proportion directed towards bulky goods destinations and higher order centres such as Leppington and Liverpool CBD.

Forecast Demand v Planned Supply

As shown in the above table by 2031 trade area residents will demand approximately 80,000sqm of retail space. Much of this demand will be for retail space outside the trade area in the major centres and other locations. Around 25% of total retail floorspace demand is required in village centres (generally single supermarket based centres) and neighbourhood centres (small group of small shops without supermarkets)⁴³. On this basis trade area residents will demand around 20,000sqm GLA of retail floorspace in village and neighbourhood centres. Allowing 15% of shopfront space to be occupied by non-retailers (financial, real estate, travel, medical services and the like) and vacancies increases the total demand to around 23,000 to 24,000sqm.

⁴³ Note: Numerous local government and sub-regional centre strategies prepared by Hill PDA indicate that the approximate split of retail floorspace is as follows:
20% out-of-centre locations (mostly bulky goods and homemaker centres in the industrial areas);
30% in major centres (100,000sqm+ with department stores, etc);
20% in town centres (20,000sqm+ with 2 supermarkets, usually a DDS, wide range of specialty stores, etc);
20% in village centres (usually one medium to large supermarket and specialty stores);
5% neighbourhood centres (small group of shops and no medium or large supermarket); and
5% other (internet shopping, petrol stations and other freestanding facilities).

A total of 21,500sqm GLA in village and neighbourhood centres is proposed in the trade area (18,240sqm increase over the current level). These proposed centres include Middleton Grange Town Centre, Austral Village Centre and Gurner Avenue Neighbourhood Centre.

Assuming that 80% of this demand will be derived from residents within the Precinct trade area (and 20% from residents living beyond the trade area), this equates to a supply of approximately 17,000sqm, revealing a shortfall of around 6,000 to 7,000sqm by 2031. Additional demand to support a centre in this location would also be derived from commuters and workers living outside of the trade area. We believe that, in the context of demand growth and the sources of expenditure which a centre in this location would capture, a neighbourhood centre of up to 5,000sqm to 6,000sqm GLA would be justifiable and sustainable.

As previously discussed, a large liquor store, LFR Discount Chemist store, petrol station or fast-food restaurant within the Precinct would serve a wider trade area to that identified above. A petrol station and / or fast-food restaurant(s) would derive a greater proportion of trade from passing motorists. A large liquor store would serve a larger trade area given that residents would be prepared to travel to access this facility assuming that none is provided within the planned centres in Austral. Our analysis indicates growth in take-away liquor expenditure in the Precincts trade area alone will be +\$25m between 2012 and 2036. A proportion of this could be captured by the Precinct. A large chemist store is a further option.

As highlighted within the Hierarchy review undertaken within Chapter 3, there is a current undersupply of supermarket floorspace within the TA. Current demand justifies a convenience based supermarket of approximately 1,500sqm with supportive retail.

The site could serve the early convenience needs of residents in Austral prior to the planned centres being implemented. It could also serve the needs of construction workers in the SWGC.

Finally wildcards or catalysts, such as the Western Sydney Airport at Badgerys Creek and the upgrade of 15th Avenue to 4 to 6 lanes would result in considerably more passing traffic and a higher proportion of passing trade and hence latent need for retail space at the subject location.

6 RETAIL MARKET ADVICE

This final chapter of the study provides advice on the future role and function on the Precinct, potential timing and benefits from a community perspective.

Role and Function

The future role of the Precinct should capitalise on the clear strengths of this location which are:

- Access to existing public transport;
- Gateway to the northern SWGC and on a future major vehicular route - forming a major east/west connector for the residents of South Western Sydney;
- Strategically positioned in a highly accessible and visible location which will offer convenience to the local residents; and
- Within Western Sydney Parklands and complementary to the recreational uses in the parklands.

In particular the Subject Site has several strengths over other competing centres. In particular its strategic location with high visual exposure and positioning on a main arterial road is a main entry point into the northern half of the SWGC and Western Sydney Airport at Badgerys Creek. This gives it a superior position to the other planned centres – particularly over Middleton Grange which is has inferior access and visual exposure.

In reflection of these strengths we believe that the Precinct could evolve to provide three distinct but interrelated roles:

Commercial and Community Uses

As the Precinct is within Western Sydney Parklands and abuts Parkland areas to the north and east it would be ideally suited towards community and commercial uses which complement the Parklands. These could include a school, medical facilities, childcare centre or other leisure and recreational uses which would be located on the eastern and northern parts of the site. These facilities would

support the financial viability of retail uses elsewhere in the Precinct and could provide an active separation between retail facilities and the Parklands. Dependent upon the end use, there may be an opportunity for a supporting café or restaurant facility.

Neighbourhood Centre

A neighbourhood centre with up to 5,000sqm GLA of shopfront retail and commercial floorspace which would primarily service local residents in the trade area, public transport users and visitors to the commercial / community uses on site. It would also derive some trade from passing motorists. Such a centre would be focused on the provision of convenience retail and food catering and could be anchored by a small to medium sized supermarket (up to say 1,500sqm). This would provide convenient food and grocery shopping for the immediate residents prior to the development of a full line supermarket centre at Austral Town Centre.

Other Retail Uses

In acknowledgement of the location of the Precinct at a major vehicular gateway to the northern SWGC, retail uses which rely on passing traffic and which are demanded by motorists could be provided such as a petrol station and / or fast food facilities.

In light of the high level of accessibility of the Precinct by car, it could also provide for larger format retail uses which may encounter difficulties in locating within planned centres in the SWGC. A large format liquor store or discount chemist store could be accommodated, given the site requirements of such operators and lack of competing provision locally at the current time. In providing for this type of retailer which may not be accommodated in planned centres, the Precinct would support greater access to a range of retail floorspace for residents in the SWGC and in so doing complement the retail hierarchy.

Land Use Mix

Commercial and Community Uses

Uses which would complement the Western Sydney Parklands and increase access to services for existing and future residents of the SWGC could include:

- School;
- Fuel service centre;
- Medical centre;
- Childcare centre; and
- Gymnasium/ fitness centre.

Neighbourhood Centre

Ultimately the market will determine the appropriate mix of retail floorspace on the Precinct within the parameters of the total quantum of floorspace provided. Table 16 provides an indicative floorspace mix for a neighbourhood centre in this location to demonstrate the type of retail floorspace which could eventuate.

Table 10 - Potential Development Floorspace Mix

Retail Store Type	Total Floorspace
Supermarket	1,500
Specialty Stores	1,200
Total	2,700

* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

Other Retail Uses

- A petrol service station;
- A large liquor store/ warehouse, discount chemist store or the like of up to 1,500sqm GLA;
- Fast food restaurant(s) on a pad site. Such operators are typically around 400sqm GLA each with additional land required for access, servicing and customer car parking; and
- A café or restaurant facility fronting Western Sydney Parklands may be appropriate.

Timing

The timing of retail floorspace in the Precinct would be dependent upon the rate of development in Austral and Middleton Grange and market demand. Commercial and community uses may require sufficient local population in order to ensure that they would be sustainable.

Neighbourhood centre uses would be provided in advance of a substantial residential population being achieved in the trade area.

Retailers could expect to capture trade from local construction workers in the area and existing residents and this potential would stimulate market demand. If the role of the centre is to support early demand emanating from the SWGC, it is important that such facilities are provided ahead of time. Neighbourhood centre uses in this location could be implemented in a number of stages in line with demand growth.

It may not be financially viable to develop other retail uses which rely on the high levels of accessibility of the Precinct by car, such as a petrol station or liquor store, until such a time as improvements to Fifteenth Avenue are implemented to increase the capacity of this road. However the market should determine when it is viable to provide these uses and, dependent upon market demand, these uses could be provided prior to the road capacity being significantly increased.

The above analysis suggests that a local centre of up to 7,000sqm is supportable by 2031. The centre could be staged as demand increases. However the recent level of activity in the residential market may expedite demand. With this demand we believe that, a neighbourhood centre in this location of up to 5,000sqm to 6,000sqm GLA would be justifiable and sustainable.

Benefits of this Opportunity

The benefits of providing retail and commercial floorspace in this location at an early stage are as follows:

- Supporting the existing neighbourhood centre adjacent to the site by creating a recognisable and convenience based precinct;
- Advancing infrastructure which in-turn enables the advancement of residential development in the locality;
- Meeting the needs of existing and future residents locally;
- Maximising the opportunities presented on this gateway site to the northern SWGC;
- Capitalising on the location of this site to provide uses serving the major roadway which Fifteenth Avenue will become;
- Meeting retail demand;
- Increasing choice and competition in the retail sector and allowing more convenient access to retail for existing and future residents;
- Representing a sign of confidence in the future of the SWGC; and

- Supporting direct and indirect employment through the construction process and permanent operations.

7 QUALITY ASSURANCE

Report Contacts

NICHOLAS HILL

B. Science, M Human Geography
Macquarie University (2012)

Supervisor

ADRIAN HACK

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

Quality Control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewed by:



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ABN 52 003 963 755

Sydney

Level 3, 234 George Street
Sydney NSW 2000
GPO Box 2748 Sydney NSW 2001
t: +61 2 9252 8777
f: +61 2 9252 6077
e: sydney@hillpda.com

Melbourne

Suite 114, 838 Collins Street
Docklands VIC 3008
GPO Box 3424 Melbourne VIC 3001
t: +61 3 9629 1842
f: +61 3 9629 6315
e: melbourne@hillpda.com

Brisbane

Level 27 Santos Place, 32 Turbot Street
Brisbane QLD 4000
GPO Box 938 Brisbane QLD 4001
t: +61 7 3181 5644
e: brisbane@hillpda.com