

ATTACHMENT 5

Economic Impact Assessment

Location IQ

Casuarina Town Centre, New South Wales

Economic Impact Assessment

Prepared for Clarence Property Group

December 2015

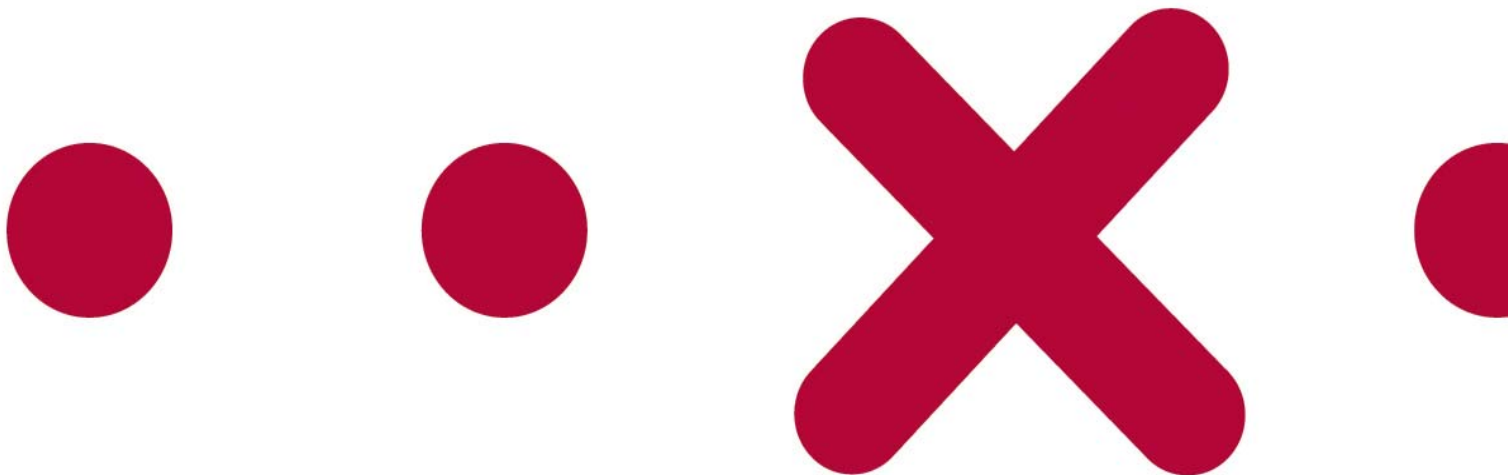


TABLE OF CONTENTS

INTRODUCTION i

1 TOWN CENTRE OVERVIEW 1

2 RETAIL DEVELOPMENT 7

3 CONCLUSIONS..... 12

INTRODUCTION

This report presents an independent assessment of the likely economic implications from the proposed changes to the residential density on Clarence Property Group owned land within the Casuarina Town Centre on the Far North Coast of New South Wales.

Clarence Property Group controls a strategic parcel of land within the Town Centre which was originally designated to incorporate some 474 dwellings. A modification to this number of dwellings is proposed, which would result in a reduced number of 330 dwellings.

This report assesses the likely impact on the operation of the retail centre as a result of the reduction in residential density on the Clarence Property Group land. This information is presented in **three (3) sections** as follows:

- **Section 1** reviews the regional and local context of the Casuarina Town Centre development as well as the specific Clarence Property Group proposal.
- **Section 2** presents an analysis of the trade area likely to be served by the Casuarina Town Centre retail development including forecasts with and without the reduced dwelling density on the Clarence Property Group site.
- **Section 3** details the likely implications for the retail component within the Town Centre from the lower population level.

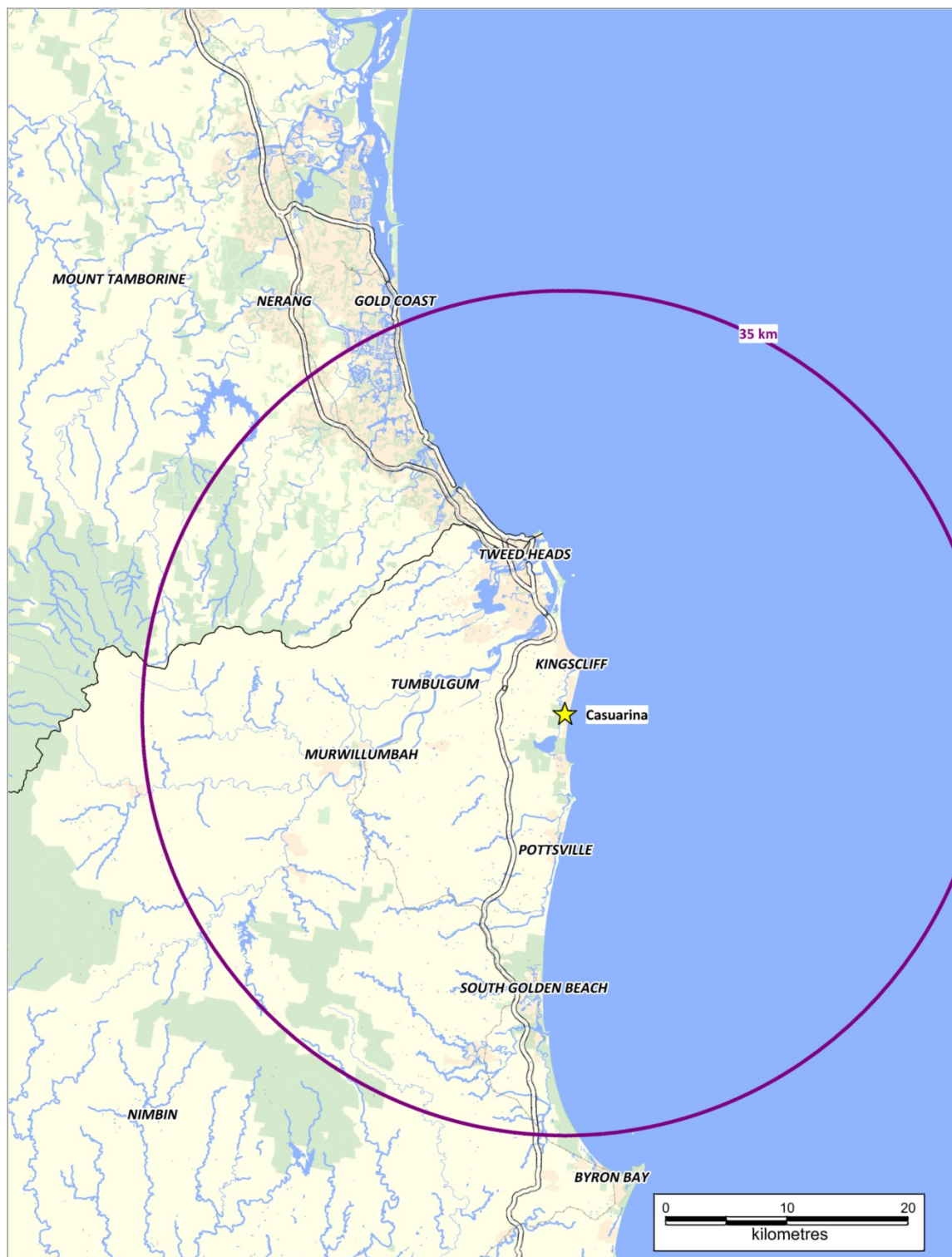
1 TOWN CENTRE OVERVIEW

- i. Casuarina Beach is a developing residential and commercial precinct located on the Far North Coast of New South Wales, approximately 15 km south of Tweed Heads (refer Map 1.1). The development forms part of a thin coastal band of development providing a mixture of tourists, residential and commercial development.
- ii. Map 1.2 illustrates the local context of the site, highlighting:
 - Low to medium residential development immediately adjoins the Town Centre to the north and south.
 - The development of the retail centre, approved for 4,888 sq.m of retail space anchored by a Coles supermarket of 3,157 sq.m, has commenced, fronting Tweed Coast Road.
 - The various stages of development in the Town Centre, including ownership by Clarence Property Group, Consolidated Properties and the Stage One development.
- iii. The entire Casuarina Town Centre was proposed to incorporate some 1,520 residents/tourists across approximately 751 dwellings. This included a mix of multi and detached dwellings as summarised in Table 1.1.
- iv. Since the original approved development, a number of modifications have been made by various groups in relation to the number of dwellings. This information is summarised in Table 1.1 including reduced dwellings on the Consolidated Properties site and now on the Clarence Property site.
- v. In relation to the Clarence Property site, the number of dwellings is projected to fall from 474 to 330. This would likely result in a reduction in residents on-site from 948 to 726 as summarised in Table 1.1, representing a reduction of some 222 persons. For the purposes of this assessment, residents as compared with tourists have been assumed to occupy the dwellings, meaning residents would be present 365 days a

year. If tourists occupied some of the dwellings, there would be a lower rate of occupation and a lower impact. The analysis assumed, therefore, details a conservative scenario (i.e. a highest impact scenario).

- vi. Figure 1.1 illustrates the proposed yield estimates within the Clarence Property owned land within the Casuarina Town Centre as now proposed including a mixture of multi dwelling and detached housing.

MAP 1.1 – REGIONAL CONTEXT



LOCATIONIQ

Map produced by Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

MAP 1.2 – LOCAL CONTEXT



FIGURE 1.1 – CLARENCE PROPERTY GROUP SITE – YIELD ESTIMATES

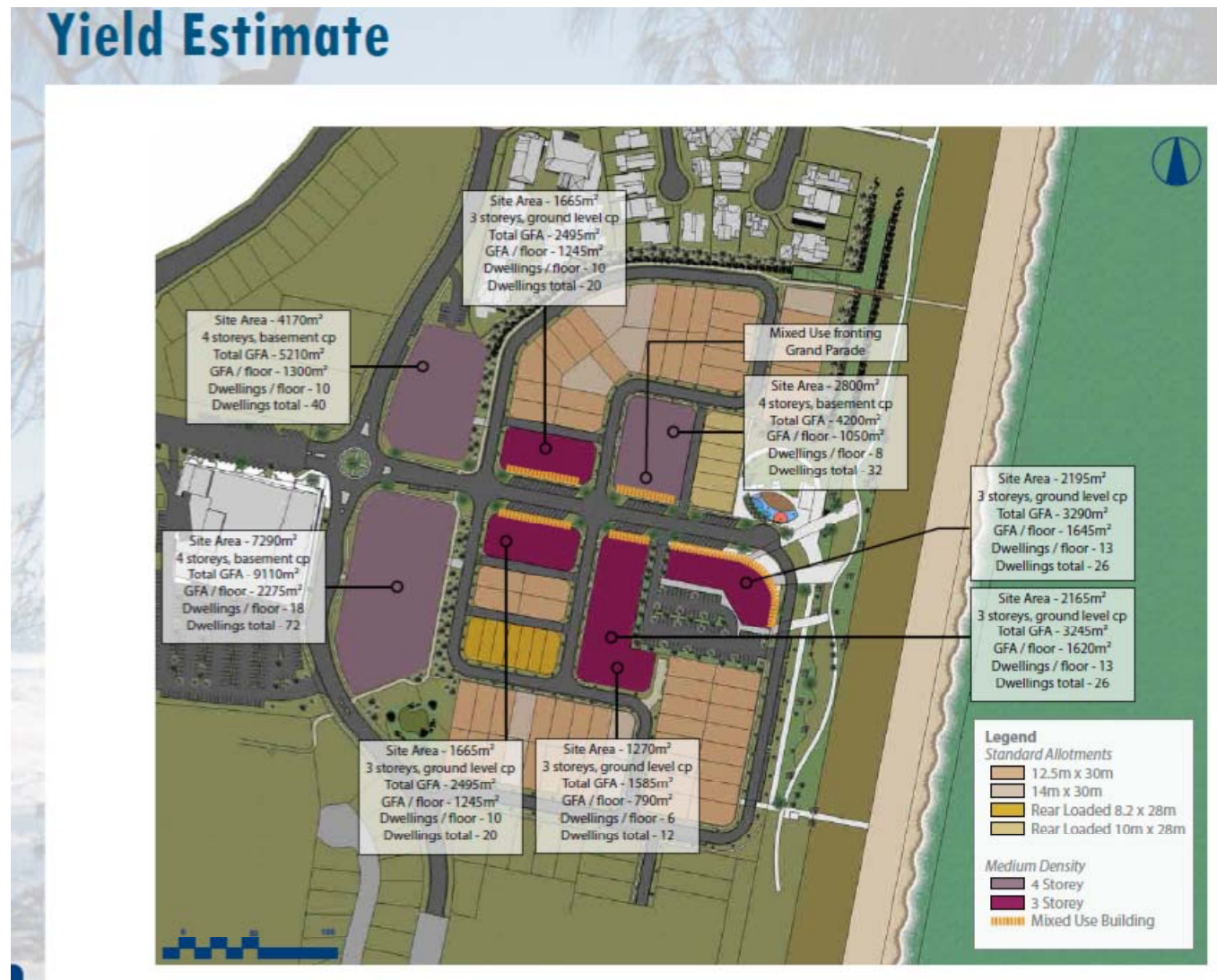


TABLE 1.1 – CASUARINA TOWN CENTRE – MODIFIED PLANS

Land owner	<u>Original Plan</u>			<u>Revised Plan</u>		
	No. of Lots	Persons per Dwelling	No. of Residents	No. of Lots	Persons per Dwelling	No. of Residents
Stage One	39	2.5	98	54	2.5	135
Consolidated						
• Lot 3	29	2.0	58	29	2.0	58
• Lots 7-9, 14 & 15	209	2.0	418	40	2.5	100
Clarence Property Group						
• Lots 4-6, 10-13, 16 & 18	474	2.0	948	330	2.2	726
Total	751		1,522	453		1,019

LOCATION

2 RETAIL DEVELOPMENT

- i. The proposed retail development in the Casuarina Town Centre would include a 3,157 sq.m Coles supermarket (including office space) as well as 1,730 sq.m of retail specialty shop in a total development of 4,888 sq.m. The development commenced construction in April 2015 with an opening date in mid-2016.
- ii. In addition, a further 3,200 sq.m of mix-use floorspace (including cafes, restaurants, non-retail offices and the like) is proposed in the ground floor levels of buildings along Grand Parade. The final composition of this floorspace is unknown at this stage but is assumed to include 2,000 sq.m of retail floorspace from a total of 3,200 sq.m.
- iii. The trade area which would be served by retail facilities in the Town Centre and the Grand Parade mix use buildings is illustrated on Map 2.1 and is defined to include three sectors as follows:
 - The **primary north sector** including Casuarina Beach and the proposed future residential development of Kings Forest.
 - The **primary south sector** encompassing Cabarita Beach.
 - The **secondary sector** comprising Pottsville.

For the purposes of this report, Kingscliff has not been included as part of the trade area.

- iv. Tables 2.1 and 2.2 detail the population levels within the trade area over the period to 2026. Two scenarios are presented, With and Without the modifications to the Clarence Property owned land. As illustrated, the major change in population is that over the period to 2021, the primary north sector would include approximately 225 less people by 2021 under the With Modification scenario.
- v. Overall, however, the sustainability of the Coles supermarket and adjoining specialty stores as well as retail facilities along Grand Parade would not be impacted due to

only 4.5% less residents within the primary north sector by 2021, or the equivalent of 1.5% less throughout the entire main trade area.

- vi. A major full-line supermarket of over 3,000 sq.m in Australia is typically supportable for every 8,000 – 10,000 people. Smaller sized supermarkets such the Woolworths store at Cabarita Beach of 2,375 sq.m typically require 6,000 – 8,000 persons. The trade area in 2015 at over 14,000 persons is clearly large enough to sustain these two stores. Further, tourists would add substantially to the available market for supermarkets in this catchment, reinforcing their viability.
- vii. The Coles supermarket development, therefore, will commence trade irrespective of how many residents are located on the Clarence Property site. Further, any sales of dwellings in the Clarence Property owned land will take at least five years to fully develop and sell. The likely implications from the reduced population, therefore, would at least be five years after the opening of the Coles supermarket centre.
- viii. Retail facilities along Grand Parade will open in line with the construction of buildings on the Clarence Property site. These facilities, therefore, will open in line with the population growth in the immediate surrounding buildings over the next five year period. The impact on these tenants from the reduced residential population is minimal.
- ix. Longer term population growth within the primary sector will result from the Kings Forest development where some 4,500 residential lots or over 11,000 residents are proposed. Although retail facilities are planned at this location, they will be some years away and the Casuarina Town Centre/Grand Parade mix use precinct will play an important role in servicing these residents of the primary north sector.
- x. By 2021, there would be more than 16,000 residents throughout the defined trade area, able to support two full-line supermarkets of over 3,000 sq.m, with one full line Coles supermarket under construction and a smaller Woolworths supermarket provided. Tourists again add to the demand for supermarket floorspace.

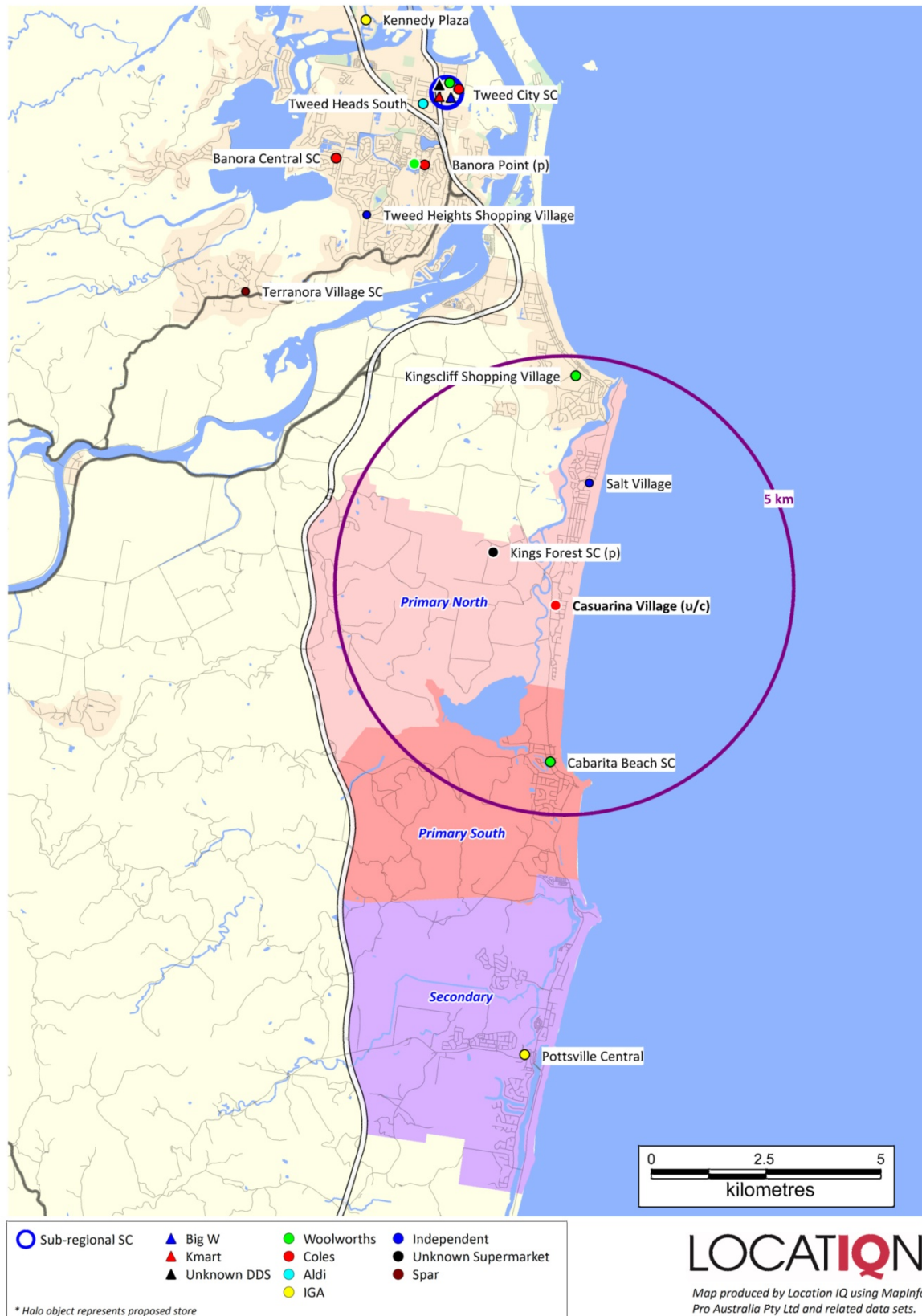
MAP 2.1 – CASUARINA TOWN CENTRE TRADE AREA AND COMPETITION

TABLE 2.1 – TRADE AREA POPULATION GROWTH (WITHOUT RESIDENTIAL MODIFICATIONS)

Trade Area Sector	Estimated Resident Population			Forecast Population		
	2006	2011	2015	2018	2021	2026
Primary Sectors						
• North	1,520	2,940	3,460	4,210	4,960	6,310
• South	<u>3,280</u>	<u>3,470</u>	<u>3,590</u>	<u>3,650</u>	<u>3,710</u>	<u>3,910</u>
Primary Sector	4,800	6,410	7,050	7,860	8,670	10,220
Secondary Sector	5,070	6,920	7,120	7,240	7,360	7,760
Main Trade Area	9,870	13,330	14,170	15,100	16,030	17,980
Average Annual Change (No.)						
	2006-2011	2011-2015	2015-2018	2018-2021	2021-2026	
Primary Sectors						
• North		284	130	250	250	270
• South		<u>38</u>	<u>30</u>	<u>20</u>	<u>20</u>	<u>40</u>
Primary Sector		322	160	270	270	310
Secondary Sector		370	50	40	40	80
Main Trade Area		692	210	310	310	390
Average Annual Change (%)						
	2006-2011	2011-2015	2015-2018	2018-2021	2021-2026	
Primary Sectors						
• North		14.1%	4.2%	6.8%	5.6%	4.9%
• South		<u>1.1%</u>	<u>0.9%</u>	<u>0.6%</u>	<u>0.5%</u>	<u>1.1%</u>
Primary Sector		6.0%	2.4%	3.7%	3.3%	3.3%
Secondary Sector		6.4%	0.7%	0.6%	0.5%	1.1%
Main Trade Area		6.2%	1.5%	2.1%	2.0%	2.3%
<i>Australian Average</i>		<i>1.5%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.3%</i>	<i>1.2%</i>
<p><i>All figures as at June</i></p> <p><i>All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.</i></p> <p><i>Sources : ABS; forecast .id</i></p>						

TABLE 2.2 – TRADE AREA POPULATION GROWTH (WITH RESIDENTIAL MODIFICATIONS)

Trade Area Sector	Estimated Resident Population		Forecast Population			
	2006	2011	2015	2018	2021	2026
Primary Sectors						
• North	1,520	2,940	3,460	4,060	4,735	6,085
• South	<u>3,280</u>	<u>3,470</u>	<u>3,590</u>	<u>3,650</u>	<u>3,710</u>	<u>3,910</u>
Primary Sector	4,800	6,410	7,050	7,710	8,445	9,995
Secondary Sector	5,070	6,920	7,120	7,240	7,360	7,760
Main Trade Area	9,870	13,330	14,170	14,950	15,805	17,755
Average Annual Change (No.)						
	2006-2011	2011-2015	2015-2018	2018-2021	2021-2026	
Primary Sectors						
• North		284	130	200	225	270
• South		<u>38</u>	<u>30</u>	<u>20</u>	<u>20</u>	<u>40</u>
Primary Sector		322	160	220	245	310
Secondary Sector		370	50	40	40	80
Main Trade Area		692	210	260	285	390
Average Annual Change (%)						
	2006-2011	2011-2015	2015-2018	2018-2021	2021-2026	
Primary Sectors						
• North		14.1%	4.2%	5.5%	5.3%	5.1%
• South		<u>1.1%</u>	<u>0.9%</u>	<u>0.6%</u>	<u>0.5%</u>	<u>1.1%</u>
Primary Sector		6.0%	2.4%	3.0%	3.1%	3.4%
Secondary Sector		6.4%	0.7%	0.6%	0.5%	1.1%
Main Trade Area		6.2%	1.5%	1.8%	1.9%	2.4%
<i>Australian Average</i>		1.5%	1.5%	1.4%	1.3%	1.2%
<p><i>All figures as at June</i></p> <p><i>All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.</i></p> <p><i>Sources : ABS; forecast .id</i></p>						

3 CONCLUSIONS

- i. The analysis in this report highlights that the reduction in density at the Clarence Property Group site would result in the likely reduction of around 225 residents within the defined trade area by 2021, representing less than 1.5% of the main trade area. This will have a negligible impact on the viability of the Casuarina Town Centre, which is due to open in mid-2016 before any residential development on the Clarence Property zoned land in any case.
- ii. There is clearly demand for two major chain supermarkets within the defined trade area – the proposed Coles of 3,157 sq.m and the existing Woolworths at Cabarita Beach at less than 2,400 sq.m, with in-excess of 14,000 persons currently as well as tourists adding to demand. By 2021, there will be in-excess of 16,000 persons within this catchment, able to support two full-line supermarkets of over 3,000 sq.m each.
- iii. Retail facilities along Grand Parade will open in line with the construction of buildings on the Clarence Property site. These facilities, therefore, will open in line with the population growth in the immediate surrounding buildings over the next five year period. The impact on these tenants from the reduced residential population is minimal and spread across a number of years.
- iv. As a further guide to the likely implications from the reduced density within the Casuarina Town Centre/Grand Parade mix use precinct, the 225 residents would typically spend around \$12,500 - \$13,000 per person on retail items each year (in today's dollars). This represents total sales of some \$2.8 million. Not all of this spending would be retained locally, however, the subject Casuarina Town Centre/Grand Parade mix use development would aim for around 25% of this spending, equivalent to around \$700,000.
- v. Consequently, retail facilities in the Town Centre and along Grand Parade, which in five years time, would likely achieve sales of \$40 million or more, and would now achieve sales around \$1 million less than they would have in the absence of this population onsite. This does not impact on the viability of the centre, but reduces

the trading levels for the centre that otherwise would have been achieved if those residents were provided onsite. As indicated previously, even with the slightly lower trading levels which would accrue at the site, and taking into account the added benefit of the tourist market, the viability of such facilities is not in question.

Location IQ
02 8248 0100
Level 6, 56 Pitt Street
Sydney NSW 2000
www.locationiq.com.au

