

Middleton Grange Town Centre

Economic Impact Assessment

June 2015



MacroPlan Dimasi

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Executive summary

This report presents an independent economic analysis of a proposed amendment to the Middleton Grange Town Centre, located in the City of Liverpool Local Government Area (LGA), in outer western Sydney. The report has been summarised in this section as follows:

Site context and project overview

- The Middleton Grange Town Centre is located approximately 7 km from the Liverpool CBD, in the heart of the Middleton Grange Masterplanned community.
- The Middleton Grange Town Centre has long been earmarked to support future retail, commercial and other employment generating development from both a strategic policy perspective and statutory zoning perspective (i.e. B2 – Local Centre).
- The subject site currently consists of around 37,000 sq.m of B2 – Local Centre zoned land under the Liverpool Local Environmental Plan (LEP) 2008, as well as some land zoned R1 – General Residential; SP2 – Infrastructure and RE1 – Public Recreation.
- In total, 36,881 sq.m of retail and commercial gross lettable area (GLA) is being considered as part of the development concept associated with the planning proposal, including 21,260 sq.m of retail floorspace.

Trade area analysis

- The main trade area population is estimated at 36,400 as at 2014, including 10,600 within the key primary sector. The main trade area population is expected to grow at an average annual rate of 3.0% to reach 60,050 by 2031.
- The retail expenditure capacity of the main trade area population is estimated to grow from \$385.2 million (\$2013/14) in 2014 to \$725.2 million by 2031, at an average annual rate of 3.8%. All expenditure estimates in this report are presented in constant dollars (i.e. \$2013/14) and inclusive of GST.

Competition and supply review

- Middleton Grange Town Centre is a designated B2 – Local Centre, and is therefore already part of the established/approved Liverpool Council centres hierarchy, with the same zoning as the existing Carnes Hill Town Centre, and future town centres such as Austral and Edmondson Park.
- There is a very limited supply of retail floorspace within the primary sector, and secondary west sectors, limited to small IGA anchored centres in Austral and West Hoxton.
- Carnes Hill Town Centre is the closest sub-regionally oriented retail centre, predominantly consisting of the Carnes Hill Marketplace, which, according to the most recent *Shopping Centre News 2014 Mini Guns* publication, recorded total Moving Annual Turnover (MAT) of around \$144.9 million in 2014, ranking it 9th in the country for centres of a similar size/function.
- The southern parts of Liverpool LGA and northern parts of the South West Growth Centre (SWGC) are growing rapidly and there are many proposed retail developments in the pipeline (e.g. Aldi at Edmondson Park, 195 Fifteenth Avenue – small retail/commercial development) and planned centres (i.e. Austral Town Centre, Edmondson Park Town Centre, East Leppington Town Centre, Leppington Major Centre, North Rossmore Town Centre).
- Most of the larger planned centres are located a significant distance from the Middleton Grange Town Centre, and beyond its identified trade area, and are expected to be developed as the immediate populations around these centres reach minimum levels of critical mass to support initial development stages.
- The proposed/planned centres identified in the main trade area have been factored into our analysis of need and impacts.

Need and market gap

- Using the methodology outlined in section 5 of this report, we have estimated an existing demand/supply gap of traditional retail floorspace of around 31,200 sq.m in 2014, including a supermarket gap of about 6,300 sq.m.

- Even with additional retail floorspace provision at the Middleton Grange Town Centre, as proposed, as well as future supply additions at other centres in the main trade area, the estimated net leakage of traditional retail floorspace demand would be in excess of 29,300 sq.m by 2031 and net supermarket leakage would be at least 800 sq.m by 2031.
- Our analysis shows that the main trade area population generates demand for around 36 GP's and around 400 child care places. With additional population growth (of about 60% by 2031), this will demand of a similar magnitude for additional such services (i.e. 24 additional GP's and at least 300 child care places). The proposed development concept at Middleton Grange would see a consolidation of these use provided in one location.

Estimated retail trading impacts

- We have assumed that the proposed retail component of the development would be staged over time, with a first stage completed by mid-2018 (i.e. first year of trade 2018/19) and a second stage developed about 5 years later, around mid-2023 (i.e. 2023/24).
- We estimate impacts resulting from the proposed Stage 1 development to be generally less than 8% for all centres, except for Carnes Hill Town Centre, where we estimates in the first stage could be in the order of 13%.
- We estimate the proposed Stage 2 expansion will result in very minor impacts of less than 2.5% for any individual centre.
- Generally, retail trading impacts between 10% and 15% are considered by the industry to be significant but acceptable, with impacts less than 10% considered relatively moderate, and impacts less than 5% generally considered to be minor/negligible. However, other factors such as the current trading performance, potential loss of services to the community, expected growth in the region and overall net community benefit should also be considered.
- Because there is such significant future growth expected in the main trade area, and indeed, the areas surrounding the main trade area (e.g. Edmondson Park, Leppington, East Leppington), we estimate that by 2023/24, all centres would be trading above current trading levels (in real terms), even with the

provision of new retail facilities at Middleton Grange and having regard to other proposed retail developments.

- Our analysis demonstrates that the roles and functions of none of the higher order centres, or indeed proposed town centres will be compromised by the proposed development. Nor will the proposed development have a detrimental effect on the role of the surrounding neighbourhood shopping centre network, as these centres will continue to serve the convenience and top-up shop needs of their respective local catchments.
- In summary, the proposed development is not expected to impact on the existing or proposed centres hierarchy in the region, and represents a suitable development within a designated centre. We recommend a staged development that would serve to minimise/mitigate trading impacts across the network.

Economic and community benefits

- The proposed development concept associated with the planning proposal could potentially result in the net additional of 839 jobs on site (i.e. 678 full-time equivalent (FTE) jobs) as well as multiplier induced jobs, equating to a total of 336 jobs across the broader economy. The proposed expansion will therefore result in a significant stimulus to local employment within the local area, and also the wider NSW economy.

Some of the other key community benefits are highlighted below:

- Reduced travel distances and times for current and future residents of Middleton Grange, and the broader main trade area, when accessing retail amenities and other commercial, community and entertainment uses.
- Additional retail choice and competition for current and future residents of Middleton Grange, and residents more broadly across the main trade area.
- Improved housing choice and residential density within the Liverpool LGA, which is important considering the rising prices of housing across metropolitan Sydney.

- Improved job access for future residents of the Middleton Grange town centre, and indeed, residents more broadly across Liverpool LGA and SWGC.
- Jobs, retail amenities, lifestyle development and services in proximity to high density living. This is a key principle of *A Plan For Growing Sydney* and is particularly important for a town centre that does not have rail access.
- Increased investment/economic stimulus in the Liverpool LGA, which will flow-through to job creation and should provide some stimulus to residential development in the Middleton Grange precinct.
- Will assist to meet employment and residential dwelling targets for the Liverpool LGA, within minimal impacts on the surrounding environment due to the compact nature of the proposed development (i.e. high density).
- Provision of wide range of retail and commercial uses, in an accessible and community oriented main street design, including community centre, child care facility and medical uses.
- Consistency with the local council strategic plans and policies, which outline significant future need for additional retail and commercial floorspace across the Liverpool LGA and identify Middleton Grange as a key town centre within the centres hierarchy.

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Introduction

This report presents an independent economic analysis of a proposed amendment to the Middleton Grange Town Centre, located in the City of Liverpool Local Government Area (LGA), in outer western Sydney.

This report has been prepared in accordance with instructions received from APP Corporation, and provides a strategic context assessment, an assessment of the trade area/catchment served by the centre, the need/demand for various employment generating uses, an overview of the centres hierarchy within which the centre operates, and an assessment of economic and community benefits of the proposal.

This report is structured and presented as follows:

- **Section 1** provides an overview of the local and regional context of the Middleton Grange Town Centre, and provides a summary overview of the proposed amendments to the zoning within/adjacent to the town centre.
- **Section 2** provides an assessment of the proposal's consistency with the relevant strategic planning framework.
- **Section 3** examines the potential trade area served by the town centre, including current and projected population levels, socio-demographic profile and the estimated current and future retail expenditure capacity by the trade area residents.
- **Section 4** reviews the surrounding centres hierarchy and the competitive environment within which the town centre will operate, taking into account both existing and proposed competitive developments in the surrounding region.
- **Section 5** examines the demand/need for the various proposed uses being considered as part of the development concept accompanying the planning proposal.

- **Section 6** analyses the potential impacts on the surrounding centres hierarchy from the proposed amendments to the town centre, and discusses the implications of these impacts.
- **Section 7** analyses the economic and consumer benefits which are likely to flow from the proposed development, in particular employment creation.

Section 1: Site context and project overview

This section of the report provides an overview of the local and regional context of the Middleton Grange Town Centre, and provides a summary overview of the proposed amendments to the zoning within/adjacent to the town centre.

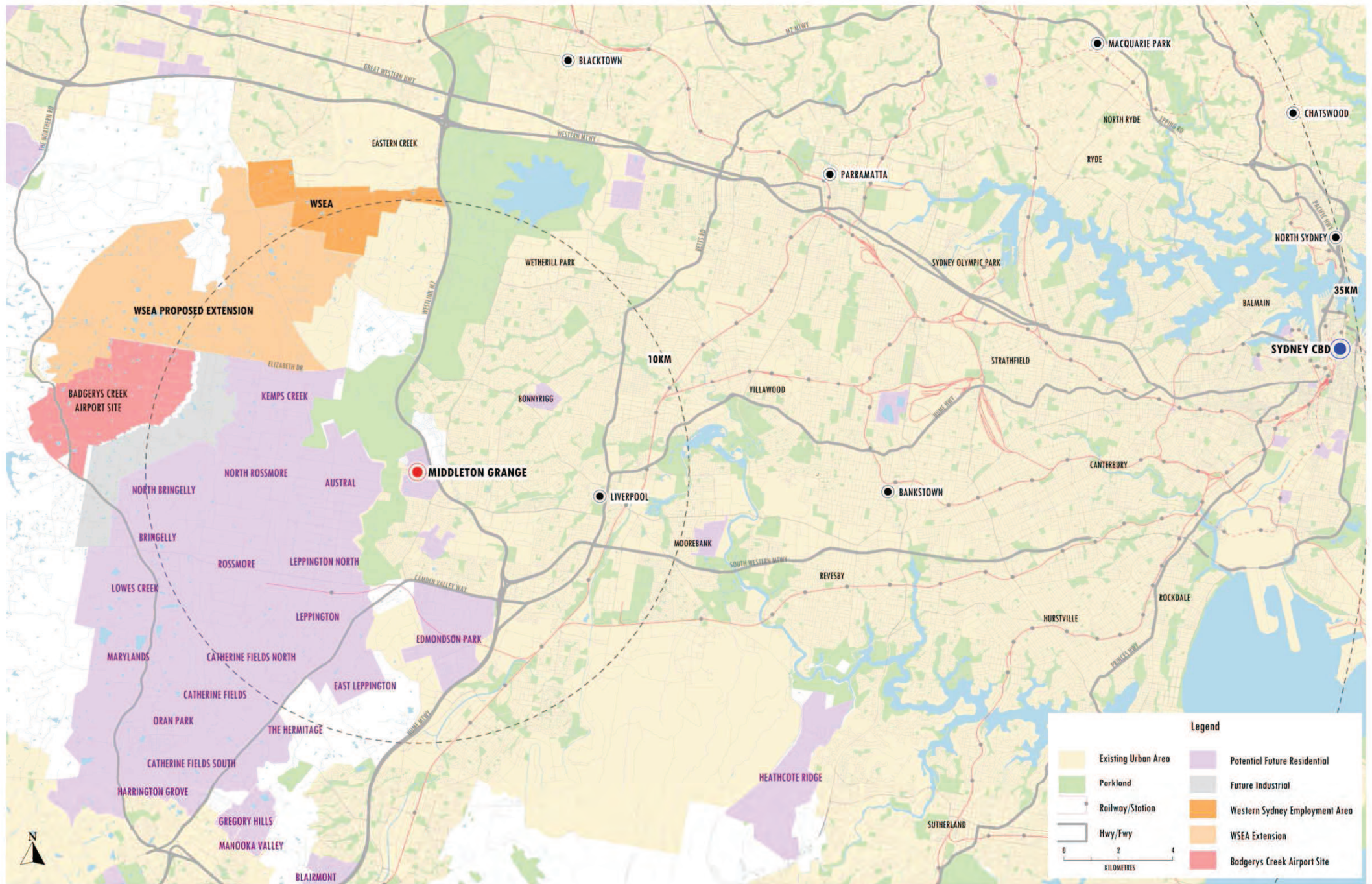
1.1 Regional and local site context

The Middleton Grange Town Centre is located approximately 40 km west of the Sydney Central Business District (CBD) and 7 km from the Liverpool CBD. The Middle Grange precinct is situated at the confluence of Cowpasture Road, Fifteenth Avenue, Hoxton Park Road and the M7 Motorway, affording excellent local and regional accessibility. (Refer to Map 1.1).

Middleton Grange is a Masterplanned community that could accommodate in excess of 10,000 persons once built out. The Middleton Grange Town Centre will be the heart of the Masterplanned community and is proposed to accommodate at least 2,500 new dwellings (equivalent to around 5,000 – 6,000 persons) within the town centre itself.

The Middleton Grange Town Centre is bounded by Southern Cross Avenue to the North, the Middleton Grange public school to the east and Flynn Avenue to the south and Hall Circuit to the west (Refer Map 1.2).

The Middleton Grange Town Centre subject site under consideration in this report incorporates a total area of 7.4 ha (although not all lots within this site are subject to the planning proposal). Around 3.7 ha is currently zoned B2 – Local Centre.



Map 1.1: Middleton Grange
Regional context



Map 1.2: Middleton Grange
Site location

Existing facilities within proximity of the subject site include:

- Middleton Grange Public School;
- Thomas Hassal Anglican College;
- St Zaia Cathedral;
- Cirillo Reserve;
- A small set of local shops located 400-450 m south east of the subject site, including KFC, Pizza Hut, Anytime Fitness Centre and a service station.

Cowpasture Road is a key arterial route in the locality, extending from Horsley Drive in the north to Camden Valley Way/Bringelly Road in the south. Fifteenth Avenue is currently a two lane road linking the M7 and Cowpasture Road to The Northern Road to the west, and is planned to be upgraded to three lanes in each direction in the future, as future residential development establishes in the Rossmore, Austral and Leppington precincts in the South West Growth Centre (SWGC), and now that Badgerys Creek has been confirmed for Sydney's second airport.

Middleton Grange sits just beyond the border of the SWGC, within the City of Liverpool Local Government Area (LGA). The Middleton Grange Town Centre has long been ear-marked to support future retail, commercial and other employment generating development from both a strategic policy perspective and statutory zoning perspective (i.e. B2 – Local Centre).

Significant population growth has been occurring in the SWGC and southern parts of the Liverpool LGA over the past 5 years, and the recent completion of the south-west rail link, including new stations at Edmondson Park and Leppington and improvements at the Glenfield interchange, has helped to drive the accessibility of the region for new residents.

The recent completion of the first section of the Camden Valley Way upgrade, and current upgrade to the northern parts of this road, will also support future residential and employment activity in the region.

1.2 Proposed development concept

Current town centre approval

As previously identified, the Middleton Grange Town Centre subject site incorporates an area of around 7.4 ha with the developable site area under consideration in this planning proposal of 43,412 sq.m (i.e. lots 2 – 7). The subject site currently consists of around 37,000 sq.m of B2 – Local Centre zoned land under the Liverpool Local Environmental Plan (LEP) 2008, as well as some land zoned R1 – General Residential; SP2 – Infrastructure and RE1 – Public Recreation.

A concept Masterplan has previously been prepared for development across the whole Middleton Grange suburb, including the town centre, that identified a range of uses that are currently being considered in the proposed development concept associated with the current planning proposal for the town centre. The existing concept Masterplan generally outlined the following scope of development:

- Up to 10,000 residents across the Middleton Grange suburb;
- Around 3,000 dwellings in the Middleton Grange Town Centre;
- A supermarket with supporting specialty retail (25 – 30 shops);
- A restaurant/outdoor café precinct;
- A tavern of about 2,000 sq.m – with beer garden/function capabilities;
- A medical centre with a range of uses;
- A gym;
- A community centre;
- A new primary school and construction of a walkway through the town centre.

Proposed amendment

As previously outlined, this report has been prepared to assess the economic impacts and community benefits associated with a planning proposal for the Middleton Grange Town Centre subject site that seeks the following amendments to the existing Liverpool Local Environmental Plan 2008 (LEP 2008).

- Rezone additional parts of the subject site to B2 - Local Centre (i.e. proposed lots 4-7), which is currently zoned a mixture of B2 - Local Centre and R1 - General Residential.
- Rezone the existing SP2 - Infrastructure land that runs through the middle of the site to B2 - Local Centre and R1 - General Residential.
- Increase the maximum building height for proposed lots 2 and 3 from 8.5m to 18m and increasing the maximum FSR to 2.56 for lot 2 and 2.22 for lot 3.
- Increase the maximum building height for proposed lots 4, 5, 6 and 7 from 18m to 28m and increase the maximum FSR to 2.3 - 3.0.
- Amend Schedule 1 to permit office premises, service station and health service facilities on lots 2 and 3.
- Delete reference to "Community Facilities" and "Local Open Space" within Council's Land Reservation Acquisition Map.
- Relocate the existing RE1 - Public recreation land elsewhere within the site (i.e. no reduction in the quantum of this land).

Table 1.1 summarises the key changes sought, as outlined above.

Table 1.1 Middleton Grange Town Centre - Proposed rezoning				
Lot	Area (sq.m)	Zoning (LEP 2008)	Proposed Zone	Additional use sought/comments
Lot 2	4,272	R1 & SP2	R1	Office, service station and health service facilities
Lot 3	4,275	R1 & SP2	R1	Office, service station and health service facilities
Lot 4	12,260	B2 & SP2	B2	Increase B2 zoned area & increase of maximum heights, and FSRs
Lot 5	12,050	B2 & R1	B2	Increase B2 zoned area & increase of maximum heights, and FSRs
Lot 6	5,187	B2 & R1	B2	Increase B2 zoned area & increase of maximum heights, and FSRs
Lot 7	<u>5,368</u>	B2 & SP2	B2	Increase B2 zoned area & increase of maximum heights, and FSRs
Total	43,412			
Total site	74,000			

Source: APP Corporation Pty Ltd; MacroPlan Dimasi

Proposed development concept

Table 1.2 presents a summary of the proposed development concept being considered as part of the planning proposal being submitted for the Middleton Grange Town Centre, and Figure 1.1 shows the proposed plans of the development.

In total, 36,881 sq.m of retail and commercial gross lettable area (GLA) is being considered as part of the development concept associated with the planning proposal, including 21,260 sq.m of retail floorspace, 1,200 sq.m of medical uses, 2,490 sq.m of commercial and 2,090 sq.m entertainment uses, and 1,100 sq.m of childcare/early learning uses as well as 862 residential dwellings and 1,138 car-spaces.

Many of the proposed elements being considered in the development concept outlined in Table 1.2 were identified in the original Masterplan for Middleton Grange Town Centre. The key change is the potential provision of additional retail space in the order of 10,000 – 11,000 sq.m, including a discount department store.

In undertaking our analysis we have examined the potential economic impacts and community benefits of the development concept in Table 1.2.

Section 1: Site context and project overview

Table 1.2							
Middleton Grange Town Centre - Proposed development concept							
Type of use	Lot 2	Lot 3	Lot 4	Lot 5	Lot 6	Lot 7	Size (sq.m)
<u>Retail</u>							
Major Retailer			4,000	4,200	1,550		9,750
Mini-major & specialty shops (inc. Rest)	0	550	3,400	3,250	1,420	2,890	11,510
Total retail	0	550	7,400	7,450	2,970	2,890	21,260
<u>Commercial/other</u>							
Commercial	0	0	2,090	0	0	400	2,490
Medical	1,200						1,200
Community Centre	500						500
Entertainment			2,090				2,090
Childcare		1,100					1,100
Total dev. area GLA	1,700	1,650	11,580	7,450	2,970	3,290	28,640
Common Areas	720	415	3,340	2,315	827	624	8,241
Total retail/commercial GFA	2,420	2,065	14,920	9,765	3,797	3,914	36,881
<u>Residential</u>							
No. dwellings	84	84	256	252	96	90	862
Residential GFA	7,434	7,434	22,259	22,012	8,496	8,205	75,840
Total site area	4,272	4,275	12,260	12,050	5,187	5,368	43,412
Source: APP Corporation Pty Ltd; MacroPlan Dimasi							

Figure 1.1

NOTES

DO NOT SCALE DRAWINGS. VERIFICATION DIMENSIONS GOVERN OVER DIMENSIONS IN ALL NOTATIONS AND NOTED DIMENSIONS.

ALL DIMENSIONS SHALL BE VERIFIED ON SITE BEFORE PROCEEDING WITH ANY WORKS. MPA SHALL BE NOTIFIED IN WRITING OF ANY DISCREPANCIES.

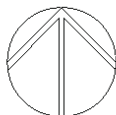
THIS DRAWING MUST BE READ IN CONJUNCTION WITH ALL RELEVANT CONTRACTS, SPECIFICATIONS AND STANDARDS.

DRAWINGS SHALL NOT BE USED FOR CONSTRUCTION PURPOSES UNTIL ISSUED BY MPA FOR CONSTRUCTION.

CLIENT

MANTA GROUP PTY LTD

LEGEND



LOT 3
SINGLE STOREY COMMERCIAL
4 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 18M

LOT 2
SINGLE STOREY COMMERCIAL
4 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 18M

LOT 4
TWO STOREY COMMERCIAL
6 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 28M

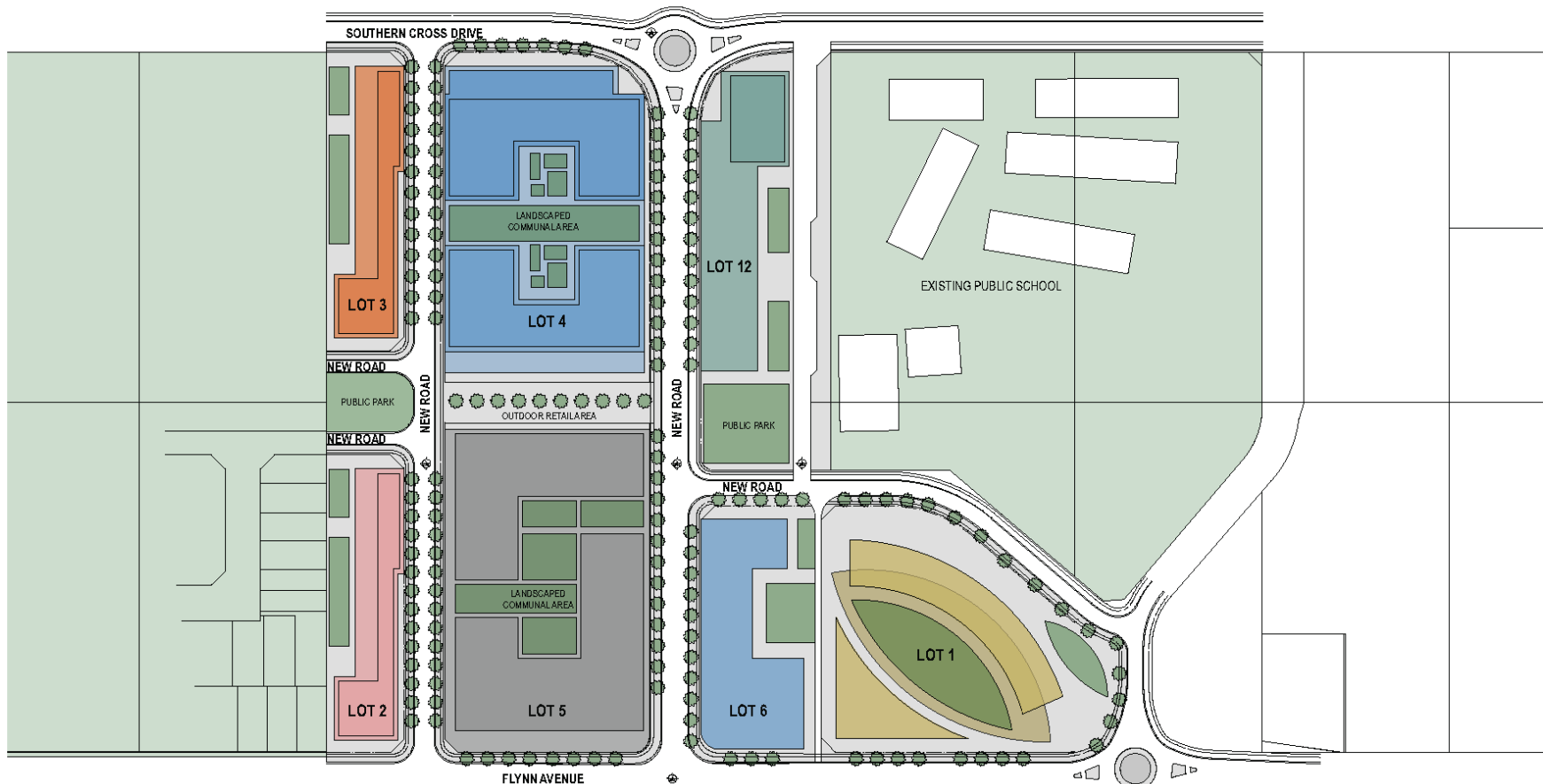
LOT 5
SINGLE STOREY COMMERCIAL
7 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 28M

LOT 12
SINGLE STOREY COMMERCIAL
7 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 28M

LOT 6
SINGLE STOREY COMMERCIAL
7 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 28M

LOT 1
SINGLE STOREY COMMERCIAL
2 STOREY RESIDENTIAL
MAXIMUM BUILDING HEIGHT 12M

PUBLIC PARKS AND COMMON OPEN SPACE



AMENDMENTS

REV	DESCRIPTION	ISSUE BY	DATE
A	PLANNING PROPOSAL	H.E.	23/06/15

PROJECT

MIXED USE DEVELOPMENT

LOCATION
MIDDLETON GRANGE



NUMBER
14017

SCALE
1:1000@A1

DRAWING

MASTER PLAN

NUMBER

AP01

DATE	CHECKED	PROJECT ARCH	ISSUE
23/06/15		FM	A



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24/06/15 9:32 AM

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Section 2: Strategic planning review

This sub-section of the report presents an overview of the strategic planning framework as it relates to the economic objectives of this report. Specifically, this sub-section considers the proposal's consistency with the economic objectives of the relevant strategic planning framework.

2.1 NSW Government Planning Policies

A Plan for Growing Sydney

A "*Plan for Growing Sydney*" was released by the NSW Department of Planning and Environment (DPE) in December, 2014. It replaces the previous Sydney Metropolitan Strategy 2031. In doing so, the new plan becomes one of the NSW Government's key policies to manage and guide growth in the Sydney metropolitan area.

The plan's overarching principles are based on managing Sydney's inevitable growth, creating a competitive economy, providing housing choice, creating resilient and well connected communities, as well as preserving the natural environment. The proposal is clearly consistent with these principles given it provides a range of retail, commercial and recreational opportunities to support the essential and discretionary expectations of the surrounding community.

While the plan caters for the entire Sydney metropolitan area, it provides six subregional plans to manage geographically specific economic, social and natural features. The Liverpool LGA, of which Middleton Grange is a part of, is included within the South West Subregional plan. Of specific relevance to the proposal are the subregional plan's objectives to accelerate housing supply, encourage housing choice and affordability, as well as create resilient neighbourhoods. Also of relevance to the proposal are the subregional plan's objectives to expand local employment opportunities.

This report provides that the proposal would be consistent with the overall intent of the South West Subregional Plan given it increases housing supply, and particularly in a format (i.e. apartments) which had previously not be envisaged for Middleton Grange. These measures would assist with increasing housing diversity and affordability.

The extent and range of retail and commercial floorspace will assist in creating essential services, catering for recreational needs, as well as providing local employment opportunities for the surrounding community – in addition to creating temporary employment through construction.

Draft Centres Policy/SEPP (Competition) 2010

In July 2010, the NSW Government released a draft state-wide policy which seeks to reduce barriers to competition between retail and commercial businesses. The policy seeks to encourage competition between retail businesses, and potentially place downward pressure on prices, with the aim:

- To promote economic growth and competition, and
- To remove anti-competitive barriers in environmental planning and assessment.

The key points from this document are that:

- Commercial viability of a proposed development is not a matter to be taken into consideration by the consent authority.
- The impacts of a proposed commercial development on the commercial viability of other commercial developments are not matters for the consent authority, although the extent to which the impacts may affect the overall adequacy of facilities and services available to the local community may be taken into consideration (having regard for the proposed development).
- To place no restrictions on the number of a particular type of retail premises in any commercial development, although consideration can be given to the scale of a proposed development.

- To place no restrictions on the proximity of a particular type of retail premises to another retail premises of that type.

The overarching intention of this policy is to restrict existing retailers from 'preventing' additional competition within centres and that new retail development should be considered as appropriate if it meets market need and achieves a net community benefit.

The planning proposal seeks to extend the area of B2 zoned land, to enable a better town centre configuration and a greater amount/broader range of employment generating floorspace and increased residential density. However the amount of retail floorspace being considered in the development concept could currently be accommodated within the area of currently zoned B2 land.

Section 117 Direction

Planning Proposals are required to demonstrate their consistency with directions issued by the Minister for Planning pursuant to Section 117 of the Environmental Planning and Assessment Act, 1979 (EP&A Act). Those directions of relevance to this report are listed and addressed below.

Direction 1.1 – Business and Industrial Zones

The objectives of this direction are as follows:

- "(a) encourage employment growth in suitable locations,*
- (b) protect employment land in business and industrial zones, and*
- (c) support the viability of identified strategic centres."*

The proposal would provide for new employment opportunities in the retail, recreation, commercial and medical sectors. The subject site is suitable for the proposal given it relates largely to land which is currently zoned for employment opportunities, and seeks to extend the area of land that could accommodate employment uses. Further, the site is in close proximity to major access routes including Cowpasture Road, M7 Motorway and Fifteenth Avenue.

The planning proposal seeks to enhance an already identified strategic centre, i.e. Middleton Grange Town Centre and the development concept does not propose any industrial type uses. In light of the above, the planning proposal generally appears consistent with the objectives of direction 1.1. Sections 6 and 7 of this report examine the potential economic and employment impacts across the region.

Direction 3.1 – Residential Zones

The objectives of this direction are as follows:

- "(a) to encourage a variety and choice of housing types to provide for existing and future housing needs,*
- (b) to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and*
- (c) to minimise the impact of residential development on the environment and resource lands."*

The proposal would be consistent with this objective given it will provide commercial, retail, recreation as well as medical services to the surrounding community. Furthermore, the proposal would enable a greater volume and diversity of residential product to be accommodated within the Liverpool LGA. The high density nature of development envisaged would serve to minimise impacts on the environment.

Direction 3.4 – Integrating Land Use and Transport

The objectives of this direction are as follows:

- "(a) improving access to housing, jobs and services by walking, cycling and public transport, and*
- (b) increasing the choice of available transport and reducing dependence on cars, and*
- (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and*
- (d) supporting the efficient and viable operation of public transport services, and*
- (e) providing for the efficient movement of freight."*

Objectives A to C would be achieved by the planning proposal as it provides increased employment opportunities across a range of sectors, in proximity to high density residential housing.

Direction 7.1 – Implementation of A Plan for Growing Sydney

This objective seeks to ensure that Planning Proposals are consistent with the strategic planning outcomes identified in A Plan for Growing Sydney. As identified earlier in Section 2.1 of this report, the proposal has been found to be consistent with those aspects of the plan which are of relevance to this report.

2.2 Liverpool City Council's Planning Policies

Liverpool Retail Centres Hierarchy Review (2012) – Hill PDA

In 2012, Hill PDA prepared a retail centres hierarchy review for Liverpool City Council based largely on existing and imminent centres. It excluded potential centres in the South West Growth Centre (SWGC) given that, at the time of undertaking the review, land use configuration within the SWGC was unclear.

The subject Middleton Grange centre was acknowledged in the review as an imminent centre. The centre had been zoned for retail and commercial purposes, but had not been developed.

At the time of preparing the review, Hill PDA estimated the catchment area for retail centres within the Liverpool LGA to contain some 398,000 residents, increasing to around 526,000 persons by 2031.

The review determined existing demand for retail floorspace across the Liverpool LGA of approximately 397,000 sq.m in 2012, increasing to 511,000 sq.m by 2031, which is equivalent to an increase of around 6,000 sq.m per year to 2031. We reiterate that this does not include demand for retail floorspace in the SWGC. In this context, the proposed development concept associated with the planning proposal would account for only 3.5 years of required retail demand across the Liverpool LGA.

Business Centres and Corridors Strategy Review 2013

Following the previously mentioned Retail Centres Hierarchy Review, Liverpool City Council conducted a review of its business centres and corridors strategy in 2013. The purpose of the strategy and review was to consolidate the LGA's ability to cater for growth generally in the professional services sector.

The strategies identified by the review are as follows:

- "1. Preserve a commercial core area (excluding residential) in the Liverpool CBD for future business, office and retail growth.*
- 2. Limit professional office premises to business zones to capitalise on, and concentrate infrastructure and services.*
- 3. Establish and maintain Liverpool's Retail Centre Hierarchy.*
- 4. Support the expansion of existing retail and business centres in accordance with the adopted Retail Centres Hierarchy 2012.*
- 5. Ensure that new centres complement existing centres and do not impact upon their viability.*
- 6. Expand start-up business opportunities (and restrict residential) in extended enterprise corridor zones leading into main centres and nodes.*
- 7. Support growth of existing bulky goods clusters in accordance with the retail centre hierarchy and limit other locations to serve a district role."*

The planning proposal seeks to extend an existing centre to enable a much more functional and viable town centre outcome, and is therefore consistent with most of the objectives identified above. We examine the potential economic and employment impacts in Sections 6 and 7 of this report.

Draft Community Strategic Plan – Growing Liverpool 2023

The draft community strategic plan has been in preparation since 2011. It is based on extensive community consultation and once completed, is intended to guide most of Liverpool City Council's policies, including land use policies. At this stage, the strategy identifies broad strategies and objectives. Of relevance to the proposal, are those strategies which seek to improve economic prosperity, encourage inclusiveness, and create an accessible urban form.

The proposal would be consistent with the draft strategy given it would cater for the retail, commercial, community needs of the Middleton Grange community and broader surrounding residents. The main street design would encourage inclusiveness and create an accessible urban form.

Liverpool Local Environmental Plan 2008

Pursuant to the Liverpool Local Environmental Plan 2008 (LLEP 2008), the subject site is zoned part R1 – Low Density Residential, part B2 – Local Centre, part RE1 – Public Recreation, and part SP2 – Infrastructure.

With respect to the purpose of this report, the proposal remains largely consistent with existing land use objectives given it primarily seeks a local centre land use purpose with supporting residential uses. Specifically, it will maintain opportunities for retail, commercial and public recreation purposes.

Liverpool Development Control Plan 2008

Part 2.5.4 of the Liverpool Development Control Plan 2008 (LDCP 2008) relates specifically to the Middleton Grange local centre. It contains specific provisions for its design and operation. With respect to the purposes of this report, the proposal remains consistent with the general intent of the LDCP 2008. Specifically, the proposal retains the retail, recreational and commercial objectives sought by the LDCP 2008. Similarly, its overall built form continues to support the LDCP's economic aspirations for the Middleton Grange centre.

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Section 3: Trade area analysis

This section of the report examines the potential trade area served by the proposed mix of uses in the town centre, including current and projected population levels, socio-demographic profile and the estimated current and future retail expenditure capacity by the trade area residents.

3.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre, or retail facility, is shaped by the interplay of a number of critical factors. These factors include:

- i. The relative attraction of the facility, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular facility are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and car-parking, including access and ease of use.
- ii. The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.
- iii. The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre, or retail facility.
- iv. Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre, or retail facilities.

We have had particular regard to the following factors in determining the potential trade area served that could be served by the proposed development concept envisaged for the Middleton Grange Town Centre:

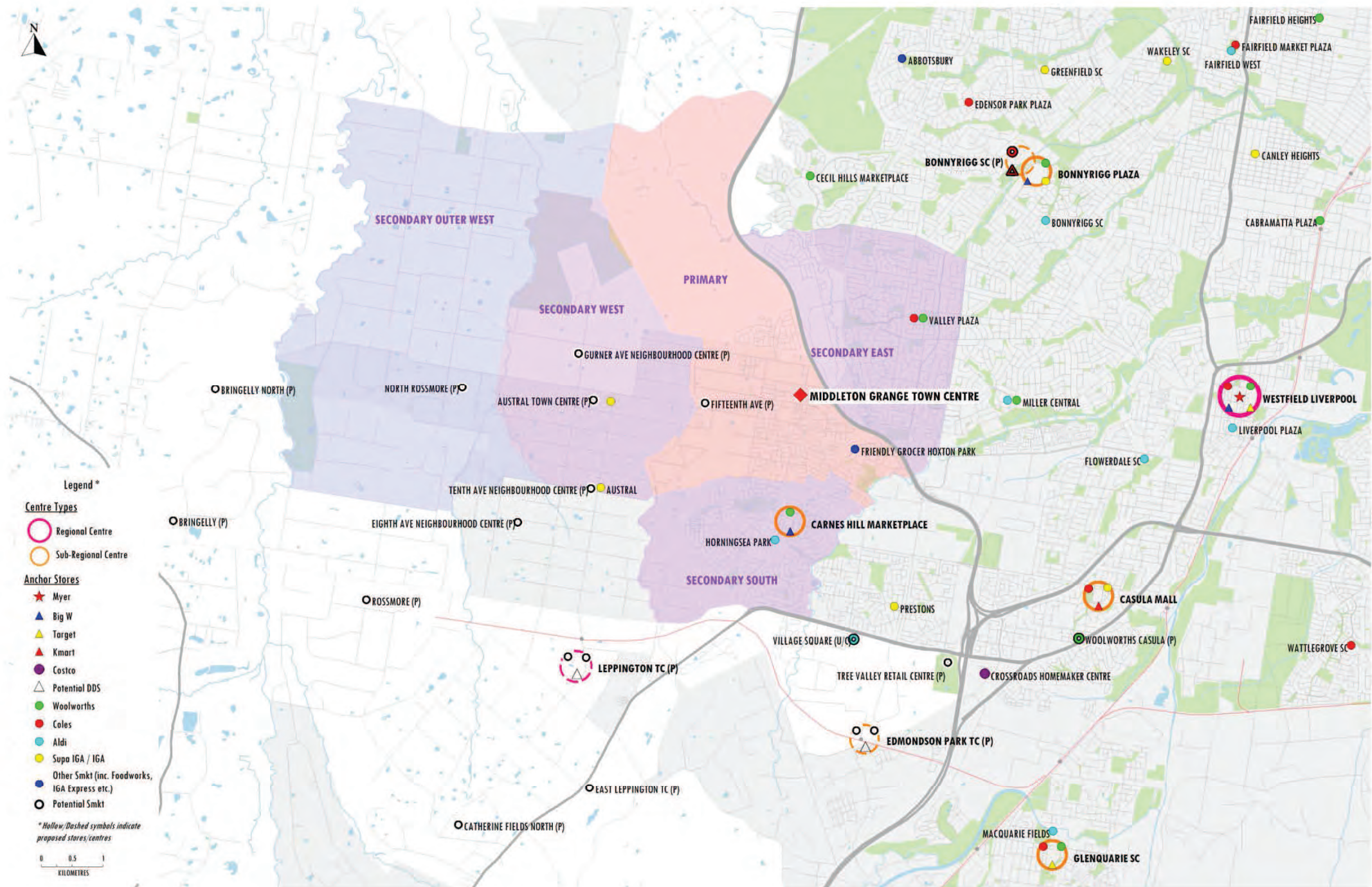
- The surrounding road infrastructure such as Elizabeth Drive to the north, the M7 to the east and the accessibility afforded by roads such as Cowpasture Road and Fifteenth Avenue.
- The lack of medium to large supermarkets west of Cowpasture Road, in particular, the small IGA supermarkets at Austral and Tenth Avenue.
- The scale and composition of the proposed development concept, which could include a discount department store, one large supermarket and potentially a second smaller supermarket (like an Aldi), specialty retail, and a range of other sub-regionally oriented facilities such as a tavern, larger gym and a large medical centre.
- A lack of sub-regional shopping facilities to the immediate north-east of the subject site, and a lack of any such facilities west of the subject site.
- Carnes Hill Marketplace, which contains a Big W and a Woolworths supermarket, in addition to an Aldi supermarket adjacent to the centre.
- The future Leppington Major Centre and other future centres across the SWGC.

Having regard to the above, Map 3.1 illustrates the potential trade area that could be served by the proposed development, which has been defined to include two primary sectors and four secondary sectors, as follows:

- The **primary sector** is bounded north to Elizabeth Drive and bounded to the east by the M7 Motorway. It encompasses the growing suburb of Middleton Grange and parts of Cecil Park, Cecil Hills, Hoxton Park and West Hoxton.
- The **secondary east sector** is bounded to the west by the M7 Motorway and contains suburbs of Elizabeth Hills, Len Waters Estate and part of Hinchinbrook.

- The **secondary south sector** is bounded to the south by Camden Valley Way/Bringelly Road and to the west by the Sydney Water channel and includes suburbs of Horningsea Park and part of West Hoxton.
- The **secondary west sector** is bounded to the south by Tenth Avenue and includes the suburb of Austral and parts of Cecil Park and Kemps Creek.
- The **secondary outer west sector** extends about 8 km to the west of the site to include the North Rossmore and Kemps Creek release areas (which are much longer term release areas).

In combination, the primary and four secondary sectors are referred to as the main trade area throughout the remainder of this report.



**Map 3.1: Middleton Grange
Trade area and competition**

3.2 Trade area population

Table 3.1 details the current and projected population levels within the main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing (2006 and 2011);
- Australian Bureau of Statistics Dwelling Approvals Data (2010–13);
- Australian Bureau of Statistics Estimated Residential Population Data (ERP) (2012 and 2013);
- NSW Department of Planning and Environment Household and Population Projections (2010 & preliminary 2013); and
- Other investigations of future residential development, undertaken by this office.

The main trade area population is estimated at 36,400 as at 2014, including 10,600 within the key primary sector. Over the most recent inter-censal period (2006 – 2011), the main trade area population increased at an average rate of 2.7% per annum, increasing by more than 800 residents per annum.

Population growth in the short to medium term will be driven by high volumes of residential development underway in the primary sector, i.e. the growing suburb of Middleton Grange, which could potentially support in excess of 10,000 persons, with the Middleton Grange Town Centre, potentially accommodating around 5,000 – 6,000 persons, as well as continued growth around Horningsea Park/Carnes Hill.

Medium to longer term population growth will be focussed in the secondary west sector in the SWGC precinct of Austral. The Austral precinct has been rezoned to allow urban development and is planned to accommodate some 8,000 dwellings, supporting at least 22,000 residents once fully developed.

The North Rossmore and Kemps Creek precincts, which are also included in the main trade area, are yet to be released for planning. These precincts are expected to accommodate 6,500 dwellings and 1,000 dwellings, respectively, once developed. We have conservatively assumed that these areas would support development from 2026 onwards.

Having regard to the above factors, we estimate the main trade area population to grow at an average annual rate of 3.0% to 2031, reaching 60,050 by this time. The population of the primary sector is estimated to grow to 20,300 by 2031, reflecting growth of 3.9% per annum.

Table 3.1
Middleton Grange trade area population, 2006-2031*

Trade area sector	Estimated population			Forecast population			
	2006	2011	2014	2016	2021	2026	2031
Primary	7,560	9,260	10,610	11,810	15,310	17,810	20,310
Secondary sectors							
• East	8,290	8,830	9,280	9,780	10,780	11,280	11,680
• South	9,270	10,850	12,050	12,850	13,850	14,850	15,850
• West	1,320	1,570	1,540	1,480	2,230	4,730	8,480
• Outer West	<u>2,730</u>	<u>2,810</u>	<u>2,900</u>	<u>2,930</u>	<u>2,880</u>	<u>2,730</u>	<u>3,730</u>
Total secondary	21,610	24,060	25,770	27,040	29,740	33,590	39,740
Main trade area	29,170	33,320	36,380	38,850	45,050	51,400	60,050

Trade area sector	Average annual growth (no.)					
	2006-11	2011-14	2014-16	2016-21	2021-26	2026-31
Primary	340	450	600	600	500	400
Secondary sectors						
• East	108	150	250	200	100	80
• South	316	400	400	200	200	200
• West	50	-10	-30	150	500	750
• Outer West	<u>16</u>	<u>30</u>	<u>15</u>	<u>-10</u>	<u>-30</u>	<u>200</u>
Total secondary	490	570	635	540	770	1,230
Main trade area	830	1,020	1,235	1,140	1,270	1,630

Trade area sector	Average annual growth (%)					
	2006-11	2011-14	2014-16	2016-21	2021-26	2026-31
Primary	4.1%	4.6%	5.5%	5.3%	3.1%	2.7%
Secondary sectors						
• East	1.3%	1.7%	2.7%	2.0%	0.9%	0.7%
• South	3.2%	3.6%	3.3%	1.5%	1.4%	1.3%
• West	3.5%	-0.6%	-2.0%	8.5%	16.2%	12.4%
• Outer West	<u>0.6%</u>	<u>1.1%</u>	<u>0.5%</u>	<u>-0.3%</u>	<u>-1.1%</u>	<u>6.4%</u>
Total secondary	2.2%	2.3%	2.4%	1.9%	2.5%	3.4%
Main trade area	2.7%	3.0%	3.3%	3.0%	2.7%	3.2%

*As at June

Source: ABS Census 2011; NSW Department of Planning and Environment 2014; MacroPlan Dimasi

3.3 Traditional retail expenditure

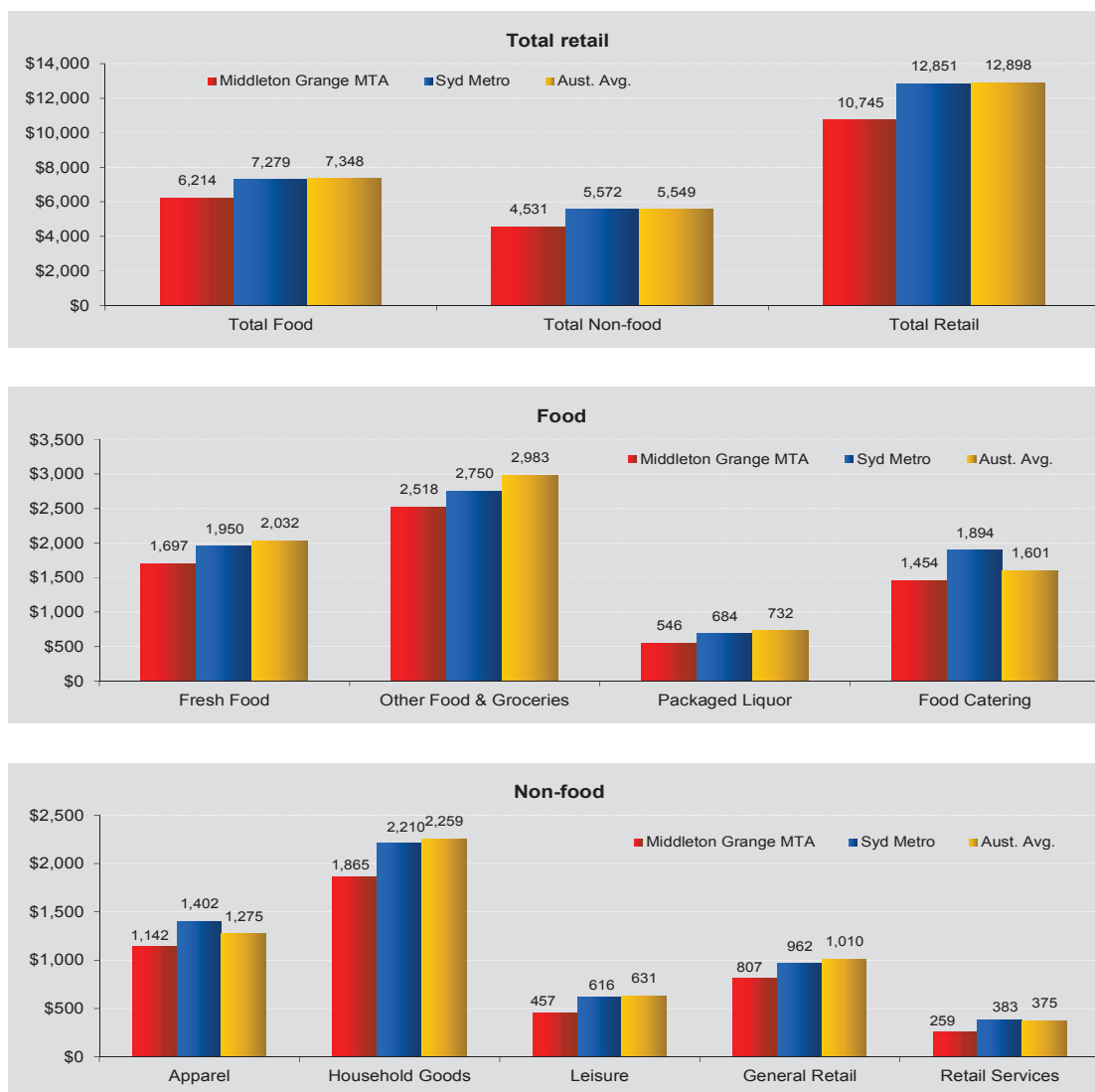
MacroPlan Dimasi estimates retail expenditure capacity generated by the main trade area residents based on information sourced from Market Data Systems (MDS), which utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. We consider MarketInfo data to be quite an accurate measure of available retail expenditure and it is widely relied on in the retail industry.

Total retail expenditure is detailed in a number of categories, as follows:

- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores.
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets.
- Food catering – cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- Apparel – clothing, footwear, fashion and accessories.
- Household Goods – giftware, electrical, computers, furniture, homewares, and hardware goods.
- Leisure – sporting goods, music, DVDs, games, books, newsagents and film processing/photography.
- General Retail – pharmaceutical goods, cosmetics, toys, florists, mobile phones.
- Retail Services – retail services such as key cutting, shoe repairs, hair and beauty.

Chart 3.1 shows the retail expenditure capacity per person for residents of the identified main trade area for the year 2013/14, and compares these estimates with the average for Metropolitan Sydney and Australia. Spending estimates are presented inclusive of GST. Retail expenditure per capita is estimated to be about 16% less than the metropolitan Sydney average, however because average household sizes (i.e. persons per dwelling) in the main trade area are significantly greater than average (by about 30%), average per household retail expenditure is about 11% above average.

Chart 3.1
Middleton Grange trade area - retail spending per person, 2013/14*



*Including GST

Source: MarketInfo; MacroPlan Dimasi

Table 3.2 details the estimated retail expenditure capacity of the main trade area population over the period 2014 to 2031, by trade area sector. The retail expenditure capacity of the main trade area population is estimated to grow from \$385.2 million in 2014 to \$725.2 million by 2031, at an average annual rate of 3.8%. All expenditure estimates in this report are presented in constant dollars (i.e. \$2013/14) and inclusive of GST.

Table 3.2						
Middleton Grange main trade area - retail expenditure (\$M), 2014-2031*						
Year ending June	Primary sector	East	South	West	Outer West	Main TA
2014	110.2	92.1	135.4	16.6	30.9	385.2
2015	116.6	94.7	140.9	16.5	31.3	399.9
2016	123.8	97.8	146.4	16.3	31.7	415.9
2017	131.3	100.7	150.9	16.9	31.9	431.7
2018	139.3	103.4	154.2	18.5	32.0	447.3
2019	147.8	106.2	157.7	20.2	32.1	464.0
2020	156.9	109.2	161.3	22.1	32.3	481.7
2021	166.6	112.3	165.1	24.2	32.5	500.6
2022	175.1	114.8	168.9	27.4	32.5	518.7
2023	182.0	116.9	172.7	32.1	32.4	536.1
2024	189.2	118.9	176.6	37.6	32.4	554.7
2025	196.6	121.0	180.6	44.1	32.3	574.7
2026	204.4	123.2	184.7	51.7	32.2	596.2
2027	212.1	125.2	188.7	59.6	33.4	619.0
2028	219.5	127.2	192.8	67.6	35.8	642.9
2029	227.3	129.1	197.0	76.6	38.4	668.5
2030	235.3	131.2	201.3	86.8	41.3	695.8
2031	243.7	133.2	205.6	98.4	44.3	725.2
Average annual growth (\$M)						
2014-2031	7.8	2.4	4.1	4.8	0.8	20.0
Average annual growth (%)						
2014-2031	4.8%	2.2%	2.5%	11.0%	2.1%	3.8%
*Constant 2013/14 dollars & including GST						
Source: MarketInfo; MacroPlan Dimasi						

This average annual growth rate estimate of 3.8% includes the following components:

- Residential population growth, which is expected to average 3.0% per annum.
- Real growth in per capita retail expenditure, which is expected to average 0.8% per annum over the forecast period.

Table 3.3 presents the projected increases in retail expenditure capacity, by retail category, over the period to 2031. FLG expenditure, being expenditure on take-home food, packaged liquor and groceries, currently accounts for approximately 44% of total retail expenditure. This expenditure category is of particular relevance to supermarkets, with 90-95% of items in supermarkets associated by this expenditure category.

Table 3.3
Middleton Grange main trade area - retail expenditure by category (\$M), 2014-2031*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2014	170.6	52.1	40.9	66.9	16.4	28.9	9.3	385.2
2015	177.3	54.3	42.4	69.2	17.0	30.1	9.6	399.9
2016	184.6	56.7	43.9	71.7	17.6	31.4	10.0	415.9
2017	191.7	59.1	45.4	74.1	18.3	32.7	10.4	431.7
2018	198.9	61.5	46.9	76.4	18.9	34.0	10.8	447.3
2019	206.5	64.0	48.5	78.9	19.6	35.3	11.2	464.0
2020	214.7	66.7	50.1	81.6	20.3	36.8	11.6	481.7
2021	223.3	69.5	51.9	84.4	21.1	38.3	12.0	500.6
2022	231.7	72.3	53.6	87.1	21.8	39.9	12.4	518.7
2023	239.7	74.9	55.2	89.6	22.5	41.3	12.8	536.1
2024	248.3	77.8	56.8	92.3	23.3	42.9	13.3	554.7
2025	257.6	80.8	58.6	95.2	24.1	44.6	13.7	574.7
2026	267.6	84.0	60.6	98.3	24.9	46.5	14.2	596.2
2027	278.3	87.5	62.6	101.6	25.8	48.4	14.8	619.0
2028	289.5	91.1	64.7	105.0	26.8	50.5	15.3	642.9
2029	301.5	94.9	67.0	108.7	27.8	52.7	15.9	668.5
2030	314.3	99.0	69.4	112.6	28.9	55.1	16.5	695.8
2031	328.1	103.4	71.9	116.7	30.1	57.7	17.2	725.2
<u>Average annual growth (\$M)</u>								
2014-2031	9.3	3.0	1.8	2.9	0.8	1.7	0.5	20.0
<u>Average annual growth (%)</u>								
2014-2031	3.9%	4.1%	3.4%	3.3%	3.7%	4.1%	3.7%	3.8%

*Constant 2013/14 dollars & including GST

Source: MarketInfo; MacroPlan Dimasi

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

Section 4: Competition and supply review

This section of the report reviews the surrounding centres hierarchy and the competitive environment within which the town centre will operate, taking into account both existing and proposed competitive developments in the surrounding region. These are summarised in Table 4.1

4.1 Existing centres hierarchy

Within trade area

Carnes Hill Town Centre

The Carnes Hill Town Centre is located about 3km to the south of Middleton Grange Town Centre. The key component of the Carnes Hill Town Centre is the 17,208 sq.m Carnes Hill Marketplace sub-regional shopping centre, which provides 964 at-grade car parking spaces. This centre is anchored by a Big W discount department store and a Woolworths supermarket and includes a Dan Murphy's large format liquor store. According to the most recent *Shopping Centre News 2014 Mini Guns* publication, the centre recorded total Moving Annual Turnover (MAT) of around \$144.9 million, ranking it 9th in the country for centres of a similar size/function. The town centre also accommodates a stand-alone Aldi supermarket, with its own parking as well as surrounding pad-sites, including a medical centre, McDonalds, Pizza Hut and a service station. We estimate there to be around 18,700 sq.m of retail floorspace at this centre.

Hoxton Park Neighbourhood Centre

There is a small B1 zoned parcel of 1.3 ha located on the southern side of Hoxton Park Road about 1.7 km to the south-east of Middleton Grange Town Centre. This precinct includes the Hoxton Park Shopping Centre which currently includes a small Friendly Grocer foodstore (about 300 sq.m), a liquor store, a newsagent, baker, a chemist, small scale business services and a popular neighbourhood restaurant. We estimate there to be around 1,200 sq.m of retail floorspace this centre.

Section 4: Competition and supply review

Table 4.1

Middleton Grange Town Centre - schedule of competing retail facilities

Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Middleton Grange Town Centre (km)
Existing competition			
Within trade area			
<u>Fifteenth Ave</u>	<u>1,800</u>		1.7
• Existing	1,800	n.a.	
• Proposed	3,500	n.a.	
Hoxton Park	1,200	Friendly Grocer	1.7
<u>Carnes Hill Town Centre</u>	<u>18,700</u>		2.7
• Carnes Hill Marketplace	17,200	WOW	
• Horningsea Park	1,500	Aldi	
<u>Austral Town Centre</u>	<u>2,500</u>		4.2
• Existing	2,500	IGA	
• Planned	30,000	Possible dds(s) and supermarket(s)	
<u>Tenth Ave Town Centre</u>	<u>1,900</u>		5.3
• Existing	1,900	IGA	
• Planned	8,000	Possible supermarket	
Beyond trade area			
Green Valley	10,300	Woolworths, Coles	4.5
Miller Village Centre	10,000	Woolworths, Aldi	5.0
Cecil Hills Marketplace	3,500	Woolworths	5.0
Prestons Village Centre	1,100	IGA	5.2
Flowerdale Village Centre	4,700	Aldi	6.6
Casula Mall	20,000	Kmart, Coles, IGA	7.8
<u>Bonnyrigg Town Centre</u>	<u>23,000</u>		8.0
• Bonnyrigg Plaza	20,700	Big W, Woolworths, Supa IGA	
• Other	2,300		
• Bonnyrigg SC (p)	20,000	dds (p), supermarket (p)	
Liverpool City Centre	125,000	Myer, Big W, Target, Woolworths, Coles, Aldi	8.1
Proposed Competition			
Within trade area			
Gurner Ave (p)	8,000	Possible supermarket	4.9
North Rossmore (p)	10,000	Possible supermarket	6.9
Beyond trade area			
Eighth Avenue (p)	5,000	Possible smkt (p)	7.0
Casula (p)	4,300	Woolworths (p)	7.9
Leppington Major Centre (p)	100,000	Possible dept. store, dds(s) and supermarket(s)	8.0
East Leppington TC (p)	15,000	Possible supermarket(s)	8.4
Catherine Fields North (p)	15,000	Possible supermarket(s)	11.6
Rossmore (p)	20,000	Possible supermarket(s)	12.2
<u>Edmondson Park</u>			10.5-12.5
• Edmondson Park TC (p)	30,000	Possible dds(s) and supermarket(s)	
• Aldi (u/c)	1,599	Aldi	
• Tree Valley (p)	2,000	Possible small supermarket	
Bringelly (p)	10,000	Possible supermarket(s)	15.5
Bringelly North (p)	10,000	Possible supermarket(s)	16.7

***Estimated retail component*

Source: NSW DPE, Liverpool Council; Property Council of Australia; MacroPlan Dimasi

Austral Town Centre (currently West Hoxton Shopping Village)

The Austral Town Centre is located about 4.2 km to the west of the subject site along Fifteenth Road, at the intersection of Edmondson Avenue. The West Hoxton Shopping Village currently occupies the north-west corner of the centre and supports around 2,800 sq.m of traditional retail floorspace, including an IGA supermarket of 1,090 sq.m, 15 – 20 specialty shops, medical centre and allied health facilities. There is a Home Hardware store adjacent to the shopping village with frontage to Fifteenth Avenue and as well as an independent service station.

Austral Town Centre is planned to accommodate higher order retail and supporting ancillary non-retail uses, and is earmarked to support up to 30,000 sq.m of retail floorspace according to the Austral and Leppington North precinct planning report. We expect that the centre will evolve in stages, and could accommodate one or more full-scale supermarkets as an initial stage, followed by sub-regionally oriented retail and commercial uses in subsequent stages.

Gurner Avenue (planned neighbourhood centre)

The Gurner Avenue neighbourhood centre is located about 4.9 km from the subject site. The site is a planned future neighbourhood centre that is ear-marked to support up to 8,000 sq.m of retail floorspace. This centre is likely to serve a local convenience role and function, and will only begin establish as the population reaches a level of critical mass in the immediate vicinity.

Tenth Avenue Neighbourhood Centre

The Tenth Avenue neighbourhood centre is located about 5.3 km from Middleton Grange about 1km south Austral Town Centre, at the southern periphery of the secondary west sector. The centre currently accommodates the Austral Village shopping centre, which is located on the eastern side of Edmondson Avenue anchored by an 800 sq.m IGA supermarket, and about 10 - 15 convenience based tenants. In total, we estimate there to be around 2,500 sq.m of retail floorspace at this centre. There are some small retail/commercial facilities on the western side of Edmondson Avenue.

The precinct is earmarked to support up to 8,000 sq.m of shopfront floorspace over the longer term. We expect additional localised retail floorspace could be supportable in this location as the residential densities in the immediate locality establish further.

Beyond trade area

There is a broad range of other retail facilities elsewhere across the Liverpool LGA, generally quite a significant distance from the subject site, including the following:

- **Liverpool Regional City Centre** – which is the highest order retail and commercial centre in the LGA, located about 8 km east of Middleton Grange town centre. Liverpool. This centre provides around 125,000 sq.m of retail floorspace, including an extensive street/strip retail offer and the 75,000 sq.m (retail GLA) Westfield Liverpool shopping centre, a highly successful regional centre than achieved annual sales of \$489.3 million in 2014, according to the *Shopping Centre News Big Guns* publication for 2015, ranking it 36th in Australia for similar sized shopping centres. The centre also includes the Liverpool Hospital, a major tertiary hospital serving outer western Sydney, a sizeable office market, street/strip shopfront commercial/business users and community facilities, and is a key bus and rail interchange for outer Western Sydney.
- **Casula Town Centre** – consists of the 20,000 sq.m Casula Mall sub-regional shopping centre located about 7.8 km south-west of Middleton Grange. The centre is anchored by a Kmart dds and Coles and Supa IGA supermarkets. This centre performs very strongly, according to the *Shopping Centre News 2014 Little Guns* publication, the centre recorded total Moving Annual Turnover (MAT) of around \$189.5 million at \$9,500 per sq.m, ranking it 11th in the country for centres between 20,000 and 50,000 sq.m.
- **Green Valley Town Centre** – predominantly consists of the double supermarket anchored Green Valley Plaza shopping centre located in the suburb of Green Valley, about 4.5 km north-east of Middleton Grange. There are also several pad sites around this centre including a service station, a McDonalds 24 hour restaurant, an Autobarn and a Carlovers car-wash.

- **Miller Village Centre** – is located about 5.0 km to the east of Middleton Grange and contains the newly redeveloped Miller Central shopping centre, which includes a large Woolworths supermarket and an Aldi supermarket. This centre sits within a precinct that includes a medical centre, convenience retail and business services, a tavern and a child care centre.
- **Flowerdale Village Centre** – is a neighbourhood centre zoned precinct located about 6.6 km to the east of the subject site along Hoxton Park Road oriented around the intersection with Flowerdale Road. This precinct includes an Aldi supermarket as well as 15 - 20 supporting specialty retail and non-retail tenants, including fast-food pad sites.

Planned/proposed centres – within trade area

- **Fifteenth Avenue Business Hub** – The Western Sydney Parklands Trust (WSPT) has submitted a request for Directors General's Requirements (DGRs) to the NSW DPE - which is the approval authority for this application - for a small scale retail and commercial development at 195 Fifteenth Avenue. The report associated with the DGRs request (pg.2 of Capital Investment Report) outlines a proposed development concept of around 6,000 sq.m of retail/commercial floorspace, plus a childcare facility. A development application has not been made at the time of this report.
- **North Rossmore** – A neighbourhood sized centre is planned to be supported within the North Rossmore precinct once it is developed, over the longer term. This centre is not considered to be affected by the proposed planning proposal amendment at Middleton Grange, given that it will establish on the basis of the immediate population establishing within the North Rossmore precinct.

Planned/proposed centres – beyond trade area

There are a number of other planned centres and proposed developments across the Liverpool LGA in addition to those already discussed above. These have been summarised below:

- **Leppington Major Centre** - is a planned major centre that is ear-marked to contain in excess of 100,000 sq.m of retail and commercial floorspace, including two or more supermarkets, and higher order non-food anchors such as dds and/or department store(s). The intention is for the centre to integrate with the planned Leppington Railway Station. This centre is expected to be developed over the next 20 years, and would be staged in accordance with trade area demand. We expect the first stage would be a supermarket based convenience development, developed around 2021 – 2023.
- **Edmondson Park Town Centre** – Edmondson Park was one of the first precincts in the SWGC rezoned for urban development, in 2007. The SWGC structure plan (and Edmondson Park DCP) indicates that around 45,000 sq.m of retail/commercial floorspace could be supported in the town centre, which could potentially include a discount department store and one or more supermarkets. We understand that a revised Expression of Interest (EOI) to develop the first stage of the town centre was recently on exhibition and a short-list of candidates has been selected. We expect that the development of a first stage of the town centre could be completed by 2016 and is likely to include a supermarket anchor oriented towards convenience.
- **East Leppington Town Centre** - the East Leppington precinct has now been rezoned for urban development. The town centre is located at the intersection of Camden Valley Way and Willowdale Road and could support up to 15,000 sq.m of retail and commercial floorspace, once it is fully developed. The first stage of this town centre development is expected to occur in the few years.
- An **Aldi supermarket at Edmondson Park** of 1,599 sq.m is currently under construction and is expected to be open mid-2015, and will form part of a small mixed precinct that includes a First Choice Liquor store, a McDonald's restaurant, a service station and an Anytime Fitness gym.

- The proposed Woolworths rezoning at **1975 – 1985 Camden Valley Way, Prestons**, which had Gateway approval, was recently refused at the Liverpool Council meeting held on Wednesday 17th June and will not be implemented into the planning scheme.

4.2 Summary

Middleton Grange Town Centre is a designated B2 – Local Centre, with the same zoning as the existing Carnes Hill Town Centre, and future town centres such as Austral and Edmondson Park. Middleton Grange is therefore already part of the established/approved centres hierarchy defined by Liverpool Council.

The Liverpool City Centre is the dominant retail/centre in the surrounding hierarchy. With 125,000 sq.m retail floorspace in addition to significant commercial floorspace, the Liverpool Hospital, other medical, civic and entertainment facilities, this centre is significantly larger than any other centre in the network, existing or proposed.

The southern parts of Liverpool LGA are growing rapidly and will continue to do so. Two of the existing sub-regional centres in the locality (i.e. Carnes Hill Marketplace and Casula Mall) trade strongly, indeed, at the upper end of the spectrum for centres of their classification, which tends to be a general indicator that demand for additional retail facilities could be warranted.

Future convenience based retail, and higher order retail, is planned within the new growth areas in the SWGC, and these centres will evolve as the populations in their immediate locality reach requisite minimum critical mass thresholds. The first stage of the Edmondson Park Town Centre is expected to begin development during 2015/16, with the winning bidder is expected to be announced in the next few months.

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Section 5: Need and market gap

This section of the report examines the demand/need for the various proposed uses being considered as part of the development concept accompanying the planning proposal.

5.1 Retail demand and market gap

To determine whether there is appropriate market demand for potential retail facilities at the subject site, we have examined the current and future demand for traditional retail floorspace and supermarket floorspace generated by the main trade area population and compared this with the existing and proposed supply of such floorspace, for each broad retail type (Refer Table 5.1).

To estimate the amount of traditional retail floorspace demand and supermarket floorspace demand generated by the main trade area population we have applied the following methodology:

- Estimated the current and future population within the main trade area, over the period 2014 – 2031.
- Applied a benchmark rate of provision for total retail of 2.2 sq.m per capita, which is the estimated rate of provision per capita across Australia. We have made a small allowance for some growth in this rate of provision over time.
- Subtracted demand for bulky goods/large format retail (LFR) (0.6 sq.m per capita) in order to estimate traditional retail floorspace demand of 1.60 sq.m per capita as at 2014. We have adopted a conservative position and not allowed for any increase in this rate of provision over time.
- Assessed the size and growth of the fresh food and grocery and packaged liquor (FLG) market generated by the main trade area population and translated this into estimated supermarket floorspace demand of 0.37 sq.m per capita.

- 0.37 sq.m is equivalent to an assumed supermarket productivity level of \$9,500 per sq.m (Calculation: Main trade area FLG spend per capita is estimated at \$4,760 per year; multiplied by 70% - i.e. FLG spend is typically directed to supermarkets; divided by 94% - i.e. 6% of supermarket turnover is generated from general merchandise categories = \$3,545 per year of supermarket spend per capita. Applying a productivity rate of \$9,500 per sq.m to \$3,545 = 0.373 sq.m per capita).
- We have then multiplied the aforementioned provision rates per capita with the main trade area population to estimate the retail floorspace demand generated by this population, for total retail; total retail excluding bulky goods; and total supermarket retail.
- We estimate total retail floorspace demand (excluding bulky goods) to be about 58,200 sq.m in 2014, and with strong population growth projected, this is expected to increase to 72,100 sq.m by 2021, and up to 96,100 sq.m by 2031 – equivalent to an increase of 37,900 sq.m or around 2,200 sq.m per annum.
- The main trade area population generates demand for around 13,500 sq.m of supermarket floorspace and this is projected to increase by a further 3,200 sq.m by 2021 and a total increase of 8,800 sq.m by 2031.
- We estimate the current provision of supermarket floorspace in the main trade area to be around 7,200 sq.m, consisting of an Aldi at Carnes Hill – 1,300 sq.m; Woolworths at Carnes Hill – 4,414 sq.m; IGA at Austral Town Centre – 1,090 sq.m and 50% of the area from the IGA at Tenth Avenue, i.e. 400 sq.m.
- We have allowed for two proposed supermarkets at Middleton Grange of 4,200 sq.m and 1,550 sq.m to be developed prior to 2021, as well as two additional supermarkets of around 3,500 sq.m to be provided in the main trade area by 2031.
- We estimate the current provision of traditional retail floorspace in the main trade area to be around 27,000 sq.m, comprised predominantly by the retail

facilities at the Carnes Hill Town Centre, as well as the current provisions at Austral Town Centre and Tenth Avenue Town Centre.

- We have allowed for the proposed 21,260 sq.m of retail floorspace indicated at Middleton Grange to be staged over time, with 16,260 sq.m to be provided in 2021 and a further 5,000 sq.m by 2026. We have also allowed for additional specialty retail to be provided as part of expansions at other centres in the main trade area between 2021 and 2031.

Having regard to all of the above, Table 5.1 shows that there is an existing market gap/leakage traditional retail floorspace of around 31,200 sq.m and around 6,300 sq.m of supermarket retail floorspace demand as at 2014.

Even with additional retail floorspace provision at the Middleton Grange Town Centre, as proposed, as well as future supply additions at other centres in the main trade area (i.e. Austral and Tenth Avenue), the estimated net leakage of traditional retail floorspace demand would be in excess of 32,800 sq.m by 2031. Net supermarket leakage would be in the order of 5,600 sq.m by 2031

Table 5.1
Middleton Grange Main Trade Area - Retail Floorspace Demand v Supply (2014-2031)

Indicator	2014	2016	2021	2026	2031
<u>Population</u>					
Main trade area	36,380	38,850	45,050	51,400	60,050
Avg. Ann. Growth		3.3%	3.0%	2.7%	3.2%
<u>Retail Floorspace Demand Per Capita</u>					
Total Retail	2.20	2.20	2.20	2.20	2.20
Traditional Retail (ex-LFR)	1.60	1.60	1.60	1.60	1.60
Supermarket*	0.37	0.37	0.37	0.37	0.37
<u>Total Retail Floorspace Demand</u>					
Total Retail	<u>80,036</u>	<u>85,470</u>	<u>99,110</u>	<u>113,080</u>	<u>132,110</u>
Cumulative change from 2014			19,074	33,044	52,074
Traditional Retail (ex-LFR)	<u>58,208</u>	<u>62,160</u>	<u>72,080</u>	<u>82,240</u>	<u>96,080</u>
Cumulative change from 2014			13,872	24,032	37,872
Supermarket	<u>13,461</u>	<u>14,375</u>	<u>16,669</u>	<u>19,018</u>	<u>22,219</u>
Cumulative change from 2014			3,208	5,557	8,758
<u>Estimated Supply</u>					
Traditional Retail (ex-LFR)	<u>27,000</u>	<u>27,000</u>	<u>46,760</u>	<u>56,760</u>	<u>66,760</u>
• Middleton Grange			16,260	5,000	
• Fifteenth Ave*			3,500		
• Austral Town Centre				5,000	5,000
• Other centres in trade area					5,000
Supermarket	<u>7,204</u>	<u>7,204</u>	<u>14,408</u>	<u>17,908</u>	<u>21,408</u>
• Middleton Grange			7,204		
• Austral Town Centre				3,500	
• Other centres in trade area					3,500
<u>Estimated Gap/Leakage</u>					
Traditional Retail (ex-LFR)	31,208	35,160	25,320	25,480	29,320
Percentage leakage from TA	54%	57%	35%	31%	31%
Supermarket	6,257	7,171	2,261	1,110	811
Percentage leakage from TA	46%	50%	14%	6%	4%

*Assumed about 50% of Fifteenth Avenue development is attributed to retail.

**0.375 equates to an average sales per sq.m rate of \$9,500 per sq.m in 2014

Source: Property Council of Australia; ABS; NSW DPE; MacroPlan Dimasi

5.2 Escape expenditure

The analysis above shows that there is significant supermarket and traditional retail floorspace demand generated by the main trade area population, that is expected to grow considerably in the future over the period to 2031, increasing by about 80% over this timeframe.

Of the demand that is presently being met in the trade area, much of this is attributed to Carnes Hill Town Centre and the retail facilities within this centre. However, as indicated in Table 5.1, more than 50% of traditional retail floorspace demand escapes from the main trade area and around 50% of supermarket demand escapes from the trade area.

The significant market gap that currently exists indicates that residents are forced to undertake a significant proportion of their supermarket shopping trips and other higher order retail trips to centres beyond the trade area – to centres such as Green Valley, Miller Centre, Cecil Hills, Liverpool City Centre while residents would also conduct some of their shopping near their places of work and elsewhere across Sydney.

The estimation of the market gap is considered to be an indicative assessment of the need for retail facilities and is useful in enabling reasonable conclusions to be drawn as to the likely impact of any particular new development. If, within the area that the proposed development is most likely to serve, there is a clearly identified market gap, then it logically follows that the impacts on existing facilities within that area will be able to be comfortably absorbed. That does not necessarily mean that there would be no impact, however, it does mean that there appears to be ample scope for existing facilities in the locality and the proposed development to trade successfully.

We do not suggest that all of the traditional retail floorspace demand and supermarket demand generated by main trade area residents should be retained within the main trade area. There are inevitably outflows of expenditure from any trade area, just as there are inflows from tourists/passers-by/residents of other areas. Assessing the market gap provides a broad indication as to whether a

community has convenient access to a sufficient quantum and range of supermarket facilities.

A corollary of escape expenditure is captured expenditure. Just as retail facilities provided in any area would not be expected to capture all of the available expenditure generated by residents of that area, it is also the case that they would be expected to capture some business from residents of other areas. Our analysis does not account for potential inflows that may occur from beyond the trade area.

5.3 Non-retail commercial uses

Other employment generating uses identified as part of the proposed development concept include commercial/mixed use space, medical uses, child care, entertainment uses, a large gym and a community centre. Generally, the demand for the uses identified above will be driven by growth in the population in the main trade area, which is expected to increase by 60% by 2031. Table 5.2 provides an indicative demand analysis for the various uses identified above. We make the following key points:

Medical uses

- There are currently only two medical centres in the primary trade area, including the Hoxton Park Medical Centre and Hoxton Park Healthpoint. There are two small facilities to the west of Middleton Grange in the secondary west sectors including the West Hoxton Medical Centre which is supported by ancillary allied health uses like pathology, dentist, chiropractor and a podiatrist, and there is a small doctor's surgery at the Austral Village Centre (i.e. Tenth Avenue). There are three medical centres in Carnes Hill – two of which are located within the Carnes Hill Town Centre.
- Demand for medical centres is estimated using population thresholds for general practitioner (GP) provision. There is generally one GP provided per 500 persons of population across Australia, but this threshold is slightly higher in metropolitan greenfield growth area locations (i.e. less doctors per people). We

have therefore applied a rate of one GP per 1,000 persons to estimate demand for this type of use.

- We estimate demand for general practitioners generated by the main trade area population to increase from approximately 36 GPs to about 60 GPs by 2031 as the future population grows considerably, an increase of 24 GPs. This growth would be equivalent to several additional medium sized medical centres (5 - 10) or 1 – 2 larger medical centres/health facilities (i.e. 10 – 20 doctors) over this time. In the context of the existing provision of medical facilities, and the projected growth, we consider that there is a strong demonstrated need for a medical centre offer at Middleton Grange.

Childcare

- There are around 20 childcare facilities across the main trade area, but only four facilities in the primary sector, as well as an out of school hours care facility at Middleton Grange. There is also an approved 90 place child care several kilometres to the west at 280 Fifteenth Avenue, which is expected to be built during 2015.
- Long day care child care demand is driven, more or less, by growth in the general population which however, more specifically, by the size and growth of the population of children aged 0 – 4 years. The profile of new residents to new growth area suburbs tends to include a higher than average proportion of young families, with young children. In broad terms, the demand for child care places is expected to increase by more than 75% over the period to 2031, increasing from around 400 places to about 700 places over this period.
- This growth would equate to around 5 – 10 new childcare centres ranging between 30 and 60 places. The provision of new childcare facilities at Middleton Grange is considered reasonable in the context of the above demand growth.

Entertainment

- Entertainment uses could include bowling, laser tag, indoor trampolining, indoor sports centres and the like. However, because this planning proposal is at an early conceptual stage, there is no certainty around which type of use this could be and we have not explicitly examined the need/demand.

Table 5.2						
Middleton Grange Town Centre - Main trade area demand for other employment uses						
Category	2014	2016	2021	2026	2031	2014-31
MTA Population	36,380	38,850	45,050	51,400	60,050	23,670
Medical uses						
Persons per GP	1,000	1,000	1,000	1,000	1,000	
Demand for GPs	36	39	45	51	60	24
Child Care						
Share of pop (0-4 years)	6.5%	6.6%	6.7%	6.8%	6.9%	
Population (0-4 years)	2,365	2,564	2,996	3,495	4,143	1,779
Proportion requiring formal childcare	40%	946	1,026	1,198	1,398	1,657
Proportion requiring long day care	85%	804	872	1,019	1,188	1,409
Avg usage per week (2.5 days p.w.)	50%	2.5	2.5	2.5	2.5	2.5
Total Places	402	436	509	594	704	302
Source: ABS, MacroPlan Dimasi						

In summary, there is a clear picture that emerges in the above analysis that shows that there is an undersupply of certain types of non-retail uses in the main trade area, and that additional population growth (of about 60%) will drive the need for additional services.

The proposed development concept at Middleton Grange would see a consolidation of these use provided on one location, which would encourage multi-purpose trip linking and would be conveniently located, with considerable car-parking.

Section 6: Economic impacts

This section of the report examines the potential sales volumes that could be achieved by the proposed retail component of the development, then assesses the likely trading/timing impacts on the current and future centres hierarchy in the surrounding region, and discusses the implications of these impacts. This section also has regard to the potential impacts of the other commercial/employment uses on the surrounding centres hierarchy.

6.1 Retail trading impacts

Purpose of assessing retail trading impacts

The purpose of an impact assessment is to provide guidance as to whether or not there is likely to be a net community benefit or disbenefit from any proposed development. In particular, if there is a real possibility of some existing facilities potentially being impacted to such a degree that they may be lost to the community and if the service or services provided by those facilities are not at the very least replaced by the proposed new facilities, then a community disbenefit could result.

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network if the proposed development at the subject site were to proceed as planned.

These estimates provide indications as to whether the scale of the proposed retail development is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the proposed retail development, and whether any future planned centres may be impacted to the extent that their role and function is affected, and their timing is impacted.

In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes. The competitive response of each relevant centre or trader is one such factor, as are further redevelopments/improvements which one or more of the competitive network of centres might implement.

Context of proposed town centre expansion

Table 6.1 summarises our estimates of the potential retail sales that could be generated by the proposed retail component of the development concept at the subject site. For the purposes of this assessment, we have assumed that the development is staged over time, with the first stage developed by mid-2018 (i.e. first full year of trade around 2018/19) and a second stage, potentially developed around 2023/24

We have estimated the first stage of the development could potentially generate sales in the order of \$85.6 million in its first full year of trade, at an average RTD of \$6,000 per sq.m, equating to a market share of available main trade area expenditure of around 15.7%.

Table 6.1
Middleton Grange - Estimated retail sales (2018/19 and 2023/24)

Type of use	Stage 1- 2018/19			Stage 2 - 2023/24			Incremental on Stage 1
	Est. size (sq.m)	Est. RTD* (\$/sq.m)	Est. Sales** (\$m)	Est. size (sq.m)	Est. RTD* (\$/sq.m)	Est. Sales** (\$m)	
DDS	4,000	2,750	11.0	4,000	2,956	11.8	0.0
Supermarket	5,750	9,250	53.2	5,750	9,944	57.2	0.0
Mini-major & specialty	<u>4,500</u>	<u>4,750</u>	<u>21.4</u>	<u>8,000</u>	<u>5,000</u>	<u>40.0</u>	<u>15.4</u>
Total core retail	14,250	6,004	85.6	17,750	6,141	109.0	15.4
Ancillary non-retail***	1,010	n.a.	n.a.	2,510	n.a.	n.a.	n.a.
Pub/tavern	<u>1,000</u>	n.a.	n.a.	<u>1,000</u>	n.a.	n.a.	n.a.
Total retail & ancillary	16,260			21,260			
Main trade area expenditure			464.0			554.7	
Est. share from beyond trade area			15%			15%	
Est. main trade area market share			15.7%			16.7%	

*RTD = Retail turnover density. Expressed in constant \$2013/14.

**Sales in constant \$2013/14.

***E.g. banks, travel agents, massage parlours, medical insurance, govt. admin, leisure type uses

Source: MacroPlan Dimasi

By 2023/24 we estimate that the an additional stage of development could result in centre sales of around \$109 million, equivalent to around \$6,140 per sq.m, and a main trade area market share of around 16.7%.

This equates to an incremental uplift of around \$15.4 million in the year 2023/24 compared with a scenario where only Stage 1 were to proceed – in order to determine the impacts from Stage 2 specifically.

Impacts methodology

The following factors are typically considered when assessing the potential impacts of a new retail development, or expansion, on each existing facility or centre:

- The distance of the (impacted) centre, or retail precinct, by road, from the proposed development.
- The size of the centre or precinct, in terms of total retail floorspace.
- The role and function of the centre or precinct.
- Relative accessibility and relative convenience compared with the proposed retail development.
- The estimated performance of the centre/precinct (in current sales) and future performance (in the impact year). This accounts for any future developments in the region that may also impact on the future sales of existing centres.

In order to understand whether any particular centre may be impacted to the extent that its continued viability or effective operation might be in question, we have estimated specific retail impacts that we expect surrounding centres to experience following the proposed development at Middleton Grange Town Centre.

We have estimated the trading impacts using the following methodology, assuming that Stage 1 will be open for trade in 2018/19 and a Stage 2 will be open for trade in 2023/24:

- Column 1 presents the estimated sales performance of centres within the surrounding competitive supply network at 2013/14, based on inspections of the various facilities, available datasets and other known information.
- Column 2 details the estimated sales for the surrounding competitive supply network as at 2018/19, under a Do Nothing scenario (i.e. without the Stage 1 development at Middleton Grange). This estimated sales performance has regard for the planned developments in the region (i.e. accounts for cumulative impacts). This does not include the proposed Fifteenth Ave development, as there is no indication as to the potential composition of this development.
- Column 3 presents the estimated sales performance of the surrounding competitive supply network as at 2018/19, assuming the Stage 1 development proceeds.
- Columns 4 and 5 then detail the estimated trading impact (in dollar and percentage terms) of the Stage 1 development, which is determined by comparing the estimated sales for each competitive centre with and without the Stage 1 development.
- Column 6 then presents the estimated sales performance of the surrounding supply network at 2023/24, assuming the Stage 1 development occurs, therefore reflecting the estimated sales from Column 3, grown forward by five years. Higher growth rates are applied for centres in fast growing/greenfield development areas, than those in established locations.
- Column 7 outlines the estimated sales performance of the competitive supply network at 2023/24, assuming the Stage 2 development opens for trading by 2023/24.
- Columns 8 and 9 then detail the estimated trading impact (in dollar and percentage terms) of the Stage 2 development. This impact is calculated by

comparing the estimated sales for each centre with and without the Stage 2 development (i.e. Column 6 vs Column 7).

Table 6.2									
Middleton Grange - Estimated sales transfer on specific centres, 2018/19 & 2023/24*									
Centre/Suburb	Estimated Sales (\$M)	Estimated sales Projected 2018/19		Estimated Impact, 2018/19		Estimated sales Projected 2023/24		Estimated Impact, 2023/24	
	2013/14 (1)	No dev't (2)	With dev't (3)	\$M (4)	% (5)	No dev't (6)	With dev't (7)	\$M (8)	% (9)
Within trade area									
Carnes Hill Town Centre	159.5	172.6	150.1	-22.5	-13.0%	163.7	159.7	-4.1	-2.5%
Austral Town Centre**	15.7	19.1	17.6	-1.5	-7.8%	51.4	51.2	-0.3	-0.5%
Tenth Avenue	12.4	15.1	14.0	-1.1	-7.3%	14.7	14.5	-0.2	-1.3%
Hoxton Park	6.9	7.6	7.5	-0.2	-2.0%	8.2	8.2	0.0	-0.3%
Total within trade area	194.5	194.5	169.3	-25.3	-13.0%	183.2	178.7	-4.6	-2.5%
Beyond trade area									
Valley Plaza	78.5	84.9	78.4	-6.5	-7.7%	86.6	85.4	-1.2	-1.4%
Miller Central***	33.0	48.7	46.2	-2.5	-5.1%	51.0	50.5	-0.5	-0.9%
Prestons	6.9	6.7	6.7	0.0	0.0%	7.4	7.4	0.0	0.0%
Cecil Hills Marketplace	31.6	34.2	32.2	-2.0	-5.8%	35.6	35.2	-0.4	-1.0%
Flowerdale	32.0	32.6	30.6	-2.0	-6.1%	33.8	33.4	-0.4	-1.1%
Aldi Edmondson Park****	n.a.	15.0	14.5	-0.5	-3.3%	16.0	15.9	-0.1	-0.6%
Casula Mall	190.9	196.7	187.2	-9.5	-4.8%	206.7	205.0	-1.7	-0.8%
Bonnyrigg TC	120.0	128.9	119.4	-9.5	-7.4%	130.5	128.8	-1.7	-1.3%
Ed Park Town Centre****	n.a.	36.5	36.5	0.0	0.0%	46.6	46.6	0.0	0.0%
Liverpool CBD	650.0	693.6	683.6	-10.0	-1.4%	754.7	752.9	-1.8	-0.2%
Total BTA centres	1,142.9	1,262.8	1,220.8	-42.5	-3.3%	1,352.8	1,345.3	-7.7	-0.6%
Total identified centres	1,337.4	1,457.3	1,390.0	-67.8	-4.6%	1,536.0	1,523.9	-12.2	-0.8%
Other centres/locations	n.a.	n.a.	n.a.	-17.8	n.a.	n.a.	n.a.	-3.2	n.a.
Total impacts				-85.6				-15.4	

*Constant 2013/14 dollars & including GST
 **Assumes Austral expands between 2018/19 and 2023/24
 ***Includes new Aldi
 ****Assumes Aldi at Edmondson Park is developed by 2015, and Edmondson Park Town Centre by mid-2017
 Source: PCA; MacroPlan Dimasi

Typically, the development of new sub-regional retail facilities, such as those being considered at Middleton Grange Town Centre result in the largest impacts being experienced by the closest like-for-like regional and sub-regional shopping centres.

We therefore expect the largest dollar impacts to be experienced by the surrounding regional and sub-regional shopping centres and including first and foremost, Carnes Hill Town Centre, but also Casula Mall, Bonnyrigg Town Centre and the Liverpool CBD.

A projection of likely impacts on individual centres must be regarded as indicative only, since there are many factors that will go to determine the future sales performance of any shopping or activity centre. Not least amongst those factors are the initiatives or changes which the centre in question might choose to implement, particularly as a competitive response to improvements at another centre.

Our assessment of the likely distribution of the total impact of the future development at Middleton Grange Town Centre accounts for other developments that could be expected to occur, i.e. cumulative impacts have been considered.

The factors that are most likely to determine the extent to which each of the competitor centres will be impacted include the proximity of the centre and also the direct competitive relevance of the centre in question.

We estimate impacts resulting from the proposed Stage 1 development are generally less than 8% for all centres, except for Carnes Hill Town Centre, where we estimates in the first stage could be in the order of 13%.

We estimate the proposed Stage 2 expansion will result in very minor impacts of less than 2.5% for any individual centre.

Generally, retail trading impacts between 10% and 15% are considered by the industry to be significant but acceptable, with impacts less than 10% considered relatively moderate, and impacts less than 5% generally considered to be minor/negligible. However, other factors such as the current trading performance, potential loss of services to the community, expected growth in the region and overall net community benefit should also be considered.

Because there is such significant future growth expected in the main trade area, and indeed, the areas surrounding the main trade area (e.g. Edmondson Park, Leppington, East Leppington), we estimate that by 2023/24, all centres would be trading above current trading levels (in real terms), even with the provision of new retail facilities at Middleton Grange and having regard to other proposed retail developments.

It might well prove to be the case that some of the impacts on some of the centres might be a little lower than these estimates, while others might be a little higher, again depending on competitive responses which each of these centres might choose to make. However, these impacts are considered to be minor, and will be temporary in nature, with impacts across all centres expected to dissipate quickly, given the significant projected population and retail market growth within the trade area.

This analysis demonstrates that the roles and functions of none of the higher order centres, or indeed proposed town centres will be compromised by the proposed development. Nor will the proposed development have a detrimental effect on the role of the surrounding neighbourhood shopping centre network, as these centres will continue to serve the convenience and top-up shop needs of their respective local catchments.

In summary, the proposed development is not expected to impact on the existing or proposed centres hierarchy in the region, and represents a suitable development within a designated centre. We recommend a staged development that would serve to minimise/mitigate trading impacts across the network.

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Section 7: Economic and community benefits

This section of the report analyses the economic and consumer benefits which are likely to flow from the proposed development, in particular employment creation.

7.1 Employment impacts

The proposed development concept being considered for the Middleton Grange Town Centre could support significant permanent employment as well as further jobs across the broader economy in the form of multiplier induced impacts. For example, additional supply chain jobs will be created across industries servicing the retail and non-retail tenants at the site, including transport workers, wholesalers and the like.

The planning proposal will enable additional on-going employment within the town centre, and further multiplier induced employment, than could otherwise be generated under the current zoning of the subject site.

Table 7.1 presents estimates of the expected employment that could potentially be supported at the Middleton Grange Town Centre subject site, assuming the proposed development concept is developed in its entirety.

We have relied upon various data sources including data from retailers, the ABS, state and local government agencies, as well as 30 years of experience as consultants to the retail and property development industries to estimate the employment impacts.

As shown, the proposed development concept could potentially result in around 883 jobs on site (i.e. 741 full-time equivalent (FTE) jobs). Allowing for a small redistribution of employment elsewhere across the region, estimated to be in the order of 5%, the overall incremental employment that could be created at the centre is estimated 839 jobs, or around 678 FTE jobs.

Table 7.1
Middleton Grange Town Centre - Potential employment creation

Type of use	Area (sq.m)	Job Ratio (sq.m/job)	Jobs (Total jobs)	FTE * Ratio	Jobs (FTE jobs)
Retail					
Major Retailer	9,750	35	279	80%	223
Mini-major & specialty shops (inc. Restaurants)	<u>11,510</u>	25	<u>460</u>	80%	<u>368</u>
Total retail	21,260		739		591
Commercial/other					
Commercial	2,490	35	71	90%	64
Medical	1,200	50	24	80%	19
Community Centre	500	250	2	80%	2
Entertainment	2,090	200	10	80%	8
Childcare	<u>1,100</u>	30	<u>37</u>	80%	<u>29</u>
Total commercial/other	7,380		144		123
Total dev. area GLA	28,640		883		714
Potential impact other centres			<u>5.0%</u>		<u>5.0%</u>
Net employment creation			839		678

*FTE = Full-time Equivalent positions
Source: APP Corporation Pty Ltd; MacroPlan Dimasi

Table 7.2 provides an estimate of the total additional employment that would be created as a result of the proposed development, including both direct (i.e. on-site) employment and indirect (i.e. multiplier induced) employment. To calculate the likely total economic stimulus that can be attributed to the proposed expansion due to the employment which it will create, we have had regard to ABS Australian National Accounts Input/Output multipliers.

As shown in Table 7.1, we estimate the proposed development could result in around 839 additional jobs on site. Having regard to employment multipliers from the ABS, we estimate this would also lead to a further multiplier induced jobs, equating to a total of 336 jobs across the broader economy. The proposed expansion will therefore result in a significant stimulus to local employment within the local area, and also the wider NSW economy.

The very substantial number of additional jobs that will result from the proposed development is a direct economic benefit which can be quite clearly assessed, as set out above. There will also be temporary employment created through the construction phase of the project and there will be other significant consumer

benefits resulting from the project, which though a little more difficult to quantify are nonetheless equally important. Those benefits are discussed in Section 7.3.

Table 7.2 Middleton Grange Town Centre - Estimated potential employment across economy			
Type of use	Direct net employment	Supplier employment multiplier effects	Total employment economy
Total retail	702	281	983
Total commercial/other	<u>137</u>	<u>55</u>	<u>192</u>
Total dev. area GLA	839	336	1,175
* Employment totals include both full-time and part-time work Source: APP Corporation Pty Ltd; MacroPlan Dimasi			

7.2 Other economic and community benefits

In addition to the additional employment impacts outlined above there are a range of other net community benefits that could potentially be realised if the planning proposal is approved and the development concept is realised. These are outlined as follows:

- Reduced travel distances and times for current and future residents of Middleton Grange, and the broader main trade area, when accessing retail amenities and other commercial, community and entertainment uses.
- Additional retail choice and competition for current and future residents of Middleton Grange, and residents more broadly across the main trade area.
- Improved housing choice and residential density within the Liverpool LGA, which is important considering the rising prices of housing across metropolitan Sydney. High density, smaller scale apartment style residential development should lead to more affordable housing outcomes, particular if prices for larger, detached housing product reach particular threshold levels, as high density living becomes a worthwhile value proposition for a consumer.
- Improved job access for future residents of the Middleton Grange town centre, and indeed, residents more broadly across Liverpool LGA and SWGC.

- Jobs, retail amenities, lifestyle development and services in proximity to high density living. This is a key principle of *A Plan For Growing Sydney* and is particularly important for a town centre that does not have rail access.
- Increased investment/economic stimulus in the Liverpool LGA, which will flow-through to job creation and should provide some stimulus to residential development in the Middleton Grange precinct.
- Will assist to meet employment and residential dwelling targets for the Liverpool LGA, within minimal impacts on the surrounding environment due to the compact nature of the proposed development (i.e. high density).
- Provision of wide range of retail and commercial uses, in an accessible and community oriented main street design, including community centre, child care facility and medical uses.
- Consistency with the local council strategic plans and policies, which outline significant future need for additional retail and commercial floorspace across the Liverpool LGA and identify Middleton Grange as a key town centre within the centres hierarchy.



