1.1 Planning proposal

The subject site comprises an area of 730 sq.m and is presently zoned R4 - High Density Residential under the Fairfield Local Environmental Plan (LEP) 2014.

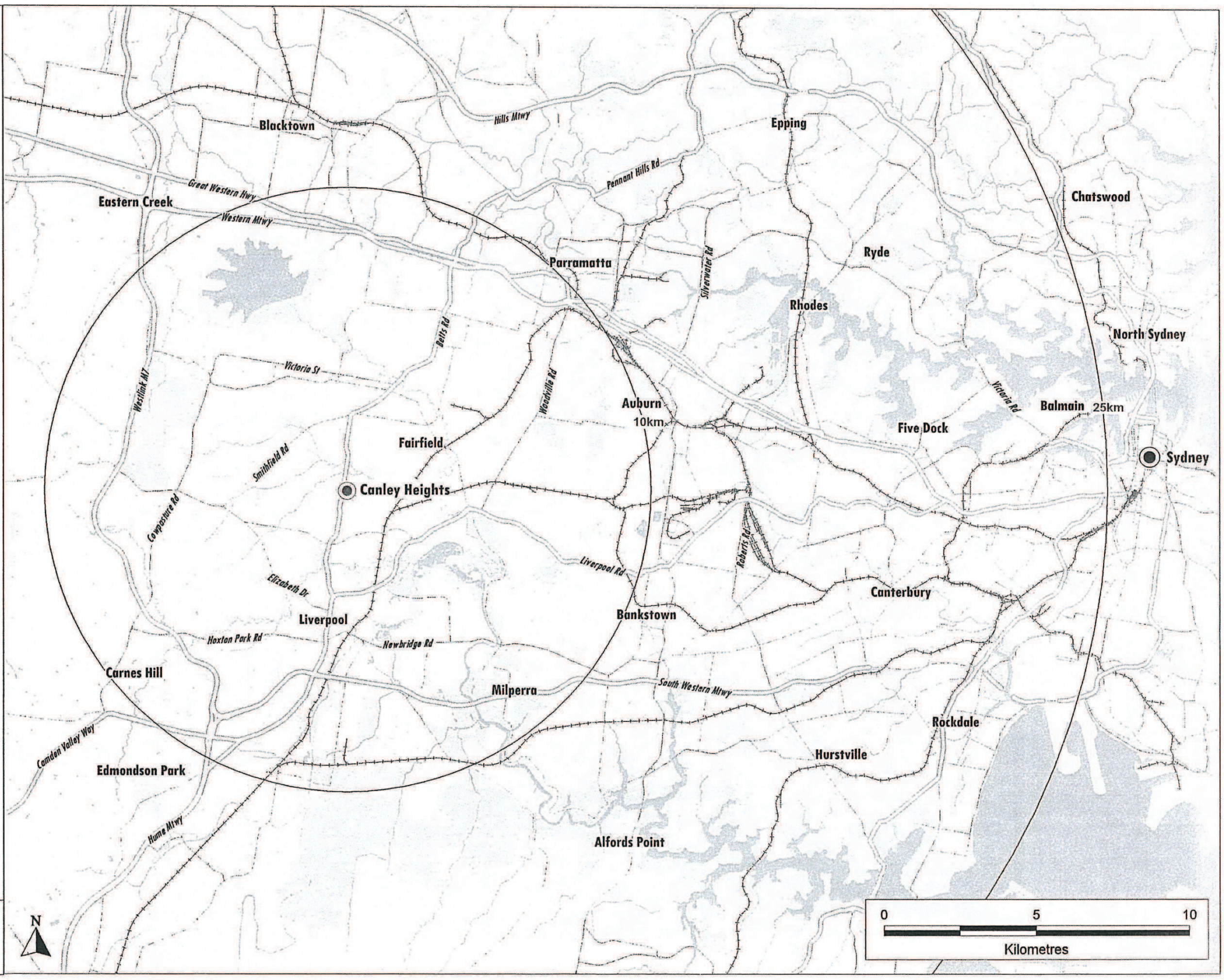
This report examines the potential economic impacts were the subject site to be rezoned to B2 - Local Centre, which would allow small scale retail/commercial uses to be developed at the subject site. The subject site area (at 730 sq.m) means that the site can only provide small scale retail/commercial facilities.

We understand that the proposed development concept will include a small retail ground floor tenant, with first floor commercial, totalling 1,060 sq.m. The potential impacts of this development are analysed throughout this report.

Map 1.1

Canley Heights

Regional Context



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Map 1.2

Canley Heights

Site Location

Legend *

- Site Location
- B2 Local Centre Zone

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1.2 Fairfield Council Retail/Centres Policy

The Fairfield Retail Policy was endorsed in 2006 by Fairfield City Council. It was a key recommendation from the Fairfield Council Retail and Commercial Centres Study (prepared in 2005), and the purpose of the policy is to:

> *"...describe the retail/commercial role of each of the types of centres in Fairfield City and provide consistent criteria against which rezoning or development applications for new retail/commercial proposals will be assessed by Council."*

The Retail Policy's primary function was to provide Fairfield Council with a frame of reference for assessing development applications for retail floorspace within the Fairfield LGA, including guidance around the role and function for specific centre types, the assessment criteria required for economic impact assessments and measures for accommodating out-of-centre development such as bulky goods.

The Retail Policy encourages the preservation of the established centres hierarchy and outlines the following key assessment criteria for "neighbourhood centres", such as Canley Heights Local Centre:

- That any expansion proposal not alter the role of the neighbourhood centre within Fairfield's retail system.
- That any expansion proposal not unacceptably affect the range of services available in nearby sub-regional centres or local shop groups.
- That any proposed development does not rely on an expansion of the existing trade area of a neighbourhood centre for its viability.
- That a development proposal result in an outcome consistent with the current role of the centre.
- That a development proposal will strengthen the viability of a centre, particularly its core function of providing supermarket services.

We have undertaken our assessment of potential economic impacts having regard to the above criteria.

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Section 2: Trade area analysis

This section of the report reviews the likely trade area served by the Canley Heights Local Centre, including estimation of the current and future population of this trade area, the socio-demographic profile of this population and current and future retail floorspace demand.

2.1 Trade area definition

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

i. The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre 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. In CBD locations, the street interface and pedestrian accessibility is an important element.

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.

We have had regard to the above factors in determining the likely trade area served by the Canley Heights Local Centre, as well as the considering the trade area defined for Canley Heights in the Fairfield City Retail and Commercial Centres Study (from 2005).

The Canley Heights Local Centre includes an IGA supermarket, a large Asian supermarket, as well as a sizable range of supporting food specialty retail, retail services, cafes, take-away shops, restaurants and other general retail, allowing it to serve a population within a 1-2 km radius.

At the time the Fairfield City Retail and Commercial Centres Study was prepared, the Canley Heights Local Centre was run-down and had more vacancies than it currently does. Since that study additional car-parking, and new commercial development occurred in the centre and it is now a vibrant/popular destination. Because of these factors we consider that the actual trade area served by the centre would serve a defined primary sector around Canley Heights but would also include additional areas to the east, west and south.

The trade area has been defined to include one primary sector and three secondary sectors, as illustrated on Map 2.1 and described as follows:

- The **primary sector** generally includes the primary trade area defined in the Fairfield City Retail and Commercial Centres Study, essentially the suburb of Canley Heights.
- The **secondary east sector** extends eastwards from the primary sector towards the Canley Vale train station, and includes part of the suburb of Canley Vale.
- The **secondary south sector** includes parts of Cabramatta and Cabramatta West.
- The **secondary west sector** extends west from the primary sector and is bound by the creek/reserve, including part of the suburb of Wakeley.

The combination of the primary and secondary sectors is referred to as the <u>main trade area</u> throughout the remainder of this report.

Map 2.1

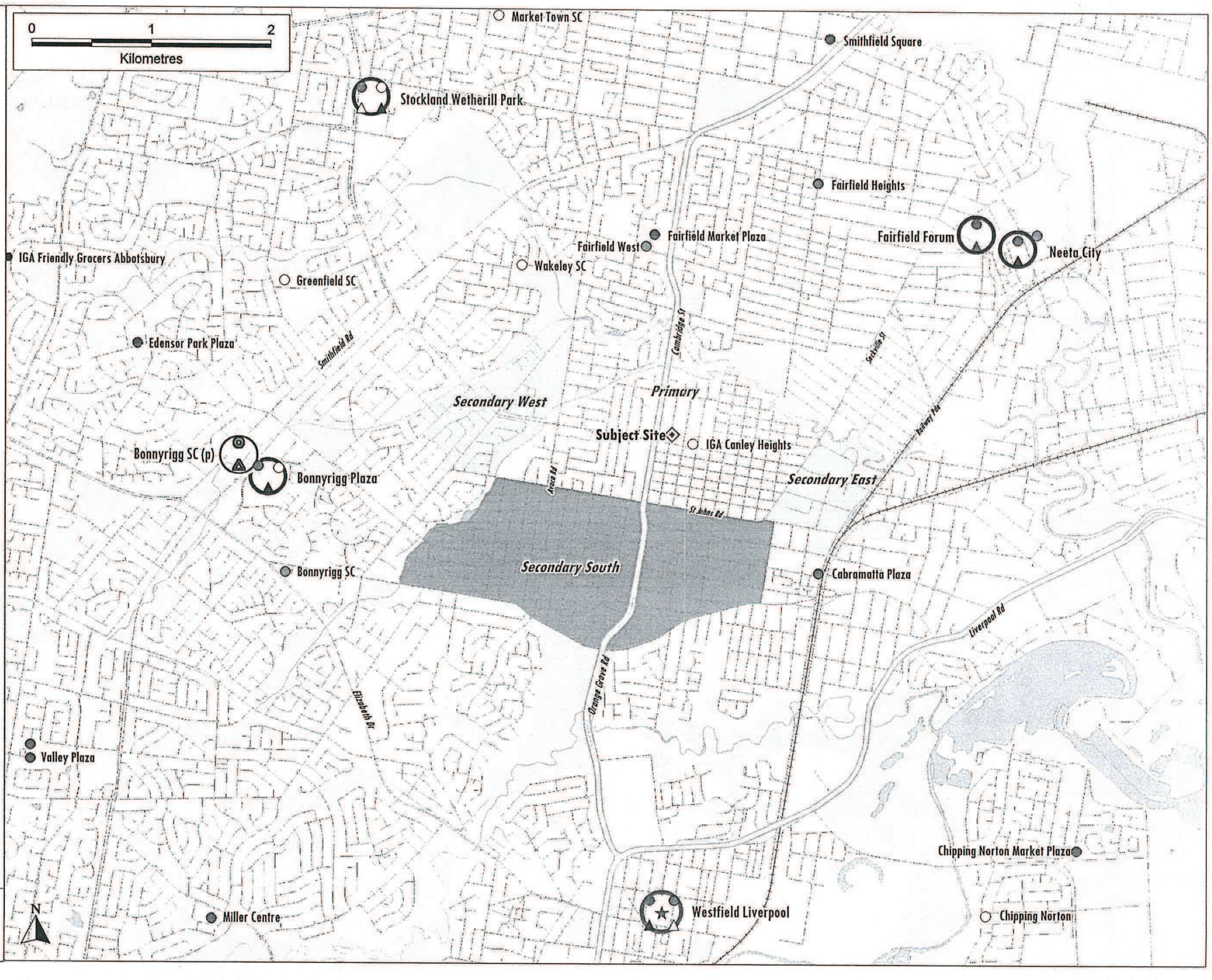
Canley Heights

Trade Area & Competition

Legend *

- Regional Centre
- Sub-Regional Centre
- Myer
- Big W
- Target
- Kmart
- Woolworths
- Coles
- Aldi
- Supa IGA / IGA
- Other Smkt (inc. Foodworks, IGA Express etc.)

** Hollow symbols indicate proposed stores*



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2.2 Trade area population growth

Table 2.1 details the current and projected population levels within the resident main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics (ABS) Census of Population and Housing data (2006 and 2011).
- ABS New Dwelling Approval Data (2006-2011).
- ABS Estimated Resident Population (ERP) (2012-2013)
- NSW Department of Planning and Environment (DPE) Household and Population projections (2010 and preliminary 2013)
- Investigations into planned residential developments undertaken by MacroPlan Dimasi.

The main trade area population is currently estimated at 32,100 (i.e. in 2014), including 11,700 persons in the key primary sector. Over the most recent inter-censal period (2006-2011), the main trade area population grew at an average rate of 1.0% per annum, equivalent to 340 persons per year.

The main trade area is generally an established residential area, and future population growth is expected to consistent of natural population growth and infill residential development.

Having regard to the information sources above, we estimate the main trade area population to grow at an average annual rate of 0.5% to reach 34,100 by 2026.

Table 2.1

Canley Heights trade area population, 2006-2026*

Trade area sector	Estimated population 2006	2011	2014	Forecast population 2016	2021	2026
Primary	10,670	11,440	11,710	11,770	12,020	12,220
Secondary sectors						
• East	3,000	3,120	3,210	3,250	3,350	3,450
• South	13,140	14,100	14,550	14,750	15,150	15,550
• West	2,580	2,540	2,630	2,670	2,770	2,870
Total secondary	18,720	19,760	20,390	20,670	21,270	21,870
Main trade area	**29,390**	**31,200**	**32,100**	**32,440**	**33,290**	**34,090**

Trade area sector	Average annual growth (no.) 2006-11	2011-14	2014-16	2016-21	2021-26
Primary	154	130	80	80	80
Secondary sectors					
• East	24	30	20	20	20
• South	192	150	100	80	80
• West	-8	30	20	20	20
Total secondary	208	210	140	120	120
Main trade area	**362**	**340**	**220**	**200**	**200**

Trade area sector	Average annual growth (%) 2006-11	2011-14	2014-16	2016-21	2021-26
Primary	1.4%	0.8%	0.3%	0.4%	0.3%
Secondary sectors					
• East	0.8%	1.0%	0.6%	0.6%	0.6%
• South	1.4%	1.1%	0.7%	0.5%	0.5%
• West	-0.3%	1.2%	0.8%	0.7%	0.7%
Total secondary	1.1%	1.1%	0.7%	0.6%	0.6%
Main trade area	**1.2%**	**1.0%**	**0.5%**	**0.5%**	**0.5%**

**As at June*

Source: ABS Census 2011; NSW Department of Planning and Environment 2010 & preliminary 2013; MacroPlan Dimasi

2.3 Socio-demographic profile

Table 2.2 details the socio-demographic profile of the resident main trade area population, comparing this profile with the respective benchmarks for metropolitan Sydney and Australia. This information is sourced from the 2011 ABS Census of Population and Housing. The key points to note include the following:

- Main trade area residents earn per capita and per household incomes that are significantly below the metropolitan Sydney average, by 48% and 39% respectively.

- The main trade area population consists of a higher than average proportion of children (21%) and 15-19 year olds (9%) compared with the metropolitan Sydney average.

- The majority of the main trade area population is overseas born (61%), which is significantly higher than the metropolitan Sydney average of 36%. There is a particularly strong skew towards Asian born residents (45%).

- The main trade area consists mainly of households comprised of couples with dependent children (46.5%) and a higher than average proportion of one parent households (23%), compared to the metropolitan Sydney average (12%).