

# MERRYLANDS WOODVILLE ROAD

## Economic Impact Assessment



Prepared for Merc Capital

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## Quality Control

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## EXECUTIVE SUMMARY

HillPDA was commissioned by Merc Capital to undertake this Economic Assessment (hereafter referred to as 'the Study') related to a Planning Proposal for the rezoning of the site at 246-264 Woodville Road, Merrylands (the 'Subject Site'). The Subject Site comprises a 3,000sqm John Cootes furniture store and a number of small lots fronting Lansdowne Street on the northern boundary that are currently occupied by 1 to 2 storey homes. The Subject Site is approximately 2.6 hectares. Immediately to the south is a service station, fast food outlets and an ALDI foodstore.

### **The Planning Proposal**

The proposed development includes the removal of the existing 3,000sqm furniture store and the development of neighbourhood centre that includes a mix of commercial, community and recreational uses in lower building podium levels, and residential apartment buildings above the podium. The mix of uses includes a total of approximately 8,900sq.m of retail floor space comprising a 4,000sqm anchor supermarket, 2,400sqm of freshfood, 1,500sqm chemist and/or newsagency, and 1,000sqm of café / restaurant. The proposed mix of uses complement each other in a neighbourhood centre scale and form of development.

### **Demand for Retail and Commercial Services (Section 3)**

The likely primary trade area (PTA) east of the railway line is a walkable catchment of 500m to 800m. This is an area of 4,000 people that will increase to 6,000 people by 2031. The proposal also offers a convenient alternative for food and grocery shopping for many Merrylands residents west of the railway line using private motor vehicle. This area, defined as PTA West, houses around 5,800 people, and is expected to increase to 6,700 by 2031.

The proposal is also likely to have a wider, but much thinner, secondary trade area (STA) extending into the suburbs of Guilford, Granville, South Granville, Guildford West and Merrylands West. The total main (wider) trade area (MTA) is an area of 67,000 people expected to increase to 88,000 by 2031. This is a wide area with only one full line supermarket being the Woolworths store in Granville.

Expenditure from the MTA is expected to increase from \$725m in 2017 to \$1.07 billion by 2031. Average spend per person at around \$10,500 is considerably lower than NSW average (around \$13,750) due to lower than average income levels. However lower income households spend a higher proportion of their total spend in supermarkets and grocery stores – 34% in this case compared to 30% for NSW.

HillPDA estimates demand for more than 12,000sqm of retail space in the PTA East by 2021. This is expected to increase to 16,400sqm by 2031. More than 80% of this demand is in food services including supermarket space. With an estimated 2,200sqm existing supply, being the ALDI foodstore and several fast food outlets, there is ample demand for additional retail space. Growth in expenditure in the MTA will generate demand for an additional 52,000sqm of retail floor space from 2017 to 2031.

### **Retail Trading Assessment (Section 4)**

Existing centres in the locality will enjoy growth in retail trade due to growth in population and expenditure in the wider trade area. All centres will experience and increase in trading levels from 2018 to 2023 with or without the proposed centre on Woodville Road. On this basis, the trading impacts of the proposed centre would be acceptable. The proportion of growth in expenditure captured by the new centre is well within acceptable limits enabling other centres to share some of that growth. The proposed neighbourhood centre would therefore not threaten the role, function or commercial viability of any existing centre.

## Economic Impacts (Section 5)

The below table summarises the economic benefits of the Planning Proposal compared to the current uses.

Economic Performance Indicator	Current Uses	Planning Proposal
Total Jobs on site	35	804
Total Workers Remuneration (\$m/ann)	\$1.5	\$26.4
Gross Value Added (\$m/ann)	\$2.3	\$37.9
Construction Costs (\$m)	-	\$150
Value of total Economic Activity from construction (\$m)	-	\$486
Jobs Years in Construction	-	323
Total direct and indirect Job Years during construction	-	1,281

The Planning Proposal would lead to a net increase in jobs (+769 jobs), workers remuneration (+\$24.9m) and gross value added (or contribution to GDP) (+\$35.6m). Construction would generate additional economic activity (+\$486m), 323 job years directly in construction and a further 958 job years through production and consumption induced multiplier impacts.

Following full development in 2023 the primary trade area will house almost 11,000 people which in itself will warrant a full-line supermarket based shopping centre (generally considered to be around 9,000 to 10,000 residents). From 2018 to 2026 the MTA will house an additional 11,700 people meaning that the proposed centre is responding to growth as well as responding to a current undersupply of supermarket space.

The provision of a centre at the Subject Site would widen the retail offer for residents in the trade area and serve the growing community in the Merrylands Guildford area. The local centre would also provide a shopping destination and would contribute towards ensuring Merrylands as a desirable and sustainable place in which to live, work and shop.

## Summary

There are considerable economic benefits of Planning Proposal. It would assist in meeting strong demand for housing in the area and provide additional employment generating uses.

Given the subject site's proximity to the transport hub, schools and amenities, a mixed use development is more appropriate in that location than the current use of the site. Moreover the mixed use development would create additional demand for retail and business services which would help to support the viability of the centre.

It is also probably the only opportunity for a mixed use development incorporating a full line supermarket anywhere along Woodville Road given that all other potential sites are too small and numerous site amalgamations would be necessary which is an unlikely scenario.

The proposed uses would fill a gap in the local area, assist in meeting the undersupply of retail space ( in particular supermarket space) and would absorb some of the growth in demand for retail space without reducing the current trading levels currently being enjoyed by existing centres in the locality.

# INTRODUCTION



# 1.0 INTRODUCTION

HillPDA was commissioned by Merc Capital to undertake an economic impact assessment ('the study') of the proposed development at 246-264 Woodville Road, Merrylands (the 'Subject Site').

## 1.1 The Site

The Subject Site is located on the border of Guildford and Merrylands suburbs in the Cumberland Local Government Area (LGA) and comprises the single large John Cootes site and a number of small lots fronting Lansdowne Street on the northern boundary that are currently occupied by 1 to 2 storey residential detached buildings. The Subject Site is approximately 2.61 hectares, bounded to the north by Lansdowne Street and to the south by a service station, fast food outlets, Granville South Public School and an ALDI Foodstore. To the west is low density residential and on the western boundary is Woodville Road.

Figure 1: Aerial Image of Subject Site



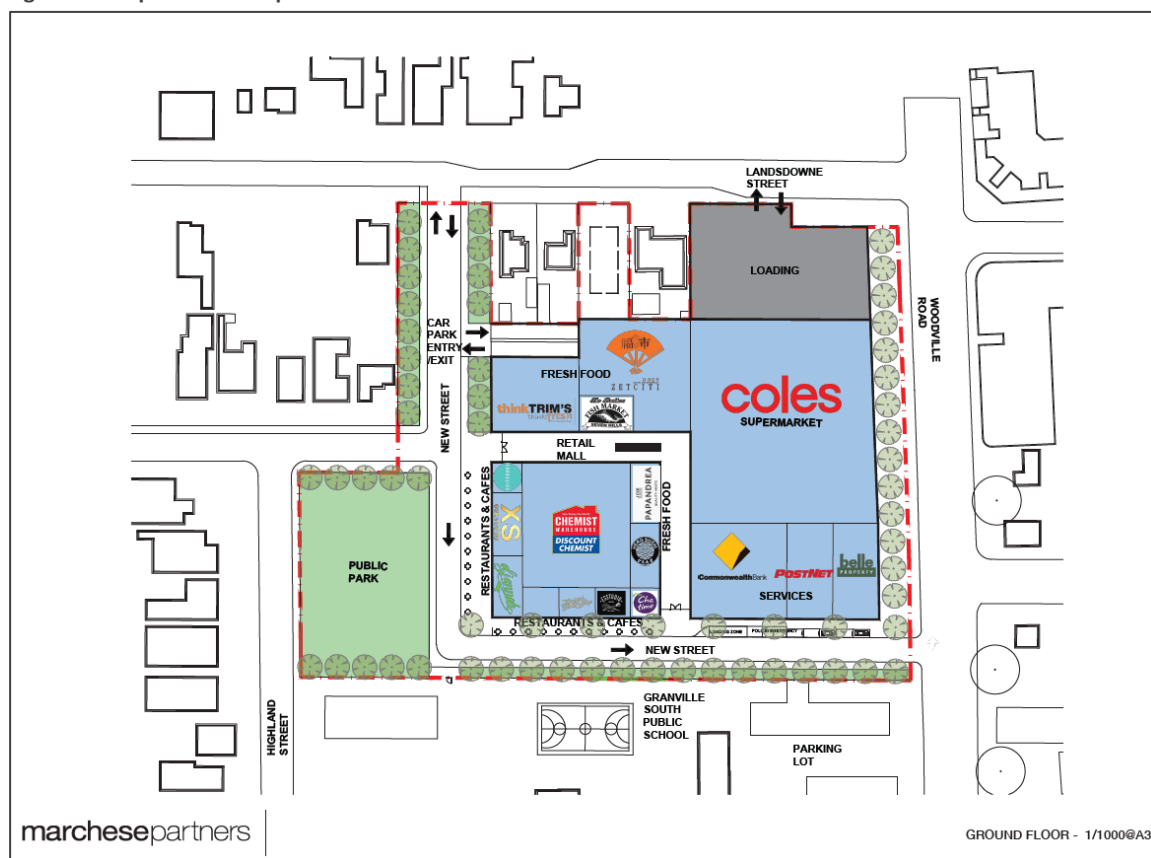
Source: Woodville 264, Giles Tribe Architects, March 2015

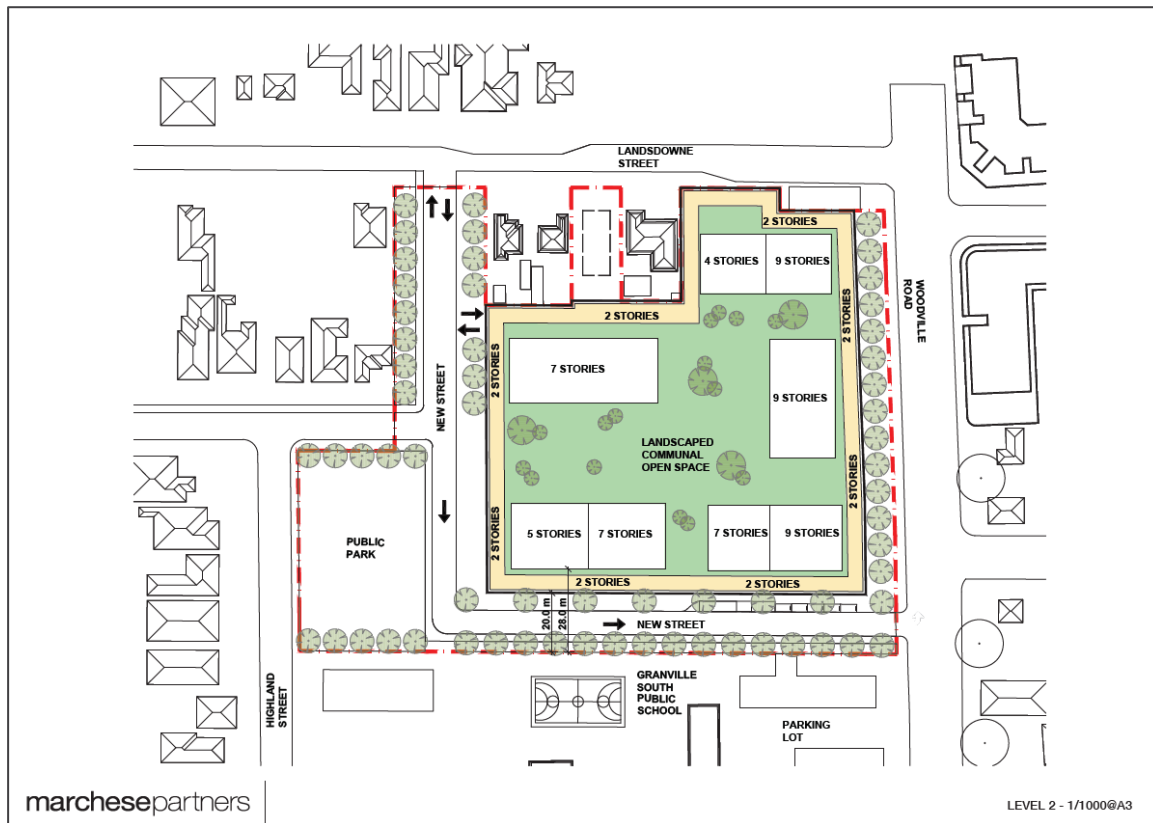
## 1.2 The Proposal

The proposed development includes the removal of the existing 3,000sqm furniture store and the development of neighbourhood centre that includes a mix of commercial, community and recreational uses in lower building podium levels, and residential apartment buildings above the podium. The mix of uses includes a total of approximately 8,900sq.m of retail floor space comprising a 4,000sqm anchor supermarket, 2,400sqm of freshfood, 1,500sqm chemist and/or newsagency, and 1,000sqm of café / restaurant. The proposed mix of uses complement each other in a neighbourhood centre scale and form of development.



Figure 2: Proposed Masterplan for Woodville 264





Source: Marchesepartners

Retail and commercial mix includes the following:

**Ground Floor**

- 4,000sqm supermarket (principal anchor);
- 2,400sqm of freshfood;
- 1,000sqm of restaurant café;
- 1,500sqm chemist warehouse (secondary anchor);
- 2,000sqm of business services (real estate, bank outlet etc).

**Level 1**

- 2,850sqm of child care centre;
- 3,500sqm of medical centre uses;
- 3,000sqm gym;
- 4,300sqm of food and beverage (may be bistro, tavern, restaurants or similar), but is flexible so could be residential or other compatible use.

**Level 2 and above**

- 26,000sqm of residential apartments (250 to 300 apartments)

# CONTEXTUAL REVIEW

## 2.0 CONTEXTUAL REVIEW

This section undertakes an appraisal of the planning and statutory context relevant to considering issues of economic impact associated with the proposed development. Note that it considers matters relating to the proposed development from an economic perspective only.

### 2.1 Greater Sydney Region Plan

The Greater Sydney Region Plan – *A Metropolis of Three Cities* (Region Plan) was finalised in March 2018 by the Greater Sydney Commission. The vision of the Region Plan is to create a metropolis of three cities, known as the Western Parkland City, Central River City and the Eastern Harbour City.

The Plan states that the Eastern Harbour City will focus on innovation and global competitiveness to underpin its continued growth. The Eastern Harbour City has Australia’s global gateway and financial capital, the Harbour CBD, as its metropolitan centre. Well-established, well-served and highly accessible by its radial rail network, it has half a million jobs and the largest office market in the region.

The Greater Sydney Region Plan is built on a vision of people of Greater Sydney living within 30 minutes of their jobs, education and health facilities, services and great places.

Through its objectives, strategies and corresponding analysis, the Region Plan discusses a range of considerations that are particularly important to consider in an economic impact assessment.

**Table 1: Greater Sydney Region Plan Relevant Objectives**

Objective/ Strategy	Extracts from the Plan
Objective 6 - Services and infrastructure meet communities’ changing needs	<ul style="list-style-type: none"> <li>Optimise the use of available public land for social infrastructure.</li> </ul>
Objective 10 - Greater housing supply	<ul style="list-style-type: none"> <li>The NSW Government has identified that 725,000 new homes will be needed to meet demand based on current population projections to 2036. 157,500 new homes will be required in the Eastern City District which includes Inner West LGA.</li> <li>Social infrastructure and opportunity – great places are inclusive of people of all ages and abilities, with a range of authentic local experiences and opportunities for social interaction and connection</li> <li>A range of housing types provides for the needs of the community at different stages of life and caters for diverse household types. It means that as people age they can move into smaller homes and age in their own neighbourhoods, while young adults leaving home can stay close to their families and communities.</li> </ul>

Objective/ Strategy	Extracts from the Plan
Objective 11 – Housing is more diverse and affordable	<ul style="list-style-type: none"> <li>• There is a strong need for a more diverse housing supply in Greater Sydney</li> <li>• Housing choices, including affordable rental housing reduces the need for people to go into social housing and also supports a pathway for people to move out of social housing</li> <li>• A diversity of housing types, sizes and price points can help to improve affordability</li> <li>• Increasing the supply of housing that is of universal design and adaptable to people’s changing needs as they age is also increasingly important across Greater Sydney</li> <li>• Foreshadows potential future innovative models to achieve more affordable homes through having smaller homes, shared facilities and having apartments and car spaces sold separately.</li> </ul>
Objective 12: Great places that bring people together	<ul style="list-style-type: none"> <li>• Well-designed built environment: great places are enjoyable and attractive, they are safe, clean and flexible with a mix of sizes and functions.</li> <li>• Social infrastructure and opportunity: great places are inclusive of people of all ages and abilities, with a range of authentic local experiences and opportunities for social interaction and connections.</li> <li>• Fine grain urban form: great places are walkable of human scale, with a mix of land uses including social infrastructure and local services at the heart of communities.</li> </ul>

To address the projected economic, employment and population growth that Sydney will experience, the Plan seeks to promote and facilitate growth which acknowledges market considerations and integrates transport, infrastructure and a variety of land uses.

## 2.2 Central City District Plan

In March 2018, the Greater Sydney Commission (GSC) finalised its District Plans for Sydney. The draft District Plans support the actions and outcomes of the draft Greater Sydney Region Plan with additional ‘Planning Priorities’ that are focussed on each district. The District Planning Priorities of the Central City District Draft Plan as relevant include:

- Planning for a city supported by infrastructure
- Providing services and social infrastructure to meet people’s changing needs
- Fostering healthy, creative, culturally rich and socially connected communities
- Providing housing supply, choice and affordability, with access to jobs and services
- Delivering integrated land use and transport planning and a 30-minute city.

The draft Greater Sydney Region Plan and Central City District Plan are to be taken into consideration when preparing strategic planning documents including planning proposals.

# RETAIL DEMAND ASSESSMENT



## 3.0 RETAIL DEMAND ASSESSMENT

This Chapter undertakes a demand and supply analysis of retail floorspace in Merrylands. As part of this analysis we examine the existing retail hierarchy in the area around the Subject Site. The purpose is to gain an understanding of the supply and distribution of retail floorspace in this locality, which informs the trade area definition and latent demand for retail space and commercial services.

### 3.1 Methodology

The methodology applied by this Chapter is based on household expenditure modelling. This practice involves the definition of trade areas, analysing forecast population, estimating and projecting expenditure levels from current and future population, estimating the level of expenditure captured specifically by the Centre and dividing captured expenditure by industry benchmark turnover levels to derive required floor areas.

The trade area served by any retail centre is determined by a combination of factors including:

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

### 3.2 Existing Centres

Understanding the local retail hierarchy and its competitive offer is an essential step in defining a trade area for the proposed centre. To help define this, we provide below a description of relevant centres in the locality and subregion.

#### 3.2.1 Parramatta Regional City

Parramatta CBD provides an estimated 700,000sqm of commercial office space and around 190,000sqm of retail floorspace. The prime retail component of the CBD is located along Church Street, between the Parramatta River (north) and the Westfield Shopping Centre (south).

Parramatta CBD as a retail centre has an extensive trade area covering the central western suburbs of Sydney. The main retail focus of the CBD is Westfield Parramatta which contains approximately 120,500sqm of occupied retail space anchored by Myer, David Jones, Kmart, Target, Woolworths (4,622sqm) and Coles (2,637sqm)<sup>1</sup>.

For the year to December 2017 Westfield Parramatta reported a turnover of \$834.6m which ranked the centre 11<sup>th</sup> nationally out of the 86 similar sized shopping centres in Australia (centres greater than 45,000sqm GLA retail floorspace) as recorded by Shopping Centres News (SCN). However, in terms of retail turnover density

<sup>1</sup> Property Council of Australia NSW/ACT Shopping Centre Directory 2018

(measured as \$/sqm) Westfield Parramatta was ranked 48 with an RTD of \$6,822/sqm<sup>2</sup> being 2% below the median.

Along Church Street, George Street and Macquarie Street are numerous specialty shops and arcades. Major anchors outside of Westfield Parramatta include JB Hi-Fi and Officeworks.

The northern end of Church Street has developed into a European 'eat street' with al-fresco dining. The southern end of Church Street contains a large number of Asian stores, Chinese and Indo-Chinese restaurants. A proposed expansion to the Westfield Parramatta was approved by the DP&E. Stage 1 of this expansion will comprise an additional 24,504sqm of retail floorspace<sup>3</sup> inclusive of a new discount department store (DDS) and a relocated Woolworths supermarket in addition to a mini-major tenant and additional specialty floorspace. Stage 2 will comprise commercial office floorspace.

The Parramatta Square development will provide a further 6,600sqm of retail floorspace to Parramatta CBD<sup>4</sup>.

### 3.2.2 Merrylands Town Centre

Merrylands is the largest centre in the Cumberland LGA. Stockland Merrylands dominates retail provision in the centre with 61,000sqm of GLA retail floorspace<sup>5</sup> including Woolworths and Coles supermarkets, Big W, Kmart and Target DDSs and 104 specialties. The centre achieved total retail sales of \$380.8m in 2017. RTD was \$6,963/sqm right on the median for centres over 45,000sqm in size.

The balance of retail provision in Merrylands town centre is strip retail mainly fronting Merrylands Road just south of Stockland.

### 3.2.3 Granville Town Centre

Granville Town Centre is located approximately 3km north of the Subject Site<sup>6</sup>. Retailing uses in the centre are located on both sides of the railway station but predominately to the south. The centre contains 106 shopfront units and provides approximately 13,000sqm of retail-related shopfront floorspace<sup>7</sup>. This includes a Foodworks store of approximately 360sqm. The centre encompasses Granville RSL and a number of civic and educational functions including Granville Boys High School, Granville Town Hall and a library.

A Woolworths supermarket of approximately 4,000sqm<sup>8</sup> is located 1km south of Granville Station at the intersection of Louis Street and Blaxcell Street.

### 3.2.4 Fairfield Town Centre

Retail facilities within the Fairfield Town Centre include:

- Fairfield Forum, a sub-regional centre occupying some 18,600sqm of retail floorspace. Fairfield Forum is anchored by a Kmart discount department store of 4,848sqm as well as a Coles supermarket of 3,054 sqm. Some 35 retail specialty tenants are also provided. Total centre sales was recorded at \$90 million in 2017-189.

<sup>2</sup> Shopping Centre News Big Guns 2015

<sup>3</sup> Economic Impact Assessment: Westfield Parramatta and Gateway Office Tower, URBIS (July 2012)

<sup>4</sup> Parramatta CBD Retail Impact Study, MacroPlan Dimasi (2013)

<sup>5</sup> PCA Shopping Centre Directory 2018

<sup>6</sup> Source: Googlemaps

<sup>7</sup> Source: Hill PDA survey May 2015

<sup>8</sup> Source: Measured of NSW Department of Lands SixViewer

<sup>9</sup> PCA Shopping Centre Directory 2018

- Neeta City Shopping Centre, a sub-regional shopping centre anchored by Big W (6,858 sqm) and a Woolworths (3,954 sqm). The centre totals some 20,000 sqm of retail floorspace and also includes some 90 retail specialty tenants. MAT in 2017 was \$80m<sup>10</sup>.
- A large provision of retail specialty floorspace is also provided within the broader Fairfield Town Centre, estimated to total some 17,000 sqm of retail floorspace. An ALDI Foodstore immediately north of Neeta City Shopping Centre forms an anchor tenant within the remainder of the Fairfield Town Centre.

### 3.2.5 Guildford Village

Guildford Village is located approximately 2km or a 5 minute drive south of the Subject Site<sup>11</sup>. Retailing uses in the centre are predominately located along both sides of Guildford Road between Railway Terrace and Bolton Street. The centre is anchored by a Supa IGA of some 1,300sqm and a Foodworks supermarket of 800sqm fronting Railway Terrace. Based on the HillPDA floorspace survey (May 2015) the centre contains 76 shopfront units and provides approximately 7,200sqm of retail-related shopfront floorspace<sup>12</sup>. In addition to the retail space is the Guildford Hotel and a number of medical services.

### 3.2.6 Greystanes Village Centre

Greystanes Village Centre is located on Merrylands Road between Braeside Road and Cumberland Road. This centre comprises 6,000sqm of floorspace including Woolworths (3,420sqm) and 27 specialty stores<sup>13</sup>. The 2008 Strategy noted that Greystanes had a large trade area extending as far north as the Great Western Highway. MAT in 2017 was \$57.4m<sup>14</sup>.

### 3.2.7 Neighbourhood centres

There are a number of small neighbourhood centres and strip retail strips in the MTA (e.g. Woodpark totalling some 1,300sqm; Dellwood shops comprising some 1,800sqm). The smaller nature of these centres implies no direct competition with the proposed development, rather these smaller centres provide convenience related retail services to local surrounding residents.

Merrylands West contains a Supa IGA of 1,400sqm and approximately 1,800sqm of specialty shops some 3km west of Stocklands Merrylands near the intersection of Merrylands Road and Sherwood Road.

## 3.3 Trade Area Assessment

The trade area served by any retail centre is determined by a combination of factors including:

- The strength and attraction of the Centre as determined by factors such as the composition, layout, ambience / atmosphere and car parking in the centre / facility;
- Competing retail centres, respective sizes, retail offer and attraction;
- The retail hierarchy and the size and retail offering of centres surrounding Springwood;
- The location and accessibility of the Subject Site including the available road and public transport network and travel times; and

<sup>10</sup> PCA Shopping Centre Directory 2018

<sup>11</sup> Source: Googlemaps

<sup>12</sup> Source: Hill PDA survey May 2015

<sup>13</sup> Source: Property Council of Australia NSW/ACT Shopping Centre Directory 2018

<sup>14</sup> Source: SCN Mini-Guns 2018

- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Based on the retail hierarchy and competitive offer described above, the Primary Trade Area (PTA) is defined as the residential area within a walkable catchment of say 500m to 800m. The PTA is restricted to the north by Stockland Merrylands and the railway line restricts the extent of the PTA to the west whilst the Woolworths store in Granville restricts Merrylands' PTA to the east or northeast.

The proposal is also likely to capture a considerable level of expenditure from Merrylands, west of the railway line. Whilst the existing supermarkets at Guildford are closer, they are further away in terms of drive times. If shopping by private motor vehicle residents west of the railway line have to drive north to Oxford Street to get across the railway line. Hence the subject site offers a more proximate alternative.

The PTA is defined as the area which the proposed centre is likely to capture the majority of food and grocery expenditure. Based on the above, we have defined two Primary Trade Areas (PTA) being:

- The PTA East comprises the geographical area generally bounded by Claremont Street and Granville Park to the north, Woodville Road and Excelsior Street to the east and Bursill Street to the south and the railway line to the west. Retail facilities at the Subject Site would capture a majority proportion of everyday food and grocery shopping, as well as top-up shopping, from residents in this area;
- The PTA West extends 900m west of the Railway line to Chetwynd Rd, north to St Ann Street and south to Guildford Road West. It includes parts of Merrylands and Guildford. Stockland Merrylands restricts the PTA West to the north of St Ann Street.

In addition to the PTAs we have defined several secondary trade areas (STA). An STA is the area which the proposed centre is likely to capture some, although minor, proportion of food and grocery related expenditure. The three STAs are defined as:

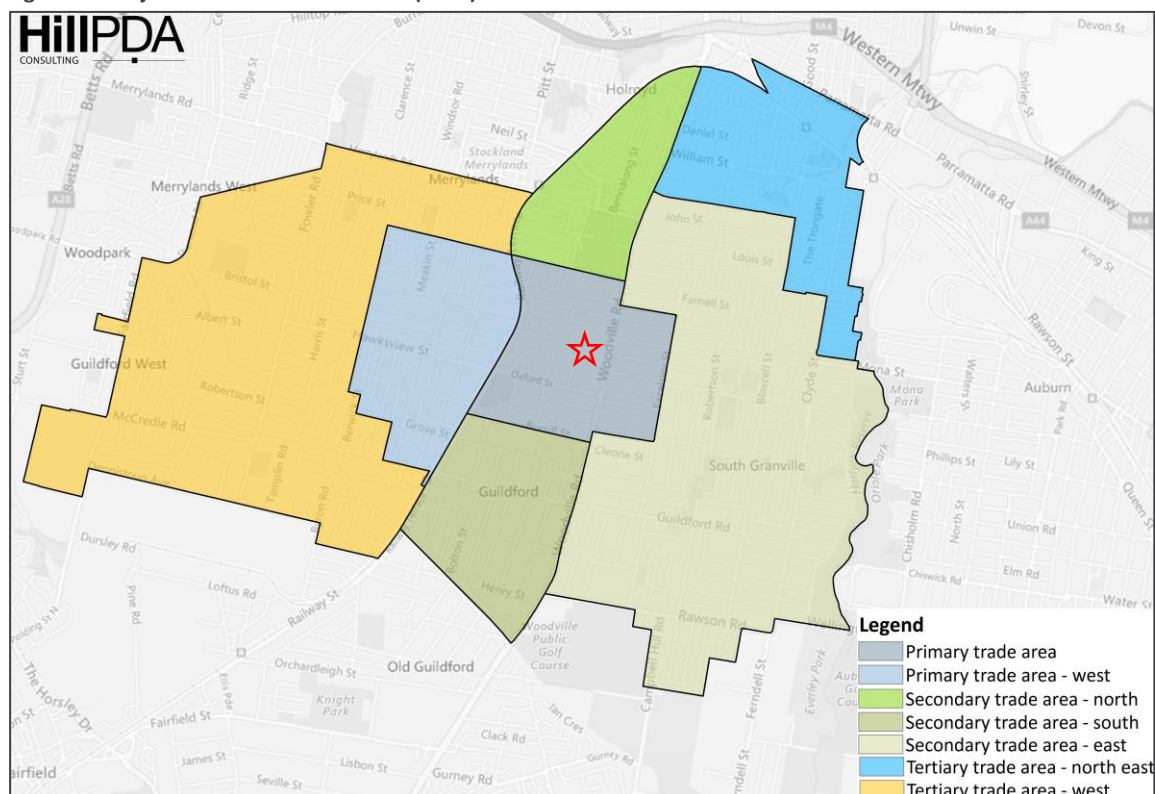
- The STA South includes those residents of Guildford, extending south from Bursill Street to South Parade / the water supply line.
- The STA East spans east of the PTAs to the Horlyck Reserve and includes the suburb of South Granville.
- The STA North is the residential area between the railway line and Woodville Road north of Claremont Street.

Two tertiary trade areas (TTA) have been defined being:

- The TTA West generally extending west of the PTA West sector to incorporate the area within three and half kilometres west of the Subject Site. The Subject Site will generate a small proportion of business from the STAs.
- A TTA Northeast which is the area of Granville to the north of the STA East up to Parramatta Road.

The extent of the trade areas are shown in the following map.

**Figure 3: Subject Site's Main Trade Area (2015)**



Source: HillPDA using MapInfo 12.5

We refer to the combination of the PTA, STAs and TTAs as the Main Trade Area (MTA) of the proposed centre.

### 3.4 Socio-Demographics

At the 2016 Census the suburb of Merrylands had a population of 29,653. A summary of the key demographic characteristics is as follows:

- The population is relatively young with a median age of 32 compared to 36 for Greater Sydney;
- The suburb has a low representation of Australian born residents (44%) compared to Greater Sydney (61%);
- 8.3% of the suburb's population was born in Lebanon
- The dwelling mix is very similar to Sydney with 53% being detached dwellings compared to 57% for Greater Sydney;
- Average household size at 3.1 is larger than Sydney at 2.8
- The suburb has an underrepresentation of couple without children households at 25% compared to 33% in Greater Sydney
- The suburb has a high proportion of single parent households at 19% compared to 15% in Greater Sydney
- Income levels are notably lower than Greater Sydney. Median personal income at \$486/week is 32% lower than Greater Sydney at \$719. Median household income at \$1,267 per week is 28% lower than Greater Sydney at \$1,750

### 3.5 Population Forecasts

Population forecasts for the MTA have been derived from the Marketinfo and Transport for NSW Transport Analytics Travel Zone Explorer.

The below table shows that the MTA is forecast to experience a growth in population of approximately 21,000 persons or 31% between 2017 and 2031.

**Table 2: Population Projections within the Trade Areas (2014- 2036)**

Trade Area	2017	2021	2026	2031
PTA East	4,029	4,616	5,434	5,979
PTA West	5,853	6,137	6,380	6,671
<b>PTA Total</b>	<b>9,882</b>	<b>10,753</b>	<b>11,814</b>	<b>12,650</b>
STA North	3,732	4,379	5,170	6,007
STA South	5,898	6,646	7,591	8,605
STA East	21,189	21,795	22,811	23,958
<b>PTA and STA Total</b>	<b>40,701</b>	<b>43,573</b>	<b>47,386</b>	<b>51,220</b>
TTA Northeast	6,791	9,133	12,329	15,759
TTA West	19,353	19,721	20,253	20,907
<b>Main Trade Area</b>	<b>66,845</b>	<b>72,427</b>	<b>79,968</b>	<b>87,886</b>

Source: Transport for NSW Transport Analytics Travel Zone Explorer. We have included an additional 640 persons living on the subject site based on an occupancy rate of 2.1 and 5% vacancy.

### 3.6 Forecast Household Expenditure

Household expenditure was sourced from Marketinfo 2017 which provides household expenditure by broad commodity type. HillPDA converts that expenditure to retail sales by broad retail store type based on ABS 1998-99 Retail Survey and recalibrated to ensure consistency with recent (2017-18) ABS Retail Sales data. Total forecast retail sales by trade area is shown in the table below.

**Table 3: Total Forecast Expenditure on Retail Goods and Services by Trade Area Residents (2018 \$m)**

	2017	2021	2026	2031
PTA East	44	52	64	73
PTA West	64	69	75	82
<b>PTA Total</b>	<b>107</b>	<b>121</b>	<b>138</b>	<b>155</b>
STA North	40	49	61	73
STA South	64	75	89	105
STA East	230	245	267	293
<b>PTA and STA Total</b>	<b>442</b>	<b>489</b>	<b>555</b>	<b>626</b>
TTA Northeast	74	103	144	193
TTA West	210	221	237	256
<b>Main Trade Area</b>	<b>725</b>	<b>813</b>	<b>936</b>	<b>1,074</b>

Source: Marketinfo, ABS Retail Survey 1998-99, ABS Retail Sales and HillPDA.

Forecast assumes 0.85% real growth in real retail spend per capita per annum in line with historical trends since 1986.

The MTA generated approximately \$725m of retail expenditure in 2017. \$135m or 25% is attributable to residents of the PTAs. Over the period to 2031 total retail expenditure generated is forecast to increase to \$899m as a result of population and expenditure growth.

The forecast sales figures for the MTA by retail store type are shown in the table below. The detailed expenditure tables for each of the trade areas are provided in Appendix A.

**Table 4: Total MTA Expenditure Forecast by Retail Store Type (2018 \$m)**

Store Type	2017	2021	2026	2031
Supermarkets & Grocery Stores	242.8	275.9	323.3	377.2
Specialty Food Stores	47.8	52.9	59.9	67.5
Fast-Food Stores	53.4	60.7	71.2	83.0
Restaurants, Hotels and Clubs*	62.8	71.3	83.6	97.5
Department Stores	41.1	45.4	51.4	57.9
Apparel Stores	59.5	65.8	74.4	83.9
Bulky Goods Stores	105.9	117.1	132.6	149.4
Other Personal & Household Goods Retailing	94.7	104.7	118.5	133.5
Selected Personal Services**	17.3	19.1	21.7	24.4
<b>TOTAL</b>	<b>725.3</b>	<b>812.9</b>	<b>936.5</b>	<b>1,074.2</b>

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

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

Forecast assumes 0.85% real growth in real retail spend per capita per annum in line with historical trends.

However, of total retail expenditure generated by residents of the trade areas, only a proportion would be captured by retail facilities at Subject Site.

### 3.7 Potential Retail Sales

Total potential retail sales in the PTA is estimated by applying capture rates to total expenditure generated by trade area residents. Capture rates will vary between trade areas (the proposed centre will capture a higher proportion of PTA spend than STA or TTA) and by retail store type. The proposed centre is likely to capture a high proportion of food spend but a much lower proportion of discretionary goods expenditure given that most shoppers travel to a larger centre such as Merrylands or Parramatta to undertake this type of shopping. The assumed capture rates are shown in the table below.

**Table 5: Assumed Capture Rates by Trade Area by Store Type**

	PTA East	PTA West	STA North	STA South	STA East	TTA Northeast	TTA West	MTA
Supermarkets & Grocery Stores	70%	40%	25%	35%	12%	8%	8%	19%
Specialty Food Stores	70%	40%	25%	35%	12%	8%	8%	19%
Fast-Food Stores	60%	34%	21%	30%	10%	7%	7%	16%
Restaurants, Hotels and Clubs*	60%	34%	21%	30%	10%	7%	7%	16%
Department & Apparel Stores	0%	0%	0%	0%	0%	0%	0%	0%
Bulky Goods Stores	0%	0%	0%	0%	0%	0%	0%	0%
Other Goods	18%	10%	6%	9%	3%	2%	2%	5%
Selected Personal Services**	28%	16%	10%	14%	5%	3%	3%	8%
<b>TOTAL</b>	<b>41%</b>	<b>23%</b>	<b>14%</b>	<b>20%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>11%</b>

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

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

\*\*\* Source: Various including ABS Retail Survey 1998-99 indexed to 2011 dollars, Shopping Centre News, Urbis Retail Averages, various consultancy studies and Hill PDA research. Target turnover levels are expected to increase at a rate of 0.6% per annum above the CPI rate in line with the historic trend.



In addition to the above there will be some capture of expenditure from beyond the MTA from as low as say 7% to 8% of supermarket turnover to a high of say 15% for restaurants and the like. Total potential retail sales on the subject site are forecast as follows:

**Table 6: Total Potential Retail Sales on the Subject Site**

Store Type	2017	2021	2026	2031
Supermarkets & Grocery Stores	50.2	57.8	68.4	79.7
Specialty Food Stores	9.9	11.1	12.7	14.3
Fast-Food Stores	10.2	11.8	13.9	16.2
Restaurants, Hotels and Clubs	12.0	13.8	16.4	19.1
Department & Apparel Stores	0.0	0.0	0.0	0.0
Bulky Goods Stores	0.0	0.0	0.0	0.0
Other Personal & Household Goods	4.9	5.5	6.3	7.1
Selected Personal Services	1.4	1.6	1.8	2.1
<b>TOTAL</b>	<b>88.7</b>	<b>101.5</b>	<b>119.5</b>	<b>138.3</b>

### 3.8 Forecast Demand for Retail Space

Demand for retail floorspace (or required floor space) is calculated by dividing potential retail sales by retail turnover density (\$/sqm) industry benchmarks. The results are shown in the table below.

**Table 7: Floorspace Demand (2014- 2031) by Store Type (sqm GLA)**

Store Type	Target RTD*	2017	2021	2026	2031
Supermarkets & Grocery Stores	11,000	4,566	5,252	6,218	7,244
Specialty Food Stores	8,000	1,237	1,384	1,583	1,781
Fast-Food Stores	8,000	1,279	1,471	1,741	2,028
Restaurants, Hotels and Clubs	6,000	2,002	2,303	2,727	3,177
Department Stores	3,800	0	0	0	0
Apparel Stores	6,000	0	0	0	0
Bulky Goods Stores	3,800	0	0	0	0
Other Personal & Household Goods	5,500	890	996	1,139	1,282
Selected Personal Services	4,500	318	356	407	458
Vacancies**		286	326	380	436
<b>TOTAL</b>		<b>10,579</b>	<b>12,089</b>	<b>14,196</b>	<b>16,407</b>

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

\*\* Assumed at 5% of retail space net of majors

Based on the table above, current demand for retail space on the site is estimated at around 10,600sqm. Over the period to 2031 this is expected to increase to almost 16,500sqm, representing an increase of 55%.

Some of this demand is taken up with existing retailers in the immediate area including an ALDI store and around eight fast food premises. These stores total around 2,200sqm. Approximately 44% of floor space

demand is in supermarket / grocery stores. The modelling shows sufficient demand for both a full line supermarket and the existing ALDI store by 2021.

The inclusion of a national supermarket on the subject site would have additional benefits for the area such as increasing its attractiveness and competitive edge by providing prospective shoppers with a greater range of goods. By attracting additional shoppers on this basis, additional flow on benefits may be secured by complementary specialty retailers.

# RETAIL ASSESSMENT

## 4.0 RETAIL ASSESSMENT

The previous Chapter in this Study established a need for the retail component of the proposed development. This Chapter assesses the economic impact of the proposed retail floorspace on existing and proposed retail centres in the locality. The EPA & Act (1979) is not clear on what is meant by locality, however for the purpose of this assessment we have assumed it to be the defined trade areas for the retail floorspace proposed.

In terms of assessing economic impacts, previous court judgements such as “Fabcot Pty Ltd v Hawkesbury City Council (97) LGERA” and “Cartier Holdings Pty Ltd v Newcastle City Council and Anor [2001] NSWLEC 170” have provided some guidance on relevant issues. The NSW Land & Environment Court has stated that Councils should not be concerned about competition between individual stores as this is a matter of fair trading. Council should however concern itself with impacts in the locality.

### 4.1 Estimated Turnover of the Proposed Centre

For the purposes of this study the centre will have a total retail floor space up to 8,900sqm. We estimate that it would achieve total retail sales of \$76m in its first year of trading assumed to be 2023 based on industry target turnover rates. Average turnover would be \$8,500/sqm based on a mix of \$11,000/sqm for the supermarket, \$7,500/sqm for specialty food and \$5,500/sqm for the restaurants and remaining spaces. By 2026 we would expect its turnover to increase by a further 10% or more due to population growth in the trade area.

### 4.2 Retail Trading Assessment

The \$76m should be viewed in the context of growth in expenditure in the MTA which is expected to be more than \$230m over the next 10 years (2018-2028). The proposed centre is therefore justifiable based on growth alone and would not be reliant upon redirecting trade away from existing centres.

Notwithstanding this, in order to provide a robust assessment HillPDA has prepared a bespoke gravity model to examine the extent of trade redirected from existing centres. The results of the model are presented in the following table.

Note that the gravity model assumes that 15% of the turnover captured by the proposed development would be redirected from other destinations not defined. These include freestanding supermarkets such as the ALDI foodstore on Merrylands Rd in Guildford, various petrol filling stations, retailing uses in the industrial areas and other centres beyond the boundaries of the MTA.

**Table 8: Impact on Surrounding Centres**

Retail Centre	1. Distance from Subject Site (km)	2. Approx. Retail Floor Space*	3. Turnover in 2018	4. Turnover in 2023 without Proposal	5. Turnover in 2023 with Proposal	6. Increase in turnover from 2018 to 2023	7. % Increase in turnover from 2018 to 2023
Proposed Centre					75.8		
Westfield Parra.	4.5	111,250	834.6	953.5	938.4	103.8	12.4%
Merrylands SC	2.5	76,900	480.8	541.3	518.4	37.6	7.8%
Fairfield	5.8	54,600	270.0	288.0	281.3	11.3	4.2%
Guildford Village	1.8	7,150	54.0	62.0	56.4	2.4	4.4%
Granville (includes Woolworths)	2.4	15,350	115.0	135.9	126.7	11.7	10.2%
West Merrylands	4.4	3,300	27.0	30.3	28.7	1.7	6.4%
Greystanes	6.4	5,700	57.4	64.3	61.7	4.3	7.5%
South Granville	3.0	1,700	9.5	10.3	9.7	0.2	2.3%
<b>TOTAL</b>		<b>275,950</b>	<b>1,848.3</b>	<b>2085.6</b>	<b>2097.0</b>	<b>248.7</b>	<b>13.5%</b>

1. Drivetime in km derived from Googlemaps.
2. Various including Shopping Centre News, PCA Shopping Centres Directory, HillPDA Floorspace Surveys.
3. Various including Shopping Centre News, PCA Shopping Centres Directory, Shopping Centre Annual Reports, Urbis Retail Averages, Other Consultancy Reports and HillPDA Estimate.
4. Allows for population growth (variable for each centre) and real growth in retail spend per capita of 1.0% per annum in line with historic trend since 1986 (HillPDA Calculation from ABS Retail Sales, population estimates and CPI indexes).
5. The turnover of localities following the proposed development. The forecast turnover of the proposed development is distributed between localities based on distance and size.
6. This is the shift in turnover from 2018 to 2023 after the opening of the new development.
7. This is shift in turnover from 2018 to 2023 divided by the base turnover in 2018.

Columns 6 and 7 in the above table show that the existing centres will capture an increasing amount of retail expenditure as a result of population and expenditure growth in their respective trade areas. Indeed expenditure generated by MTA residents will increase 14% over the 2018 to 2023 period. As a result all centres will experience an increase in trading levels with or without the proposed centre on Woodville Road. On this basis, the trading impacts of the proposed centre would be acceptable. The proportion of growth in expenditure captured by the new centre is well within acceptable limits enabling other centres to share some of that growth. The proposed neighbourhood centre would therefore not threaten the role, function or commercial viability of any existing centre.

Already the PTA accommodates around 10,000 people. The STA South accommodates a further 6,000 people and the STA East a further 21,000. Yet there is no full line supermarket in this wide area. Generally a population of 9,000 to 10,000 would warrant (or can support) a full line supermarket. The proposed shopping centre will provide for the needs of this population. A high proportion of the centre's trade will come from residents that live within an immediate walkable catchment. Some of its trade will come from existing residents that live outside the walkable catchment but lack a full line supermarket in their immediate area. For all these reasons the proposal provides a positive net community benefit to the local area.

# ECONOMIC IMPACTS

## 5.0 ECONOMIC IMPACTS

The following chapter undertakes an assessment of the economic implications of proposed mixed use development versus the base case (do nothing) option. Performance indicators include jobs, salaries and gross value added (contribution towards economic produce or gross domestic product).

### 5.1 Employment

The Subject Site is currently occupied by a John Cootes Furniture Merrylands. Assuming a rate of 100 workers per sqm, we estimate that the retail facility currently employs up to 35 workers<sup>15</sup>.

The Planning Proposal would support permanent employment post-construction through the operation of retail and commercial uses within the development. The table below provides an estimate of the number of jobs on site in accordance with the Planning Proposal.

**Table 9: Employment Generation from Planning Proposal**

Land Use	Employment Density*	GLA	Units	Jobs
Supermarket + Fresh Food	1 / 25 sqm	6,400	sqm	256
Restaurants, F & B	1 / 28 sqm	5,300	sqm	189
Chemist	1 / 45 sqm	1,500	sqm	33
Medical and Business Services	1 / 25 sqm	5,500	sqm	220
Gymnasium	1 / 115 sqm	3,000	sqm	26
Child Care*	1 / 50 sqm	2,850	sqm	57
Work at Home**	1 / 14 units	307	units	22
<b>Total</b>				<b>804</b>

\* Various sources including ABS Retail Surveys 1991 and 1999

\*\* Childcare: Educator to child ratios are sourced from the National Quality Framework. 400 places/children are assumed with an educator to child ratio of 1:7

\*\*\* Home Based Businesses: 7.6% of workers undertake majority of work at home (ABS Locations of Work 2008 Cat 6275.0)

As calculated in the above table, the development proposes the addition of 13,200sqm of retail and food services, 5,500sqm of commercial (medical and business services), gymnasium and childcare centre. This has the potential to accommodate 782 jobs. Assuming a further 22 residents will undertake the majority of their paid work at home. A total of 804 jobs will be provided on site following building completion. Accordingly with only 35 jobs currently estimated on site, the Planning Proposal will provide a net increase of 769 jobs.

### 5.2 Staff Remuneration

The combined total of workers' salaries currently is approximately \$1.2 million.

The Planning Proposal would increase the combined total of workers' salaries on site to approximately \$36.3 million as shown in the table below.

<sup>15</sup> Based on a GFA of 3,308sqm.



**Table 10: Estimated Workers Remuneration**

Land Use	No. of Workers	Average Annual Remuneration	Total Wages
Supermarket + Fresh Food	256	\$29,600	\$7.6
Restaurants, F & B	189	\$23,400	\$4.4
Chemist	33	\$37,700	\$1.3
Medical and Business Services	220	\$80,150	\$17.6
Gymnasium	26	\$46,900	\$1.2
Child Care	57	\$50,350	\$2.9
Work at Home**	22	\$60,000	\$1.3
<b>Total</b>	<b>804</b>	<b>\$45,177</b>	<b>\$36.3</b>

Source: IBIS World Industry Reports.

On this basis, the Planning Proposal would increase total salaries by around \$35m every year.

### 5.3 Gross Value Added

Gross value added of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP). Its main components include remuneration, profits and taxes.

We estimate the GVA from the existing business to be \$1.9m every year. Under the planning proposal the GVA would be considerably higher as shown in the table below.

**Table 11: Gross Value Added from the Proposed Development**

Land Use	No. Of Workers	GVA/ Worker	Gross Value Added
Supermarket + Fresh Food	256	\$48,600	\$12.4
Restaurants, F & B	189	\$31,600	\$6.0
Chemist	33	\$58,900	\$2.0
Medical and Business Services	220	\$106,000	\$23.3
Gymnasium	26	\$71,875	\$1.9
Child Care	57	\$61,550	\$3.5
Work at Home**	22	\$77,000	\$1.7
<b>Total</b>	<b>804</b>	<b>\$63,186</b>	<b>\$50.8</b>

Source: IBIS World Industry Reports and HillPDA Estimate.

Therefore the Planning Proposal would provide a further \$49m every year in added value or contribution to the local economy (measured in current 2018 dollars).

### 5.4 Other Economic Benefits from the Planning Proposal

The following assesses the economic implications of rezoning the Subject Site to allow for a mixed use development. Given that the Planning Proposal is at a concept stage, a high level assessment of potential economic benefits has been undertaken.

The development of a mixed use development containing residential and retail uses could have the following economic multipliers.

#### 5.4.1 Construction Benefits

The construction industry is a significant component of the economy accounting for 7.3% of Gross Domestic Product (GDP) and employing almost one million workers across Australia<sup>16</sup>. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- Production induced: which is made up of:
  - first round effect: which is all outputs and employment required to produce the inputs for construction; and
  - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- Consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

Merc Capital has advised that the total construction cost is expected to be around \$150m (in current 2018 dollars). Multiplier impacts are shown in the table immediately below.

**Table 12: Estimated Economic Multipliers**

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.626	0.679	0.934	3.239
Output (\$million)	150	94	102	140	486

Source: ABS Australian National Accounts: Input-Output Tables 2015-16 (ABS Pub: 5209.0).

Construction to the cost of \$150m would generate a further \$206m of activity in production induced effects and \$140m in consumption induced effects. Total economic activity generated by the construction of the proposed development would be \$486m.

#### 5.4.2 Construction Employment

HillPDA calculates that every one million dollars of construction generates 2.15 full time positions over 12 months directly in construction on site<sup>17</sup>. Based on the estimated cost of \$150m, approximately 323 job years<sup>18</sup> would be directly generated.

<sup>16</sup> IBIS World Construction Industry Report 2011

<sup>17</sup> Source: Hill PDA and ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0)

<sup>18</sup> Note: One job year equals one full-time job over one full year

**Table 13: Estimated Jobs in Construction**

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.741	0.839	1.384	3.965
Employment No. per \$million	2.154	1.597	1.808	2.981	8.540
Total Job Years Generated	323	240	271	447	1,281

Source: HillPDA estimate from ABS Australian National Accounts: Input-Output Tables 2015-2016 (ABS Pub: 5209.0).

From the ABS 2015-16 ANA Input-Output tables Hill PDA has calculated the multipliers for first round, industrial support and consumption induced effects of 0.74, 0.84 and 1.39 respectively for every job year in direct construction. Including the multiplier impacts the proposed development would therefore have potential to generate 1,281 job years during the period of construction.

Note that the multiplier effects are national, and not necessarily local. The ABS notes that “care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment.” In particular they can leave the impression of additional economic activity when in reality the resources used in production including labour could have been put to an alternative use if the project did not proceed. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.

#### 5.4.3 Expenditure from Residents

The Planning Proposal would provide up to 300 new residential apartments on site. Assuming 96% of the apartments are occupied and an average occupancy rate of 2.22 persons per apartment we estimate 640 permanent residents on the Subject Site.

These residents would generate demand for local retail and commercial goods and services. These residents would spend around \$6.8m every year on retail goods and services.

#### 5.4.4 Expenditure from Workers

A recent survey<sup>19</sup> found that Sydney CBD workers spend an average of \$230 a week or \$11,000 per annum on retail goods and services in the CBD localities. In smaller centres average spend is considerably lower due to the smaller size of retail offer. For the purpose of the assessment HillPDA has applied a more conservative weekly expenditure of \$50 per employee for the workers on the Subject Site which equates to an annual spend of \$2,300. With 804 workers on the Subject Site this amounts to \$1.85m per annum.

#### 5.4.5 Investment Stimulus

Where a significant property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment. The direct investment in the Subject Site would support a wide range of economic multipliers as outlined above which would in turn support investment in associated industries. It would also raise the profile of Merrylands to potential investors.

The provision of high density residential development on the Subject Site would increase the economic benefits of the scheme to surrounding businesses, services and the financial feasibility of public transport. The

<sup>19</sup> 2013 National Office Workers Survey, Urbis (2013)

benefits of residential uses are recognised in planning policy. Residents would also create further demand for retail, commercial and transport services increasing these services viability.

The proposed development would create additional business opportunities in this locality associated with future residents and the commercial and retail uses on site. It would increase the profile of this area and in so doing increase the financial feasibility of mixed use development, potentially acting as a catalyst on surrounding sites. From an economic perspective this is a good outcome given that it maximises the potential of this edge-of-centre site and creates a greater economic benefit from it.

#### **5.4.6 Shopper Convenience**

The Subject Site is an appropriate location at which to accommodate convenience retail floorspace given that it is easily accessible, visible to passing traffic and integral to a mixed use development incorporating 320 new homes and an estimated 640 new residents when fully occupied. It would be catering for the specific needs of residents in the locality including a significant number within a walkable catchment. On this basis, by providing a range of retail stores in an accessible location the centre would support shopper convenience. In doing so it would support the principles of sustainable development.

#### **5.4.7 Added Price Competition**

There is sufficient need locally as a result of expenditure growth to support the additional facilities and the trading impacts would not threaten the viability of any other centre. Accordingly, added price competition should be viewed positively in this case.

#### **5.4.8 Additional Dwelling Mix**

The development would create additional dwellings and dwelling types to the Cumberland LGA. The addition of dwelling stock and dwelling mix within the LGA would improve dwelling affordability within the area. This additional dwelling generation and the subsequent improved affordability would be consistent with the policies and strategies reviewed in Chapter 2.

#### **5.4.9 Improved Retail Offer and Increased Competition**

The provision of additional retail floorspace in Merrylands would increase the choice of shops and services for residents in the trade area. A centre with a wider variety of shops including a full line supermarket would reduce the need for residents to travel to other retail centres beyond the suburb.

#### **5.4.10 Reduced Private Motor Vehicle Use**

Sydney's ailing public transport and chronic traffic congestion in Sydney's central west is placing pressure on residents' lives and costing commuters and businesses billions in lost productivity. As discussed above the provision of additional retail floorspace in Merrylands would primarily serve the immediate catchment of over 11,000 people currently and in turn would reduce the need for these residents to travel to other shopping destinations to meet their retail needs. As a result, this would reduce the number of private motor vehicle trips, the number of kilometres travel, vehicle operating costs and vehicle emissions, resulting in significant improvements in transport and environmental sustainability.

#### **5.4.11 Summary and Implications**

The below table summarises the economic benefits of retaining the Subject Sites' current uses in comparison to the development of the Subject Site in accordance with the Planning Proposal.

**Table 14: Economic Impact of Planning Proposal v Base Case**

Economic Performance Indicator	Current Uses	Planning Proposal
Total Jobs on site	35	804
Total Workers Remuneration (\$m/ann)	\$1.5	\$26.4
Gross Value Added (\$m/ann)	\$2.3	\$37.9
Construction Costs (\$m)	-	\$150
Value of total Economic Activity from construction (\$m)	-	\$486
Jobs Years <sup>20</sup> in Construction	-	323
Total direct and indirect Job Years	-	1,281

Evidently the Planning Proposal is preferred over the 'do nothing' scenario as it would lead to a net increase in jobs (+469 jobs), salaries generated (+\$24.9m) and value add to GDP (+\$35.6m). Moreover the Planning Proposal would generate additional economic activity (+\$827m) and jobs (+ 2,620 job years directly and indirectly) during the period of construction and stimulate investment in the locality.

Moreover, the proposed shopfront floorspace for Merrylands is modest within the context of population growth which will result in a significant growth in demand for retail floorspace within the trade area over the next couple of decades. When fully developed (assuming 2019) the PTAs will house almost 13,500 people which is well above the number to warrant a full-line supermarket based shopping centre (generally considered to be around 9,000).

The provision of a centre at the Subject Site would widen the retail offer for residents in the trade area and serve the growing community within Merrylands. The local centre would also provide a unique shopping destination and would contribute towards ensuring Merrylands is desirable and sustainable place in which to live, work and shop.

<sup>20</sup> Job Years refers to a single individual who is employed for one year

## List of abbreviations

ABS	Australian Bureau of Statistics
BTS	Bureau of Transport Statistics
DP&E	NSW Department of Planning and Environment
EIA	Economic Impact Assessment
FSR	Floor Space Ratio
GFA	Gross Floor Area
GLA	Gross Lettable Area
Ha	Hectares
LEP	Local Environmental Plan
LGA	Local Government Area
NLA	Net Lettable Area
PTA	Primary Trade Area
sqm	Square metres
STA	Secondary Trade Area
TTA	Tertiary Trade Area

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