

1400-1480 ELIZABETH DRIVE, CECIL PARK

ECONOMIC IMPACT ASSESSMENT

URBIS

PREPARED FOR WESTERN SYDNEY TOWN CENTRE PTY LTD

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EXECUTIVE SUMMARY

This Economic Impact Assessment (EIA) has been prepared by Urbis Pty Ltd on behalf of Western Sydney Town Centre Pty Ltd ("The Proponent"). The Proponent is proposing a mixed-use development at 1400-1480 Elizabeth Drive in Cecil Park, incorporating a supermarket, traditional retail, non-retail uses, bulky goods retail and light industrial uses.

This EIA addresses the requirements necessary to support the planning proposal which includes assessment of the:

- Economic impacts of the proposed development including the need for and impact of the proposed quantum of retail (Section 1)
- Economic benefits that will likely be generated by the development during its construction and ongoing operations (Section 2).

PROPOSED DEVELOPMENT

The Proponent is currently seeking approval for a Planning Proposal that will allow for 100,000 sq.m of retail and light industrial floorspace on the subject site over two stages, to account for the approvals and construction process, establishment of initial operations, infrastructure delivery and market demand. The proposed mix and timing are as presented below:

Stage One (2024)

- 8,000 sq.m of retail and non-retail floorspace (including a 2,000 sq.m supermarket)
- 70,000 sq.m of light industrial and office uses

Stage Two (2028)

- 22,000 sq.m of bulky goods floorspace (large format retail)

MARKET DEMAND AND NEED

The proposed development is expected to deliver a 2,000 sq.m supermarket, 2,000 sq.m of traditional retail, 4,000 sq.m of non-retail uses and 22,000 sq.m of bulky goods floorspace.

The primary trade area has been defined to include a 10-minute drive time from the subject site while the secondary trade area is defined as a 20-minute drive time.

As outlined in Table 1.5, the subject site can comfortably support the proposed 2,000 sq.m supermarket given forecast growth in population, retail spending and the existing supermarket provision in the primary trade area. By 2024, it is expected the total primary trade area will be undersupplied by ~13,500 sq.m of supermarket floorspace, even accounting for development on the subject site.

Based on the Sydney benchmark provision of 27 sq.m of supermarket floorspace per 100 residents, total primary trade area residents are estimated to generate demand for 22,669 sq.m of supermarket floorspace in 2019. Driven by steady population growth, overall supermarket floorspace demand in the trade area is forecast to reach 28,501 sq.m by 2024 when accounting for demand beyond the trade area.

As outlined in Table 1.6, the proposed 22,000 sq.m of bulky goods floorspace can be easily supported on the subject site by 2028. Demand is driven by the strong forecast population and retail spend growth, culminating in over 28,600 sq.m of bulky good floorspace demand in 2024. The total 26,000 sq.m of retail floorspace over stage one and two of the development can be supported by the market with total retail floorspace demand exceeding 35,200 sq.m in 2024.

There are a range of other indicators of need and demand for additional retailing at the subject site, including:

- There is ample expenditure within the trade area and beyond. Between 2019 and 2024 the trade area resident spending market is projected to increase from \$4 billion to \$4.73 billion and to \$5.65 billion by 2029 (in constant \$2019 dollars, including GST)

- There is strong population growth in the trade area. The trade area resident population is expected to grow from 333,960 persons in 2019 to 378,790 persons by 2024, and 429,840 persons by 2029. This equates to an additional 8,966 trade area residents per annum by 2024 and 9,590 residents per annum by 2029, or growth of 2.6% per annum.
- Food retail spending in the trade area is projected to increase by \$278 million between 2019 and 2024, and a further \$340 million (in constant \$2019 dollars, including GST) over 2024-2029. This 2019-2029 growth equates to \$618 million, well above the expected turnover level for the proposed supermarket, at around \$20.6 million, meaning there is around \$597 million of food retail spending that is available to be captured by other retail facilities across the trade area over the forecast period. Projected food retail expenditure suggests several supermarkets can be supported in the trade area over the next decade.
- In terms of convenience spending, the stage 1 development is estimated to achieve turnover of \$31.4 million from the primary trade area, reflecting a 2.8% market share in 2024 and meaning that the remaining \$1.1 billion of spending across this primary trade area will be directed to other centres across the competitive network.
- Bulky goods and homewares spending in the trade area is projected to increase by \$152 million between 2019 and 2024, and a further \$207 million (in constant \$2019 dollars, including GST) over 2024-2029. The projected growth in bulky goods and homewares expenditure is significantly higher than the estimated turnover for the proposed bulky goods centre at \$88 million, meaning that around 75% of the market is available to be captured by other centres over the next decade.

RETAIL TRADING IMPACTS

For stage one in 2024, the total overall trading performance of existing traditional centres will be significantly higher (12.8 to 13.6%) than 2019 levels in real \$2019 dollars (even higher in nominal terms), even accounting for the proposed development, and the impacts of the opening of other competing retail developments. For stage two in 2028, the total overall trading performance of existing bulky goods centres will also be significantly higher (22.4 to 32.5%).

In 2024, stage one of the proposed development is forecast to draw \$34.3 million from key existing centres, and \$2.7 million (in constant \$2019 dollars, including GST) from other centres across Greater Sydney and online. Stage two is expected to draw \$67.5 million from existing centres and \$20.5 million from other centres. Other key centres include the Marsden Park bulky goods precinct which is the largest of its kind in Australia at ~96,000 sq.m. Gregory Hills is another significant bulky goods precinct south of the trade area.

The proposed development will compete most directly with centres / precincts that include bulky goods floorspace and full-line supermarkets, namely Orange Grove Homemaker Centre, Hometown Warwick Farm and Crossroads. Generally, these centres and precincts are performing well and should be able to absorb the impacts, benefiting from annual spending growth beyond 2024. The total impacts on existing traditional retailers does not exceed -4.1%, indicating stage one of the proposed development will not significantly undermine the commercial viability of existing retail. Similarly, impacts in stage two do not exceed -5.2% which is considered a manageable level of impact.

Typically impacts of 10-15% are considered substantial, but acceptable. Impacts of 5-10% are moderate and impacts of less than 5% are negligible to minor.

The analysis confirms that there is sufficient growth within the market to accommodate the proposed development without adversely impacting the commercial viability of existing retail centres over both stages.

Distribution of Potential Impacts on Key Centres

Subject Site, Stage One - 2024 (\$2019, incl. GST)

Table E.1.1

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2019	2024
	2019	2024	2024	2019	2024	(6)=(4)/(1)	(7)=(5)/(2)
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)		
Cecil Park Subject Site	0.0	0.0	37.0	n.a.	+37.0	n.a.	n.a.
Bulky Goods Centres							
Wetherill Park	433.8	473.5	468.7	+34.9	-4.8	+8.0%	-1.0%
Crossroads	346.8	404.6	403.6	+56.8	-1.0	+16.4%	-0.3%
Bonnyrigg	229.8	267.8	265.8	+36.0	-1.9	+15.7%	-0.7%
Len Waters Estate	68.2	79.4	78.4	+10.2	-1.0	+14.9%	-1.2%
Total Bulky Goods Centres	1,078.6	1,225.3	1,216.5	+137.9	-8.7	+12.8%	-0.7%
Traditional Centres							
Cecil Hills Shopping Village	43.9	47.3	45.3	+1.5	-2.0	+3.3%	-4.1%
The Valley Plaza	99.6	107.2	105.4	+5.8	-1.8	+5.8%	-1.7%
Miller Central	98.3	107.9	107.1	+8.8	-0.8	+8.9%	-0.7%
Casula	270.0	329.0	324.4	+54.4	-4.6	+20.2%	-1.4%
Prestons	109.8	154.4	151.2	+41.5	-3.2	+37.8%	-2.1%
Coles Edensor Park	60.1	64.2	62.3	+2.3	-1.9	+3.8%	-2.9%
Willowdale Shopping Centre	58.6	84.1	82.2	+23.6	-1.9	+40.2%	-2.2%
St Clair / Erskine Park	195.4	208.9	208.0	+12.6	-0.8	+6.5%	-0.4%
Carnes Hill Marketplace	167.6	190.4	187.7	+20.0	-2.8	+12.0%	-1.4%
Liverpool	837.3	936.5	931.5	+94.2	-5.0	+11.3%	-0.5%
Total Traditional Centres	1,940.6	2,229.8	2,205.2	+264.6	-24.6	+13.6%	-1.1%
Proposed Centres							
Edmondson Park Town Centre		72.5	71.6	+71.6	-0.9		-1.3%
Total Proposed Centres		72.5	71.6	+71.6	-0.9		-1.3%
Other Centres							
Other Centres & Online					-2.7		
Total Competing Centres					-37.0		

Source: Urbis

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp		
	2019	2028	2028	2019	2028	2019	2028
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Cecil Park Subject Site	0.0	0.0	88.0	n.a.	+88.0	n.a.	n.a.
Bulky Goods Centres							
Wetherill Park	433.8	513.7	506.3	+72.5	-7.4	+16.7%	-1.4%
Orange Grove Homemaker Centre	196.7	241.0	228.9	+32.2	-12.2	+16.4%	-5.0%
Hometown Warwick Farm	50.3	60.5	57.7	+7.4	-2.8	+14.7%	-4.7%
Crossroads	346.8	464.2	439.8	+93.0	-24.3	+26.8%	-5.2%
Bonnyrigg	229.8	307.1	302.3	+72.5	-4.7	+31.6%	-1.5%
Len Waters Estate	68.2	90.9	87.5	+19.3	-3.4	+28.3%	-3.7%
Total Bulky Goods Centres	1,325.6	1,677.4	1,622.6	+296.9	-54.8	+22.4%	-3.3%
Traditional Centres							
Casula	270.0	391.4	388.1	+118.2	-3.3	+43.8%	-0.8%
Prestons	109.8	202.1	199.4	+89.6	-2.7	+81.6%	-1.3%
Carnes Hill Marketplace	167.6	215.0	213.4	+45.8	-1.6	+27.3%	-0.8%
Liverpool	837.3	1,038.4	1,033.4	+196.2	-5.0	+23.4%	-0.5%
Total Traditional Centres	1,384.6	1,846.9	1,834.3	+449.7	-12.6	+32.5%	-0.7%
Proposed Centres							
Edmondson Park Town Centre		72.5	72.4	+72.4	-0.1		-0.2%
Total Proposed Centres		72.5	72.4	+72.4	-0.1		-0.2%
Other Centres							
Other Centres & Online					-20.5		
Total Competing Centres					-88.0		

Source: Urbis

ECONOMIC BENEFITS

There are a range of economic benefits associated with the proposed development from the retail, non-retail and industrial components:

- Deliver a total of 100 direct jobs, 214 indirect jobs and 313 total jobs per year of construction over the proposed development.
- Deliver a total of \$118.6 million of value-added benefit in net present value terms to the New South Wales Economy.
- Create a total of 1,899 jobs in the operational phase of the proposed developing, adding \$87.8 million in value added per annum the New South Wales economy in net present value terms over a 20-year horizon.

In addition to supporting additional employment and economic growth, the proposed development will provide a range of other benefits for existing and future Cecil Park residents, workers and visitors, including:

- **Orderly use of land to deliver a vibrant employment hub.** The proposed development will be a significant catalyst for the area on the doorstep to the Western Sydney Aerotropolis by expanding the retail offering in the area
- **Promoting price competition.** The extension of choice for trade area residents will also promote greater competition, with possible benefits in terms of keener prices and better quality goods and services.
- **Increased convenience and reduction of travel times.** The proposed development would add a significant retail offering to the area which currently has a low retail provision. With significant population growth expected, the proposed development would reduce travel times for the future residents.

INTRODUCTION

This Economic Impact Assessment (EIA) has been prepared by Urbis Pty Ltd on behalf of Western Sydney Town Centre Pty Ltd ("The Proponent") to form part of a planning proposal on 1400-1480 Elizabeth Drive, Cecil Park.

SUBJECT SITE AND LOCAL CONTEXT

The subject site comprises ~100,000 sq.m located at 1400-1480 Elizabeth Drive, Cecil Park in the Liverpool Local Government Area (LGA). The site is currently zoned RU4.

The site is located 2.6km from the junction of the M7 and Elizabeth Drive. It is 8km from Leppington, 12km from Liverpool and Cabramatta railway stations and 5km from the T-way station at Bonnyrigg.

The NSW Government is investigating upgrades to Elizabeth Drive between the M7 at Cecil Hills and The Northern Road in Luddenham to better handle increased traffic with the introduction of the Western Sydney Airport. Upgrades are expected to include new intersections, pedestrian paths, cycleways and bus stop infrastructure.

Development immediately around the subject site includes:

- Kemps Creek Sporting and Bowling Club is located to the immediate west of the site and shares a boundary.
- The RMS have acquired a portion of the subject site for future development of the M12 Motorway which will link the new Western Sydney Airport with the regional road network.
- An extractive industry and non-putrescible landfill and waste recycling operation is located to the south of the site.
- The Sydney International Shooting Centre is located to the south east of the site.
- East of the site is the Western Sydney Parklands.
- Land on the opposite side of Elizabeth Drive (to the north) is used for a mix of semi-rural business and residential purposes. It is noted that this land to the north is identified in the Western City District Plan as part of the Horsley Park Investigation Area.

The site is situated in an area undergoing rapid urban transformation. Key influences on the area include the construction of the new Western Sydney Airport (WSA) at Badgerys Creek located 5km west of the site and the associated upgrading of supporting infrastructure including roads, rail and utility services.

The M12 Motorway is proposed to connect the M7 at Cecil Hills to The Northern Road at Luddenham as part of planning for the broader Western Sydney Aerotropolis.

Current traffic along Elizabeth Drive is estimated at 29,170 vehicles per day and is forecast to grow at 5.4% per annum to over 42,000 by 2026, greatly increasing the visibility of the site to travellers on the road as the area develops further.

PROPOSED DEVELOPMENT

The Proponent is currently seeking approval for a Planning Proposal that will allow for 30,000 sq.m of retail and 70,000 sq.m of light industrial uses on the site, delivered over two stages to account for the approvals and construction process, establishment of initial operations, infrastructure delivery and market demand. The proposed mix is as follows:

Stage One (2024)

- 8,000 sq.m of retail and non-retail floorspace (including a 2,000 sq.m supermarket)
- 70,000 sq.m of light industrial uses

Stage Two (2028)

- 22,000 sq.m of bulky goods floorspace (large format retail)

The Proponent has advised that stage one of the development could be complete (and trading) by 2024, followed by stage two in 2028. Map I.1 shows the location of the subject site and the broader local context.

LIVERPOOL CENTRES AND CORRIDORS STUDY – SGS ECONOMICS, 2019

SGS Economics & Planning prepared the Liverpool Centres and Corridors Study in December 2019. The study identifies the demand for retail floorspace across the Liverpool LGA into the future and provides recommendations regarding the subject site.

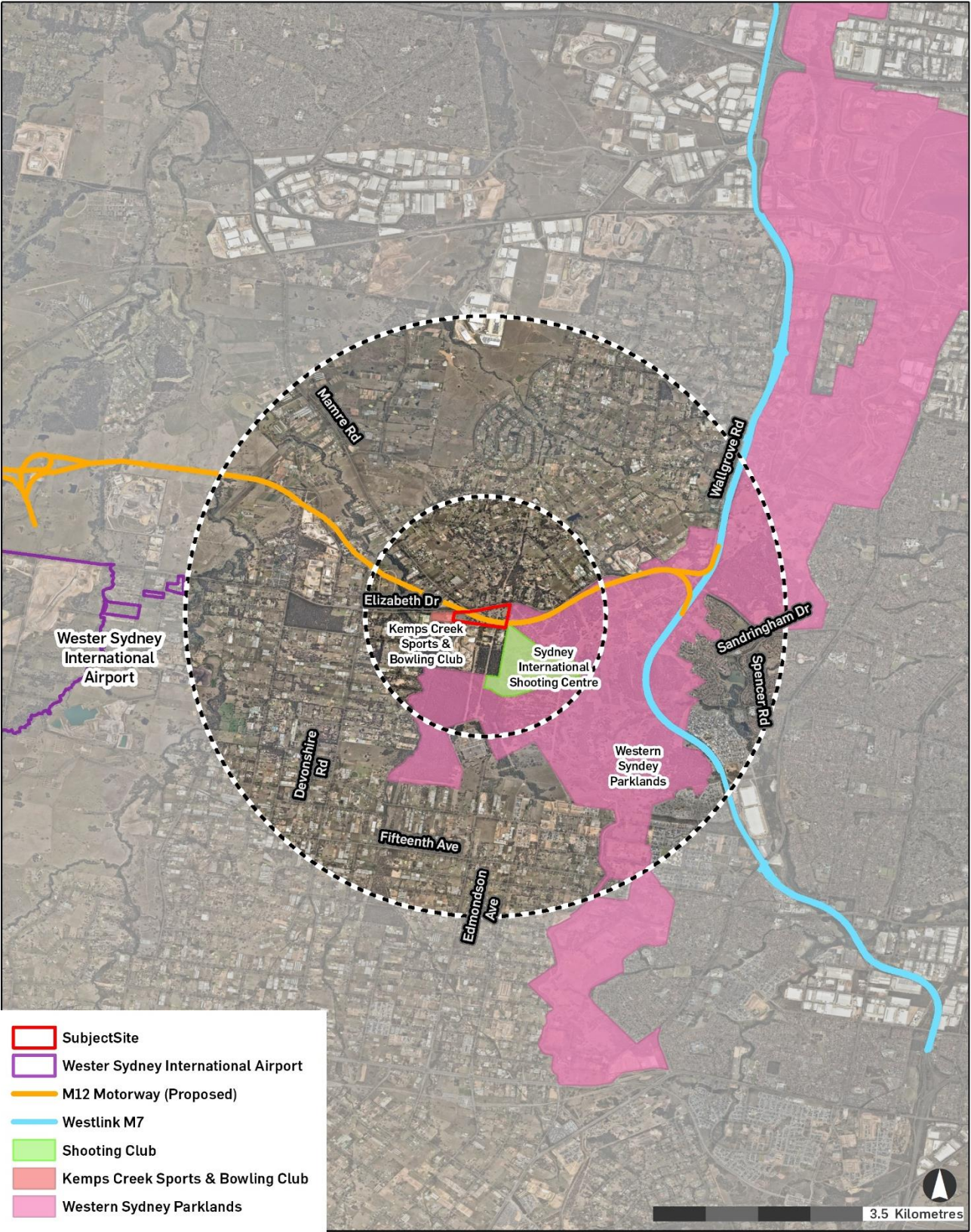
The study notes that the site *“could allow the creation of a new centre away from any local population catchment”* but also notes that *“the site is easily accessed from the arterial road and motorway network, which is an important part of suitability for specialised and large format retail development, which would be the most natural retail use of the site”*. While there is not a substantial resident population within the immediate proximity of the subject site, the SGS study does not consider the current and future workforce within the area, nor the significant increase in vehicle movements past the site as a result of upgrades to Elizabeth Drive or future development of the Aerotropolis.

The subject site presents an opportunity to drive and support local services and amenity in the short term, and a regionally relevant specialised retail offer over the medium term.

The study also notes the potential oversupply of bulky goods type floorspace over the forecast period. This analysis appears to be based on an assessment of the Liverpool LGA only, and does not appear to consider the inflows and outflows of spending or floorspace demand from beyond the LGA. The subject site is situated at the intersection of three LGAs (Penrith, Fairfield and Liverpool) and therefore is more suitable to capture inflow demand from these areas.

The analysis of bulky goods floorspace in the SGS study is also based on the provision of ~105,000 sq.m of bulky goods floorspace at Austral. We note that one of the sites zoned for bulky goods was previously mooted for rezoning to retail and residential. While these sites are currently zoned for bulky goods development, they sit within 800 metres of the Leppington Train Station, and therefore owners/developers could look to deliver higher density residential developments near the train station and designated major centre. The development of bulky goods within these identified precincts is not guaranteed to proceed, and the subject site offers the benefit of additional amenity, service and jobs for local residents over the short term.

When compared to the B5 zoned land in Austral, the subject site is considered to better meet the key success drivers for bulky goods development and is therefore be a more appropriate location for this type development. The subject site is situated at the gateway to the Aerotropolis and future jobs growth, and it's convenient and accessible location near major current and future transport infrastructure allows it to serve a broader regional catchment. The subject site will deliver greater access to amenities and services and drive more jobs over the short term across the LGA than the zoned land in Austral.



The rest of the report is structured as follows:

- **Section One – Retail Impact Assessment:** assesses the economic need and demand impact of the retail components of the proposed development
- **Section Two – Economic Benefit Assessment:** outlines the economic benefits likely to flow from the proposed development during both its construction and ongoing operation.

1. RETAIL IMPACT ASSESSMENT

This Economic Impact Assessment (EIA) has been prepared to analyse the potential economic impact of the retail uses proposed at subject site on the existing and future retail centres in the surrounding area.

1.1. TRADE AREA MARKET

This section discusses the trade area likely to be served by the retail component of the proposed development, including population trends and forecasts, socio-economic characteristics, as well as the future retail spending levels of trade area residents.

1.1.1. Trade Area Definition

The definition of the trade area for any retail development is determined by several factors including:

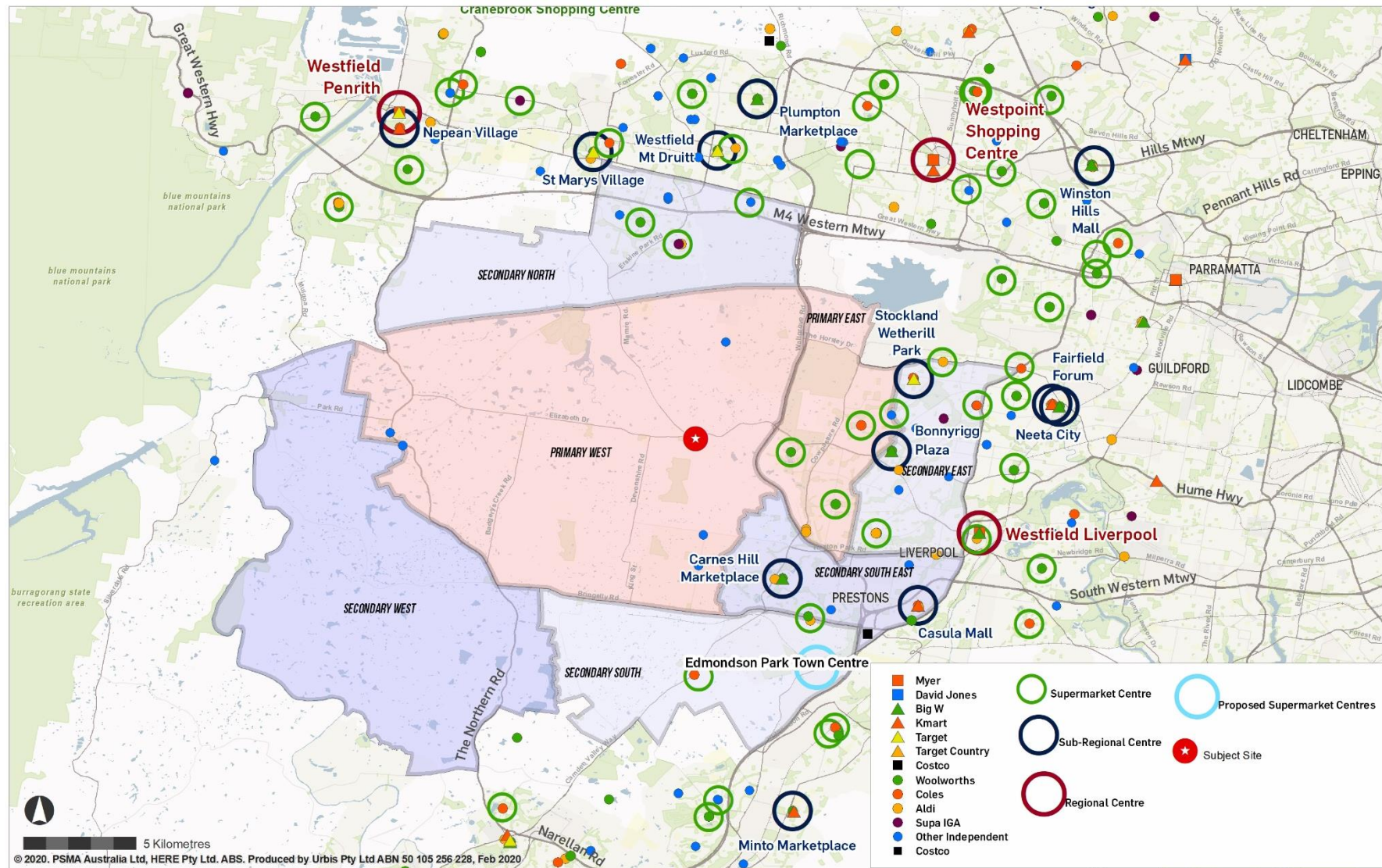
- The appeal and attractiveness of the centre in question determined by success factors such as composition, layout, car parking and the presence of other local complementary uses
- The proximity, composition, quality, size and diversity of retail, business services and community facilities in competing retail centres
- The accessibility of the subject centre in terms of road and public transport networks
- Topography and other physical barriers such as rivers, railways and freeways
- Proximity and accessibility to potential shoppers.

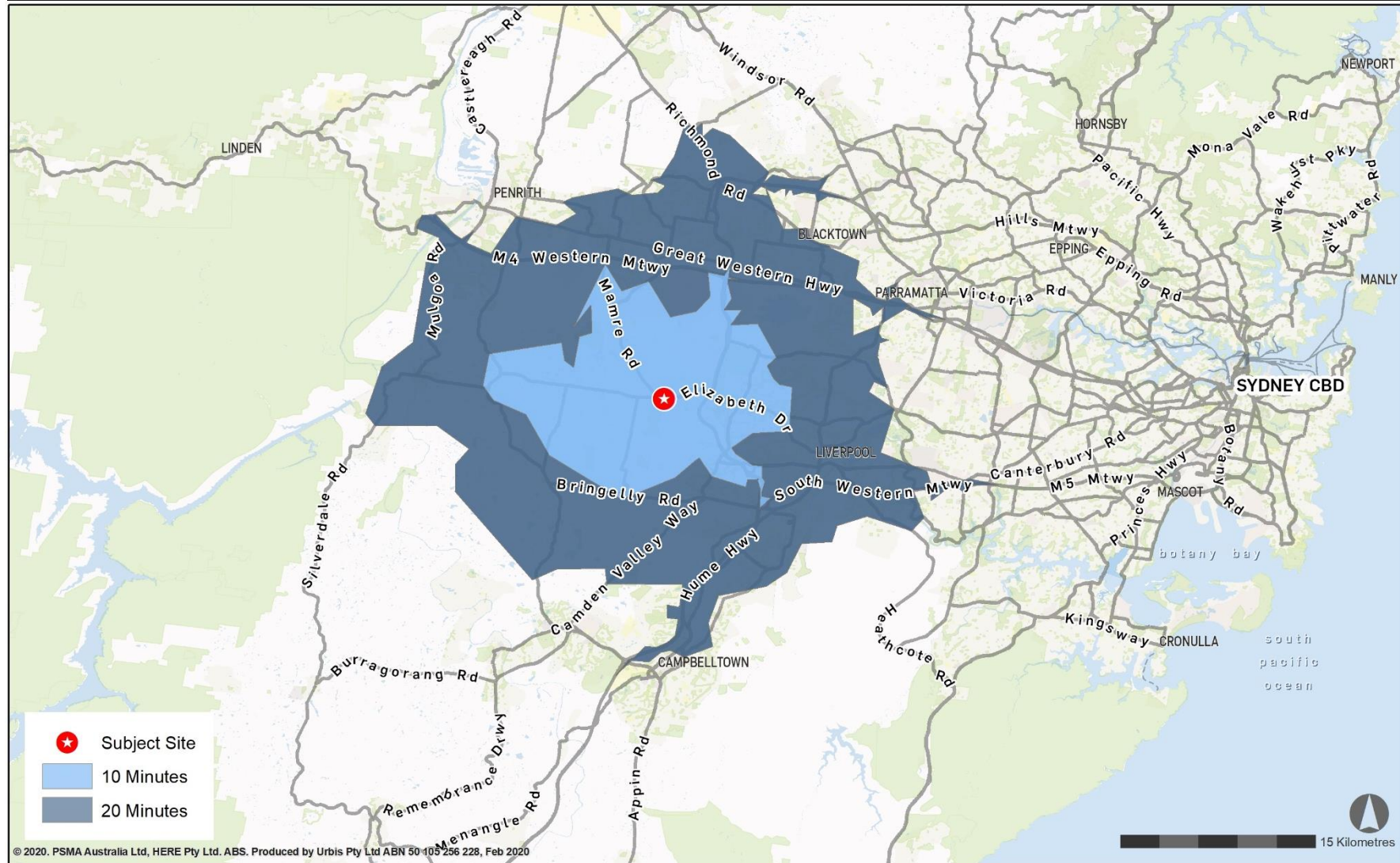
The adopted trade area has been based on ABS SA1 statistical divisions surrounding the subject site. On this basis, we have defined the trade area as follows:

- **Primary West Trade Area** – extends north to Erskine Park, east to Cecil Park, south to Austral and west to Luddenham.
- **Primary East Trade Area** – extends east of the Primary West trade area to Bonnyrigg Heights, north to Horsley Park and south to Hinchinbrook.
- **Secondary North Trade area** – extends north from the primary trade area to Colyton, east along Minchinbury and west to The Northern Road.
- **Secondary East Trade area** – extends east of the Primary trade area to Canley Heights, north to Wetherill Park and south Cartwright.
- **Secondary South East Trade Area** – extends south of the Secondary East to Casula, east along the Hume Highway and to West Hoxton in the west.
- **Secondary South Trade Area** – extends south of the Primary trade area to Emerald Hills, east to Edmondson Park and west to Catherine Field.
- **Secondary West Trade Area** – extends west of the Primary West trade area to Gulguer, north to Mulgoa and south to Cobbitty.

Generally, the primary trade area extends to encompass a 10-minute drive time from the subject site, reflecting the convenience based trade area for the subject site, while the secondary trade area generally extends to a 20-minute drive time from the subject site, reflecting the broader regional draw of the propose bulky goods offer.

Map 1.1.1 on the following page shows the defined trade area for the proposed development and Map 1.1.2 shows a drive times from the subject site.





1.1.2. Population

In preparing population projections for the trade area, we have had regard to the following sources:

- Historical population and dwelling approval data provided by the ABS
- The 2018 estimate of resident population (ERP) published annually by the ABS
- Travel Zone-level population projections published by Transport for NSW in June 2019
- Cordell Connect Construction Data for all development proposals

Using the 2018 ERP as a base, population growth within the trade area has been forecast by adopting the five-yearly average annual population growth rates projected at a Travel Zone-level by Transport for NSW. The resulting population forecasts for the trade area are shown in Table 1.1 overleaf.

The population projections demonstrate steady growth which will sustain demand for additional retail provision. In particular:

- The trade area resident population is expected to grow from 333,960 persons in 2019 to 378,790 persons by 2024, and 429,840 persons by 2029. This equates to an additional 8,966 trade area residents by 2024 and 9,590 residents by 2029, or growth of 2.6% per annum.
- The primary west trade area is estimated to comprise 14,790 residents in 2019 and is expected to reach 18,200 residents by 2024, and 25,060 residents by 2029. This reflects very strong population growth of 5.4% per annum over the next 10 years.
- The primary east trade area is estimated to comprise 69,170 residents in 2019 and is expected to reach 71,530 residents by 2024, and 73,590 residents by 2029. This reflects population growth of 0.6% per annum over the next 10 years.
- The total secondary trade area is estimated to comprise 250,000 residents in 2019 and is expected to reach 289,070 residents by 2024, and 331,200 residents by 2029. This reflects solid population growth of 2.6% per annum over the next decade. The strongest growth is expected to occur in the secondary south and the secondary west trade areas.

Historical and Forecast Population

Cecil Park Trade Area, 2014-2029

Table 1.1

	Population (no.) ¹			
	2014	2019	2024	2029
Primary:				
West	14,320	14,790	18,200	25,060
East	65,720	69,170	71,530	73,590
Total Primary	80,050	83,960	89,720	98,640
Secondary:				
East	99,280	105,440	110,930	115,700
South East	62,220	72,400	80,490	86,570
North	46,110	47,110	48,090	49,060
West	3,440	5,360	11,070	19,220
South	8,470	19,700	38,480	60,650
Total Secondary	219,520	250,000	289,070	331,200
Trade Area	299,570	333,960	378,790	429,840

	Annual Population Growth (%)		
	14-19	19-24	24-29
Primary:			
West	0.6%	4.2%	6.6%
East	1.0%	0.7%	0.6%
Total Primary	1.0%	1.3%	1.9%
Secondary:			
East	1.2%	1.0%	0.8%
South East	3.1%	2.1%	1.5%
North	0.4%	0.4%	0.4%
West	9.3%	15.6%	11.7%
South	18.4%	14.3%	9.5%
Total Secondary	2.6%	2.9%	2.8%
Trade Area	2.2%	2.6%	2.6%

	Annual Population Growth (no.)		
	14-19	19-24	24-29
Primary:			
West	94	682	1,372
East	690	472	412
Total Primary	782	1,152	1,784
Secondary:			
East	1,232	1,098	954
South East	2,036	1,618	1,216
North	200	196	194
West	384	1,142	1,630
South	2,246	3,756	4,434
Total Secondary	6,096	7,814	8,426
Trade Area	6,878	8,966	10,210

1. As at June

Source: ABS; Urbis

1.1.3. Demographic Characteristics

Chart 1.1 and Table 1.2 summarise the key socio-economic characteristics of the Cecil Park retail trade area based on the ABS 2016 Census. The key characteristics of the trade area resident population compared to the Sydney average are as follows:

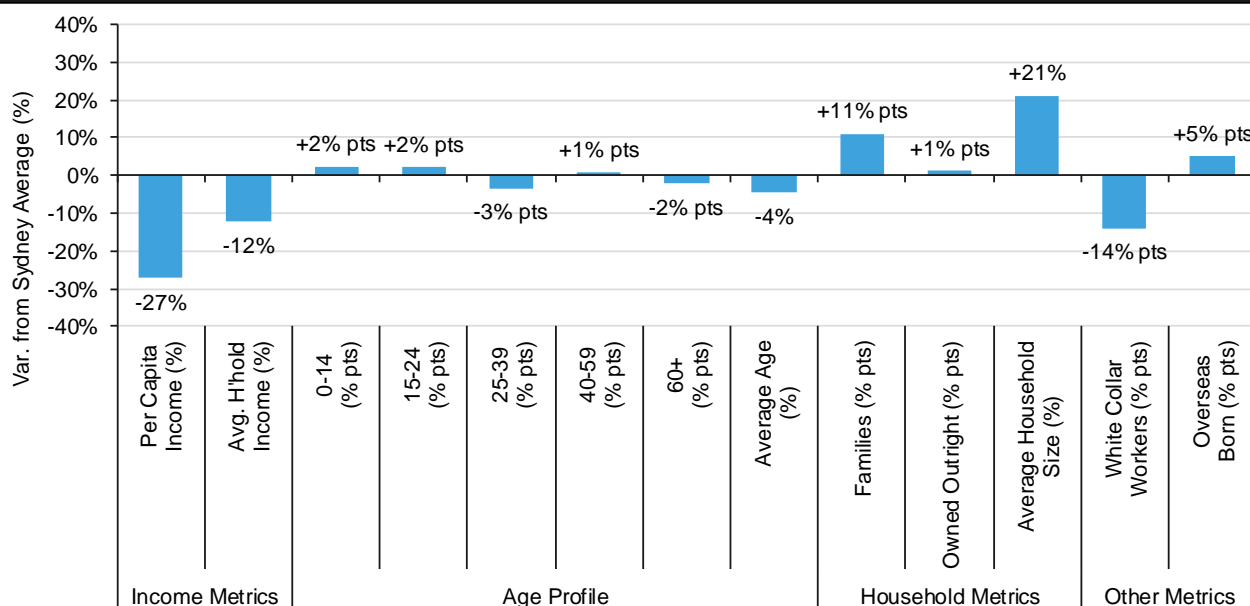
- Per capita incomes across the trade area are 27% below the Metropolitan Sydney average, reflecting the lower proportion of white-collar professionals
- There is a higher proportion of residents aged 0-19 years (28.7%) compared with the Metropolitan Sydney (24.7%), and lower proportion of 50 years plus (30.1%) compared with the Metropolitan Sydney (31.0%), which reflects the higher representation of young families in the area
- Household incomes are 12% lower than the average reflected by the occupation profile and the higher than average proportion of residents aged 0-14 years
- There is a significantly higher proportion of family households in the trade area (85%) compared to Metropolitan Sydney (74%).
- There is a relatively high proportion of families with children under 15 (35.6%) compared to Metropolitan Sydney (29.3%) which is consistent with the significantly larger average household size in the trade area (3.4 persons per household) compared to the Sydney average (2.8 persons per household)
- A notable characteristic is the substantially higher proportion of overseas born residents (44.3%) compared to the Metropolitan Sydney average (39.2%).

The socio-economic profile suggests that a contemporary, moderately priced retail proposition that provides extensive options to families and overseas born residents would serve the Cecil Park area well.

Key Demographic Characteristics

Cecil Park Trade Area variation from Sydney Average, 2016

Chart 1.1



Source: ABS Census (2016); Urbis

Socio-Demographic Indicators

Cecil Park Trade Area, 2016

Table 1.2

	Cecil Park Trade Area	Sydney
Income:		
Average Household Income	\$93,450	\$106,502
Per Capita Income	\$29,238	\$40,234
Age Distribution:		
Aged 0-14	21.2%	19%
Aged 15-19	7.5%	6%
Aged 20-34	21%	23%
Aged 35-49	20%	21%
Aged 50-64	18.6%	17%
Aged 65-79	9.1%	10%
Aged 80+	2.4%	4%
Socio-Demographic Indicators:		
Couple Families with no children (%)	20%	25%
Families with children under 15 (%)	35.6%	29.3%
Group Households (%)	1.1%	4.3%
Family Households (%)	85.0%	74.0%
Renters (%)	27%	35%
Household Size	3.4	2.8
White Collar Professionals (%)	61%	75%
Car Ownership (%)	94%	88%
Overseas Born (%)	44.3%	39.2%

Source: ABS; Urbis

1.1.4. Retail Spending

Retail spending estimates are derived using MarketInfo, a micro-simulation model developed by Market Data Systems Limited (MDS). This model, which is based on information from the national ABS Household Expenditure Survey (HES) and the Census of Population and Housing, uses micro-simulation techniques to combine a household's propensity to spend on particular commodities with the socio-economic characteristics of individuals to derive spending per capita estimates on a small area basis.

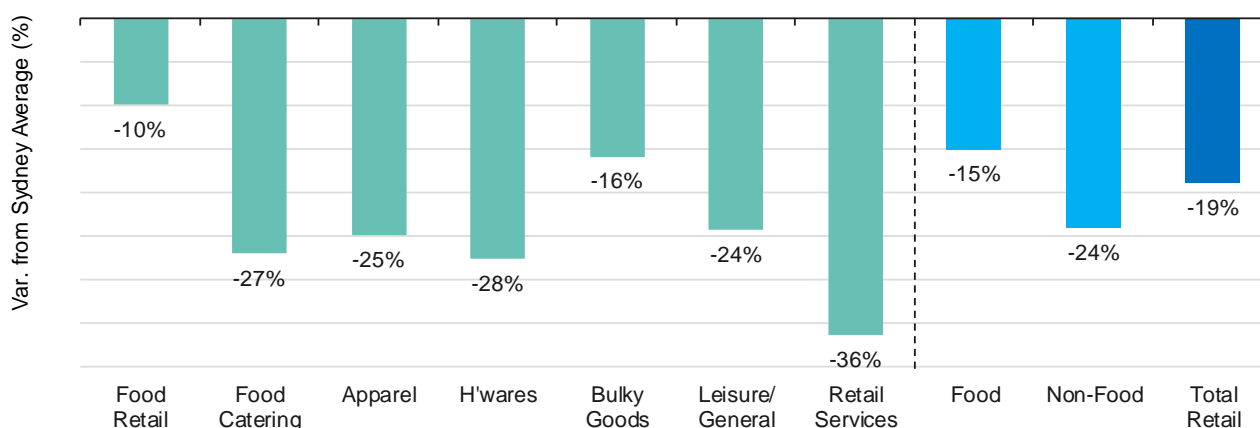
1.1.4.1. Per Capita Retail Spending

Across the trade area, per capita retail expenditure is **\$12,131** (in \$2019 dollars) which is 19% lower than the Sydney average of \$14,948. Chart 1.2 shows that the trade area retail spending is currently below the Sydney average for all categories, reflecting the lower incomes in the area.

Per Capita Retail Spending Versus Sydney Average

Cecil Park Trade Area Residents

Chart 1.2



Source : ABS; MarketInfo; Urbis

1.1.4.2. Resident Spending

Strong forecast population growth and retail spending per capita growth are expected to drive growth in the trade area retail spending market over the next 10 years. The current and future size of the resident retail spending market available to the subject site is shown in Table 1.3.

Trade area retail spending is forecast to increase from \$4 billion in 2019, to \$4.72 billion in 2024 and \$5.65 billion in 2029 (all in constant \$2019 dollars). This is estimated to be an additional \$720 million of retail expenditure available within the trade area between 2019 and 2024.

The table also shows that retail spending within the primary trade area is forecast to increase from \$1.03 billion in 2019 to \$1.14 billion in 2024, and \$1.31 billion in 2029. This is an additional \$107 million of available retail expenditure within the primary trade area between 2019 and 2024, or 15% of spending growth within the trade area.

Total Retail Spending by Category

Cecil Park Trade Area, 2019-29 (\$2019, incl. GST)

Table 1.3

	Food Retail	Food Catering	Apparel	H'wares	Bulky Goods	Leisure/ General	Retail Services	Total Retail	Annual Growth	=	Pop Growth	+	Spend Per Capita
Total Primary:													
2019	451	165	103	67	112	102	31	1,030					
2024	487	180	116	78	126	114	34	1,137	2.0%		1.3%		0.6%
2029	547	205	138	95	149	134	39	1,307	2.8%		1.9%		0.9%
Total Secondary:													
2019	1,344	453	293	193	304	303	87	2,977					
2024	1,585	542	362	246	378	371	106	3,591	3.8%		2.9%		0.8%
2029	1,866	650	452	318	473	458	130	4,347	3.9%		2.8%		1.1%
Trade Area:													
2019	1,795	618	396	260	416	405	118	4,008					
2024	2,073	723	479	324	504	485	140	4,728	3.4%		2.6%		0.8%
2029	2,413	855	590	413	622	591	169	5,654	3.6%		2.6%		1.1%

Source : ABS; MarketInfo; Urbis

1.1.4.3. Visitor Spending

In addition to the sizeable trade area resident spending market, the subject site would likely attract spending from visitors who do not reside in the trade area. The subject site's proximity to the M7 and location at the doorstep of the Western Sydney Aerotropolis facilitates visits and spending from travellers along the route.

The construction of the M12 prior to the completion of the Western Sydney Airport will likely increase visibility and access to the subject site. Current traffic along Elizabeth Drive is estimated at 29,170 vehicles per day and is forecast to grow at 5.4% per annum to over 42,000 by 2026 as per RMS projections.

1.1.4.4. Worker Spending

The trade area is expected to experience rapid job growth as development in and around the Western Sydney Aerotropolis progresses. Employment projections have been adopted from Transport for New South Wales. As of 2019, the primary west trade area sector employs over 9,800 people and this is expected to grow to over 32,350 by 2028, representing an additional 2,500 workers per annum.

The subject site would likely benefit from this employment growth in the trade area with the site's location on Elizabeth Drive, a major transport route in Western Sydney. Mamre Road is also a major north-south route in the region.

1.2. COMPETITIVE FRAMEWORK

This section provides commentary around the current and proposed provision of competitive retail floorspace relevant to the proposed development. The commentary establishes the relative competitive framework and provides background to assist in determining the level of impact that can be attributed to individual competing centres. Some individual centres have been grouped together to consistently estimate trading impacts from the proposed development.

This is summarised in Table 1.4 and shown on Maps 1.2.1 and 1.2.2.

1.2.1. Existing Centres

Liverpool

The subject site is located 11km north west of the Liverpool CBD, a major employment, retail and services centre. The majority of retail uses in the CBD are concentrated within the Westfield Liverpool Regional Shopping Centre. This centre currently contains 72,000 sq.m of retail Gross Lettable Area (GLA) and is anchored by Myer, Big W, Target, Coles and Woolworths. The Centre also contains 10 mini-majors (400+ sq.m), a range of specialty retailers and a 12-screen cinema operated by Event.

In addition to this shopping centre, there is a substantial provision of strip retail throughout the CBD, 36,000 sq.m of retail comprising a mix of supermarkets, food and beverage, convenience, and retail services tenancies.

Traditional Centres

The **Cecil Hills Shopping Village** is a small neighbourhood centre with estimated GLA of 3,935 sq.m located 3km east of the subject site. The centre is anchored by a 2,750 sq.m Woolworths and specialties make up the remaining 1,185 sq.m.

The Valley Plaza is a 10,250 sq.m supermarket-based centre located 6km south east of the subject site in Green Valley. The centre is anchored by Coles and Woolworths who make up 5,800 sq.m.

Miller Central is a 9,300 sq.m supermarket-based centre located 8km south east of the subject site in Miller. The centre falls in the secondary east trade area sector and is anchored by a 3,500 sq.m Woolworths and a 1,600 sq.m Aldi.

Casula comprises of Casula Mall, Casula Central and Woolworths Casula. The precinct is located 11km south east of the subject site in the secondary south east trade area sector. Casula Mall is a very well performing sub regional shopping centre, ranked number two in the country for turnover of centre with <20,000 sq.m of retail GLA. The centre is 19,300 sq.m and is anchored by a Coles, Aldi and Kmart. Casula Central is a small neighbourhood shopping centre driven by a small food catering and food retail offer. Woolworths Casula is anchored by a 4,000 sq.m Woolworths and is supported by a small food and beverage provision.

Prestons as a precinct comprises of Prestons Place, Prestons Shopping Village, Aldi Edmondson Park and Hoxton Park Central at present. The precinct is located 9km south of the subject site and has an estimated 11,850 sq.m of retail floorspace. While floorspace is dominated by supermarkets, there is currently a small bulky good provision of 2,800 sq.m at Hoxton Park Central. The centre is being redeveloped and is expected to hold 5,000 sq.m of bulky goods floorspace when vacancies are filled. Total supermarket space in the precinct is 5,600 sq.m and the remaining floorspace is retail specialties.

Coles Edensor Park is a 6,000 sq.m supermarket-based centre located 6km east of the subject site in the primary east trade area sector and is anchored by a 2,500 sq.m Coles.

Willowdale Shopping Centre is a supermarket-based shopping centre with 4,900 sq.m of retail floorspace located 11km south of the subject site in Denham Court and is anchored by a 4,500 sq.m Coles.

The **St Clair / Erskine Park** precinct comprises St Clair Shopping Centre and Erskine Park Shopping Centre. St Clair Shopping Centre is a sub-regional centre with 13,600 sq.m of retail GLA anchored by a 3,800 sq.m Woolworths. Erskine Park Shopping Centre is 6,100 sq.m and comprises an Aldi (1,560 sq.m) and an IGA (1,500 sq.m).

Carnes Hill Marketplace is a well performing sub-regional shopping centre 7km south east of the subject site in the secondary south east trade area sector. The centre is estimated at 16,125 sq.m of retail floorspace anchored by Woolworths, Aldi and Big W.

Centres with Bulky Goods

Wetherill Park comprises the Greenway Wetherill Park bulky goods centre, Stockland Wetherill Park and Aldi Wetherill Park. The precinct is located 9km north east of the subject site at the northern most periphery of the secondary trade area. Total retail GLA is estimated at 65,100 sq.m with 12,000 sq.m of bulky goods and 10,000 sq.m of supermarket floorspace.

Orange Grove Homemaker Centre includes the Orange Grove bulky goods centre and Fashion Spree, an outlet centre located opposite the homemaker centre. The centre is located 10km east of the subject site in Liverpool. Orange Grove comprises 23,125 sq.m of bulky goods floorspace and other retail in the precinct makes up the remaining 20,000 sq.m of retail floorspace. Plans have been lodged to expand Orange Grove to add approximately 39 retail tenancies.

Hometown Warwick Farm is a moderately sized homemaker centre located 12km east of the subject site, just outside of the trade area. Total retail floorspace of the centre is estimated at 11,200 sq.m, including 8,200 sq.m of dedicated bulky goods floorspace with major tenants such as Lincraft and Fantastic Furniture.

Crossroads is the major bulky goods centre in south-west Sydney, located 11km south east of the subject site in Casula. The centre includes 50,080 sq.m of bulky goods floorspace and a 14,000 sq.m Costco. Major tenants include a 20,000 sq.m Bunnings Warehouse, Amart Furniture and a small provision of food catering to complement the bulky goods offering.

Bonnyrigg comprises the 14,000 sq.m Bunnings Bonnyrigg, Bonnyrigg Plaza and Aldi Bunnings. The precinct is located 7km east of the subject site in the secondary east trade area sector. The remaining 24,300 sq.m of retail floorspace is anchored by Woolworths, Aldi and Big W.

Len Waters Estate includes Bunnings Hoxton Park, Aldi Hoxton Park and the Landmark Shopping Village 6 km south-east of the subject site. Bunnings Hoxton Park makes up the 14,000 sq.m of bulky goods floorspace in the precinct while Aldi represents ~1,600 sq.m of supermarket floorspace. The remaining floorspace is made up of food and beverage, retail services and general retail.

1.2.2. Proposed Retail Developments

1.2.2.1. Major Retail Additions

Stage 1 of the **Edmondson Park Town Centre** is currently under construction with plans to deliver 25,000 sq.m of total floorspace including a full line Coles supermarket of 4,200 sq.m, Liquorland, and various specialty stores. There are also plans to provide a seven-screen cinema, eat street, market hall and medical centre, which is expected to open in 2022.

1.2.2.2. Other Retail Development Applications

The **Middleton Grange Village Town Centre** is in the early planning stages and the site is currently for sale. The masterplan is expected to deliver 30,000 sq.m of retail, including a supermarket and other retail specialities. As the development has not received council approval, it has not been included in the retail impact assessment.

The **Ingleburn Road Shop Top Housing** development application at 120 Ingleburn Road, Leppington proposed a medium scale supermarket such as an Aldi or IGA. This project has not received development approval and consequently is not included in the retail impact assessment.

The **Bunnings Leppington** proposal on Bringelly Road is currently in the development application stage. If completed, the site will deliver over 12,000 sq.m of bulky goods floorspace to the trade area. This development has also been excluded from the retail impact assessment.

The **Leppington Town Centre** is an NSW Government priority precinct with development proposed around the Leppington Station, 8km south of the subject site. As per the Liverpool Centres and Corridors Study, the town centre is proposed to include 99,000 sq.m of retail floorspace by 2036. However, we consider it unlikely a centre of this size will be developed in the existing retail market context, given the pressures facing major discretionary anchor tenants needed to support a development of this scale.

The **Austral Bulky Goods Precinct** has been identified in the Liverpool Centres and Corridors Study to deliver a possible ~45,750 sq.m of bulky goods floorspace by 2031 and an additional ~58,800 sq.m by 2036. No development applications have been lodged in relation to this proposal.

Competitive Retail Environments

Cecil Park Trade Area

Table 1.4

Existing Centres - Traditional Retail

Liverpool	111,030	Myer, Big W, Target, Coles and Woolworths, Aldi
Cecil Hills Shopping Village	3,935	Woolworths
The Valley Plaza	10,250	Coles, Woolworths
Miller Central	9,300	Woolworths, Aldi
Casula	24,750	Coles, Woolworths, Aldi, Kmart
Prestons	11,850	Woolworths, Aldi
Coles Edensor Park	6,000	Coles
Willowdale Shopping Centre	4,900	Coles
St Clair / Erskine Park	19,700	Woolworths, Aldi, IGA
Carnes Hill Marketplace	16,165	Woolworths, Aldi, Big W

Existing Centres - Bulky Goods

Estimated Retail GLA (sq.m)

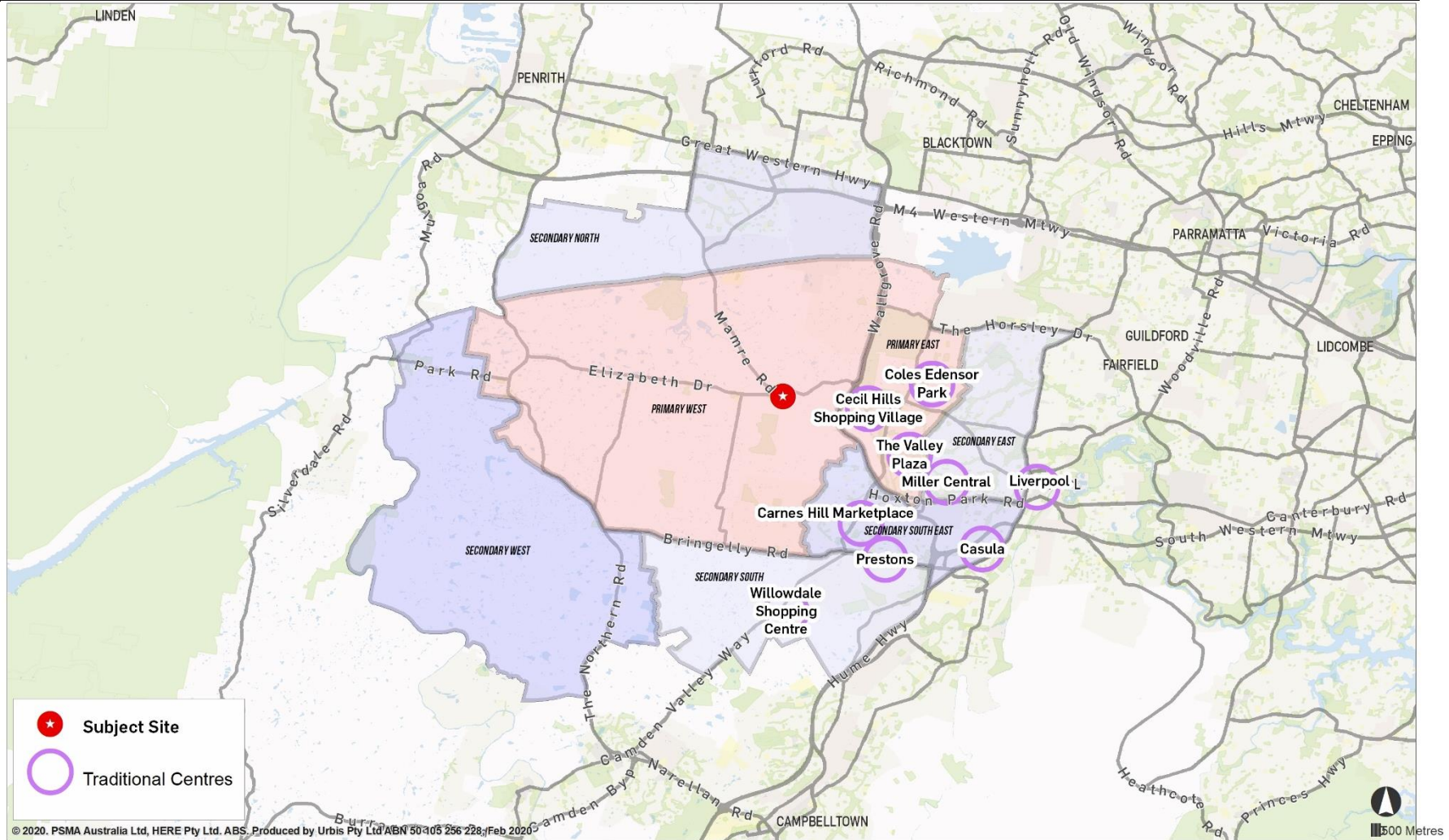
Major Tenants

Wetherill Park	65,100	Officeworks, Beds R Us, The Good Guys, Coles, Woolworths, Aldi
Orange Grove Homemaker Centre	43,135	Bing Lee, Harvey Norman, Domayne, Oz Design Furniture
Hometown Warwick Farm	11,200	Beds R Us, Fantastic Furniture, Lincraft, Supreme Furniture
Crossroads	66,200	Costco, Bunnings, Amart Furniture, Rebel Sport, Nick Scali
Bonnyrigg	38,300	Bunnings, Woolworths, Aldi, Big W
Len Waters Estate	17,250	Bunnings, Aldi

Proposed Major Retail Additions

Edmondson Park Town Centre	7,055	Coles
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Source: Australian Shopping Centres Database; PCA; Cordell Connect; Urbis





1.3. NEED, DEMAND AND IMPACT

This section of the report analyses the level of demand for retail floorspace, particularly supermarket and bulky good floorspace, as generated by the trade area residents. Analysing demand helps to give an indication of the likely turnover for a new retail development and helps to determine whether a proposed development can be supported. To analyse demand, factors such as population growth, income growth, amount of available supply and retail expenditure are considered.

1.3.1. Demand and Need

As part of the assessment criteria, it is necessary to establish the need and demand for the proposed retail development. As noted in the Introduction, stage one of the development will include 4,000 sq.m of retail floorspace, including a 2,000 sq.m supermarket. Stage two of the development will include 22,000 sq.m of bulky goods floorspace.

It has been assumed that the impact year for stage one of the development is 2024 and 2028 for stage two. In our view, an appropriate principle to be applied when assessing the market potential for any retail development can be described as follows:

“The residents of an area should be provided with the broadest range of conveniently located retail facilities and services which the market can support, at the earliest possible time without jeopardising the sustainability of other centres in the network which are adequately fulfilling customer needs.”

Of course, other planning considerations relating to the proposal will also be important in determining whether to give planning consent, including traffic, parking provision, amenity and various community benefit considerations. However, as far as the economic aspects are concerned, the above statement represents a practical principle to apply in a market economy which encourages competition and focuses on customer needs.

There are a range of indicators of need and demand for additional supermarket-based retailing at the subject site, including:

- There is ample expenditure within the trade area and beyond. Between 2019 and 2024 the trade area resident spending market is projected to increase from \$4,008 million to \$4,728 million and to \$5,654 million by 2029 (in constant \$2019 dollars, including GST)
- There is relatively strong population growth in the trade area. Between 2019 and 2024 the trade area population is expected to increase by over 44,830 persons and an additional 51,050 persons over 2024-2029
- Food retail spending in the trade area is projected to increase by \$278 million between 2019 and 2024, and a further \$340 million (in constant \$2019 dollars, including GST) over 2024-2029. This 2019-2029 growth equates to \$618 million, well above the expected turnover level for a 2,000 sq.m supermarket. Projected food retail expenditure suggests several supermarkets can be supported in the trade area over the next decade.
- Bulky goods and homewares spending in the trade area is projected to increase by \$152 million between 2019 and 2024, and a further \$207 million (in constant \$2019 dollars, including GST) over 2024-2029. This 2019-2029 growth of \$359 million is significantly higher than the expected turnover of a bulky goods centre and demonstrates that population growth within the next 10 years could support an additional bulky goods centre.

The additional demand for bulky good and supermarket floorspace from the trade area residents has been estimated based on the forecast growth in population, retail spending and the Sydney supermarket floorspace provision benchmark. This benchmarking assessment has focused on the trade area as it represents the area where the proposed development is likely to draw most of its trade and compete most strongly with other centres.

Table 1.5 outlines the level of supermarket floorspace demand and supply within the primary trade area. There is currently 12,940 sq.m of supermarket floorspace across the trade area.

Based on the Sydney benchmark provision of 27 sq.m of supermarket floorspace per 100 residents, primary trade area residents are estimated to generate demand for 22,669 sq.m of supermarket floorspace in 2019. However, given the many persons who visit the trade area but do not live in the trade area, we have allowed

for an additional 15% of supermarket demand from beyond the trade area. Driven by steady population growth, overall supermarket floorspace demand in the trade area is forecast to reach 28,501 sq.m by 2024.

Even after accounting for the proposed medium-scale supermarket at the subject site, the trade area would still be under-supplied by ~13,561 sq.m relative to benchmark in 2024.

When assessing the supermarket provision for the primary west sector, the market is undersupplied by ~3,700 sq.m of supermarket floorspace in 2024, even including the proposed development on the subject site.

Supermarket Provision Benchmarking

Cecil Park Primary Trade Area, 2019 to 2024

Table 1.5

		Unit	2019	2024
Primary Trade Area Population	(1)	persons	83,959	89,724
Sydney Average Supermarket Floorspace per 100 residents	(2)	sq.m	27	27
Supermarket Floorspace Demand (PTA)	(3) = (1) / 100 x (2)	sq.m	22,669	24,226
Proportion of Demand from Beyond Trade Area	(4)	%	15%	15%
Demand from Beyond Primary Trade Area	(5) = (4) / [1-(4)] x (3)	sq.m	4,000	4,275
Total Supermarket Demand (PTA)	(6) = (3) + (5)	sq.m	26,669	28,501
Total Existing Supermarket Floorspace (PTA)	(7)	sq.m	12,940	12,940
Proposed Supermarket Developments in the Trade Area (excl. subject site)	(8)	sq.m		0
Subject Site Proposal	(9)	sq.m		2,000
Supply Deficit	(10) = (6) - (7) - (8) - (9)	sq.m	13,729	13,561

Source: Urbis

Table 1.6 outlines the demand and supply gap for bulky goods floorspace in the trade area to 2039. By 2029, a total of 240,552 sq.m of bulky goods floorspace is estimated to be demanded by trade area residents plus a proportion from beyond. The total supply of bulky good floorspace in 2029 is expected to reach 224,194 sq.m, leaving a supply deficit of ~16,358 sq.m which indicates undersupply across the trade area when factoring in development on the subject site.

The analysis also considers the bulky goods floorspace demand across the trade area if the Austral Bulky Goods precinct was to be fully developed by 2039. Even considering this additional ~105,000 sq.m of floorspace, there would still be a supply deficit in the order of 16,000 sq.m by 2039.

Bulky Goods Provision

Cecil Park, 2019 to 2039

Table 1.6

	2019	2024	2029	2034	2039
Demand:					
Trade Area Population	333,958	378,792	429,842	487,647	537,431
Total Bulky Goods Floorspace Demand (sq.m)	166,138	197,928	240,552	291,572	344,539
Supply:					
Supply Within Trade Area (sq.m)	55,908	68,078	68,078	68,078	68,078
Supply Surrounding Trade Area (sq.m)*	110,416	134,116	134,116	134,116	134,116
Total Bulky Good Floorspace (sq.m)	166,324	202,194	202,194	202,194	202,194
Supply Deficit (sq.m)	-185	-4,266	38,358	89,379	142,345
Subject Site (sq.m)	0	0	22,000	22,000	22,000
Supply Deficit with Subject Site (sq.m)	-185	-4,266	16,358	67,379	120,345
Austral Bulky Goods Precinct Scenario					
Austral Bulky Goods Floorspace (sq.m)	0	0	0	45,756	104,580
Supply Deficit ex Subject Site (sq.m)	-185	-4,266	38,358	43,623	37,765
Supply Deficit with Subject Site (sq.m)	-185	-4,266	16,358	21,623	15,765

*Allocated rate of supply not within trade area

Table 1.7 outlines total retail floorspace demand within the trade area based off forecast population growth and retail expenditure. Market shares of total floorspace demand across the trade area have been applied to calculate a supportable floorspace number on the subject site. After accounting for 15% of additional floorspace demand generated from beyond and assuming a 0.5% per annum trading level growth rate, the subject site is expected to comfortably support the proposed 22,000 sq.m of bulky good floorspace before

2028. A total of 35,200 sq.m of retail floorspace is expected to be supported on the subject site to 2024, meaning the proposed 4,000 sq.m of traditional retail in stage one is also easily supported.

Retail Floorspace Demand Assessment

Cecil Park Trade Area, 2019 to 2039

Table 1.7

	Food Retail	Food Catering	Apparel	Bulky Goods	Leisure/ General	Retail Services	Total Retail
Total Resident Spend (\$M)							
2019	1,795	618	396	676	405	118	4,008
2024	2,073	723	479	828	485	140	4,728
2029	2,413	855	590	1,035	591	169	5,654
2034	2,804	1,008	726	1,291	719	204	6,752
2039	3,179	1,160	870	1,570	852	239	7,871
Average Trading Level (\$psm)*							
ATL (2019)	\$10,300	\$9,000	\$4,500	\$4,000	\$5,300	\$6,800	\$6,800
Total Floorspace Demand (sq.m)							
2019	174,283	68,681	87,960	166,138	76,385	17,305	590,753
2024	196,279	78,328	103,812	197,928	89,328	20,107	685,782
2029	222,884	90,330	124,787	240,552	106,172	23,688	808,413
2034	252,612	103,945	149,633	291,572	125,941	27,835	951,539
2039	279,326	116,688	174,960	344,539	145,539	31,812	1,092,864
Estimated Market Shares (%)							
Primary West	5.0%	7.5%	0.0%	29.4%	5.0%	5.0%	11.3%
Primary East	2.5%	2.5%	0.0%	20.9%	5.0%	2.5%	7.8%
Secondary East	1.0%	1.0%	0.0%	11.9%	2.5%	0.5%	4.0%
Secondary South East	0.5%	0.5%	0.0%	8.0%	0.5%	0.5%	2.6%
Secondary North	0.5%	0.5%	0.0%	8.0%	0.5%	0.5%	2.5%
Secondary West	0.5%	0.5%	0.0%	13.7%	0.5%	0.5%	4.2%
Secondary South	0.5%	0.5%	0.0%	4.3%	0.5%	0.5%	1.5%
Trade Area	1.3%	1.4%	0.0%	12.7%	2.2%	1.1%	4.4%
Supportable Resident Floorspace Demand** (sq.m)							
2019	2,610	1,140	0	24,915	1,966	232	30,864
2024	2,857	1,272	0	28,668	2,175	263	35,233
2029	3,231	1,486	0	34,102	2,476	310	41,605
2034	3,791	1,825	0	41,380	2,888	380	50,265
2039	4,385	2,197	0	49,560	3,358	458	59,958

*Inflated at 0.5% p.a.

**Includes 15% of floorspace demand to be generated from beyond trade area

Note: Homewares and bulky goods spend have been combined

Source : ABS; MarketInfo; Urbis

1.3.2. Turnover Potential

An impact assessment can provide a reasonable indication of the likely trading environment and average trading conditions which retailers are likely to operate within, and implications for likely turnover decline or turnover gain, on average, for the retailers involved. Because an impact assessment seeks to forecast how groups of people are likely to alter their shopping behaviour in response to a given change in the competitive environment, it is not possible to be so precise as to estimate exactly what will happen to each individual retailer, or each group of retailers in each location.

The impact on any one individual retailer, or any small group of retailers in a given location, would depend on many factors, some of which are within their control. For example, the impact of the proposed supermarket on the performance of existing supermarkets in the trade area will depend very much upon their competitive response (e.g. pricing policy, promotions, refurbishment etc.).

The actions which each of these retailers take will determine the eventual impact on each of them, and furthermore the actions which they each take will also determine the eventual impact on the other retailers involved.

All of these factors need to be kept in mind when considering the likely impact of any relocation and expansion of a retailer within the existing retail network. Existing retailers are not passive participants, but rather will play a major role in the eventual impact which they will experience.

The retail component of stage one will comprise approximately 4,000 sq.m of floorspace, including a 2,000 sq.m supermarket. Stage two will comprise 22,000 sq.m of bulky goods floorspace. For the purpose of this analysis, homewares has been grouped with bulky goods to reflect the tenant mix expected in the centre.

Urbis' retail turnover forecast for the proposed centre is based on extensive benchmarking against the Urbis Retail Averages and our extensive experience in the assessment and evaluation of shopping centres throughout Australia and internationally.

The turnover forecast considers existing and proposed retail competition as well as key design factors associated with retail – location, car parking, proximity to public transport, exposure, accessibility and likely tenant mix.

To determine the subject site's potential turnover, the following assumptions were made:

- Stage one of the development will be expected to start trading in 2024, followed by stage two in 2028.
- Trade area population growth and retail spending is forecast as per Section 1.1
- The proposed development will proceed as described in this report, thereby providing residents, workers and visitors in the trade area with an enhanced level of retail provision compared to what is currently available
- The assessment takes into consideration the size and likely strength of the proposed centre, having regard to the major tenants, location considerations and the extent, composition and quality of competing retail facilities
- The balance of the traditional retail mix is expected to include a mix of food retailing, food catering, homewares, retail services and leisure/general tenancies. This assumed mix is tailored to the likely demand of future trade area residents and visitors and aims to create a balanced retail offer.

Tables 1.8.1 and 1.8.2 show the likely floorspace and turnover for both stages of the proposed development. Potential turnover is calculated by analysing the quantum of retail expenditure available in the trade area in relation to the current retail supply, and by carefully reviewing the design attributes of the development. All turnover figures are expressed in constant 2019 dollars and include GST.

Table 1.8.1 shows we estimate that in 2024 the proposed development may achieve sales in the order of \$37 million (in constant \$2019). Of this, the supermarket is expected to achieve the majority of turnover with \$20.6 million at an average trading level of \$10,300 per square metre. The non-retail component of stage one will potentially include medical uses, gym, childcare and allied health uses.

Table 1.8.2 estimates total turnover for the bulky goods component of the development at \$88 million. The 22,000 sq.m of bulky goods floorspace is projected to trade at \$4,000 per square metre.

Retail Floorspace Composition and Turnover

Subject Site, Stage One - 2024 (\$2019, incl. GST)

Table 1.8.1

	Proposed GLA	Turnover \$psm	Turnover (\$M)
Supermarket	2,000	10,300	20.6
Mini Majors and Other Retail Specialties	2,000	8,175	16.4
Total Retail	4,000	9,238	37.0
Non Retail	4,000	-	-
Total Centre	8,000	9,238	37.0

Source: Urbis

Subject Site, Stage Two - 2028 (\$2019, incl. GST)			Table 1.8.2
	Proposed GLA	Turnover \$psm	Turnover (\$M)
Total Retail	22,000	4,000	88.0

Source: Urbis

As shown in Table 1.9.1, stage one of the proposed development is expected to achieve an overall market share of less than 1% in 2024. Meaning the remainder of trade area residents' spend will be directed to other retailers in Liverpool, Cecil Hills, Bonnyrigg, Carnes Hill and other centres across Sydney.

The development is also forecast to capture 2.8% of the market in the total primary trade area..

In addition to trade area residents, the proposed development will also draw business from persons who reside outside of the trade area. It is estimated that around 5% of the development's turnover will come from beyond the trade area. Trade from beyond the trade area is likely to be derived from a combination of sources including:

- Persons who work in the immediate area but live outside the trade area
- Broader Sydney residents who do not live within the trade area
- Visitors travelling through to the aerotropolis
- Passing traffic along Elizabeth Drive, the M7 and future M12

Food and Non-Food Market Shares

Subject Site, Stage One - 2024 (\$2019, incl. GST)							Table 1.9.1		
	Market (\$M)			Market Shares (%)			Turnover (\$M)		
	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
Primary:									
Total Primary	668	469	1,137	4.2%	0.7%	2.8%	28.3	3.1	31.4
Secondary:									
Total Secondary	2,128	1,464	3,591	0.2%	0.0%	0.1%	3.5	0.4	3.9
Trade Area	2,795	1,933	4,728	1.1%	0.2%	0.7%	31.8	3.4	35.3
<i>Beyond</i>				<i>4.5%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>1.5</i>	<i>0.2</i>	<i>1.7</i>
Total Centre							33.3	3.6	37.0

Source: Urbis

Table 1.9.2 demonstrates that stage two of the development is expected to achieve an overall market share of 1.4% in 2028. Residual trade area residents' spend will be directed to other centres in Wetherill Park, Bonnyrigg, Casula and other bulky goods centres in Sydney.

For the total primary trade area the market share is estimated at 2.9%. The subject site is expected to earn a market share of only 0.9% in the secondary trade area.

Turnover from beyond in stage two is estimated at 12.5%, significantly higher than that of stage one due to the tendency of bulky goods centres to draw from a wider area than supermarkets.

	Market (\$M)			Market Shares (%)			Turnover (\$M)		
	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
Primary:									
Total Primary	733	536	1,269	0.0%	7.0%	2.9%	0.0	37.4	37.4
Secondary:									
Total Secondary	2,441	1,757	4,197	0.0%	2.3%	0.9%	0.0	39.6	39.6
Trade Area	3,174	2,293	5,466	0.0%	3.4%	1.4%	0.0	77.0	77.0
<i>Beyond</i>				<i>0.0%</i>	<i>12.5%</i>	<i>12.5%</i>	<i>0.0</i>	<i>11.0</i>	<i>11.0</i>
Total Centre							0.0	88.0	88.0

Source: Urbis

1.3.3. Impact Analysis

1.3.3.1. Description of Economic Impacts

For the purposes of this report “economic impact” on specific retail centres is defined to mean the probable change in retail turnover at various shopping centres resulting from the introduction of new competition in the form of a new or expanded/refurbished shopping centre.

The reduction in turnover relates to a reduced turnover relative to the status quo had been maintained (i.e. if the centre’s competitive circumstances remained unchanged).

As discussed in this section, in our view it is appropriate to express the impact on particular shopping centres or activity centres as a percentage of their potential turnover in the opening year of the proposed centre, as well as comparing impacts with the estimated trading situation at each centre prior to the development occurring.

This latter measure is important because it shows the extent to which conditions prior to development will be sustained even after the impact of competitive developments, recognising that growth in the market, from population growth or real spending growth per capita, can offset in whole or part the effects of new competition.

Therefore, the relevant measures are two-fold:

- Turnover impact representing the reduction in turnover as a result of new competition, compared with turnover which would otherwise have been achieved by a particular centre under the status quo
- Turnover change represents the anticipated overall increase or decrease in turnover for a centre in the forecast year (2024 and 2028 respectively) compared with the situation before development. This measure reflects the combination of the impact of new competitive developments, counteracted by any underlying growth in turnover which would be achieved by the centre anyway.

The effects of new competition on individual businesses are not a relevant planning consideration. The relevant consideration in planning terms relates to the ongoing ability of centres to continue to provide for the needs of the community which they serve, and to ensure that new development does not fundamentally undermine the viability and role of existing and planned centres.

1.3.3.2. Impacts

Tables 1.10.1 and 1.10.2 detail the quantum of expenditure each stage of the proposed development is estimated to capture from competing centres and from other centres, for Stage 1 and Stage 2, respectively.

Urbis continually monitors the performance of retail properties and is adept at identifying the strengths and weaknesses of particular centres using a range of performance indicators. Our expertise is demonstrated in the trust the industry places in us to create the annual Urbis Shopping Centre Benchmarks, the industry benchmark standard for comparing the turnover and rental performance of a range of shopping centres, based on analysis of over 440 shopping centres annually.

Turnover estimates for competing centres are derived from a number of sources including the Urbis Shopping Centre Benchmarks, the Shopping Centre Council Directory, Shopping Centre News “Big Guns, Little Guns and Mini Guns” reports.

Urbis staff also undertook an audit of the current retail provision in and around Cecil Park during January 2020.

Turnover growth for competing centres has been assessed having regard to:

- Market growth across the Liverpool and broader LGA's, based on population and per capita spending growth projections
- Potential for market share erosion for some centres due to broader competition from new development across the trade area as well as online trading effects
- The impact of the proposed retail developments within the trade area on existing centres
- The overall competitive positioning of each centre
- Long term growth trends for shopping centres.

Distribution of Potential Impacts on Key Centres

Subject Site, Stage One - 2024 (\$2019, incl. GST)

Table 1.10.1

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2019	2024
	2019	2024	2024	2019	2024	(6)=(4)/(1)	(7)=(5)/(2)
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Cecil Park Subject Site	0.0	0.0	37.0	n.a.	+37.0	n.a.	n.a.
Bulky Goods Centres							
Wetherill Park	433.8	473.5	468.7	+34.9	-4.8	+8.0%	-1.0%
Crossroads	346.8	404.6	403.6	+56.8	-1.0	+16.4%	-0.3%
Bonnyrigg	229.8	267.8	265.8	+36.0	-1.9	+15.7%	-0.7%
Len Waters Estate	68.2	79.4	78.4	+10.2	-1.0	+14.9%	-1.2%
Total Bulky Goods Centres	1,078.6	1,225.3	1,216.5	+137.9	-8.7	+12.8%	-0.7%
Traditional Centres							
Cecil Hills Shopping Village	43.9	47.3	45.3	+1.5	-2.0	+3.3%	-4.1%
The Valley Plaza	99.6	107.2	105.4	+5.8	-1.8	+5.8%	-1.7%
Miller Central	98.3	107.9	107.1	+8.8	-0.8	+8.9%	-0.7%
Casula	270.0	329.0	324.4	+54.4	-4.6	+20.2%	-1.4%
Prestons	109.8	154.4	151.2	+41.5	-3.2	+37.8%	-2.1%
Coles Edensor Park	60.1	64.2	62.3	+2.3	-1.9	+3.8%	-2.9%
Willowdale Shopping Centre	58.6	84.1	82.2	+23.6	-1.9	+40.2%	-2.2%
St Clair / Erskine Park	195.4	208.9	208.0	+12.6	-0.8	+6.5%	-0.4%
Carnes Hill Marketplace	167.6	190.4	187.7	+20.0	-2.8	+12.0%	-1.4%
Liverpool	837.3	936.5	931.5	+94.2	-5.0	+11.3%	-0.5%
Total Traditional Centres	1,940.6	2,229.8	2,205.2	+264.6	-24.6	+13.6%	-1.1%
Proposed Centres							
Edmondson Park Town Centre		72.5	71.6	+71.6	-0.9		-1.3%
Total Proposed Centres		72.5	71.6	+71.6	-0.9		-1.3%
Other Centres							
Other Centres & Online					-2.7		
Total Competing Centres					-37.0		

Source: Urbis

Table 1.10.1 demonstrates that:

- In 2024, the total overall trading performance of existing centres will be significantly higher (12.8 to 13.6%) than 2019 levels in real \$2019 dollars (higher in nominal terms), even accounting for stage one of the proposed development, and the impacts of the opening of other competing retail developments.

- In its first full year of trading (2024), stage one is forecast to draw \$34.3 million from key existing centres, and \$2.7 million (in constant \$2019 dollars, including GST) from other centres across Greater Sydney and online. Impact on other centres represents 7.3% of total impacts.
- The important factor to note however, is that despite this, the subject development is still unlikely to undermine the commercial viability of any of the centres listed. Due to growth in population and spending, as well as the retail mix proposed, no retail centre is forecast to experience an impact greater than -5% (from their 2024 trading level) which is considered to be a moderate level of impact.
- The analysis confirms that there is sufficient growth within the market to accommodate stage one of the proposed development without adversely impacting the viability of existing retail centres, namely due to the substantial population growth forecast across the trade area and the moderate scale of proposed development.

Distribution of Potential Impacts on Key Centres

Subject Site, Stage Two - 2028 (\$2019, incl. GST)

Table 1.5.2

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp		
	2019	2028	2028	2019	2028	2019	2028
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Cecil Park Subject Site	0.0	0.0	88.0	n.a.	+88.0	n.a.	n.a.
Bulky Goods Centres							
Wetherill Park	433.8	513.7	506.3	+72.5	-7.4	+16.7%	-1.4%
Orange Grove Homemaker Centre	196.7	241.0	228.9	+32.2	-12.2	+16.4%	-5.0%
Hometown Warwick Farm	50.3	60.5	57.7	+7.4	-2.8	+14.7%	-4.7%
Crossroads	346.8	464.2	439.8	+93.0	-24.3	+26.8%	-5.2%
Bonnyrigg	229.8	307.1	302.3	+72.5	-4.7	+31.6%	-1.5%
Len Waters Estate	68.2	90.9	87.5	+19.3	-3.4	+28.3%	-3.7%
Total Bulky Goods Centres	1,325.6	1,677.4	1,622.6	+296.9	-54.8	+22.4%	-3.3%
Traditional Centres							
Casula	270.0	391.4	388.1	+118.2	-3.3	+43.8%	-0.8%
Prestons	109.8	202.1	199.4	+89.6	-2.7	+81.6%	-1.3%
Carnes Hill Marketplace	167.6	215.0	213.4	+45.8	-1.6	+27.3%	-0.8%
Liverpool	837.3	1,038.4	1,033.4	+196.2	-5.0	+23.4%	-0.5%
Total Traditional Centres	1,384.6	1,846.9	1,834.3	+449.7	-12.6	+32.5%	-0.7%
Proposed Centres							
Edmondson Park Town Centre		72.5	72.4	+72.4	-0.1		-0.2%
Total Proposed Centres		72.5	72.4	+72.4	-0.1		-0.2%
Other Centres							
Other Centres & Online					-20.5		
Total Competing Centres					-88.0		

Source: Urbis

Table 1.10.2 demonstrates that:

- In 2028, the total overall trading performance of existing centres will be significantly higher (22.4 to 32.5%) than 2019 levels when accounting for stage two of the proposed development on the subject site and impacts of other competing retail developments.
- In 2028, the bulky goods component (stage two) is forecast to draw \$67.5 million from key existing centres, and \$20.5 million (in constant \$2019 dollars, including GST) from other centres across Greater Sydney and online. Other key centres include the Marsden Park bulky goods precinct which is the largest of its kind in Sydney at ~96,000 sq.m. Gregory Hills is another significant bulky goods precinct south of the trade area from which our site is likely to draw trade from. Impact on other centres represents less than 25% of total impacts and also accounts for impacts on other retailers.

- As with stage one, the proposed development is not forecast to undermine the commercial viability of existing retail of the centres listed. Due to the substantial population growth and resulting spend growth, no centre is expected to experience an impact greater than -6% (from 2028 trading levels) and is considered manageable impact.

2. ECONOMIC BENEFIT ASSESSMENT

Property development projects provide economic benefits to a local economy and wider region during both the development phase and during the ongoing operation or working life of the project. Direct economic benefits during the development phase are identified in the form of expenditure, economic growth and employment benefits. These direct benefits in turn generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

The Economic Benefit Assessment (EBA) uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value add expenditure generation and employment generation:

- **Expenditure Generation** – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- **Employment Creation** – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the on-going economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry.
- Indirect effects are:
 - Those felt within businesses that supply goods to the industries directly affected (industry effects)
 - Those felt by businesses that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is an accepted conservative industry practice.

The following sub-sections present a summary of benefits for these two phases. In our analysis we have assessed the net additional retail floorspace and subsequent economic benefits from the supermarket and specialty stores. The economic benefits resulting from hotel operations has not been included in our analysis.

2.1. DEVELOPMENT PHASE

Direct economic benefits during the development phase are identified in the form of employment and value add benefits. These direct benefits, in turn, generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

For the purpose of this report, economic benefits have been calculated across the whole proposed development, including the retail, non-retail, light industrial and office uses.

2.1.1. Project Expenditure

Urbis have been provided with an estimate of construction costs from The Proponent. Total project expenditure is estimated at \$204.1 million, of which, \$157.9 million have been attributed to stage one of the development and \$46.2 million to stage two. REMPLAN Economy has been used to estimate job creation and economic value add from the development phase based on construction costs.

2.1.2. Employment Benefits

New jobs will be supported during the development phase (three years in total) by the direct expenditure on the proposed development. The direct and indirect employment benefits are shown below:

- Direct Jobs = 100 jobs per year of construction
- Indirect Jobs = 214 jobs per year of construction
- Total Jobs = 313 jobs per year of construction

2.1.3. Value Added Benefits

Value-added benefits (Gross State Product) will be generated from the direct expenditure incurred on the proposed development. Value-added essentially represents economic growth for the region and Greater Sydney (i.e. Net Economic Output: this is total economic output minus output which is an input for other sectors).

The net present value of value added has been calculated using a 7% discount rate, assuming two years of construction in stage one and one year of construction in stage two. NPV figures are illustrated in 2020 figures below:

- Direct Value Added = \$40.5 million (NPV)
- Indirect Value Added = \$78.1 million (NPV)
- Total Value Added = \$118.6 million (NPV)

Economic Benefits – Development Phase

Proposed Development	Table 2.1		
	Direct	Indirect	Total
Project Expenditure (\$M)	\$204.1	-	\$204.1
Employment (Jobs)	100	214	313
Value Added (\$M, NPV)	\$40.5	\$78.1	\$118.6

Note: NPV calculated using a 7% discount rate

Source: REMPLAN Economy; Western Sydney Town Centre Pty Ltd; Urbis

2.2. OPERATIONAL PHASE

In addition to economic benefits that are generated during the development phase of the project, there will be ongoing economic benefits created through the operation of the new facilities on the site (2024+). These benefits include growth in employment and value add (Gross State Product).

The table below outlines the number of direct jobs for the proposed redevelopment based on the additional retail floorspace, industry standard benchmarks and Urbis' experience in staffing requirements for land uses.

Operational Phase Employment

Proposed Development

Table 2.2

Use	Floorspace (sq.m)	Benchmark (sq.m / job)	Jobs
Supermarket	2,000	32	63
Traditional Retail	2,000	25	80
Non Retail	4,000	25	160
Warehousing	55,000	225	244
Light Industrial	9,000	90	100
Office	6,000	15	400
Bulky Goods	22,000	115	191
Total	100,000		1,238

Source: Urbis

2.2.1. Employment Benefits

The ongoing operation of the proposed facilities will directly and indirectly support new jobs in the local region and state. The direct and indirect employment benefits of the total development are shown below:

- Direct Jobs = 1,238
- Indirect Jobs = 661
- Total Jobs = 1,899

2.2.2. Value Added Benefits

Once complete, the proposed facilities will generate ongoing additional value added via annual contributions to Gross State Product (GSP). This represents economic activity which would otherwise not have occurred. Annual value-added benefit has been carried out 20 years from the completion of the development (2028) and discounted at 7% to arrive at a net present value figure for 2020. The direct and indirect value add from the total development is shown below.

- Direct Value-Added = \$50.9 million per annum (NPV)
- Indirect Value-Added = \$37.0 million per annum (NPV)
- Total Value-Added = \$87.8 million per annum (NPV)

Economics Benefits – Operational Phase

Proposed Development

Table 2.3

	Direct	Indirect	Total
Employment (Jobs)	1,238	661	1,899
Value-Added Per Annum (\$M, NPV)	\$50.9	\$37.0	\$87.8

Note: NPV calculated using a 7% discount rate

Source: REMPLAN Economy; Urbis

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