



13 ENDEAVOUR ROAD, CARINGBAH

Retail Impact Assessment

Prepared for Aliro Group
September 2020

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Proposed Development

- The subject site is located at 13 Endeavour Road, Caringbah, some 20km south of the Sydney CBD.
- The subject site is proposed to undergo a major redevelopment to a commercial business park with ancillary employment uses such as industrial, retail etc.
- The proposed mix is as follows:
 - Industrial (warehousing and associated office) – 38,324 sq.m
 - Commercial Office – 99,286 sq.m
 - Retail – 7,868 sq.m
 - *Market-style Grocer* – 4,307 sq.m
 - *Food & Beverage (tavern)* – 2,770 sq.m
 - *Specialty F&B (currently a permissible use on site)* – 791 sq.m
 - Recreation – 860 sq.m
 - Hotel – 3,624 sq.m
- Both the market style grocer and tavern will have substantive non-retail elements, including cooking school (grocer) and gaming facilities (tavern), while the grocer will include a mix of fresh and catered food. The specialty f&b will comprise smaller café and restaurant tenancies.

Market Demand and Need

- The trade area population is estimated to grow from 72,280 in 2020 to 78,170 by 2030, with retail spending estimated to grow by more than \$214 million (or 17%) over this period.
- Furthermore, additional spending will be supported by the ~5,460 workers estimated to be employed on-site upon completion. This market is estimated to generate around \$14 million in retail spending in 2030, noting that not all jobs from the development will come online prior to 2030.
- In combination, the trade area and on-site worker market are estimated to support an additional 73,900 sq.m of retail floorspace over the next 20 years, including 27,800 sq.m by 2030.
- The proposed addition of 7,868 sq.m of retail floorspace is therefore equivalent to around 28% of additional supportable floorspace demand over the next decade, and around 11% over the next 20 years.

Retail Trading Impacts

- The proposed retail component at the subject site is estimated to achieve turnover of \$46.5 million in 2024, reflecting the scale and mix of offer (including allocation of the aforementioned non-retail elements within the tenancies).
- The proposed development is estimated to achieve a 2.8% market share of retail spending within the trade area, as well as a further 45% market share from the on-site worker market.
 - In its first full year of trading (2024), the proposed development is forecast to draw \$42.9 million from key centres and \$3.6 million from other centres across Sutherland Shire and Greater Sydney.
 - All impacts from the proposed development are less than 6% on the identified centres, which is well within the bounds of competition. Even the cumulative impacts to both Bay Central and the proposed development are less than 15% across all centres.
 - The analysis confirms that there is sufficient growth within the market to accommodate the proposed development without adversely impacting the ongoing viability of existing retail centres, namely due to spending growth forecasts and the scale and destination appeal of the proposal.

1.0 SITE LOCATION AND CONTEXT

INTRODUCTION

Introduction

This Economic Impact Assessment (EIA) has been prepared by Urbis Pty Ltd on behalf of Aliro Group ("The Proponent") to form part of a planning proposal on the former Toyota site at 13 Endeavour Road, Caringbah.

This EIA addresses the relevant economic drivers of the proposed development, namely:

- Subject Site and Local Context
- Trade Area Analysis
 - Population
 - Demographics
 - Retail Spending
- Competitive Context
 - Existing Competition
 - Proposed Competition
- Market Demand and Need
 - Demand and Need
 - Turnover Potential
- Retail Impact Assessment
 - Distribution of Economic Impacts.

Subject Site and Local Context

The subject site is located at 13 Endeavour Road, Caringbah in the Sutherland Shire Local Government Area (LGA).

The site is located 20km south of the Sydney CBD. It is 1.2km north east of Caringbah Station and 1.6km north-west of Woollooware Station.

Development immediately around the subject site are as follows:

- There has been, and will continue to be, significant residential development to the east of the subject site as part of the Woollooware Town Centre (Bay Central) development. The retail component of this development is outlined in the competitive context.
- Woollooware Golf Club and Woollooware Station are located to the south-east.
- Low density residential housing is the predominant use to the south-west of the subject site, extending toward Caringbah Station.
- To the north west is the Taren Point and Caringbah industrial area which includes bulky goods retailing and light industry.
- The region is geographically constrained by the Georges River and Botany Bay to the north. The primary access to the Sydney CBD is via Taren Point Road, across the Captain Cook Bridge.

Proposed Development

The Proponent is currently seeking approval for a Planning Proposal that will allow a total of 149,962 sq.m on the site, of which 7,868 sq.m are allocated to retail uses. The proposed mix is as follows:

- Industrial (warehousing and associated office) – 38,324 sq.m
- Commercial Office – 99,286 sq.m
- Retail – 7,868 sq.m
 - *Market-style Grocer* – 4,307 sq.m
 - *Food & Beverage (tavern)* – 2,770 sq.m
 - *Specialty F&B* – 791 sq.m (currently a permissible use on site)
- Recreation – 860 sq.m
- Hotel – 3,624 sq.m

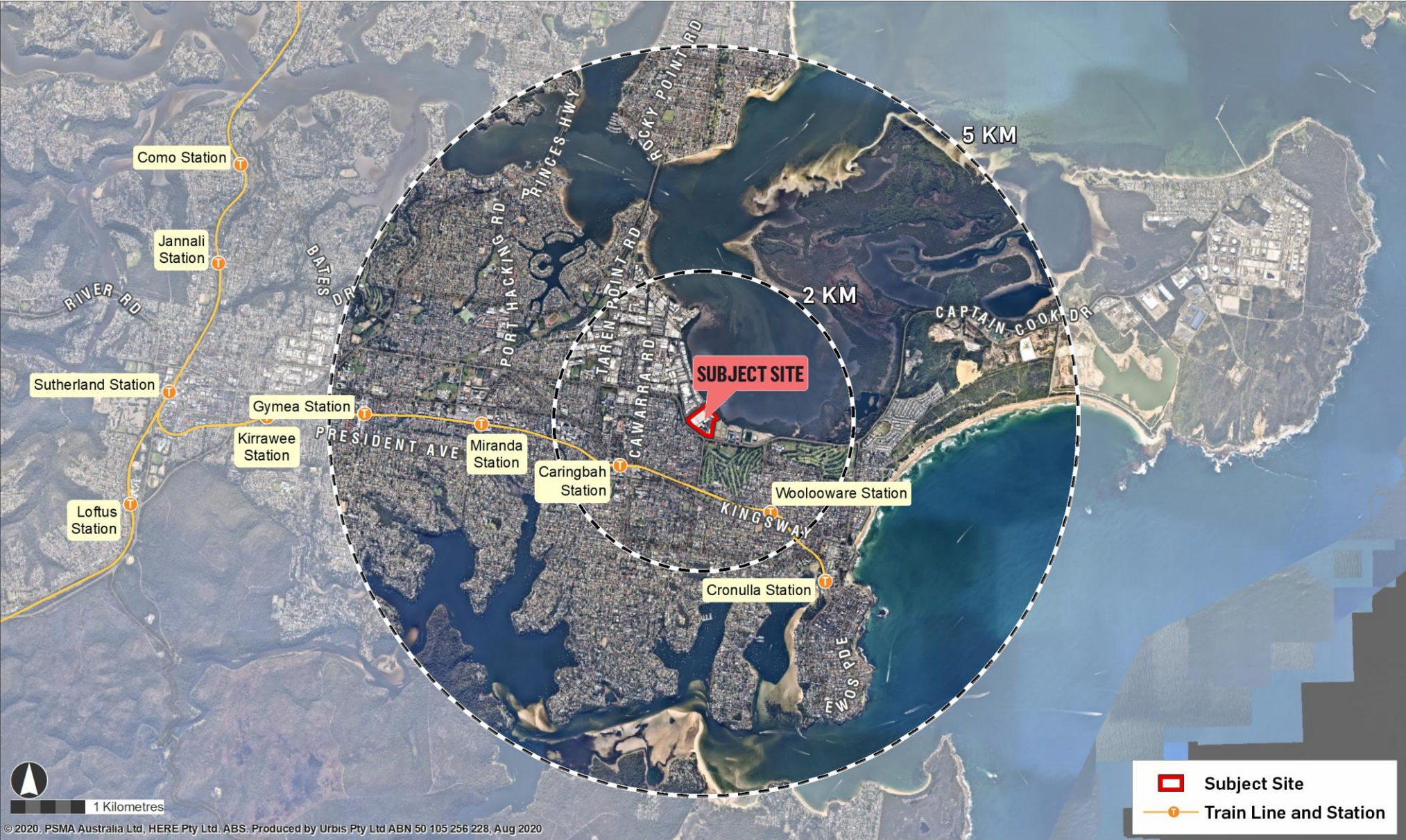
The Proponent has advised that the retail component of the development could be completed (and trading) by 2024.

Map 1.1 on the following page shows the location of the subject site and the broader local context.

Figure 1.1 illustrates the proposed masterplan.

SUBJECT SITE AND LOCAL CONTEXT

Map 1.1



PROPOSED DEVELOPMENT

Figure 1.1



2.0 TRADE AREA ANALYSIS

TRADE AREA MARKET & DEFINITION

Caringbah Trade Area Market & Definition

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.

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 Trade Area** – comprises the north of Caringbah, Woollooware and Cronulla while extending east to Greenhills Beach.

- **Secondary East Trade Area** – comprises Kurnell and is the smallest trade area sector.
- **Secondary South Trade Area** – extends south of the primary trade area and includes the southern parts of Caringbah and Woollooware. Other suburbs include Cronulla, Dolans Bay, Lilli Pilli and Burraneer.
- **Secondary West Trade Area** – extends to Westfield Miranda in the west and up to Sylvania and Taren Point.

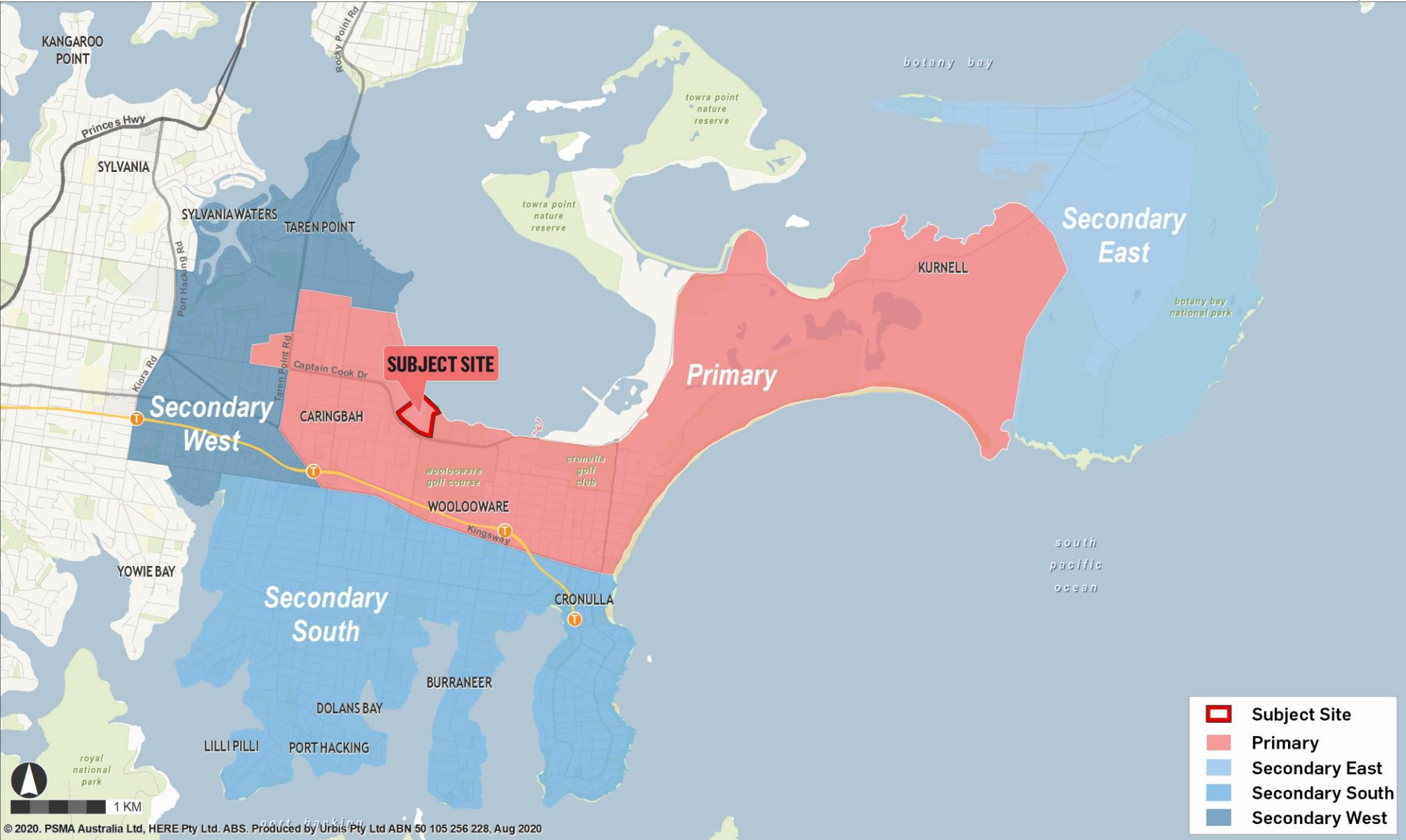
Generally, the primary trade area extends to encompass a 5-10 minute drive time from the subject site, reflecting the convenience based element of the subject site. Consideration is also given to the accessibility of fresh food within the local area, informing consumer choice and noting the lack of supply in the east.

The secondary trade area generally extends to a 10-15 minute drive time from the subject site, reflecting the broader regional draw of a unique market-style grocer offering and the tavern component of the development.

Map 2.1 on the following page shows the defined trade area for the proposed development.

CARINGBAH RETAIL TRADE AREA

Map 2.1



POPULATION (COVID-19 ADJUSTED)

Key Findings

The data sources and methodology used to calculate the COVID-19 adjusted population forecast on Table 2.1 are outlined in the Appendix.

The population projections demonstrate steady growth which will sustain demand for additional retail floorspace across the trade area. In particular:

- The trade area resident population is expected to grow from 72,280 persons in 2020 to 75,270 persons by 2025, and 78,170 persons by 2030. This equates to an additional 2,990 trade area residents by 2025 and 5,890 residents by 2030, or growth of 0.8% per annum.
- The primary trade area is estimated to comprise 18,230 residents in 2020 and is expected to reach 20,170 residents by 2025, and 21,100 residents by 2030. This reflects strong population growth of 1.5% per annum over the next 10 years.
- The total secondary trade area is estimated to comprise 54,040 residents in 2020 and is expected to reach 55,100 residents by 2025, and 57,060 residents by 2030. This reflects population growth of 0.5% per annum over the next decade. The strongest growth is expected to occur in the secondary west which comprises Miranda, Sylvania and Taren Point.

The proposed development will add a significant worker population to the subject site. In total, ~5,460 jobs are expected to be created, primarily from the commercial office component of the development.

Historical and Forecast Population – Caringbah Trade Area, 2015-2030

Table 2.1

	Population (No.) ¹				
	2015	2020	2025	2030	2020-2030
Primary:					
Total Primary	16,540	18,230	20,170	21,100	+2,870
Secondary:					
East	2,360	2,480	2,540	2,570	+90
South	35,830	37,590	38,430	39,280	+1,690
West	13,460	13,980	14,130	15,210	+1,230
Total Secondary	51,660	54,040	55,100	57,060	+3,020
Trade Area	68,200	72,280	75,270	78,170	+5,890
Annual Population Growth (%)					
	2015-20	2020-25	2025-30	2020-2030	
Primary:					
Total Primary	2.0%	2.0%	0.9%	1.5%	
Secondary:					
East	1.0%	0.5%	0.2%	0.4%	
South	1.0%	0.4%	0.4%	0.4%	
West	0.8%	0.2%	1.5%	0.8%	
Total Secondary	0.9%	0.4%	0.7%	0.5%	
Trade Area	1.2%	0.8%	0.8%	0.8%	

1. As at June

Source: ABS, TfNSW, Cordell, Urbis

DEMOGRAPHIC CHARACTERISTICS

Key Findings

Table 2.2 summarises the key socio-economic characteristics of the Caringbah trade area based on the ABS 2016 Census. The key characteristics of the trade area resident population are as follows:

- Per capita income across the trade area are 17% higher than the Sydney average. In the total trade area, average per capita income recorded \$47,150.
- Average household income is higher than the Sydney average in all areas except the primary trade area.
- The age profile of the Caringbah retail trade area is dominated by the 40-59 age bracket. The average age across the trade area is 39.5, largely driven by the older population in the secondary trade areas.
- Family households account for 70.4% of trade area households, slightly lower than the Sydney average of 74%. The proportion of family households is considerably lower in the primary trade area.
- The trade area comprises mostly white collar workers, at 77.2%, which is above the Sydney average. There is a higher proportion of white collar workers in the total secondary (78.3%) than in the total primary (74.3%).
- The trade area is predominantly Australian born, with only 18.8% of residents born overseas, compared to 39.2% across Greater Sydney.

Socio Economic Profile – Caringbah Trade Area, 2016

Table 2.2

	Caringbah Trade Area			
	Total Primary	Total Secondary	Total Trade Area	Sydney
Income Metrics:				
Per Capita Income	47,249	47,121	47,150	40,234
Var. From Sydney Average	+17%	+17%	+17%	0
Avg. H'hold Income	104,807	114,240	111,809	106,502
Var. From Sydney Average	-2%	+7%	+5%	0
Age Profile:				
Aged 0-14	17.1%	17.5%	17.4%	18.7%
Aged 15-24	10.8%	11.4%	11.2%	13.1%
Aged 25-39	25.8%	19.2%	20.9%	23.5%
Aged 40-59	27.5%	27.2%	27.3%	25.9%
Aged 60+	18.8%	24.7%	23.3%	18.9%
Average Age	37.4	40.2	39.5	36.8
Household Metrics:				
% Family Households	64.3%	72.5%	70.4%	74.0%
% Owned Outright	30.3%	40.2%	37.7%	31.0%
Average Household Size	2.34	2.54	2.49	2.78
Other Metrics:				
% White Collar Workers	74.3%	78.3%	77.2%	74.7%
% Overseas Born	18.0%	19.1%	18.8%	39.2%

Source: ABS Census (2016); Urbis

RETAIL SPENDING – CURRENT AND FUTURE MARKET

Key Findings

Moderate population growth and per capita spending growth are expected to drive retail spending over the observed time period.

The current and future size of the residential retail spending market by category over the next decade are shown in Table 2.3. Spend forecasts are presented in constant dollars (\$2020, incl. GST). Key findings include:

- The trade area retail spending market is projected to grow from \$1.2 billion in 2020 to over \$1.41 billion in 2030. This is an additional \$214 million of available retail expenditure within the trade area over the next decade. To 2025, the retail spending market is expected to grow \$97 million to \$1.3 billion.
- Retail spend in the primary trade area is expected to grow strongly at 2.5% per annum to 2025 and 2.3% from 2025-30, reaching \$379 million. The secondary trade area market is expected to grow from \$902 million today to \$1.04 billion in 2030, an additional \$133 million.
- Food retail spending is expected to grow from \$478 million in 2020 to \$536 million in 2030, an additional \$58 million which will drive demand for additional fresh food retailers across the trade area.
- The food catering market is expected to grow from \$211 million to \$244 million in 2030, \$33 million of growth that will support additional food and beverage floorspace.
- The on-site worker market is expected to contribute \$3 million per year in retail spending across all categories in 2025 and is expected to grow to \$14 million by 2030.

Total Retail Spending by Category – Caringbah Trade Area, 2020-2030 (\$2020, incl. GST)

Table 2.3

	Food Retail	Food Catering	Apparel	Homewares	Bulky Goods	Leisure/General	Retail Services	Total Retail	Annual Growth	=	Pop Growth	+ Spend per Capita
Total Primary:												
2020	120	55	30	21	27	33	12	298				
2025	133	62	35	25	32	38	13	338	2.5%		2.0%	0.5%
2030	145	68	41	31	37	43	15	379	2.3%		0.9%	1.4%
Total Secondary:												
2020	358	156	97	63	92	99	36	902				
2025	372	164	106	71	100	107	38	959	1.2%		0.4%	0.8%
2030	391	175	118	82	111	117	42	1,035	1.5%		0.7%	0.8%
Trade Area:												
2020	478	211	127	84	119	132	48	1,200				
2025	505	226	141	97	132	145	52	1,297	1.6%		0.8%	0.7%
2030	536	244	158	113	148	160	56	1,414	1.7%		0.8%	1.0%
Worker Population:												
2020	0	0	0	0	0	0	0	0				
2025	1	1	1	0	0	0	0	3				
2030	4	5	3	0	0	2	0	14				

Source: ABS, MarketInfo, Urbis

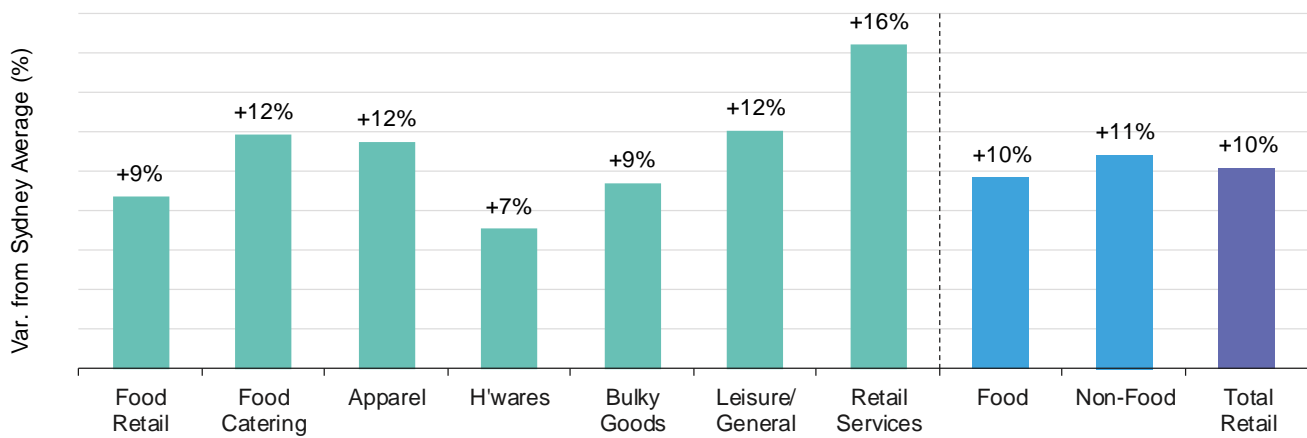
RETAIL SPENDING – SPEND PER CAPITA

Key Findings

Chart 2.2 highlights the variation between the Caringbah trade area and the Sydney average on per capita retail spending. Key findings are outlined below:

- Across the Caringbah trade area, total per capita retail expenditure is **\$16,715** (in \$2020 dollars) which is 10% above the Sydney average of \$15,174.
- Across all categories, per capita retail spending is higher in the Caringbah trade area compared to the Sydney average, indicating the region has above average capacity to support additional retail floorspace.
- Food retail spend per capita is 9% higher than the Sydney average and will support additional food retail floorspace in the trade area.
- Food catering spend per capita is 12% higher than the Sydney average which would potentially support additional food and beverage floorspace.
- Total food spend per capita is 10% higher than the Sydney average at \$9,603. The strong level of spending growth combined with population growth indicates there will be a need for additional fresh food retail and catered food floorspace across the trade area.

Per Capita Retail Spending vs Sydney Average – Caringbah Trade Area, 2020 Chart 2.2



Source : ABS; MarketInfo; Urbis

3.0 COMPETITIVE CONTEXT

EXISTING CENTRES

Retail Within the Trade Area

Major retail centres within the Caringbah trade area are outlined below. Table 3.1 and Map 3.1 summarise the competitive landscape.

Miranda

- Westfield Miranda is on the periphery of the Caringbah retail trade area (secondary west) and is the major regional centre in the Sutherland Shire. The centre is over 120,000 sq.m and is anchored by two department stores, two discount department stores (DDS') and three supermarkets.
- Strip retail in Miranda is concentrated north of the Westfield and Miranda Station. It comprises Coles and Aldi, a small food and beverage provision and other retail specialties. The strip retail (excluding the two supermarkets) is estimated at 4,850 sq.m.

Caringbah

- Caringbah Shopping Village is a 6,500 sq.m supermarket based shopping centre 1.6km south west of the subject site. It is anchored by a Woolworths.
- Strip retail is concentrated around Caringbah Station and includes Coles and an additional 16,250 sq.m.

Retail Within the Trade Area (cont')

Cronulla

- The Cronulla CBD strip retail comprises the small Cronulla Centre which has 2,130 sq.m of retail GLA and is anchored by an IGA.
- Cronulla is also home to a Woolworths Metro, a second IGA and approximately 25,000 sq.m of other retail floorspace, including food and beverage, apparel and convenience retail.

Taren Point

- Taren Point includes a Supa IGA (2,180 sq.m) and approximately 1,100 sq.m of food and beverage floorspace.
- The precinct comprises primarily bulky goods floorspace which is not relevant to this project. The major centre is the Caringbah Homemaker Centre.

Woollooware

- There is a limited provision of strip retail on Wills Road north of the station in Woollooware. Floorspace is estimated at 1,500 sq.m and the offer is quite dated, serving immediate residents only.

Sylvania

- Southgate Shopping Centre is a single DDS centre anchored by Kmart, Coles and Woolworths. Total retail GLA is around at over 18,700 sq.m.
- Sylvania is also home to a small IGA Xpress.

Retail Outside of the Trade Area

Kirrawee

- South Village is a 14,000 sq.m supermarket based centre anchored by a Coles and Aldi. It is the newest centre in the area having opened in 2018. The development is surrounded by high density residential housing.

Other

Other supermarkets in the immediate area surrounding the trade area include:

- Supabarn Gympie
- IGA Sutherland
- Coles Sutherland
- Woolworths Metro Jannali
- Coles Kareela

Clubs, Hotels and Taverns

- As the proposed development includes a tavern component, it is important to understand the existing clubs, hotels and taverns in the area. Map 3.2 highlights the licenced clubs and hotels in and around the trade area.
- There is a significant concentration of clubs and hotels around the Cronulla CBD. Other establishments can be found around Woollooware and Caringbah Station.
- Beyond the trade area there are clubs and hotels clustered around Miranda and Gympie.

PROPOSED CENTRES & COMPETITION SUMMARY

Proposed Major Retail Additions

Bay Central

- Formerly known as the Woollooware Bay Town Centre, Bay Central is a proposed double supermarket based centre immediately to the east of the subject site at 461 Captain Cook Drive, Woollooware. The project has received development approval and site works appear to have commenced.
- In addition to the retail, the overall concept plan for the development includes upwards of 600 residential apartments (some of which have been completed), upgrades to Toyota Stadium and Cronulla Sutherland Leagues Club.
- Bay Central, the retail component of the development is expected to be completed in January 2023 and will be anchored by a Woolworths and Aldi. Dan Murphy's is also expected to occupy a 1,423 sq.m tenancy.
- Total GLA for the centre is estimated at 18,132 sq.m with 13,537 sq.m expected to be retail uses.
- A summary of the expected retail mix of the development is shown on Table 3.2

Competitive Retail Environments

Table 3.1

Existing Centres	Estimated Retail GLA (sq.m)	Major Tenants
Miranda	128,580	David Jones, Myer, Target, Big W, Woolworths, 2x Coles, 2x Aldi
Caringbah	25,960	Woolworths, Coles, IGA
Cronulla	28,270	Woolworths, 2x IGA
Taren Point	3,280	IGA
Woollooware	1,500	
Sylvania	18,950	Kmart, Woolworths, Coles
Total	206,540	
Proposed Major Retail Additions		
Bay Central	13,537	Woolworths, Aldi
Total	13,537	

Source: PCA, Cordell Connect, Capital Bluestone, Urbis

Indicative Retail Mix – Bay Central

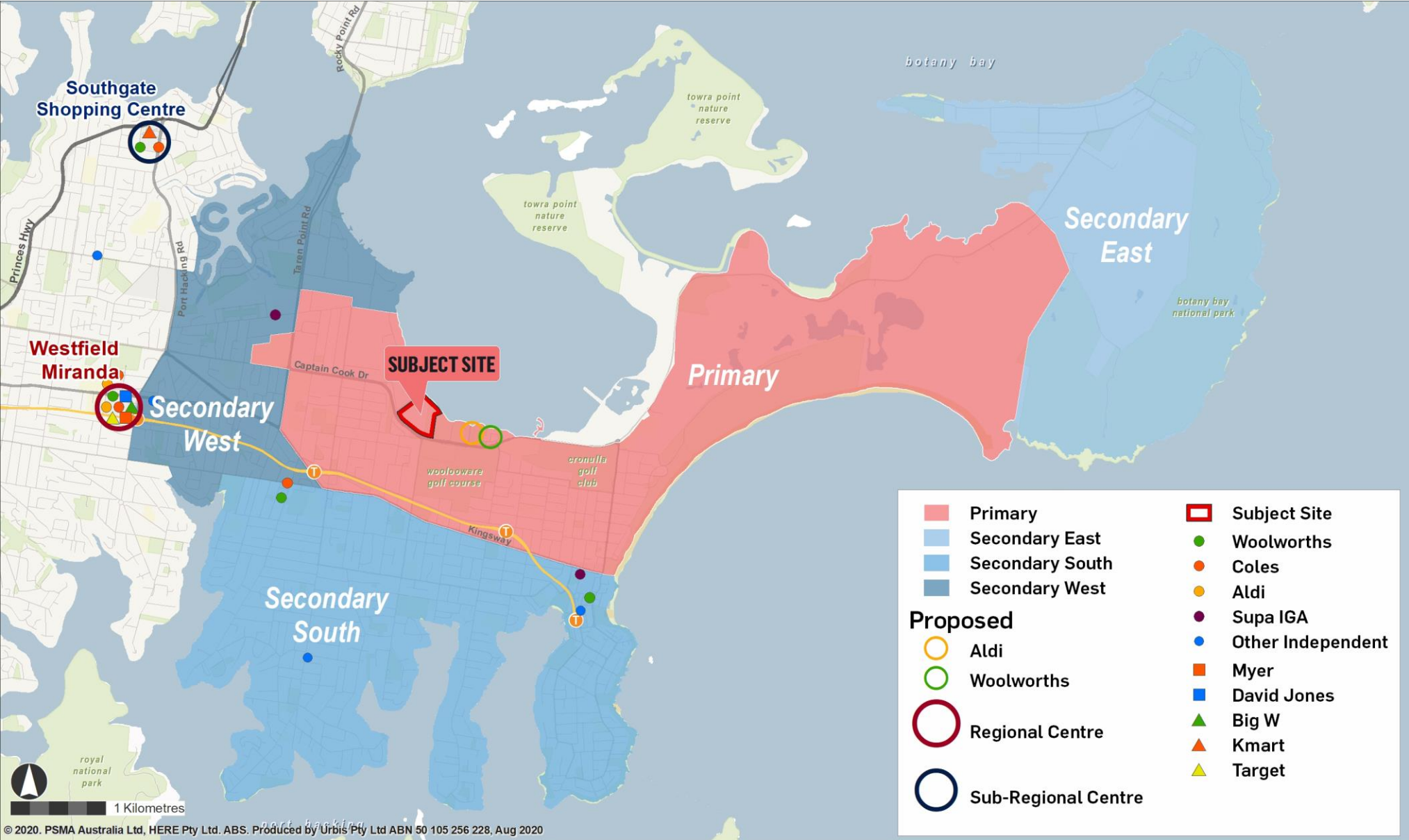
Table 3.2

Majors:	GLA (sq.m)
Supermarkets	5,938
Dan Murphy's	1,423
Total Majors	7,361
Specialties:	
Total Specialties	6,176
Total Retail	13,537
Non-Retail	4,595
Total Centre	18,132

Source: Urbis, Capital Bluestone

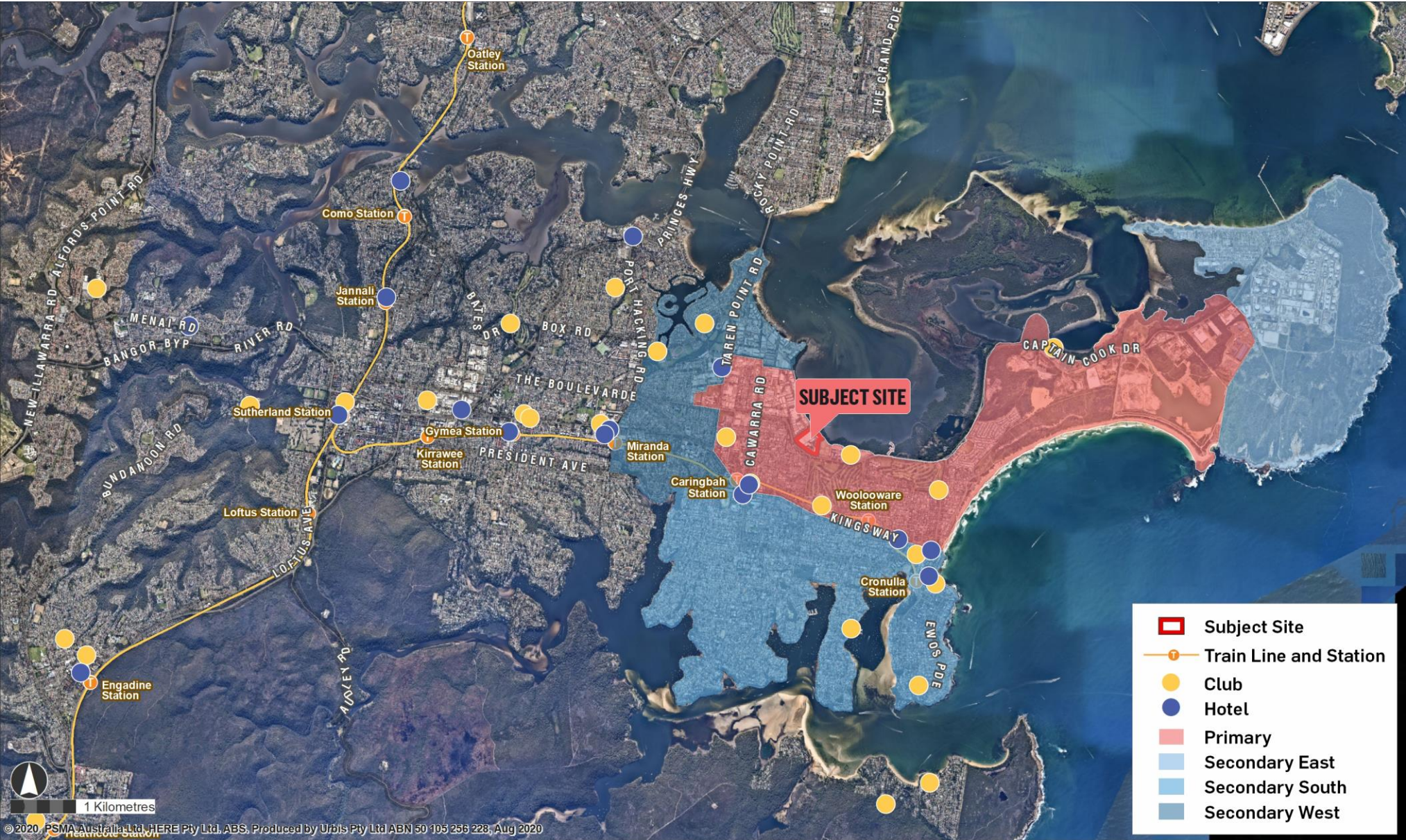
EXISTING COMPETITION

Map 3.1



EXISTING CLUBS AND HOTELS

Map 3.2



4.0 MARKET DEMAND AND NEED

DEMAND AND NEED

- This section of the report analyses the level of demand for retail floorspace 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.
- 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, the development will include a market-style fresh food retailer of 4,307 sq.m, a tavern of 2,770 sq.m and specialty f&b of 791sq.m. Within these footprints, there will an element of non-retail usage (for example, gaming space within the Tavern, or a cooking school within the grocer).
- It has been assumed that the retail element could commence trading in 2023, with the first full financial year of trade in 2024. Therefore, 2024 has been selected as the year to analyse any potential impacts on the surrounding retail hierarchy.
- 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 retailing at the subject site, including:
 - There is ample expenditure within the trade area and beyond. The trade area resident spending market is projected to increase from \$1.2 billion at present to \$1.4 billion by 2030 (in constant \$2020 dollars, including GST).
 - On-site workers will generate around \$3 million of retail spend at or near

their place of work by 2025 and is expected to grow to \$36 million by 2040.

- Total floorspace demand generated by the resident and worker markets is estimated to grow from around 202,000 sq.m at present to 229,900 by 2030.
- Over the longer term, the trade areas will generate demand for an additional 73,900 sq.m of retail floorspace by 2040.
- The proposed development, at 7,868 sq.m, of which a share will also be non-retail uses, represents only a small proportion of total demand over the forecast period.

Total Retail Floorspace Demand, 2020-40

Table 4.1

	Total Resident Spend (\$M)	Total Worker Spend (\$M)
2020	1,200	0
2025	1,297	3
2030	1,414	14
2035	1,542	22
2040	1,727	36
Average Trading Level (\$psm)*		
ATL (2020)	\$6,600	
ATL (2025)	\$6,700	
ATL (2030)	\$6,900	
ATL (2035)	\$7,000	
ATL (2040)	\$7,100	
Supportable Resident Floorspace Demand** (sq.m)		
2020	202,084	
2025	215,473	
2030	229,898	
2035	248,369	
2040	275,964	

*Inflated at 0.5% p.a.

**Includes 10% of floorspace demand to be generated from beyond trade area

Source : ABS; MarketInfo; Urbis

TURNOVER POTENTIAL

Key Findings

Table 4.2 outlines the composition and estimated turnover potential of the proposed retail uses at the subject site.

The retail offer is estimated to achieve a turnover of around \$46.5 million in 2024 (constant \$2020, including GST), reflecting an average trading level of \$6,577 per sq.m.

The proposed market grocer concept is not a supermarket, and will include a blend of fresh and catered food, as well as non-retail elements like a cooking school. As such, this dilutes the average trading level from typical grocer performance (given the larger floorplate) and supermarkets (given the different offer).

The tavern is estimated to achieve around \$8.3 million in retail (F&B) turnover, at \$3,000 per sq.m. the specialty F&B component (which is a current permissible use) is expected to achieve \$5.9 million at \$7,500 per sq.m.

Table 4.3 illustrates the market shares estimated to be achieved by the proposed retail development.

The retail offer is estimated to achieve a 2.8% market share of trade area retail spending, including a 4.7% market share of food spending and a 0.3% market share of non-food spending.

The retail offer is estimated to achieve a 45% market share of the on-site worker retail spending, while around 22% of total sales are estimated to be achieved from beyond the trade area, reflecting the location on a major east-west route throughout the Shire, proximity to Shark Park and the destination nature of the proposed tavern and retail offering.

Retail Composition and Turnover – Subject Site, 2024

Table 4.2

	GLA	Turnover	
	(sq.m)	(\$M)	(\$/sq.m)
Major tenants:			
Market Grocer	4,307	32.3	7,500
Tavern	2,770	8.3	3,000
Specialty F&B*	791	5.9	7,500
Total Retail	7,077	46.5	6,577

*Specialty F&B is currently a permissible use on site

Source: Urbis

Food and Non-Food Market Shares – Subject Site, 2024

Table 4.3

	Market Size (\$M)			Turnover (\$M)			Market Share (%)		
	Food	Non-Food	Total Retail	Food	Non-Food	Total Retail	Food	Non-Food	Total Retail
Primary	186	136	322	19.1	0.9	20.0	10.3%	0.7%	6.2%
Secondary East	22	16	38	2.3	0.1	2.3	10.3%	0.5%	6.2%
Secondary South	380	303	683	7.9	0.2	8.1	2.1%	0.1%	1.2%
Secondary West	131	96	227	4.5	0.2	4.7	3.4%	0.3%	2.1%
Trade Area	719	551	1,270	33.7	1.5	35.2	4.7%	0.3%	2.8%
On-site Workers	2	1	3	1.1	0.1	1.2	64.6%	8.5%	44.8%
Beyond				10.1	0.1	10.1	22.4%	5.0%	21.8%
Total				44.9	1.6	46.5			

Source: Urbis

5.0 RETAIL IMPACT ASSESSMENT

IMPACTS ANALYSIS

Economic Impacts

The methodology for calculating economic impacts is outlined in Appendix A.

Table 5.1 details the quantum of expenditure the proposed development is estimated to capture from competing centres in 2024. Key findings are as follows:

- In its first full year of trading (2024), the proposed development is forecast to draw \$42.9 million from key centres and \$3.6 million from other centres across Sutherland Shire and Greater Sydney.
- In 2024, the total overall trading performance of existing centres will be lower than 2020 levels in real \$2020 dollars (higher in nominal terms), accounting for the cumulative impacts of the Bay Central development (~\$110 million) and the impacts of the proposed development at the subject site.
- All impacts from the proposed development are less than 6%, which is well within the bounds of competition. Even the cumulative impacts of both Bay Central and the proposed development are less than 15% across all centres.
- The analysis confirms that there is sufficient growth within the market to accommodate the proposed development without adversely impacting the ongoing viability of existing retail centres, namely due to spending growth forecasts and the moderate scale of the proposal.

Distribution of Potential Impacts, 2024 (\$2020, incl. GST)

Table 5.1

	Retail Turnover (\$2020M)			Subject Site Impact			Cumulative Impact
	Current (2020)	'Before Impact' (2024)	'Post Impact' (2024)	Post Impact vs Before Impact (\$M)	Post Impact vs Before Impact (%)	Share of Impact	Current vs Post Impact (%)
Existing Centres:							
Miranda	927.0	907.2	892.6	-14.6	-1.6%	31.4%	-3.7%
Caringbah	274.0	255.0	244.8	-10.3	-4.0%	22.0%	-10.7%
Cronulla	274.0	253.7	246.5	-7.3	-2.9%	15.6%	-10.0%
Taren Point	36.0	32.3	31.0	-1.3	-4.1%	2.9%	-14.0%
Woollooware	15.0	13.4	12.8	-0.5	-3.9%	1.1%	-14.4%
Sylvania	147.0	138.8	136.2	-2.7	-1.9%	5.7%	-7.4%
Proposed Centres:							
Bay Central		109.6	103.3	-6.3	-5.8%	13.6%	
Other Centres				-3.6		7.7%	
Total Impact				-46.5		100.0%	

Source: Urbis

APPENDIX

POPULATION & RETAIL SPEND MODELLING

Population Methodology & Sources

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

- Historical population and dwelling approval data provided by the ABS
- The 2019 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 2019 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 growth rates have been compared with implied population growth from future residential development in the trade area using data from Cordell Connect.

Growth rates from Transport for NSW forecasts and new residential development data have been altered to account for the potential impacts of COVID-19. Negative impacts are expected on natural increase, net overseas migration and net interstate migration given the economic implications and border closures arising from the pandemic.

Retail Spending Data Sources

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.

IMPACT METHODOLOGY

Description of Economic Impacts and Methodology

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).

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 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.

Methodology

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 Caringbah during August 2020.

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

- Market growth across Sutherland LGA, 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.

