

ECONOMIC IMPACT ASSESSMENT

Terry Street Precinct, Rozelle

Prepared for: Anka Constructions Pty Ltd

JUNE 2010

urbis

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Introduction

Urbis was commissioned by Anka Property Group to prepare an Economic Impact Assessment (EIA) to determine the level of demand for residential apartment, child care and retailing in the Rozelle / Balmain area and the impact that the proposed development will have on the economy. The purpose of the study is to inform Leichhardt Council in its rezoning assessment on the subject site. Given that the site has historically been utilised for industrial uses, we have also considered issues of demand for industrial employment uses and the changing profile of the resident workforce within Leichhardt.

In addition, we have considered the relative employment benefits that are likely to be delivered by the proposed development and have compared these to the historic industrial use of the site and the use of the site for bulky goods retail as per the current development approval on the site.

Below we have outlined our approach to investigating the various market segments.

Industrial Employment Market

The approach to assessing the industrial employment market is as follows:

- Preparation of a market commentary that will outline the key market conditions for industrial employment uses;
- A demographic assessment particularly having regard to the changing nature of the resident workforce within Leichhardt;
- Preparation of commentary outlining the factors influencing demand for industrial employment uses into the future.

Traditional Residential Unit Market

The approach to assessing the traditional residential unit market is as follows:

- Collection of market data through a desktop review including a list and qualitative review of existing and proposed developments within the area;
- A demographic assessment particularly having regard to the current level of population growth in the locality, demographic shifts and the implications of such on the optimal mix accommodation;
- Preparation of a demand assessment for residential accommodation in the Leichhardt LGA based on an assessment of household growth linked to population forecasts.

Child Care

The approach to assessing the child care market is as follows:

- Demographic assessment of the Rozelle area to determine the number of children aged 5 and under (typically the market for long day child care);
- Assessment of workforce participation levels in the area between male and female residents to determine the level of working families in the area.
- Overview of the working population in Leichhardt LGA, and consideration of the implications for demand for child care services;
- Review of the current level of child care centre supply within Rozelle and immediately surrounding areas that compete with Rozelle;
- Occupancy currently being achieved within existing child care centres including the length of waiting lists;
- Review of current level of fees charged for child care services.

Retail

The approach to assessing the retail market potential is as follows:

- Consideration of the current provision of supermarket and other retail floor space within the region;
- Review of population forecasts for the region;
- Review of current and future supermarket and other retail under/over provision;
- Definition of a trade area for the potential retail component of the proposed development;
- Trade area population forecasts, taking into consideration publicly available Government forecasts;
- Historical and forecast retail spending to 2019;
- Review of competitive environment, including proposed developments;
- Identification of market gaps and recommendations on appropriate retail capacity for the site taking into consideration the key attributes of the market and the site;
- Forecasts of potential retail trading levels
- Prepare an assessment of trading impacts on competing centres.

In preparing this assessment we have considered each of the key components separately and have considered their relevant population catchments and key demand criteria separately. The key sections of this report outline the following analysis:

- Section One – considers the site in its local and regional context.
- Section Two – considers the key market considerations around industrial employment uses
- Section Three – outlines the key market drivers relating to the residential apartment market
- Section Four – details the market demand for child care development
- Section Five – considers the retail potential for the site
- Section Six – calculates the relative employment benefits generated by the proposed development

Executive Summary

Urbis was commissioned by Anka Property Group to prepare an EIA to determine the level of demand and economic impacts of the proposed residential apartments, child care and retailing to be located on the "Carrier Site" in Terry Street, Rozelle. The purpose of the study is to inform Leichhardt Council in its rezoning assessment on the subject site. Given that the site has historically been utilised for industrial uses, we have also considered issues of demand for industrial employment uses and the changing profile of the resident workforce within Leichhardt.

The Balmain/Rozelle peninsular is a densely populated part of central Sydney, which was originally developed as a predominantly residential neighbourhood, housing workers from the surrounding docks and associated industries. The area has now gentrified and now primarily accommodates younger professionals that earn high than average incomes.

The former Carrier Site (the subject property) is located at 118-120 Terry Street, Rozelle. The site is currently zoned for industrial uses and was previously occupied by Carrier Pty Ltd, suppliers of air conditioning equipment. Access to the site from the surrounding suburbs of Balmain, Rozelle and Lilyfield is good, while Victoria Road also provides good access from Drummoyne and beyond.

The site is currently improved with the following improvements that are largely unoccupied and dated in appearance:

- 118 Terry Street – office building of 378 sq.m NLA
- 120 Terry Street – three level office building of 1,922 sq.m NLA
- 120 Terry Street – warehouse of 4,420 sq.m GFA
- 120 Terry Street – office in warehouse of 1,241 sq.m NLA

We note that on 17 May 2007 the Land and Environment Court of NSW granted Multiplex, then owner of the subject site, development approval for construction of three bulky goods retail tenancies (total 3,230 sq.m), 172 car parking bays and conversion of the existing three level office building into a gymnasium. We understand that this development approval has not yet been activated.

In addition to the bulky goods / gym development approval, we note that in late 2007 Multiplex submitted an application for a significant development of the subject site (incorporating adjoining sites through to Victoria Road) that was to include 10,703 sq.m of retail floorspace, 4,872 sq.m of commercial floorspace including a gym and 27,000 sq.m of residential floorspace. This application was rejected by Leichhardt Council. The subject site was subsequently sold to Anka Constructions Pty Ltd in September 2009.

Anka now propose a development on the Carrier Site which will incorporate a development of approximately 24,070 sq.m in total with an FSR of 1.7:1. Specifically this will incorporate:

- 195 residential apartments (46 one bedroom apartments, 125 two bedroom apartments and 24 three bedroom apartments);
- 1,777 sq.m NLA of ground floor retail;
- 450 sq.m NLA industrial showroom;
- 40 place childcare centre; and
- 320 car parking spaces (295 residential and 25 commercial car parking spaces).

Industrial Employment Market

- Industrial premises in Leichhardt LGA are contained within compact precincts. The main concentrations are located in Leichhardt, Annandale and Rozelle with the subject site forming part of the south western 'Parramatta Road precinct'.
- Only 3% (30 ha) of land within Leichhardt LGA is used for Industrial purposes, and approximately 18% of industrial land was vacant as at December 2007 (Urbis – Leichhardt Industrial Land Survey)
- A review of recent transactions of industrial premises and discussions with agents revealed a limited demand for industrial properties in Leichhardt LGA. This is a result of the changing nature of manufacturing in Australia and the trend for industry to move to more accessible locations in Western Sydney.
- With continuing regeneration of Leichhardt, the need to support the employment and residential requirements of the growing white collar workforce will increase. Conversely, the requirement for industrial businesses, such as light industrial uses which could potentially be located on the Carrier Site will lessen. The current and future skills of Leichhardt residents align better with the proposed retail and residential uses for the redevelopment of the subject site.
- It is clear from the assessment of the employment market within the Inner West Sub-region and the industrial property market within the Leichhardt LGA that the potential to viably retain industrial employment uses on the subject site is tenuous. Therefore, whilst the existing improvements could be reinstated to accommodate industrial forms of employment, the likelihood of obtaining optimum levels of job creation would be limited.
- The overall intention of the proposed rezoning of the Terry Street precinct that will include residential. Mixed use and commercial zones provide a higher level of job generation compared to the historic industrial uses. Therefore job creation throughout the broader precinct will exceed the potential of the existing industrial zone and most importantly provide sustainable jobs that are more aligned with the local workforce.

Residential Market

The key points to note with respect to the potential for new residential development in Rozelle are:

- A new residential development is likely to draw from a broad range of international, interstate and local areas. Locally, the main areas from which a development would most likely draw from include Leichhardt, Sydney, Marrickville, North Sydney and Canada Bay LGAs.
- Massive population growth is forecasted for the catchment area which will translate to a large requirement for new dwellings within the catchment. The dwelling requirement for Sydney LGA is particularly large, and seems ambitious. It is likely that there will be opportunities for Leichhardt to play a role in meeting the new dwelling supply required to support population growth forecasted for the entire catchment.
- New dwelling supply that is scheduled for completion is below the level of demand forecasted, indicating that there is potential for new apartment development. Moreover, there appears to be scope to increase the provision of apartments in Leichhardt as indicated by the below-average supply of apartments within the LGA.
- New development would be most suitably positioned toward young professional couples in the 25 to 39 year age group who do not have children, and earn substantially above average incomes.
- Given the above the opportunity would be to have a higher proportion of one and two bedroom apartments on portions of the site that attract lesser views and target these towards the investor market, whilst better positioned units could be larger and skewed to 2 to 3 bedroom apartments targeted to the owner occupier market.

- A broad mix may include approximately 20% 1 bedroom units, 60% two bedroom and up to 20% three bedroom unit mix. We note that the proposed development of 195 residential apartments comprising 46 one bedroom units, 124 two bedroom units and 24 three bedroom units generally conforms with this recommendation, albeit slightly skewed to one and two bedroom unit types. Indeed, the higher provision on one bedroom units in particular will assist with improving access to affordable dwellings.

Child Care

The key points to note with respect to the market potential for child care development in Rozelle are:

- There are currently a number of centres with a licensed capacity of approximately 486 child places. For the whole Leichhardt LGA there may be as high as 950 long day child care places across 17 centres.
- Based on discussions with these centres we discovered that there are very few short term vacancies, with most centres having a waiting list of around two years. This is the single clearest indicator of the unmet demand for child care centres in Leichhardt.
- The LGA has around 1,380 families that have a demand for child care, and on average these families each have a need for 1 to 1.5 child places in child care centres, there is currently a gap in the market of at least 430 places. We note that there is a planning application lodged for a mixed use development at 47-51 Lilyfield Rd, Rozelle that will include an 86 place child care centre. This development will only partially meet the unmet demand.
- Despite an expected fall in the number of children aged 0-5, demand is expected to stay strong and a child care centre of between 70 and 90 places could be sustained on the site in addition to current supply. The viability of the centre will be dependent on the ability for the design to accommodate sufficient indoor and outdoor space. We note that the proposal to incorporate a 40 place child care centre is well within the demonstrated level of unmet demand.

Retail

The subject site is an ideal location for a new high quality locally focused retail centre. The proposed development has capacity to accommodate approximately 1,777 sq.m of retail accommodation and is designed meet local retailing needs. It will incorporate a food market/provedore of approximately 775 sq.m and approximately 1,002 sq.m of retail specialty tenants (approximately 10). The subject site is an ideal location for the proposed retail concept because of the following factors:

- It would have a reasonable residential catchment for a centre of its size (presently 28,120 individuals);
- The trade area comprises of high income households who are largely young professionals. This market is ideal for a high quality centre as discussed in this report, with an emphasis on convenient shopping options;
- The trade area is undersupplied with retail floorspace with only one small supermarket located within trade area, which despite its poor location and layout is understood to be trading well above average levels, highlighting the latent demand for retail floorspace, particularly food and grocery floorspace;
- The centre would provide a focal point for the overall development and will provide strong walkable retail access for local residents within the subject development and surrounding residential developments.
- As a unique retail offer, the proposed centre is likely to draw additional expenditure from areas outside the trade area such as Drummoyne once it is established.

We note that important design considerations have been factored into the retail component of the development. In particular, ensuring high exposure to traffic passing through Rozelle is important to

maximise the potential of the retail development. The site does not have direct frontage to major roads such as Victoria Road and Darling Street and therefore orientation of the retail to Terry Street to maximise accessibility to passing vehicle and pedestrian traffic has been accommodated.

Furthermore, the creation of a village centre with activated street frontages will help to create an attractive destination that is a place that residents from within the trade area and beyond will want to visit. The vibrancy of the place will assist in the retail components ability to attract and retain expenditure.

Using the trade area defined and the 2006 Census data and with consideration to the above factors, and assuming a centre of 1,777 sq.m we believe that the proposed retail development would have the potential to achieve a turnover of up to \$15.1m, assuming an appropriate tenancy mix and layout. Based on this level of turnover, local retailers are likely to be impacted by -4.6% relative to 2009 trading levels (which incorporates potential impacts of the proposed Balmain Tigers Leagues Club retail development) and -1.7% relative to 2013 trading levels. The latter figure is solely attributable to the subject site and is considered to be of a level that is insignificant and unlikely to lead to any centre or retail strip becoming unviable. Furthermore, the proposed development is more conservative in its retail provision than suggested in advice prepared for Leichhardt Council by Leyshon consulting.

Employment Impacts

- In order to assess the potential employment impacts of the proposed mixed use development, we have contrasted these against the approved bulky goods / gym development as well as the potential reuse of the existing buildings for office / industrial uses. Our assessment has considered the ongoing operational employment as well as construction employment generated by each of the three alternatives.
- The proposed mixed use development that is the subject of this report will include a mix of residential, retail, industrial showroom and childcare uses. Based on an estimated construction cost of \$86.7 million¹ development would generate an estimated 477 direct construction jobs on a one year full time equivalent basis. These construction jobs would be spread over the duration of the construction phase. An additional 751 indirect jobs would be created in supporting industries and other businesses servicing the expenditure by the employed workers. Total employment from the construction phase would therefore be in the order of 1,227 full-time equivalent jobs for the period of construction.
- Based on industry based employment densities for retail, industrial showroom and child care, the proposed mixed use development on the site would generate an estimated 95 direct ongoing jobs. An additional 86 indirect ongoing jobs would be created throughout all industries of the economy as a result of the jobs created on the site. Therefore, in total the proposed development would result in the creation of 181 ongoing jobs during operation.
- In comparison, if the current improvements were refurbished and utilised for industrial and office uses, an estimated 111 ongoing direct jobs could be supported on the site with indirect jobs accounting for an additional 133 indirect jobs, equating to 244 ongoing jobs in total. We note however that there would be limited construction required other than refurbishment that would result in approximately 23 construction jobs (9 direct and 14 indirect). We also note that the ongoing employment figures assume that there will be an immediate and full demand for the site, which may not be the case given the current market conditions for industrial accommodation within Leichhardt. Indeed we note examples of large industrial buildings within Leichhardt that are being utilised for storage purposes employing only 1 to 2 persons. Should the industrial components experience difficulty in leasing or result in a passive storage use, achieved employment levels would be significantly lower. Overall the current facilities would produce a lower overall employment benefit, with the industrial related uses less likely to be of relevance to the local workforce.

¹ Source: Anka Constructions Pty Ltd

- The proposed bulky goods / gym use would produce an estimated 73 ongoing direct jobs could be supported on the site with indirect jobs accounting for an additional 63 indirect jobs, equating to 138 ongoing jobs in total. Major construction works would be limited to the bulky goods and car park components with less intensive conversion works required for the gym. Based on industry benchmarks we have estimated a development costs of approximately \$20.7 million including decontamination works that would result in approximately 293 construction jobs (114 direct and 173 indirect). The bulky goods / gym proposal results in a lower employment benefit.
- Residential, retail and child care development on the subject site would not only generate additional employment overall; it would also generate employment and accommodation which more closely matches the demographic profile of Leichhardt LGA. Overall residential and retail development on the subject site is consistent with Council's and DoP's objectives and aspirations for Leichhardt LGA, and the Inner West Subregion, and in our view represents a more suitable and efficient use of the site compare to the current industrial and office use.

1 Location and Context

1.1 Location and Description

The former Carrier Site (the subject property) is located on Terry Street, Rozelle, which, as indicated on Map 1, is on the border of Balmain and Rozelle in Sydney's Inner West. The site is currently zoned for industrial uses and was previously occupied by Carrier Pty Ltd, suppliers of air conditioning equipment.

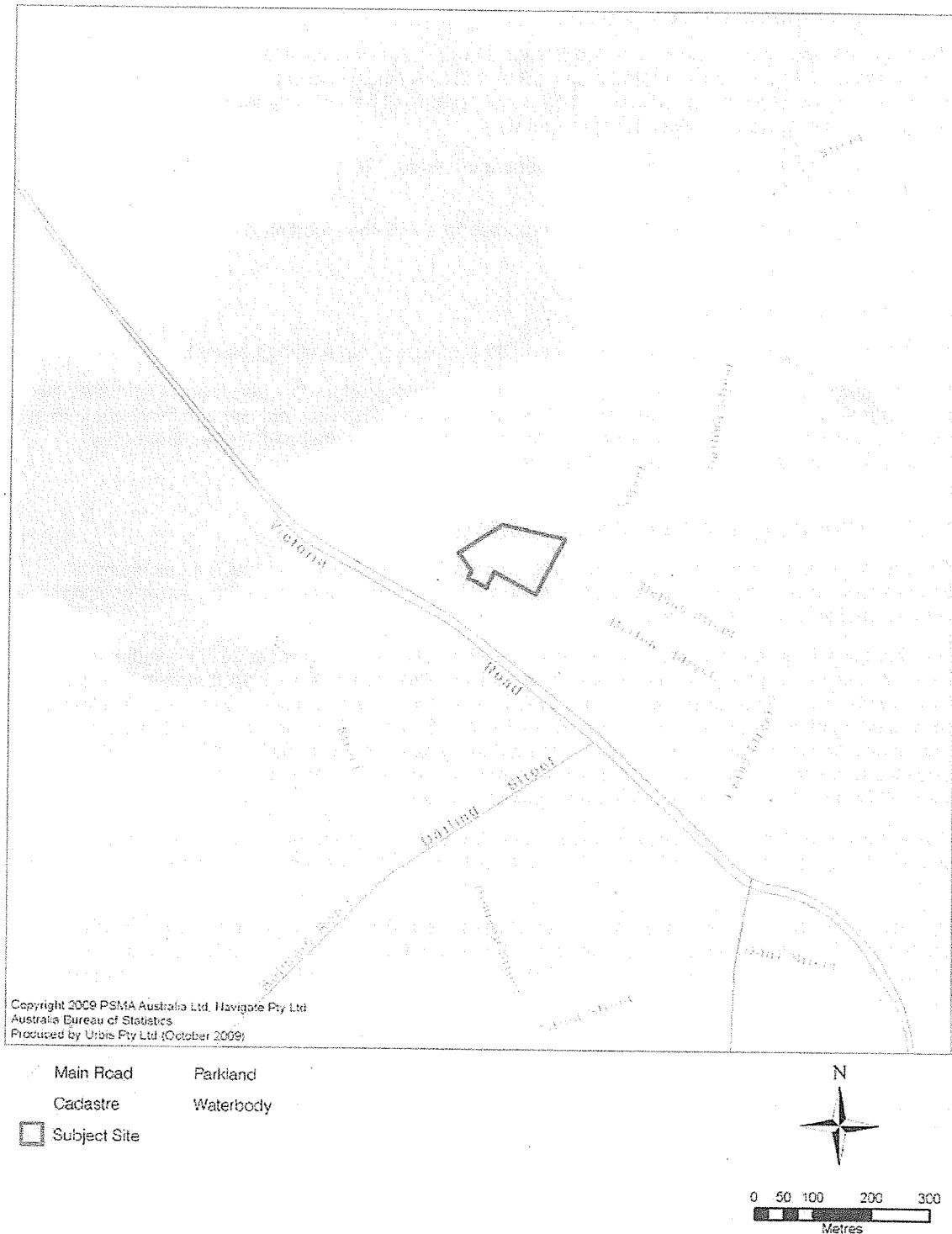
The Balmain/Rozelle peninsular is a densely populated part of central Sydney, which was originally developed as a predominantly residential neighbourhood, housing workers from the surrounding docks and associated industries. Some of the dockyard industries still remain in operation alongside White Bay, however the residential areas of Balmain have been transformed into an urban village which is now one of Sydney's most popular and sought after places to live. We note that the character of the area is set to evolve further as the working nature of the surrounding foreshore declines, particularly the port activities in White Bay, where car import handling, will gradually start to transfer to other locations such as Port Kembla. This will free up White Bay for future redevelopment which is likely to see a significant growth in local population over the next 20 to 30 years.

The urban structure in the Balmain Peninsular is characterised by Victorian-era terraced housing, interspersed with several more recent residential developments and other uses. The Carrier site is located adjacent to the Balmain Cove and Balmain Shores residential apartment complexes, which have been developed over recent years to provide several hundred apartments and town houses. To the south of the site, Victoria Road is bordered by industrial and commercial uses, while to the east Darling Street contains a substantial strip of retail shops.

Terry Street provides access from Victoria Road into the north-western parts of Rozelle and Balmain. Traffic from this area exits onto Victoria Road via Wellington Street, which lies to the east of the subject site. Victoria Road is a major arterial route and one of the major harbour crossings, linking the inner west of Sydney with the North Shore suburbs of Ryde, Lane Cove and beyond. Crystal Street provides access to the light industrial uses and residential cottages which are currently located between the subject site and Victoria Road.

Access to the site from the surrounding suburbs of Balmain, Rozelle and Lilyfield is good, while Victoria Road also provides good access from Drummoyne and beyond.

Map 1 – Location Context Map



1.2 Proposed Development

Anka now propose a development on the Carrier Site which will incorporate a development of approximately 24,070 sq.m in total with an FSR of 1.7:1. An indicative concept plan has been prepared for the site for initial planning purposes. This concept plan will be further refined through detailed design, however current provides for approximately:

- 195 residential apartments (46 one bedroom apartments, 125 two bedroom apartments and 24 three bedroom apartments);
- 1,777 sq.m NLA of ground floor retail (incorporating a 775 sq.m food market / provedore);
- 450 sq.m NLA industrial showroom;
- 40 place childcare centre; and
- 320 car parking spaces (295 residential and 25 commercial car parking spaces).

Figure 1 outlines the extent of the proposed rezoning concept prepared by Leichhardt Council for the precinct around the subject site. Figure 2 identifies the extent of the subject site that forms the extent of the Anka proposal and Figure 3 outlines the site development concepts and development area breakdown as prepared by Turner and Associates.

1.3 Planning and Economic Context

The site is currently zoned industrial under the Leichhardt LEP (2000) and is part of Leichhardt's employment lands. After Carrier ceased operations the site was actively marketed as an industrial site yet was unable to secure a tenant.

The Review of Business and Industrial Lands in Leichhardt (Urbis, December 2007) found that there was very little development or redevelopment within industrial zones in the LGA that were designated for industrial uses. Few residents are employed in manufacturing industries, with the key employment sectors being office, retail and health based. Older style industrial buildings, such as those at the Carrier site, typically had the lowest employment density rates. Urbis understands that Leichhardt Council has commissioned SGS to prepare an employment study for the LGA, however the results of the draft findings have not been released for public comment.

Given Urbis' knowledge of the area, we are of the view that the proposed redevelopment of the site primarily for residential and retail uses would appear to be the highest and best use for the site despite its current zoning.

Leyshon Consulting has been employed by Leichhardt Council to review the need for retail within the Leichhardt LGA. Based on advice prepared in 2005 and 2006, there is an identified shortage of retail and supermarket floorspace within the LGA. We have reviewed the findings of the Leyshon advice in Section 5.

Figure 1 – Leichhardt Council Indicative Proposed Rezoning Plan

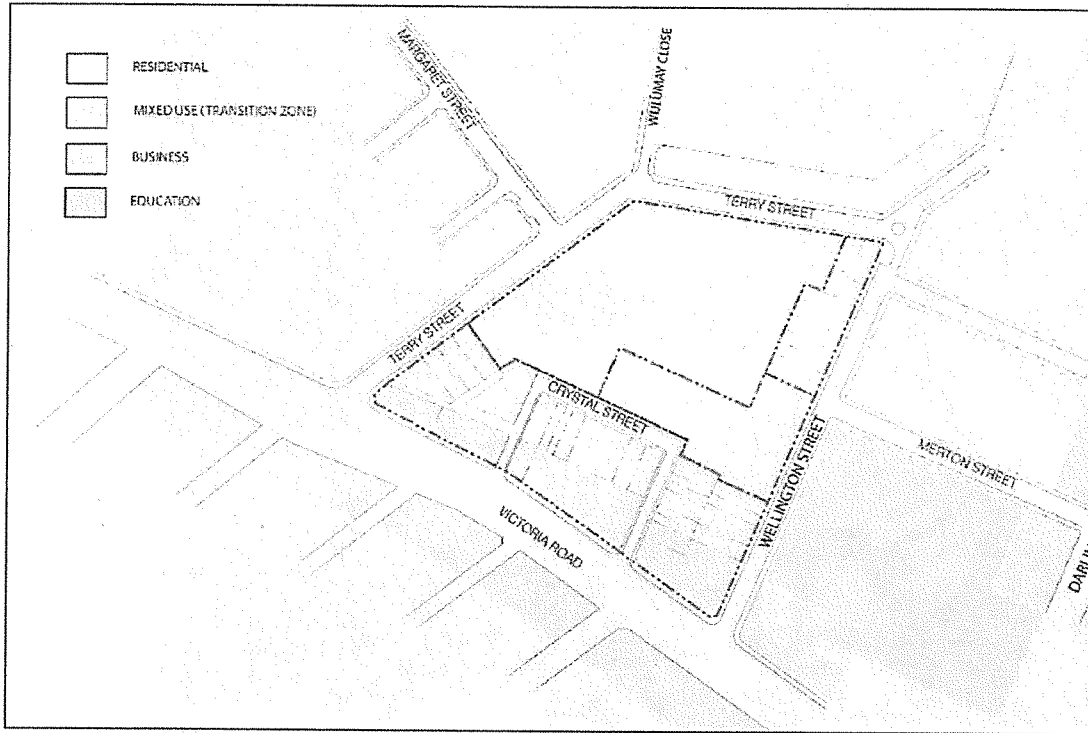
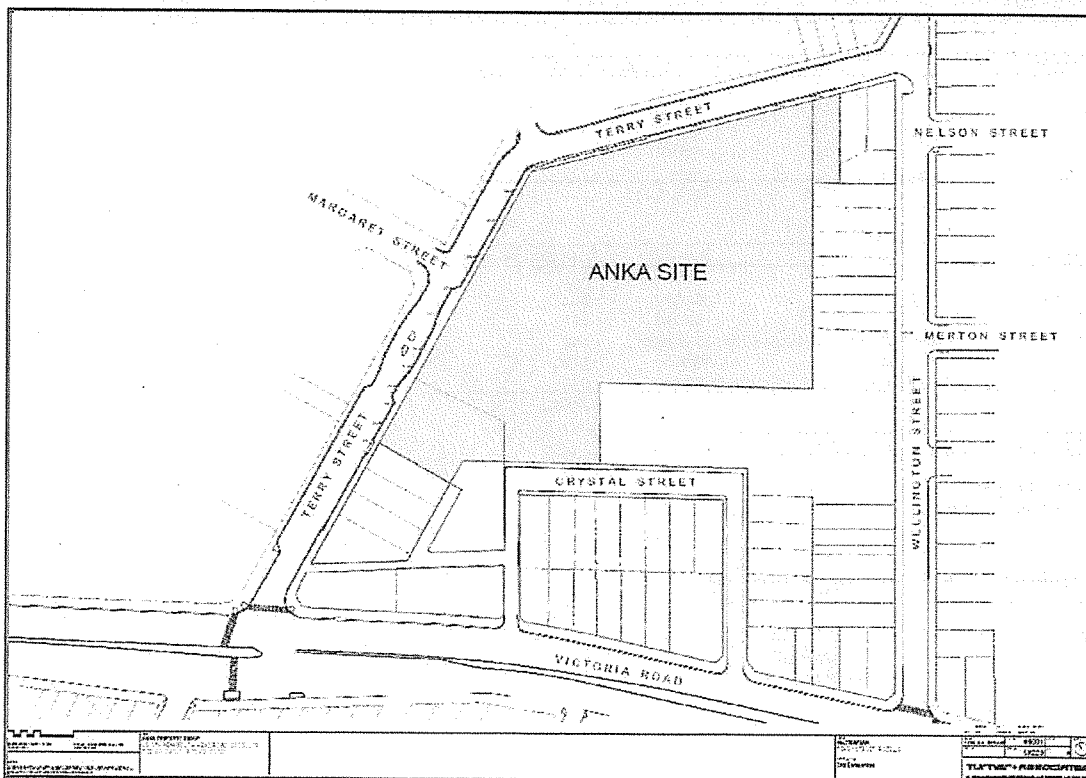


Figure 2 – Anka Site Plan



Site	Area
Total NLA	20168.1
Total GFA	24069.8
Site area	14160
FSR	1.70

1.4 Population Growth

The Inner West Sub-region comprises five council areas and covers an area from Canada Bay to the north, Leichhardt to the east and Strathfield to the west.

Regional population figures, both historical and forecast, are provided by the NSW Department of Planning – Transport and Population Data Centre (TPDC), with the most recent figures released in April 2010. These forecasts are based on the 2006 Census information and take into account long run average rates of fertility, mortality and migration. Note that the 2010 population forecasts replace forecasts released by DoP in 2008.

Table 1 compares the historical and forecast population levels of the five LGAs within the Inner West Sub-region.

Key points to note from Table 1 are:

- The population of the Inner West Sub-region in 2006 was 227,400 people equating to over 5% of the metropolitan Sydney population at this time.
- Between 2001 and 2006, population growth in the Inner West exceeded that of metropolitan Sydney, growing at an average annual rate of 1.3%, compared with 0.7% for the metropolitan Sydney region. Significant growth during this period occurred within Strathfield (average 2.6% per annum) and Canada Bay (average 2.1% per annum) reflecting high-density residential development during this period. Leichhardt had a relatively low rate of growth at 0.4% per annum.
- The population of the Inner West Sub-region is forecast to increase by 3,300 to 3,600 residents per annum in the next 10 years to 2016, representing an annual growth rate of approximately 1.5% per annum - slightly higher than the historical rate of 1.3%

The Leichhardt LGA is bounded by the City of Sydney to the east, Marrickville LGA to the south and Ashfield LGA and Canada Bay LGA to the west. Leichhardt is a highly urbanised and highly populated area with a number of recent high and medium-density developments developed over obsolete industrial land. An example includes Balmain Shores Residential complex which comprises some 400 apartments and was completed in 2003.

From Table 1 the key points to note about Leichhardt LGA 's population include :

- The population of Leichhardt LGA was estimated at around 51,600 people in 2006, equating to 22.7% of the Inner West population
- Leichhardt's population increased by an average of 220 people per annum between 2001 and 2006. This represented average growth of between 0.4 % per annum, slightly lower than the entire Inner West Sub-region over the same period.
- Leichhardt LGA contributed just 7.8% of Inner West population growth in the five years to 2006, particularly due to increased growth in other LGA's, namely Canada Bay LGA, which contributed around 45% from high-density residential developments in Concord and Cabarita.
- Forecast population growth in the Leichhardt LGA is expected to be accommodated by primarily infill growth, given that the area is already well developed. Leichhardt LGA is projected to increase to nearly 53,800 people by 2016, representing limited average annual growth of 0.4% per annum to 2016.

Table 1 – Inner West Sub-Region Population Forecasts (2001-2036)

Inner West Sub-Region Population Forecasts (2001-2036)

	Estimated Resident Population (No.)							
	2001	2006	2011	2016	2021	2026	2031	2036
Leichhardt	50,500	51,600	52,700	53,800	54,900	55,700	56,700	57,800
Ashfield	40,500	41,500	43,300	45,400	46,400	47,100	47,900	48,900
Burwood	30,600	32,400	34,100	37,200	41,900	46,500	51,200	56,200
Canada Bay	62,300	68,700	79,400	87,000	89,300	90,700	92,200	94,000
Strathfield	29,400	33,200	36,200	38,900	41,600	44,200	47,100	50,100
Total Inner West	213,300	227,400	245,700	262,300	274,100	284,200	295,100	307,000
Sydney SD	4,128,300	4,282,000	4,550,300	4,822,000	5,104,100	5,394,500	5,688,600	5,982,100

	Average Annual Growth (No.)						
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Leichhardt	220	220	220	220	160	200	220
Ashfield	200	360	420	200	140	160	200
Burwood	360	340	620	940	920	940	1,000
Canada Bay	1,280	2,140	1,520	460	280	300	360
Strathfield	760	600	540	540	520	580	600
Total Inner West	2,820	3,660	3,320	2,360	2,020	2,180	2,380
Sydney SD	30,740	53,660	54,340	56,420	58,080	58,820	58,700

	Average Annual Growth (%)						
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Leichhardt	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%
Ashfield	0.5%	0.9%	1.0%	0.4%	0.3%	0.3%	0.4%
Burwood	1.2%	1.0%	1.8%	2.5%	2.2%	2.0%	2.0%
Canada Bay	2.1%	3.1%	1.9%	0.5%	0.3%	0.3%	0.4%
Strathfield	2.6%	1.8%	1.5%	1.4%	1.3%	1.3%	1.3%
Total Inner West	1.3%	1.6%	1.4%	0.9%	0.7%	0.8%	0.8%
Sydney SD	0.7%	1.3%	1.2%	1.2%	1.1%	1.1%	1.0%

Source: NSW Department of Planning, 2010

1.4.1 NSW DoP Dwelling Targets (2010)

In addition to population forecasts, the DoP also sets regional population and dwelling targets. Targets reflect Government policy positions and are defined in the Regional Strategies and the Sydney Metropolitan Strategy. In comparison, the forecasts discussed in the previous section are based on analysis and modelling of variables such as fertility, mortality and migration. Forecasts and targets can therefore differ for the same region.

Dwelling targets for the Inner West subregion were originally outlined in the Inner West Subregional Strategy (2008), forming part of the Sydney Metropolitan Strategy. The targets for the Inner West subregion were recently revised and are contained in the DoP's Metropolitan Transport Plan. Whilst revised targets are not provided for Leichhardt LGA specifically, if we assume that the dwelling target for Leichhardt is equivalent to 7% of the dwelling targets for the total Inner West subregion – as per the original dwelling targets contained in the Inner West Subregional Strategy (2008) – the revised dwelling target for Leichhardt LGA is in the order 2,500 additional dwellings by 2036. We note however that this is not a limit of development and is more of a minimum target.

Based on historical average household sizes (and taking into account the trend toward declining household sizes), we have derived the additional population that could be supported by the targeted additional dwellings. As illustrated in Table 2, an extra 37,300 dwellings in the Inner West subregion would accommodate 85,790 additional persons between 2006 and 2036, while an additional 2,500

dwellings in Leichhardt LGA specifically would accommodate an additional population around 5,250 over the period.

Table 2 – NSW DoP Dwelling and Population Targets (2010)

NSW DoP Dwelling & Population Targets (2010)

Inner West Subregion		Leichhardt LGA	
Additional Dwellings 2006-2036	Additional Persons 2006-2036	Additional Dwellings 2006-2036	Additional Persons 2006-2036
37,300	85,790	2,500	5,250

Source: NSW DoP Metropolitan Transport Plan (2010)

Notes:

- Number of additional persons derived by applying average household sizes to DoP dwelling projections. Assumed average household size of 2.3 for the total Inner West subregion, and 2.1 for Leichhardt LGA.
- Dwelling targets for Leichhardt LGA were derived by adopting DoP's 2010 dwelling targets for the entire Inner West Subregion, and applying Leichhardt's share of all dwellings as stated in the 2006 Subregional Strategy (i.e. 6.7%).

As dwelling targets are partially based on population projections, the upward revision of the population projections for the Inner West and Leichhardt LGA has meant an increase to the targets that were set in 2008. Table 3 provides a comparison of the 2008 targets and the 2010 targets. The implications of the revised targets for annual population and dwelling growth are negligible; however in absolute terms the revision is significant. Whilst we note that this is due to the extended timeframe of the 2010 targets (i.e. the targets are to 2036 instead of 2031), the targets none-the-less point to the challenges of accommodating a larger population in Leichhardt LGA over the long term.

Table 3 – Changes to NSW Department of Planning Dwelling and Population Targets

Changes to NSW DoP Dwelling & Population Targets (2008 vs 2010 Targets)

	Inner West Subregion			Leichhardt LGA		
	Additional dwellings / year	Additional Persons	Additional persons / year	Additional dwellings / year	Additional Persons	Additional persons / year
2010 Metropolitan Transport Plan (2006-2036)	1,243	85,790	2,860	83	5,250	175
2008 Inner West Subregional Strategy (2006-2031)	1,200	69,000	2,760	80	4,200	168
Difference	43	16,790	100	3	1,050	7

Source: NSW DoP Metropolitan Transport Plan (2010); Urbis

Notes:

- 2010 targets: number of additional persons derived by applying average household sizes to DoP dwelling projections. Assumed average household size of 2.3 for the total Inner West subregion, and 2.1 for Leichhardt LGA.
- 2010 targets: dwelling targets for Leichhardt LGA were derived by adopting the 2009 dwelling targets for the entire Inner West Subregion, and applying Leichhardt's share of all dwellings as stated in the 2008 Subregional Strategy (i.e. 6.7%).

1.5 Socio-Demographics

Key socio-demographic characteristics of the Leichhardt LGA from the 2006 Census are provided in Table 4. The data highlights that Leichhardt has seen a shift in its demographics and employment profile towards a younger, higher income, white collar population.

The key points to note from Table 4 are:

- Average per capita income of Leichhardt LGA residents is 61.3% above the metropolitan Sydney average and approximately 21% higher than the Inner West average;
- The average household size in Leichhardt is 2.2 – significantly smaller than the metropolitan Sydney average of 2.7 people.
- The average age distribution of Leichhardt LGA residents indicates a middle aged profile, with a small proportion of the population aged below 14 years and above 60 years (14% each). The median age in Leichhardt is 37.5. The low proportion of children is consistent with the low household size found in the Leichhardt LGA;
- Leichhardt's housing status reflects its location next to the Sydney CBD with high cost of housing and high rental population. Approximately 42% of residents rent – significantly higher than the Sydney metropolitan proportion of 33%.
- Car ownership is below the metropolitan Sydney average of 86% of households owning one or more cars, compared with 83% for Leichhardt LGA, reflecting the proximity to the city, transport and other services.

Table 4 – Inner West Sub-Region Key Socio-Economic Characteristics, 2006

Inner West Sub-Region Key Socio-Economic Characteristics, 2006¹

Characteristics	Leichhardt LGA	Inner West Sub-Region	Sydney Average	Australia Average
Personal Income				
\$0 - \$20,800	28%	39%	42%	45%
\$20,800 - \$41,600	18%	21%	25%	27%
\$41,600 - \$83,200	30%	26%	24%	22%
\$83,200 +	24%	14%	9%	7%
Average Per Capita Income	\$47,146	\$35,199	\$29,221	\$26,192
Per Capita Income Variation	+61.3%	+20.5%		
Household Income				
\$0-\$26,000	13.8%	17.7%	18.9%	21.9%
\$26,000-\$52,000	16.1%	19.8%	22.8%	26.5%
\$52,000-\$88,400	19.6%	22.6%	25.0%	26.6%
\$88,400 plus	50.6%	39.9%	33.3%	25.1%
Average Household Income	\$103,718	\$87,582	\$78,580	\$72,642
Household Income Variation	+32.0%	+11.5%		
Average Household Size	2.2	2.5	2.7	2.8
Age Distribution				
Aged 0-14	14%	16%	20%	20%
Aged 15-24	9%	13%	14%	14%
Aged 25-39	34%	27%	23%	21%
Aged 40-59	29%	27%	27%	28%
Aged 60+	14%	17%	17%	18%
Average Age	37.5	38.0	36.7	37.3
Dependency Ratio ²	28.3%	33.2%	36.2%	38.0%
Housing Status				
Owner/Purchaser ³	58%	62%	67%	71%
Renter ³	42%	38%	33%	29%
Loan Mortgage Repayments	26%	29%	29%	28%
Rent Payments	17%	18%	18%	17%
Car Ownership				
% 0 Cars	17%	17%	14%	10%
% 1 Car	51%	46%	40%	38%
% 2 Cars +	32%	37%	46%	52%

1. Usual residents

2. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years

3. 'Other' Tenure Types have not been included

Source : ABS Census of Population and Housing 2006, Cdata 2006; Urbis

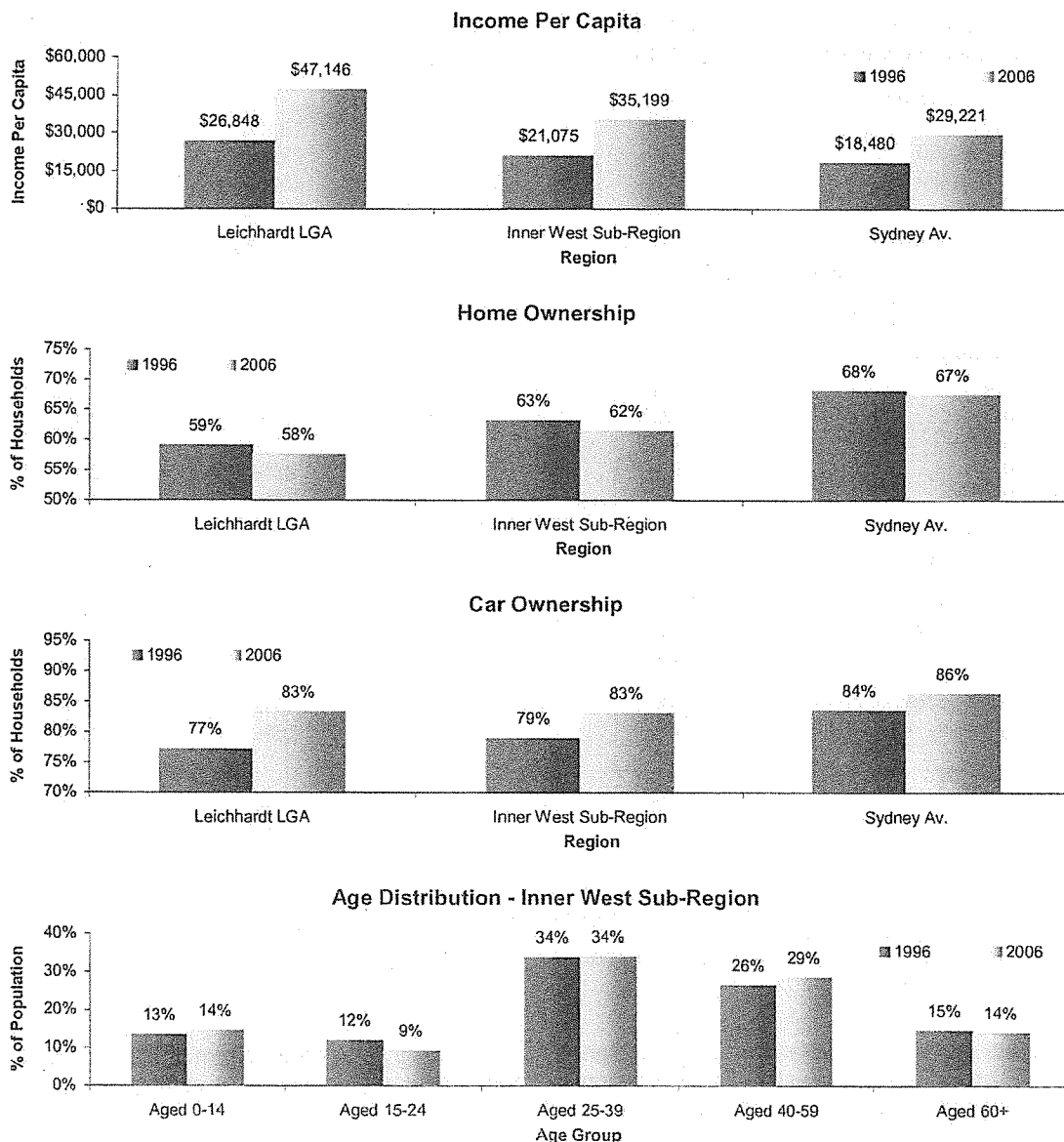
Figure 4 outlines the notable demographic changes that occurred in Leichhardt from 1996 to 2006 in comparison to the Inner Western Sydney region and metropolitan Sydney over the same period. The key findings from this analysis are as follows.

- Incomes have increased by 76%, substantially higher when compared to the growth experienced in both the Inner West region and Sydney (67% and 58% respectively).
- The population in Leichhardt has remained relatively young, with an increase in 25-39 years age cohort by a marginal 0.2% to 33.9% in 2006. In comparison, this age group in both the Inner West and Sydney decreased over the same 10 year period.

- Residents with white collar occupations have increased in proportion, with over 77% of the Leichhardt LGA residents working in white collar occupations in 2006 which compares with 74% in 1996. This proportion is higher than both the Inner West and Sydney metropolitan benchmarks.
- Similar to both Sydney and Australia, car ownership has increased with 83% of the population with at least one car. Car ownership in the region however is still below both the benchmarks.

Figure 4 – Key Changes in the Inner West Subregions' Socio Demographic Profile (1996 to 2006)

Inner West Sub-Region Key Changes in Socio-Economic Profile 1996-2006



Source : ABS Census of Population and Housing 1996, Cdata 1996; ABS Census of Population and Housing 2006, Cdata 2006; Urbis

1.6 Employment Profile

1.6.1 Resident Labour Force Structure

Table 5 sets out the structure of the Inner West Labour Force based on the ABS Census statistics from 2006. As can be seen the Leichhardt LGA has a significantly lower unemployment rate than both the Inner West Region and Sydney, at 3.2% compared to 4.8% and 5.3% respectively.

Of the 29,348 residents that are employed, 70% are employed on a full time basis, approximately 6% higher than the Inner West and Sydney averages. There is also a slightly lower rate of those working part time, at around 22% compared to roughly 25% for the Inner West and Sydney. The proportion of residents not in the workforce is also lower than the Inner West Region compared to Sydney, at 23% versus 34%, partially reflecting the high proportion of residents in the working age bracket.

Table 5 – Inner West Sub-Regional Labour Force Structure, 2006

Inner West Sub-Region Labour Force Structure, 2006

Status	Leichhardt LGA		Inner West Region		Sydney SD	
	No.	%	No.	%	No.	%
Employed						
• Full-time	20,544	70.0%	54,559	64.3%	1,267,504	63.1%
• Part-Time	6,342	21.6%	21,379	25.2%	516,793	25.7%
• Away from work	1,036	3.5%	2,650	3.1%	63,937	3.2%
• Not stated	489	<u>1.7%</u>	<u>2,154</u>	<u>2.5%</u>	<u>55,293</u>	<u>2.8%</u>
Total	28,411	96.8%	80,742	95.2%	1,903,527	94.7%
Unemployed	937	3.2%	4,081	4.8%	106,481	5.3%
Total Labour Force	29,348	100%	84,823	100%	2,010,008	100%
Not in Labour Force	8,917		44,424		1,052,818	

Source: ABS, Census of Population, 2006; Urbis

Table 6 examines the age profile of those unemployed in Leichhardt LGA in 2006. The 20-24 and 25-34 age brackets have considerably lower unemployment rates than the Sydney average, at around 5.9% and 2.1% compared to 8.3% and 4.8% respectively.

Table 6 – Leichhardt LGA Resident Unemployment by Age Band, 2006

Leichhardt LGA Resident Unemployment by Age Band, 2006

Age Band	Males		Females		Total		Sydney
	No.	% of Labour Force	No.	% of Labour Force	No.	% of Labour Force	
15-19 years	40	12.5%	57	15.1%	97	13.9%	14.3%
20-24 years	80	8.1%	46	4.0%	126	5.9%	8.3%
25-34 years	105	2.5%	86	1.8%	191	2.1%	4.8%
35-44 years	122	2.9%	120	3.1%	242	3.0%	4.4%
45-54 years	97	3.8%	71	2.5%	168	3.1%	3.9%
55-64 years	67	3.8%	34	2.1%	101	3.0%	4.0%
65 years and over	<u>9</u>	<u>2.9%</u>	<u>3</u>	<u>1.5%</u>	<u>12</u>	<u>2.3%</u>	<u>2.3%</u>
Total	520	3.6%	417	2.8%	937	3.2%	5.3%

Source: ABS, Census of Population, 2006; Urbis

1.6.2 Employment by Industry

Census data for 1996 and 2006 also show that the changing demographics are resulting in a shift in the type of industries employing these residents, as outlined in Tables 7 and 8. It is clear that Industrial lands and blue collar employment is diminishing in relevance as sources of employment for Leichhardt LGA residents.

- Around 44% of Leichhardt LGA residents are working in services sectors, such as finance, education, and telecommunications, compared to an average of around 32% for Sydney. A significant sector that contributes to this variance is those residents employed in professional services industries at a rate of almost 16% compared to the metropolitan Sydney average of 8.9%.
- This trend has increased over time, with a 7.8% increase in residents employed in the Financial and Insurance Services sector from 1996 to 2006, 4.4% increase in Professional, Scientific and Technical Services and 3% increase in Education and Training.
- Industrial sectors, such as manufacturing and warehousing, are decreasing in importance, with a significant decline of 4.2% in those employed in the Manufacturing industry.

Table 7 – Employment by Industry, Leichhardt LGA, 2006

Leichhardt LGA Residents Structure of Employment by Industry, 2006

ANZSIC Industry	Leichhardt LGA		Inner West Region		Metropolitan Sydney	
	No.	%	No.	%	No.	%
Professional, scientific & technical services	4,486	15.8%	8,462	10.5%	169,350	8.9%
Financial & insurance services	2,709	9.5%	6,143	7.6%	122,185	6.4%
Education & training	2,537	8.9%	6,482	8.0%	136,633	7.2%
Health care & social assistance	<u>2,718</u>	<u>9.6%</u>	<u>8,815</u>	<u>10.9%</u>	<u>189,217</u>	<u>9.9%</u>
Total Selected Employment	12,450	43.8%	29,902	37.0%	617,385	32.4%
Total Employment	28,411	100%	80,735	100%	1,903,526	100%

Source : ABS, Census of Population, 2006; Urbis

Table 8 – Inner West Sub Region Employment by Industry

Inner West Sub-Region Employment by Industry, 1996 - 2006

	1996	2006	Change
Agriculture, Forestry and Fishing	0.1%	0.2%	+0.1%
Mining	0.0%	0.2%	+0.1%
Manufacturing	9.5%	5.3%	-4.2%
Electricity, Gas, Water and Waste Services	0.2%	0.5%	+0.4%
Construction	4.9%	4.4%	-0.4%
Wholesale Trade	6.0%	4.9%	-1.1%
Retail Trade	9.9%	6.7%	-3.1%
Accommodation and Food Services	5.4%	5.0%	-0.4%
Transport, Postal and Warehousing	4.9%	3.0%	-1.8%
Information Media and Telecommunications	5.3%	6.8%	+1.5%
Financial and Insurance Services	1.7%	9.5%	+7.8%
Rental, Hiring and Real Estate Services	1.6%	2.0%	+0.4%
Professional, Scientific and Technical Services	11.4%	15.8%	+4.4%
Administrative and Support Services	4.5%	4.1%	-0.5%
Public Administration and Safety	4.7%	5.5%	+0.8%
Education and Training	5.9%	8.9%	+3.0%
Health Care and Social Assistance	12.0%	9.6%	-2.4%
Arts and Recreation Services	4.6%	2.7%	-1.9%
Other	7.5%	4.6%	-2.9%
Total	100%	100%	
Workers (no.)	23,186	28,411	

Source : ABS, Census of Population, 1996 and 2006; Urbis

1.6.3 Employment by Occupation

Table 9 illustrates the shift away from manufacturing and related industry towards service sectors by showing the changing occupation characteristics in the Leichhardt LGA in the ten years from 1996 to 2006.

As can be seen, there has been an 8% shift in residents employed in Blue Collar occupations to White Collar occupations. The occupation categories of Managers, Sales Workers and Community and Personal Service workers have significantly increased in proportion at the expense of Labourers and Machine Operators and Drivers

Table 9 – Leichhardt LGA Occupation Characteristics

Leichhardt LGA Occupation Characteristics, 1996 - 2006

Category	1996	2001	2006	Difference 1996-2006
Managers	12%	15%	20%	+8%
Professionals	35%	36%	41%	+6%
Clerical & Administrative Workers	5%	4%	14%	+9%
Sales Workers	21%	20%	7%	-14%
Community & Personal Service Workers	7%	6%	6%	-1%
Total White Collar	80%	81%	88%	+8%
Labourers	6%	5%	4%	-2%
Machine Operators and Drivers	4%	4%	2%	-2%
Technicians & Trades Workers	10%	10%	6%	-4%
Total Blue Collar	20%	19%	12%	-8%

Source : ABS Journey to Work; Urbis

1.7 Leichhardt Resident/Worker Comparison

Tables 10 and 11 provide information on both Leichhardt LGA residents and those employed within Leichhardt who live outside the LGA.

The following tables are based on the 2006 Census and Journey to Work data. This information is particularly useful in identifying potential opportunities to retain the workforce within Leichhardt, helping to reduced traffic volume and travelling time, and encouraging spending to be directed to local business within the LGA.

1.7.1 Working within Leichhardt LGA

Table 10 shows that, including workers from other parts of Sydney and beyond, the total workforce employed in Leichhardt in 2006 was 17,755 people.

Workers commute to Leichhardt from a wide area that includes predominantly most of the Inner Western Sub-region of Sydney, with over 40% of employment in Leichhardt filled by residents in Leichhardt, Ashfield, Burwood, Canada Bay and Strathfield LGAs.

Table 10 – Leichhardt LGA Workforce Place of Residence

Leichhardt LGA Workforce Place of Residence, 2006

Home LGA	<u>Work LGA</u>	
	Leichhardt LGA	
	No.	%
Leichhardt (A)	4,995	28%
Remainder Inner West Region	<u>2,351</u>	<u>13%</u>
Total Inner West Sub-Region	7,346	41%
<u>Other LGAs</u>		
Marrickville (A)	1,128	6%
Sydney (C)	1,041	6%
Canterbury (C)	811	5%
Ryde (C)	630	4%
Bankstown (C)	415	2%
Sutherland Shire (A)	413	2%
Randwick (C)	401	2%
Parramatta (C)	380	2%
Blacktown (C)	362	2%
Rockdale (C)	305	2%
Total Remaining LGAs	<u>4,523</u>	<u>25%</u>
Total Employment	17,755	100%

Source : ABS, Census of Population, 2006; Urbis

1.7.2 Leichhardt LGA Resident Workforce

Table 11 provides an overview of the locations where residents of Leichhardt LGA work.

Around 28% (4,995) of working Leichhardt residents are employed within Leichhardt LGA – this proportion is referred to as the employment containment ratio. This means that 62% (12,760) working Leichhardt residents travel outside of Leichhardt LGA to work.

Sydney LGA, which comprises the Sydney CBD, Pyrmont and Surry Hills (i.e. City of Sydney), attracts 40% of Leichhardt's working population, highlighting the proximity of Leichhardt to the city where a significant number of white collar jobs are located.

A large proportion of residents also work within North Sydney, Ryde and Parramatta, which are also major providers of white collar employment.

Table 11 – Leichhardt LGA Workforce Place of Employment

Leichhardt LGA Workforce Place of Employment, 2006

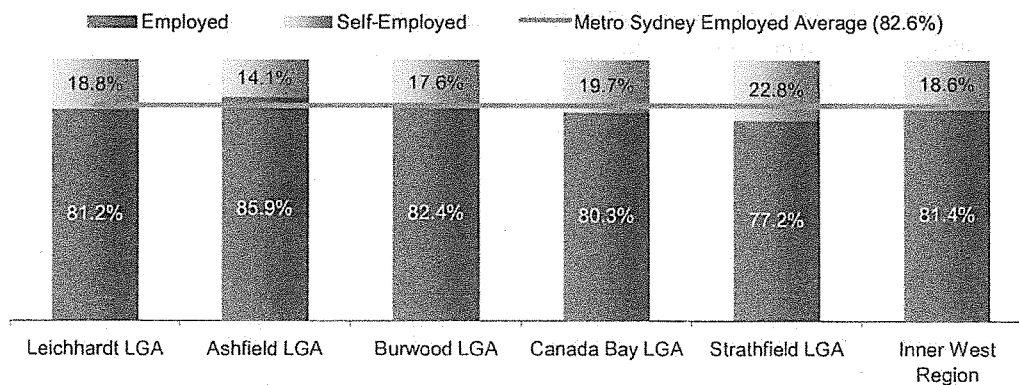
Work SLA	<u>Home LGA</u> Leichhardt LGA	
	No.	%
Leichhardt (A)	4,995	18%
Remainder Inner West Region	<u>1,167</u>	<u>4%</u>
Total Inner West Sub-Region	6,162	22%
<u>Other LGAs</u>		
Sydney (C)	11,473	40%
North Sydney (A)	1,329	5%
Ryde (C)	1,000	4%
Parramatta (C)	718	3%
Willoughby (C)	686	2%
Marrickville (A)	613	2%
Botany Bay (C)	472	2%
Randwick (C)	408	1%
Auburn (A)	366	1%
Woollahra (A)	270	1%
Total Remaining LGAs	<u>4,892</u>	<u>17%</u>
Total Employment	28,389	100%

Source : ABS, Census of Population, 2006; Urbis

1.8 Employed versus Self-employed

Figure 5 shows information relating to Leichhardt residents that are self employed versus total number employed. Leichhardt has approximately 18.8% of workers self employed, which is comparable to the Inner West Region average of 18.6%.

Figure 5 – Inner West Sub-Region Employed vs. Self Employed

Inner West Sub-Region Employed vs. Self-Employed, 2006

Note: 'Self-Employed' comprises Owner managers of incorporated enterprises, Owner managers of unincorporated enterprises, and Contributing
Source : ABS, Cat 2068.0, 2006 Census of Population and Housing

2 Industrial Employment Market

2.1 Industrial Land Supply

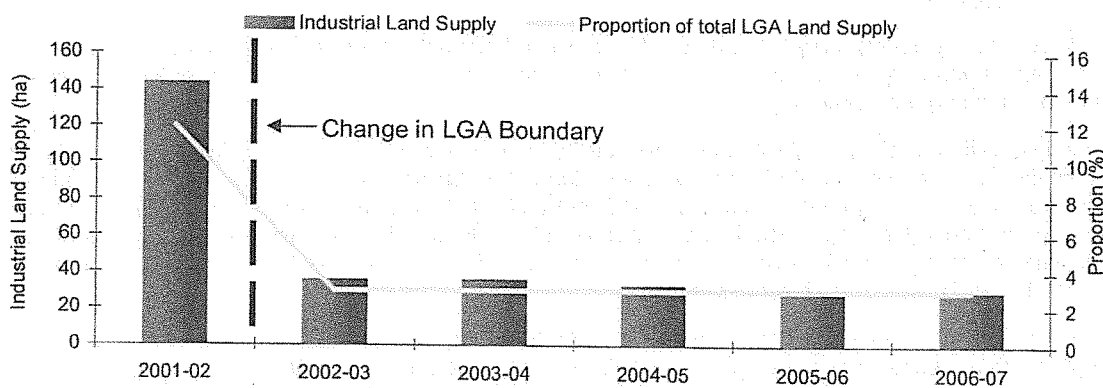
From 1994 to 2007 Leichhardt Council produced an annual *State of the Environment* report detailing current land supply, air and greenhouse issues, water, biodiversity, waste, noise, heritage and social issues within the LGA. These reports also outline Council action over the year to address the above mentioned issues and provide future action plans.

Figure 6 contains land supply data from each of the reports dating from 2001 through to 2007 and illustrates the change in the total volume of industrial land in Leichhardt LGA over the respective periods. No updated on industrial land supply in Leichhardt LGA is available.

Between 2002 and 2003, there was a 108 hectare reduction in the total amount of industrial land to 36 hectares. This significant reduction is partially attributable to the realignment of the Leichhardt LGA and City of Sydney boundaries that resulted in the suburbs of Glebe and Forest Lodge being included within the City of Sydney LGA. The other main contributor to the reduction is rezoning of premises primarily for residential purposes. Based on the 2007 report, Leichhardt LGA currently supports 30 ha of industrial land which reflects 3% of total land within the council area.

Figure 6 – Leichhardt LGA – Industrial Land Supply

Leichhardt LGA - Industrial Land Supply (2001-2007)



1. In May 2003, the suburbs of Glebe and Forest Lodge were removed from Leichhardt LGA and became part of the City of Sydney
Source : Leichhardt Council State of the Environment Report 2001 - 2007 ; Urbis

2.2 Industrial Stock Overview

Industrial premises throughout the LGA are contained within compact precincts. The main concentrations are located in Leichhardt, Annandale and Rozelle with the subject site forming part of the south western 'Parramatta Road precinct'. Leichhardt DCP – Part A identifies the subject as being within the 'West Leichhardt Distinctive Neighbourhood'.

Industrial stock varies right across the LGA in terms of age, scale, quality, configuration, clearance, and construction materials. Most structures typically date to the 1950's and 1970's although there are a number of contemporary developments interspersed throughout the region.

Broad features of industrial stock in the LGA are outlined as follows :

- Light industrial land uses
- Basic appearance, with much of the older stock now providing an outdated street appeal
- Brick construction
- Workshops, factories/warehouses and two level office/factory buildings as the dominant stock
- Medium clearance space (Leichhardt DCP limits any new industrial development to a height of 6 metres)
- A range of floor areas from 150sq.m up to 6,000sq.m with most buildings sized up to 1,000sq.m
- Primarily torrens title ownership
- Compact site areas with minimal provision of on site open storage and car parking areas (if any)
- A higher content of basement factory and storage space to counter site area limitations.
- Location amongst residential and retail/commercial land uses

The subject site is considerably larger in size than the majority of industrial premises within the Leichhardt council area and is at present improved with an outdated, purpose built industrial facility.

2.3 Market Review

As discussed previously, only 3% (30 ha) of land within Leichhardt LGA is used for Industrial purposes. With 'general industry' not a predominant land use in the area there is limited market activity in terms of sales and leasing transactions.

Leasing activity is more prevalent than sales activity with research indicating very few industrial sales in recent times. From 2006 to 2010 there were less than 20 industrial property transactions (excluding the sale of the Carrier site from Multiplex to Anka Constructions Pty Ltd) across the council area with most having occurred in Leichhardt and lesser numbers in Rozelle and Balmain. There are few industrial properties currently listed for sale not only indicating the limited volume of industrial property but also the tightly held nature of such premises.

Based on the sales outlined, a range of \$350,000 to \$4,400,000 is indicated. The low to mid end of the range typically represents compact allotments improved with basic but functional workshop and factory buildings in many instances covering the majority of the site. Most of the sales are within the lower end of the price range with the highest sale an older style factory on an above average size allotment measuring under 2,000 sq.m.

Sale rates per square metre of improved land area vary considerably from approximately \$1,250/sq.m up to \$5,900/sq.m. The range is attributable to both allotment and building size, location, topography, configuration, quality, and age of improvements.

There do not appear to have been any significant or notable industrial development site sales in the LGA recently.

The rental market is more active within the LGA and a review of current premises for lease indicates a range from 230 sq.m up to 3,100 sq.m being available. There are in the order of 20 industrial buildings available for lease at present ranging from older style compact workshops to 1980's vintage higher clearance contemporary warehouses. It is noted that most properties range up to 1,000 sq.m in size with only few in excess.

Rental values broadly range from \$60/sq.m per annum for storage space up to \$220/sq.m per annum excluding GST for superior more contemporary accommodation. The majority of rents range between \$130/sq.m to \$180/sq.m per annum.

In addition to preparing a market analysis based on sales and leasing evidence, we have made enquiries with a number of commercial real estate agents operative in the area to gauge the level of market enquiry for industrial premises and types of property in greatest demand. However, the majority were unable to provide feedback in relation to the industrial market indicating minimal involvement with either sales or leasing and as such limited market knowledge.

2.4 Industrial Land Survey – Leichhardt

To assist with the assessment of use of industrial land within the Leichhardt LGA, eleven industrial precincts were defined based on land zonings as indicated in the Leichhardt 2000 LEP. Urbis undertook a survey of business within these precincts in December 2007. The precincts are illustrated in Map 2 and an overview of businesses by industry type is provided in Table 12. Full indication of each business within the industrial precincts is provided in Appendix A. We note that spot checks undertaken on some areas in 2010 identified no significant changes to the broad trends identified in 2007.

Key points regarding each precinct are as follows :

- Comprising approximately 26,000 sq.m of formerly industrial zoned land, the **Birchgrove Precinct** is the site of the Caltex refinery in Birchgrove. The site has been reclaimed as open space and has become open area/parkland. Completion was in late 2008 and improved access to Sydney Harbour and the Balmain foreshore. The Birchgrove precinct has not been included in Table 12 as the future use of the site will not be industrial.
- The **Balmain East Precinct** comprises approximately 2,300 sq.m of industrial zoned land. The precinct contains a number of lots located on Alexander Street, Duke Street, Campbell Street and Cooper Street in Balmain East. The precinct Transport, Postal and Warehousing uses dominate the Industrial zones. Surrounding buildings are used for residential purposes.
- **Terry Street, Rozelle Precinct** includes the land bounded by Terry Street to the north and west, Wellington Street to the east and Victoria Road to the south. The Precinct comprises approximately 164,170 sq.m of land, which is largely taken up by residential, retail, transport, postal and Warehousing uses.
- Approximately 3,500 sq.m of land is located within the **Lilyfield Road, Rozelle Precinct**. Manufacturing and retail traders dominate the uses in the area.
- **White Bay Precinct** comprises approximately 119,000 sq.m of land that is used for industrial, retail and residential purposes. The Precinct is generally bounded by White Bay to the north and Victoria Road to the south.
- The **Balmain Road Precinct** comprises 26 allotments (13,800 sq.m) centred on Balmain Road, Fred Street and Darling Street. Manufacturing Industries are the main users found in the Precinct.
- The **Moore Street, Leichhardt Precinct** comprises 338,100 sq.m of land clustered around Moore Street, John Street, Hill Street and Catherine Street. A myriad of Professional, Scientific and Technical users, as well as manufacturing industrial are present in the area.
- The **Pymont Bridge Road Precinct** is generally bounded by Booth Street and Pymont Bridge road to the west and Parramatta Road to the south. Professional, Scientific and Technical Services as well as residential uses dominate the precinct.
- **Parramatta Road, Leichhardt Precinct** comprises 282,200 sq.m which is largely taken up by retailers, design professional and vacancies. This area incorporates the 'George Street Precinct' in which the former Kolotex site is located.
- The **West Leichhardt Precinct** comprises 13 allotments (approximately 142,500 sq.m). A retirement Village, located on Marion Street, takes up much of the available space.

Map 2 – Leichhardt Industrial Precincts

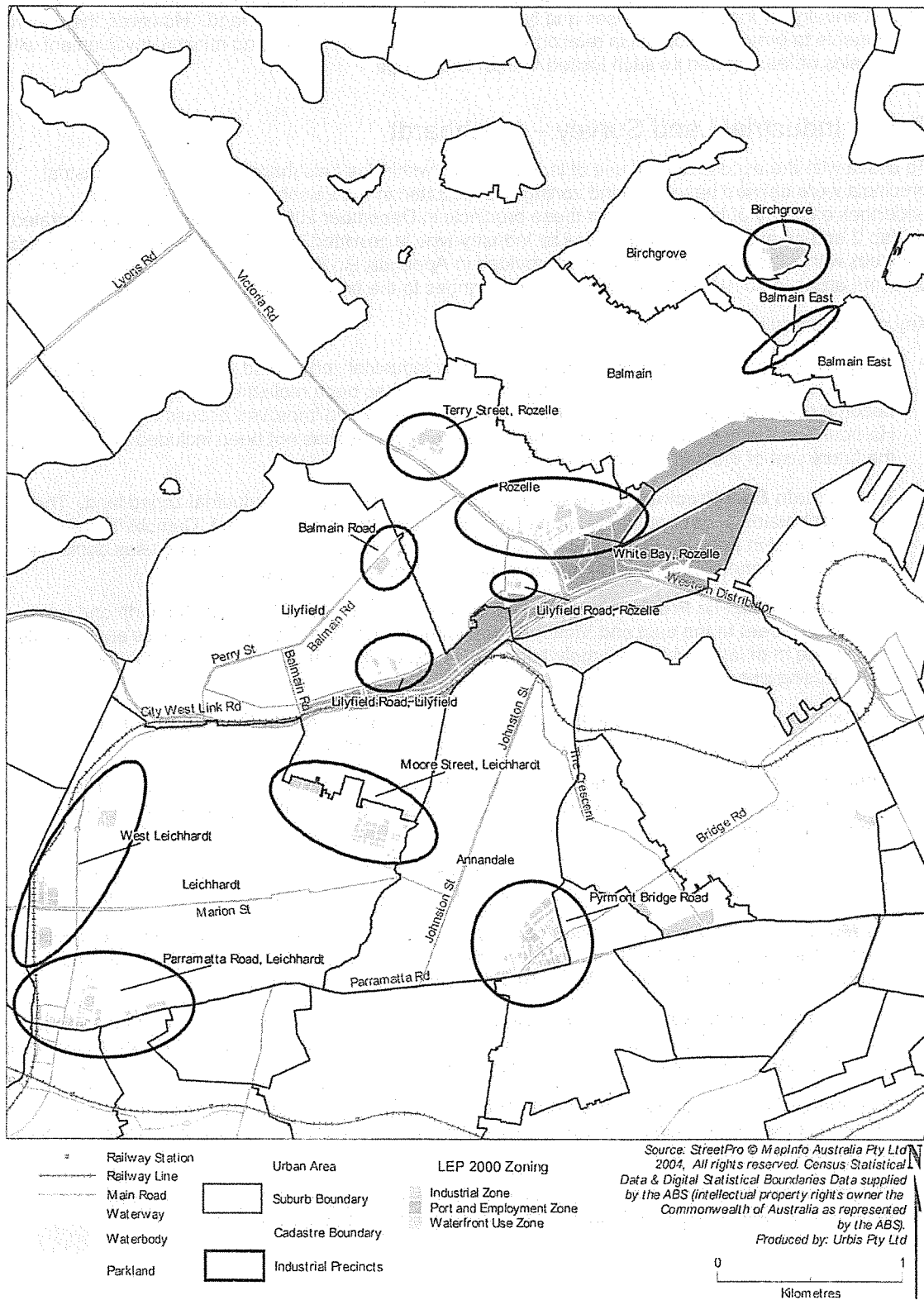


Table 12 – Leichhardt Industrial Precincts by Industry

Leichhardt Industrial Precincts by Industry Type, as at December 2007

Precinct	Manufacturing	Transport, Postal & Warehousing	Wholesale Trade	Professional, Scientific & Technical Services	Retail Trade	Other Industry Type ¹	Vacant ²	Residential ³
Balmain East	0.0%	77.5%	0.0%	0.0%	0.0%	0.0%	0.0%	22.5%
Balmain Road	61.0%	0.0%	0.0%	10.7%	1.5%	8.6%	15.6%	2.5%
Lilyfield Road, Lilyfield	25.4%	0.0%	0.0%	16.1%	0.0%	17.3%	29.7%	11.4%
Lilyfield Road, Rozelle	43.1%	0.0%	0.0%	0.0%	56.9%	0.0%	0.0%	0.0%
Moore Street, Leichhardt	25.6%	7.9%	3.4%	11.5%	7.4%	28.2%	13.7%	2.3%
Parramatta Road, Leichhardt	10.0%	0.4%	3.6%	5.4%	24.7%	13.7%	36.9%	5.3%
Pyrmont Bridge Road	23.7%	11.7%	0.0%	9.1%	26.7%	7.6%	10.3%	10.9%
Terry Street, Rozelle	2.6%	14.4%	0.0%	1.7%	12.4%	6.3%	46.9%	15.7%
West Leichhardt	7.8%	7.8%	29.0%	0.0%	0.0%	7.8%	7.8%	39.7%
White Bay, Rozelle	6.4%	28.8%	0.0%	10.9%	12.4%	28.7%	9.4%	3.5%
Total Leichhardt LGA	17.4%	11.1%	4.1%	7.8%	14.5%	16.1%	18.8%	10.1%

1. Other Industry Type¹ includes Arts & Recreation Services; Construction; Electricity, Gas, Water & Waste Services; Financial & Insurance Services; Health Care & Social Assistance; Information Media & Telecommunications; Other Services; Public Administration & Safety; and Rental, Hiring & Real Estate Services

2. Includes Dallast Point

3. Includes Retirement uses

Source: Urbis

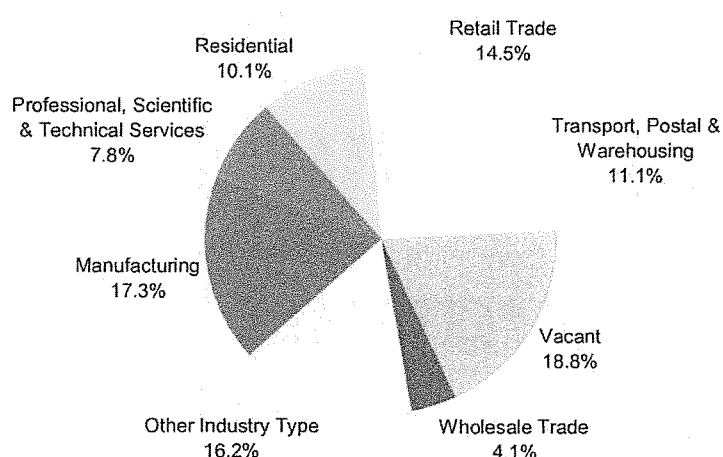
2.4.1 Industry Breakdown

Figure 7 shows the breakdown of Leichhardt LGA by industry type as a proportion of land area. Key points to note include:

- Vacant lots and buildings take up the majority of space, accounting for 18.8% of all industry types.
- Manufacturing industries such as kitchen, steelwork and scrap metal manufacturers account for 17.3% of industries surveyed.
- Residential accommodation takes up 10.1% of land within the Industrial precincts.

Figure 7 – Leichhardt Industrial Land Use by Type

Leichhardt Industrial Land Use by Industry Type, as at December 2007



Note : 'Other Industry Type' includes Arts & Recreation Services (0.7%); Construction (0.3%); Electricity, Gas, Water & Waste Services (1.3%); Financial & Insurance Services (0.3%); Health Care & Social Assistance (0.4%); Information Media & Telecommunications (1.1%); Other Services (6%); Public Administration & Safety (2.9%); Rental, Hiring & Real Estate Services (2%); and 'Residential' includes Retirement (3.7%).

Source : Urbis

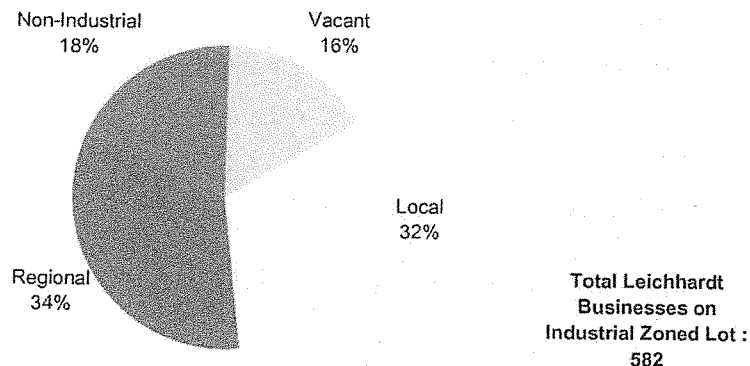
2.4.2 Regional versus Local Uses

Figure 8 illustrates the use (regional or local) of businesses that are on industrial lots in Leichhardt Key points to note include :

- Businesses are divided somewhat evenly between local and regional uses (32% and 34% respectively).
- Local businesses include smash repairers, caterers, cafés, gyms and health care providers.
- Regional services found in Leichhardt include car dealerships, engineering/manufacturing, and publishing/advertising.
- The land use survey undertaken by Urbis revealed 16% of total industrial zoned lots not utilised for non-industrial purposes were vacant as at December 2007.

Figure 8 – Leichhardt Businesses on Industrial Lots – Regional & Local Use

Leichhardt Businesses on Industrial Lots - Regional and Local, as at December 2007



Note : Non-industrial is residential and retirement village uses. Vacant does not include Ballast Point/Birchgrove Precinct
 Source : Urbis

2.5 Conclusions

With continuing regeneration of Leichhardt, the need to support the employment and residential requirements of the growing white collar workforce will increase and the requirement for industrial businesses, such as light industrial uses which could potentially be located on the Carrier Site will lessen. The current and future skills of Leichhardt residents align better with the proposed retail and residential uses for the redevelopment of the subject site.

It is clear from the assessment of the employment market within the Inner West Sub-region and the industrial property market within the Leichhardt LGA that the potential to viably retain industrial employment uses on the subject site is tenuous. Therefore, whilst the existing improvements could be reinstated to accommodation industrial forms of employment, the likelihood of obtaining optimum levels of job creation would be limited in the long term.

The overall intention of the proposed rezoning of the Terry Street precinct that will include residential, mixed use and commercial zones provide a higher level of job generation compared to the historic industrial uses. Therefore job creation throughout the broader precinct will exceed the potential of the existing industrial zone and most importantly provide sustainable jobs that are more aligned with the local workforce.

3 Residential Unit Market

In this section we assess the market potential for residential development on the subject site, based on analysis of the following factors:

- Population growth
- Demographic profile (age, family composition, employment, incomes etc)
- Future housing supply
- Unit price trends
- Recent developments and take-up rates

We note that the current proposal include 195 residential apartments, comprising 46 one bedroom apartments, 125 two bedroom apartments and 24 three bedroom apartments.

3.1 Residential Catchment Area

We have defined the catchment area for residential development to comprise of the following LGAs:

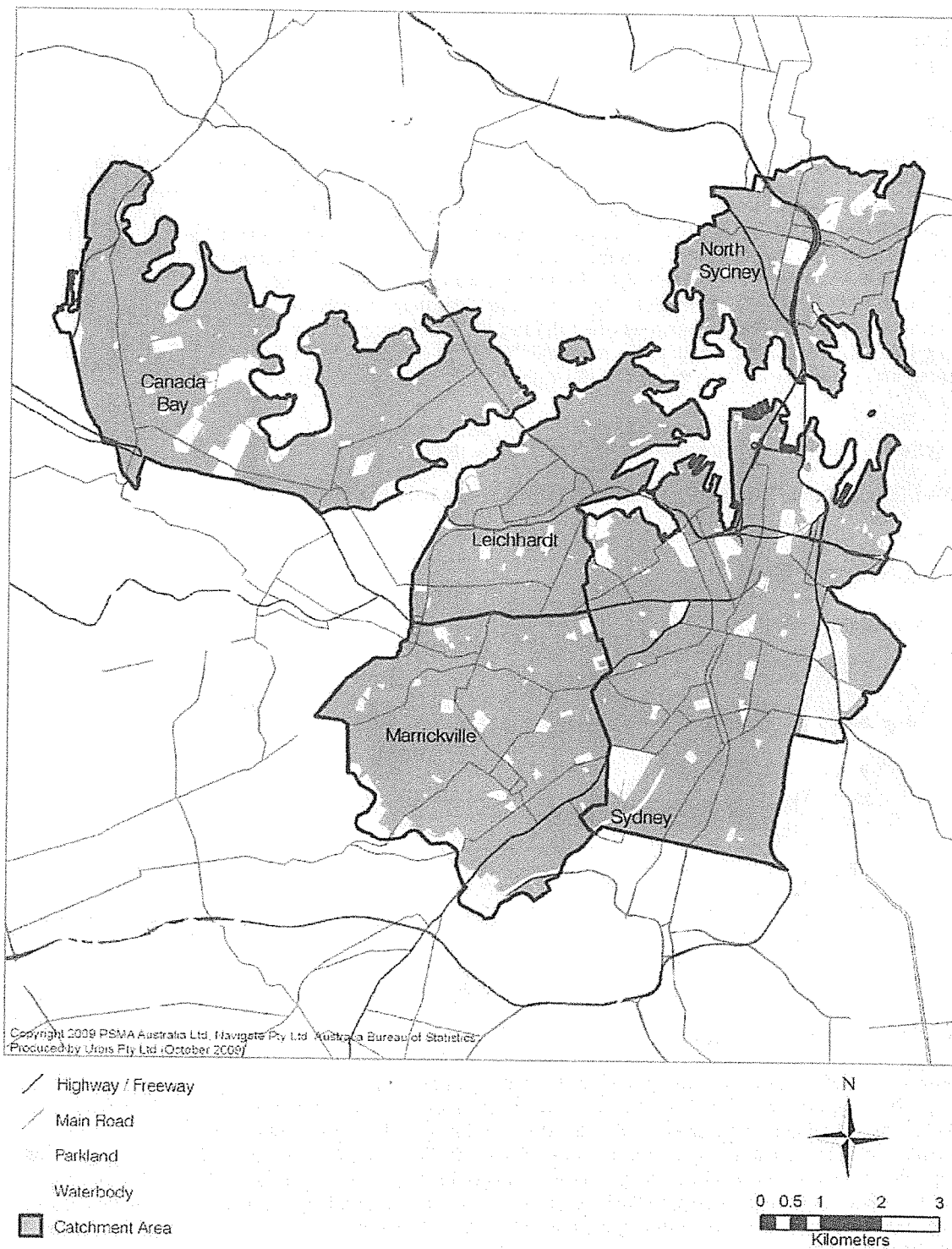
- Leichhardt
- Sydney
- Marrickville
- North Sydney
- Canada Bay

The catchment area was defined based on an assessment of ABS migration data which illustrates where new residents to the Leichhardt LGA moved from between 2001 and 2006. We note that whilst there were a wide variety of locations the greatest densities generally can from the Inner West, Sydney and North Sydney. This provides us with a sample of the nature of residents moving to Leichhardt.

We also note that there was a significant volume of international arrivals that chose to live within the Leichhardt LGA.

The local catchment area is illustrated in Map 3 overleaf.

Map 3 – Local Residential Catchment



3.2 Demographic Drivers of Housing Demand

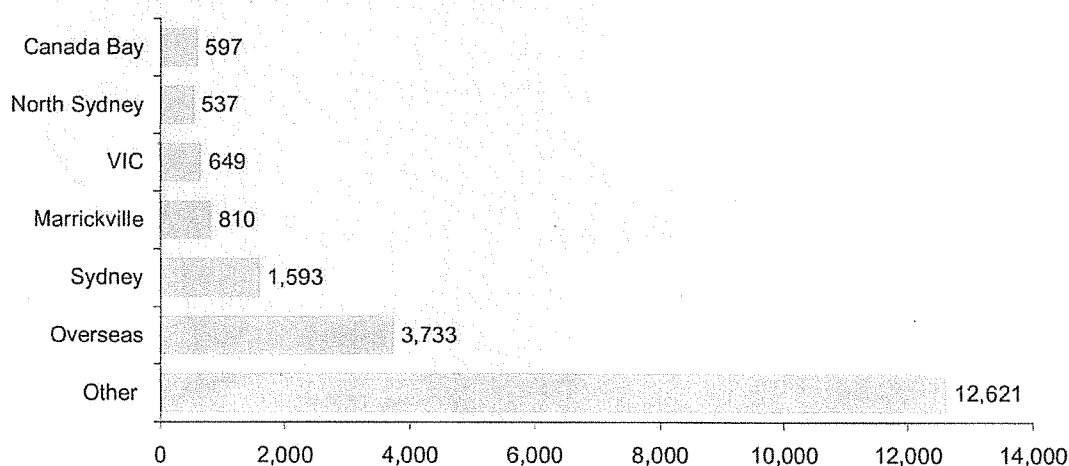
In this section we investigate the demographic profile of catchment area residents to gain insight into the quantity and type of housing that is likely to be demanded in Leichhardt in the future.

3.2.1 Migration

Analysis of migration inflows to Leichhardt LGA reveals the locations from which Leichhardt residents moved from between 2001 and 2006. Apart from people that moved internally within Leichhardt LGA, a significant proportion of new residents came from overseas, primarily UK (30%), New Zealand (12%) and Italy (8%). Domestically, the major locations from which new residents moved were Sydney LGA, Marrickville LGA, Victoria, North Sydney LGA and Canada Bay LGA. This suggests that a new residential development in Leichhardt is likely to draw from these locations. Unfortunately, it is difficult to gauge the level of future international and interstate migration to Leichhardt. However, we can forecast future population growth and assess other demographic characteristics of the local catchment in order to gauge the level of demand for new residential development in Leichhardt. Whilst the large majority came from other areas, no one area in Australia received the same volumes to justify specific individual analysis.

Figure 9 – Top Source Locations of Migration Inflows to Leichhardt LGA (2001-2006)

Top Source Locations of Migration Inflows to Leichhardt LGA (2001-2006)



Source: ABS

3.2.2 Population Growth

Assessment of future population growth within the catchment area provides an indication of the level of future housing demand. By 2026 the catchment population is expected to reach 531,483 from 422,701 in 2006. This translates to a massive 26% growth over the period – significantly higher than the 18% growth that is forecasted for the entire Sydney Statistical Division (SD). Within the catchment, growth is expected to be highest within Sydney LGA in absolute terms. Leichhardt is expected to experience modest levels of growth of around 0.3%, or 130 to 170 persons annually. However, if housing supply does not keep pace with population growth forecasted for the entire catchment, there is potential for Leichhardt to absorb some of this population given that Leichhardt has historically captured people from Sydney LGA.

Table 13 – Local Catchment Population Forecasts (2001-2026)

Local Catchment Population Forecasts (2001-2026)

	Estimated Resident Population (No.)					
	2001	2006	2011	2016	2021	2026
Leichhardt	50,112	51,554	52,260	52,920	53,765	54,609
Sydney	130,038	164,986	190,551	211,441	223,681	236,055
Marrickville	76,743	75,546	77,859	80,161	80,769	81,386
North Sydney	58,711	61,891	64,441	67,060	70,155	73,227
Canada Bay	61,961	68,725	75,673	80,639	83,465	86,205
Total Catchment	377,565	422,702	460,784	492,222	511,835	531,483
	Average Annual Growth (No.)					
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	
Leichhardt	288	141	132	169	169	
Sydney	6,990	5,113	4,178	2,448	2,475	
Marrickville	-239	463	460	122	123	
North Sydney	636	510	524	619	614	
Canada Bay	1,353	1,390	993	565	548	
Total Catchment	9,027	7,616	6,288	3,923	3,930	
	Average Annual Growth (%)					
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	
Leichhardt	0.5%	0.3%	0.3%	0.3%	0.3%	
Sydney	5.1%	3.1%	2.2%	1.2%	1.1%	
Marrickville	-0.1%	0.6%	0.6%	0.2%	0.2%	
North Sydney	0.8%	0.8%	0.8%	0.9%	0.9%	
Canada Bay	1.8%	2.0%	1.3%	0.7%	0.7%	
Total Catchment	2.4%	1.8%	1.4%	0.8%	0.8%	

Source: ABS, NSW DoP, Urbis

By forecasting population growth in Leichhardt we can gauge the level of future demand for housing within the LGA. Based on an average household size of 2 from 2006 to 2011, and accounting for the trend toward declining household size thereafter, between 70 and 90 dwellings will be required annually between now and 2026 to accommodate the additional population that is forecasted for Leichhardt LGA.

Across the entire catchment area, an additional 2,000 to 3,800 dwellings will be required annually between now and 2026 to accommodate the larger population. This equates to a total of more than 54,000 new dwellings over the twenty year period – this is a large amount of development, especially within a highly developed urban area. Between 1,200 and 2,600 will be required annually in Sydney LGA alone to accommodate the additional population that is expected for the LGA. Again, this is a substantial amount of development, and seems ambitious given constraints on availability of developable areas. In the instance that the dwelling requirement in Sydney LGA is not met, there would be opportunities for Leichhardt to absorb some of the additional population.

Table 14 – Annual Household Formations (201-2026)

Annual Household Formations (2001-2026)

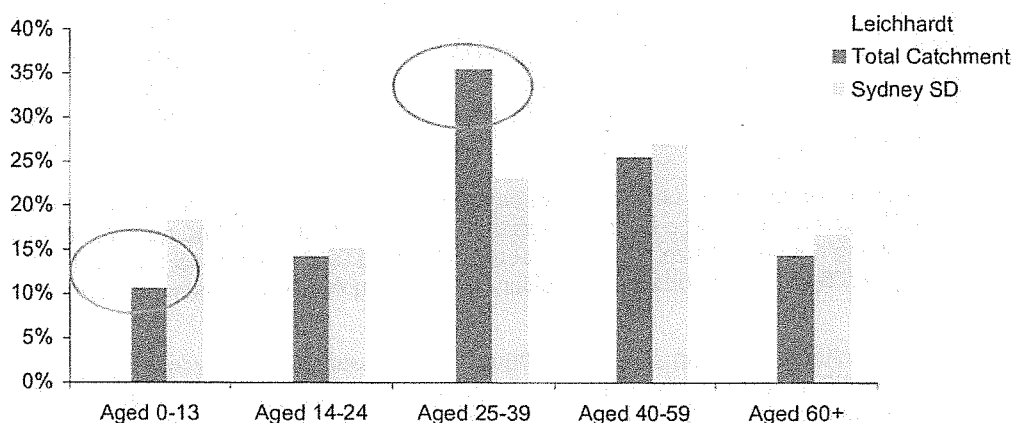
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026
Leichhardt	137	71	66	89	89
Sydney	3,328	2,556	2,089	1,288	1,303
Marrickville	-114	231	230	64	65
North Sydney	303	255	262	326	323
Canada Bay	644	695	497	297	288
Total Catchment	4,299	3,808	3,144	2,065	2,068

Source: ABS, DoP, Urbis

3.2.3 Age Distribution

Relative to the whole Sydney SD, Leichhardt and the total catchment area have a high proportion of residents in the 25 to 39 year age group, and a low proportion of residents in the 0 to 13 year age group. The age profile reflects the household structure of the catchment area, as discussed in the next section.

Figure 10 – Population Age Distribution

Population Age Distribution - Leichhardt, Catchment & Sydney (2006)

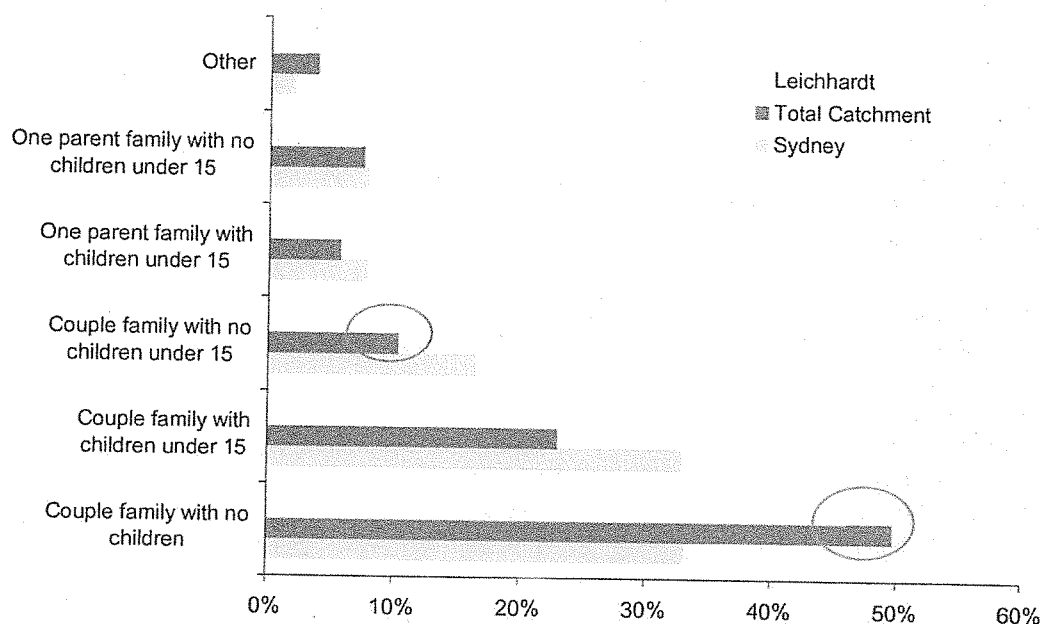
Source: ABS

3.2.4 Household Structure

Couple families with no children are the most prevalent household type in both Leichhardt and the total catchment area – accounting for a significantly higher proportion of households compared to the Sydney average. Couple families with no children under 15 years have a small representation in Leichhardt, however couple families with children under 15 years are the second most prominent household type in Leichhardt. This is interesting considering the low proportion of children in the 0-13 year age group in Leichhardt. These two findings suggest that, whilst couple families with children under 15 years are the second most prominent household type, the number of children per household is low. Unit and apartment style housing would be suitable for the household types in Leichhardt.

Figure 11 – Family Composition

Family Composition - Leichhardt, Catchment & Sydney (2006)



Source: ABS

3.2.5 Incomes

Leichhardt LGA has a significantly higher proportion of households falling within the highest income brackets, relative to the total catchment and Sydney SD. The average household income for Leichhardt LGA is \$103,765 – a substantial 32% higher than the Sydney SD average. This is relevant in considering the potential for new residential development within the catchment. The analysis suggests that there would be potential for part or all of the new development to be high quality, high value and positioned toward the high income market since the extent of this market in Leichhardt is significant. This would be complementary to the investor market that would deliver rental accommodation, particularly focused at younger professionals.

Table 15 – Average Household Income Distribution

Average Household Income Distribution - Leichhardt, Catchment & Sydney (2006)

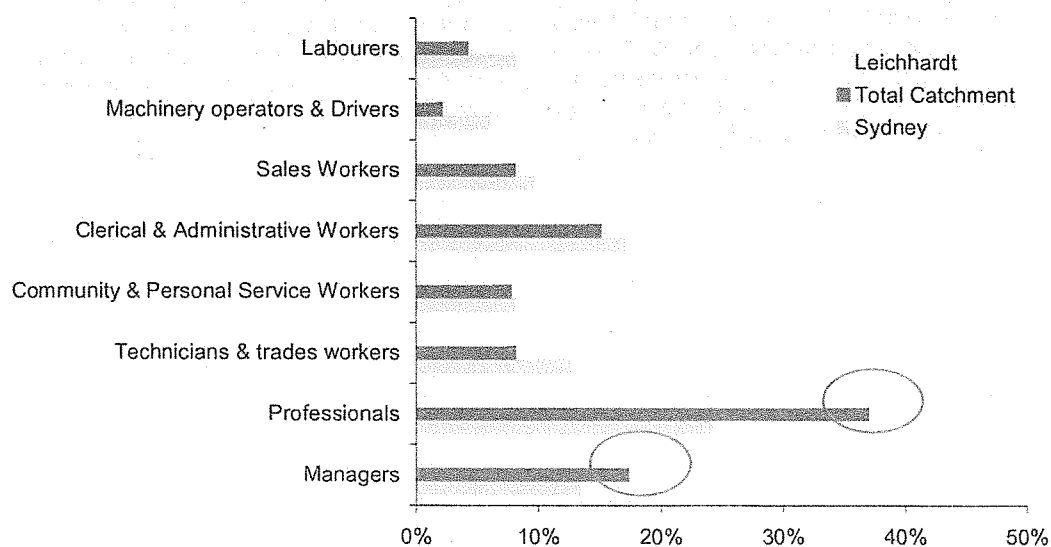
	Leichhardt	Catchment	Sydney
\$Neg/Nil	1%	2%	2%
\$1-\$13,000	6%	7%	6%
\$13,000-\$18,200	5%	5%	6%
\$18,200-\$26,000	2%	2%	4%
\$26,000-\$33,800	6%	7%	9%
\$33,800-\$41,600	5%	5%	6%
\$41,600-\$52,000	5%	6%	7%
\$52,000-\$62,400	8%	10%	11%
\$62,400-\$72,800	3%	4%	6%
\$72,800-\$88,400	8%	8%	9%
\$88,400-\$104,000	7%	8%	7%
\$104,000-\$130,000	8%	7%	8%
\$130,000-\$156,000	16%	13%	9%
\$156,000 plus	20%	14%	9%
Average Household Income	\$103,765	\$89,857	\$78,617

Source: ABS

3.2.6 Occupation

Relative to Sydney SD, Leichhardt and the total catchment area have a substantially higher proportion of professionals and managers, and lower proportion of all other occupation segments.

Figure 12 – Occupation Profile

Occupation Profile - Leichhardt, Catchment & Sydney (2006)

Source: ABS

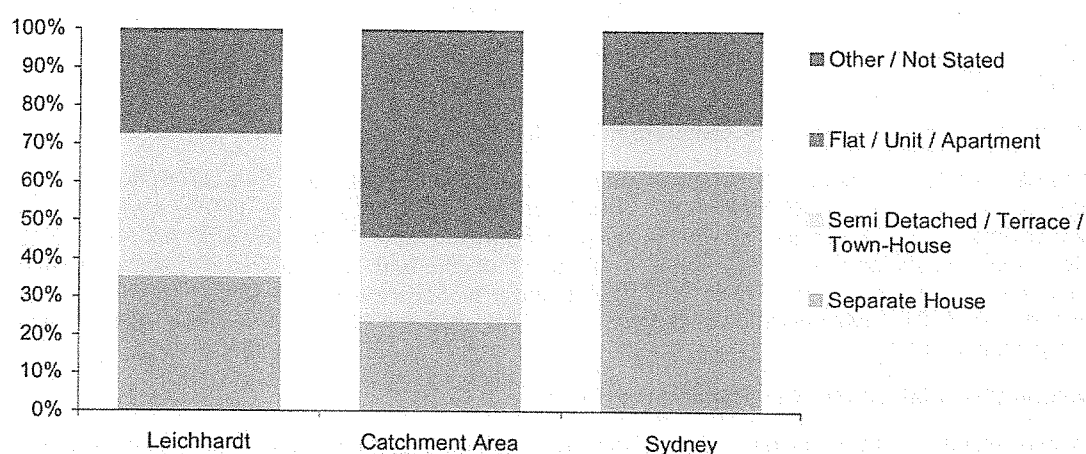
3.3 Unit Supply in Leichhardt

3.3.1 Existing Unit Supply

In 2006 Leichhardt LGA had just over 20,000 dwellings. Separate houses and semi detached / terrace / town houses accounted for an approximately equal proportion, with around 7,000 of each of these types of dwellings. Apartments / units were also quite prevalent, with over 5,000 of these dwelling types. However, the proportion of units / apartments is significantly lower than the catchment, which suggests that there may be scope to increase the provision of unit / apartment dwellings, particularly as unit supply has been restricted due to the heritage restrictions on areas such as Balmain.

Figure 13 – Existing Dwelling Supply

Existing Dwelling Supply, by Type (2006)



Source: ABS

3.3.2 Future Unit Supply

Table 16 and 17 below summarise the future dwelling provision, by type of dwelling and by expected year of completion, in the catchment area to approximately 2014. Numbers are based on development applications and approvals, as reported by Cordell Connect based on council development applications. To date, around 278 dwellings are planned for completion in 2010. Few dwellings are planned thereafter. The majority of new dwellings will be apartments.

Table 16 – Current & Planned Future Residential Development

Current & Planned Future Residential Development, by Dwelling Type (to 2014)

	2010	2011	2012	2013	2014	Total
Balmain	8	8	-	-	-	16
Leichhardt	16	-	-	-	-	16
Rozelle	152	-	-	-	-	152
Lilyfield	88	-	-	-	-	88
Annandale	14	21	-	-	-	35
Leichhardt LGA	278	29	0	0	0	307

Source: Cordell Connect

Table 17 – Total Current & Planned Residential Development to 2014

Current & Planned Future Residential Development, by Dwelling Type (to 2014)

	Houses	Apartments	Town-Houses	Units	Total
Balmain	-	-	6	10	16
Leichhardt	-	-	-	16	16
Rozelle	-	136	-	16	152
Lilyfield	-	88	-	-	88
Annandale	-	-	21	14	35
Leichhardt LGA	0	224	27	56	307

Source: Cordell Connect

3.3.3 Current & Proposed Future Developments

Below is an overview of some of the major residential developments planned for Leichhardt LGA in addition to the subject site.

Balmain Tigers Leagues Club Redevelopment (Rozelle)

The Balmain Tiger Leagues Club has submitted a development application for a mixed use development comprising 136 apartments (11 x 1 bedroom, 107 x 2 bedroom; 18 x 3 bedroom). The apartments will be spread across three buildings of approximately 12 storeys each. The Balmain Tigers also intend to develop a new Club House, 1,400 sq.m. of commercial office space, 9,500 sq.m. of retail floor space for a supermarket, fresh food market, and mini majors, and a pedestrian footbridge over Victoria Road. The development would have a total floor space of 31,000 sq.m. and is scheduled for completion in 2014.

Nelson Street Mixed Use Development (Rozelle)

This development at 65-69 Nelson Street Rozelle will comprise a mixed use building containing 11 residential units (8 x 1 bedroom; 3 x 2 bedroom), professional suites and basement car parking for 18 vehicles. It is scheduled for completion at the end of 2009.

Edward Street Public Housing Development (Lilyfield)

Construction commenced in August 2009 of a public housing development in Lilyfield. The development will comprise of 88 apartments within 6 blocks that vary between two and three storeys in height. The Department of Housing expects the apartments to be completed by the end of 2010.

Johnston Street Townhouses (Annandale)

A DA has been submitted for the development of 21 townhouses on Johnston Street in Annandale. The mix of townhouse sizes will be as follows: 17 x 3 bedroom and 4 x 3 bedroom + home office. If approved, the development is scheduled for completion in 2010.

Public Housing Development (Glebe)

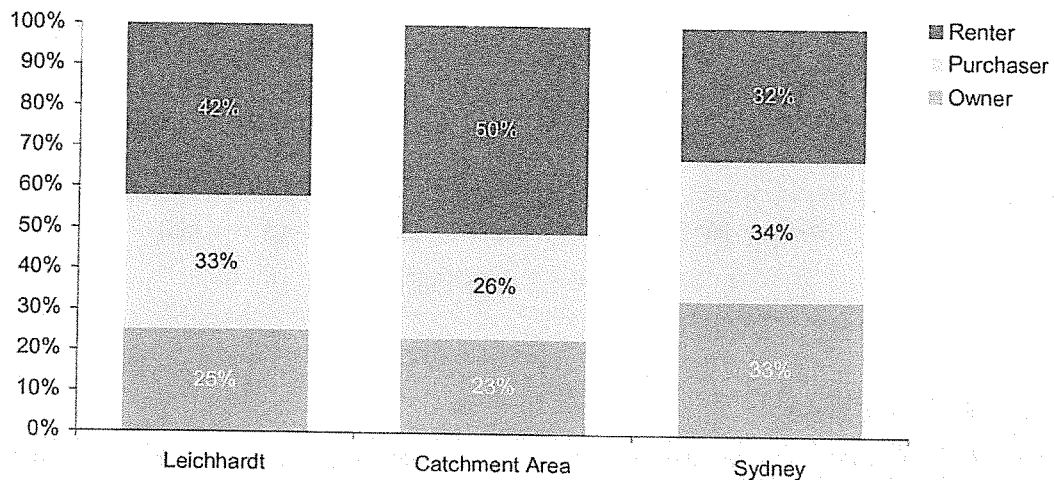
Early planning has commenced for the development of 700 new affordable, social and private housing units at Glebe-Ultimo. The site flagged for development includes the City of Sydney's 20,000sq m Bay St Depot site and an adjacent 16,000sq m site (bounded by Bay, Wentworth and Cowper Sts, Glebe) owned by the NSW Government and containing existing social housing. The Housing Minister and City of Sydney have signed a Memorandum of Understanding committing the City of Sydney and the NSW Government to a partnership to develop affordable housing on the site. The first stage of the project is to engage urban design experts to undertake a joint master planning process & implement a comprehensive community consultation plan. The estimated project cost is \$260 million.

3.3.4 Dwelling Ownership Status

Relative to the Sydney SD, Leichhardt has a larger proportion of renters, and lower proportions of purchasers and owners, suggesting that a new residential development in Leichhardt will be able to target the investor market in addition to the owner occupier market.

Figure 14 – Housing Ownership Status

Housing Ownership Status - Leichhardt, Catchment & Sydney (2006)



Source: ABS

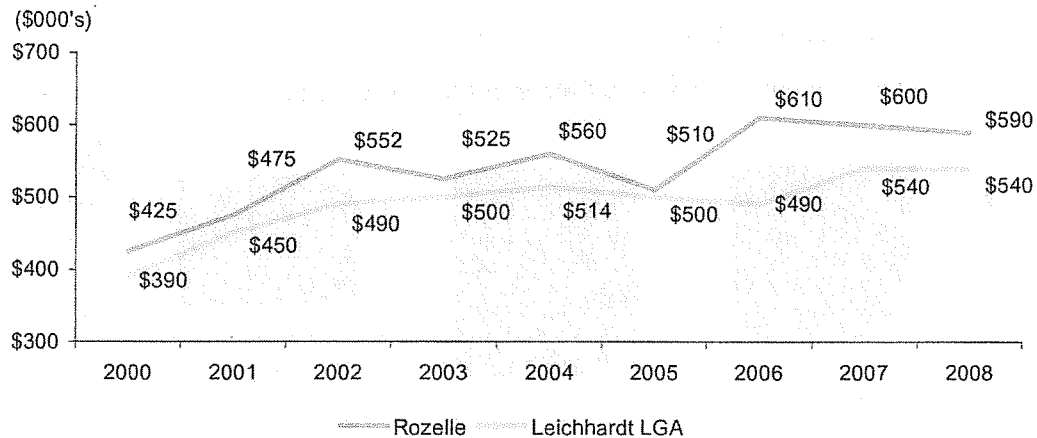
3.4 Unit Demand

Below we look at unit price trends and population growth to understand historical unit demand, and ascertain the potential demand for units in Leichhardt going forward.

3.4.1 Historic Unit Price Trends

Unit prices in Rozelle have been fairly volatile since 2000, and in recent years have fallen from \$610,000 in 2006 to \$590,000 in 2008. However, prices remain above the average unit price for Leichhardt LGA.

Figure 15 – Median Unit Price

Median Unit Price, Rozelle & Leichhardt LGA (2000-2008)

Source: RP Data

3.4.2 Recent Sales

Table 18 below illustrates the average sales prices of units in Rozelle and Leichhardt LGA for 2008/09 on a monthly basis.

Table 18 – Recent Unit Sales Median Prices

Recent Median Unit Sales Prices - Rozelle & Leichhardt LGA

	Rozelle	Leichhardt LGA
Aug-09	\$ 588,500	\$536,000
Jul-09	\$ 459,500	\$533,500
Jun-09	\$ 670,000	\$524,000
May-09	\$ 455,000	\$560,000
Apr-09	\$ 585,000	\$571,500
Mar-09	\$ 460,000	\$560,000
Feb-09	\$ 611,500	\$579,250
Jan-09	\$ 725,500	\$492,500
Dec-08	\$ 547,500	\$525,500
Nov-08	\$ 481,000	\$525,000
Oct-08	\$ 571,000	\$572,500
Sep-08	\$ 597,500	\$574,000

Source: RP Data

3.4.3 Comparison of Future Unit Demand & Supply

Comparison of planned new dwelling supply and forecasted dwelling demand (new household formations) reveals that the level of new supply entering the market in 2010 is likely to exceed the level of new demand. It is possible that this excess supply will be absorbed from 2011 to 2013 when additional demand will outweigh the planned level of supply.

We note however that the actual population growth could be considerably higher should some of the potential population growth expected for the City of Sydney could be redirected to Leichhardt. As such the following supply and demand balance is likely to be conservative.

Table 19 – Comparison of New Dwelling Supply & Demand

Comparison of New Dwelling Supply & Demand - Leichhardt LGA (2010-2014)

	2010	2011	2012	2013	2014
New Supply - Current & Proposed Future Developments	142	29	0	0	136
New Demand - New Household Formations	71	66	66	66	66
Over / Under Supply	71	-37	-66	-66	70

Source: ABS, Cordell Connect

3.5 Summary

The key points to note with respect to the potential for new residential development in Rozelle are:

- A new residential development is likely to draw from a broad range of international, interstate and local areas. Locally, the main areas from which a development would most likely draw from include Leichhardt, Sydney, Marrickville, North Sydney and Canada Bay LGAs.
- Substantial population growth is forecasted for the catchment area which will translate to a large requirement for new dwellings within the catchment. The dwelling requirement for Sydney LGA is particularly large, and seems ambitious. It is likely that there will be opportunities for Leichhardt to play a role in meeting the new dwelling supply required to support population growth forecasted for the entire catchment.
- New dwelling supply that is scheduled for completion is below the level of demand forecasted, indicating that there is potential for new apartment development. Moreover, there appears to be scope to increase the provision of apartments in Leichhardt as indicated by the below-average supply of apartments within the LGA.
- New development would be most suitably positioned toward young professional couples in the 25 to 39 year age group who do not have children, and earn substantially above average incomes.
- A new apartment development could capture a large investor market
- Given the above the opportunity would be to have a higher proportion of one and two bedroom apartments on portions of the site that attract lesser views and target these towards the investor market, whilst better positioned units could be larger and skewed to 2 to 3 bedroom apartments targeted to the owner occupier market.
- A broad mix may include 20% 1 bedroom units (potentially with a study), 60% two bedroom and up to 20% three bedroom unit mix. We note that the proposed development of 195 residential apartments comprising 46 one bedroom units, 124 two bedroom units and 24 three bedroom units generally conforms with this recommendation, albeit slightly skewed to one and two bedroom unit types. Indeed, the higher provision on one bedroom units in particular will assist with improving access to affordable dwellings.

4 Child Care Market

In this assessment we have focused on the long day child care centre market. We have excluded other child care uses such as before and after school care as the space requirements, proximity to primary schools and income viability of these uses will most likely conflict with the subject site.

A 40 place child care centre has been proposed for the subject site.

4.1 0-4 Year Population Forecasts

The critical age group that drives demand for Child Care is the 0-5 age group, the market segment catered to by the long day child care service sector. The area that is likely to be serviced by a child care centre on the subject site is very likely to be similar to the retail catchment area as outlined in Section 5 of this report.

The following table outlines the projected population of the 0-4 age group as prepared by the NSW Department of Planning based on the 2006 census. Unfortunately for this analysis the age group bands for these projections separate 5 year olds into the 5-9 year age group. It is expected that the area will experience a modest decline in children aged 0-4 years of age to 2021, with the slow decline stabilising after 2021.

Table 20 – Leichhardt 0-4 Year Population Forecasts (2001-2026)

Leichhardt 0-4 Year Population Forecasts (2001-2026)

	Estimated Resident Population (No.)					
	2001	2006	2011	2016	2021	2026
Leichhardt	2,759	3,653	3,547	3,417	3,399	3,415
	Average Annual Growth (No.)					
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	
Leichhardt	179	-21	-26	-4	3	
	Average Annual Growth (%)					
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	
Leichhardt	0.7%	-0.6%	-0.7%	-0.1%	0.1%	

Source: ABS, NSW DoP, Urbis

4.2 Working Population Profile

As working parents have the highest need for child care services, it is also important to understand the working population. In 2006, approximately 17,800 people worked in Leichhardt LGA, with the split of male and female workers was approximately equal.

Women between the ages of 20 and 44 years who work in Leichhardt represent the segment of the population that would most likely require child care facilities in Leichhardt. In 2006, there were 5,175 women falling within this segment.

The industries employing the largest share of workers in Leichhardt are healthcare (13%), retail trade (13%), accommodation and food services (9%) and manufacturing (7%).

72% of workers in Leichhardt travel to work by car, making it the most prevalent mode of transportation to work. This is important as it indicates a high degree of mobility and therefore the ability of parents to access local facilities by car.

83% of workers in Leichhardt earn \$400 or more per week (\$20,800 per annum). The most common income brackets that Leichhardt workers fall into are \$400 to \$599 per week (\$20,800 to \$31,200 per year) and \$600 to \$799 per week (\$31,200 to \$41,600 per year).

4.3 Demand for Child Care

The ABS estimated that in 2008 around 21% of couple families with children had children in formal care facilities (before and/or after school care, long day care, family day care, other formal care), while 20% of one parent families had children in formal care facilities.

If we apply these ratios to these family groups that live in Leichhardt, approximately 1,300 couple families with children and 80 one parent families with children have their children in formal care facilities. Note that this is the number of families with children in care, with the number of children in care likely to be higher with the average number of children in care per family exceeding one.

According to the ABS around 40% of children that are in formal care facilities attend the facilities for less than 10 hours per week; around 33% of children in formal care facilities attend the facilities for between 10 and 20 hours per week; and around 27% of children in formal care facilities attend the facilities for more than 20 hours per week.

4.4 Existing Child Care Centre Supply

Within the immediate catchment around Rozelle there are a nine existing child care centres with approximately 486 child places. For the whole Leichhardt LGA there may be as high as 950 long day child care places across 17 centres.

Based on discussions with these centres we discovered that there are very few short term vacancies, with most centres having a waiting list of around two years. This is the single clearest indicator of the unmet demand for child care centres in Leichhardt. Moreover, based on our estimation that around 1,380 families in Leichhardt have a demand for child care, and that on average these families each have a need for 1 to 1.5 child places in child care centres, there is currently a gap in the market of at least 430 places.

We note that there is a planning application lodged for a mixed use development at 47-51 Lilyfield Rd, Rozelle that will include an 86 place child care centre. This development will only partially meet the unmet demand.

Despite an expected fall in the number of children aged 0-5, demand is expected to stay strong and a child care centre of between 70 and 90 places could be sustained on the site in addition to current supply. The viability of the centre will be dependent on the ability for the design to accommodate sufficient indoor and outdoor space. We note however that the current proposal is limited to 40 child care places, well within the identified level of demand.

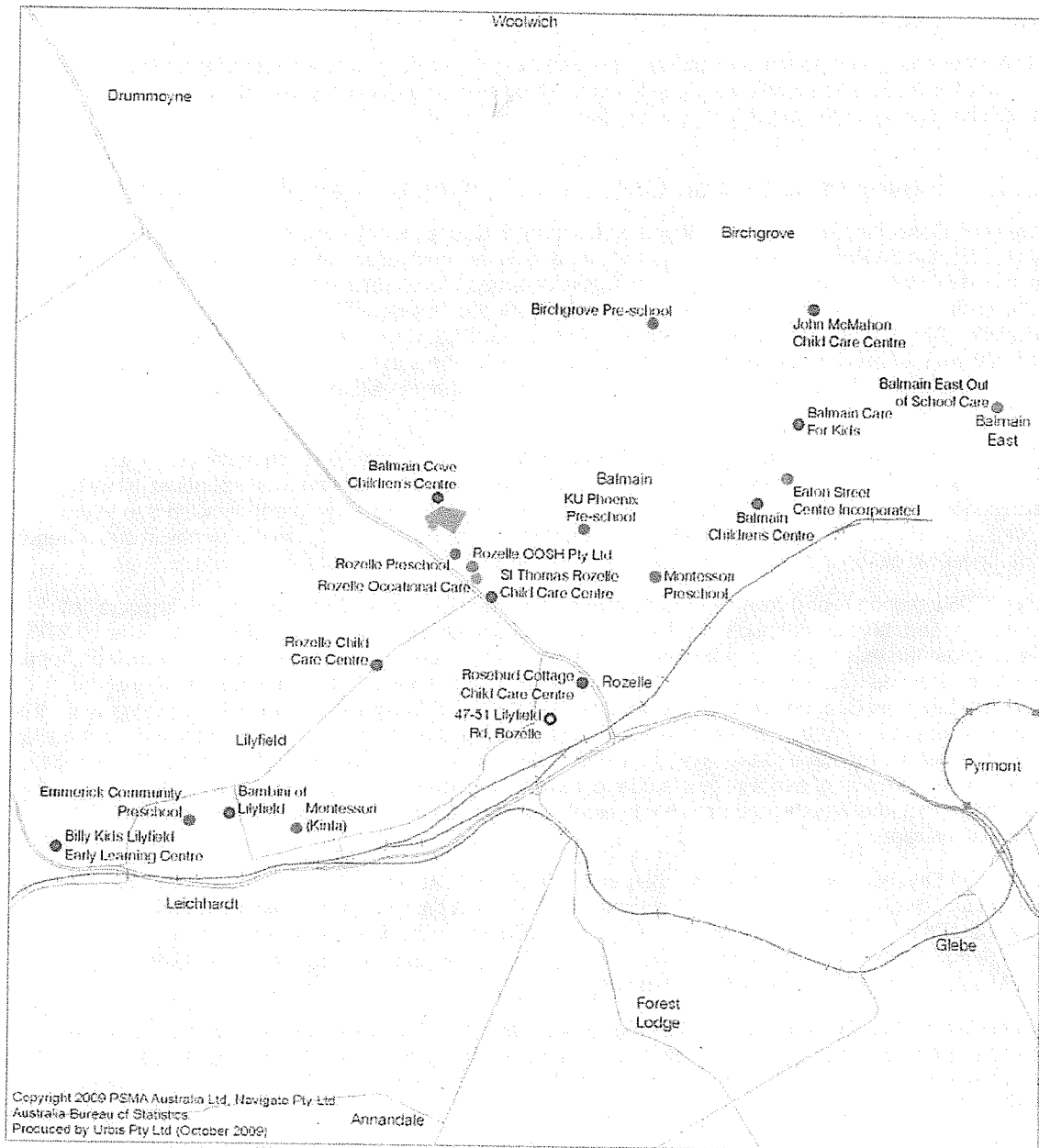
Table 21 – Existing Childcare Facilities in Leichhardt

Terry Street, Child Care Trade Area Child Care Centres

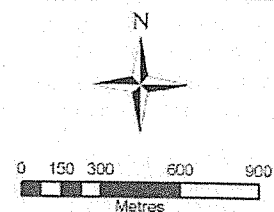
Centre	Street	Suburb	Places	Vacancy	Waiting List
Balmain Care For Kids	5 Thames ST	Balmain	75	No Vacancy	2 years
Balmain Childrens Centre	4 BOOTH ST	Balmain	38	No Vacancy	2 years
John McMahon Child Care Centre	45 McKell ST	Birchgrove	45	No Vacancy	18 mths
Bambini of Lilyfield	284 Balmain RD	Lilyfield	52	No Vacancy	2 years
Billy Kids Early Learning Centre	64 Charles Street	Lilyfield	90	M 2-3 & 3-5 F 0-2, 2-3 & 3-5	2 years
Balmain Cove Children's Centre	35 TERRY ST	Rozelle	59	No Vacancy	0-2 18mth 2-5 12mths
Rosebud Cottage Child Care	5 Quirk ST	Rozelle	19	1 on F 2-5	2 years
Rozelle Child Care Centre	Balmain Rd	Rozelle	56	No Vacancy	2 years
St Thomas Rozelle Child Care	668 Darling ST	Rozelle	52	No Vacancy	9 mths

Source : National Childcare Accreditation Council Inc, Urbis

Map 4 – Child Care Centre Competition



- | | | |
|-----------------------------|---------------------|----------------|
| Child Care Centre | ■ Railway Station | ■ Subject Site |
| ● Long Day Care Centre | — Railway Line | ■ Parkland |
| ○ Proposed Long Day Care | — Highway / Freeway | ■ Waterbody |
| ● Outside School Hours Care | — Main Road | |
| ● Pre-school | — Road | |
| ● Occasional Care | | |



5 Retail

The proposed development is to contain approximately 1,777 sq.m of retail floorspace, including a food market / provedore of approximately 775 sq.m. This assessment reviews the retail demand and potential impacts of the proposed development.

5.1 Review of Leyshon Consulting Advice for Leichhardt Council

Leyshon Consulting has been employed by Leichhardt Council to review previous retail proposals on the subject in 2005 and 2008. In particular these reviews considered the development of the subject site and other sites including the Balmain Tigers Leagues Club proposed development, the Roche Group site at Balmain Road, Rozelle and the Martin Bright Street (MBS) site at Mansfield/Robert Street, Rozelle. At the time of the 2005 assessment the subject site (Carrier site) was expected to contain 15,100 sq.m of retail space. By 2008, the retail plans for the subject site had reduced the retail area to approximately 10,700 sq.m with some of the original area transferred to bulky goods and showroom uses.

The Leyshon report of December 2005 determined that retail spending growth alone would justify an additional 24,520 sq.m of retail floor space by 2011, with growth in supermarket spending justifying an additional 4,367 sq.m of supermarket floorspace. After including existing latent demand due to the existing shortage of supermarket floorspace, Leyshon estimated that the total deficiency in supermarket floorspace would be in the order of 11,461 sq.m by 2011.

The 2005 Leyshon report went onto to determine that despite relatively high combined impacts of the four proposed developments on Woolworths Balmain and Coles Birkenhead Point, in the order of 27% each, given the existing low supermarket provision neither store was likely to close as a result of these impacts. Despite this, it is noted by Leyshon Consulting that they believed that the opening of the Balmain Leagues Club development around the same time of the subject site would be excessive. It is our view that this assertion did not consider the current significant undersupply of retail and in particular supermarket floorspace and the fact that a significant portion of the calculated impact relates to trade that is well in excess of average levels due to current inadequate supply. Indeed, even after a 27% trading impact, the Woolworths at Balmain would continue to trade at a level that is twice that of the national average.

The 2005 Leyshon report went on to suggest that the MBS site and Roche site would not significantly impact on surrounding centres (2,100 sq.m and 1,082 sq.m proposed retail floorspace respectively). Given that the proposed retail development on the subject property has now reduced from approximately 15,100 sq.m down to 1,777 sq.m, a similar assumption about the insignificant impact could also be drawn about this proposed development.

In concluding the 2005 report, Leyshon suggested that a 2,500 sq.m supermarket with an additional 2,000 sq.m of specialty floorspace could be justified on the Carrier Site, allowing the Balmain Tigers development to proceed. This is significantly higher than the volume of retail now proposed for the subject development.

Leyshon Consulting also prepared a retail needs assessment for the whole of the Leichhardt LGA in December 2006 that identified that the supermarket floorspace shortage for the whole LGA would be in the order of 16,178 sq.m by 2011 if no new supermarkets were developed. A shortage of retail space for the whole of the LGA was expected to be 37,514 sq.m by 2011. The majority of this shortage was identified in the Balmain/Rozelle/Lilyfield precinct.

The 2006 report reached overall similar conclusions on the potential impact of the combined Balmain Tigers and Carrier site developments. It is noted however that Leyshon Consulting recommended that a 4,000 sq.m supermarket with an additional 4,000 to 5,000 sq.m of specialty floorspace could be justified on the Carrier Site, allowing the Balmain Tigers development to proceed. This was a significant increase on the recommendation from the 2005 report.

Following a determination in 2008 by Arup that the traffic generated by the combined Balmain Tigers and Carrier site developments as then proposed would create an unacceptable traffic burden on the

intersection of Victoria Road and Darling Street, Leyshon Consulting was requested to review the merits of each site. The purpose of the 2008 report was to assist Leichhardt Council in assessing which one would be most beneficial to the Darling Street retail strip or alternatively which had the least impact on Darling Street retailers given identified traffic constraints. This report generally supported the recommendations of the Leyshon 2005 and 2006 studies, identifying that the overall impacts had reduced as the proposal on the Carrier Site had reduced retail provision to approximately 10,700 sq.m. This advice gave a preference towards the Balmain Tigers site given its proximity for Victoria Road and potential to work with existing strip retail on Darling Street. This 2008 advice did not identify that retail demand factors had changed.

Based on our review of the Leyshon Consulting advice prepared for Leichhardt Council between 2005 and 2008, we are of the view that there is a clearly identified demand for additional retail floorspace within the area. The current proposed development for the subject site provides for only 1,777 sq.m of retail floorspace, with a food market / provedore component of 775 sq.m. Given the relatively small scale of this proposal along with the identified shortage of retail floorspace, this development should be wholly supportable.

5.2 Trade Area

The trade area refers to the area in which an existing or proposed centre or retailer is most likely to draw custom. The size and scale of trade areas vary due to the geographical context of the retail development in question. Other factors which may define a trade area include:

- The strength, range and appeal of the subject centre;
- The proximity, composition and quality of competing retail facilities. The presence of similar retail centres as well as the general provision of retail space within the area;
- The accessibility of the centre including the road and transport network, as well as access to ample parking; and
- Physical barriers such as freeways, rivers/lakes, bushland and drive times.

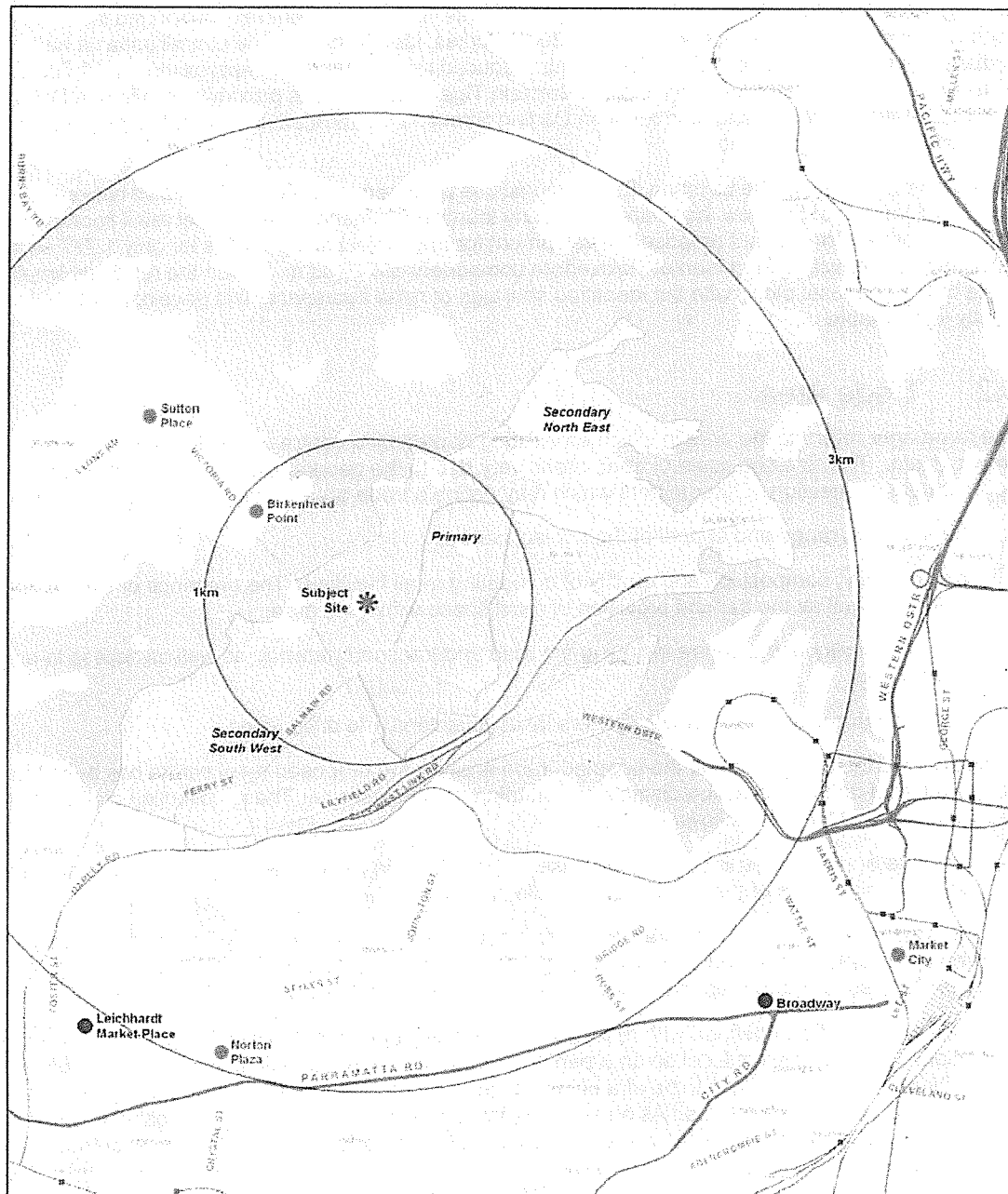
With regard to the above factors, the adopted trade area for the proposed retail centre has been based on a number of census collection districts surrounding the subject site. These collection districts have been combined to form the following areas:

- The trade area for the subject site comprises of the Balmain peninsula with the primary trade area encompassing parts of the suburbs of Rozelle and Balmain.
- The proposed centre will also draw trade from two secondary sectors. The secondary north trade area extends to the harbour, encompassing parts of Balmain, Birchgrove and Balmain East. The secondary south trade area incorporates the suburbs of Rozelle and Lilyfield.

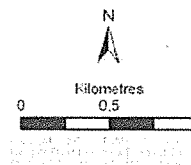
The trade area has been defined with regard to the proximity and layout of existing centres in the area. In addition, the subject site's location on a peninsula contributed to the definition of its trade area. The retail offer on the subject site is to be of a small scale, anchored by a small food market / provedore with approximately 10 specialty stores. As a result, the trade area will be confined to a local catchment and will consist of local residents and workers, rather than a larger trade area for a full line supermarket that would extend to Drummoyne.

Given the location of the subject site and lack of competition in the trade area, the proposed development is likely to capture a reasonable proportion of the trade area's expenditure, particularly if it established a niche offer, such as a gourmet centre.

Map 5 – Trade Area Map



- Sub-Regional Centre
- Supermarket Centre



5.3 Trade Area Population

Using the trade area defined above we can determine the current population and forecast expected growth within the region. Urbis has prepared population forecasts for the proposed trade area taking into account the following sources:

- Information from the 1991, 1996, 2001 and 2006 Census of Population and Housing;
- New Dwelling Approvals (NDAs) in the region over the ten years to March 2009;
- 2006 Estimated Resident Population (ERP) released by the ABS in February 2007;
- Official population projections published by the New South Wales Department of Planning Transport and Population Data Centre (TPDC) as well as the NSW Draft Inner West Subregional Strategy.

From the data in Table 22 we can surmise the following:

- As at June 2009 the main trade area's population consisted of approximately 28,120 residents, of which the primary trade area accounted for 14,930 residents, accounting for more than half of the total trade area. By 2021 the trade area is anticipated to have grown to some 28,760 individuals, which equates to average annual growth of 0.3% over the study period.
- In terms of average annual growth, the main trade area is forecast to grow by 88 people per annum between 2006 and 2021. Of this, the primary trade area will account for the majority of growth, which is forecast to experience average annual growth of 55 people or 0.4% between 2006 and 2021.
- Overall, the growth in the trade area is forecast to remain consistent, although minimal. Historically, growth in the trade area as strong, particularly in the primary trade area, however with fewer development sites available in the area, growth has slowed. Going forward, growth is still anticipated to be strongest in the primary trade area.

The subject site lies within the Inner West Subregion. The Department of Planning's (DoP) Draft Subregional Strategy sets out a plan for the region, with deliverables by 2031. Under the Subregional Strategy the Inner West has been set a target of 30,000 new dwellings and 12,500 new jobs which represents a 15% increase from 2001.

The strategy recognises that population growth is likely to grow faster than employment over the 25 year study period. The employment target for Leichhardt local government area is an additional 500 jobs by 2031, to take the total number of jobs to 22,000. The subregion has a high proportion of employment leakage, with only 26% of residents living and working within the subregion, the proposed development provides an opportunity to increase the employment retention rate.

In terms of population growth, the Strategy sets a target for an additional 30,000 new dwellings to be constructed by 2031. This is expected to take dwelling stock in the subregion from 95,000 to 125,000 and will account for 6.7% of the total dwelling targets for the metropolitan region. To reach this target, the subregion would need to develop approximately 1,100 new dwellings per annum. Historically, the subregion has experienced an average annual increase of 1,650 new dwellings, the Strategy acknowledges that the slower growth is attributed to the lack available brownfield sites.

The Strategy sets a target of 2,000 new dwellings for Leichhardt LGA to 2031, over the 25 year study period this equates to 80 new dwellings per annum.

Table 22 – Trade Area Population, 1991 -2021

Terry Street, Balmain Trade Area Population, 1991-2021

Trade Area Sector	Actual Residential Population ¹				Forecast Population			
	1991	1996	2001	2006	2009	2011	2016	2021
Primary Trade Area	9,980	11,510	13,380	14,520	14,930	14,810	15,080	15,340
Secondary Trade Area								
• North East	7,440	7,630	7,620	7,650	7,830	7,780	7,900	8,000
• South West	6,150	5,460	5,250	5,270	5,360	5,330	5,370	5,420
Total Secondary	13,590	13,090	12,870	12,920	13,190	13,110	13,270	13,420
Main Trade Area	23,570	24,600	26,250	27,440	28,120	27,920	28,350	28,760
Average Annual Change (No.)								
	1991-96	1996-01	2001-06	2006-09	2006-11	2011-16	2016-21	
Primary Trade Area	306	374	228	137	58	54	52	
Secondary Trade Area								
• North East	38	-2	6	60	26	24	20	
• South West	-138	-42	4	30	12	8	10	
Total Secondary	-100	-44	10	90	38	32	30	
Main Trade Area	206	330	238	227	96	86	82	
Average Annual Change (%)								
	1991-96	1996-01	2001-06	2006-09	2006-11	2011-16	2016-21	
Primary Trade Area	2.9%	3.1%	1.6%	0.9%	0.4%	0.4%	0.3%	
Secondary Trade Area								
• North East	0.5%	0.0%	0.1%	0.8%	0.3%	0.3%	0.3%	
• South West	-2.4%	-0.8%	0.1%	0.6%	0.2%	0.1%	0.2%	
Total Secondary	-0.7%	-0.3%	0.1%	0.7%	0.3%	0.2%	0.2%	
Main Trade Area	0.9%	1.3%	0.9%	0.8%	0.3%	0.3%	0.3%	

¹. as at June

Source : ABS Cdata 1991, 1996, 2001 and 2006; ABS, Regional Population Growth, Australia, Electronic Delivery (3218.0.55.001); NSW Department of Planning, SLA Population Projections, 2001 to 2031, 2005 Release; Urbis; Urbis

5.4 Socio Economic Profile

The demographic characteristics of the trade area population are shown in Table 23. The information reflected in Table 23 is based on 2006 Census data and is benchmarked against Sydney SD.

Key points to note regarding the demographic profile of the trade area include:

- The average annual household income of the main trade area is almost \$32,016, or 40.7%, above the Sydney Average. Each of the trade area sectors has an average household income which is significantly above the Sydney average, with the largest variation in the primary trade area at 46.5% above.
- The average size of households within the trade area is 2.2 persons – significantly lower than the Sydney average of 2.7. Additionally, a much higher proportion of the trade area population is in the 25 - 39 year age group, relative to Sydney, pulling the average age of the trade area population up to 38, compared to the Sydney average of 37. These demographic characteristics essentially suggest that the trade area consists of a high proportion of young professionals; indeed the

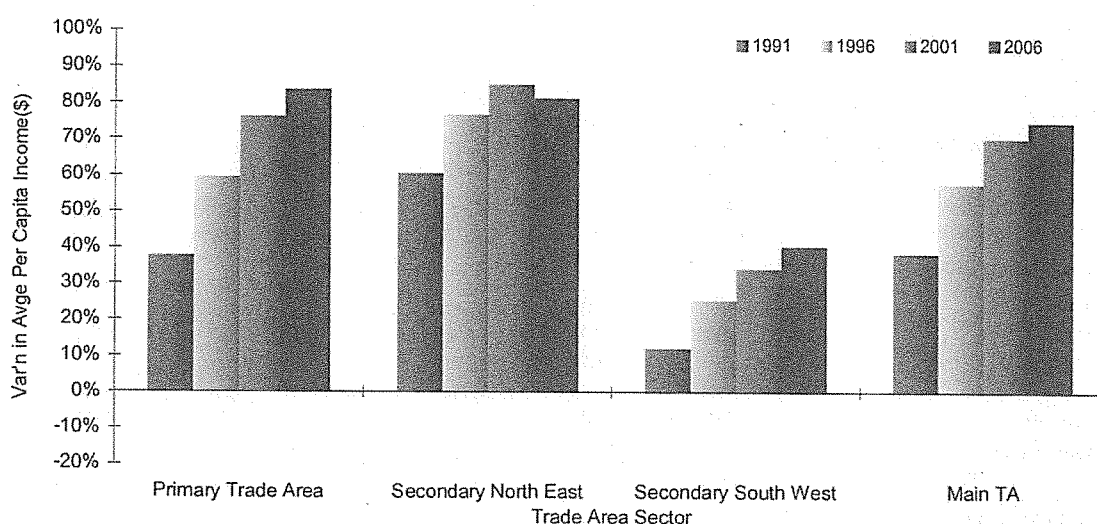
proportion of couple families with no children households in the main trade area is significantly higher than the Sydney benchmark, at 47.3% and 33.2% respectively.

- The Draft Subregional Strategy recognises that the Inner West has an ageing population, with their forecasts reflecting 18% of the population will be over 65 by 2031. This is shown in the age distribution section of Table 2 where we can see lower than average proportions of young people (0 – 24) in the trade area.

Figure 16 shows the per capita income variation of the trade area against the Sydney benchmark, from which we can see that income growth in the trade area is strong.

Figure 16 – Income Per Capita Variations

Terry Street, Balmain Trade Area, Incomes Per Capita - Variations From Sydney Average, 1991- 2006



Source : ABS Census of Population and Housing 1991, 1996 & 2001; Urbis

Table 23 – Trade Area Socio Economic Characteristics, 2006

Terry Street, Balmain Key Socio-Economic Characteristics of the Trade Area Population, 2006

Characteristics	Primary TA	Secondary Trade Area			Main TA	Sydney Average
		North East	South West	Total		
Household Income						
\$Nil	1%	1%	1%	1%	1%	2%
\$1-\$26,000	10%	13%	18%	15%	12%	17%
\$26,000-\$52,000	14%	14%	19%	16%	15%	23%
\$52,000-\$88,400	17%	17%	19%	18%	18%	25%
\$88,400 plus	58%	56%	43%	51%	55%	33%
Average Household Income	\$115,170	\$114,182	\$92,030	\$105,453	\$110,633	\$78,617
Var'n from Sydney Avg.	46.5%	45.2%	17.1%	34.1%	40.7%	n.a.
Average Household Size	2.1	2.2	2.2	2.2	2.2	2.7
UR Personal Income						
\$Nil	6%	6%	5%	6%	6%	10%
\$1 - \$20,800	17%	20%	29%	23%	20%	33%
\$20,800 - \$41,600	16%	15%	20%	17%	16%	25%
\$41,600 - \$83,200	32%	27%	27%	27%	30%	24%
\$83,200 +	30%	32%	19%	27%	28%	9%
UR Avg. Per Capita Income	\$53,607	\$52,930	\$41,034	\$48,137	\$51,030	\$29,221
UR Per Capita Income Var'n	+83.5%	+81.1%	+40.4%	+64.7%	+74.6%	+0.0%
Age Distribution						
Aged 0-13	13%	14%	15%	14%	13%	18%
Aged 14-24	9%	9%	9%	9%	9%	15%
Aged 25-39	39%	27%	31%	28%	34%	23%
Aged 40-59	28%	32%	28%	31%	29%	27%
Aged 60+	11%	17%	18%	18%	14%	17%
Average Age	37	40	39	39	38	37
Dependency Ratio ¹	21%	26%	29%	27%	24%	32%
Housing Status						
Owner ²	23%	31%	27%	29%	26%	33%
Purchaser ²	33%	28%	32%	29%	31%	34%
Renter ²	44%	42%	40%	41%	42%	32%
Housing Costs (% Income)						
Mortgage Repayments ³	24%	25%	29%	26%	25%	30%
Rent Payments ³	17%	17%	16%	16%	17%	18%
Car Ownership						
% 0 Cars	16%	16%	19%	17%	17%	14%
% 1 Car	52%	51%	47%	50%	51%	40%
% 2 Cars +	32%	32%	34%	33%	32%	46%
Labour Force						
Labour Force Participation	81%	75%	69%	73%	77%	66%
% Unemployed	3%	3%	3%	3%	3%	5%
Birthplace						
Australian Born	68%	71%	71%	71%	69%	66%
Overseas Born	32%	29%	29%	29%	31%	34%
• Asia	4%	3%	4%	3%	4%	11%
• Europe	17%	16%	17%	16%	17%	10%
• Other	11%	10%	8%	9%	10%	13%

1. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years.

2. 'Other' Tenure Types have not been included.

3. As a percentage of household income.

Source : ABS Census of Population and Housing 2006, Cdata 2006; Urbis

5.5 Spending Potential

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.

Based on 2006 Census data and the population forecasts provided in Table 22 we have determined the proportion of expenditure that is directed to retail on a per capita basis. This is provided in the graphs below. Figure 17 shows the average proportion of expenditure per capita directed to the retail sector. From the graph we can see that the primary trade area (PTA) has a per capita spend of \$16,656 while the main trade area (MTA) has a slightly lower per capita spend at \$16,145 which is +38% and +34% higher than the Sydney average respectively.

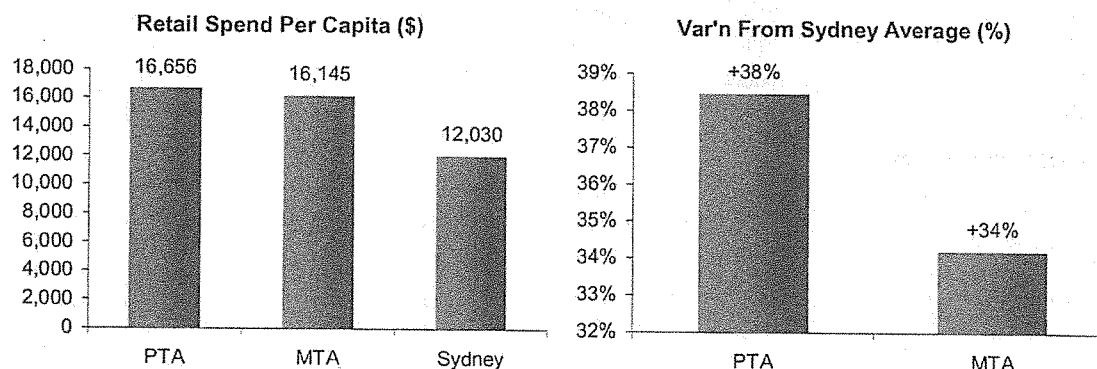
Figure 18 segments the per capita retail spending into product groups, or retail categories and benchmarks the data against the Sydney benchmark. From Figure 18 we can see that the trade area spends a high proportion (60% more than the average) of their income on catered food, that is, in restaurants, cafes and on take away. The trade area also spends 16% more than the Sydney average on food retailing.

Tables 24 and 25 detail the total retail expenditure generated by the trade area. Table 24 provides a retail spending forecast, detailing the total proportion of expenditure directed to the retail sector by the trade area between 2009 and 2019. The table shows that by 2012 the trade area will direct \$469.5 to the retail sector, of this, the primary trade area accounts for 55% with a total of \$257.1m forecasted to be spent.

Tables 25 itemises the trade area's retail spending by looking at the proportion of expenditure directed to each product group. The table shows that in 2009 the trade area will spend approximately \$161.3m in food retailers, \$90.4m on catered food and \$56.2m on apparel.

Figure 17 – Trade Area Retail Spending Per Capita

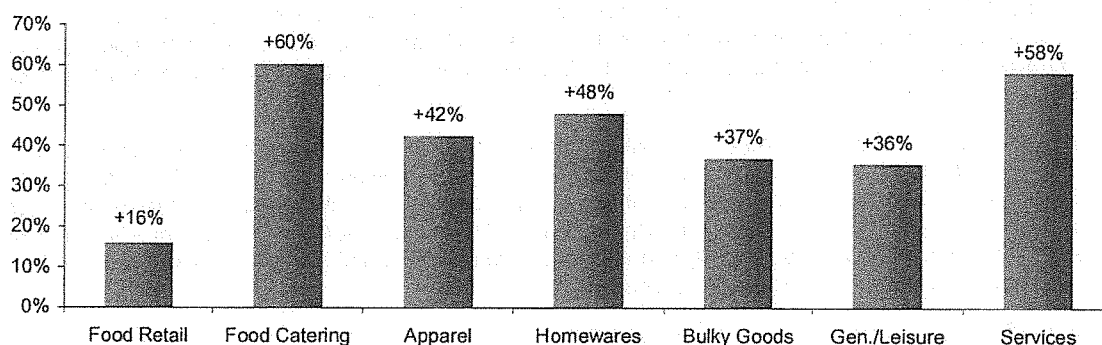
Terry Street, Balmain Trade Area Retail Spending Per Capita, 2009 (Excluding GST)



Source: MDS, MarketInfo 2007; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

Figure 18 – Retail Spending Per Capita by Product Group

Terry Street, Balmain Total TA Retail Spending Per Capita Variation From Sydney Average (2009, Excl. GST)



Source: MDS, MarketInfo 2007; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

Table 24 –2009 Trade Area Retail Spending, 2009 -2019

Terry Street, Balmain Retail Spending by Trade Area, 2009-2019 (\$2009 million, Excluding GST)

Year	Primary	Secondary Trade Area		Total	Main
	TA	North East	South West		TA
2009	249.2	129.9	75.7	205.6	454.8
2010	250.8	130.8	76.3	207.1	457.9
2011	253.4	132.3	77.2	209.5	462.9
2012	257.1	134.2	78.2	212.4	469.5
2013	261.3	136.4	79.3	215.7	477.0
2014	265.0	138.2	80.2	218.4	483.4
2015	269.6	140.5	81.4	221.9	491.5
2016	274.3	142.8	82.6	225.4	499.7
2017	279.1	145.2	83.9	229.0	508.1
2018	283.9	147.6	85.1	232.7	516.7
2019	288.9	150.1	86.5	236.5	525.4
Average Annual Growth¹					
2009-13	1.2%	1.2%	1.2%	1.2%	1.2%
2013-19	1.7%	1.6%	1.5%	1.6%	1.6%
2009-19	1.5%	1.5%	1.3%	1.4%	1.5%

1. Assumes average annual per capita growth of 1.3% in 2009-2013 and 1.3% thereafter, with different growth rates for each product group.

Source: MDS, MarketInfo 2007; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

Table 25 – Trade Area Retail Spending by Product Group, 2009

Terry Street, Balmain Retail Spending by Product Group, 2009 (\$2009 million, Excluding GST)

Sector	Food Ret.	Catering	Apparel	H'wares	Bulky	General/ Leisure	Services	Total ¹
Primary Trade Area	86.9	50.5	30.9	18.4	23.3	27.4	11.9	249.2
Secondary Trade Area								
• North East	45.7	25.8	16.4	9.5	11.6	14.6	6.3	129.9
• South West	28.7	14.1	8.9	5.3	6.7	8.4	3.5	75.7
Total Secondary	74.4	39.9	25.4	14.8	18.3	23.1	9.8	205.6
Main Trade Area	161.3	90.4	56.2	33.2	41.6	50.5	21.7	454.8

1. Assumes average annual per capita growth of 1.3% in 2009-2013 and 1.3% thereafter, with different growth rates for each product group.
Source: MDS, MarketInfo 2007; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

5.6 Supply of Retail Floorspace

5.6.1 Regional Centres

Regional shopping centres occupy the highest level in the retail hierarchy by providing a retail offer that includes a full range of retail goods and services, including department stores. The closest and most relevant regional shopping centres to the subject site are as follows:

- The **Sydney CBD** is located approximately 4 kms east of the subject site and is fairly easily accessed via Victoria Road and the Western Distributor. The CBD as a whole comprises over 553,000 sq.m of retail floor space, with a major focus being associated with the department stores and shopping centres around the Pitt Street Mall. Key buildings include Queen Victoria Building (QVB), World Square, Galleries Victoria, Piccadilly and Market City. In addition to the major department stores and an extensive fashion offer the CBD also offers a range of dining and entertainment options, including Darling Harbour, Chinatown, The Rocks and East Circular Quay.
- **Burwood** is located approximately 6 kms west of the subject site and contains around 80,000 sq.m of retail floor space. The main components of Burwood are the Westfield Burwood regional shopping centre, which is anchored by a David Jones department store, Kmart and Target discount department stores and Coles and Woolworths supermarkets. The centre also has a large number of specialty shops, including many national chain retailers, together with a twelve screen cinema complex. In addition to Westfield there is the smaller Burwood Plaza shopping centre and an extensive retail strip along Burwood Road.

Residents of the trade area also make occasional trips to other regional shopping centres further a field, such as Chatswood Chase and the Macquarie Centre on the north shore, and Bondi Junction in the eastern suburbs.

5.6.2 Sub Regional Centres

Sub-regional shopping centres are those that are defined to include a discount department store (DDS) as well as a supermarket and specialty shops. There are two DDS-based shopping centres located within 3-4 kms of the subject site.

- **Marketplace Leichhardt** is located at the junction of Marion Street and Flood Street in Leichhardt approximately 3 kms south-west of the subject site. This centre has easy access via Darley Road and James Street from the southern part of the primary trade area, and has a gross leasable area of over 17,400 sq.m, including a small Target DDS and ALDI and Woolworths supermarkets. The centre was refurbished in early 2007, which included a reconfigured and expanded food court. The

centre has good accessibility and car parking and has a broad convenience-based retail offer, including fresh food specialty shops, retail services and banks etc, with a smaller provision of fashion and other non-food specialty shops.

- **The Broadway Shopping Centre** is located on Bay Street Broadway, approximately 3.5 kms south-east of the subject site. Access to the centre for trade area residents is via Victoria Road, The Crescent, Minogue Crescent and Parramatta Road. This centre has over 43,000 sq.m of retail floorspace, including Target and K-Mart DDSs, and Bi-Lo and Coles supermarkets. An additional upper level was recently opened in April 2007 to accommodate a Target DDS, Priceline and 30 specialty stores. There is also a good provision of food and non-food specialty retailers at the centre, together with a twelve screen Hoyts Cinema complex.

5.6.3 Supermarket Centres

- **Birkenhead Point** is located approximately 1 km north west of Terry Street, on the northern side of the Iron Cove Bridge. The centre has just under 23,000 sq.m of retail floor space, however the majority of this is occupied by factory outlet retailers. In addition to the factory outlets, there is a small fresh food precinct on the lower level, which includes a Coles supermarket of approximately 2,350 sq.m, together with eight fresh food specialty shops. The factory outlet centre is understood to draw customers from a wide area which includes the whole of inner western and inner northern Sydney as well as the wider metropolitan area. However, the supermarket is likely to have a smaller trade area based largely in Drummoyne. Accessibility to the centre is fairly straight forward, and a small amount of car parking is provided adjacent to the fresh food precinct. However, the centre does suffer from congestion at weekends and other peak times. The centre is subject to an ongoing renovation detailed further below.
- **Sutton Place** is located at the junction of Lyons Road and Victoria Road in Drummoyne, and consists of a small Franklins supermarket of around 800 sq.m, together with seven retail specialty shops. This centre is dated and poorly presented, reflecting the general quality of the shopping environment of the short retail strip that extends along Victoria Road at this point.
- **Norton Plaza** is located on Norton Street in Leichhardt and has approximately 8,500 sq.m of retail floor space, including a large Coles supermarket, Norton Street Grocer, and a Go-Lo discount store. The centre also includes over 30 specialty shops with a strong representation of national chain retailers and high quality independent food and non-food specialty stores. The centre is well integrated into the Norton Street café precinct and also includes basement car parking.
- The suburb of **Pymont** is situated between Darling Harbour and Blackwattle Bay/Johnstons Bay, approximately 2.5 kms south-east of the subject site. Including high density residential dwellings and commercial office buildings, the area also contains a number of tourist oriented facilities, including Star City casino. There are two supermarkets located in Pymont :
 - a Coles supermarket (approximately 2,500 sq.m), and additional 300 sq.m of retail specialties, is located on the corner of Union Street and Edward Street within the Atrium complex, and
 - a Supa IGA (1,840 sq.m) on Miller Street which forms part of a mixed-use development within the former Festival Records building.

While these supermarkets will primarily cater to the local resident and office worker market, access is provided to trade area residents via Victoria Road and the Anzac Bridge. Both supermarkets are of competitive relevance to the proposed development due to ease of access to the both Pymont supermarkets, availability and access to car parking at both locations, and limited supermarket facilities within the trade area.

5.6.4 Other Centres

In addition to the planned shopping centres discussed above, competition to the proposed development will be provided by the extensive retail strips in Balmain, Rozelle and Leichhardt. The role and function of the retail strips along Darling Street is of particular interest to this study, as these areas currently

provide the main local shopping facilities for residents. Although, anecdotal evidence suggests a significant amount of resident shopping activity is directed to other centres beyond the trade area, clearly indicating that Darling Street is not the main shopping destination for residents of the trade area. An assessment of these strips will help us to assess their current strengths and weaknesses and the effect that the proposed development may have on their future role and performance.

5.6.5 Darling Street, Rozelle

A site inspection carried out as part of this study revealed the following characteristics:

- The Rozelle retail strip extends along Darling Street on either side of Victoria Road. The northern part of this strip commences at the intersection of Beattie Street and Darling Street and includes approximately 60 shops, extending as far south as Victoria Road. On the southern side of Victoria Road the retail strip continues to Cambridge Street and includes approximately 35 additional shops.
- The range of shops is quite extensive and eclectic, including a large variety of food, retail services and general merchandise shops, together with a small provision of boutique apparel, homewares and gift shops. The presentation of the stores and shop fronts is generally interesting and attractive and includes signature stores such as the Belle Fleur Chocolate Shop and the About Life organic health food shop and cafe.
- Approximately one-third of the retail outlets can be classified as food catering stores, including cafes, restaurants and take away food shops. This is quite a high proportion, reflecting the high propensity among the local population for eating away from home. There are more cafes than restaurants, with the restaurant mix more limited in range, predominantly based on Thai restaurants and Pizza restaurants. The mix of cafes is more interesting, ranging from whole food and organic cafes to boutique coffee houses.
- The food retail offer in Rozelle is quite limited. North of Victoria Road, food and grocery retailing includes two bakeries, a greengrocer and a range of organic groceries provided at the health food/cafes such as About Life. South of Victoria Road the food retail offer consists of a small grocery store and a butcher. We note that a well known and formerly popular gourmet grocer and café known as The Barn closed in approximately July 2008, however the Essential Ingredient has recently re-occupied this space providing a similar grocery / providedore offering.
- The non-food retail offer in Rozelle comprises a mix generally aimed at everyday convenience shopping and services needs, such as newsagents, chemists, hairdressers and the like. The provision of discretionary spending oriented shops is more limited, with just a few individual apparel, homewares and gift retailers. There are also one or two individual niche retailers which have more of a destination appeal, such as Belle Fleur chocolates.
- The Rozelle Markets operate in the grounds of the Rozelle public school on Saturday and Sunday with approximately 100 stalls, specialising in second hand clothing and other "flea market" stalls.

As a retail environment, Darling Street can be considered viable and healthy, with the key features being :

- very few vacancies, with nine identified, mostly located south of Victoria Road
- a good standard of presentation in the shop fronts and the public spaces
- solid shop rents
- A strong weekend trade
- Car parking is clearly the most problematic aspect of the Darling Street retail strip, with a very limited supply of on-street and off-street parking spaces and most of these subject to time restrictions and charges.



Darling Street, Rozelle

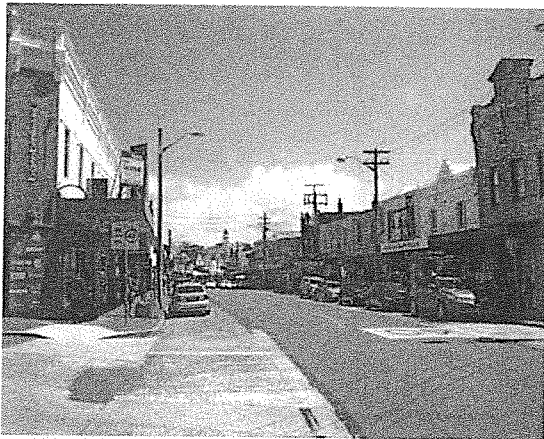


Darling Street, Rozelle

5.6.6 Darling Street, Balmain

The Balmain section of the Darling retail strip extends generally from Montague Street in the west as far east as Gladstone Park, and contains around 150 retail shops plus some non-retail services. The key features are as follows:

- The mix of stores is as varied and eclectic as in Rozelle, but has a more upmarket feel, with a significant presence of designer boutiques, gourmet delis, and upmarket eateries. However, there is still a strong provision of everyday retail stores, including a variety of cafes and take away food shops, and a range of non-food specialty goods and services retailers.
- The provision of apparel and footwear retailers is more extensive than in Rozelle, comprising many independent specialty boutiques but very few national chain retailers.
- The Woolworths supermarket is located at the junction of Beattie Street and Darling Street and is a small store of approximately 1,800 sq.m. Reflecting the size of the store, there is a limited product range, particularly in the fresh produce and bakery lines. However it is the only national supermarket located within the primary trade area and, as such, is understood to be trading at above the Australian supermarket average.
- Beyond the supermarket the food retail specialty offer is limited, with only a small number of fresh food specialty shops.
- Other categories that are well represented include personal services, such as hairdressers and beauty salons, and non-retail services, including banks, real estate agents and the like.
- The Balmain markets operate each Saturday in the grounds of the church. The markets contain around 140 stalls, with a focus on arts and crafts.
- Overall, the Balmain retail strip is a strong and vibrant retail precinct, with no long term vacancies and high rents averaging \$1,000 per sq.m. As with Rozelle, the key problem is the limited availability of car parking, which causes severe problems at peak shopping times.



Darling Street, Balmain



Darling Street, Balmain

5.6.7 Victoria Road, Drummoyne

- The retail strip along Victoria Road in Drummoyne is quite different in character to Darling Street, combining a smaller convenience shopping provision with a wide mix of destination retailers and commercial showrooms. The strip contains around 80 retail shops in total, in addition to a number of non-retail showrooms and other commercial uses and extends from just north of Lyons Road to as far as Day Street.
- The convenience shopping offer is based around the Lyons Street intersection and includes a small Franklins supermarket as part of a courtyard style retail development (Sutton Place).
- Along the south-eastern part of the retail strip there are more showroom style stores and a more diverse mix of uses, including several kitchen suppliers and bulky goods retailers.
- The quality of the retail environment is poorer than Darling Street, largely reflecting the poorer amenity and types of uses that are associated with a main arterial road location. The strip includes a few vacant stores but also includes some newer development, incorporating street level retail showrooms and residential apartments above.

5.6.8 Norton Street, Leichhardt

- The retail strip along Norton Street in Leichhardt extends for approximately 1 km north from Parramatta Road. This strip includes the Norton Plaza shopping centre (mentioned previously) and IGA supermarket, together with a wide range of convenience and destination stores.
- The key attraction of Norton Street is however the range of eateries, including a large number of Italian and other ethnic restaurants and cafés along Norton Street and also in the Italian Forum. Other individual attractions include Berkelouw Books and the Palace Cinema centre.
- Mixed-use developments are also underway along Norton Street, providing a small provision of retail floorspace at street level with high density residential units above.

5.6.9 Proposed Centres

- **The Balmain Tigers Club** is proposing to redevelop its existing site in Rozelle to include new club premises, together with residential apartments and a retail centre. The Masterplan proposal prepared in May 2007 for the Club includes a 2,550 sq.m supermarket, mini-major, specialty floorspace (4,000 sq.m), gymnasium and 179 residential units.

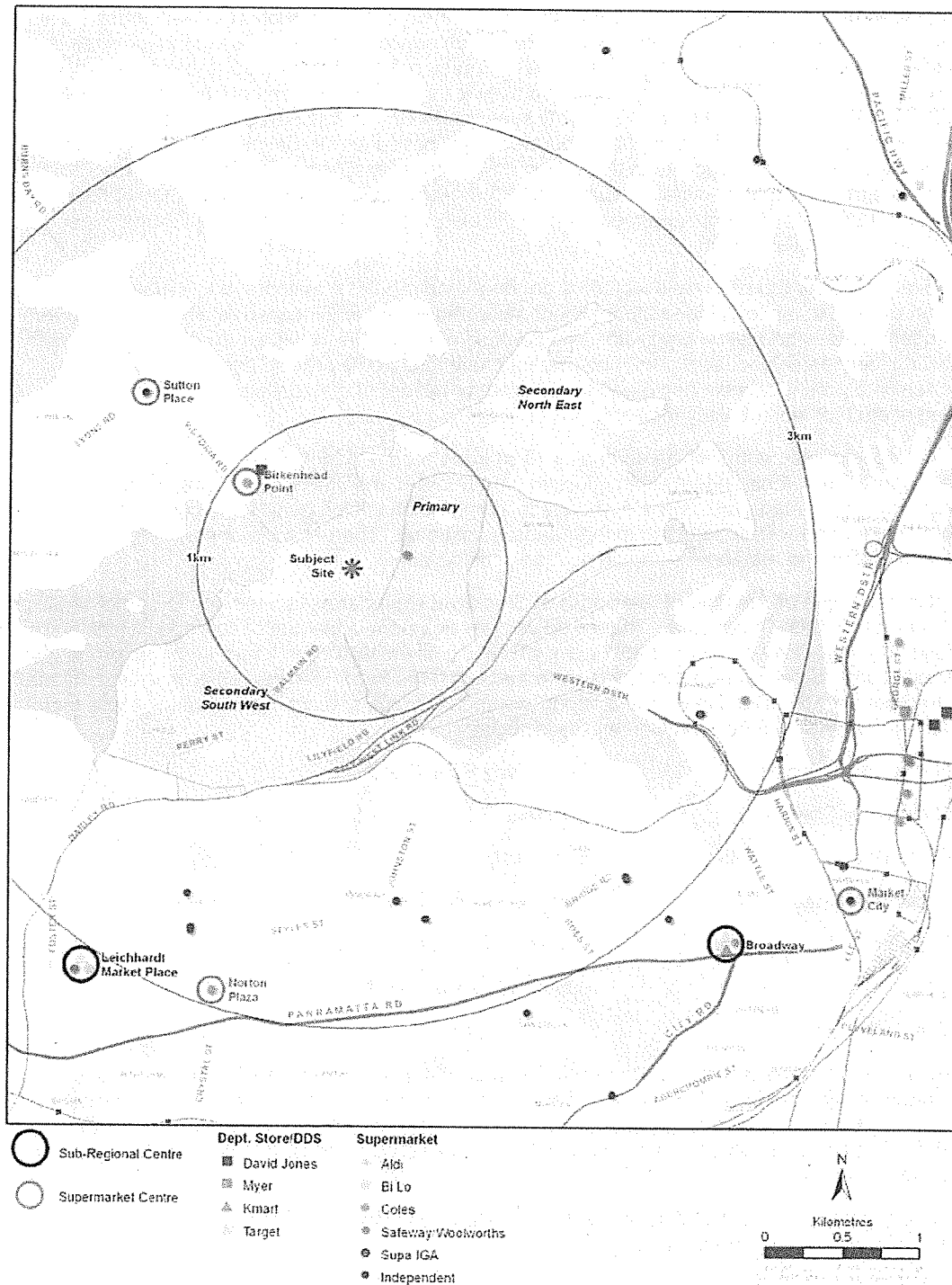
The retail component of the Masterplan comprises over 9,500 sq.m of retail floorspace and is located over three levels. Ingress and egress to underground parking is provided to westbound-only traffic on Victoria Road and Waterloo Street, located on the southern boundary of the site.

Access to retail specialties, including the supermarket and a large format fresh food market, is provided via travelators from car parking, and through a public plaza located on the ground level.

Pedestrian access to the public plaza is provided from Darling Street and a proposed footbridge, which links the site to the eastern side of Victoria Road. The site is constrained due to the slope of the site and the location of existing uses surrounding the site on both Darling Street and Victoria Road. As mentioned previously, access to the site from Victoria Road is limited to westbound traffic only, with eastbound traffic required to access via Darling and Waterloo Streets.

- **Birkenhead Point** is currently in the final stages of a major refurbishment that includes the addition of restaurants, additional fresh food outlets, expanded the food court and reclamation of commercial floorspace into retail provision. Refurbishment of the centre will also be undertaken as part of the approved development. The reconfiguration of floorspace will allow the extension of the convenience shopping centre offer to provide greater appeal to local residents. Additionally, most of the new restaurants and cafés will be accommodated at the promenade level to take advantage of the excellent harbour setting and provide a dining precinct for local residents and visitors to the area.

Map 6 – Trade Area Map and Competition



TRADE AREA AND COMPETITION

5.7 Retail Options for Proposed Site

Using the data presented in the previous subsections, the most appropriate retail option for the site would be to create a small neighbourhood centre which provides a gourmet option to local residents. Whilst a smaller line supermarket such as Coles Express or Woolworth Metro would be appropriate in theory, it will not provide enough of a point of difference from existing or proposed supermarkets to capture a reasonable market share. The only supermarket in the trade area is small scale Woolworths located on Darling Street with a full line supermarket proposed for the Balmain Tigers Leagues Club site. Market intelligence suggests that the existing Woolworths supermarket is trading well above the national average, despite its smaller scale due to the relative undersupply of supermarket floorspace. We also note that the Balmain Leagues Club site is also likely to accommodate a full line supermarket with additional specialty retail.

Suitable tenants for the site would include a gourmet food market/provedore, a fish monger, gourmet butcher, patisserie, bakery, independent liquor store and other local focused retail outlets such as newsagent, cafés, food takeaways, etc. The purpose of the centre would be to provide high quality goods in a convenient location. The food market/provedore would provide consumers with an opportunity to purchase their staple goods, with the remainder of their daily and weekly shopping needs fulfilled at each of the specialty retailers.

The key focus of the centre will be on quality. The trade area residents have high incomes and direct large proportions of their annual expenditure to food retailing and catering. The trade area is characterised by young professionals who place a high emphasis on quality and convenience, providing a retail environment which caters to these needs is essential. Therefore the opportunity for a suitable number of cafes and restaurants should also be considered.

A working example of this type of retailing is at Stockland Cammeray, located on the corner of Miller and Amherst Streets, Cammeray. The mixed use development is the first of its kind in Stockland's retail portfolio and comprises a total of 2,400 sq.m, which is close to 600 sq.m larger than that proposed for the subject site. Stockland Cammeray is anchored by Harris Farm Markets rather than a traditional supermarket anchor. The centre has a strong community focus and acts as a meeting place for local residents. Tenants at Stockland Cammeray include:

- | | |
|-----------------------|-------------------------------------|
| ▪ Harris Farm Markets | Cammeray Book Shop |
| ▪ Cammeray Pharmacy | Chickens Plus |
| ▪ Cicco Bar | Eyedonist |
| ▪ Hudson's Meats | Little Dove Childcare (Upper Floor) |
| ▪ Neonails | Pattison's Patisserie |
| ▪ Pizza Olla | Simmons Logue Cakes |
| ▪ The Salon (Hair) | |

Essentially, each of the tenants at Stockland Cammeray appeals to the need for high quality, convenient lifestyle choices of its market. This is a similar market to the subject site. Site inspections and discussions with local retailers reveal that the centre trades well, particularly on weekends. Residential apartments have been constructed above the retail centre and look out onto the central court area.

The current proposal for a 1,777 sq.m retail centre with a food market / provedore of 775 sq.m generally accords with these recommendations.

5.8 Trading Forecasts

With reference to the characteristics of the site, its surrounding uses, development plans and competition, an analysis of the potential turnover based on an assessment of achievable market share

is provided in Table 26. We can see that the turnover for a convenience type centre on the subject site would be in the order of \$15.1m in 2013.

Table 26 – Forecast Market Shares

Terry Street, Balmain - TOTAL CENTRE Forecast Market Share & Turnover, 2013 (\$2009 Dollars, ex GST)

Sector	Retail Spending (\$M)			Forecast Market Shares (%)			Total Centre Retail Turnover (\$M)		
	F	NF	Total	F	NF	Total	F	NF	Total
Primary Trade Area	141.5	119.8	261.3	5.2%	1.1%	3.3%	7.4	1.3	8.7
Secondary Trade Area									
• North East	73.7	62.6	136.4	4.7%	1.0%	3.0%	3.5	0.6	4.1
• South West	44.1	35.2	79.3	2.8%	0.6%	1.9%	1.3	0.2	1.5
Total Secondary	117.8	97.9	215.7	4.0%	0.8%	2.6%	4.8	0.8	5.6
Main Trade Area	259.3	217.6	477.0	4.7%	1.0%	3.0%	12.2	2.1	14.3
Turnover from Beyond Trade Area				5.0%	5.0%	5.0%	0.6	0.1	0.8
Total Retail Centre							12.8	2.2	15.1

Source : Urbis

5.9 Trading Impacts

This section provides our assessment of the retail economic impacts that are likely to occur as a result of the combined proposed subject site development. An overview of the likely impacts on the retail turnover levels of specific shopping centres used by the residents of the region.

5.9.1 Description of "Economic Impacts"

For the purposes of this report "economic impact" on specific centres is defined to mean the probable reduction in retail turnover at various retail centres, resulting from the introduction of new competition in the form of a new shopping centre/retailer.

The reduction in turnover usually relates to a reduced volume from that expected if the status quo situation had been maintained (i.e. if the proposed development did not proceed).

5.9.2 Measurement of Impacts

It is appropriate to express the impact on particular centres as a percentage of their potential turnover in the opening year of the proposed development, as well as compared with the estimated current trading situation at each activity centre.

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

Therefore the relevant measures are considered to be two-fold:

1. 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.
2. Turnover change represents the anticipated overall increase or decrease in turnover for an activity centre in the forecast year (2013) compared with the current situation (2010). This measure reflects the combination of the impact of new competitive developments, counteracted

by any underlying growth in turnover that the centre would have experienced in the event that the development does not occur.

It is our view, therefore, that an impact assessment can reasonably be expected to provide an indication of the trading environment and average trading conditions which retailers are likely to operate within, and implications for likely turnover declines or turnover gains, 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 change in the competitive environment, it is simply 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 actions 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.

Therefore, whether or not the introduction of the subject development proposal will have a greater or lesser impact on other key retail centres throughout the region will in large part depend on the competitive response which results from the introduction of the proposed development. Other responses, which may involve design improvements, parking, traffic, landscaping and other improvements to the appearance and ambience of each centre, are also important considerations, which can strengthen the appeal and trading performance of centres likely to be impacted.

All of these factors need to be borne in mind when considering the likely impact of any additional retailer into an existing retail network. The existing retailers are not passive participants, but rather will play a major role in the eventual impact they may experience.

It is also important to recognise that the relevance of an economic impact assessment in planning terms relates essentially to the broader issue of net community benefit and the achievement of sustainable development principles, and this includes consideration of the sustainability of existing and planned centres in the commercial centre network. The effect of new competition on individual businesses is 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 they serve.

5.9.3 Retail Impacts

Retail impact levels can first be examined by reference to average impacts across retail facilities throughout the trade area as a whole, taking into account the assessed subject centre turnover forecasts and underlying market growth over the 2009-2013 period.

Impact Assessment Methodology

The method of analysis used to assess the impacts on individual centres is based on a Competitive Usage Model. The Competitive Usage Model is based on the basic principle that if shoppers choose to direct some of their future retail expenditure to the subject development proposal then they will reduce their expenditure at other centres in direct proportion to their usage of each centre/location at the present time.

The assessment of the impacts on specific activity centres relies upon an understanding of the existing level of usage of centres in the trade area and beyond. The Competitive Usage Model developed by Urbis therefore attempts to estimate the degree to which various locations, both within and outside the trade area, are used for food and non-food shopping. Competitive usage factors are thus calculated which form the basis by which the impact of the proposed development is distributed to all other centres used by residents of the trade area for food and non-food shopping.

Centre Specific Impacts

As detailed above, the proposed retail development is forecast to generate retail sales of \$15.1 million in 2013. Based on the methodology outlined above, the impact on the key competing centres is summarised in Table 27.

The information contained in Table 27 is explained as follows:

- Column 1 provides an estimate of the 2009 turnover level for each of the centres listed.

- Column 2 provides an estimate of the turnover level that could be achieved by each activity centre in 2013 if the proposed development does not proceed, but including the Balmain Leagues Club development.
- Column 3 provides the estimated turnover level for each centre after the impact from the retail development on the subject site.
- Column 4 provides an estimate of the difference between each centre's current estimated turnover and forecast turnover post the proposed development. Please note that this column includes the impact that will be attributable to the Balmain Leagues Club Development.
- Column 5 presents the estimated difference in turnover for each centre in 2013 following the proposed development compared with what each centre is estimated to have achieved in that year in the absence of the proposed development.
- Column 6 expresses the change in each centre's anticipated turnover level post the proposed development, relative to the current turnover level (2009) in percentage terms, including the impact of the Balmain Leagues club development.
- Column 7 compares the turnover level of each centre following the proposed development with the turnover level that would otherwise been achieved in 2013, expressed in percentage terms. This impact measures solely the impact of the subject development and is the most appropriate measure

Table 27 – Distribution of Impacts

Terry Street, Balmain - Distribution of Impact on Key Centres, 2013 (\$2009, ex GST)

Shopping Area	Est. Retail Turnover (\$M) ¹			Turnover Incr./Decr. (\$M)		IMPACT	
	Existing	Pre-Exp ¹	Post Exp.	Relative to:		Relative to:	
	2009 (1)	2013 (2)	2013 (3)	Existing 2009 (4)=(3)-(1)	Pre-Exp 2013 (5)=(3)-(2)	2009 (6)=(4)/(1)	2013 (7)=(5)/(2)
Terry Street, Balmain	0.0	0.0	15.1	+15.1	+15.1	n.a.	n.a.
Competing Centres							
Leichhardt Marketplace	133.7	131.2	129.3	-4.3	-1.8	-3.3%	-1.4%
Broadway Shopping Centre	363.4	355.4	351.8	-11.6	-3.6	-3.2%	-1.0%
Birkenhead Point	83.5	82.4	81.0	-2.5	-1.4	-3.0%	-1.7%
Sutton Place	17.4	17.8	17.7	+0.4	-0.1	+2.1%	-0.6%
Woolworths Balmain	43.2	37.9	36.2	-7.1	-1.7	-16.3%	-4.6%
Coles Pyrmont	19.0	18.8	18.5	-0.5	-0.3	-2.7%	-1.4%
Supa IGA Pyrmont	17.2	17.0	16.8	-0.5	-0.2	-2.7%	-1.4%
Darling Street Rozelle Strip	42.0	39.0	38.0	-4.0	-1.0	-9.5%	-2.6%
Darling Street Balmain Strip	90.1	86.8	85.0	-5.1	-1.7	-5.6%	-2.0%
Total Above Centres	809.5	786.2	774.3	-35.2	-11.9	-4.3%	-1.5%
New Additions							
Balmain Tigers	n.a.	74.8	72.2	n.a.	-2.6	n.a.	-3.4%
Total New Additions	0.0	74.8	72.2	n.a.	-2.6	n.a.	-3.4%
Total All Above Centres³	809.5	861.0	846.6	37.1	-14.4	+4.6%	-1.7%
Other centres					-0.7		
Total Competing Centres					-15.1		

1. Year ending June

2. Turnover CHANGE is a comparison to current 2009 turnover

Turnover IMPACT is a comparison to expected turnover would otherwise be in the forecast year if the subject development did not occur.

3. Excludes Terry Street but includes Plenty Valley, Dalton Village, Roxburgh Park and Craigieburn Town Centre expansion.

Source : Property Council 'NSW Shopping Centre Directory', 2010; Shopping Centre News 'Big Guns 2009'; Urbis

It is important to note that the assessed impacts reflect a one-off effect on each centre's turnover. Following this impact each centre would be expected, without any other new competitive developments, to continue to experience growth in line with market growth.

Of the total turnover of \$15.1 million that the proposed development is forecast to generate in 2013, \$14.4 million is expected to be diverted from centres within the trade area, with a further \$0.7 million diverted from the other key centres outside the trade area.

The key points to consider regarding the analysis in Table 27 are as follows:

- The degree of impact varies across the range of activity centres listed depending primarily on each centre's proximity and competitiveness of offer to the proposed development.
- In percentage terms, the impacts range from -1.5% to -4.5% relative to 2013 potential trading levels, with the overall impact on identified centres being -1.7%. This level of impact is considered to be insignificant.

5.9.4 Viability of Existing Retail Centres

The key planning question is whether the viability of existing businesses in the competing centres will be impacted by the proposed development in such a way as will threaten the viability of the existing retail centre.

In the case of Darling Street, our observations are that this retail strip is generally healthy with a diverse retail mix, low vacancy levels and good rents. The capacity of the Darling Street retail strip to adequately serve all the shopping needs of local residents is largely restricted by the limitations of the built environment, such as the quality of existing shops, limited opportunities to develop new retail facilities and limited car parking. Additionally, Balmain Woolworths is trading significantly higher than the Australian supermarket average. While the majority of the potential impact of both subject site and Balmain Leagues Club developments on Darling Street, Balmain will result in lower trading levels at Balmain Woolworths, forecast trading levels of the supermarket remain significantly higher than the Australian supermarket average after completion of both proposed developments.

Darling Street is a reasonably strong, healthy and thriving retail strip. In this context, the impacts from the subject development will not threaten the viability or vitality of the existing facilities as a whole. Darling Street will continue to play an important role in the retail life of the area.

The impact on other centres in the trade area is at a level that is considered acceptable within normal competitive environment. Victoria Road and Birkenhead Point will continue to serve their particular markets and are unlikely to experience any decline in viability.

It is also reasonable to expect retailers will make improvements to their stores to counter the introduction of new competition. This is the natural process of a competitive environment. The actual level of impact on each centre therefore would be strongly dependent on the measures taken by competing centres and their component retailers to counteract the impacts. In our view, these measures should involve changes and improvements that enhance the competitive positioning of the whole range of centres and individual stores.

In addition to private sector improvements and growth strategies, other measures to ameliorate the effects of competition can also be introduced by the public sector. These can include traffic management, landscaping and street beautification works, car parking, etc.

Finally, when considering any major proposed retail development, it should be recognised that the key consideration is the net community benefit to residents that is likely to arise from the subject development. In this case, the overall provision of retail services and facilities is not reduced, but rather improved, by the proposed development. The development would also have a number of other economic benefits, which are discussed in the remainder of this section of the report.

5.10 Consumer Considerations

The proposed rezoning and development, should it proceed, will also have a number of benefits for consumers. In particular:

- The retail development is expected to include a food market, adding to the range of products available to residents and improving the shortage of retail floorspace.
- There will also be a range of specialty retailers, including some retailers which are not currently represented within the trade area and operators who cannot currently find suitable space within the locality.
- Local residents will be provided with a wider range of retail facilities, conveniently located within walking distance of the existing Rozelle retail precinct and significant medium density residential developments.
- The extension of choice will also promote greater competition, with possible benefits in terms of keener prices and better quality.
- The development of a local retail centre will reduce the need for trade area residents to undertake shopping trips at more distant retail centres. This will help to reduce the extent of car usage for shopping purposes.
- The development is likely to include a modest provision of car parking, and therefore will promote the use of the centre from a walkable catchment.

5.11 Summary

The subject site is an ideal location for a new high quality retail centre. The subject site has capacity to accommodate the proposed 1,777 sq.m retail centre and would capture a reasonable to strong market share, depending on the final tenancy mix. The subject site is an ideal location for such the proposed retail concept because of the following factors:

- It would have a reasonable residential catchment for a centre of its size;
- The trade area comprises of high income households who are largely young professionals. This market is ideal for a high quality centre as discussed in this report, with an emphasis on convenient shopping options;
- The trade area is undersupplied with retail floorspace with only one small supermarket located within trade area, which despite its poor location and layout is understood to be trading well, highlighting the latent demand for retail floorspace, particularly food and grocery floorspace;
- The centre would provide a focal point for the overall development.

We note that important design considerations have been factored into the retail component of the development. In particular, the maximisation of exposure to traffic passing through Rozelle is important to maximise the potential of the retail development. The site does not have direct frontage to, major roads such as Victoria Road and Darling Street and therefore orientation of the retail to Terry Street to maximise accessibility to passing vehicle and pedestrian traffic has been accommodated.

Furthermore, the creation of a village centre with activated street frontages will help to create an attractive destination that is a place that residents from within the trade area and beyond will want to visit. The vibrancy of the place will assist in the retail components ability to attract and retain expenditure.

6 Employment Benefits

6.1 Direct Employment Effects

This section of the report identifies and assesses the potential employment generated as a result of the proposed rezoning for the subject site.

The proposed rezoning of the subject site would have a positive impact on employment, both locally and in the broader economy. The employment benefits occur in two distinct phases:

- **The construction phase.** A number of jobs are created as a result of the construction of the built forms and infrastructure.
- **The operational phase.** The retail and commercial businesses will provide on-going employment.

In addition to the direct employment generated by these two phases, there are multiplier (or indirect) effects throughout the local, state and national economies. These multiplier effects are a result of, for instance, the sourcing of goods and services from suppliers to the businesses on the site and increased consumption generated by the wages of new employees.

The direct and indirect employment generated from the construction and operational phases of the subject site is now outlined and quantified.

Note: The following tables may include minor rounding adjustments.

6.1.1 Construction Phase

In order to assess the economic benefit of the construction phase of the development, the number of jobs the development might create has been assessed. For the purposes of this analysis the Australian Input-Output (I-O) employment multiplier tables from 1996-97 have been utilised. These are the most recently published tables by the Australian Bureau of Statistics (ABS). We note that the published tables are not current. In order to make them reflect the current state of the economy more accurately, appropriate adjustments have been made for changes in productivity and inflation since 1996-97.

To assess the employment generation of the construction phase of this development, it is necessary to first estimate the construction costs of the commercial and residential uses.

The construction cost for the uses proposed in the development scheme has been provided by Anka Constructions Pty Ltd to Urbis. It should be noted that these are indicative costs for construction only, and does not take into account unusual land conditions or any treatment of financing related costs or related building costs.

The proposed development has an estimated construction cost in the order of \$86.5 million as estimated by Anka Constructions Pty Ltd. Using the Australian National Accounts Input-Output data, Table 28 illustrates that the construction investment of \$50 million (\$2007) would generate direct employment of 477 full-time and part time jobs for one year. These construction jobs would be spread over the development timeframe for the subject site.

The direct employment of 477 jobs would generate an additional 751 jobs in supporting industries and other businesses servicing the expenditure by the employed workers. This is the indirect employment generated by the construction phase of the subject site.

Total employment from the construction phase therefore would be in the order of 1,227 full-time and part time jobs for one year.

Table 28 – Construction Employment Generation

Terry Street, Balmain - Direct Employment Impact of Mixed Use Proposal

Development Option/ Type of Employment	Direct Employment	Supplier Employment Multiplier Effects	Total Jobs ²
Construction Phase	477	751	1,227

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects. Jobs are for the equivalent of one year of employment.

Source : Urbis

6.1.2 Operational Phase

The retail, industrial showroom and child care uses will provide opportunities for on-going employment on the site. Expected employment densities for each component (employment per 1,000 sq.m of floorspace) are derived from a range of sources, including:

- The Australian Bureau of Statistics, 1998-99 Retail Industry publication (8622.0)
- NSW Department of Planning, Employment Monitoring of Commercial and Industrial Areas
- Other publicly available sources and information held by Urbis.

Employment densities vary significantly by different building uses and other factors, such as age of building and quality of a building's design. Drawing on industry benchmarks as reported in the sources identified above, Table 29 outlines the estimated on-going employment that would be generated within the subject development.

In total, the uses within the proposed development have the potential to provide employment for nearly 112 full-time, part-time and casual workers per year.

Table 29 – Ongoing Employment Generation

Terry Street, Balmain - Direct Employment Impact of Mixed Use Proposal

Type of Use	Employment Per '000 Sq.m	Terry Street, Balmain Expansion Additional ¹	
	Industry Average	GLA (Sq.m)	Employment (Persons)
Supermarket(s)	40.8	775	32
Specialty Shops	60.7	1,002	61
Industrial Showroom	17.5	450	8
Childcare	50.0	237	12
Total Property²		2,464	112

1. Takes into account reduced vacancies

2. Includes non-retail and external components. Excludes additional management, cleaning & security staff

Source : Urbis

To allow for transfer of jobs within the economy, we have assumed that 15% of these direct jobs would be transferred from other operations as opposed to new jobs. On this basis, 95% of the direct jobs would be new jobs.

Factoring in the multiplier effects, the total direct employment of 95 net new jobs has the potential to generate further employment of over 86 workers in the wider economy, as shown in Table 30. This is a total of 181 ongoing jobs.

The economic effects of the proposed development will also extend into the wider economy as a result of the multiplier effects of the initial investment:

- Indirect impacts related to the employment generated in supporting and supplying businesses as a result of increased demand for intermediate goods and services.
- Induced impacts related to new employees spending their wages.

Table 30 – Total Employment Generation

Terry Street, Balmain - Direct Employment Impact of Mixed Use Proposal

Development Option/ Type of Employment	Direct Employment	Supplier Employment Multiplier Effects	Total Jobs ²
Construction Phase	477	751	1,227
Ongoing Employment Increase ³	95	86	181
Total	572		

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects. Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis

The combined direct and multiplier employment effects are detailed above, with the multiplier effects being based on ABS input-output multiplier tables.

It is important to keep in mind that the multipliers used in the analysis below are based on 1996/97 National Input Output tables. These multipliers can vary significantly at the regional level, however for the purpose of this assessment, the indicative estimates above are sufficient. These indirect employment estimates (i.e. supplier employment) are at the more optimistic end of the spectrum, and are based on job creation nationally and not locally.

6.2 Summary and Comparison with Alternative Development Options

In order to assess the potential employment impacts of the proposed mixed use development, we have contrasted these with the against the approved bulky goods / gym development as well as the potential reuse of the existing buildings for office / industrial uses. Our assessment has considered the ongoing operational employment as well as construction employment generated by each of the three alternatives.

- The proposed mixed use development that is the subject of this report will include a mix of residential, retail, industrial showroom and childcare uses. Based on an estimated construction cost of \$86.7 million development would generate an estimated 477 direct construction jobs on a one year full time equivalent basis. These construction jobs would be spread over the duration of the construction phase. An additional 751 indirect jobs would be created in supporting industries and other businesses servicing the expenditure by the employed workers. Total employment from the construction phase would therefore be in the order of 1,227 full-time equivalent jobs for the period of construction.
- Based on industry based employment densities for retail, industrial showroom and child care, the proposed mixed use development on the site would generate an estimated 95 direct ongoing jobs.

An additional 86 indirect ongoing jobs would be created throughout all industries of the economy as a result of the jobs created on the site. Therefore, in total the proposed development would result in the creation of 181 ongoing jobs during operation.

- In comparison, if the current improvements were refurbished and utilised for industrial and office uses, an estimated 111 ongoing direct jobs could be supported on the site with indirect jobs accounting for an additional 133 indirect jobs, equating to 244 ongoing jobs in total. We note however that there would be limited construction required other than refurbishment that would result in approximately 23 construction jobs (9 direct and 14 indirect). We note however that the ongoing employment figures assume that there will be an immediate and full demand for the site, which may not be the case given the current market conditions for industrial accommodation within Leichhardt. Indeed we note examples of large industrial buildings within Leichhardt that are being utilised for storage purposes employing only 1 to 2 persons. Should the industrial components experience difficulty in leasing or result in a passive storage use, achieved employment levels would be significantly lower. Overall the current facilities would produce a lower overall employment benefit, with the industrial related uses less likely to be of relevance to the local workforce.

Table 31 – Total Office/Industrial Use Employment Generation

Terry Street, Balmain - Direct Employment Impact - Ongoing Office / Industrial Uses

Development Option/ Type of Employment	Direct Employment	Supplier Employment Multiplier Effects	Total Jobs ⁴
Construction Phase	9	14	23
Ongoing Employment ³	<u>131</u>	157	287
Total	140		

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects. Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis

- The proposed bulky goods / gym use would produce an estimated 73 ongoing direct jobs could be supported on the site with indirect jobs accounting for an additional 63 indirect jobs, equating to 138 ongoing jobs in total. Major construction works would be limited to the bulky goods and car park components with less intensive conversion works required for the gym. Based on industry benchmarks we have estimated a development costs of approximately \$20.7 million including decontamination works that would result in approximately 293 construction jobs (114 direct and 173 indirect). The bulky goods / gym proposal results in a lower employment benefit.

Table 32 – Total Bulky Goods/Gym Use Employment Generation

Terry Street, Balmain - Direct Employment Impact of Bulky Goods Retail / Gym Proposal

Development Option/ Type of Employment	Direct Employment	Supplier Employment Multiplier Effects	Total Jobs ²
Construction Phase	114	179	293
Employment Increase ³	<u>73</u>	65	138
Total	186		

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects.

Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis

- Residential, retail and child care development on the subject site would not only generate additional employment overall; it would also generate employment and accommodation which more closely matches the demographic profile of Leichhardt LGA. Overall residential and retail development on the subject site is consistent with Council's and DoP's objectives and aspirations for Leichhardt LGA, and the Inner West Subregion, and in our view represents a more suitable and efficient use of the site compare to the current industrial and office use.
- We also note that the intended rezoning of the broader Terry Street Precinct (as outlined in Figure 1) will provide for additional mixed use and commercial office employment that will result in a greater level of job generation than an alternative industrial zoning under the current town planning status quo. As such mixed use and commercial development should be encouraged to assist in meeting employment targets, with suitable residential development to allow for the growth in the local population.

Appendix A Businesses by Industrial Precinct

Leichhardt Industrial Land Use Overview, as at December 2007

Table A.1

Business Name	Industry	Location	Lot size as % of Precinct
<u>Balmain East</u>			
Ferry offices/depot	Trans., Post. & W'housing	Alexander Street	22%
Residential	Residential	Duke Place	22%
Svitzer	Trans., Post. & W'housing	Cooper Street	56%
<u>Balmain Road</u>			
APCS	Info. Media & Telecomm.	Fred Street	3%
Atom Industries	Prof., Sci. & Tech Services	Fred Street	11%
Coffee Lounge	Retail Trade	Balmain Road	1%
Fedwood Timber Products	Manufacturing	Balmain Road	11%
Glass & furniture factory	Manufacturing	Balmain Road	50%
Physiotherapist	Health Care & Soc. Assist.	Darling Street	6%
Residential	Residential	Balmain Road	1%
		Fred Street	1%
Vacant	Vacant	Balmain Road	9%
		Fred Street	6%
<u>Birchgrove</u>			
Ballast Point	Ballast Point	Ballast Point Road	100%
<u>Lilyfield Road, Lilyfield</u>			
Accounting offices	Prof., Sci. & Tech Services	Lilyfield Road	1%
Betts Group	Prof., Sci. & Tech Services	Justin Street	2%
Blinds/Curtains	Manufacturing	Justin Street	5%
CBON Printing/Embroidery	Manufacturing	Justin Street	5%
Citi Blinds and Shutters	Manufacturing	Halloran Street	9%
Collins Textile Group	Manufacturing	Halloran Street	6%
Compass Bros	Prof., Sci. & Tech Services	Halloran Street	1%
Cytech Intersearch	Prof., Sci. & Tech Services	Justin Street	2%
DR King Plumbing Service	Other Services	Halloran Street	5%
Energy Advice	Elec., Gas, Water & Waste Services	Justin Street	2%
GCI Aus office	Fin. & Ins. Services	Justin Street	2%
Good Manors	Prof., Sci. & Tech Services	Halloran Street	1%
Haycraft Duloy	Prof., Sci. & Tech Services	Justin Street	1%
John Haycraft	Prof., Sci. & Tech Services	Justin Street	1%
Legal offices	Prof., Sci. & Tech Services	Lilyfield Road	1%
Mandy Lights	Prof., Sci. & Tech Services	Justin Street	2%
Office	Prof., Sci. & Tech Services	Justin Street	3%
Production	Prof., Sci. & Tech Services	Justin Street	2%
Residential	Residential	Halloran Street	2%
		Justin Street	6%
		Lilyfield Road	3%
Subaru Service	Other Services	Halloran Street	9%
Vacant	Vacant	Justin Street	3%
		Lilyfield Road	26%
Volzen Pty Ltd	Prof., Sci. & Tech Services	Justin Street	1%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.2

Business Name	Industry	Location	Lot size as % of Precinct
<u>Lilyfield Road, Rozelle</u>			
Arthur Bailey Surgico	Manufacturing	Lilyfield Road	43%
Auctioneer	Retail Trade	Lilyfield Road	57%
<u>Moore Street</u>			
Air Conditioning	Construction	Moore Street	1%
Alfa Romeo Service Centre	Other Services	Moore Street	1%
Allsize Cartons	Trans., Post. & W'housing	John Street	3%
Annandale Animal Hospital	Prof., Sci. & Tech Services	Moore Street	0%
Astam Books	Info. Media & Telecomm.	John Street	1%
Bakehouse Café	Retail Trade	Moore Street	1%
Bass Plastics	Manufacturing	Moore Street	1%
Bathroom Fittings	Manufacturing	John Street	4%
Biscuit factory	Manufacturing	Moore Street	1%
Bureau of Meteorology	Prof., Sci. & Tech Services	Moore Street	1%
Business & Professional Finance	Fin. & Ins. Services	Moore Street	1%
Christie Civil Contracting	Prof., Sci. & Tech Services	Moore Street	1%
City Scrapbooking	Info. Media & Telecomm.	John Street	0%
Detergents Galore	Manufacturing	Moore Street	1%
Di Enue Creative Solutions	Prof., Sci. & Tech Services	Moore Street	1%
Electrical Substation	Elec., Gas, Water & Waste Services	John Street	0%
Engineering	Prof., Sci. & Tech Services	Moore Street	1%
Feed Warehouse	Trans., Post. & W'housing	White Street	2%
Food Transport	Trans., Post. & W'housing	White Street	2%
GasWeld Discount Tool Centre	Retail Trade	Moore Street	1%
Gerry's Glass	Manufacturing	Moore Street	2%
Heward Sewing Machines	Other Services	Moore Street	0%
Hiten Manufacturing	Manufacturing	John Street	3%
Ilve	Manufacturing	Moore Street	3%
K.S.A. Truck Parts & Repair	Other Services	Moore Street	2%
Laser Sonics	Prof., Sci. & Tech Services	Hill Street	1%
Leichhardt Council	Public Admin. & Safety	Moore Street	16%
Life Time Catering Hire	Rent., Hiring & R.E. Services	John Street	3%
Marble Granite Stone	Manufacturing	Moore Street	1%
Marketing	Prof., Sci. & Tech Services	Moore Street	1%
Meditrax	Manufacturing	Moore Street	1%
Moores Corp	Prof., Sci. & Tech Services	Moore Street	1%
Musical Instruments	Retail Trade	Moore Street	1%
Network Connect Australia	Manufacturing	Hill Street	1%
New Art Embroidery	Manufacturing	Hill Street	1%
Office	Prof., Sci. & Tech Services	Hill Street	2%
Pan Pacific Packaging	Trans., Post. & W'housing	Moore Street	2%
Pet Depot	Retail Trade	John Street	1%
Pet Grooming	Other Services	Moore Street	0%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.3

Business Name	Industry	Location	Lot size as % of Precinct
<u>Moore Street (cont.)</u>			
Plumbers Supplies	Wholesale Trade	John Street	3%
Publisher Textiles	Manufacturing	Moore Street	1%
Raffan Kelaher & Thomas	Retail Trade	John Street	4%
Residential	Residential	Hill Street	1%
		Moore Street	2%
Roblan	Manufacturing	Catherine Street	7%
Spectak	Prof., Sci. & Tech Services	Moore Street	1%
Speranza Kitchens	Manufacturing	Catherine Street	1%
The Federation Press	Info. Media & Telecomm.	John Street	1%
Tiger Workwear Retail	Retail Trade	John Street	1%
Vacant	Vacant	Hill Street	1%
		John Street	2%
		Moore Street	11%
Webster Care	Health Care & Soc. Assist.	Moore Street	1%
<u>Parramatta Road, Leichhardt</u>			
Aluminium Welding	Manufacturing	Parramatta Road	0%
Banner Shop	Retail Trade	Parramatta Road	1%
Berlina Bodyworks	Other Services	Parramatta Road	1%
Best & Less Office/Warehouse	Vacant	Parramatta Road	6%
Blake Publishing	Info. Media & Telecomm.	Parramatta Road	1%
Culligan/Everpure Water	Prof., Sci. & Tech Services	Upward Street	1%
DJ Warehouse	Trans., Post. & W'housing	Parramatta Road	0%
Electrical Substation	Elec., Gas, Water & Waste Services	Tebbutt Street	1%
Fast Fit Bullbars	Retail Trade	Parramatta Road	1%
Formula 1 Spare Parts	Retail Trade	Parramatta Road	1%
John R Turk Wholesale Electrical	Wholesale Trade	Parramatta Road	1%
La Maison Showroom	Retail Trade	Parramatta Road	3%
Labelcraft	Manufacturing	George Street	3%
Leichhardt Auto. Specialists	Other Services	Parramatta Road	1%
Mazda AMR Parts & Service	Other Services	George Street	3%
Motown Motor Sales	Retail Trade	Parramatta Road	1%
Near New Car & Truck Rental	Rent., Hiring & R.E. Services	Parramatta Road	3%
Office	Prof., Sci. & Tech Services	George Street	5%
Pool & Billiard Tables	Retail Trade	Parramatta Road	0%
R.Keane Service Mercedes Benz	Other Services	George Street	2%
Residential	Residential	Tebbutt Street	5%
		Upward Street	0%
Rick Damelian	Retail Trade	Parramatta Road	16%
Simply Shopfittings	Manufacturing	George Street	1%
Smash Repairs	Other Services	Tebbutt Street	0%
Stonemason & Artist	Manufacturing	Parramatta Road	1%
Sydney Wholesale Direct	Wholesale Trade	Parramatta Road	1%
Tanta Wholesale Meats	Wholesale Trade	Hathern Street	1%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.4

Business Name	Industry	Location	Lot size as % of Precinct
<u>Parramatta Road, Leichhardt (cont.)</u>			
Terry Hogan Prestige Cars	Retail Trade	Parramatta Road	1%
Three of a Kind Furniture	Retail Trade	Parramatta Road	1%
UEW Electrical Wholesale	Wholesale Trade	Parramatta Road	1%
Vacant	Vacant	George Street	14%
		Parramatta Road	9%
		Tebbutt Street	1%
		Upward Street	7%
Visual FX Design & Imaging	Info. Media & Telecomm.	George Street	1%
Workrite Systems	Manufacturing	Tebbutt Street	0%
Workwear Manufacturing	Manufacturing	George Street	3%
<u>Pymont Bridge Road</u>			
AGL Energy	Elec., Gas, Water & Waste Services	Parramatta Road	2%
A-Plan Kitchens	Manufacturing	Parramatta Road	1%
Billy Hyde Music	Retail Trade	Parramatta Road	2%
Camperdown Mews	Retail Trade	Parramatta Road	3%
Camperdown Service Centre	Other Services	Parramatta Road	0%
Cat National Hire	Rent., Hiring & R.E. Services	Booth Street	3%
DePoortere Carpets & Furniture	Retail Trade	Pymont Bridge Road	0%
Drummond Golf	Retail Trade	Parramatta Road	1%
Electronics	Prof., Sci. & Tech Services	Gordon Street	0%
Endoscopy Centre	Prof., Sci. & Tech Services	Parramatta Road	1%
Flash Photobition	Manufacturing	Booth Street	18%
Grocery Store	Retail Trade	Pymont Bridge Road	0%
Heart Research Institute	Prof., Sci. & Tech Services	Pymont Bridge Road	1%
Ilve	Manufacturing	Pymont Bridge Road	2%
Kitchens	Manufacturing	Pymont Bridge Road	0%
Malt Shovel Brewery	Manufacturing	Parramatta Road	1%
Media/Promotions Offices	Prof., Sci. & Tech Services	Cahill Street	2%
Mobil Petrol Station	Retail Trade	Parramatta Road	2%
N Stenning	Manufacturing	Parramatta Road	1%
Newform Tapware	Manufacturing	Guihen Street	1%
Office	Prof., Sci. & Tech Services	Gordon Street	0%
		Parramatta Road	1%
		Pymont Bridge Road	3%
Persian Carpet Studio	Retail Trade	Parramatta Road	1%
Post Business Centre	Trans., Post. & W'housing	Chester Street	3%
Repco	Retail Trade	Pymont Bridge Road	2%
Residential	Residential	Bignell Lane	1%
		Mathieson Street	1%
		Pymont Bridge Road	6%
Showroom	Retail Trade	Water Street	4%
		Chester Street	12%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.5

Business Name	Industry	Location	Lot size as % of Precinct
<u>Pymont Bridge Road (cont.)</u>			
Storage King	Trans., Post. & W'housing	Booth Street	1%
		Pymont Bridge Road	6%
Sydney Home Loan Centre	Prof., Sci. & Tech Services	Parramatta Road	1%
Sydney Prop Specialist Hire	Rent., Hiring & R.E. Services	Mathieson Street	2%
Sydneyside Furniture	Retail Trade	Parramatta Road	1%
Tiles/Flooring	Retail Trade	Parramatta Road	1%
Vacant	Vacant	Gordon Street	0%
		Guihen Street	3%
		Parramatta Road	6%
		Pymont Bridge Road	2%
Vanbar	Info. Media & Telecomm.	Gordon Street	0%
Viclean Cleaning Professionals	Other Services	Gordon Street	1%
Wakim Prestige Car Sales	Retail Trade	Pymont Bridge Road	2%
Warehouse/storage	Trans., Post. & W'housing	Cahill Street	2%
<u>Terry Street, Rozelle</u>			
Andrew Lyall Motors	Retail Trade	Victoria Road	2%
Balmain Radiators	Other Services	Crystal Street	1%
Caltex Petrol Station	Retail Trade	Victoria Road	4%
Car & Furniture Upholstery	Manufacturing	Victoria Road	1%
Catering	Retail Trade	Terry Street	1%
Electrical Substation	Elec., Gas, Water & Waste Services	Victoria Road	1%
Engineering	Prof., Sci. & Tech Services	Wellington Street	1%
Kennards	Trans., Post. & W'housing	Wellington Street	14%
Landscape	Construction	Wellington Street	1%
Marine Electrical	Other Services	Wellington Street	0%
Mechanic	Other Services	Crystal Street	2%
Promotions	Prof., Sci. & Tech Services	Terry Street	1%
Residential	Residential	Crystal Street	8%
		Terry Street	1%
		Wellington Street	7%
Rigging Specialists	Retail Trade	Wellington Street	0%
Settings Furniture	Retail Trade	Victoria Road	2%
Smash Repairs	Other Services	Victoria Road	2%
Steelworks	Manufacturing	Crystal Street	2%
United Petrol Station	Retail Trade	Victoria Road	4%
Vacant	Vacant	Terry Street	47%
<u>West Leichhardt</u>			
Arquilla Bulk Trading	Wholesale Trade	Allen Street	8%
Campbells Cash & Carry	Wholesale Trade	Allen Street	21%
Gym	Arts & Rec. Services	Lords Road	8%
Retirement Village	Retirement	Marion Street	40%
Scrap metal	Manufacturing	Lords Road	8%
Storage	Trans., Post. & W'housing	Lords Road	8%
Vacant	Vacant	Lords Road	8%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.6

Business Name	Industry	Location	Lot size as % of Precinct
<u>White Bay, Rozelle</u>			
Auto Mechanic	Other Services	Mullens Street	5%
Auto Repairs/Electric	Other Services	Robert Street	0%
Balmain Cars	Retail Trade	Victoria Road	1%
Balmain European Car Repairs	Other Services	Crescent Street	0%
Balmain Prestige	Other Services	Victoria Road	2%
Bates Landscaping/Metalcraft	Manufacturing	Loughlin Street	1%
Big Box Self Storage	Trans., Post. & W'housing	Parsons Street	4%
CC's Gourmet Pizza	Retail Trade	Victoria Road	1%
Chippendale Restorations	Other Services	Crescent Street	6%
Christie Associates	Prof., Sci. & Tech Services	Victoria Road	0%
Communications	Prof., Sci. & Tech Services	Mullens Street	1%
Electronics	Prof., Sci. & Tech Services	Mullens Street	2%
Equip Office Furniture	Retail Trade	Victoria Road	2%
Framing	Retail Trade	Mullens Street	1%
Glebe Auto Electrical	Other Services	Robert Street	2%
Goodyear	Retail Trade	Victoria Road	1%
Hire One Tools & Equipment	Rent., Hiring & R.E. Services	Victoria Road	1%
Kennards	Trans., Post. & W'housing	Victoria Road	3%
Mannings Funerals	Other Services	Victoria Road	1%
Marketing	Prof., Sci. & Tech Services	Mullens Street	1%
Martin's Seafood	Retail Trade	Mullens Street	6%
Mechanic	Other Services	Victoria Road	1%
Office	Prof., Sci. & Tech Services	Mullens Street	5%
Peugot Service	Other Services	Robert Street	2%
Picture Framing	Retail Trade	Victoria Road	1%
Plumber	Elec., Gas, Water & Waste Services	Mullens Street	5%
Promotions	Prof., Sci. & Tech Services	Mullens Street	1%
Psychology	Health Care & Soc. Assist.	Robert Street	0%
Publishing	Info. Media & Telecomm.	Mullens Street	1%
Residential	Residential	Crescent Street	2%
		Robert Street	1%
Shutters & Blinds	Manufacturing	Mullens Street	5%
Sign Ware	Manufacturing	Victoria Road	0%
Signs Pty Ltd	Manufacturing	Robert Street	0%
Smash Repairs	Other Services	Robert Street	0%
Solicitors	Prof., Sci. & Tech Services	Robert Street	0%
Storage	Trans., Post. & W'housing	Mullens Street	19%
Storage King	Trans., Post. & W'housing	Parsons Street	2%
T&P Clinic	Other Services	Robert Street	2%
Tyre Plus	Retail Trade	Robert Street	0%
Vacant	Vacant	Loughlin Street	2%
		Mullens Street	5%
		Victoria Road	2%
Yellow Express Couriers	Trans., Post. & W'housing	Victoria Road	2%

Source : Urbis

Definitions

The following definitions have been adopted for the purposes of this report:

1. **Retail** refers to the Australian Bureau of Statistics (ABS) definition adopted for the purposes of the 1991/92 Retail and Services Census, with some minor exclusions. This definition includes Total Shopfront Retailing less garden supplies and marine equipment. Motor vehicle and related retailers are also excluded. This definition has been adopted for the purposes of detailing the retail market using the ABS Household Expenditure Survey (HES), and also for categorising shopping centre turnover and tenancy details.
2. **Non-Retail** therefore refers to various store types, services and expenditure categories, not included in the appropriate Australian & New Zealand Standard Industrial Classification (ANZSIC) included within the scope of the latest Retail and Services Census. The non-retail component includes the following tenancy types:

▪ Amusements	▪ Garden Supplies
▪ Appliance Rental	▪ Lottery & Gaming
▪ Auto Accessories	▪ Marine Equipment
▪ Banks and Building Societies	▪ Medical and Dental Services
▪ Cinemas	▪ Offices
▪ Equipment Hire	▪ Post Office
▪ Financial and Property Services	▪ Travel Agency

In addition to the above tenant types which are quite often found in shopping centres, facilities such as garden supplies, builders supplies, and similar businesses which are predominantly wholesale, are usually treated entirely as non-retail stores, despite the fact that a proportion of the business may be retail orientated.
3. The **Food & Groceries (F&G)** market refers to the market relevant to supermarkets, and comprises spending on take-home food and groceries. Some non-supermarket traders, including fresh food specialties, milk bars and convenience stores and to a limited extent non-food stores such as Discount Department Stores (DDSs), also compete for F&G spending. The F&G category includes food items only and therefore does not include the general merchandise items sold in supermarkets. The F&G category also excludes spending on liquor. Where a specific supermarket competes for bottled liquor spending, the analysis takes this component into account separately.
4. The **Department Store Type Merchandise (DSTM)** market specifically refers to the market relevant to department stores and DDSs. It comprises expenditure on department store and DDS type merchandise, all of which is included in the defined retail market. More specifically it comprises expenditure on :

▪ Clothing and Accessories including all clothing, footwear, clothing accessories, jewellery and cosmetics.
▪ Furniture, Floor Coverings and Major Electrical including all furniture, floor coverings, televisions, refrigerators, and other large electrical appliances.
▪ General Merchandise including books, printed material, toys, hardware items, small electrical appliances, bikes, photographic equipment, etc.

This category excludes spending on food items which these stores also stock, such as confectionery, soft drinks, tobacco, tea and coffee and other consumable items.
5. **Financial Years.** Analysis throughout this report relates to financial years (ending June) unless otherwise specified.

Abbreviations

The following abbreviations are used in this report:

ABS	Australian Bureau of Statistics
ANZSIC	Australian & New Zealand Standard Industrial Classification
DDS	Discount Department Store
DSTM	Department Store Type Merchandise
F&G	Food & Groceries
GLA	Gross Leasable Area
GST	Goods and Services Tax
HES	Household Expenditure Survey

Goods and Services Tax (GST)

The tax package has had differential effects on turnover by various categories of retailers as a result of changes in prices and consumer demand.

These effects have been estimated by Urbis and from 2001 the spending market and turnover forecasts presented in this report are exclusive of GST.

MarketInfo

Spending estimates provided in this report are based on the *MarketInfo* 2004 micro-simulation model developed by MDS Market Data Systems. *MarketInfo* 2004 is based on the Household Expenditure Survey and Australian National Accounts. Given that the estimates are based on survey data they will be subject to sampling variability.

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