

Pondicherry, NSW

Retail and employment assessment

PREPARED FOR **Greenfields Development Company (No 2) Pty Ltd**

March 2021

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Executive summary

- Pondicherry is one of 14 precincts within the South West Growth Area (SWGA).
- The SWGA adjoins the Western Sydney Aerotropolis and is one of five designated growth areas in the Sydney metropolitan area; North West, South West, Western Sydney Aerotropolis, Greater Macarthur and Wilton.
- A number of major infrastructure projects have been completed or are planned for the broader region, the most significant being the new Western Sydney Airport within the Western Sydney Aerotropolis. Both the Department of Planning and Environment (DP&E) and the Greater Sydney Commission (GSC) are currently reviewing and updating the planning instrument documents governing the SWGA and broader area. The Western City District Plan (Greater Sydney Commission) is the guiding document for growth in this precinct, allowing the SWGA to develop accordingly.
- Macroplan have defined a trade area that would be the same as a trade area for Oran Park Town Centre, given the Pondicherry and the Oran Park precincts adjoin, and the Oran Park Town Centre trade area includes Pondicherry.
- Macroplan has assumed 2,720 dwellings for the precinct based on our housing market assessment report. Population is forecast to grow at a very healthy rate of 6.9% per annum through to 2036 in the main trade area. This population growth is forecast to help generate 9.5% annual retail expenditure growth to 2036 in the main trade area.
- Oran Park Town Centre will expand to continue to be the dominant retail offer in the Trade Area. Macroplan forecast over 20,000 sq.m of retail floorspace demand from within the Pondicherry precinct in 2036. Using industry standard benchmarks, this indicates viability for a circa 1,500 sq.m convenience-based centre in Pondicherry, to commence trading around 2031. We believe the population will be sufficiently established by then to make a small centre commercially viable.
- Pondicherry is likely to be positioned between two district centres, Greenway to the north and Oran Park to the south. Both these centres will be anchored by their individual retail and civic qualities. Given Pondicherry's location between two district centres, we recommend the retail offer at Pondicherry be focused on the daily convenience needs of the immediate surrounding residents. We anticipate Pondicherry will create a unique environment focused around the lake, providing a hub for both social and recreational activities, which will facilitate lifestyle and entertainment uses such as cafes, restaurants, bars and a gym.
- A small convenience retail centre within the Pondicherry Precinct has the potential to support 40 ongoing direct retail jobs, with over 600 construction jobs expected to be created for each year of the life of the project.

Introduction

This report presents an independent assessment of the scale, mix and distribution of retail and employment floorspace that could potentially be supported across the 'Pondicherry Lands' precinct (referred to as 'Pondicherry' throughout this report) and the required amount of business zoned land to support such floorspace. This report also examines the appropriate timing of such floorspace and assesses the economic impacts on the retail/activity centres throughout the surrounding region and potential employment and other economic benefits that could result from such floorspace.

The Pondicherry precinct forms part of the South West Growth Area (SWGA). This report forms part of a suite of technical documents that are being prepared as part of the Precinct Planning Package (PPP) for rezoning of the Pondicherry (part) precinct.

This report has been prepared in accordance with instructions received from Greenfields Development Company (No. 2) Pty Ltd, as outlined in the authorised scope of works for the retail assessment. The most recent assessment was completed in March 2019, as requested, this update will involve a refresh to the previous report.

This report is presented in seven sections as follows:

- **Section 1** presents an overview of the regional and local context of the Pondicherry precinct, as well as the wider SWGA. This section also outlines key infrastructure investments planned across the region and provides an overview of the proposed precinct release.
- **Section 2** examines the trade area that could potentially be served by retail/commercial facilities within the Pondicherry precinct; examines current and future population levels, the socio-demographic profile and current and forecast spend volumes.
- **Section 3** reviews the competitive context within which retail and employment generating uses in Pondicherry precinct would operate, including all proposed competitive developments. An overview of other major employment nodes and Large Format precincts in the surrounding area is provided.
- **Section 4** assesses the demand for retail floorspace generated by residents across the trade area; and then considers the appropriate scale, composition and timing of potential retail facilities Pondicherry precinct and their impact on the surrounding network of retail centres/precincts.
- **Section 5** assesses the employment creation based on the recommendations in Section 4, and the impacts across other employment precincts across the region should the rezoning take place.
- **Section 6** identifies other economic benefits/impacts resulting from the proposed rezoning and subsequent development of the Pondicherry precinct.
- **Section 7** provides an overview of the summary and recommendations from this report.

Section 1: Site location and context

This section of the report presents an overview of the regional and local context of the Pondicherry precinct, as well as the wider SWGA (South West Growth Area). This section also outlines key infrastructure investments planned across the region and provides a review of the relevant strategic planning and economic documents as they relate to the potential retail and employment uses within the Pondicherry precinct.

1.1 Regional and local context

South West Growth Area (SWGA)

Pondicherry is one of 14 precincts within the recently defined SWGA. The SWGA adjoins the Western Sydney Aerotropolis and its eastern boundary at Edmondson Park is 35km south-west of the Parramatta CBD (refer Map 1.1) and is one of five designated growth areas in the Sydney metropolitan area; North West, South West, Western Sydney Aerotropolis, Greater Macarthur and Wilton.

The SWGA will provide opportunities for new jobs, community services and open spaces to service a range of housing that suit different needs and many lifestyle choices. It is being designed to run concurrently with the planning for Western Sydney Aerotropolis with a view to better connect new suburbs with the proposed Western Sydney Airport, North South Rail Line, South West Rail Link Extension and the nearby Western Sydney Parklands.

Western Sydney Airport will be a game changer for the region. Strategic planning for the greenfield land around the airport will unlock opportunities to deliver new jobs and homes supported by key infrastructure in the heart of Western Sydney, bringing us another step closer to realising a 30-minute city. The Aerotropolis will make a significant contribution to 200,000 new jobs for Western Sydney by establishing a new high-skill jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries.

Map 1.1 on page 4 details the newly defined areas and boundaries.

Prior to the split between the Western Sydney Aerotropolis and SWPGA (South West Priority Growth Area, as it was formerly known), this larger area comprised approximately 17,000ha. The SWGA total area now comprises 10,188 ha.

At capacity, the SWGA is expected to deliver some 80,000 new dwellings and approximately 256,000 residents. To date, seven of the SWGA precincts have been rezoned to allow for urban development – Oran Park, Turner Road, Edmondson Park, Catherine Fields (part), East Leppington, Leppington and Austral/Leppington North. In combination, these precincts (in total) have the potential to accommodate over 42,500 new dwellings and more than 130,000 residents.

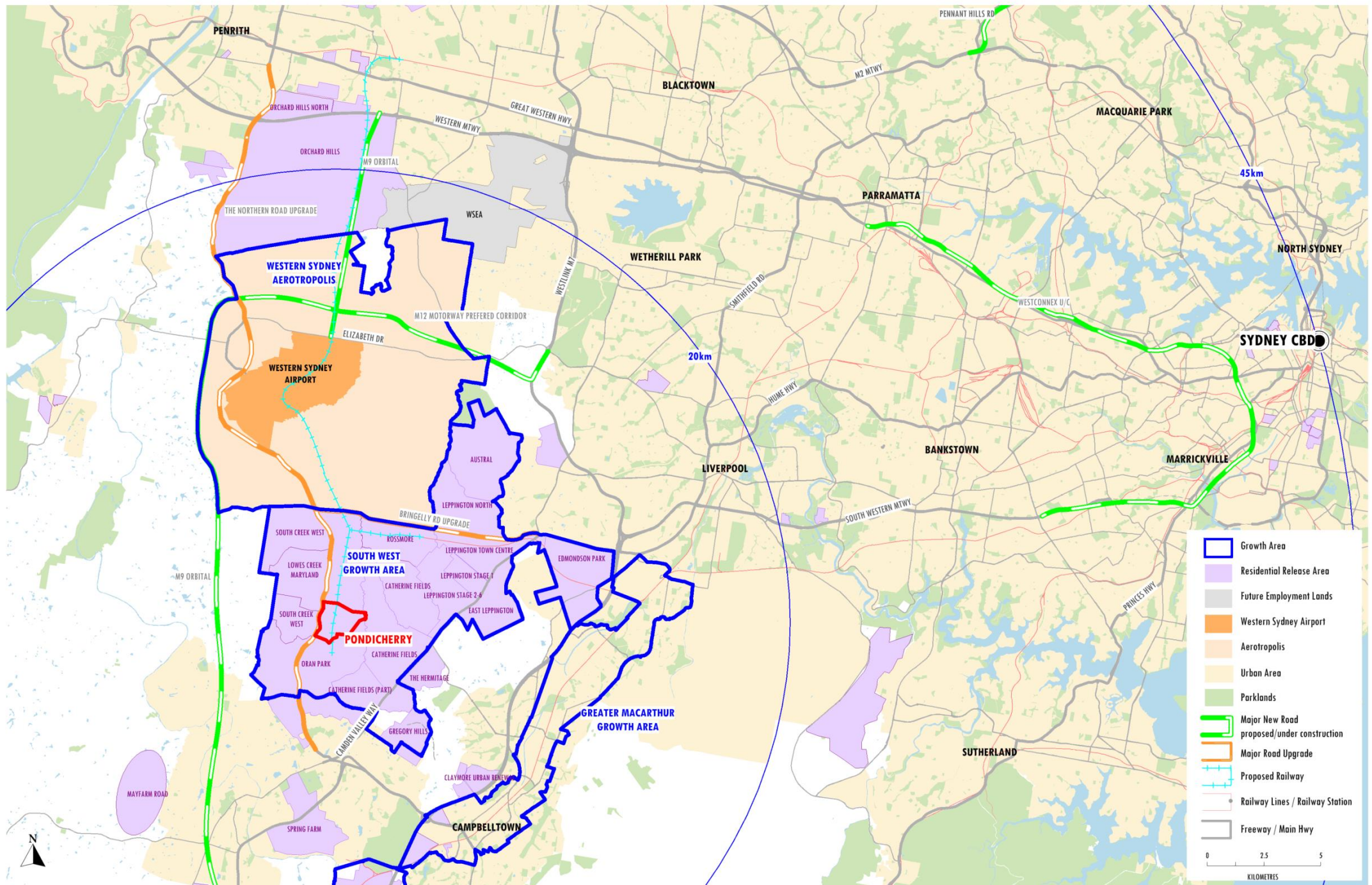
Oran Park precinct

Immediately south of Pondicherry, the Oran Park precinct is earmarked to accommodate around 7,500 new residential dwellings and approximately 50,000 sq.m of retail and commercial GLA within the Oran Park Town Centre. Known as Oran Park Podium, Woolworths supermarket and 25-30 specialties currently trade, along with a medical centre, gym and allied health.

Lowes Creek Maryland Precinct (LCMP)

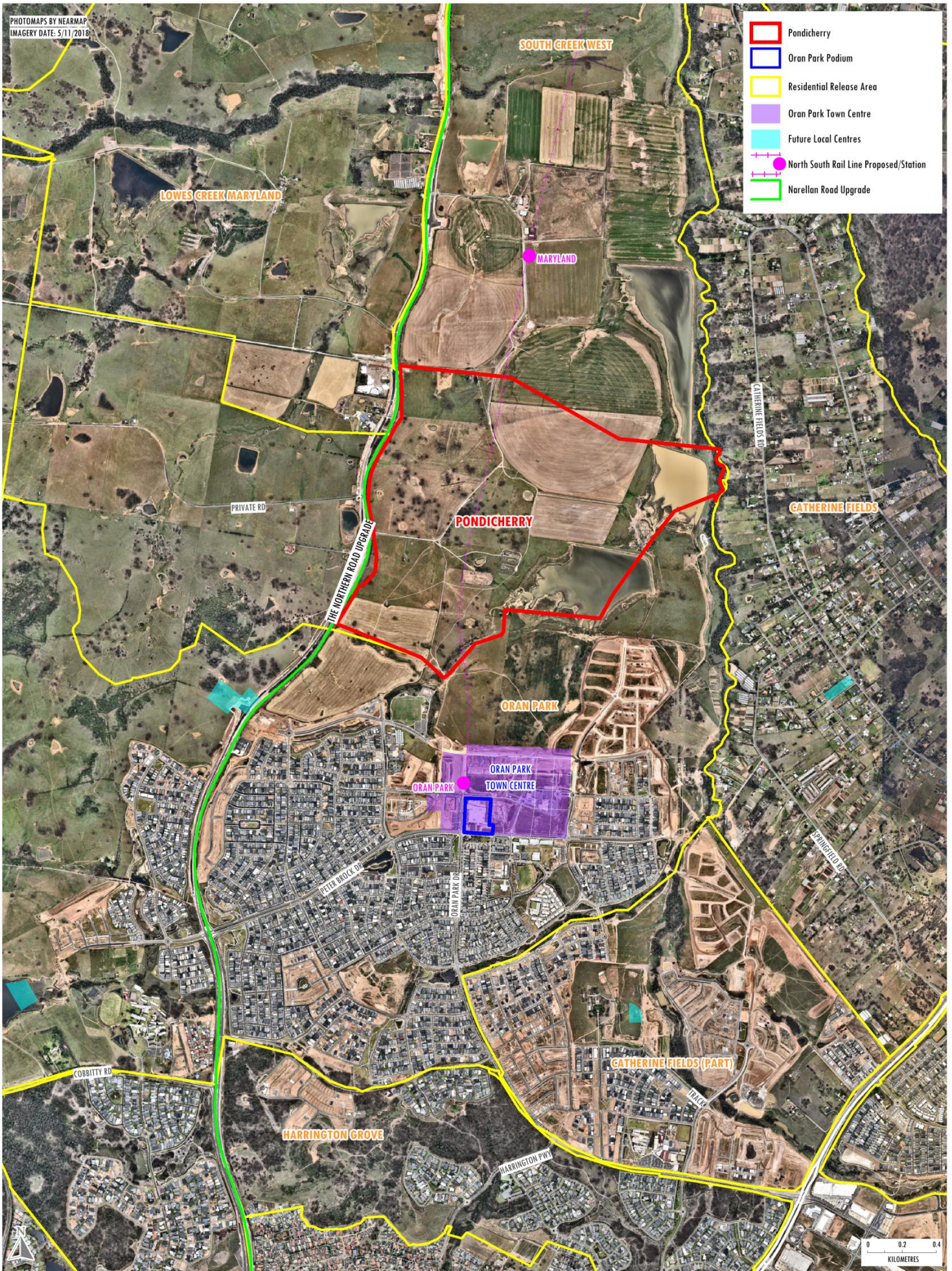
LCMP sits immediately north west of Pondicherry and occupies 517 ha. The land is currently generally used for agricultural purposes and other rural activities. The 'Lowes Creek Maryland Retail and Economic Analysis' undertaken by Deep End Services in September 2018 recommends some key findings including:

- 20,000 sq.m of retail GFA (Gross Floor Area)
- A mixed-use precinct containing 4,000 sq.m of retail GFA
- An employment precinct with service industry and homemaker/LFR totalling 27,000 sq.m
- A co-located smaller convenience centre of 3,500 sq.m retail GFA.



Map 1.1: Pondicherry
Regional context

PHOTOMAPS BY NEARMAP
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Map 1.2: Pondicherry
Site location

1.2 Major infrastructure impacting the SWGA

A review and assessment of existing and proposed major infrastructure in the area provides important context for the subject report, particularly with relation to employment generation.

As a part of the expanding development of Western and South Western Sydney there has been considerable capital investment spent, being spent, or planned to be spent on infrastructure across the region.

The **Western Sydney airport** will add a vital second airport to metropolitan Sydney and will underpin investment and intensify business activities in Western and South Western Sydney, ranging from manufacturing and logistics to hospitality and conferencing. Initial site preparation works have already begun, with operations at the proposed airport planned to begin in 2026.

In concert with the future planning of the airport, Transport for NSW conducted consultation on the recommended corridors of land for the South West Rail Link extension and the **North South Rail Corridor** in 2018. The South West Rail Link will extend from the existing Leppington station to North Bringelly and connect into the North South Rail Corridor which initially is expected to extend from St Marys in the north to the existing Main South Line near Macarthur via the new Western Sydney Airport and Oran Park.

There are a number of other major road projects in the vicinity being delivered under the Western Sydney Infrastructure Plan (WSIP), including:

- **Elizabeth Drive**
- **Bringelly Road upgrade (including Camden Valley Way links)**
- **The Northern Road upgrades**
- **M12 Motorway (linking the M7 Motorway to the Airport)**

1.3 Strategic planning context

In this section of the report, the legislative and policy context relevant to the Pondicherry precinct is examined. It aims to highlight the key policy drivers affecting the future development of the subject precinct in the context of current and predicted market and demographic trends.

Metropolis of Three Cities (GSC)

The Greater Sydney Region Plan: A Metropolis of Three Cities was released by the Greater Sydney Commission (GSC) in October 2017 and finalised in March 2018. It was developed concurrently with the metropolitan transport plan, Future Transport 2056, and the State Infrastructure Strategy, and creates a Sydney metropolis of three cities to rebalance growth and opportunities for people across Greater Sydney. It aims to deliver a 30-minute city to provide better access to jobs, schools, and health care within close distance to people's homes.

The purpose of the draft Plan is to:

- Set a 40-year vision (up to 2056) and establish a 20-year plan to manage growth and change for Greater Sydney in the context of economic, social and environmental matters;
- Inform district and local plans and the assessment of planning proposals;
- Assist infrastructure agencies to plan and deliver for growth and change and to align their infrastructure plans to place-based outcomes;
- Inform the private sector of the vision for Greater Sydney and infrastructure investments required to manage growth;
- Inform and engage the wider community so the draft Plan can best reflect the values and aspirations of all.

The NSW Government has identified demand for 725,000 homes to meet growth over the next 20 years and the draft Plan sets out a process to deliver a steady pipeline of supply to meet this forecast housing demand and to improve Greater Sydney's housing affordability. To this end, housing targets have been established to support the creation of supply for delivery over the next ten years and to create capacity for the longer term. Key actions include the preparation of housing strategies and the development of housing targets across the greater metropolitan area for each of the Districts and each local government area.

Western City District Plan (GSC)

The Western City District covers the Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly LGAs. The Western City is central to accommodating the growth of Greater Sydney. The Greater Sydney Commission estimates the Western City will house approximately 1.5 million residents by 2056 and be a thriving economic centre, well connected by various transport links. Due to its strategic proximity to the Western Sydney Airport, the Western City will comprise an 'Aerotropolis' that provides a range of economic opportunities. Camden Airport is likely to be incorporated into planning for Western Sydney Airport.

The Western City will link new communities in land release areas with existing communities in the greater Penrith to Eastern Creek area. A City Deal has been created for Western Sydney, with the involvement of relevant councils, state and federal government. The Western Sydney Airport and Badgerys Creek Aerotropolis will be coordinated through the Western Sydney City Deal. This comprises six commitments: connectivity, jobs for the future, skills and education, liveability and environment, planning and housing and implementation and governance.

Moreover, the presence of three long-established centres provides the opportunity for a polycentric urban structure including 'Liverpool', 'Greater Penrith' and 'Campbelltown-Macarthur'. A cluster of four centres (i.e. including the emerging Badgerys Creek Aerotropolis) will deliver the metropolitan functions of providing concentrations of higher order jobs and a wide range of goods and services.

For the Western City District, the 5-year (2016-2021) housing supply target and the 20-year (2016-2036) strategic housing target are 39,850 and 184,500 dwellings, respectively. This equates to an average annual supply of 9,222 dwellings, or approximately one in four of all new homes in Greater Sydney over the next 20 years, across the entire District.

In the case of Pondicherry, which is located in the Western City District, the greatest increase in population is expected in Camden LGA. It is forecast that Camden LGA will grow by 178% by 2036, mostly in the South West Growth Area (SWGA). Camden LGA is allocated a 5-year housing demand target of 11,800 dwellings, which accounts for about 30% of the total future Western City's supply.

The rezoning process for Pondicherry will incorporate the provision of about 2,700 additional dwellings and will therefore contribute to achieving the dwelling targets for the Western City District outlined above.

South West Growth Area (NSW DPIE)

The South West Growth Area (SWGA) is situated approximately 30km south-west of the Parramatta CBD and from the Western Sydney Aerotropolis and is one of the largest greenfield areas released by the NSW government to facilitate urban residential growth.

The SWGA is designed to provide the councils of Liverpool, Camden and Campbelltown with a planning instrument for the land release and development of the land of the south-western Sydney region. The plan is an initiative to develop Planned Growth Areas and Precincts across Sydney under the State Environment Planning Policy (Sydney Region Growth Centres) 2006. These areas provide opportunities for new jobs, community services and open spaces, and in particular for the SWGA the plan aims to provide a range of housing that suit different needs, budgets and lifestyle choices.

The SWGA is also designed to run concurrently with the planning for the greater western Sydney area with a view to better connect new suburbs with the proposed Western Sydney Airport, an extended South-West rail line and the adjacent Western Sydney Growth Area.

The SWGA totals approximately 10,200 ha in size and includes parts of Liverpool, Camden and Campbelltown LGAs. The SWGA is divided into 14 Precincts (see map below) that are progressively being released for planning and rezoned, to accommodate the ongoing population growth in Western Sydney. It is anticipated that the SWGA will provide approximately 80,000 homes for 256,000 residents upon full development.

Oran Park

The Oran Park Precinct is in the western portion of the SWGA within the suburb of Bringelly in the Camden LGA. The Precinct is generally bounded by Cobbitty Road to the south; South Creek and its tributaries and the curtilage of Oran Park House to the east; 330kV power lines, creek lines and ridgelines to the north; and the boundary to the McIntosh property to the west. The Northern Road bisects the Precinct north south.

The precinct is one of 14 precincts in the SWGA, of which 8 have been rezoned under State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Growth Centres SEPP) for urban development. Several Precincts in the SWGA have been rezoned for urban land uses and have undergone significant development in places such as Oran Park, Catherine Fields (Part), Turner Road, East Leppington, Edmondson Park, Leppington, Austral and Leppington North. Supported by investment in infrastructure including road upgrades, the South West Rail Link to Leppington Station, and utilities including water, sewer, and electricity, these areas are developing into new communities.

The Oran Park Precinct is anticipated to deliver around 7,700 new residential dwellings, 50,000 sq.m of retail in the town centre and a range of commercial spaces including a medical centre and allied health precinct. To date, there are already 3,000 dwellings the initial stages of the town centre which have been delivered. According to Camden Council's Local Strategic Planning Statement, Oran Park is identified as a maturing precinct with approximately 4,500 dwellings already delivered. Oran Park is reaching a point where development is evolving beyond land subdivision dwellings. Moving forward, the next phase of development at Oran Park will be medium to high density as well as commercial and retail.

Turner Road

The Turner Road precinct is in the eastern portion of the SWGA. The precinct is bounded by Camden Valley Way Road to the west, Turner Road to the south, and Gregory Hills Drive bisecting the precinct. The precinct was one of the first land release precincts in the SWGA, with the precinct benefiting from up to 4,020 new dwellings, a 15,000 sq.m of retail in the town centre, 77 ha of open space, 96 ha of employment land and improved connections to encourage walking and cycling.

East Leppington

The East Leppington precinct falls within the eastern portion of the SWGA and comprises of land within the Camden, Campbelltown, and Liverpool LGA. Like Turner Road precinct, East Leppington is also bounded by Camden Valley Way to the west. The precinct is within proximity to Leppington Station and the proposed Leppington Major Centre, which will provide access to jobs, shopping, entertainment, community, and government services.

East Leppington will benefit from up to 4,450 new dwellings, 2,500 sq.m of retail floor space with a local centre and village centre, 26 ha of open space and recreation areas, new primary school and community centre and improved connections to encourage walking and cycling.

Austral and Leppington North

The Austral and Leppington North precinct will accommodate up to 17,350 new dwellings, a major centre, three neighbourhood centres, 220 ha of employment land, 135 ha of open space and recreation areas, upgrades to major roads, new primary and high schools, protection of significant vegetation, and major creek corridors and improved connections to encourage walking and cycling. The precinct also accommodates a new train station – Leppington Station.

Catherine Fields

The Catherine Fields precinct will accommodate up to 3,200 new dwellings, a primary school, a neighbourhood centre and 50 ha of open space.

Edmondson Park

Edmondson Park precinct will accommodate up to 6,000 new dwellings. The precinct has an operational train line and shopping amenities with a Coles supermarket.

South Creek West

According to DPIE, South Creek West is currently under planning phase, with no specified number of dwellings. However, the Draft Camden Local Housing Strategy identifies South Creek West as a precinct that has been released with an indicative dwelling capacity of 30,000.

Lowes Creek Maryland

According to DPIE, the Lowes Creek Maryland draft precinct plan has been on exhibition for community review and feedback with Council currently reviewing these submissions. However, the Draft Camden Local Housing Strategy identifies Lowes Creek Maryland as a precinct that has been released with an indicative dwelling capacity of 7,000.

Rossmore

The Rossmore precinct has been identified as part of the SWGA that has not been released yet. Rossmore has an indicative capacity of approximately 4,500 dwellings as indicated by the Draft Camden Local Housing Strategy.

Local Strategic Planning Statement (LSPS)

The Local Strategic Planning Statement (LSPS) is a 20-year planning vision, emphasising land use, transport, and sustainability objectives to demonstrate how Camden LGA will change to meet the community's needs over the next 20 years.

The purpose of the LSPS is to:

- Provide a 20-year land use vision for Camden LGA
- Outline the characteristics which shape local identity
- Identify shared values to be enhanced and maintained
- Direct how future growth and change will be managed
- Implement the Western City District Plan where relevant to Camden
- Identify where further detailed strategic planning may be needed

The vision set out in the LSPS states that: *In 2040, Camden is renowned as a liveable, inclusive, family friendly and community-focused place. The Camden community is highly engaged, passionate and proud of their home, and are empowered to play their role in making Camden a better place to live. Camden is a place of opportunity, built on a foundation of respect for the environment, a well-managed approach to growth, social inclusion and economic innovation.*

According to the LSPS, Camden LGA is the fastest growing LGA in Australia, with the population projected to increase from 78,220 in 2016 to 233,950 in 2036. The number of dwellings is set to increase by 55,060 to reach 81,250 dwellings in 2036. Pondicherry has been identified in the LSPS as a part of the South West Growth Area that has not been released yet with planned housing capacity of approximately 2,000 dwellings.

Draft Local Housing Strategy

Camden Council's Draft Local Housing Strategy (2020) sets out the vision for housing in Camden LGA over the next 10 and 20 years. It is expected that most residential growth will occur within the South West Growth Area (SWGA) identified by the Department of Planning, Industry and Environment (DPIE). SGC Economics and Planning has prepared a Housing Market Analysis in 2019 for Camden Council that has been used to inform the Draft Local Housing Strategy (2020), which is currently on exhibition.

The housing vision states that: *In 2040, the Camden LGA is renowned as an inclusive, liveable, community-focused and environmentally resilient place. Within the LGA, people will be able to access a range of affordable high-quality homes across the housing continuum. Housing supply is sequenced to align with infrastructure and is diverse, catering for the changing needs and preferences of our community. Higher density housing is focused around*

vibrant and walkable centres, supporting a 30-minute Western Parkland City that is well serviced by sustainable transport, both within the Camden LGA and surrounding areas to include the Aerotropolis. Pedestrian and cycle networks are well established and highly connected, encouraging an active and healthy lifestyle for residents. Open space is high quality and easily accessible, with urban tree canopy contributing to natural amenity and green cover. Housing growth in the established areas is incremental, supported by infrastructure and preserves character. Camden LGA's visual, scenic and heritage values are celebrated, and the rural lands are protected from the impacts of urban development.

There are also five priorities that underpin Council's vision for housing in Camden LGA over the next 10 and 20 years:

1. Providing housing capacity and coordinating growth with infrastructure.
2. Delivering resilient, healthy, and connected communities.
3. Delivering the right housing in the right location.
4. Increasing housing choice and diversity; and
5. Addressing housing affordability.

Camden LGA is forecast to have the largest housing growth of any Metropolitan Sydney Councils with a forecast demand for an additional 49,625 dwellings with major projects such as the Western Sydney Airport, the South West Rail Link Extension, the North South Rail Line and the Outer Sydney Orbital presenting a unique opportunity for population growth and urban development.

From 2016, the population of Camden LGA is expected to increase by 155,730 people to reach 233,950 people in 2036, with those aged 70+ expected to grow the most. Almost half of Camden LGA's households are couples with children (46.2%). Approximately 80% of dwellings are owned outright or owned with a mortgage.

The most predominant dwelling preference in Camden LGA is a detached dwelling, with this trend expected to continue through to 2036. There has been a minor shift in preferences to attached dwellings and units in suburbs such as Camden and Narellan as both these suburbs have amenities in terms of access to services. Medium and higher density dwellings are more likely in suburbs where there are transport and shopping amenities.

The Strategy has identified three scenarios to account for the uncertainty in projecting preferences for population:

- Low density scenario: Housing demand is based on trends from historical census data.
- Medium density scenario: Housing demand is modified to reflect a preference for medium and higher density dwellings, at a level slightly greater than currently experiences in Camden LGA.
- Higher density scenario: Housing demand reflects significant preference for medium and higher density dwellings. The realisation of this scenario would depend upon the availability of improved transport accessibility and significant transport infrastructure investment.

For each scenario, detached housing remains the main dwelling preference. Assuming the lower density scenario, there will only be 517 apartments across the entire Camden LGA.

Community Strategic Plan (Camden Council)

In accordance with Integrated Planning and Reporting (IPR) requirements, Council's previous Community Strategic Plan (CSP), Camden 2040 was reviewed and revised following the 2016 Council elections. The review process identified that the community's needs and aspirations remained generally consistent the vision and directions of Camden 2040 (2011).

In continuation of the vision of Camden 2040, the revised CSP sets out the vision of 'sustainability' for the Camden LGA to 2040, with a focus on retaining the features that are most valued by the community now as well as responding to rapid and extensive urban development and population growth. It sets out a range of high-level directions and objectives, with broad strategies for their achievement.

The CSP also noted that the Camden LGA is one of the fastest growing areas in Australia and expects to have a population in excess of 226,000 by 2036, with a potential increase in population from culturally and linguistic diverse backgrounds. In addition, the Camden LGA is also influenced by the Federal, State and Regional plans and strategies. A combination of all these factors brings lots of opportunities and challenges for Council.

The revised CSP that by 2040, Camden will be a place that:

- Effectively manages Camden's growth, ensuring that urban development is sustainability planned for and provides a balance between population growth, development and the environmental protection, and that impacts on rural land is minimal through adequate protection
- Enhances the experiences in and connections between the natural and built environment, sustaining the health, well-being and prosperity of residents, through the preservation of heritage, conservation of native flora and fauna, waterway maintenance and improvements, and effectively managing and monitoring the environmental quality of the area.
- Provides access to effective and sustainable transport, which supports enhanced environmental systems and healthy and connected communities, providing access to employment, education and local services, as well as to the wider Macarthur and Sydney metropolitan regions.

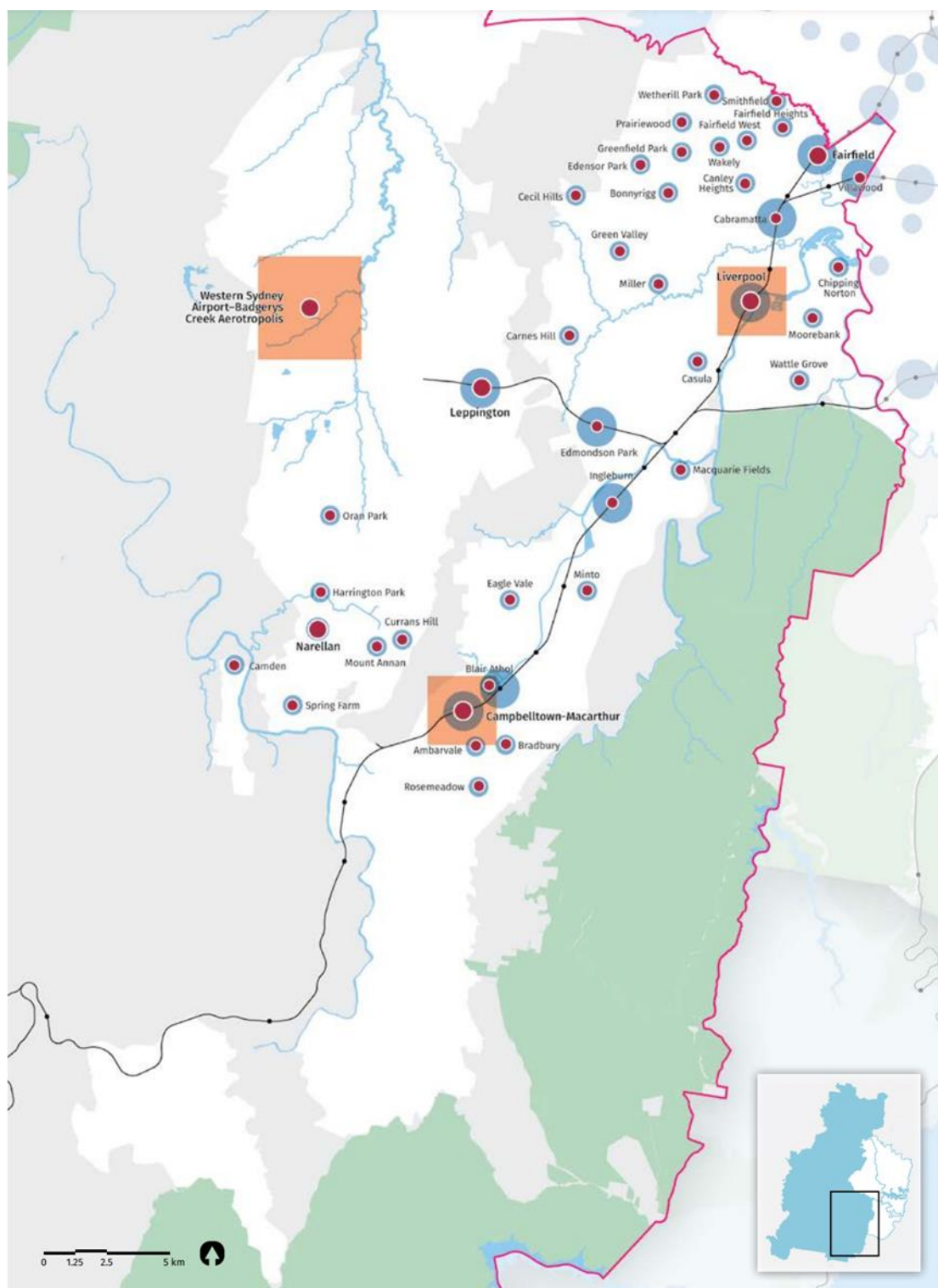
In addition to these key directions, Council also identified the following needs and challenges:

- Provision of services and facilities
- Needs of different target groups within the community
- Environmental impact due to urban growth
- Protection of rural and heritage character
- Urban development
 - Household size
 - Housing density
 - Housing diversity
 - Housing affordability

- Supporting infrastructure
- Industry and commercial development
- Jobs/local employment
- Advocacy on behalf of the community (i.e. social services, infrastructure etc.)
- Implications of Federal, State and Regional plans/strategies

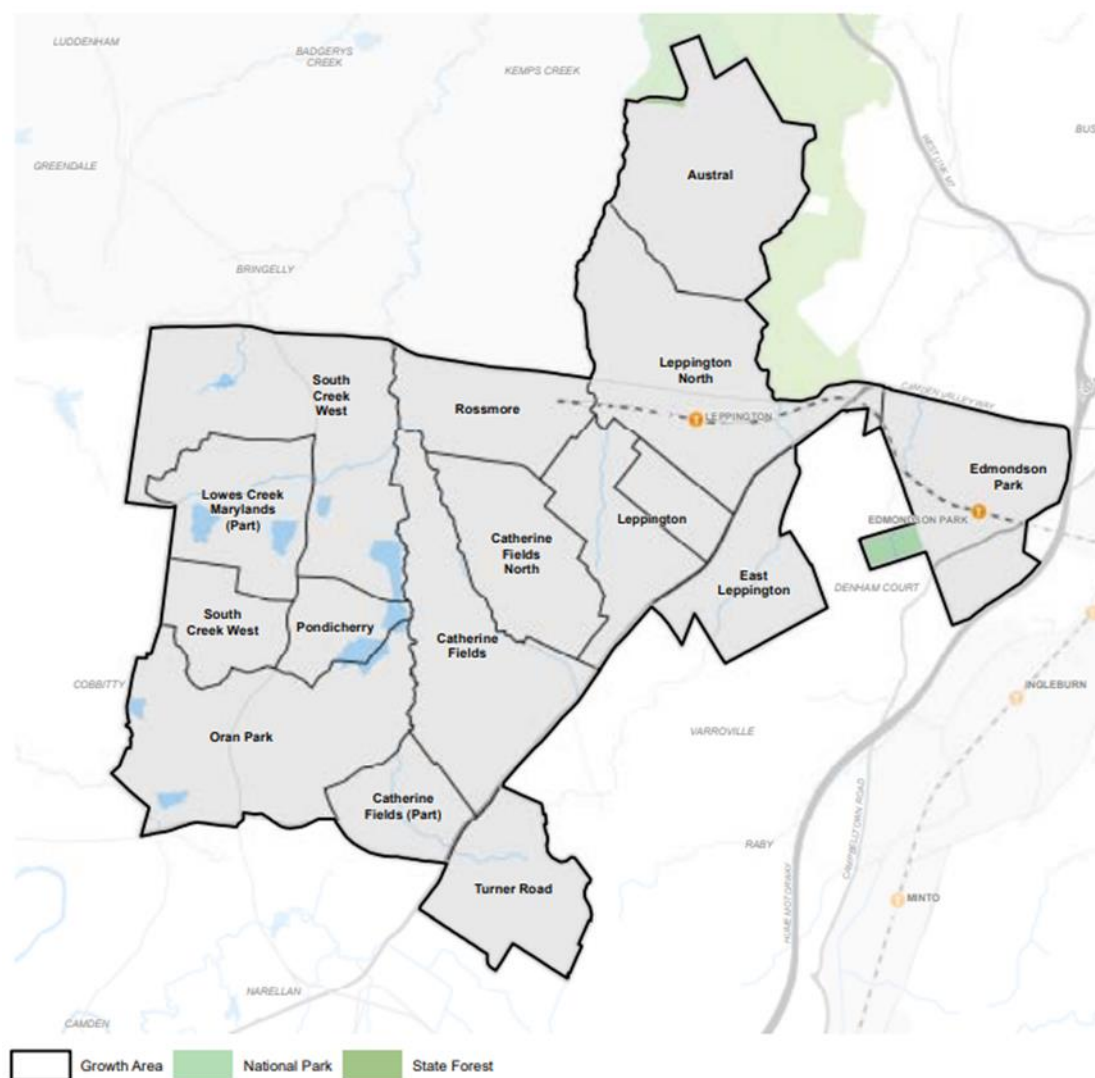
The housing assessment undertaken separately by Macroplan recommends appropriate housing formats and lot size composition for the subject precinct. The assessment takes into consideration the above list of opportunities and challenges for Council.

Figure 1.1: Western City District (south) Centres



Source: DPIE

Figure 1.2: South West Growth Area map



Transport Infrastructure Context (RMS)

Pondicherry lies within the Suburb of Oran Park in Sydney's Outer South West and within an area that makes up the South West Growth Area. The SGWA is set to be impacted by substantial economic growth and development resulting from major investment in transportation systems within the Western Sydney Aerotropolis. One of the most prominent development projects to occur within the area is that of the Western Sydney Airport which will be located in Badgery's creek, roughly 22km from Pondicherry.

The Pondicherry precinct lies adjacent to the Northern Road. The Northern Road connects Pondicherry to the Western Sydney Airport and Aerotropolis. The Northern Road itself is undergoing a major upgrade as part of the Western Sydney Infrastructure Plan, with construction commencing in 2016. A stretch of 35 kilometres of the road from the Old Northern Road, Narellan to Jamison Road, South Penrith which is to be upgraded from two to four lane undivided road to a six to eight lane divided road.

The Pondicherry subject area lies adjacent to the Northern Road within Oran Park. The Northern Road connects Pondicherry to greater Sydney and more specifically to the Western Sydney Airport via the planned M12 motorway that will connect the Airport to The Northern Road and the M7 motorway. The Northern Road thus provides a direct link between Pondicherry and a major growth corridor.

The Northern Road upgrade has been divided into 6 sections. The stage of the upgrade which has the most direct impact on the Pondicherry precinct is that of stage one, which is a 3.3 km section of the road from The Old Northern Road to Peter Brock Drive¹. According to the RMS, this section of The Old Northern Road upgrade has been completed in April 2018.

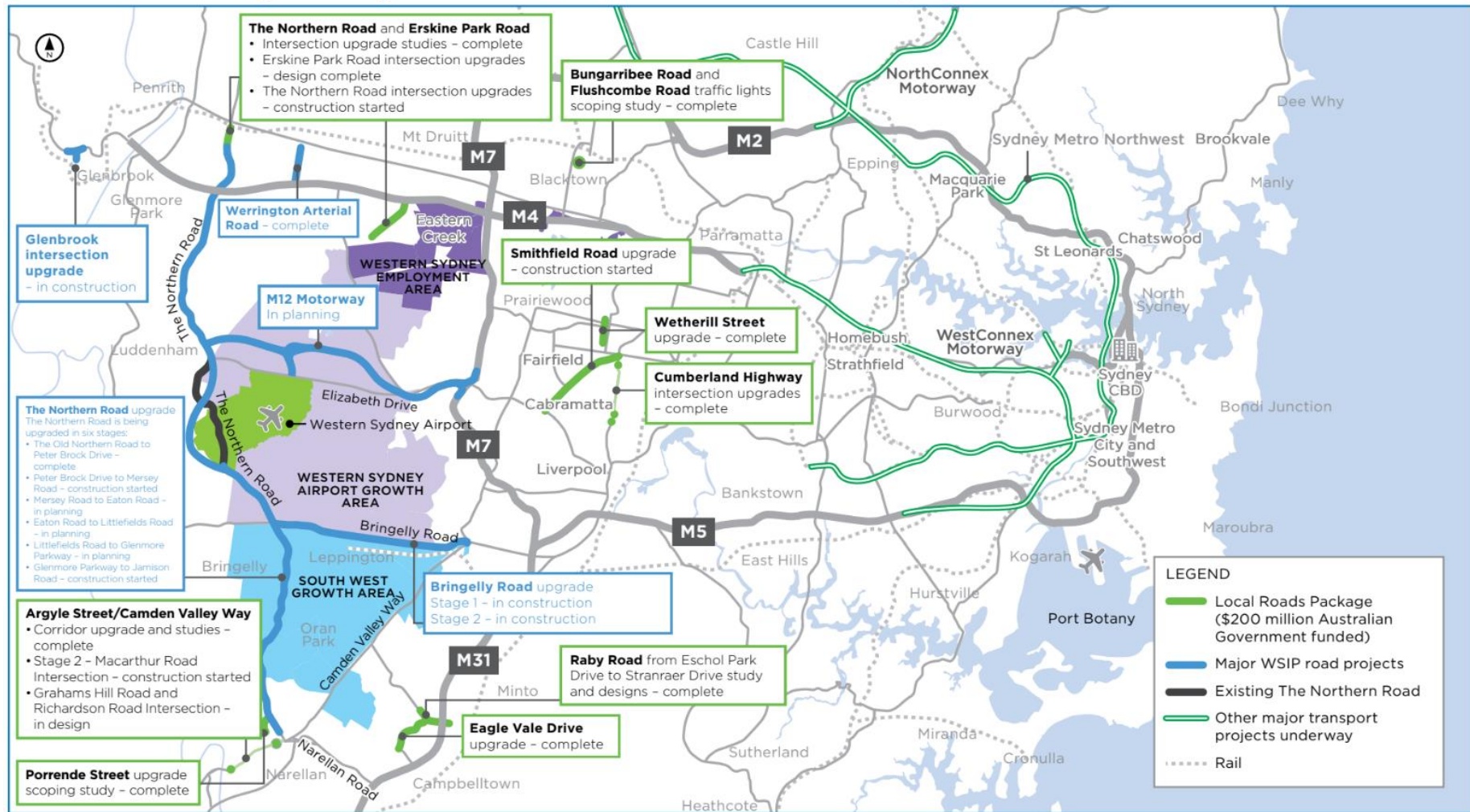
The NSW Government is investigating potential upgrades to rail networks within Western Sydney. The upgrades are intended to service growth in Western Sydney and provide transport for the Western Sydney Airport. Part of the proposed extension is to connect Leppington to the Aerotropolis via South West Rail Link Extension and a North South Rail Line extending from St Marys to Oran Park. The rail corridor has been gazetted however, the timing of the delivery of a metro or train line is not confirmed.

¹ The upgrade involved widening of the road from Old Northern Road to Peter Brock Drive to create three lanes in each direction including a kerbside bus lane. The provision of a dedicated public transport lane within a near proximity to Pondicherry will provide future residents with reliable and convenient public transport. A plausible finale destination for bus services is Campbelltown with Oran Park town centre being a possible stopping point.

Figure 1.3: Western Sydney Infrastructure Projects Map

Source: Transport Roads & Maritime Service (2019)

Western Sydney Infrastructure Plan (WSIP) – \$3.6 billion



Section 2: Trade area analysis

This section of the report examines the trade area that could potentially be served by retail/commercial facilities within the Pondicherry and Oran Park precincts; then provides estimates of current and future population levels within this trade area; analyses the socio- demographic profile of the current and future population of this trade area; and assesses the current and future retail expenditure volumes generated by the trade area population.

2.1 Trade area definition

A trade area is a geographic area within which a retail centre draws most of its business.

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

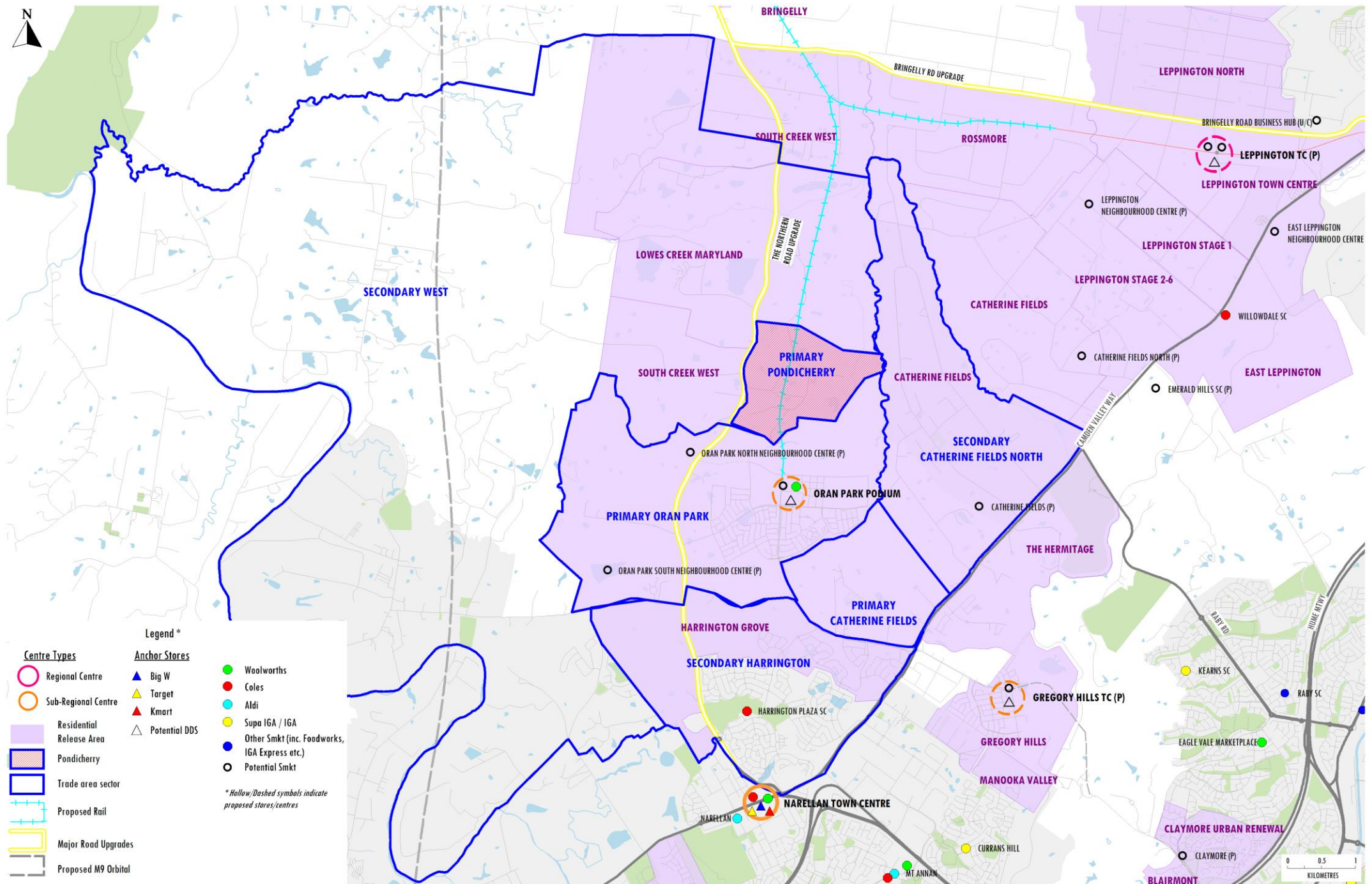
- The relative attraction of the centre/retail facility, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and car parking, including access and ease of use.
- The proximity and attractiveness of competitive retail centres/precincts. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.
- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre/retail facility.
- Significant physical barriers which are difficult to negotiate and can act as delineating boundaries to the trade area served by an individual shopping centre/retail facility.

Due to the proximity of the Pondicherry precinct to the Oran Park Town Centre – which is at the northern periphery of the Oran Park precinct, we have defined a trade area that would generally be relevant for the Oran Park Town Centre, including the Pondicherry precinct refer Map 2.1 below.

Oran Park Town Centre is the dominant higher order centre planned in the locality and we expect other retail centres to be developed in the Marylands precinct, particularly as part of this precinct goes through the PAP process. The trade area has been defined taking into consideration all of the above factors, in particular:

- i. The South West Growth Area precinct boundaries of Pondicherry, Oran Park, Catherine Fields and Catherine Fields North precincts and the Harrington residential release area.
- ii. The existing and proposed retail facilities at Oran Park.
- iii. The existing retail facilities at Harrington Park.
- iv. Other surrounding high order retail facilities; including the existing Narellan Town Centre and planned now existing (Willowdale at East Leppington) or future development of the Leppington Major Centre, the Gregory Hills Town Centre, along with other planned Centres across the broader Lowes Creek Maryland and South Creek West precinct.

By defining the trade area of the subject precinct, we are demonstrating the geographical extent of the impact of residential development. To varying degrees depending on proximity and existing facilities, all areas denoted on the trade area are expected to be favourably impacted from a retail and employment perspective.



Map 2.1: Oran Park trade area (including Pondicherry primary sector)
Trade area and competition

The Oran Park trade area includes three primary sectors and three secondary sectors, described as follows:

- The **primary Pondicherry sector** (i.e. the Pondicherry precinct) and is located immediately to the north of Oran Park. The precinct is bound by South Creek in the east, Oran Park in south and The Northern Road in the west. This sector represents a smaller, localised catchment that aligns with the Pondicherry precinct.
- The **primary Oran Park sector** encompasses the Oran Park precinct. The sector is bound by the northern border of the Oran Park precinct in the north, South Creek to the east, Dan Cleary Drive and Cobbitty Road to the south, and Cobbitty Creek in the west.
- The **primary Catherine Fields sector** encompasses the Catherine Fields (part) precinct and is bound by Kolombo Creek in the north, South Creek and Camden Valley Way in the east and Oran Park Drive in the south and west.
- The **secondary Catherine Fields North sector** incorporates the Catherin Fields precinct, which is bound by Rileys Creek in the north, Camden Valley Way in the east, the Catherine Fields precinct in the south and South Creek in the west.
- The **secondary Harrington sector** comprises the suburb of Harrington, which is bound by Oran Park Drive and Dan Cleary Drive in the north, Camden Valley Way in the east, the Narellan Town Centre in the south, Macquarie Grove Road and the extents of the Harrington Grove estate in the west.
- The **secondary west sector** includes parts of the suburbs of Maryland, Lowes Creek, Cobbitty, and parts of Greendale and Bringelly (the area is primarily based on 2016 Australian Bureau of Statistics (ABS) Statistical Area level 1 (SA1) boundaries) The sector is bound by Bringelly Road and Greendale Road in the north, South Creek in the east, Narellan Creek in the south and the Nepean River in the west. The area is geographically large (due to the ABS statistical boundary definitions) but is sparsely populated. It includes the Lowes Creek Maryland precincts and part of the South Creek West precinct.

The primary and secondary sectors in combination will be referred to as the main trade area throughout the rest of this report.

2.2 Trade area population

With reference to Macroplan's Housing Market Assessment Report (December 2020) we have assumed 2,720 dwellings for the precinct, to inform our population and retail spend numbers in this report, and an average household size of 3.3 persons.

A number of sources contribute to the development of existing and forecast population levels in trade areas, including:

- Australian Bureau of Statistics Census of Population and Housing (2011 and 2016);
- Australian Bureau of Statistics Dwelling Approvals Data (2010–19);
- Australian Bureau of Statistics Estimated Residential Population Data (ERP) (2011-19);
- NSW Bureau of Transport Statistics (BTS) population projections – small area;
- Other investigations of future residential development, undertaken by this office.

Using these sources, we have detailed the current and projected population levels within the main trade area over the period 2011 to 2036 and are detailed in Table 2.1 below.

Macroplan was commissioned by Greenfields Development Company (No 2) Pty Ltd to undertake a housing market assessment to assist with the Planning Proposal for a residential led mixed use development at Pondicherry (subject precinct) in the South West Growth Area (SWGA). The purpose of the assessment is to provide an estimate of the size of the market and demand for housing types based on consumption and demand data. Macroplan's housing assessment examines market and demographic-based housing need across the whole of the Pondicherry precinct and provides recommendations for housing delivery within the subject precinct.

Macroplan's housing analysis assumes a prospective extent of residential and non-residential land use allocations at Pondicherry and has been prepared to inform 'early thinking' about how the subject precinct may ultimately develop. It has been prepared independent of other work that will address the social, retail, and open space needs of Pondicherry's future population. Macroplan's initial population projections and estimates of housing need provided in this report may, therefore, be further refined over time to reflect other consultant findings and the precinct's design progression.

Greenfields Development Company (No 2) Pty Ltd (i.e. proponent) and DESIGN+PLANNING (i.e. town planner), in consultation with Macroplan, have developed high, middle and low growth scenarios. In our view, the number of lots under mid growth scenario is most consistent with the findings from the housing market assessment (macroplan, 2020) and the recent local housing strategy (Camden Council & SGS Economics & Planning, 2019). We have adopted the mid growth scenario and indicatively assumed 2,720 dwellings for the Pondicherry precinct. Prior to the 2019/20, Oran Park delivered an average of around 500 dwellings per annum. In a post-COVID world, therefore, Macroplan envisages that Pondicherry could absorb an average demand for 400 to 500 dwellings per annum, with assuming the first settlements in 2023.

The main trade area population was estimated at 20,270 *people as at June 2016*, with no current residents in the defined Pondicherry primary trade area, however there were approximately 4,920 residents across the three primary trade area sectors (mainly within Oran Park). Significant ongoing population growth is expected though, and indeed, over the medium and longer term, as the Pondicherry, Oran Park, Catherine Fields (part), Catherine Fields North, Lowes Creek Maryland and South West Creek precincts are built out.

Having regard to the above, the main trade area population is **estimated to more than double in size by 2026**, reaching 60,785 and grow to around 109,660 by 2036. By 2036, we assume that the Pondicherry primary sector is largely built out, with a population of around 9,155 while the total primary trade area population is estimated to exceed 62,000 persons.

This equates to growth of **6.9% per annum in the main trade area** and **7.9% per annum in the total primary sector** by 2036.

In conclusion, the Pondicherry precinct, should it be developed, will contribute significantly to the growth of its main trade area and generate considerable retail spend and employment opportunities.

Table 2.1
Oran Park trade area population, 2011-2036*

Trade area sector	Estimated population				Forecast population		
	2011	2016	2020	2021	2026	2031	2036
Primary sectors							
• Oran Park	120	3,520	15,840	17,590	25,490	32,540	43,615
• Pondicherry	0	0	0	0	5,655	8,655	9,155
• Catherine Fields	90	1,400	2,600	2,900	5,400	7,900	9,650
Primary	210	4,920	18,440	20,490	36,545	49,095	62,420
Secondary sectors							
• Catherine Fields North	1,600	1,630	2,390	2,590	4,240	7,990	11,740
• Harrington	7,880	11,030	13,030	13,230	13,730	13,980	14,230
• West	1,580	2,690	3,570	3,770	6,270	13,770	21,270
Total secondary	11,060	15,350	18,990	19,590	24,240	35,740	47,240
Main trade area	11,270	20,270	37,430	40,080	60,785	84,835	109,660

Trade area sector	Average annual growth (no.)					
	2011-16	2016-20	2020-21	2021-26	2026-31	2031-36
Primary sectors						
• Oran Park	680	3,080	1,750	1,580	1,410	2,215
• Pondicherry	0	0	0	1,131	600	100
• Catherine Fields	262	300	300	500	500	350
Primary	942	3,380	2,050	3,211	2,510	2,665
Secondary sectors						
• Catherine Fields North	6	190	200	330	750	750
• Harrington	630	500	200	100	50	50
• West	222	220	200	500	1,500	1,500
Total secondary	858	910	600	930	2,300	2,300
Main trade area	1,800	4,290	2,650	4,141	4,810	4,965

Trade area sector	Average annual growth (%)					
	2011-16	2016-20	2020-21	2021-26	2026-31	2031-36
Primary sectors						
• Oran Park	96.5%	45.6%	11.0%	7.7%	5.0%	6.0%
• Pondicherry	0.0%	0.0%	0.0%	0.0%	8.9%	1.1%
• Catherine Fields	73.1%	16.7%	11.5%	13.2%	7.9%	4.1%
Primary	87.9%	39.1%	11.1%	12.3%	6.1%	4.9%
Secondary sectors						
• Catherine Fields North	0.4%	10.0%	8.4%	10.4%	13.5%	8.0%
• Harrington	7.0%	4.3%	1.5%	0.7%	0.4%	0.4%
• West	11.2%	7.3%	5.6%	10.7%	17.0%	9.1%
Total secondary	6.8%	5.5%	3.2%	4.4%	8.1%	5.7%
Main trade area	12.5%	16.6%	7.1%	8.7%	6.9%	5.3%

*As at June

Source: ABS Census 2016; NSW Department of Planning and Environment 2019; NSW Transport Performance and Analytics population projections 2016/17

2.3 Socio-demographic profile

Table 2.2 details the socio-demographic profile of the defined main trade area population based on the ABS 2016 Census of Population and Housing, compared against the benchmarks for metropolitan Sydney (i.e. the ABS Sydney Greater Capital City Statistical Area (GCCSA)) and Australian averages. It has been assumed that future residents of Pondicherry will display similar characteristics to the current residents of the adjoining Oran Park precinct. The key highlights are as follows:

- Average per capita incomes of main trade area residents are slightly below the Sydney metropolitan average. However due to the larger than average household sizes, the average household income is 15.4% above Sydney metropolitan average.
- The average age of the main trade area population, at 33 years, is lower than the Sydney metropolitan average age (37.1 years). Residents of Oran Park are significantly younger, with an average age of 29.4, reflecting the popularity of the precinct for young families, with 27.6% of the population aged 0-14 years, compared to the Sydney metropolitan average of 18.7%.
- Home ownership of main trade area residents at 81.7% is significantly higher than the Sydney metropolitan average of 64.2%. This is typical of a population in a greenfield growth area.
- Australian born residents account for 79.5% of the main trade area population, which is significantly above the Sydney average of 60.9%.
- Traditional families (i.e. couples with dependent children) are the most prevalent household type across the main trade area, accounting for 61% of family types, well above the Sydney metropolitan average of 48.5%.

The main trade area population is characterised by young families with higher than average household incomes and sizes; as well as high home ownership levels, compared with the metropolitan Sydney average. These characteristics will have positive impacts on retail, employment and economic activities in the trade area.

Section 2: Trade area analysis

Census item	Primary sectors			Secondary sectors			Main	Syd Metro	Aust.
	Pondicherry*	Oran Park	Catherine Fields	Catherine Fields North	Harrington	West	TA	avg.	avg.
Per capita income	\$39,838	\$39,838	\$34,022	\$30,688	\$44,761	\$47,720	\$42,885	\$45,173	\$39,800
Var. from Syd Metro bmark	-11.8%	-11.8%	-24.7%	-32.1%	-0.9%	5.6%	-5.1%		
Avg. household income	\$126,506	\$126,506	\$121,738	\$103,489	\$154,700	\$147,337	\$142,742	\$123,654	\$101,610
Var. from Syd Metro bmark	2.3%	2.3%	-1.5%	-16.3%	25.1%	19.2%	15.4%		
Avg. household size	3.2	3.2	3.6	3.4	3.5	3.1	3.3	2.7	2.6
<u>Age distribution (% of population)</u>									
Aged 0-14	27.6%	27.6%	19.5%	18.8%	26.4%	21.1%	25.4%	18.7%	18.7%
Aged 15-19	4.9%	4.9%	7.0%	9.0%	8.4%	6.4%	7.3%	6.0%	6.1%
Aged 20-29	17.8%	17.8%	15.5%	16.1%	10.5%	11.4%	12.8%	15.0%	13.8%
Aged 30-39	23.1%	23.1%	10.3%	9.9%	14.0%	11.5%	15.6%	15.5%	14.0%
Aged 40-49	11.1%	11.1%	8.8%	13.7%	18.3%	15.0%	15.6%	13.7%	13.5%
Aged 50-59	6.5%	6.5%	14.9%	13.9%	11.4%	13.4%	10.7%	12.2%	12.7%
Aged 60+	8.9%	8.9%	24.0%	18.6%	11.0%	21.1%	12.5%	18.9%	21.1%
Average age	29.4	29.4	38.6	37.0	32.6	38.2	33.0	37.5	38.6
<u>Housing status (% of households)</u>									
Owner (total)	66.2%	66.2%	91.4%	86.2%	87.2%	86.1%	81.7%	64.2%	67.4%
• Owner (outright)	9.0%	9.0%	60.0%	49.2%	23.4%	39.1%	24.2%	30.0%	31.9%
• Owner (with mortgage)	57.2%	57.2%	31.4%	37.0%	63.8%	47.1%	57.5%	34.2%	35.5%
Renter	32.3%	32.3%	8.6%	12.8%	12.8%	10.9%	17.4%	35.1%	31.8%
<u>Birthplace (% of population)</u>									
Australian born	74.7%	74.7%	72.9%	81.5%	80.4%	84.2%	79.5%	60.9%	71.9%
Overseas born	25.3%	25.3%	27.1%	18.5%	19.6%	15.8%	20.5%	39.1%	28.1%
• Asia	7.5%	7.5%	6.1%	3.1%	5.0%	0.9%	5.0%	19.1%	11.2%
• Europe	7.4%	7.4%	15.4%	11.4%	8.6%	10.8%	8.9%	9.6%	9.6%
• Other	10.4%	10.4%	5.7%	4.0%	5.9%	4.1%	6.7%	10.4%	7.4%
<u>Family type (% of population)</u>									
Couple with dep't child.	61.6%	61.6%	48.3%	53.6%	64.0%	53.2%	61.0%	48.5%	44.8%
Couple with non-dep't child.	6.4%	6.4%	21.0%	19.6%	10.5%	10.2%	10.1%	9.1%	7.7%
Couple without child.	17.9%	17.9%	21.3%	14.3%	14.4%	23.5%	16.7%	20.1%	22.8%
One parent with dep't child.	7.5%	7.5%	5.6%	2.5%	6.4%	5.7%	6.3%	7.9%	8.8%
One parent w non-dep't child.	2.0%	2.0%	2.1%	4.4%	2.1%	2.6%	2.3%	4.1%	3.7%
Lone person	3.7%	3.7%	1.7%	4.7%	2.3%	4.4%	3.1%	9.2%	11.0%
<u>Car ownership</u>									
% 0 Cars	1.0%	1.0%	0.0%	0.9%	0.8%	1.3%	0.9%	11.4%	7.7%
% 1 Car	22.2%	22.2%	3.9%	12.9%	15.5%	20.4%	17.6%	38.5%	36.1%
% 2 Cars	51.8%	51.8%	31.6%	32.5%	49.7%	42.0%	47.7%	34.0%	37.5%
% 3 Cars	17.8%	17.8%	21.1%	22.1%	20.7%	19.2%	19.9%	10.5%	12.2%
% 4 plus Cars	7.3%	7.3%	43.4%	31.5%	13.3%	17.2%	13.9%	5.7%	6.5%
* Future Pondicherry residents have been assumed to have a future socio-demographic profile similar to Oran Park									
Source: ABS Census of Population & Housing, 2016; Macroplan									

2.4 Retail expenditure

Macroplan estimates retail expenditure capacity generated by the main trade area residents based on information sourced from Market Data Systems (MDS), which utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. We consider MarketInfo data to be an accurate measure of available retail expenditure and it is widely relied on in the retail industry.

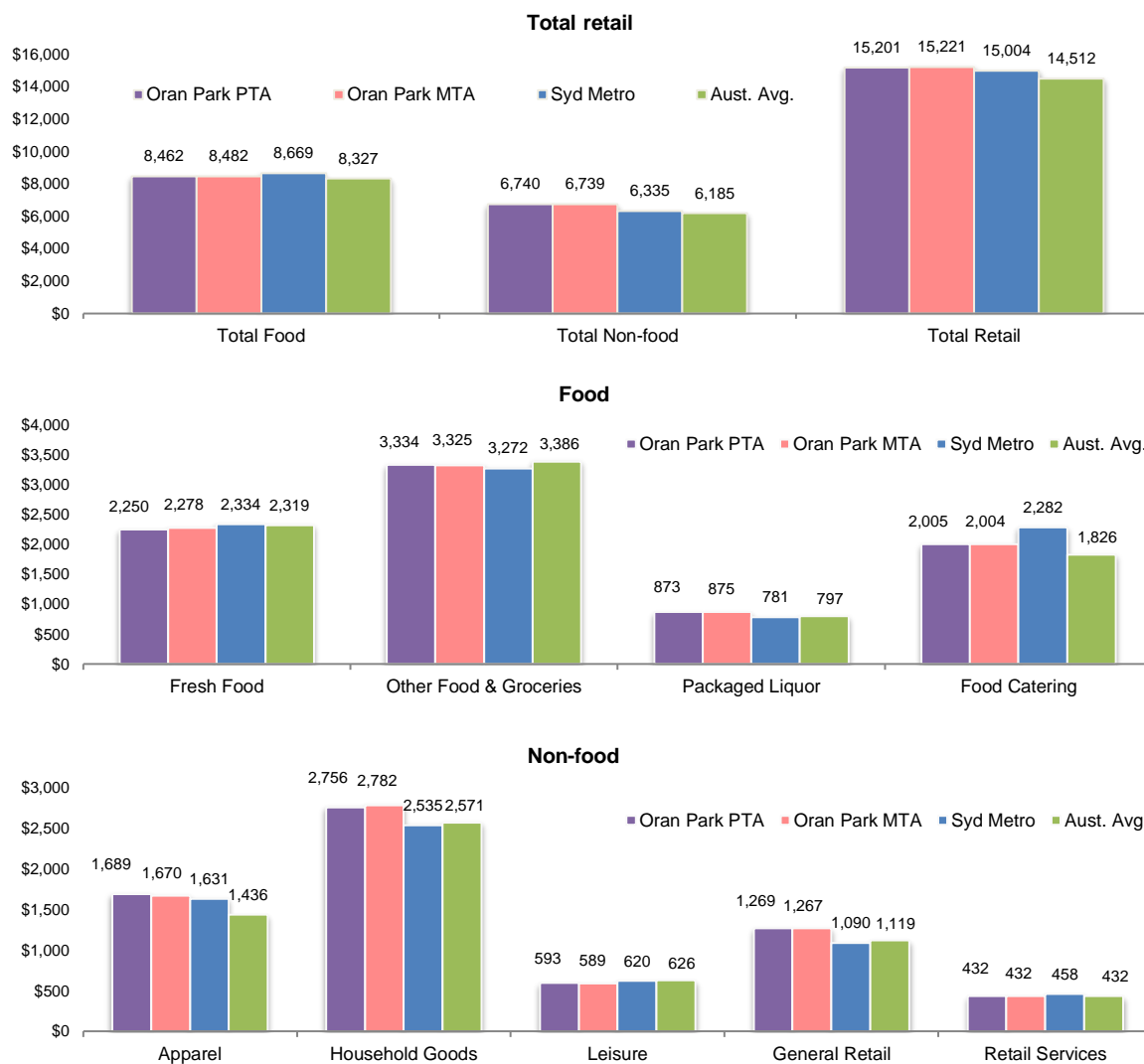
Total retail expenditure is detailed in a number of categories, as follows:

- *Fresh Food and other food & groceries* – goods typically sold in supermarkets and specialty fresh food stores.
- *Packaged liquor* – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets.
- *Food catering* – cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- *Apparel* – clothing, footwear, fashion and accessories.
- *Household Goods* – giftware, electrical, computers, furniture, homewares, and hardware goods.
- *Leisure* – sporting goods, music, DVDs, games, books, newsagents and film processing/photography.
- *General Retail* – pharmaceutical goods, cosmetics, toys, florists, mobile phones.
- *Retail Services* – retail services such as key cutting, shoe repairs, hair and beauty.

Chart 2.1 shows the estimated retail expenditure capacity per person for residents of the main trade area population for the year 2019/20, including the spending characteristics of the combined primary sectors, and compares these estimates with the average for metropolitan Sydney (i.e. the ABS Sydney GCCSA) and Australia. Expenditure estimates are presented inclusive of GST. The following points are noted:

- Estimated retail expenditure per capita is slightly above (around 1.4%) the metropolitan Sydney average. However, due to the high average household size of the main trade area population relative to Sydney, estimated retail expenditure per household is actually around 23 – 24% above average.
- Estimated spend per capita on other groceries is slightly above average, with expenditure per capita on food catering lower than the Sydney average.
- Estimated spend per capita on discretionary retail categories is higher than the Sydney average. This is driven by the particularly high per capita expenditure on household goods and general retail, which is consistent with the significant new dwelling construction in the area (i.e. new population furnishing houses with new household goods).

Chart 2.1
Oran Park main trade area - retail expenditure per person, 2019/20*



*Including GST
Source: MarketInfo; Macroplan

2.5 Current and future retail spending

Using all the aforementioned sources of population and spend data, we are able to estimate total retail expenditure generated by the main trade area for the period 2018 to 2036. Refer Table 2.3 for detail. Retail expenditure forecasts are presented inclusive of GST and in constant 2017/18 dollars.

Table 2.3 presents estimates of total retail expenditure generated by the main trade area population, by trade area sector, over the period from 2020 to 2036.

The retail expenditure market for the Pondicherry primary sector is expected to grow to \$196 million by 2036, whilst the main trade area retail expenditure is expected to increase from \$537 million in 2020 to \$2.29 billion by 2036 at an average annual growth rate of 9.5%. The average annual growth rate comprises the following two components, as follows:

- Residential population growth, which is expected to average 7.2% per annum; and
- Real growth in per capita retail expenditure, which is expected to average 0.7% per annum over the forecast period.

Tables 2.4 and 2.5 present the estimate of retail spending capacity of the Pondicherry primary sector and Oran Park main trade area population respectively by retail category, for the period 2020 to 2036.

Food, liquor and grocery (FLG expenditure), which is of most relevance for supermarkets, accounts for around 43% of the total retail expenditure and is expected to increase from \$229 million to \$1 billion over the forecast period.

Our findings conclude that the main trade area will enjoy exceptional annual growth of an estimated 9.5% per annum out to 2036, demonstrating the excellent opportunities for retail spend and employment stimulus from any residential development in this precinct.

Table 2.3 Oran Park main trade area - retail expenditure (\$M), 2020-2036*								
Year ending June	Primary sectors			Primary sectors	Secondary sectors			Main TA
	Oran Park	Pondicherry	Catherine Fields		Catherine Fields North	Harrington	West	
2020	217	0	37	255	30	198	55	537
2021	260	0	43	302	33	208	59	603
2022	292	9	50	351	38	215	67	669
2023	324	28	59	411	43	221	76	751
2024	357	47	69	473	49	227	87	836
2025	392	67	79	538	54	234	97	924
2026	428	88	89	605	61	241	109	1,015
2027	464	105	100	669	70	248	129	1,116
2028	499	119	111	729	83	254	161	1,227
2029	536	132	123	792	97	261	193	1,342
2030	575	147	135	857	111	267	227	1,462
2031	615	161	148	924	126	274	262	1,586
2032	664	172	159	995	142	281	299	1,717
2033	723	178	170	1,071	158	288	337	1,854
2034	785	184	181	1,149	175	296	377	1,997
2035	849	190	192	1,231	192	303	418	2,145
2036	915	196	204	1,316	210	311	461	2,298
<u>Average annual growth (\$M)</u>								
2020-2036	43.6	12.3	10.4	66.3	11.3	7.1	25.4	110.1
<u>Average annual growth (%)</u>								
2020-2036	9.4%	n.a.	11.2%	10.8%	13.0%	2.9%	14.2%	9.5%
*Inflated dollars & including GST Source: MarketInfo; Macroplan								

Table 2.4
Oran Park main trade area - retail expenditure by category (\$M), 2020-2036*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2020	229	71	59	98	21	45	15	537
2021	257	80	66	110	23	50	17	603
2022	286	89	73	122	26	55	19	669
2023	321	100	81	136	29	62	21	751
2024	358	112	90	151	32	69	24	836
2025	396	124	99	167	35	76	26	924
2026	436	137	109	183	39	83	29	1,015
2027	480	152	119	201	42	91	32	1,116
2028	529	168	130	220	46	100	35	1,227
2029	579	184	142	240	51	108	38	1,342
2030	632	202	154	261	55	118	41	1,462
2031	687	220	166	282	60	127	45	1,586
2032	745	239	179	305	64	137	49	1,717
2033	805	259	192	329	69	148	52	1,854
2034	869	280	206	353	74	158	56	1,997
2035	934	302	220	379	79	170	61	2,145
2036	1,002	325	235	405	85	181	65	2,298
<u>Average annual growth (\$M)</u>								
2020-2036	48.4	15.9	11.0	19.2	4.0	8.5	3.1	110.1
<u>Average annual growth (%)</u>								
2020-2036	9.7%	10.0%	9.0%	9.3%	9.2%	9.1%	9.5%	9.5%

*Inflated dollars & including GST
Source: MarketInfo; Macroplan

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

Section 3: Competition

This section of the report reviews the competitive context within which retail and employment generating uses in the Pondicherry precinct would operate, including all proposed/planned competitive developments. This section also provides an overview of other major employment nodes and LFR precincts in the surrounding area.

3.1 Existing retail competition

The traditional retail facilities/precincts of relevance to Pondicherry are summarized in Table 3.1, while the previous Map 2.1 illustrates their locations. Within the defined main trade area there are only 2 existing retail facilities of note:

1. **Oran Park Podium** - which is the name of the shopping centre forming part of Stage 1 - is located a short distance south of the Pondicherry precinct in the Oran Park primary sector. Stage 1 of the town centre comprises around 14,000 – 15,000 sq.m of floorspace, including around 10,000 sq.m of retail GLA anchored by Sydney's largest Woolworths supermarket, supported by The Reject Shop mini-major tenancy as well as 25 - 30 specialty shops/businesses, a medical centre, offices, real estate agents and an Anytime Fitness gym.
2. **Harrington Plaza** is located in the secondary Harrington sector, is an established neighbourhood convenience centre of around 5,000 sq.m (approx. 4,500 sq.m retail), which includes a 2,200 sq.m Coles supermarket and around 24 specialty retail and non-retail tenancies. The centre is also adjacent to a community centre and childcare centre, as well as the Harrington Park public school.

Beyond the main trade area, there are a number of additional traditional retail facilities including:

1. **Narellan Town Centre** is positioned in the heart of the Narellan Central Business Area (CBA) on the intersection of Camden Valley Way and The Northern Road. The sub-regional shopping centre was previously anchored by a Big W discount department store (DDS) and Woolworths and Coles supermarkets, but has recently undergone a major expansion. The new western mall is now open, which includes a new Kmart DDS, a larger Coles supermarket, new specialty retail and a new dining precinct. The centre now totals 68,500 sq.m and houses in excess of 240 specialty retailers.
2. **Mount Annan Town Centre**, south of the main trade area, contains three separate retail facilities to the south of the main trade area. The largest centre within the precinct is **Mount Annan Marketplace** is an 8,400 sq.m neighbourhood centre, anchored by a 3,600 sq.m Woolworths supermarket, and contains around 30-35 specialty tenancies. The second centre within the precinct is **Mount Annan Central**, a 4,700 sq.m supermarket-based centre anchored by a 3,250 sq.m Coles supermarket, supported by 16 specialty tenancies. Additionally there is a freestanding **Aldi** supermarket and street-based retail located between the two larger centres.
3. **Spring Farm shopping centre** comprises a 5,000 sq.m neighbourhood centre located to the south-west of the Pondicherry area. The centre is anchored by a 3,800 sq.m Woolworths supermarkets and is supported by 8 specialty tenancies. The centre opened relatively recently, in mid-2016.

4. **Willowdale shopping centre**, which forms part of the Stockland Willowdale residential estate located to the north east Pondicherry, opened in late 2017 and consists of 5,400 sq.m of retail/commercial floorspace, including a 3,800 sq.m Coles supermarket.
5. The **Camden Town centre** includes around 15,000 sq.m of strip/street-based retail facilities, with major tenants including Coles and Woolworths supermarkets.
6. There is also a small 1,000 sq.m convenience-based centre anchored by an IGA supermarket located at **Currans Hills**.

In summary, only approximately 15,000 sq.m of retail floorspace currently exists within the defined Trade Area, with the expanded Narellan Town Centre sitting just beyond the Trade Area. Oran Park Podium will expand significantly in the coming years.

Table 3.1			
Oran Park (inc. Pondicherry) - schedule of major retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Pondicherry (km)
Within trade area			
<u>Oran Park</u>			3.0
• Oran Park Podium SC	10,000	Woolworths	
• Oran Park Podium SC (p)	40,000*	DDS (p), supermarket (p)	
• Oran Park Other 1 (p)	5,000*	Supermarket (p) - 1,500 sq.m	
• Oran Park Other 2 (p)	5,000*	Supermarket (p) - 1,500 sq.m	
Catherine Fields (p)	1,000*	n.a.	5.0
Harrington Plaza SC	5,000	Coles	6.0
Beyond trade area			
Gregory Hills Town Centre (p)	15,000	DDS (p), supermarket (p)	7.0
<u>Narellan</u>			8.0
• Narellan Town Centre	68,500	Big W, Kmart, Target, Coles, Woolworths	
• Aldi	2,100	Aldi	
<u>Mt Annan</u>	<u>15,600</u>		10.0
• Mt Annan Marketplace	8,400	Woolworths	
• Mt Annan Central	4,700	Coles	
• Other	2,500	Aldi	
Currans Hill SC	1,000	IGA	10.0
Emerald Hills SC (p)	8,400	2 x Supermarket (p)	10.0
Bringelly Road Business Hub (p)	3,000	n.a.	12.0
Spring Farm SC	5,000	Woolworths	12.0
Camden	15,000	Target, Woolworths, Coles	12.0
<u>Leppington</u>	<u>116,500</u>		14.0
• Town Centre (p)	100,000*	Department Store (p), DDS (p), Supermarket/s (p)	
• Local Centre (p)	16,500*	Supermarket (p)	
Willowdale Shopping Centre	5,400	Coles	13.0
East Leppington (p)	2,500	Supermarket (p)	14.0
Source: Property Council of Australia; MacroPlan			

3.2 Proposed retail competition

In addition to the existing retail centres network across the region, there are a number of proposed centres currently undergoing expansion across the region. We have sourced this data principally from the findings of retail studies undertaken in the area over recent years. We also note that Pondicherry will ultimately be positioned between two retail centres, Greenway to the north and Oran Park to the south. The proposed centres are summarised as follows:

- The **Oran Park Town Centre** is earmarked to support up to 50,000 sq.m of retail and commercial floorspace upon completion, potentially including additional major retail tenants like supermarkets and DDS, more mini-major and specialty floorspace; as well as solid provisions of commercial, community/civic and medical uses.
- There are also two neighbourhood centres indicated in the Oran Park precinct that allows for two neighbourhood centres of up to 5,000 sq.m of retail floorspace (including a supermarket of around 1,500 sq.m) each, to be located to the north and south along The Northern Road.
- **Catherine Fields** located to the south of Oran Park and Pondicherry is earmarked to support a small neighbourhood centre of up to 1,000 sq.m of retail floorspace. We expect the centre to be developed as this estate evolves over the medium to long term.
- **Gregory Hills Town Centre** located to the south-east of Pondicherry is a planned sub- regional centre that is earmarked to accommodate up to 15,000 sq.m of retail floorspace, potentially including supermarket and DDS facilities. We expected the development of this centre to occur over the medium to longer term.
- A small neighbourhood centre is earmarked at **Catherine Fields North** in the SWGC structure plan, although this centre is expected to be developed over the much longer term, given other nearby planned centres are expected to be developed in the short- medium term.
- The **Leppington Major Centre (District Centre)** which will evolve around the established Leppington railway station, is earmarked to accommodate in excess of 100,000 sq.m of retail and commercial floorspace, including supermarkets, major non-food anchors, as well as commercial, community and medical uses. The delivery of retail facilities in this centre expected to be staged in accordance with market demand over the long term, noting that the Edmondson Park Town Centre is due to be developed over the short-medium term. There is an additional neighbourhood/local centre planned at **Leppington** to the west of the major centre core precinct, on the intersection of Heath Road and Eastwood Road.
- A second neighbourhood/local centre is also planned for **East Leppington**, along Camden Valley Way, just north of the Willowdale Shopping centre. The precinct plan allows for a maximum of 2,500 sq.m retail floorspace, anchored by a supermarket.

In total, there could therefore be approximately 175,000 sq.m of additional retail and commercial space delivered across the SWGA region in over the next 15 years or so. To put this in context, this is the equivalent to the size of two Penrith Westfield centres.

3.3 Employment nodes & bulky goods/Large Format Retail (LFR) precincts

As well as identifying and detailing existing and proposed traditional retail competition, it is important to identify nearby industrial and employment precincts across the trade area, along with LFR precincts. This provides context for assessing the worth of such land usages within the subject area.

These are generally highlighted in Map 3.1 (page 34), with some of the nearby relevant ones summarised below, noting that we have already discussed most of the retail centres in Sub- sections 3.1 and 3.2.

There is a major employment and LFR precinct at **Gregory Hills** situated at the intersection of Camden Valley Way, Oran Park Drive and Gregory Hills Drive. The precinct contains around 75ha of business and industrial zoned land and is expected to accommodate between 70,000 – 100,000 sq.m of LFR, industrial and employment floorspace.

There are two major sub-precincts, divided Gregory Hills Drive – the Gregory Hills Corporate Park (GHCP) and the Central Hills Business Park (CHBP). These precincts are gradually being developed with the GHCP now containing Supercheap Auto; Officeworks; Petstock; Autobarn; a Jetts Fitness; a Caltex service station; and is planned to accommodate a major private hospital and health hub. The CHBP used to be anchored by Masters (fronting Camden Valley Way) which closed last year and will be retrofitted, but also includes Toyota and Lexus dealerships; several fast food restaurants; the Gregory Hills Hotel; Total Tools, GMK Logistics; Goodyear; Ausreo; Camden Hire; a 7-11 service station; and a range of other tenants. This precinct is expected to evolve as the population critical mass across the SWPGA increases and indeed, as Gregory Hills Drive is extended and connects through to Badgally Road.

Smeaton Grange is an established industrial precinct south of Turner Road with a range of industrial uses including warehouse and distribution centres, storage centres, LFR retail, wholesalers, small manufacturing and industrial repair businesses as well as a school and two swim centres. This precinct contained an estimated 5,500 workers as at 2016 (NSW BTS) and still has considerable capacity for additional growth, with the NSW BTS projecting a further 1,800 – 1,900 jobs by 2036.

There is a small precinct of industrial land around **Narellan Town Centre**, including a Bunnings Warehouse.

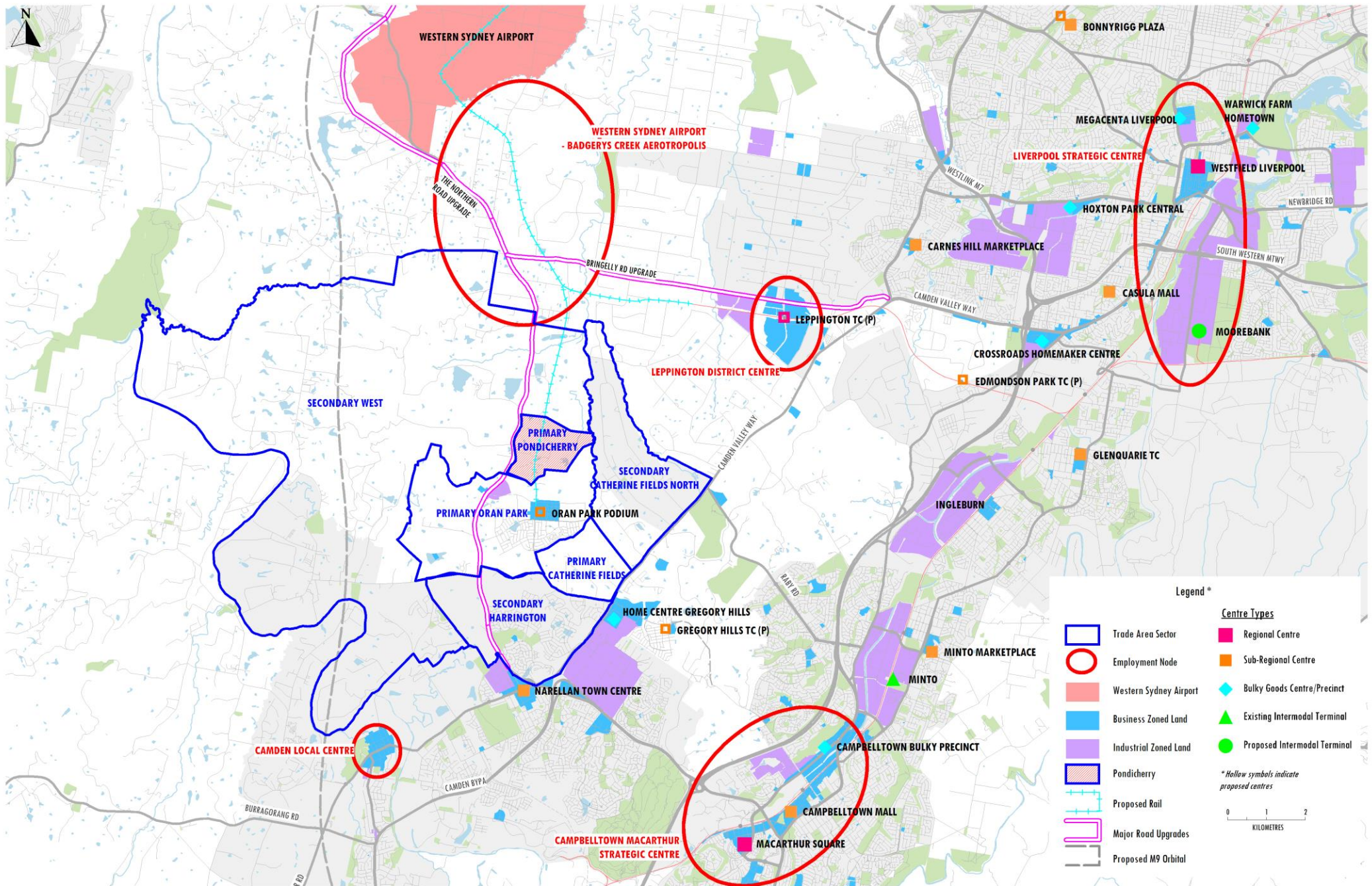
Campbelltown-Macarthur Regional City is the dominant retail, commercial, health and civic centre in outer south-western Sydney south of Liverpool Regional City. The centre contains approximately 175,000 sq.m of traditional retail floorspace, in excess of 100,000 sq.m of commercial/business floorspace, as well as other uses. The City employs approximately 20,000 workers. This City will continue to be the primary commercial centre in outer south-western Sydney even as the SWPGA and other identified PGAs develop (i.e. Greater Macarthur, Wilton etc). Indeed, the future populations that will establish in these PGAs will help support the evolution/growth of the Campbelltown-Macarthur Regional City continue to rely on services in and may undertake employment in the centre as well.

Within this Regional City, the following precincts feature heavily in the retail and commercial landscape:

- Within the Macarthur part of the City is the recently expanded Macarthur Square SC, Marketfair SC, a Bunnings Warehouse, the Campbelltown Hospital and the Western Sydney University (WSU) Campbelltown campus.

- Within the Campbelltown part of the centre is the majority of the commercial floorspace, as well as the Rydges Hotel, the Campbelltown Catholic Club, the Campbelltown Arts Centre, Campbelltown Mall, the retail/commercial street along Queen Street and the Campbelltown Court House.
- Between Campbelltown and Macarthur is the Campbelltown LFR precinct oriented around Blaxland Road which contains more than 3,400 workers and includes major retailers such as Harvey Norman, the Good Guys, BCF, Fantastic Furniture as well as car dealerships and some industry uses.
- To the north of the **Campbelltown-Macarthur Regional City** are two other major industrial precincts in the outer-south region, at **Ingleburn** and **Minto** which both support more than 5,000 workers.

There are many established employment nodes the SWGA that are very accessible to future residents of Pondicherry, already creating excellent employment opportunities for the local population.



Map 3.1: Oran Park TC trade area (including Pondicherry primary sector)
Major Employment Nodes

Section 4: Retail demand and impacts

This section of the report assesses the demand for retail floorspace generated by residents across the trade area, then considers the appropriate scale, composition and timing of potential retail facilities within both the Oran Park and Pondicherry precincts. This section then examines the potential impacts across the surrounding network of retail centres/precincts.

4.1 Retail floorspace demand

Approach and methodology

In order to determine the level of retail floorspace demand generated by a resident main trade area and in particular the new population within the Pondicherry precinct, we have adopted a standard and accepted methodology of detailing floorspace provision per capita, which also allows broad estimates for particular retail formats (DDS, supermarket, LFR, and other traditional retail) to be easily calculated and interpreted.

Table 4.1 presents an analysis of retail floorspace demand generated by the Oran Park resident main trade area population, by retail type, over the period 2018 to 2036, with a focus on the demand generated by the Pondicherry primary sector. We have assessed this by estimating the current and future population across the main trade area to 2036, including a breakup across the Pondicherry primary sector and the respective population analysis in Section 2 of the report. We have identified the respective retail floorspace (Gross Floor Area - GFA) provision rates for the various retail types (DDS, supermarket, other traditional retail and LFR), across Australia.

The retail provision per capita rates noted below are multiplied by the trade area population to estimate current and future retail floorspace demand, for each broad retail use (i.e. DDS, supermarkets, traditional retail and bulky goods/LFR).

Retail provisions per capita

- There is an estimated **2.2 sq.m per capita of retail floorspace across Australia** including LFR, strip retail, shopping centres, supermarkets and stand-alone facilities. Note, there is around 0.6 sq.m of LFR floorspace, which means around 1.6 sq.m is attributable to other 'traditional retail' (i.e. enclosed shopping centres, strip retail precincts, standalone supermarket facilities etc.).
- There is approximately **0.35 sq.m of supermarket floorspace per capita across Australia**, a figure which is heavily impacted by the significant under-provision within metropolitan Sydney, which accounts for more than 20% of Australia's population. In outer suburban locations of metropolitan cities (including metropolitan Sydney) and in regional areas where land is generally more abundant the average per capita supermarket provision rate tends to be closer to 0.4 sq.m per capita. A rate of 0.4 sq.m per capita is equivalent to assessing the size of the available F&G expenditure market; applying a rate of 75% for the proportion of F&G expenditure directed towards supermarkets; allowing for 6% of sales to be comprised of general merchandise expenditure; and then dividing by an average sales productivity level of \$10,000 per sq.m (estimated average trading level for all mature supermarkets nationally).

- There is approximately one DDS (of around 6,500 – 7,000 sq.m) per 40,000 people across Australia, which is equivalent to around **0.16 – 0.18 sq.m per capita**.

While these per capita provision rates have been increasing historically over time, we have kept these constant to present a conservative position in relation to retail floorspace demand, but arguably these provision rates could increase by around 0.25 – 0.5% per annum, because they have historically grown at this rate.

There is no population within the Pondicherry primary sector at present. Over the next 20 years or so we estimate demand to increase as follows:

- **The Pondicherry primary sector:** retail demand is expected to increase to around 12,441sq.m by 2026 and around 20,141 sq.m by 2036.
- **The combined primary sector:** retail demand is expected to increase to around 80,399 sq.m by 2026 and around 137,324 sq.m by 2036.
- **The main trade area:** retail demand is expected to increase to around 133,727 sq.m by 2026 and around 241,252 sq.m by 2036.

We note this demand reflects that demand generated by residents within the main trade area only. While not all of this demand will be retained within the main trade area, there will also be inflows of demand from workers accessing jobs within the precinct and from residents/passing trade from beyond the trade area. Of particular note, the Oran Park Town Centre is a planned higher order centre in the region and is expected to be serviced by future rail infrastructure.

Similarly, a proportion of this demand will be directed towards centres located outside of the main trade area, particularly higher order sub-regional and regional centres in Narellan, Liverpool and Campbelltown, as well as the future Leppington District Centre and LFR precincts such as Gregory Hills.

Because Pondicherry forms part of a larger precinct, is so close to Oran Park Town Centre and is relatively small compared with some of the larger precincts in the SWGA, we expect its role will primarily be to accommodate new residential dwellings. Some limited convenience retail facilities and community/social infrastructure is likely to accompany the residential.

In summary, the population growth projected for the area will result in a substantial increase in the demand for retail floorspace by trade area residents.

Table 4.1					
Oran Park Town Centre - <u>residential trade area</u> retail floorspace demand (2018 - 2036)					
Indicator/Category	2018	2021	2026	2031	2036
<u>Population</u>					
Pondicherry Primary	0	0	5,655	8,655	9,155
Total Primary	12,370	20,490	36,545	49,095	62,420
Main trade area	29,940	40,080	60,785	84,835	109,660
<u>Est. retail demand per person</u>					
DDS	0.15	0.15	0.15	0.15	0.15
Supermarket	0.40	0.40	0.40	0.40	0.40
Other traditional retail	<u>1.05</u>	<u>1.05</u>	<u>1.05</u>	<u>1.05</u>	<u>1.05</u>
Total traditional retail	1.60	1.60	1.60	1.60	1.60
Large format retail	<u>0.60</u>	<u>0.60</u>	<u>0.60</u>	<u>0.60</u>	<u>0.60</u>
Total	2.20	2.20	2.20	2.20	2.20
<u>Est. DDS demand (sq.m)</u>					
Pondicherry Primary	0	0	848	1,298	1,373
Total Primary	1,856	3,074	5,482	7,364	9,363
Main Trade Area	4,491	6,012	9,118	12,725	16,449
<u>Est. Supermarket demand (sq.m)</u>					
Pondicherry Primary	0	0	2,262	3,462	3,662
Total Primary	4,948	8,196	14,618	19,638	24,968
Main Trade Area	11,976	16,032	24,314	33,934	43,864
<u>Est. Total traditional retail demand (sq.m)</u>					
Pondicherry Primary	0	0	9,048	13,848	14,648
Total Primary	19,792	32,784	58,472	78,552	99,872
Main Trade Area	47,904	64,128	97,256	135,736	175,456
<u>Est. large format retail demand (sq.m)</u>					
Pondicherry Primary	0	0	3,393	5,193	5,493
Total Primary	7,422	12,294	21,927	29,457	37,452
Main Trade Area	17,964	24,048	36,471	50,901	65,796
<u>Est. Total retail demand (sq.m)</u>					
Pondicherry Primary	0	0	12,441	19,041	20,141
Total Primary	27,214	45,078	80,399	108,009	137,324
Main Trade Area	65,868	88,176	133,727	186,637	241,252
Source: Macropplan					

4.2 Retail floorspace supportable within Pondicherry

The amount of floorspace which can be supported within the Pondicherry precinct, and which will be appropriate to meet the needs of this new population, is strongly influenced by the location, current size, and expected future size of the Oran Park Town Centre, together with the location of other planned centres (such as Greenway next door) across the SWGA.

Reflecting the location of the Pondicherry precinct compared with surrounding competition, particularly Oran Park Town Centre, it is expected that the majority of the retail expenditure of residents of the Pondicherry sector will be directed to shopping centre located beyond Pondicherry. It is anticipated that a future retail centre at Pondicherry will serve the convenience retail needs of local residents, with facilities at Oran Park Town Centre primarily providing for their weekly shopping needs. Therefore, the following market shares have been adopted to estimate the potential supportable retail floorspace within the Pondicherry precinct:

- Discount department store 0%;
- Supermarket 15%; and
- Other traditional retail 12.5%.

Table 4.2 provides a summary of the potential supportable retail floorspace generated by the Pondicherry precinct population. Based on this analysis we recommend that around 1,500 – 2,000 sq.m of retail floorspace should be planned for within the precinct, potentially collocated with planned open space, community facilities in the eastern part of this precinct.

Per Table 4.2, built to commence trading around 2031, this could potentially consist of a **small convenience-based retail centre of around 1,500 sq.m comprising around 8 – 10 tenancies, which could include the following:**

- A foodstore or small independent supermarket of around 500 sq.m;
- 1 - 2 food retailers such as a liquor store, bakery or deli/café.
- 4 – 5 food catering tenants, including fast food and take-away outlets and perhaps 1 – 2 café/restaurants.
- 2 – 3 non-food retailers such as a hairdresser/barber, florist.

In addition to retail floorspace, the centre could also support a small amount of non-retail floorspace such as a real estate agent, accountant or medical/allied health uses. A land area of around 5,000 sq.m (i.e. 0.35 - 0.4 FSR) could be allocated to accommodate a centre of the scale recommended.

Given the proximity of the Woolworths anchored Oran Park Podium SC within the Oran Park Town Centre, which will help to service most of the convenience needs of this population, we consider that the timing of this retail floorspace provision would be likely supportable over the longer term (i.e. towards to 2030 or so).

Table 4.2 Pondicherry precinct - Potential supportable floorspace (2018 - 2036)					
Indicator/Category	2018	2021	2026	2031	2036
<u>Population</u>					
Pondicherry Primary Sector	0	0	5,655	8,655	9,155
<u>Est. retail demand (sq.m)</u>					
DDS	0	0	848	1,298	1,373
Supermarket	0	0	2,262	3,462	3,662
Other traditional retail	0	0	5,938	9,088	9,613
Total traditional retail	0	0	9,048	13,848	14,648
Large format retail	0	0	3,393	5,193	5,493
Total	0	0	12,441	19,041	20,141
<u>Market shares</u>					
DDS	0%	0%	0%	0%	0%
Supermarket	15%	15%	15%	15%	15%
Other traditional retail	12.5%	12.5%	12.5%	12.5%	12.5%
Large format retail	0%	0%	0%	0%	0%
<i>Beyond trade area</i>	10%	10%	10%	10%	10%
<u>Est retail demand (sq.m)</u>					
Supermarket		0	373	571	604
Other traditional retail		0	816	1,250	1,322
Total traditional retail		0	1,190	1,821	1,926
Source: Macroplan					

4.3 Impact on surrounding retail hierarchy

We have recommended only a very small amount of retail floorspace within the Pondicherry precinct itself, equivalent to less than 10% of total retail floorspace demand generated by its projected population of 8,300 at 2036. These new residents will be well serviced in the short-term by Oran Park Town Centre as it currently stands, and indeed, as it expands in the future. We expect some future local centres across the Oran Park precinct to be developed over time as the precinct and surrounding areas build in density and population.

We expect that there will also be a retail centre developed as part of the Greenway precinct – which is currently undergoing the PAP process. As noted later in this report, Deep End Services 2018 report have recommended the following for this precinct;

- 20,000 sq.m of retail GFA (Gross Floor Area)
- A mixed-use precinct containing 4,000 sq.m of retail GFA
- An employment precinct with service industry and homemaker/LFR totalling 27,000 sq.m
- A co-located smaller convenience centre of 3,500 sq.m retail GFA

We would therefore expect that a supermarket anchored local centre could establish north of Pondicherry in the Greenway precinct over the longer term, with the announcement of the new rail line to Oran Park Town Centre and the new rail station that will be provided around Marylands.

Given the increasing dominance and prevalence of discretionary retail within the adjacent Oran Park, the Pondicherry precinct will not be suited to the establishment of a higher order retail centre, beyond convenience based. In addition, the existing and forecast supply of LFR space within the trade area (Campbelltown and Gregory Hills specifically) will discourage further LFR development in the subject precinct. Indeed, the rezoning of the Pondicherry precinct to include significant residential will have positive trading impacts on the surrounding retail centres, with the forecast new population of around 8,300 persons in 2036 estimated to generate demand for around 18,300 sq.m of additional retail floorspace. Table 4.3 presents an indicative distribution of the potential 'positive impacts' across the surrounding network of centres.

We further note that the Oran Park Town Centre is earmarked to be a very important major centre in the SWGA, supporting not only a solid sub-regional retail offer but also a range of other employment uses. As the centre currently stands, it is a very functional and relatively popular centre, with a comprehensive mix of convenience and food base retail options. However, the centre is compromised to some degree due to its inbound location and the still relatively sparsely populated area around its immediate primary sector (refer Map 3.1, page 34). We consider it important that this centre is encouraged to continue to establish, promoted by new residential development in its primary trade area.

Indeed, and as shown in Table 4.3, Oran Park Town Centre in particular stands to benefit significantly from the new population at Pondicherry, generating demand for a second stage and consequently additional retail and non-retail employment opportunities. All other centres in the trade area are expected to benefit via the positive additional demand generated by the new population in Pondicherry.

Table 4.3						
Pondicherry precinct - Potential retail impacts on surrounding centres						
Centre	Est. retail supply (sq.m)			Impacts on other centres - 2036		
	2018	2036	Long term	Share*	Sq.m	\$m (\$2016)
Within trade area						
Pondicherry	0	1,500	1,500	n.a.	1,500	13.5
<u>Oran Park Precinct</u>						
• Oran Park Town Centre	10,000	35,000	50,000	35.0%	4,137	37.5
• Oran Park Other 1 (p)	0	0	5,000	0.0%	0	0.0
• Oran Park Other 2 (p)	0	0	5,000	0.0%	0	0.0
Harrington Plaza SC	5,000	5,000	5,000	2.5%	296	2.7
Catherine Fields (p)	0	5,000	5,000	5.0%	591	5.4
Lowes Creek Maryland (p)	0	24,000	24,000	5.0%	591	5.4
Beyond trade area - Traditional retail						
Gregory Hills Town Centre (p)	0	7,500	15,000	5.0%	591	5.4
Narellan Town Centre (and surrounds)	72,000	75,000	80,000	12.5%	1,478	13.4
Mt Annan Local Centre	15,600	15,600	15,600	2.5%	296	2.7
Leppington District Centre (p)	0	15,000	75,000	10.0%	1,182	10.7
C'town-Macarthur Strategic Centre	175,000	200,000	250,000+	15.0%	1,773	16.1
Camden Local Centre	15,000	17,500	20,000	2.5%	296	2.7
Liverpool Strategic Centre	125,000	150,000	200,000+	5.0%	591	5.4
Sub-total				100%	11,820	107.2
Beyond trade area - Large format retail						
Gregory Hills/Central Hills	30,000	50,000	75,000	60.0%	3,000	13.3
Campbelltown precinct	75,000	75,000	75,000	20.0%	1,000	4.4
Crossroads/Leppington/Bringelly	50,000	75,000	100,000	17.5%	875	3.9
Hoxton Park/Warwick Farm	50,000	50,000	50,000	2.5%	125	0.6
Sub-total				100%	5,000	22.2
Total retail expenditure & floorspace demand - Pondicherry precinct - 2036					18,320	142.9
*Expressed as a share of 'traditional retail' demand out of 100% and share of LFR demand out of 100%						
Source: Macroplan						

In conclusion, a Pondicherry residential precinct will procure benefits to the trade area's retail centres, in particular continuing to help establish Oran Park Town Centre and possibly generating sufficient retail demand to allow the provision of another convenience-based centre in time. Employment benefits will follow as retail and other spend flows through the local economy, as discussed in the next section of this report.

Section 5: Employment demand and impacts

This section of the report assesses the employment creation based on the recommendations in Section 4, the demand for employment by new residents within the Pondicherry precinct; then examines the impacts across other employment precincts in the region that could result from the potential rezoning of the Pondicherry precinct.

5.1 Employment creation: Pondicherry precinct

The development of retail facilities within the Pondicherry precinct will result in on site employment, as well as further jobs throughout the supply chain, including those in industries servicing the retail and ancillary non-retail businesses on site, such as transport workers, wholesalers, cleaning and security contractors.

Furthermore, the construction phase of any retail and ancillary non-retail development will support temporary construction related employment, and additional temporary jobs through the broader economic supply chain (i.e. multiplier impacts).

In estimating the various employment benefits, we have relied upon various data sources including information from supermarket operators, the ABS, state and local government agencies, as well as 30 years of experience in preparing assessments of this nature.

Table 5.1 illustrates the estimated net increase in direct on-site retail employment that could potentially be created on site in the Pondicherry precinct. An estimated 40 jobs could be created on site once the local convenience retail facilities are fully operational, towards the end of the development of the estate.

There will also other employment created within the Pondicherry precinct, for example jobs created at any proposed schools/community facilities within the precinct, as well as jobs undertaken by workers with no 'fixed work address' (i.e. tradespersons; mobile carers, some health workers) and workers who work at home.

Table 5.1 Pondicherry precinct - Estimated permanent employment			
Scenario	Estimated employment per '000 sq.m	GLA (sq.m)	Employment (persons)
<u>Proposed development*</u>			
Supermarket	25	500	13
Retail specialties	30	800	24
Commercial floorspace	<u>15</u>	<u>200</u>	<u>3</u>
Total development	26	1,500	40
Source: Macroplan			

5.2 Employment creation: Other jobs & construction of project

Other local employment will also be created and supported by the new residential population establishing within the Pondicherry precinct – i.e. in the form of jobs that do not necessarily result in a specific employment land outcome.

Construction related employment impacts

Table 5.2 also presents an analysis of the potential production value impacts associated with the development of the subject site, as well as the direct employment impacts associated with the construction of the residential dwellings within the Pondicherry precinct (i.e. both onsite employment and jobs created across the supply chain directly, e.g. consultants, technical experts etc) and the construction of the buildings within the employment precincts.

We make the following summary comments explaining Table 5.2:

- The Pondicherry precinct will accommodate around 2,720 dwellings at capacity, which are expected to be developed at an average of between 450-500 lots per annum, from around 2022 to 2036, as outlined in the indicative staging plan (Greenfield Development Corporation & DESIGN+PLANNING).
- Average lot sizes are expected to be around 400–450 sq.m. The average cost of construction for a dwelling on a lot this size is around \$480,000 – \$580,000 in 2020 in Sydney, and civil works are estimated to be around \$90,000-\$100,000 per lot. We have allowed for escalation in construction costs, averaging around 4% per annum (higher in the short term, and tempering over the long term).
- The total production value of the construction of dwellings at the subject site is \$1.6 billion (in nominal terms) and around \$283 million for civil works (in nominal terms), over the life of the project.

We estimate that around 600 – 700 jobs per annum could be created during the development of residential dwellings within the Pondicherry precinct, equivalent to approximately 1.7 jobs per dwelling per annum. These jobs would include workers employed on-site as part of the actual construction; consultants and technical experts advising/managing the project; local supplier jobs and jobs created across the broader NSW economy (i.e. not all of these jobs would be local).

The small neighbourhood centre retail/ancillary non-retail could be developed towards late 2020's/2030 and could potentially result in addition construction related jobs when developed. These construction related jobs include workers employed on-site as part of the actual construction; consultants and technical experts advising/managing the project; local supplier jobs and jobs created across the broader NSW economy (i.e. not all of these jobs would be local).

Table 5.2 Pondicherry precinct - Other economic and employment impacts*	
Factor	Number
Economic impacts - production of dwellings	
Number of dwellings	2,720
Assumed staging	2022-2036
Ave. construction cost per lot (\$) as at 2020	\$480,000 - \$580,000
Ave. escalation rate	4%
Total construction cost	\$1.6 billion
Economic impacts - civil works	
Ave. construction cost per lot (\$) as at 2020	\$90,000 - \$100,000
Ave. escalation rate	4%
Total construction cost	\$283 million
*Expressed in nominal terms and based on completion in 2036 Source: ABS, Macroplan	

In conclusion, a small convenience retail centre within the Pondicherry Precinct has the potential to support 40 ongoing direct retail jobs. While during the construction phase of the development of the residential component, it is estimated that over 600 construction jobs will be created each year for the life of the project.

5.3 New workers: Localised jobs

Table 5.3 presents an assessment of the potential job impacts associated with the new population establishing within the Pondicherry precinct. We make the following comments summarising this analysis:

- We estimate that the new population within the Pondicherry precinct itself, once it is developed, would include around 4,250 employed residents, based on an average employment ratio of 1.7 workers per household which is equivalent to an employment ratio per person of 0.56 – 0.57. These employed residents would undertake jobs:
 - Based at home
 - Mobile jobs (e.g. tradespersons, health workers/carers etc).
 - Within dedicated employment centres and precincts e.g. Western Sydney Employment Area, Campbelltown CBD, Narellan Town Centre, Smeaton Grange industrial estate, Sydney CBD etc.
 - Within other dedicated places of employment e.g. local schools, local centres, childcare centres, agricultural locations etc.
- According to the ABS, around 8 – 8.5% of employed residents undertook the majority of their work from home (i.e. not just as a second job), including both full-time and part-time workers. This proportion is rapidly changing though, with flexible working arrangements and technology making it easier for people to work interchangeably at home and in the office. Indeed the federal government is aiming for around 10 – 12% of the workforce to be working from home by 2020.
- This home-based workforce includes people who may run internet businesses, consultant businesses based, or who may work in large businesses but work several days per week at home. We estimate at least 10%, or around 425 - 450 of the resident workers within the Pondicherry precinct could potentially work from home.
- Of the remaining 90% of resident workers, there would be a proportion who work in industries with no fixed address, i.e. they would be jobs based broadly across metropolitan Sydney, generally requiring car transport. This would include, but would not be limited to:
 - Home care givers/health workers.
 - Tradespersons (e.g. plumbers, carpenter, electricians).
 - Technicians (e.g. phone repairs, computer repairs).
 - Home services (e.g. gardener, cleaning services, nannies, pest control).
 - Uber/taxi drivers.
 - Construction workers (which would have a fixed placed of employment for several weeks/months at a time).
- According to the ABS Census data, across NSW around 12 - 13% of jobs are in industries that would be have a share of its workers working without a fixed address including construction workers, tradies, medical services (not in hospitals), social services (not childcare/in institutions), building/equipment cleaning/servicing, etc.

- Conservatively, we estimate around 5% of the 90% non-home based employed residents would be mobile and would not require a dedicated job to be provided in proximity to their place of residence. This equates to around 190 workers.
- The remaining resident workers (around 85 - 86% of total resident workers) would be working in jobs in centres/precincts and dedicated places of employment. This would include but not be limited to local schools, local community facilities, the proposed neighbourhood centre within Pondicherry precinct, Gregory Hills LFR precinct, Smeaton Grange industrial precinct, and key centres such as Oran Park Town Centre, Leppington District Centre, and Campbelltown-Macarthur Regional City.
- Importantly, the future population growth in the Pondicherry precinct will help to underpin the evolution of key centres across the region, including centres such as Oran Park Town Centre, Leppington District Centre, and Campbelltown-Macarthur Regional City. Residents will access these centres for employment, higher order retail requirements, major health needs, and other civic and entertainment purposes.
- Furthermore, and as identified throughout this report, the local population in the Pondicherry precinct would drive local demand for retail, community services and by extension, local jobs.

In combination with the jobs that would be undertaken at home, as well as 'mobile' jobs, and potential school jobs, the Pondicherry precinct could potentially support in excess of 640 jobs, as well as an onsite construction workforce that averages more than 500 jobs per annum over the course of the development of the estate.

Section 6: Conclusion

We summarise below our key findings from the report:

The spend and employment benefits of a residential development will be enjoyed by the whole trade area (and beyond) and help to underpin all existing and planned retail developments and employment nodes.

The dominance and continued expansion of the neighbouring Oran Park Town Centre will have a direct bearing on the nature and viability of any retail within the study precinct. Oran Park will capture the vast majority of the retail spend generated, along with existing and upcoming other retail and LFR developments in the area. New and developing centres in the SWGA will also capture spend from new residents.

However, our research into the pace of population and spend forecasts in light of the existing and forecast supply of retail in the Trade Area has indicated viability for a circa 1,500 sq.m convenience-based centre in Pondicherry, to commence trading around 2031. We believe the population will be sufficiently established by then to make a small centre commercially viable.

Pondicherry is likely to be positioned between two district centres, Greenway to the north and Oran Park to the south. Both these centres will be anchored by their individual retail and civic qualities. Given Pondicherry's location between two district centres, we recommend the retail offer at Pondicherry be focused on the daily convenience needs of the immediate surrounding residents. We anticipate Pondicherry will create a unique environment focused around the lake, providing a hub for both social and recreational activities, which will facilitate lifestyle and entertainment uses such as cafes, restaurants, bars and a gym.

Employment outcomes in the precinct itself are estimated at around 40 (working within the convenience centre), whilst construction jobs are estimated at 500 per annum.

A residential development at Pondicherry will have positive and far-reaching impacts for the area and is consistent with the planning objectives of the SWGA and Western City District Plan.

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