



# MILPERRA COMMERCIAL CENTRE

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NEEDS ANALYSIS

Prepared for Mirvac  
September 2022

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**We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.**

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# EXECUTIVE SUMMARY

## Proposed Development

Mirvac has prepared a planning proposal to redevelop the 19.5 hectare Western Sydney University (WSU) Bankstown campus in Milperra to accommodate up to 430 dwellings.

Urbis has undertaken an assessment of market potential to accommodate small scale retail and childcare uses envisaged within a proposed commercial centre in the development.

The proposed commercial centre is located on the site of the current campus childcare centre. It is intended to provide:

- A Café/Restaurant (190 sq.m)
- Flexible shopfront – ie. shared office / ancillary retail (90 sq.m)
- The retention of existing child care centre (downsized to 43 places)

The location of the subject site is positioned to maximise accessibility to current and future residents, Mt. St Joseph's School users and staff, as well as workers in the adjoining Milperra industrial area.

The downsizing of the childcare centre to 43 places (reduction of 24 places compared to current) repositions the centre to focus on the needs of the local community, in recognition of the fact that the on-site student and staff market will no longer exist when WSU relocates.

## Market Opportunity

The main trade area population is forecast to grow from **4,060** in 2022 to **6,490** by 2032. Main trade area retail spending growth will be driven by new on-site population within the proposed development and at the adjacent Riverlands Estate. **In total this will generate some \$52 million of additional retail spending over the next 10 years.**

Food catering spending is expected to double over the next 10 years, increasing from \$8 million to \$17 million by 2032, representing 17% of the market's total growth.

Nationally, the current average productivity for a café / restaurant (>150 sq.m) within a single supermarket centre is \$7,855 per sq.m. Productivity in this location is likely to be less due to lower footfall.

At this benchmark productivity rate, the food and beverage **spending growth** in the market could support **1,145 sq.m** floorspace with **no impact** on the performance of any existing business.

This is **six times** the quantum of café floorspace proposed, or 4 times more than the total retail floorspace.

**This clearly demonstrates that spending growth in the resident market can support the proposed development without any material impact on the vitality or viability of existing centres.**

## Role and Scale

Providing a café/restaurant offer will create a space where the community can meet and socialise. It can also provide dining alternatives for nearby Milperra workers, enhancing the precinct's attractiveness as employment land.

There were **9,407** people employed within the Milperra industrial precinct in 2016. This is projected to reach **10,800** employed people by 2031.

If every worker in the precinct spent an average of \$10 per day on food and beverage this would equate to an additional **\$21.6 million** of available spend (9,400 workers x 230 working days per annum x \$10).

The scale of proposed development is extremely small in terms of the quantum of existing retail floorspace within the Bankstown Canterbury centers hierarchy. At 280 sq.m, the scale of retail is:

- More than 9 times smaller than the average for local centres across Canterbury Bankstown LGA.
- Its is also half the size of the closest retail strips at Ashford Village and Milperra shopping village

**The scale of proposed development, allied with catchment spending growth will have no material impact on the centres hierarchy.**

Should future retail planning for the site consider the provision of additional floorspace in future, a capacity / impact assessment should determine whether the scale is commensurate with the growth in the market.

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# INTRODUCTION



# INTRODUCTION

Mirvac has prepared a planning proposal to redevelop the 19.5 hectare Western Sydney University (WSU) Bankstown campus in Milperra to accommodate up to 430 dwellings.

The proposed rezoning seeks to apply a flexible land use zone to facilitate a range of commercial uses. During the development application phase, a further analysis may be required regarding the demand for child care and other commercial uses.

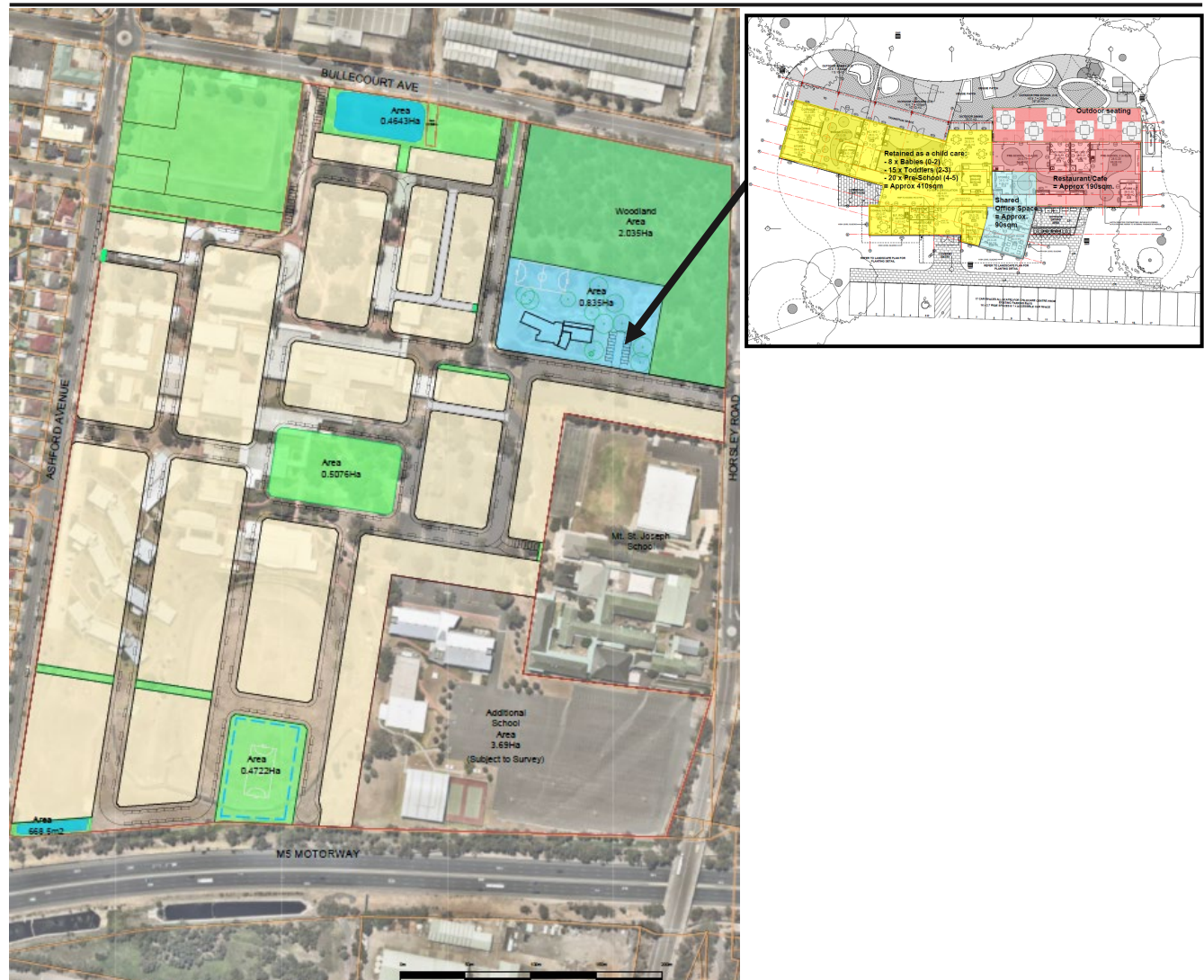
Urbis has been appointed to undertake an assessment of the market potential to accommodate the modest retail uses envisaged within a proposed commercial centre.

The proposed commercial centre is situated on the site of the current campus child care centre in the north east corner of the site.

Our analysis is presented in the following sections:

- **Section 1** – provides an overview of the site location and proposed development
- **Section 2** – identifies a trade area for the site and reviews existing and proposed retail competition. It also provides a 10 year population and retail spending growth forecast for the trade area to quantify the size of the current and future spending market
- **Section 3** – provides a need assessment for the development by considering market supportability, the relative scale of the development vs the existing centres hierarchy and the potential economic benefit to the adjacent Milperra employment area.

## Milperra Western Sydney University Masterplan



# 01

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## **PROPOSED DEVELOPMENT AND LOCAL CONTEXT**

# PROPOSED COMMERCIAL CENTRE

Mirvac's Milperra WSU Bankstown Campus masterplan will redevelop the current campus to provide:

- 430 dwellings
- Four separate open space / woodland areas
- A new internal road structure and
- A small commercial centre on 0.83 hectares

The proposed commercial centre (subject site) is located on the site of the current campus child care centre. It is intended to provide:

- A Café/Restaurant (190 sq.m)
- Flexible shopfront – ie. shared office / ancillary retail (90 sq.m)
- The retention of existing child care centre (downsized to 43 places)

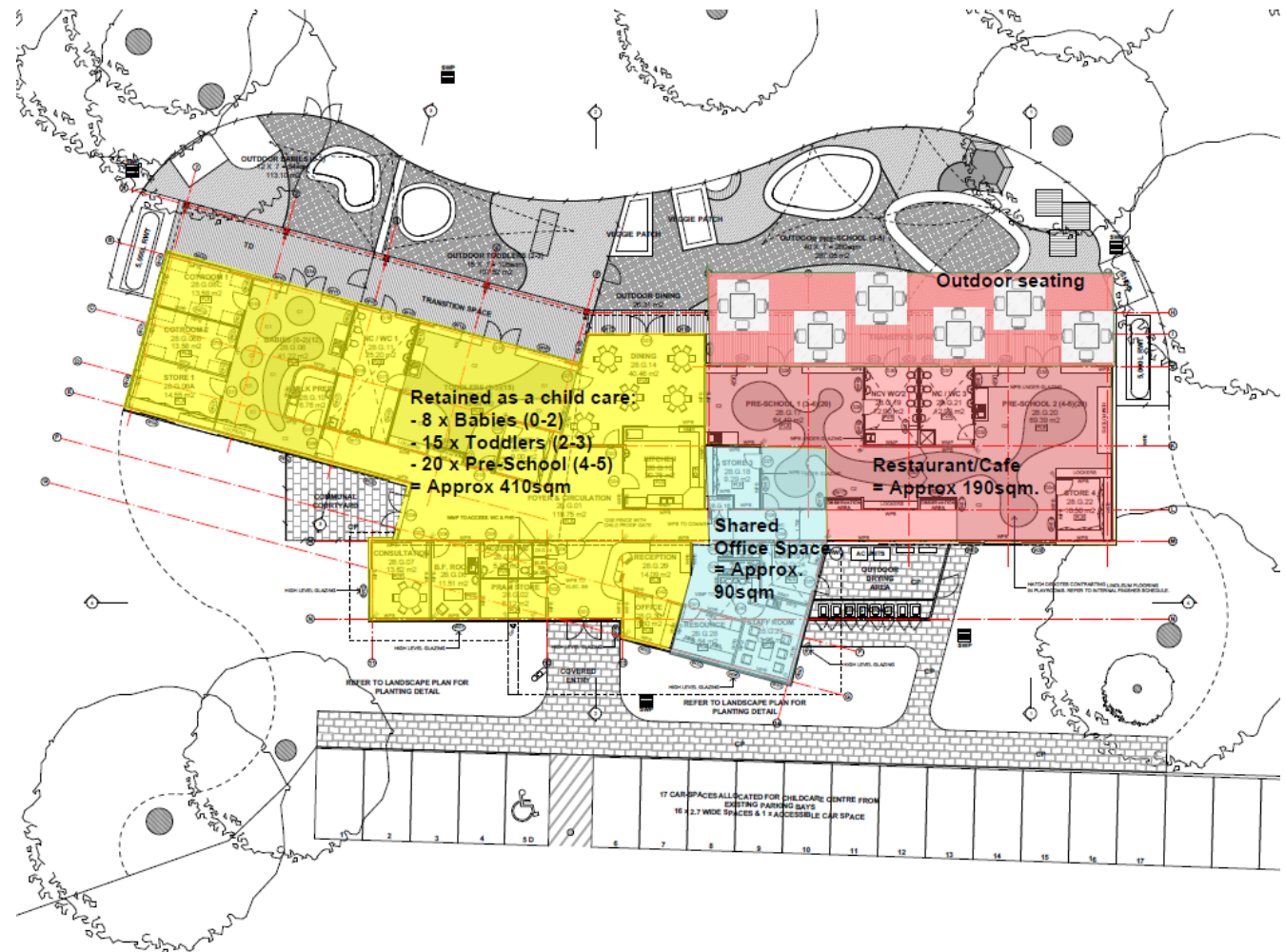
The proposed mix of uses at the subject site are aimed at providing amenity for the surrounding residential community and leveraging the synergies by co-location within the childcare centre.

The downsizing of the childcare centre to 43 places (reduction of 24 places compared to current) repositions the centre to focus on the needs of the local community, in recognition of the fact that the on-site student and staff market will no longer exist when WSU relocates.

The location of the subject site is positioned to maximise accessibility to current and future residents, Mt. St Joseph's School users and staff, as well as workers in the adjoining Milperra industrial area.

The woodland setting affords a level of visual and acoustic separation from employment uses to the north and east.

## Subject Site – Concept Only





# SITE CONTEXT

The site's location and adjacent land uses combine to create a tightly defined residential trade area (described in the following section). These land uses include:

- The low density residential suburb of Milperra to the West
- The Milperra industrial precinct to the north and east
- The M5 motorway to the south with a large open space recreation area immediately adjacent to the south

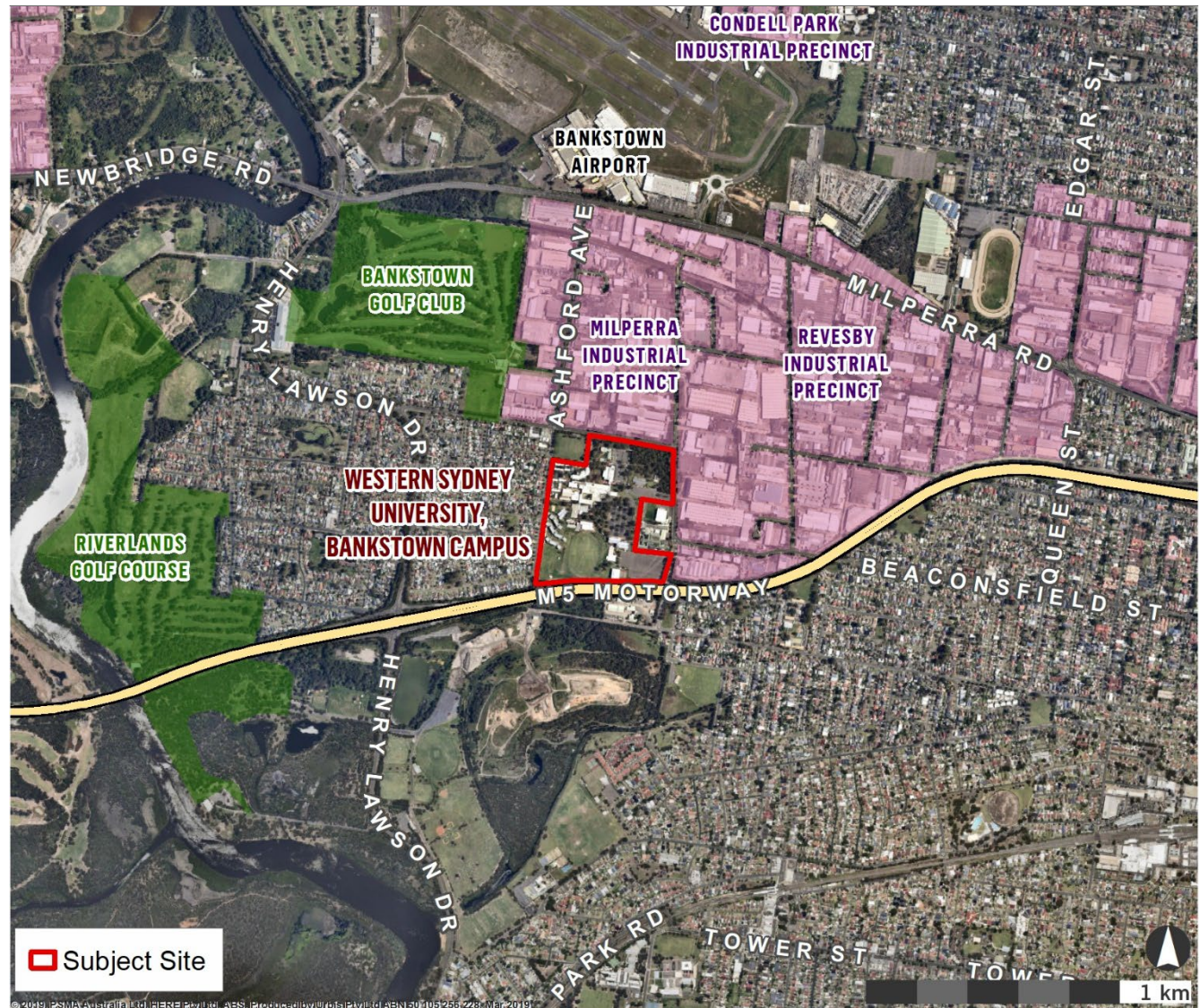
Milperra Road is approximately 800 metres to the north of the site, with Bankstown Airport to the north.

Henry Lawson Drive provides a major north-south arterial connection between the M5 and the Hume Highway. This is located 600 metres to the west.

The Bankstown Airport and Milperra Industrial area has been identified as a 'Collaboration Area' by the Greater Sydney Commission in an effort to foster economic growth and synergies between land uses. Most of the urban land in the area is already developed.

The site is well located to tap into the current and future resident market in the immediate locality, as well as occasional demand from Milperra workers

## Location Context – Western Sydney University, Bankstown Campus



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## **TRADE AREA AND COMPETITIVE CONTEXT**



# TRADE AREA DEFINITION AND COMPETITION

Based on the proposed uses at the site and locational attributes identified previously we have defined a **resident trade area** as follows:

- The **Primary Trade Area** consists of the subject site as well as the eastern portion of the Milperra suburb, east of Henry Lawson Drive
- The **Secondary Trade Area** includes the remainder of the Milperra suburb west of Henry Lawson Drive, including the Riverlands Gold Course which has approval for future residential development

Whilst residents will be the core customer market, there is also potential to attract spend from workers in the Milperra Employment Precinct (ref. pg. 16).

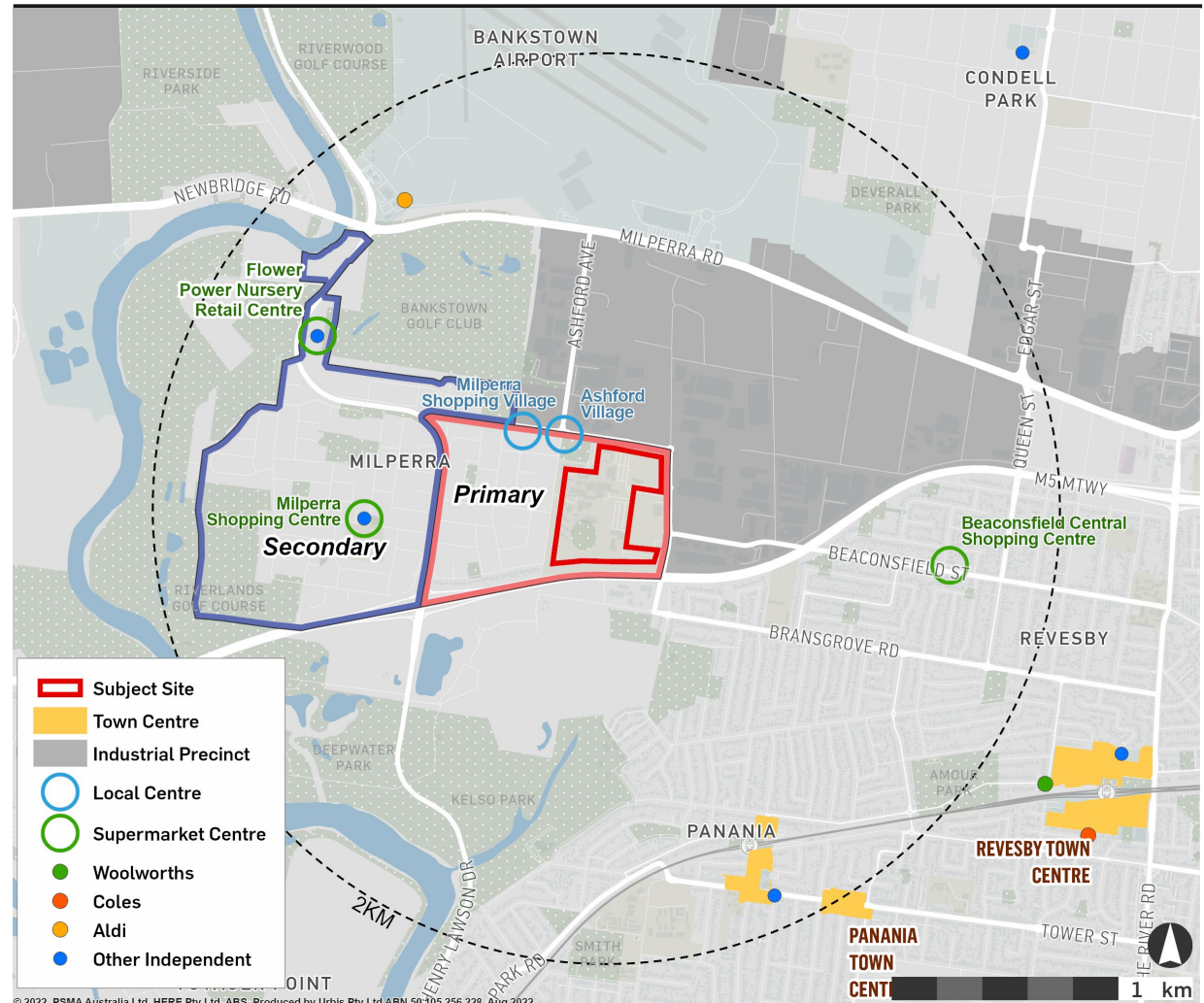
**Retail centres** in and around the trade area are small and focus on serving the local catchment. There is an estimated **9,500 sq.m** retail floorspace in the Main Trade Area, including:

- **Ashford Village** (600 sq.m) – includes a bakery and food catering tenancies
- **Milperra Shopping Village** (600 sq.m) – consists of a pharmacy, newsagent and food retail outlets
- **Milperra Shopping Centre** (1,300 sq.m) – consists of a small grocer (~400 sq.m), fruit market, newsagent and local shops.
- **Flower Power Nursery Retail Centre** (7,000 retail floorspace sq.m) – consists of a small café (430 sq.m), fruit market (1,350 sq.m), nursery, trade shop and fitness centre (non-retail).

Beyond the trade area:

- **ALDI Bankstown Airport** (2 km to the north) is the closest supermarket to trade area residents. This site benefits from high levels of passing trade from Henry Lawson Drive and Milperra Road
- Adjacent fast food pad sites also provide food catering options for workers within surrounding industrial areas.
- **Revesby town centre** (3 km to the south) performs a local convenience and services role. The town centre consists of a Woolworths (4,000 sq.m), Coles (3,500 sq.m) and IGA (700 sq.m).

## Milperra Trade Area



# TRADE AREA RESIDENT POPULATION AND SPENDING MARKET

The main trade area is within an established low density residential area, and has recorded relatively low population growth historically. Population growth has been low because the area is an established low density suburb.

The main trade area resident population has been static over the last five years due to the established urban nature of the area.

It is forecast to grow from **4,060** in 2022 to **6,490** by 2032, This will be derived from population uplift from proposed residential development at the subject site which is estimate to settle by FY2028. In addition to this, Riverlands Estate (~311 dwellings) and the Anglicare integrated retirement and aged care village in the Secondary trade area will drive population growth over the short to medium term.

The subject site and Riverlands Estate are estimated to add around **2,130** residents, with a further **290** residents expected to reside in the Anglicare village.

The resultant main trade area retail expenditure is expected to grow from **\$68 million** in 2022 to **\$120 million** by 2032, an increase of **\$52 million**.

## Historic and Forecast Resident Population, 2022-2032

	Population (no.)				Annual Population Growth (%)				Annual Population Growth (no.)			
	2017	2022	2027	2032	17-22	22-27	27-32	22-32	17-22	22-27	27-32	22-32
Primary	1,290	1,290	2,150	2,490	0.0%	10.8%	3.0%	6.8%	0	172	68	120
Secondary	2,770	2,770	4,000	4,000	0.0%	7.6%	0.0%	3.7%	0	246	0	123
<b>Main Trade Area</b>	<b>4,060</b>	<b>4,060</b>	<b>6,150</b>	<b>6,490</b>	<b>0.0%</b>	<b>8.7%</b>	<b>1.1%</b>	<b>4.8%</b>	<b>0</b>	<b>418</b>	<b>68</b>	<b>243</b>

1. Data provided as at June.

Source: Australian Bureau of Statistics (ABS); Urbis

## Forecast Retail Expenditure, 2022-2032 (\$2022, incl. GST and excl. inflation)

	Forecast Expenditure (\$M)				
	F&G	Liquor	F&B	Other Non-Food	Total Retail
<b>Primary Trade Area:</b>					
2022	8	1	3	8	21
2027	12	2	5	14	33
2032	16	2	6	19	44
<b>Secondary Trade Area:</b>					
2022	18	3	6	20	47
2027	26	4	10	31	71
2032	26	4	11	35	76
<b>Main Trade Area:</b>					
2022	26	4	8	29	68
2027	38	6	15	46	104
2032	42	6	17	54	120

1. Data provided for the year ending June including GST and excluding inflation.

Source: MarketInfo; Australian Bureau of Statistics (ABS); Urbis



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## NEEDS ANALYSIS

# MARKET SUPPORTABILITY

The proposed development includes:

- A Café/Restaurant (190 sq.m)
- Flexible shopfront – ie. shared office / ancillary retail (90 sq.m)

**Food and beverage (F&B) expenditure is expected to more than double over the next 10 years,** increasing from \$8 million to \$17 million by 2032. This represents an **increase of \$9 million** of retail spending growth for F&B.

In context, the current average for a café / restaurant (>150 sq.m) within a single supermarket centre is \$7,855 per sq.m (and is likely to be lower in this location due to lower footfall).

At this productivity rate, the food and beverage spending growth in the market could support **1,145 sq.m** floorspace with **no impact** on the performance of any existing business.

This is **six times** the quantum of café floorspace proposed, or 4 times more than the total retail floorspace.

**This clearly demonstrates that spending growth in the resident market can support the proposed development without any material impact on the vitality or viability of existing centres.**

In fact, the development will be viable whilst trade area spending growth is concurrently directed to existing centres, meaning that all will benefit from access to a growing population.

Providing a café/restaurant offer also has the potential to create a space where the community can meet and socialise. It can also provide dining alternatives for nearby Milperra workers, enhancing the precincts attractiveness as employment land.

## Food Catering Spending Market Potential

### Main Trade Area Forecast Expenditure (\$M):

	F&B
2022	\$8
2027	\$15
2032	\$17
<b>Increase 2022-2032</b>	<b>+\$9</b>

### Average Trading Level (ATL) Benchmark<sup>2</sup>:

Cafe / Restaurant (> 150 sq.m)	\$7,855 per sq.m
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### Additional Floorspace Potential (sq.m):

<b>Cafe / Restaurant (&gt; 150 sq.m)</b>	<b>+1,145sq.m</b>
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1. Data provided for the year ending June including GST and excluding inflation.  
 2. Urbis Shopping Centre Benchmarks 2021 - single supermarket shopping centre benchmark  
 Source: MarketInfo; Australian Bureau of Statistics (ABS); Urbis

In addition to F&B retail, the analysis on page 12 demonstrates that trade area resident spending growth will generate some **\$52 million** of additional retail spending in total over the next 10 years.

Should future retail planning for the site consider the provision of additional floorspace in future, a capacity / impact assessment should assess that the scale is commensurate with the growth in the market.

Beyond the growth in F&B spending, there is also an opportunity to attract a non-retail tenant (i.e. medical, allied health, fitness or commercial office) into the flexible shopfront space which combined with the café/restaurant would create enhanced vibrancy and amenities for residents and workers.

# BANKSTOWN CENTRES HEIRACHY - COMPARATIVE SCALE

The Canterbury-Bankstown Employment Lands Strategy (June 2020) identifies and describes the scale and role of the centres hierarchy across the LGA.

The retail floorspace within each centre is illustrated in the chart opposite.

The highest order centre is Bankstown with approximately 210,000 sq.m of retail floorspace, servicing a metropolitan wide catchment.

Retail floorspace cascades down across several other centres and locations, to neighbourhood centres which typically range between 1,100 sq.m 5,200 sq.m of retail floorspace, with an average retail floorspace size of 2,700 sq.m.

Neighbourhood centres service a local catchment, providing small-scale day to day retail needs for residents.

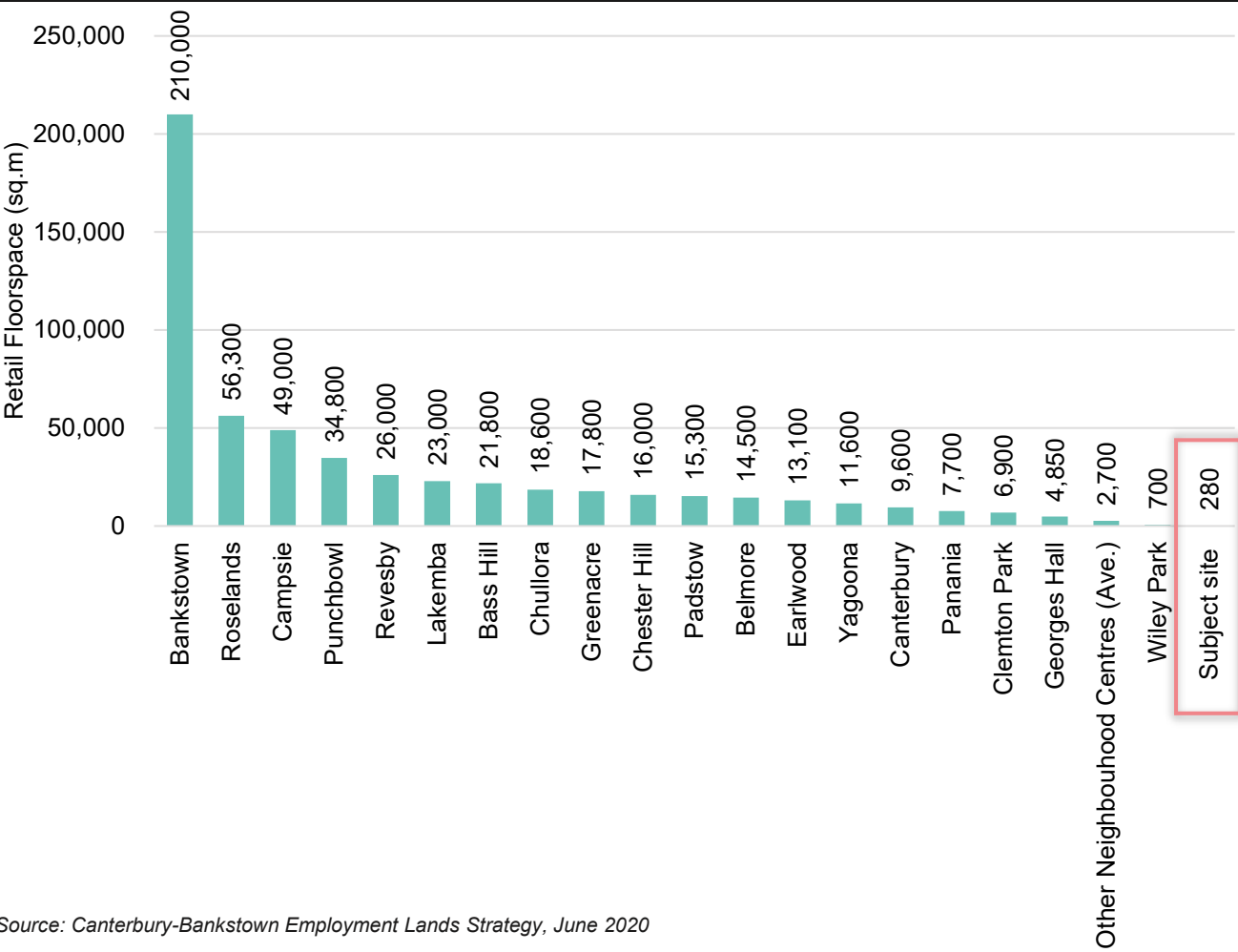
The chart demonstrates that the scale of proposed development is very small in terms of the quantum of existing retail floorspace within the centers hierarchy. At 280 sq.m, it is:

- More than 9 times smaller than the average for local centres
- 750 times smaller than Bankstown CBD

Its is also half the size of the closest retail strips at Ashford Village and Milperra shopping village

**The scale of proposed development, allied with catchment spending growth will have no material impact on the centres hierarchy.**

Retail Floorspace Comparison



Source: Canterbury-Bankstown Employment Lands Strategy, June 2020

# ENHANCED AMENITIES FOR MILPERRA EMPLOYMENT PRECINCT WORKERS

The proposed development can assist the ongoing development and viability of the Milperra employment precinct by providing additional dining and child care options for its workers.

This precinct contains approximately 1.28 million sq.m of floorspace (2016).

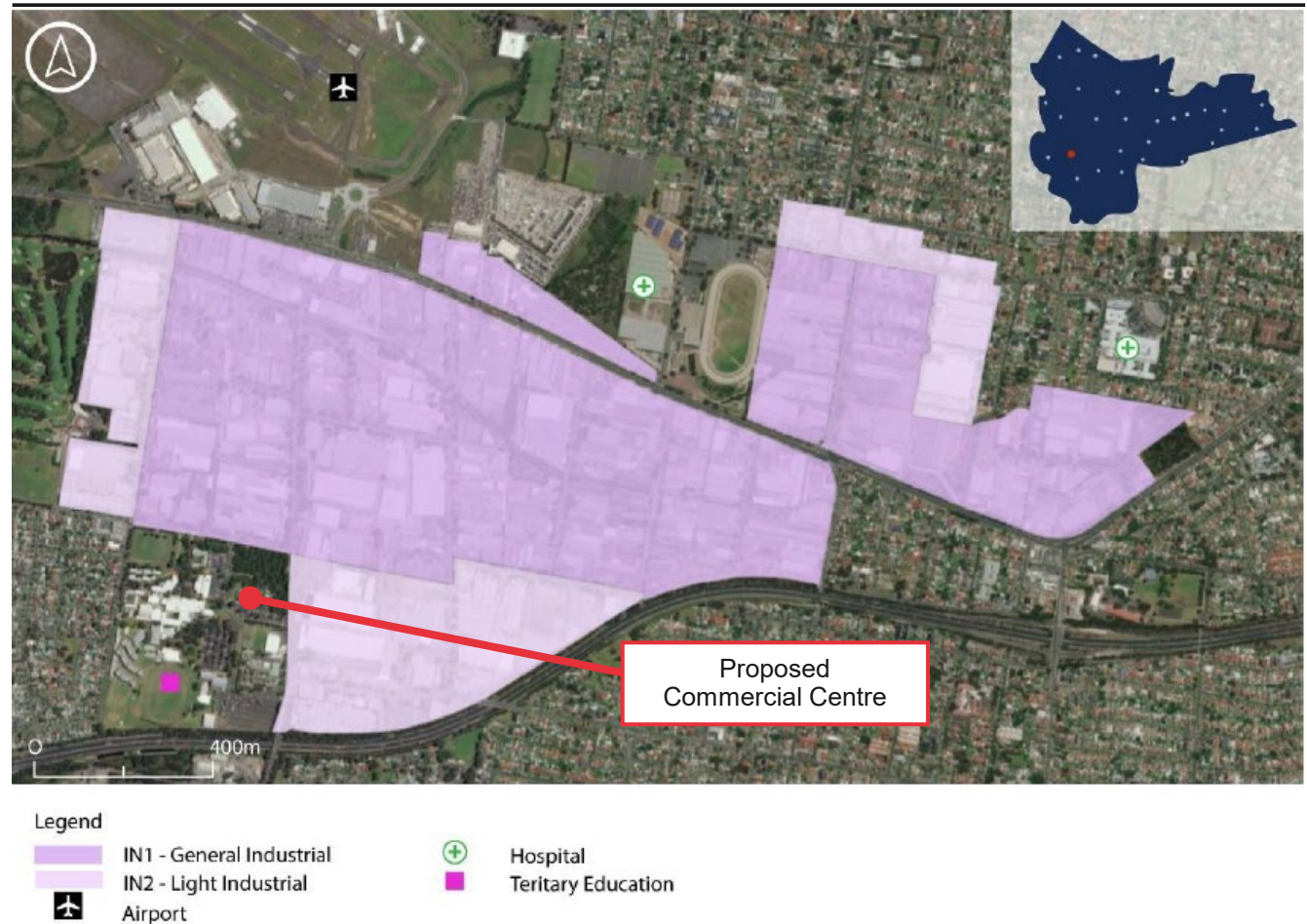
According to Transport for NSW data there were **9,407** people employed within the Milperra precinct in 2016, this is projected to reach **10,800** employed people by 2031.

If every worker in the precinct spent an average of \$10 per day on food and beverage this would equate to an additional **\$21.6 million** of available spend (9,400 workers x 230 working days per annum x \$10).

This illustrates the scale of the opportunity to service demand from this market segment.

In the fight to attract and retain talent, businesses that offer their workers access to services and amenities are better positioned than those that do not. **The proposed development will therefore has a positive economic growth impact on regional employment and productivity.**

## Milperra Employment Precincts



Source: Canterbury-Bankstown Employment Lands Strategy, June 2020



## COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, has and continues to cause considerable business uncertainty which in turn materially impacts market conditions and the Australian and world economies more broadly.

The uncertainty has and is continuing to impact the Australian real estate market and business operations. The full extent of the impact on the real estate market and more broadly on the Australian economy and how long that impact will last is not known and it is not possible to accurately and definitively predict. Some business sectors, such as the retail, hotel and tourism sectors, have reported material impacts on trading performance. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the full impact of the COVID-19 Outbreak on the Australian economy,

the asset(s) and any associated business operations to which the report relates. It is not possible to ascertain with certainty at this time how the market and the Australian economy more broadly will respond to this unprecedented event and the various programs and initiatives governments have adopted in attempting to address its impact. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong has been, and may be further, materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a longer lasting impact than we have assumed. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

Where we have sought to address the impact of the COVID-19 Outbreak in the Report, we have had to make estimates, assumptions, conclusions and judgements that (unless otherwise specifically stated in the Report) are not directly supported by available and reliable data and information. Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the Australian economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.

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