

The URBIS logo consists of the word "URBIS" in a bold, black, sans-serif font. It is enclosed within a black rectangular border that is slightly offset to the right and top, creating a frame effect.

URBIS

**193-199 ROCKY POINT ROAD, 66-68
RAMSGATE ROAD & 2-6 TARGO
ROAD, RAMSGATE**

STRATEGIC POSITIONING PAPER

October 2021

Prepared for Time & Place



INTRODUCTION

Urbis has been commissioned by Time & Place to prepare a report to highlight the key reasons why their proposed redevelopment of the site at 193-199 Rocky point Road, 66-68 Ramsgate Road and 2-6 Targo Road, Ramsgate is warranted, and to determine any competitive impacts on the surrounding hierarchy of centres.

This report addresses the following key points:

- 1** The proposed development will help address Georges River Council's forecast shortfall in dwelling supply
- 2** The proposed development will provide greater housing diversity and allow residents to age in place
- 3** The subject site represents one of a limited number of developable sites in the local area that would be a catalyst to reinvigorating the Ramsgate Town Centre
- 4** The development will support increased job containment within the Georges River LGA
- 5** The development will contribute 307 jobs during construction and 362 ongoing operational jobs
- 6** The development will contribute \$96.1 million to the local economy during construction and \$33.6 million in each year of operation
- 7** The development will house new residents who will generate additional spending that will support local businesses
- 8** The proposed development will deliver retail and services that will reduce the need for Georges River LGA residents to leave the LGA each day
- 9** The proposed development will deliver high quality retail, services and amenity that are currently lacking in the local area
- 10** The proposed retail uses will not undermine the commercial viability of existing centres



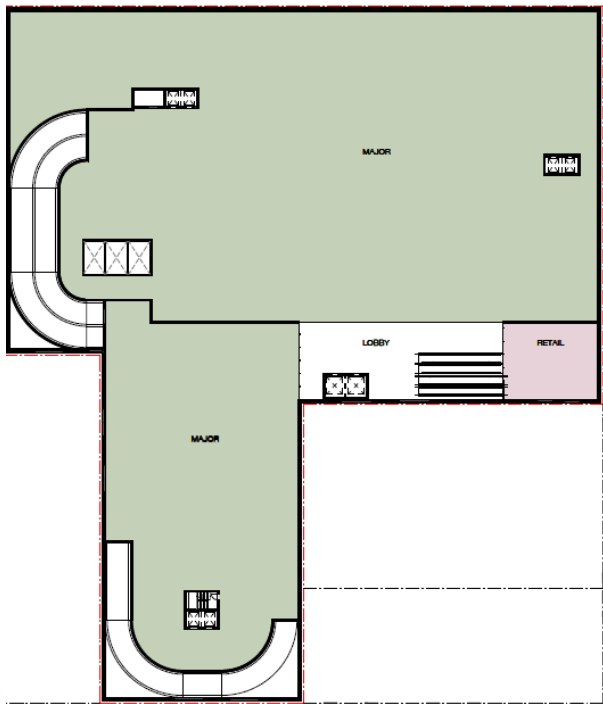
PROPOSED DEVELOPMENT

The proposed development at the Site is planned to include the following elements:

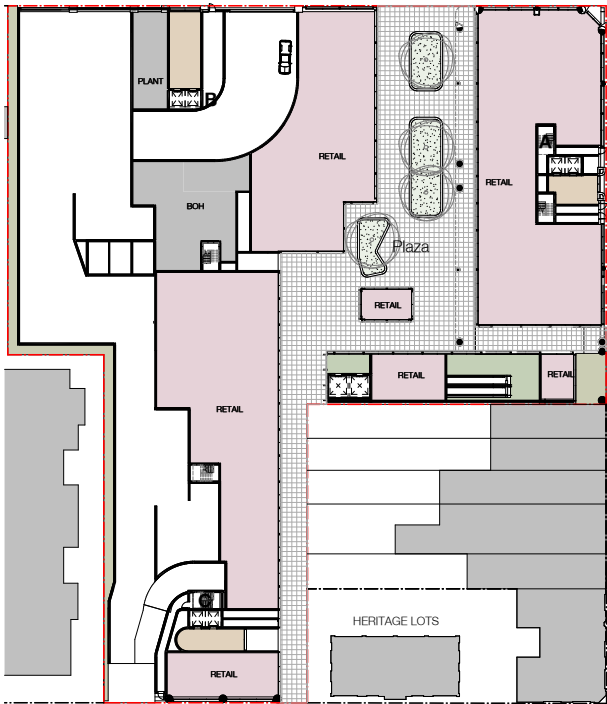
- 185 residential apartments
- 7,644 sq.m of retail and non-retail floorspace (Gross Lettable Area)
- Basement car parking
- A new Town Square, surrounding by specialty retail

The retail element is planned to include:

- A 3,826 sq.m full-line Woolworths supermarket
- A 1,413 sq.m Dan Murphy's outlet
- 2,405 sq.m of retail and non-retail specialty floorspace



BASEMENT LEVEL



GROUND LEVEL

01

THE PROPOSED DEVELOPMENT WILL HELP ADDRESS GEORGES RIVER COUNCIL'S FORECAST SHORTFALL IN DWELLING SUPPLY

Georges River Council released its Draft Local Housing Strategy (LHS) 2020 in February 2020, which sets out the strategic direction for housing within the LGA over the next 20 years.

The LHS projects that the LGA will reach 185,346 residents by 2036, equating to growth of 31,896 residents from 2016.

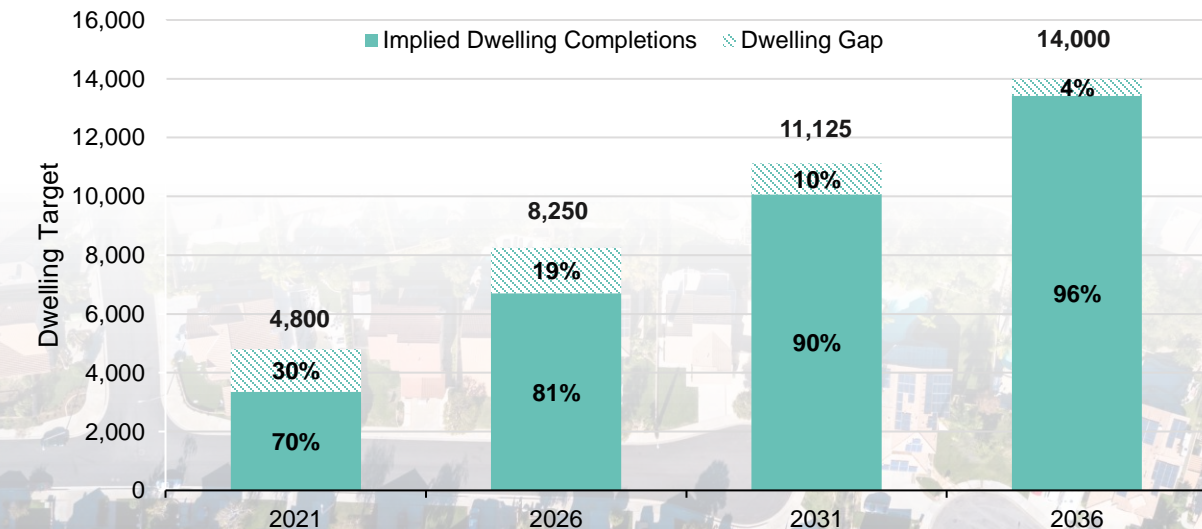
The Strategy outlines Council's objective to provide an additional 14,000 dwellings across the Georges River LGA by 2036 to cater for the growing population. This includes the provision of 4,800 dwellings between 2016 and 2021, as required by the *South District Plan*.

However, between 2016 and 2020, just 2,683 dwellings have been completed. When extrapolated, it is estimated that 3,350 dwellings will be completed by 2021, indicating a shortfall of 1,450 dwellings (30%) from the 2021 target.

The proposed development will contribute 185 additional dwellings, assisting Council to address the forecast current shortfall in dwelling supply and help Council meet its long term dwelling target.



PROJECTED DWELLING TARGETS AND GAPS, 2021-2036



Source: Department of Planning, Industry and Environment (DPIE) Housing Monitor; Georges River Council Draft Local Housing Strategy 2020; Urbis

02 THE PROPOSED DEVELOPMENT WILL PROVIDE GREATER HOUSING DIVERSITY AND ALLOW RESIDENTS TO AGE IN PLACE

Between 2021 and 2041, the proportion of residents aged 65 and over within the LGA will increase from 16% to 20%, highlighting that the **population is ageing**. This will impact the housing requirements of residents within the LGA.

Of residents who lived within the Sans Souci – Ramsgate SA2 in 2011, 61% remained there in 2016. For residents aged 65+, a much higher 86% of residents remained in the same SA2 in 2016. Of residents aged 65+ who moved homes, almost 32% relocated within the SA2. This indicates that residents within the **Sans Souci – Ramsgate SA2 have a strong preference to remain in the local community and age in place.**

“Small, ageing households are found in high proportions in the riverside areas of the LGA and growth in this household type is forecast to continue in these areas.” – Georges River Draft LHS 2020

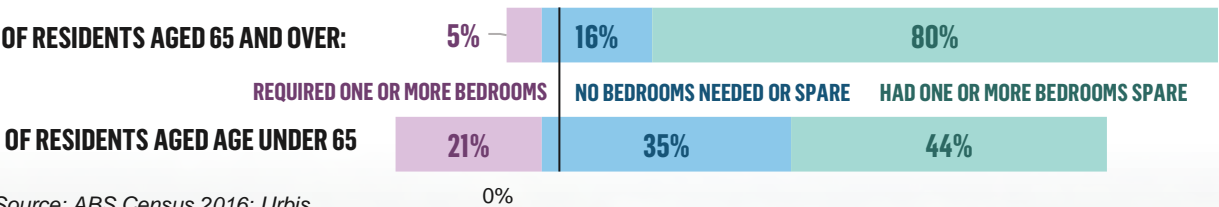
In 2016, 55% of residents aged 65+ within the SA2 lived in detached dwellings, with 80% having one or more bedrooms spare. This suggests a potential appetite to downsize if such housing option existed in the local area.

This mismatch in housing needs highlights the lack of housing diversity within the SA2, reflecting a trend seen across the broader LGA. This is evident when looking at the future residential supply pipeline in the LGA, where activity is heavily concentrated in Kogarah and Hurstville.

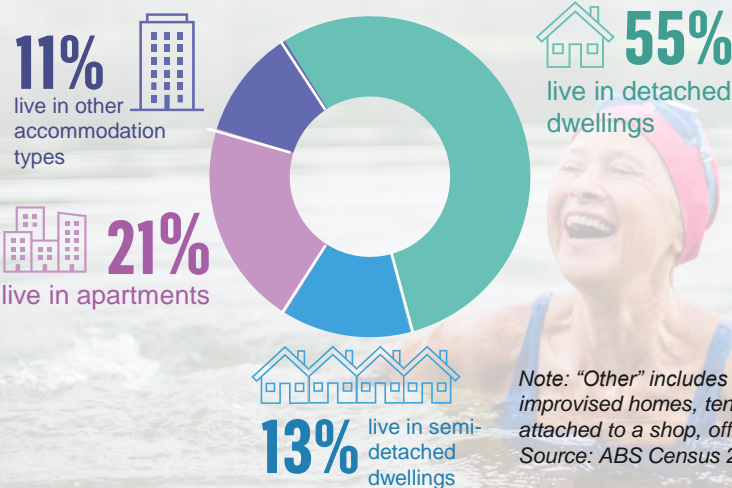
“There is limited choice for small dwellings that will suit the ageing population available outside of the growth areas of Hurstville and Kogarah” – Georges River Draft LHS 2020

Improving housing diversity across the LGA is imperative to addressing this disparity by providing older residents with greater housing choice when looking to downsize, without compromising their preferred retirement lifestyle and location.

BEDROOM REQUIREMENTS IN SANS SOUCI – RAMSGATE SA2 BY AGE, 2016

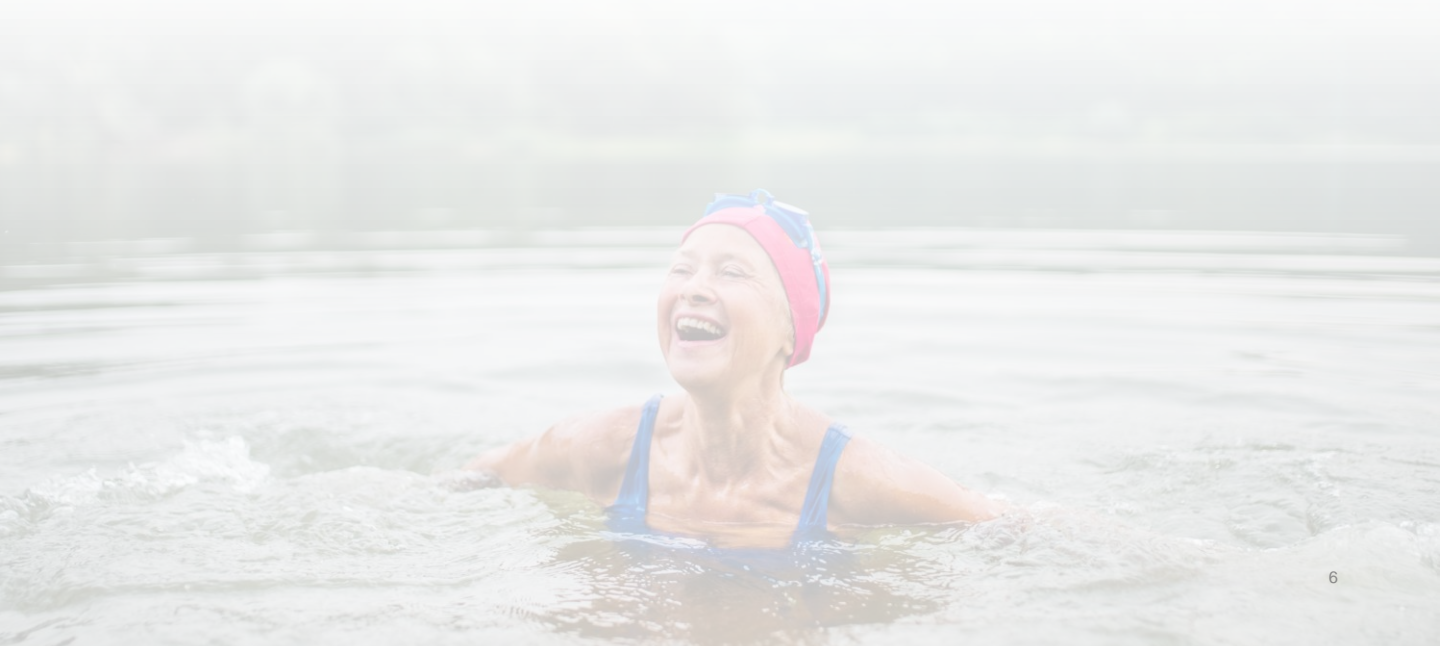
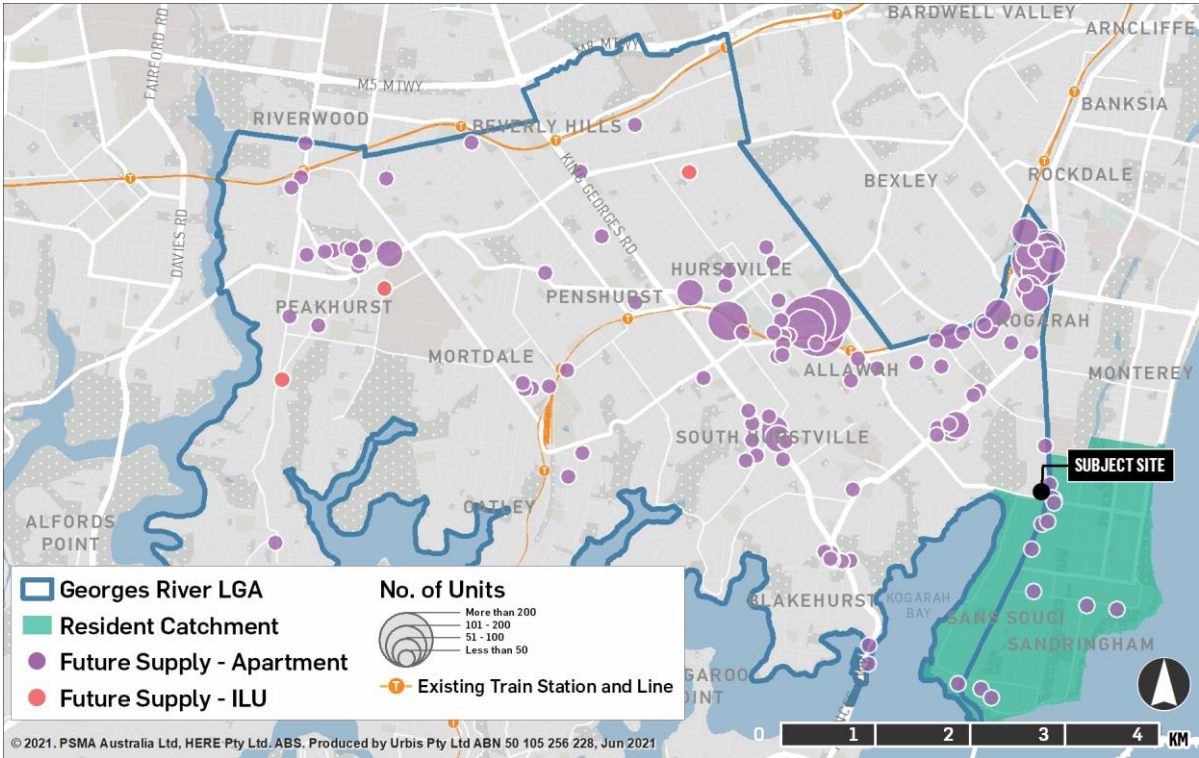


OF RESIDENTS AGED 65 AND OVER:



By delivering 185 apartments to Ramsgate, the proposed development provides an opportunity for local residents to be able to downsize and remain in their local community

PROPOSED RESIDENTIAL SUPPLY, GEORGES RIVER LGA



03

THE SITE IS ONE OF A LIMITED NUMBER OF DEVELOPABLE SITES IN THE LOCAL AREA WITH POTENTIAL TO REVITALIZE RAMSGATE

As the LGA's population grows, Council must consider the strategic positioning of its retail centres to cater for this growth.

The Ramsgate retail precinct is comprised of 75 individual lots, 84% of which are lots of less than 700 sq.m.

At 6,865 sq.m, the Subject Site represents one of few land parcels capable of delivering critical mass development within Ramsgate's retail core.

This is a key consideration, given Council's strategic outlook for Ramsgate, as outlined in the *Georges River Commercial Centres Economic Study 2019*. This study involved developing a strategic planning framework to guide development within the LGA's commercial centres.

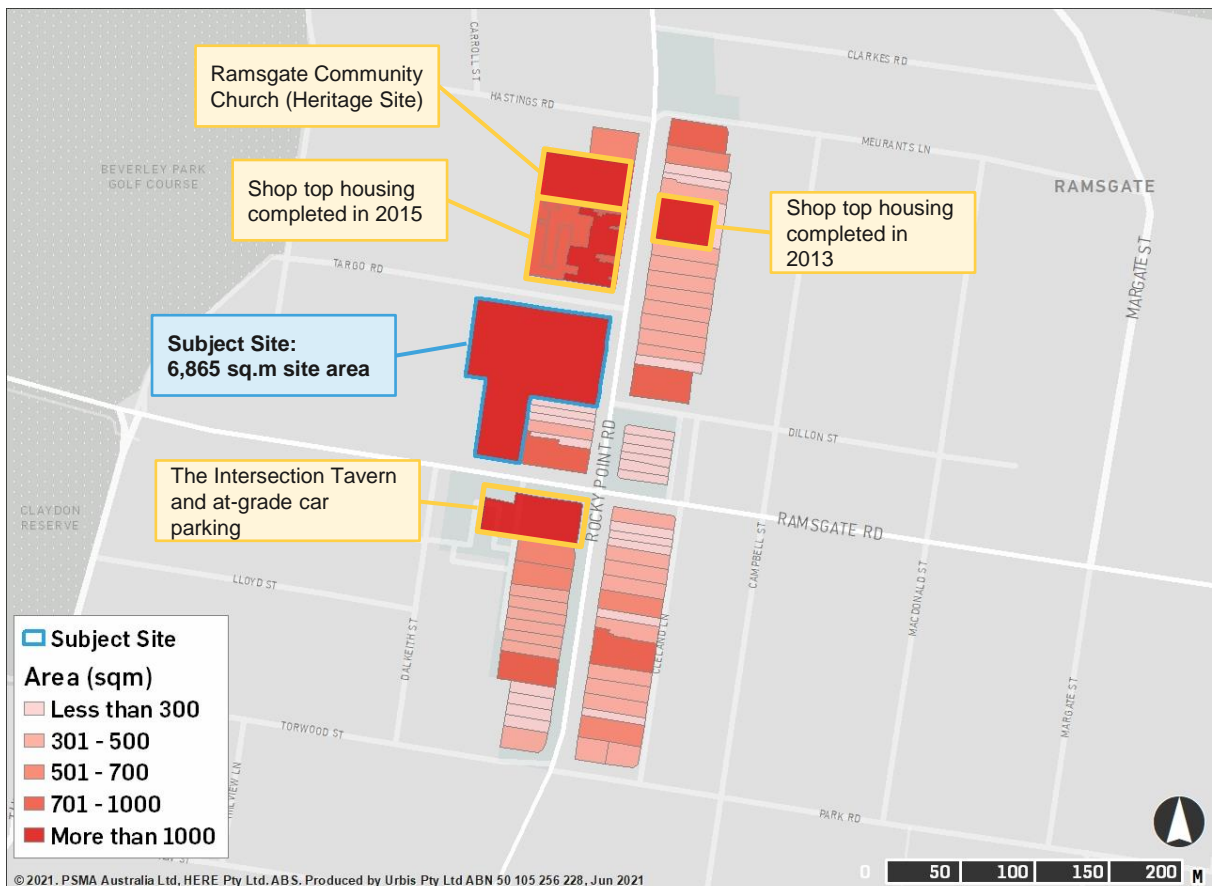
The study notes Ramsgate's current role as a village centre, with the potential to develop into a local centre.

"Local centres provide a mix of retail, commercial and community space with retail space typically being over 5,000 sq.m and anchored by one or two supermarkets over 1,000 sq.m." – Georges River Commercial Centres Economic Study 2019

The study also notes the difficulties in accommodating full-line supermarkets, due to increasing land scarcity and the need to amalgamate sites.

"Full line supermarkets, that is supermarkets over 3000 sq.m, are increasingly anchoring smaller centres" – Georges River Commercial Centres Economic Study 2019

At 6,865 sq.m, the Subject Site is strategically sized and located to facilitate large scale development anchored by a full-line Woolworths. This will allow the precinct to seamlessly transition into a crucial local centre to service the region's growing population.



04 THE DEVELOPMENT WILL SUPPORT INCREASED JOB CONTAINMENT WITHIN THE GEORGES RIVER LGA AND MORE JOBS ACROSS THE ECONOMY

As at the 2016 Census, Georges River LGA had a total of 65,956 resident workers, though only 23% of these resident workers work within the Georges River LGA. This results in a job leakage of approximately 51,000 jobs (77%).

There were approximately 7,000 resident workers working in the retail industry and only about 26% of these workers are retained within the LGA.

As at 2016, there were only about 4,600 retail jobs within the LGA, causing retail workers to have to leave the LGA for work.

The proposed 7,644 sq.m of retail and non-retail shopfront floorspace within the subject site development will assist in creating jobs that can be filled by resident workers from the George River LGA, contributing to increased job containment.

“Local businesses are supported to help protect jobs and create employment opportunities” – Georges River Council Community Strategic Plan, 2018-2028

JOB CONTAINMENT – 2016



ALL INDUSTRIES
~15,000 JOBS
23%



RETAIL TRADE
~1,800 JOBS
26%



ALL INDUSTRIES
~51,000 JOBS
77%



RETAIL TRADE
~5,200 JOBS
74%

05

THE DEVELOPMENT WILL CONTRIBUTE 307 JOBS DURING CONSTRUCTION AND 362 ONGOING OPERATIONAL JOBS

The development cost for the proposed development is estimated to be \$128.5 million over a two-year period.

The proposed development will support a **total of 307 jobs over the two-year development phase, including 122 direct jobs and 185 indirect jobs.**

The proposed development is expected to deliver 185 apartment units and 7,644 sq.m (GLA) of retail uses.

Upon completion, the proposed development will support new jobs into the economy.

Using a job density of approximately 21.7 sq.m per job for major retail and 31.6 sq.m per job for other retail, the proposed 7,644 sq.m of retail floorspace will **support 299 direct jobs** into the retail sector during the operational phase.

In addition, the operational phase will support **63 indirect jobs** across other sectors.

DEVELOPMENT PHASE



**122 DIRECT JOBS
OVER 2 YEARS**

**185 INDIRECT JOBS
OVER 2 YEARS**

OPERATIONAL PHASE



299 DIRECT JOBS

63 INDIRECT JOBS

06

THE DEVELOPMENT WILL CONTRIBUTE \$96.1 MILLION TO THE LOCAL ECONOMY DURING CONSTRUCTION AND \$33.6 MILLION IN EACH YEAR OF OPERATION

In addition to employment generation, the development will contribute Gross Value Added (GVA) directly and indirectly to the economy in both the development and operational phase.

The estimated development cost of \$128.5 million will generate a **total GVA of \$96.1 million during the two-year development phase.**

Once the proposed development becomes operational, the 299 direct jobs in the retail sectors will generate a total GVA of \$33.6 per annum into the economy.

DEVELOPMENT PHASE



OPERATIONAL PHASE PER ANNUM



07

THE DEVELOPMENT WILL HOUSE NEW RESIDENTS WHO WILL GENERATE ADDITIONAL SPENDING THAT WILL SUPPORT LOCAL BUSINESSES

The proposed development will accommodate an estimated additional population of 440 residents. This population will spend approximately \$7 million annually on retail in 2026, supporting retail businesses within the Ramsgate Village Centre.

The proposed development will help to improve the performance of existing

businesses and retailers within the Ramsgate Village Centre by encouraging additional footfall and customers within the local centre. Alternatively, the additional retail spending by the onsite population can also support up to 14 additional potential new local retail businesses.



185 DWELLINGS



**7 MILLION ANNUAL
RETAIL SPEND (2026)**



~440 RESIDENTS



**14 POTENTIAL NEW
LOCAL BUSINESSES***



**\$16,000 DAILY
RETAIL SPEND
(2026)**



**~1,000 ADDITIONAL
SUPPORTABLE RETAIL
FLOORSAPCE (2026)**

Source: ABS; MarketInfo; Time & Place; Urbis
* Assumes average of \$500,000 turnover per business

08

THE PROPOSED DEVELOPMENT WILL DELIVER RETAIL AND SERVICES THAT WILL REDUCE THE NEED FOR TRADE AREA RESIDENTS TO LEAVE THE LOCAL AREA

Analysis of Human Movement Data, sourced from mobile device applications, reveals the key shopping destinations within and beyond the trade area.

The strip retail precincts of Ramsgate Beach and Ramsgate Village Centre achieve high shares of visitation from shoppers, in part due to their diversified mix and offer.

In terms of local supermarket offers, of trade area shoppers, around:

- 1 in 4 visited Coles Ramsgate (26%)
- 1 in 3 visited Supabarn Sans Souci (36%)
- 1 in 14 visited IGA Ramsgate (7%)

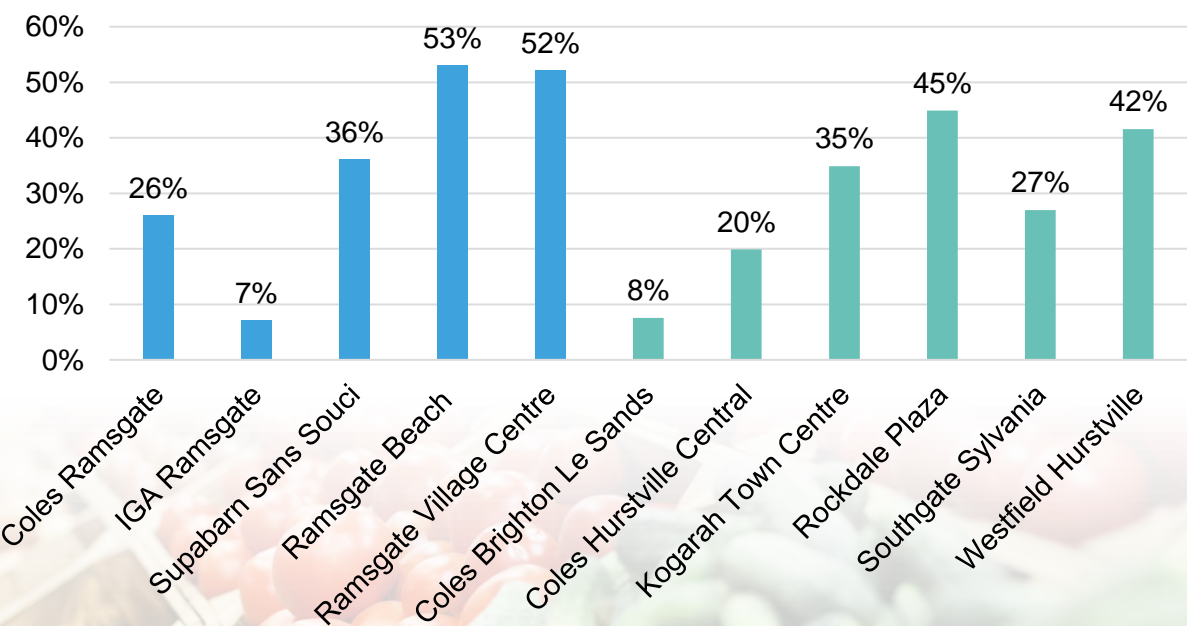
Centres beyond the trade area that achieved higher shares of visitation than local supermarkets include:

- Rockdale Plaza (45%)
- Westfield Hurstville (42%)
- Kogarah Town Centre (35%)
- Southgate Sylvania (27%)

The disparity between visitation rates of local supermarkets and shopping centres beyond the trade area indicates there is a significant outflow of retail expenditure that could be retained were high quality, modern retail facilities provided within the area.

The proposed development at the subject site would deliver such a type of development that would lead to improved local retention and flow on benefits to surrounding retailers and precincts.

SHARE OF TRADE AREA SHOPPERS WHO VISITED IN THE PREVIOUS 12 MONTHS



Source: Ubermedia Urbis

THE PROPOSED DEVELOPMENT WILL DELIVER HIGH QUALITY RETAIL, SERVICES AND AMENITY THAT ARE CURRENTLY LACKING IN THE LOCAL AREA

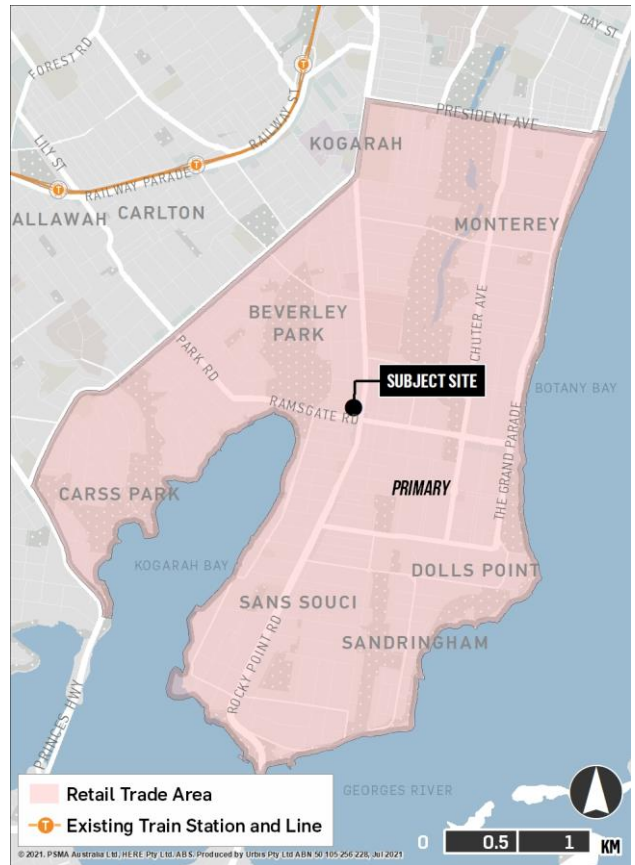
Currently, the Ramsgate retail strip along Rocky Point Road is largely comprised of older, small scale buildings that are typically 1-2 storeys high. These buildings generally feature ground floor retail and commercial offices above.

Several shop top housing developments (3-5 storeys) have emerged over the past decade, reinvigorating the precinct's landscape.

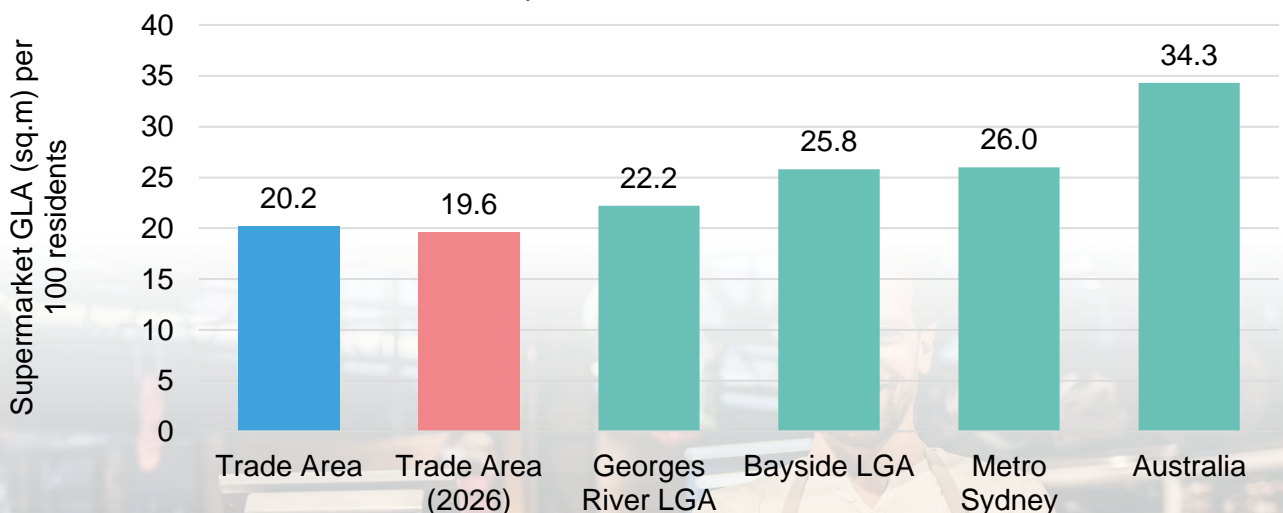
The main trade area, illustrated opposite, is currently undersupplied in terms of supermarket floorspace, relative to local, regional and national benchmarks. Currently, the main trade area provides 20.2 sq.m of supermarket floorspace per 100 residents, which is:

- 9% lower than Georges River LGA
- 22% lower than Bayside LGA
- 22% lower than Metropolitan Sydney
- 41% lower than the Australian average.

This highlights additional demand for supermarket retail within the trade area.



SUPERMARKET FLOORSPACE PROVISION, 2021



Source: Urbis

NB: Trade Area (2026) assumes future population growth with Status Quo provision

ADDRESSING FUTURE UNDERSUPPLY

Future population growth within the trade area will further increase this undersupply. By 2026, with no additional supermarkets in the trade area, the provision rate would fall to 19.6 sq.m per 100 residents, which is significantly lower than the Metropolitan Sydney Average.

SUPPORTABLE DEMAND GROWTH

Total retail floorspace demand from the trade area residents will be in excess of 85,000 sq.m by 2026.

The 6,880 sq.m of retail floorspace (allowing for ~10% of the floorspace to be occupied by non-retail uses) within the proposed development will account for less than 10% of total retail floorspace demand, showing there is sufficient demand to support other retail facilities and centres across the broader region.

ADDITIONAL CARPARKING BENEFITS THE VILLAGE CENTRE

Car parking within the Ramsgate Village Centre currently comprises of:

- Street parking along Rocky Point Road and along nearby residential streets
- An at-grade unrestricted car park on Ramsgate Road with 72 spaces

Sufficient car parking is crucial to ensure activate the existing retail strip and attract additional footfall.

The proposed development will accommodate additional carparking spaces, which improves the overall accessibility of the Village Centre and will encourage cross shopping across both the proposed development and existing strip retail facilities.

The development will deliver 3,826 sq.m of supermarket floorspace and additional car parking spaces, providing services and amenities that are currently lacking in the area.

Impacts of the proposed development across the network of competitive centres are estimated to be within the bounds of competition, with no centre impacted to the point where its ongoing operation or commercial viability becomes uneconomical.

The proposed development is estimated to achieve turnover of \$63.2 million in 2025, in real terms.

The largest aggregate impacts are estimated to be absorbed by the dominant centre and supermarkets within the

catchment area, namely Hurstville (\$9.6m), Rockdale (\$9.0m) and Ramsgate Beach (\$9.5m).

In percentage terms the largest impacts are on Ramsgate and Sans Souci, both at 13-14%, however this reflects their existing position as the two main supermarkets servicing a significantly undersupplied market.

Further analysis of site potential and competitive impacts is provided in the Appendix.

ESTIMATED CENTRE IMPACTS, 2025 (CONSTANT 2021 DOLLARS)

	RETAIL TURNOVER (\$2021M)			IMPACT		
	Current (2021, \$M)	'Before Impact' (2025, \$M)	'Post Impact' (2025, \$M)	(\$M)	(%)	2025 vs 2021 (%)
Ramsgate Beach	66.7	68.6	59.2	-9.5	-13.8%	-11.3%
Brighton-Le-Sands	63.3	65.6	63.8	-1.8	-2.8%	0.7%
Rockdale	205.2	214.5	205.5	-9.0	-4.2%	0.2%
Kogarah	92.9	96.0	89.8	-6.1	-6.4%	-3.3%
Hurstville	605.4	641.0	631.3	-9.6	-1.5%	4.3%
Sans Souci	30.4	31.5	27.3	-4.1	-13.2%	-10.1%
Ramsgate	18.1	19.0	17.5	-1.5	-7.7%	-3.3%
Carlton	27.3	28.3	26.8	-1.4	-5.1%	-1.5%
Other Centres				-20.1		
Total Impact				-63.2		

Source: Urbis

APPENDIX

ECONOMIC IMPACT ASSESSMENT – INTRODUCTION

This Economic Impact Assessment (EIA) has been prepared by Urbis Pty Ltd on behalf of Time & Place (“The Proponent”) to form part of a planning proposal on the 193-199 Rocky Point Road, 66-68 Ramsgate Road & 2-6 Targo Road, Ramsgate.

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

- Subject Site and Local Context
- Trade Area Analysis
- Competition Context
- Market Demand and Need
- Turnover Potential
- Retail Impact Assessment



ECONOMIC IMPACT ASSESSMENT – SITE CONTEXT

SITE CONTEXT

As shown in the following map, the Subject Site is located at the centre of the Ramsgate retail strip and is surrounded by:

- Shop top housing to the north
- Small scale retail and shop top housing to the east
- Two heritage buildings to the south
- Low to medium density residential dwellings to the west.

LOCAL CONTEXT

There is a high level of amenity surrounding the Subject Site. The Ramsgate retail strip itself includes a pub, several cafes and restaurants, a bakery, a gym, hairdressers and professional services (e.g. accounting and solicitors). The retail strip does not currently contain a supermarket or convenience store.

Ramsgate Public School is situated 1 km to the west of the Ramsgate retail strip, while St George Christian School (Infants Campus) is located 200m south of the retail strip. Several tertiary institutions, including TAFE St George and UNSW St George & Sutherland Clinical School, are located 1.7km to the north.

Beverley Golf Club and Georges River Peninsula are located 400m west of the retail strip, while Ramsgate Beach is 1km to the east, providing locals with an outdoor recreational lifestyle.

The Subject Site is well serviced by bus routes, providing connections to Miranda in the south and Kogarah and Rockdale to the north for ongoing train connections to Sutherland and the Sydney CBD.

The Ramsgate retail strip is largely surrounded by low density residential dwellings. However, over the past decade, medium to high density developments have begun to emerge. The Ramsgate retail strip features several shop top housing developments, including Air Apartments and Soleil. Most notably, Ramsgate Park is a new masterplanned community situated 300m north of the retail strip, featuring over 554 apartments and townhouses. The development does not feature any retail.

“...Increasing desire from consumers for walkable, convenient access to food and grocery shopping” – Georges River Economic Study 2019

TRADE AREA

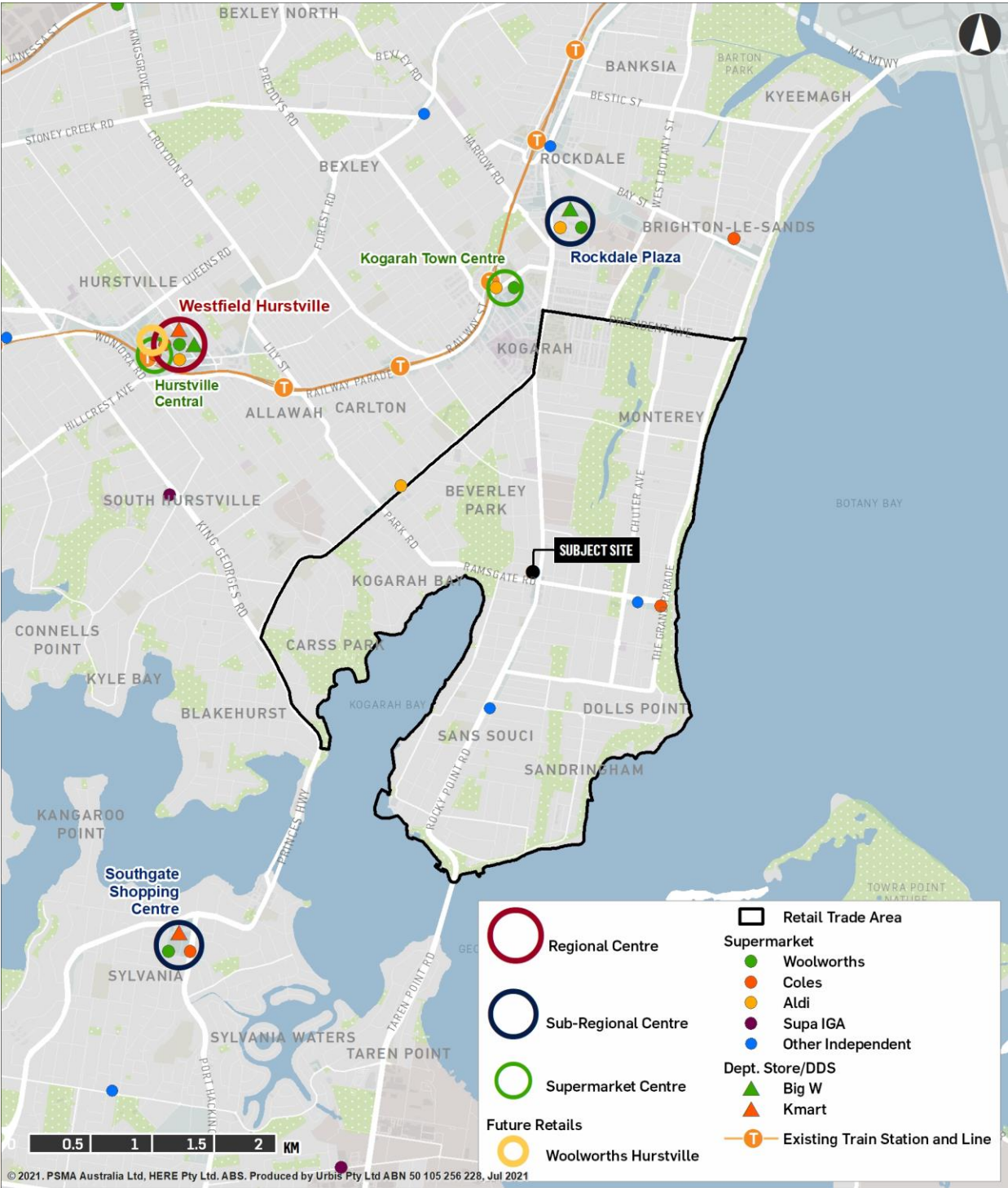
The trade area for the proposed supermarket has been defined based on:

- The existing road alignments and accessibility (road and public transport) of the Subject Site
- Significant physical and geographic boundaries such as railway lines, motorways, waterways etc.
- The proposed location of residential development in the surrounding area
- The provision of existing retail facilities throughout the area

The adopted trade area, as outlined in the following map, has been based on ABS SA1 statistical divisions surrounding the Subject Site. It extends from President Avenue to the north, coastline to the east and south and Princes Highway to the west.

ECONOMIC IMPACT ASSESSMENT – TRADE AREA MAP

TRADE AREA AND COMPETITION MAP

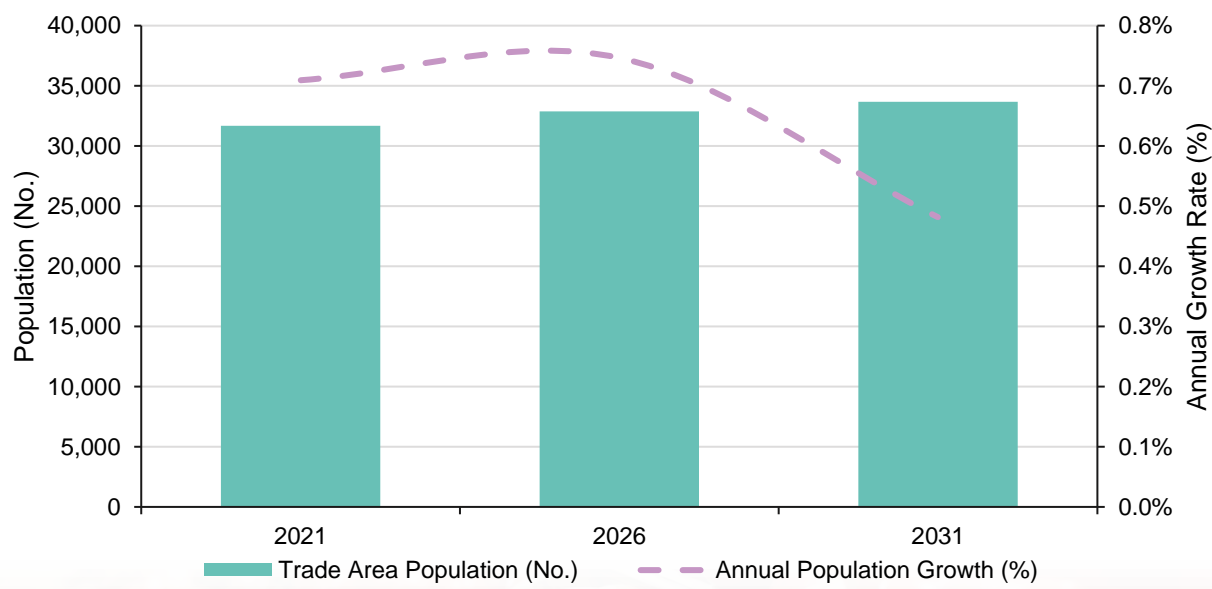


ECONOMIC IMPACT ASSESSMENT – POPULATION

The following chart presents population forecasts for the trade areas. Forecasts are based on ABS Estimated Resident Population data, Transport for NSW population projections, assumptions relating to the impacts of COVID on short term growth rates and assumptions relating to the short term development pipeline for the trade area.

The trade area population is estimated at 31,680 residents at 2021. over the forecast period to 2031, the trade area population is projected to grow at an average rate of 0.6% per annum, or around 200 residents annually, to reach 33,680 residents by 2036.

TRADE AREA POPULATION, 2021 - 2031



ECONOMIC IMPACT ASSESSMENT – SPENDING

As shown in the chart, average per capita spending levels across the trade area are 1% higher than the average for Metropolitan Sydney, although the variation differs across product groups.

Trade area residents spend above the Metropolitan Sydney average in several product groups, including retail services (+5% to the Sydney average), food and groceries (+3%), general retail (+3%) and bulky goods (+2%).

Spending on liquor, apparel and electronics are generally in line with the average, while the remaining sectors are between 3% to 8% below the average.

The proposed development is well placed to provide an offering that will better meet residents' needs in various product groups, particularly food and groceries.

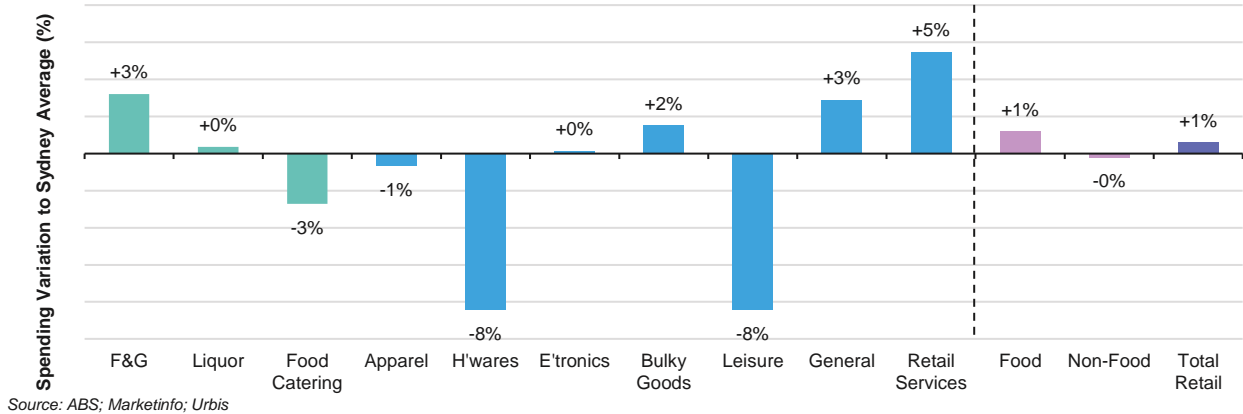
Forecast growth in retail spending is estimated by combining forecast population growth with anticipated growth in retail spend per capita.

The total retail expenditure capacity of the main trade area population is estimated to grow from \$493 million in 2021 to \$636 million by 2031 (inclusive of GST and retail price inflation), reflecting an average annual growth of 2.6%.

Food spending accounts for the largest proportion of retail expenditure, at 58% (\$287 million) in the trade area in 2021.

This quantum of retail expenditure growth across the trade area will be supported by an expansion of retail floorspace at the Subject Site.

PER CAPITA SPENDING, 2021



TRADE AREA SPENDING FORECAST, 2021 – 2031 (\$M, NOMINAL)

	F&G	Liquor	Food Catering	Apparel	H'wares	E'tronics	Bulky Goods	Leisure	General	Retail Services	Total Retail	Annual Growth	=	Pop Growth	+	Spend Per Capita Growth
Total Primary:																
2021	180	24	83	50	10	24	50	20	32	20	493					
2026	203	27	96	54	12	27	57	23	36	23	557	2.5%		0.7%		1.7%
2031	232	31	111	58	14	32	65	26	41	28	636	2.7%		0.5%		2.2%

Note: spending figures are nominal and inclusive of GST and inclusive of inflation after 2021
Source: ABS; Marketinfo; Urbis

ECONOMIC IMPACT ASSESSMENT – DEMOGRAPHICS

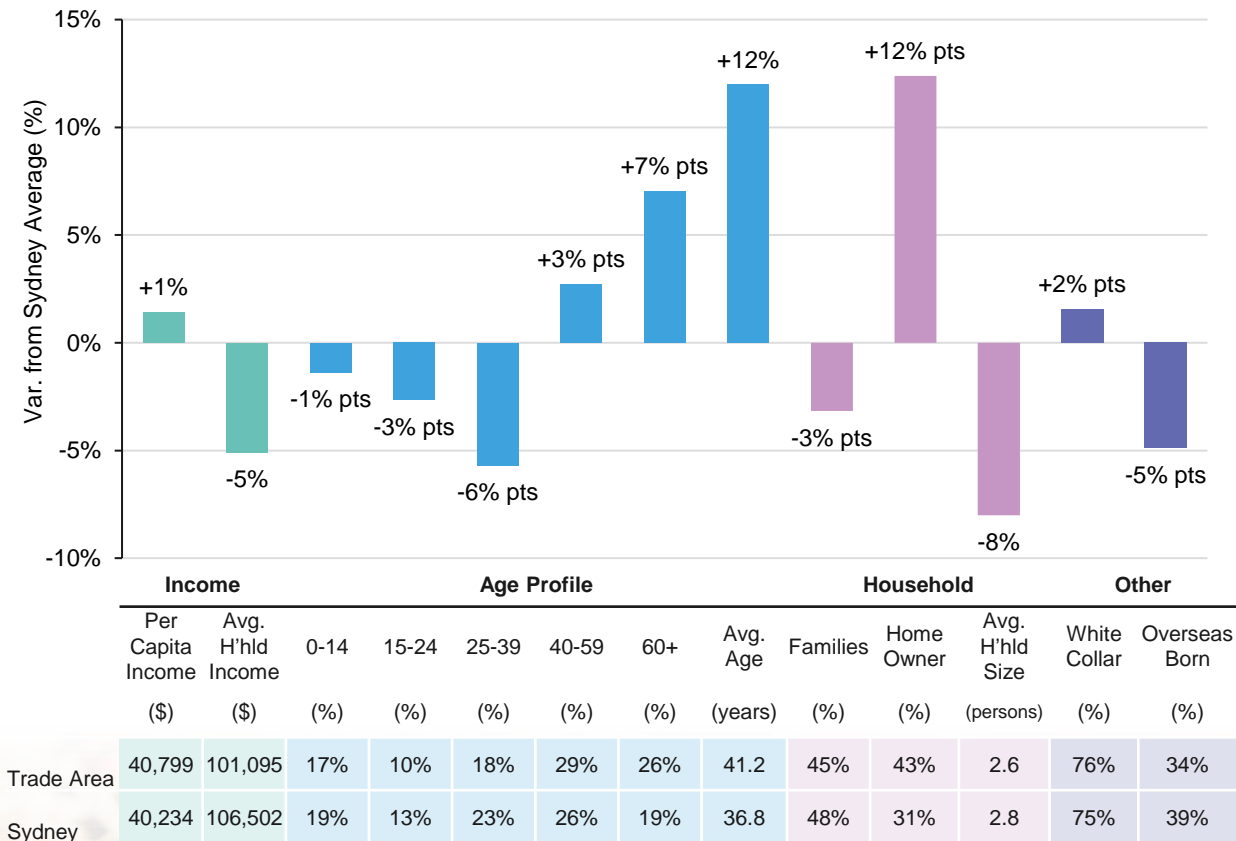
The key socio-economic characteristics of the Ramsgate trade area, as sourced from the 2016 ABS Census, are highlighted below:

- The trade area recorded average household income levels that are 5% below the Metro Sydney average, although this is attributed to the trade area’s smaller average household size.
- The age distribution within the trade area is heavily skewed towards those aged 40 and over, due to the ageing population. The proportion of residents aged 60+ is 12% higher than the Sydney average.
- Families comprise approximately 45% of household types within the trade area, which is slightly lower than the Metro Sydney average of 48%.

- The proportion of households who own their property outright is significantly higher than that of Metro Sydney, at 43% compared to 31%, indicating a greater level of disposable income for retail.
- The proportion of white collar workers within the trade area is generally in line with the Metro Sydney average.
- The main trade area has a lower than average proportion of residents born overseas, at 5% below the Metro Sydney average.

Overall, the main trade area is characterised by a mature/older age households and below average household incomes with a higher proportion of white collar workers. The high proportion of home owners indicates higher disposable income for retail.

TRADE AREA SOCIO-DEMOGRAPHIC PROFILE, 2016



Source: ABS; TfNSW; Urbis

ECONOMIC IMPACT ASSESSMENT – COMPETITIVE CONTEXT

The retail centres in the region are represented by a mix of higher order centres located outside of the trade area and convenience based retail strips dispersed throughout the region.

Within the trade area are three key competitive facilities. Ramsgate Beach retail strip features a standalone Coles (3,362 sq.m) and an Aldi situated within Ramsgate Beach Plaza (761 sq.m). Additionally, the Jameson Apartments in Sans Souci comprises ground floor retail, which includes an 1,500 sq.m Supabarn.

Beyond the main trade area are three key centres:

- **Kogarah Town Centre:** one of two strategic centres in the Georges River LGA, located 2.6 km north of the subject site. It features the supermarket centre “Kogarah Town Centre”, anchored by Woolworths and Aldi. The centre accounts for almost 6,000 sq.m of retail floorspace in Kogarah.
- **Rockdale Town Centre:** situated within the Bayside LGA, 3.3 km north of the subject site. It features

Rockdale Plaza, a sub-regional centre anchored by Woolworths and Aldi. The centre comprises almost 22,200 sq.m of retail floorspace.

- **Hurstville City Centre:** the second strategic centre in the Georges River LGA, located 4.2 km west of the subject site. It features Hurstville Central, a supermarket centre anchored by Coles, and Westfield Hurstville, a regional centre anchored by Woolworths, Coles and Aldi. Together, the centres account for

There are no new retail developments proposed within the trade area. However, a mixed use development (Beyond) containing 556 apartments and a 4,345 sq.m Woolworths is currently under construction in Hurstville, with completion anticipated in late 2021.

EXISTING COMPETITIVE CONTEXT

Centre/Suburb	Key Tenants	Estimated GLA (sq.m)	Driving distance from subject site (km)
Ramsgate Village	-	3,500	-
Ramsgate Beach	Coles, IGA	6,900	1.1
Sans Souci	Supabarn	2,200	1.1
Carlton	Aldi	1,500	1.8
Rockdale	Woolworths, Aldi, Foodworks	29,600	3.3
Kogarah	Woolworths, Aldi	13,200	2.6
Hurstville	Coles, Woolworths, Aldi	83,100	4.2
Brighton-Le-Sands	Coles	6,700	3.9

Source: Urbis

ECONOMIC IMPACT ASSESSMENT – MARKET NEED AND DEMAND

The trade area population, as at 2021 , generates demand for 75,800 sq.m of retail floorspace.

By 2036, there will be demand for 85,200 sq.m of retail floorspace, a 9,400 sq.m increase on 2021.

The development at the subject site will address future market need and demand.

At 6,832 sq.m of retail floorspace (assuming 750 sq.m of non-retail floorspace), the proposed development represents around 9.0% of current floorspace demand and 8.0% of floorspace demand by 2036, indicating there is substantial demand for existing and future retail floorspace across the trade area.

FLOORSPACE DEMAND PROJECTIONS, 2021-2036

	2021	2026	2031	2036
Total Resident Spend (\$M)*	\$493	\$526	\$567	\$597
Average Trading Levels (\$ per sqm)**	\$6,500	\$6,660	\$6,830	\$7,000
Total Floorspace Demand (sq.m)	75,800	79,000	83,000	85,200

Source: Urbis

* Constant 2021 dollars

** Inflated at 0.5% per annum



ECONOMIC IMPACT ASSESSMENT – TURNOVER POTENTIAL

Urbis has considered the achievable and sustainable market share and turnover levels for the proposed development.

At 6,879 sq.m of retail floorspace (assuming 765 sq.m of non-retail floorspace), the proposed development has the potential to achieve an annual retail turnover of \$63.2 million, at an average trading level of approximately \$9,200 per sq.m in 2025.

This is based on the Subject Site capturing a 9.6% share of the trade area’s retail expenditure, including a

14.7% market share of food spending and a 2.7% share of non-food spending.

A further 22% of spending is estimated to be drawn from beyond the trade area, underpinned by the strength of the anchor tenants in Woolworths and Dan Murphy’s and the highly accessible site location.

The level of market share that would be captured by the Subject Site development is appropriate in the context of the overall market and would be integral in addressing the future population growth in the area.

ESTIMATED TURNOVER AND TRADING LEVELS BY CATEGORY, 2025 (CONSTANT DOLLARS, INCL GST)

Category	GLA (sq.m)	Estimated Turnover (\$M)	ATL (\$ per sq.m)
Woolworths	3,826	\$37.7	\$9,840
Dan Murphy’s	1,413	\$13.2	\$9,840
Retail Specialties	1,640	\$12.3	\$7,500
Total Non-Retail	765	-	-
Total*	7,644	\$63.2	\$9,180

Source: Urbis

* Turnover and ATL is for retail uses only

MARKET SHARES AND RETAIL TURNOVER, POST-EXPANSION (2025, CONSTANT DOLLARS, INCL. GST)

	Market Size (\$M)			Turnover (\$M)			Market Share (%)		
	Food	Non-food	Total Retail	Food	Non-food	Total Retail	Food	Non-food	Total Retail
Trade Area	295	220	515	43.2	6.0	49.2	14.7%	2.7%	9.6%
Beyond*				12.9	1.1	14.0	23.1%	15.0%	22.2%
Total				56.1	7.1	63.2			

Source: Urbis; MarketInfo

*Market share reflects share of turnover from beyond trade area

ECONOMIC IMPACT ASSESSMENT – IMPACT ASSESSMENT

An impact assessment can provide a reasonable indication of the likely trading environment and average trading conditions which retailers are likely to operate within, and implications for likely turnover decline or turnover gain, on average, for the retailers involved.

Because an impact assessment seeks to forecast how groups of people are likely to alter their shopping behaviour in response to a given change in the competitive environment, it is not possible to be so precise as to estimate exactly what will happen to each individual retailer, or each group of retailers in each location.

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

Existing retailers are not passive participants, but rather will play a major role in the eventual impact which they will experience. The actions which each of these retailers take will determine the eventual impact on each of them, and furthermore the actions which they each take will also determine the eventual impact on the other retailers involved.

ESTIMATED CENTRE IMPACTS, 2025 (CONSTANT 2021 DOLLARS)

	Retail Turnover (\$2021)			Est. Impacts		
	Current (2021, \$M)	'Before Impact' (2025, \$M)	'Post Impact' (2025, \$M)	(\$M)	(%)	2025 vs 2021 (%)
Ramsgate Beach	66.7	68.6	59.2	-9.5	-13.8%	-11.3%
Brighton-Le-Sands	63.3	65.6	63.8	-1.8	-2.8%	0.7%
Rockdale	205.2	214.5	205.5	-9.0	-4.2%	0.2%
Kogarah	92.9	96.0	89.8	-6.1	-6.4%	-3.3%
Hurstville	605.4	641.0	631.3	-9.6	-1.5%	4.3%
Sans Souci	30.4	31.5	27.3	-4.1	-13.2%	-10.1%
Ramsgate	18.1	19.0	17.5	-1.5	-7.7%	-3.3%
Carlton	27.3	28.3	26.8	-1.4	-5.1%	-1.5%
Other Centres				-20.1		
Total Impact				-63.2		

Source: Urbis

Trade area residents currently distribute their spending across a broad range of centres, including Ramsgate Beach, Sans Souci and Kogarah, among many others, and therefore the impacts are expected to also be widely dispersed.

Based on the estimated scale and performance of retail centres within and beyond the trade area, the greatest competitive impacts in aggregate terms, are expected to be absorbed by Hurstville, Rockdale and Ramsgate Beach.

In percentage terms, the greatest impacts are estimated to be absorbed by Ramsgate Beach and Sans Souci, given they both contain the only supermarkets in the trade area, which is currently well undersupplied relative to LGA and metropolitan Sydney benchmarks.

The competitive impacts are estimated to be within the bounds of competition, with the ongoing commercial viability of any centre listed not likely to be undermined or uneconomical in part to the future spending and demand growth in the area, as well as the prevailing undersupply of supermarket floorspace.

ECONOMIC IMPACT ASSESSMENT – METHODOLOGY & SOURCES

Population Methodology & Sources

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

- Historical population and dwelling approval data provided by the ABS
- The 2020 estimate of resident population (ERP) published annually by the ABS
- Travel Zone-level population projections published by Transport for NSW in June 2019
- Cordell Connect construction data for all development proposals

Using the 2019 ERP as a base, population growth within the trade area has been forecast by adopting the five-yearly average annual population growth rates projected at a Travel Zone-level by Transport for NSW.

The growth rates have been compared with implied population growth from future residential development in the trade area using data from Cordell Connect.

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

Retail Spending Data Sources

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

Description of Economic Impacts

For the purposes of this report "economic impact" on specific retail centres is defined to mean the probable change in retail turnover at various shopping centres resulting from the introduction of new competition in the form of a new or expanded/refurbished shopping centre. The reduction in turnover relates to a reduced turnover relative to the status quo had been maintained (i.e. if the centre's competitive circumstances remained unchanged).

In our view it is appropriate to express the impact on particular shopping centres or activity centres as a percentage of their potential turnover in the opening year of the proposed centre, as well as comparing impacts with the estimated trading situation at each centre prior to the development occurring. This latter measure is important because it shows the extent to which conditions prior to development will be sustained even after the impact of competitive developments, recognising that growth in the market,

from population growth or real spending growth per capita, can offset in whole or part the effects of new competition.

Therefore, the relevant measures are two-fold:

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

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

Methodology

Urbis continually monitors the performance of retail properties and is adept at identifying the strengths and weaknesses of particular centres using a range of performance indicators.

Our expertise is demonstrated in the trust the industry places in us to create the annual Urbis Shopping Centre Benchmarks, the industry benchmark standard for comparing the turnover and rental performance of a range of shopping centres, based on analysis of over 440 shopping centres annually.

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

Urbis staff also undertook inspections of the current retail provision in the area during June 2021.

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

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

DISCLAIMER

This report is dated **October 2021** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **Time & Place** (Instructing Party) for the purpose of a **Strategic Positioning Paper and Economic Impact Assessment** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report, but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

PLEASE NOTE OUR FURTHER DISCLAIMER IN RELATION TO COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION ON THE FOLLOWING PAGE OF THIS REPORT.

Urbis staff responsible for this report were:

Director	Princess Ventura
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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, is causing a material impact on the Australian and world economies and increased uncertainty in both local and global market conditions.

The effects (both directly and indirectly) of the COVID-19 Outbreak on the Australian real estate market and business operations is currently unknown and it is difficult to predict the quantum of the impact it will have more broadly on the Australian economy and how long that impact will last. As at March 2020, the COVID-19 Outbreak is materially impacting global travel, trade and near-term economic growth expectations. Some business sectors, such as the retail, hotel and tourism sectors, are already reporting material impacts on trading performance now and potentially into the future. 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 Report Content and the data and information that informs and supports it is current as at the date of this report and (unless otherwise specifically stated in the Report) necessarily assumes that, as at the date of this report, the COVID-19 Outbreak has not materially impacted the Australian economy, the asset(s) and any associated business operations to which the report relates and the Report Content. However, 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. 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 could be (or has been) materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a lasting impact. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

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.

To the maximum extent permitted by law, Urbis (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

