



ROSALIND PARK

Economic Benefits Assessment

Prepared for Leda Holdings
July 2022

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,

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

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BENEFITS AT A GLANCE

Key Findings

1. **Key Finding:** The construction phase of the proposed development will create 502 total jobs over the 10-year construction period.
2. **Key Finding:** The 10-year construction period will generate \$798.2 million in Gross Value Added.
3. **Key Finding:** The ongoing operation will create 186 direct and indirect jobs per annum.
4. **Key Finding:** The ongoing operations will deliver \$18.6 million in Gross Value Add per annum.
5. **Key Finding:** An estimate of 4,900 residents from 1,450 dwellings can potentially increase retail expenditure by \$86.3 million. This can translate to 308 potential direct jobs into the retail industry.



502

Jobs over construction period



\$798.2 MILLION

Gross Value Added over the construction period



\$86.3 MILLION

Increase in Annual Retail Expenditure

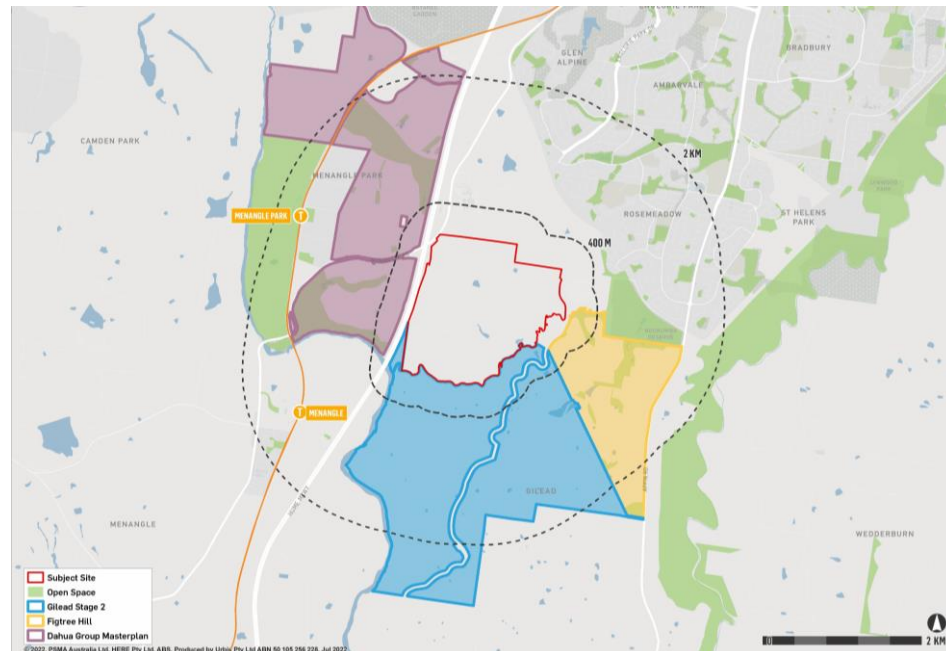
SITE CONTEXT & PROPOSED DEVELOPMENT

Site Context

The site known as Rosalind Park is located at 33 Medhurst Road, 101 and 111 Menangle Road in Menangle Park. It is located between Hume Highway and Menangle Creek and currently contains rural residential lots, the Camden CSG Plant part of the Camden Gas Project and a quarry. The Camden CSG Plant is expected to cease production by 2023.

The site is located in the Greater Macarthur Growth Area, a major urban renewal area that will significantly contribute additional housing and employment across South Western Sydney.

The planning direction for the Greater Macarthur Growth Area is for Menangle Park to be a local centre. It will be supported by larger town centres to the north and north east including Campbelltown, Macarthur and Narellan.



Preliminary Master Plan

A preliminary master plan has been prepared for the site with a target dwelling yield of 1,450 and low and high yield scenarios. The low yield scenario is for approximately 1,300 low density residential lots and the high yield scenario is for approximately 1,600 low density residential lots. Most of the residential lots will be 300sqm to 540sqm, with some additional lots to be 700sqm to 900sqm.

The southern section of the site is proposed to include a neighbourhood centre, a school, and an active open space (sports fields). The northern section of the site is proposed to include a village centre which will make use of the existing buildings to deliver food and beverage offerings.



REMPPLAN METHODOLOGY

This Economic Analysis uses **REMPPLAN** to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area's specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed development. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry
- Indirect effects are:
 - Those felt within industries that supply goods to the industries directly affected (industry effects)
 - Those felt by industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

EMPLOYMENT GENERATION IN DEVELOPMENT PHASE

Key Findings

The development of Rosalind Park at Menangle is proposed to include 1,450 residential dwellings, a school, and retail offerings in the neighbourhood centre and the village centre.

The construction of the proposed development would require considerable capital investment, which would sustain significant employment in the local economy.

The total estimated construction cost (including GST) for the overall development is \$1.08 billion and the development is expected to begin in 2026 and will be completed over a 10 year period.

- Land development = \$423.3 million.
- Dwelling construction = \$638.0 million
- School construction = \$17.6 million
- Southern Neighbourhood Centre construction = \$3.7 million
- Northern Village Centre construction = \$2.0 million

Based on economic modelling using REMPLAN, the construction of the proposed development would generate **an average total of 502 jobs over the 10-year development period**, including:

- Direct jobs = 204 jobs over 10 years
- Indirect jobs = 298 jobs over 10 years.

The new direct jobs will be in the construction sectors which is an important focus in the COVID-19 economic recovery.

Development Phase

**PROJECT
EXPENDITURE
(\$B)**

↔
\$1.08B


**EMPLOYMENT
(JOBS PER
ANNUM)**

↔
**204
DIRECT JOBS
OVER 10 YEARS**

↻
**298
INDIRECT JOBS
OVER 10 YEARS**

»»»
\$1.08B

»»»
**502
TOTAL JOBS
OVER 10 YEARS**

Source: Leda Holdings; REMPLAN Economy; Urbis

ECONOMIC ACTIVITY IN DEVELOPMENT PHASE

Key Findings

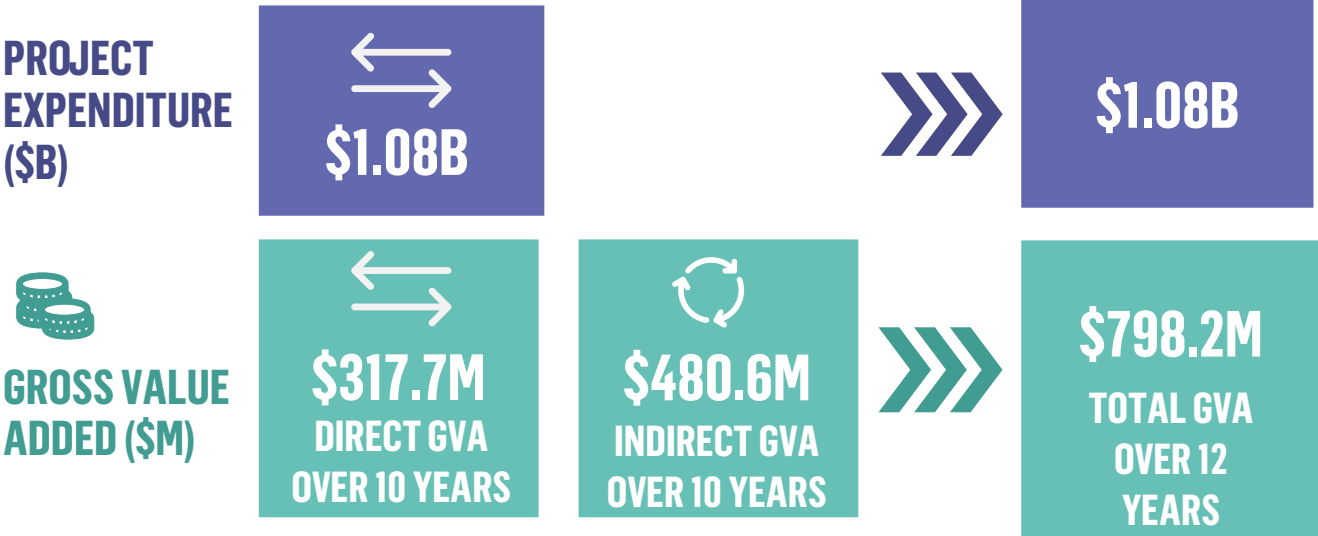
The significant capital investment required for the proposed development will create economic value that will help to support the economic recovery in NSW.

We have used the REMPLAN model to assess the potential economic contributions of the construction of the proposed development in terms of Gross Value Added (GVA).

The development phase will generate a **total Gross Value Added (GVA) of \$798.2 million to the NSW economy during the 10-year construction period.**

- Direct GVA = \$317.7 million
- Indirect GVA = \$480.6 million.

Development Phase



Source: Leda Holdings; REMPLAN Economy; Urbis

EMPLOYMENT GENERATION IN OPERATIONAL PHASE

Key Findings

Upon completion of the development, the ongoing operations from the school, the Southern Neighbourhood Centre and the Northern Village Centre will generate new employments in the local economy.

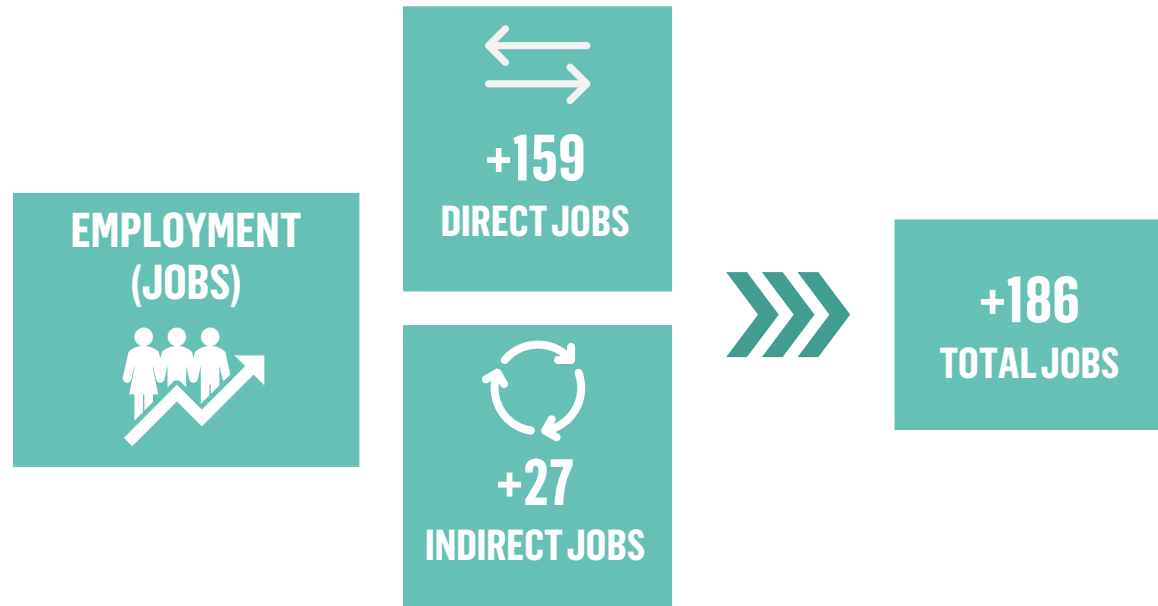
The school will have a capacity of 1,000 students while the Southern Neighbourhood Centre and the Northern Village Centre will deliver 1,800 sq.m and 1,200 sq.m of retail space respectively.

The operational phase of the development will generate **a total net increase of 186 jobs**.

- Direct jobs = 159 jobs
- Indirect jobs = 27 jobs

Direct jobs are associated with the future intended uses on the site. Using density of 13.5 students per staff for school and 35 sq.m per job for retail, the developments will support 159 jobs.

Operational Phase



Source: Leda Holdings; REMPLAN Economy; Urbis

ECONOMIC ACTIVITY IN OPERATIONAL PHASE

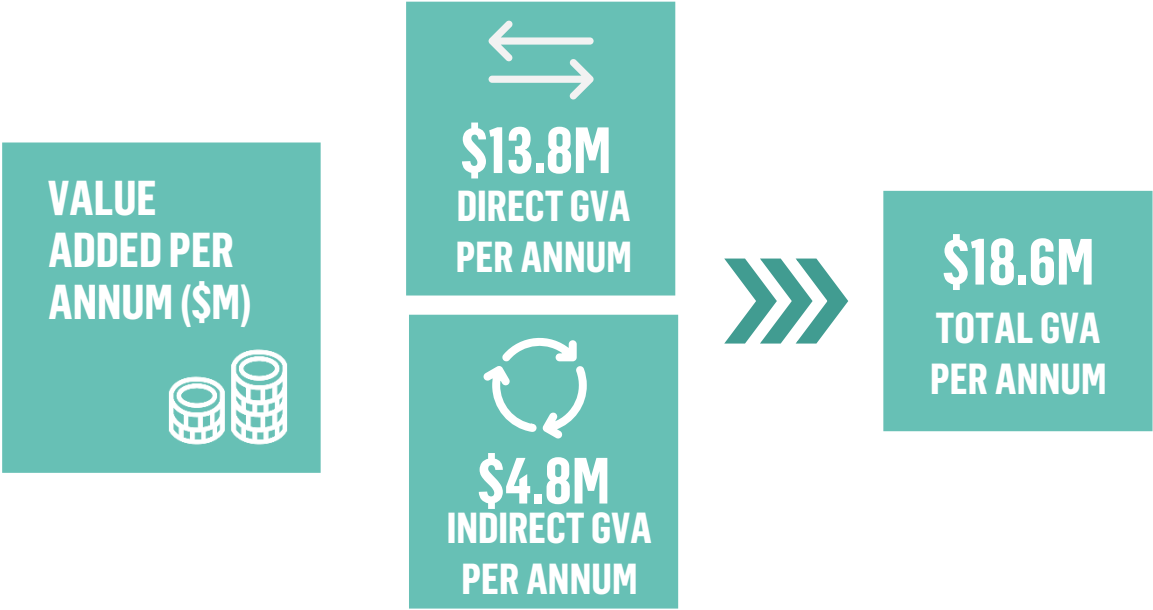
Key Findings

The ongoing operation of the proposed school, and the retail offerings in the Southern Neighbourhood Centre and the Northern Village Centre development will also create economic value to the local economy.

The operation of the proposed development will have the potential to deliver **\$18.6 million in direct and indirect annual gross value added** to the economy comprising:

- Direct annual GVA = \$13.8 million
- Indirect annual GVA = \$4.8 million.

Operational Phase



Source: Leda Holdings; REMPLAN Economy; Urbis

SPIN-OFF BENEFITS

Key Findings

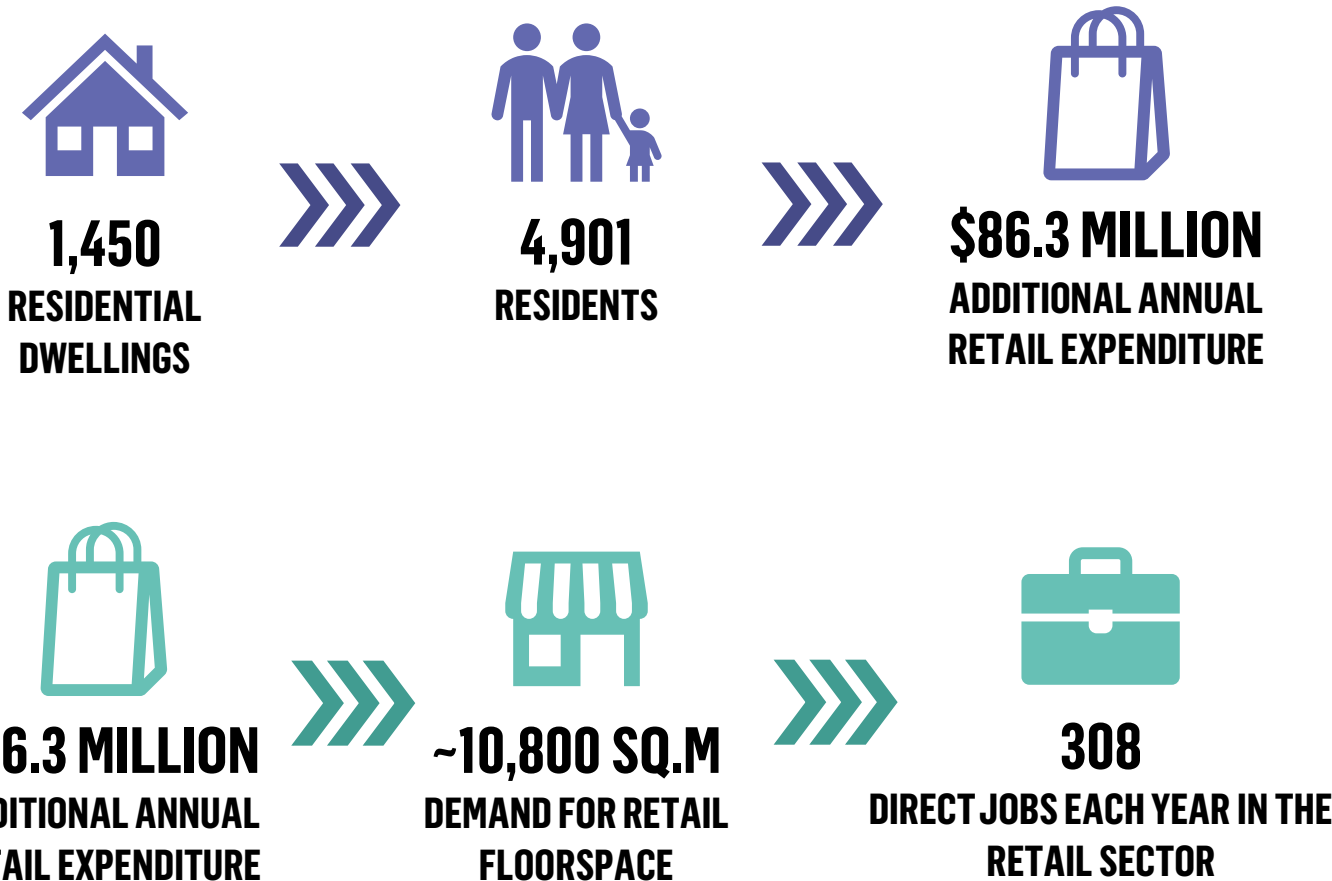
The proposed development will facilitate 1,450 additional residential dwellings in Menangle Park. Adopting an average household size of 3.38, **1,450 residential dwellings will support a residential population of 4,901 upon completion.**

With additional residents, the development could provide spin-off benefits, particularly in the retail industry.

Adopting an average retail spending of \$17,600 per capita (constant \$2021 dollars in 2036), we have estimated that total retail spending by the future population will be in the order of **\$86.3 million in real terms in 2036.**

This could translate to supporting ~10,800 sq.m of retail floorspace at average productivity levels, which could **potentially support 308 direct jobs in the retail industry.**

Spin-off Benefits



Source: Leda Holdings; profile.id; Urbis

