

# **9 Albert & 31 O'Connell St Parramatta North New South Wales**

## **Retail needs assessment & impact test**

PREPARED FOR **Peterose Pty Ltd**

February 2024

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# Executive summary

## Regional and local context

- The subject site is located at 9 Albert Street & 31 O'Connell Street, North Parramatta, approximately 20 km west of the Sydney Central Business District (CBD) and within the Parramatta Local Government Area (LGA).
- An independent analysis of potential retail uses is required to support a future planning proposal.

## Trade area population

- The trade area population is estimated at 1,770 at mid-2021, and is forecast to reach 3,570 people by 2036, reflecting average annual growth of 1.6% per annum to 2026, 9.5% from 2026 to 2031, and 3.4% from 2031 to 2036.

## Socio-demographic profile

- The trade area population is generally characterised by slightly younger, overseas born families.

## Retail expenditure

- Total retail expenditure per household, estimated at \$31,745 per annum, is 28.4% below the Greater Sydney average. Within this, spend on food and non-food are 24.2% and 34.2% below the respective averages.
- Within the food category, spend per household on packaged liquor is 34.2% below the Greater Sydney average, and spend on fresh food and food catering are 28.4% and 15.1% below the Greater Sydney averages, respectively.
- Within the non-food retail categories (i.e. generally considered discretionary retail), spend on apparel, household goods, leisure and retail services are 34.6%, 31.5%, 33.6% and 33.8% below benchmark, respectively.

## Retail floorspace analysis

- Estimated retail floorspace demand by residents in the trade area is forecast to increase from 4,110 sq.m in 2024 to around 7,200 sq.m in 2036.
- **FLG** – Typically 40 – 70% of this category is retained by a supermarket-based retail centre. Given the lack of major supermarket at the subject site we assume a share of expenditure that a small format, local supermarket/grocer could retain, estimated at 9.7% of the trade area. This equates to an estimated 192 sq.m of floorspace supportable by 2031.
- **Food catering** – Café/takeaway uses are assumed, with share of expenditure estimated at 12.8%. This equates to 192 sq.m of floorspace supportable by 2031.

- **Apparel** – Typically retailers in this category are more successful in larger, centralised centres and can struggle to maintain profitability within smaller sites. As such, we estimate that 2.7% share would generate 24 sq.m of supportable floorspace by 2031, deemed insufficient for the subject site.
- **Household goods** – While household goods retailers also tend to be more prevalent in larger, centralised centres, with a planned 7 tenancies at the subject site, we estimate that 5.2% of household goods expenditure could be retained at the subject site, justifying a tenant of up to 85 sq.m, likely retailer of smaller items such as giftware or homewares.
- **Leisure** – We estimate that 17.3% of expenditure within this category could be retained at the subject site, equating to 45 sq.m. With a lack of newsagencies within the trade area, an integrated provision that includes a newsagency and post office is recommended for consideration, accounting for up to 100 sq.m of floorspace.
- **General retail** – Retailers such as those involved with sales of cosmetics and toys are deemed inappropriate for the subject site, based on its' scale and composition. With no pharmacies located within the trade area, and two larger Chemist Warehouse/Priceline offerings along Church Street, we recommend consideration of a small format pharmacy at the subject site, estimated to capture 26.8% of category expenditure within the category and supporting 104 sq.m of floorspace by 2031.
- **Retail services** – Hairdresser, beauty salon and barber provision are recommended for consideration within this category, estimated to retain 29.0% of expenditure and 72 sq.m of floorspace by 2031.
- We also estimate that 8.1% of total annual retail demand would be generated from beyond the defined trade area (i.e. in the form of spending attracted from people visiting residents, passing traffic, etc).
- **Non-retail shops** – These uses support retailers and increase amenity for local residents, with tenants including professional services (real estate agencies, accountants etc) and small format fitness studios and the like. We recommend consideration of 70 – 150 sq.m of floorspace depending on tenant.
- **Childcare** – The Australian Children's Education and Care Quality Authority (ACECQA) shows 1 childcare centre in the trade area (Kiddie Garden Daycare & Pre-school) which supplies 74 long day care approved places. With the population due to increase from 1,770 to 3,020 by 2031 and 3,570 by 2031, and no development approvals found (Cordell Connect 2024), the subject site is deemed well placed to provide a childcare centre to support the future trade area population.
- Up to 680 sq.m of retail specialty is supportable at the subject site in 2031, along with supporting non-retail shop provision and a childcare centre.

## Retail impact test

- Retailers within the trade area are expected to experience moderate declines of between 7.7% and 9.9% once the subject site is developed. Beyond the trade area, impacts are necessarily diluted as more alternatives are available, including offerings, and travel to the subject site becomes less convenient.
- The estimated trading impacts arising from the development of the planned retail provision at the subject site on other retailers in the surrounding area are projected to be minor/moderate and are unlikely to threaten their viability.

# Introduction

This report presents an independent market assessment of the scale and mix of retail uses considered suitable for a development at 9 Albert Street & 31 O'Connell Street, North Parramatta New South Wales (the subject site). It also provides an overview of the types of non-retail uses considered supportable.

The report has been prepared in accordance with instructions received from the client, and is presented in five sections as follows:

- **Section 1** details the regional context and location of the subject site, including an overview of major projects/infrastructure investment in the region, a review of the proposed development scheme.
- **Section 2** examines the trade area likely to be served by the subject site, including projected population levels; the socio-demographic profile of the population; and the estimated current and future retail expenditure capacity of trade area residents.
- **Section 3** provides an assessment of the retail floorspace demand generated by trade area residents and assesses the potential scale of supportable retail facilities for retail provision at the subject site.
- **Section 4** tests the impacts of the proposed retail development on surrounding retailers.
- **Section 5** provides a summary of key findings and recommendations.

# Section 1: Site and regional context

This section of the report details the regional context and site location of the proposed development.

## 1.1 Subject site and local context

The subject site is located at 9 Albert Street & 31 O'Connell Street, North Parramatta (refer Map 1.1), approximately 20 km west of the Sydney Central Business District (CBD) and within the Parramatta Local Government Area (LGA). An independent analysis of potential retail uses is required to support a future planning proposal.

We understand the following in relation to the subject site:

- The site benefits from a B4 Mixed Use zoning enabling new residential mixed-use to be developed on the site.
- The site comprises some 8,910 sq.m land area with an approximate 162 m frontage to O'Connell Street and 81 m to Albert Street.
- Floor plans prepared by DKO Architects and dated 6<sup>th</sup> February 2024 (refer Figure 1.1 and 1.2) call for a childcare centre of 416 sq.m / 120 places and 7 retail specialty tenancies totalling 755 sq.m.

According to the Australian Bureau of Statistics (ABS) 2021 Census, the population of the Parramatta LGA was 256,729 in mid-2021, up from 260 296 at the 2016 Census, an average of 0.3% per annum.

Parramatta falls within the Greater Sydney Commissions Central City district, with Greater Parramatta in the core of the Central River City vision as part of the “A Metropolis of Three Cities” plan and the updated Six Cities Vision which now incorporates Newcastle, Gosford, Greater Parramatta, Sydney CBD, Wollongong and Badgerys Creek. Being near the geographic centre of Sydney, Parramatta is set to be the commercial centre of substantial portions of Greater Western Sydney and the Hills District. The region's economy is centred on education, health, and research institutions as well as administration, finance, and business services. This forms the mainstay of the Greater Parramatta and Olympic Peninsula Economic Corridor.

## 1.2 Key planning and infrastructure

### 1.2.1 Parramatta light rail

The Parramatta Light Rail is part of the NSW Government's infrastructure delivery program and is designed to improve the accessibility of Greater Parramatta to other strategic centres. Services are expected to commence with Stage 1 by mid-2024, with Stage 1 to connect Westmead to Carlingford via the Parramatta CBD and Camellia over 12 kilometres, with a total of 16 stops. Notably, the Parramatta CBD will be connected to the Westmead precinct, key cultural facilities within Greater Parramatta such as Bankwest Stadium and the new Powerhouse Museum, and new university campuses within the Greater Parramatta region.

Stage 2 is currently in early planning and will connect Stage 1 and the Parramatta CBD to Ermington, Melrose Park, Wentworth Point and Sydney Olympic Park. It will have 10 - 12 stops over a 10-kilometre track, eventually connecting to the Sydney Metro West rail in Parramatta and Sydney Olympic Park.

### 1.2.2 Sydney metro west

The NSW Government plans to deliver the Sydney Metro West by 2032, providing a new underground rail connection between the Parramatta CBD and Sydney CBD within the next 10 years. The Greater Sydney Services and Infrastructure Plan 2018 identifies the Sydney Metro West as the NSW Government's priority rail network extension project. Sydney Metro West will include new metro stations at Westmead, Parramatta, Sydney Olympic Park, North Strathfield, Burwood North, Five Dock, The Bays, Pyrmont and Hunter Street in the Sydney CBD. Two potential station locations are being investigated at Rosehill and west of Sydney Olympic Park.

When operational, the metro line will be capable of moving more than 40,000 people an hour in each direction and will double the current rail capacity between the Parramatta and Sydney CBD's. The Parramatta Metro Station will be strategically located to the north of the existing Parramatta bus and railway station, adjacent to George, Macquarie, Church, and Smith Streets.

The new metro station will integrate with the proposed Civic Link, a green pedestrianised public space, from Parramatta Square in the south to Parramatta River in the north and will provide an additional mode of transportation to complement the existing bus and rail interchange.

### 1.2.3 Local Strategic Planning Statement City Plan 2036

Council's Local Strategic Planning Statement (LSPS), in effect from March 2020, sets out a 20-year land use planning vision balancing the need for housing and economic growth while also protecting and enhancing housing diversity, heritage, and local character. The LSPS vision is:

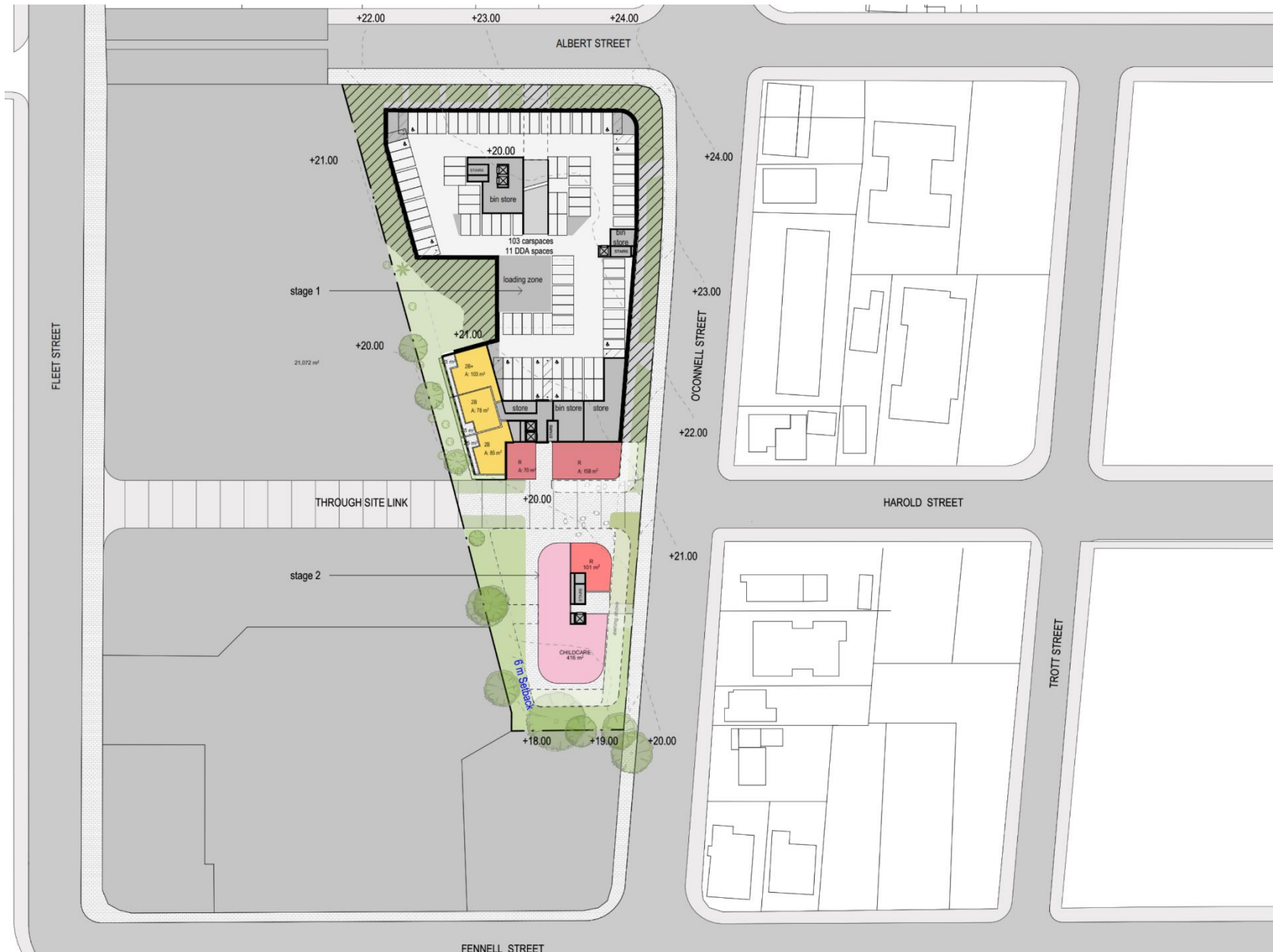
*"In 20 years Parramatta will be a bustling, cosmopolitan and vibrant metropolis, the Central City of Greater Sydney It will be a Smart City that is well connected to the region, surrounded by high quality and diverse residential neighbourhoods with lots of parks and green spaces It will be innovative and creative and be well supported by strong, productive and competitive employment precincts It will be a place that people will want to be a part of."*

Greater Parramatta is identified as the largest city centre in Western Sydney, and the primary jobs, services, economic and business centre for the LGA. The LSPS recognises the need to offer a diverse range of services and experiences to make it an attractive place to live, work and play, putting forth that providing improved cultural and recreational opportunities is fundamental to attracting knowledge intensive businesses into Parramatta and assist in differentiating the City from other business parks in Greater Sydney. The LSPS outlines that by 2036 Parramatta will have an additional 87,900 dwellings, 198,000 more residents and 72,000 more jobs in strategic centres and strategic employment lands.



## Map 1.1: 9 Albert & 31 O'Connell Street North Parramatta

### Regional context



**Figure 1.1: 9 Albert & 31 O'Connell Street North Parramatta**  
**Indicative retail layout plan- lower ground**





**Figure 1.2: 9 Albert & 31 O'Connell Street North Parramatta**  
Indicative retail layout plan – upper ground

## Section 2: Trade area analysis

This section of the report examines the trade area likely to be served by the subject site, including projected population levels; the socio-demographic profile of the population; and the estimated current and future retail expenditure capacity of trade area residents.

### 2.1 Trade area definition

The extent of the trade area or catchment that is served by any retail centre is shaped by the interplay of several critical factors. These factors include:

- i. The relative attraction of the retail facility or centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any 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.
- ii. The proximity and attractiveness of competitive retail tenants, or centres. The locations, compositions, quality, and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre or retail facility is effectively able to serve.
- iii. The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers can access a shopping centre, or retail facility.
- iv. Significant physical barriers which are difficult to negotiate and can function as delineating boundaries to the trade area served by an individual shopping centre, or retail facility.

Having regard for the above, the trade area that could potentially be served by retail facilities at the subject site is described in Map 2.1.



**Map 2.1: 9 Albert & 31 O'Connell Street North Parramatta**  
Trade area and competition

## 2.2 Trade area population

Table 2.1 and Chart 2.1 detail the current and projected population levels within the trade area, compiled from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing.
- Australian Bureau of Statistics Dwelling Approvals Data.
- Australian Bureau of Statistics Estimated Residential Population Data (ERP).
- Department of Planning and Environment 2022 Population Projections.
- Other investigations of future residential development, undertaken by this office.

On this basis, the trade area population is estimated at 1,770 at mid-2021, and is forecast to reach 3,570 people by 2036, reflecting average annual growth of 1.6% per annum to 2026, 9.5% from 2026 to 2031, and 3.4% from 2031 to 2036. These projections reflect the inclusions of the following proposed residential developments within the trade area:

- **355-375 Church Street** – A joint venture between McDonalds and Stockland Corporation, the development is currently at the early planning stage and is planned to include 350 apartments, 1,565 sq.m of retail space and a new McDonalds restaurant. Completion is assumed in the 2026 – 2031 period.
- **Subject site** – Summarised in Section 1.1, the development is slated to include 370 apartments, a childcare centre and supporting retail specialties. Completion is assumed in the 2026 – 2031 period.
- **Fleet/Fennell Street** – Abutting the subject site lot and owned by NSW Health, development of around 350 dwellings is expected post 2031.

Table 2.1					
31 O'Connell st & 9 Albert st Parramatta trade area population, 2016-2036*					
	Estimated population		Projected population		
	2016	2021	2026	2031	2036
Trade Area	2,100	1,770	1,920	3,020	3,570
Average annual growth (no.)		-66	30	220	110
Average annual growth (%)		-3.4%	1.6%	9.5%	3.4%
*As at June					
Source: ABS Census 2021; NSW Department of Planning and Environment 2022; Transport for NSW; Macroplan					

## 2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 illustrate the socio-demographic profile of the trade area population, compared with benchmarks for Greater Sydney and Australia, based on data from the 2021 ABS Census of Population and Housing. The key points to note include the following:

- Per capita and per household income levels of trade area residents are 15.7% and 37.6% below the Greater Sydney averages, respectively.
- The average age of trade area residents, at 37.0 years, is slightly below the Greater Sydney average (37.5 years).
- Home ownership levels within the trade area (32.0%) are significantly below the respective average for Greater Sydney (60.0%).
- The trade area population is 40.8% Australian born, below the Greater Sydney average of 61.9%. Of those born overseas, residents hailing from Asia and Europe account for 36.7% and 4.6% respectively.
- Traditional families (i.e. couples with dependent children) are the most prevalent household type, accounting for 36.4% of trade area households, compared with 40.8% for Greater Sydney.

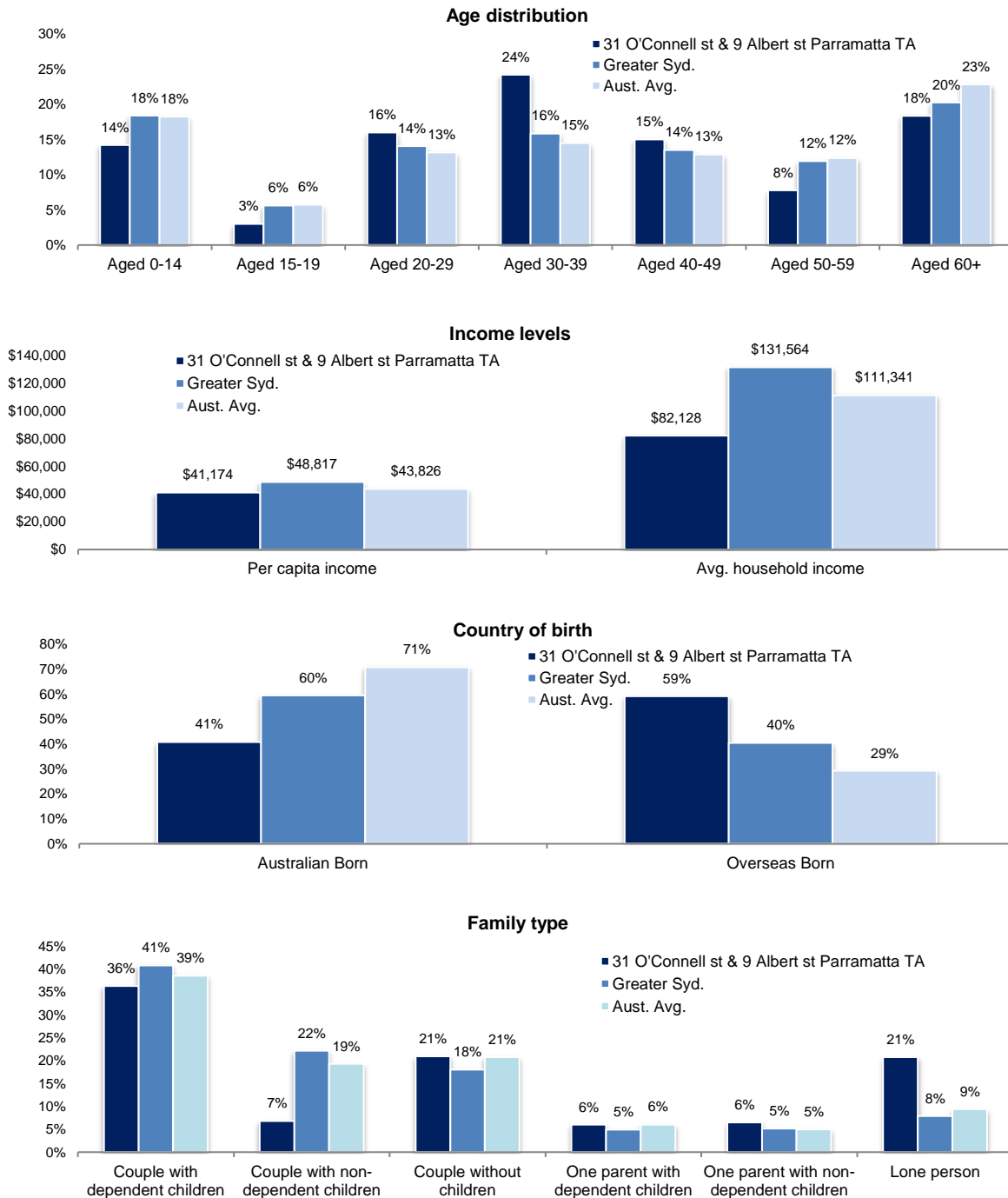
The trade area population is generally characterised by slightly younger, overseas born families.

Table 2.2			
31 O'Connell st & 9 Albert st Parramatta trade area - socio-demographic profile, 2021			
Census item	Trade Area	Greater Syd. avg.	Australia avg.
Per capita income	\$41,174	\$48,817	\$43,826
<i>Var. from Greater Syd.</i>	-15.7%		
Avg. household income	\$82,128	\$131,564	\$111,341
<i>Var. from Greater Syd.</i>	-37.6%		
Avg. household size	2.0	2.7	2.5
<u>Age distribution (% of population)</u>			
Aged 0-14	14.2%	18.4%	18.3%
Aged 15-19	3.0%	5.6%	5.7%
Aged 20-29	16.0%	14.1%	13.2%
Aged 30-39	24.3%	15.9%	14.5%
Aged 40-49	15.0%	13.5%	12.9%
Aged 50-59	7.8%	12.0%	12.4%
Aged 60+	18.4%	20.3%	22.8%
Average age	37.0	37.5	38.8
<u>Housing status (% of households)</u>			
Owner (total)	<u>32.0%</u>	<u>60.0%</u>	<u>65.1%</u>
• Owner (outright)	12.0%	27.3%	30.6%
• Owner (with mortgage)	20.1%	32.7%	34.5%
Renter	64.0%	35.3%	30.3%
<u>Birthplace (% of population)</u>			
Australian born	40.8%	59.6%	70.8%
Overseas born	<u>59.2%</u>	<u>40.4%</u>	<u>29.2%</u>
• Asia	36.7%	20.8%	12.7%
• Europe	4.6%	5.2%	4.2%
• Other	17.9%	14.5%	12.4%
<u>Family type (% of population)</u>			
Couple w dep't child.	36.4%	40.8%	38.6%
Couple w non-dep't child.	6.8%	22.2%	19.3%
Couple without child.	21.0%	18.0%	20.8%
One parent w dep't child.	6.0%	4.9%	6.0%
One parent w non-dep't	6.5%	5.2%	5.0%
Lone person	20.8%	7.9%	9.4%
Source: ABS Census of Population & Housing 2021; Macroplan			



Chart 2.1

31 O'Connell st & 9 Albert st Parramatta trade area - socio-demographic profile, 2021



Source: ABS Census of Population & Housing 2021; Macroplan

## 2.4 Retail expenditure

Macroplan estimates retail expenditure capacity generated by the trade area residents based on information sourced from Market Data Systems (MDS), which uses a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model considers 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 several categories, as follows:

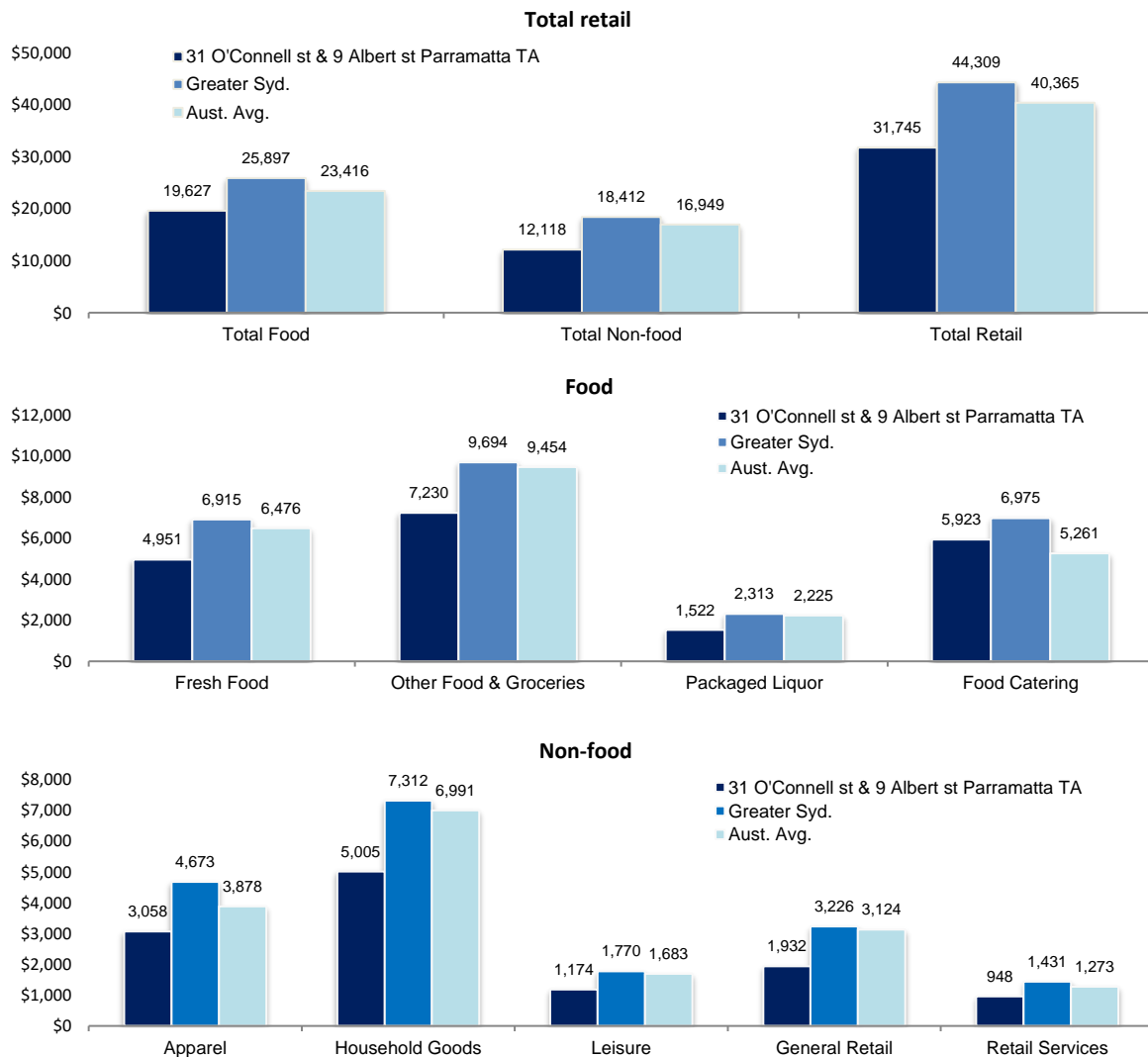
- **Take-home food and groceries** – goods typically sold in supermarkets and specialty fresh food stores.
- **Packaged liquor** – packaged beer, wine, and spirits such as those purchased at bottle-shops and liquor outlets.
- **Food catering** – cafes, take-away outlets, and restaurants, including liquor 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, and mobile phones.
- **Retail services** – key cutting, shoe repairs, hair, and beauty.

Chart 2.2 details the estimated retail spending levels of the trade area on a per household basis for the year 2023/24 and compares these estimates with the average for Greater Sydney and Australia. Spending estimates are presented inclusive of GST. The following points are noted:

- Total retail expenditure per household, estimated at \$31,745 per annum, is 28.4% below the Greater Sydney average. Within this, spend on food and non-food are 24.2% and 34.2% below the respective averages.
- Within the food category, spend per household on packaged liquor is 34.2% below the Greater Sydney average, and spend on fresh food and food catering are 28.4% and 15.1% below the Greater Sydney averages, respectively.
- Within the non-food retail categories (i.e. generally considered discretionary retail), spend on apparel, household goods, leisure and retail services are 34.6%, 31.5%, 33.6% and 33.8% below benchmark, respectively.

Chart 2.2

31 O'Connell st & 9 Albert st Parramatta trade area - retail expenditure per household, 2023/2024\*



\*Including GST

Source: MarketInfo; Macroplan

Table 2.3 presents the estimated total retail expenditure capacity generated by the trade area population, by trade area sector, over the period from 2024 to 2036. Expenditure forecasts are presented inclusive of GST and in inflated dollars.

The retail expenditure capacity of the trade area is forecast to increase from \$30.8 million in 2024 to \$84.7 million by 2036. This reflects an average annual growth rate of 8.8% over the forecast period comprising the following three components:

- Residential population growth, which is expected to average 4.8% per annum.
- Real growth in per capita retail expenditure, which is expected to average 1.4% per annum over the forecast period.
- Retail inflation assumed to average 2.6% per annum.

Table 2.3						
31 O'Connell st & 9 Albert st Parramatta trade area - retail expenditure (\$M), 2024-2036*						
	2024	2026	2031	2036	Average annual growth	
					(\$M)	(%)
Retail expenditure	30.8	35.7	63.7	87.2	4.5	9.0%
*Inflated dollars & including GST Source: MarketInfo; Macroplan						

Table 2.4 presents projections of retail expenditure for the trade area by retail category, over the period 2024 to 2036. Food, liquor, and groceries (FLG) expenditure in the trade area is estimated at \$12.7 million in 2024, and accounts for 43% of total retail expenditure. FLG expenditure is estimated to increase to \$36.2 million by 2036, reflecting an average annual growth rate of 9.1% per annum. Strong growth is expected across all retail categories, with food catering to be the fastest growing at 9.5% per annum.

Table 2.4								
31 O'Connell st & 9 Albert st Parramatta trade area - retail expenditure by category (\$M), 2024-2036*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2024	12.7	5.5	2.8	4.6	1.1	1.8	0.9	29.4
2026	14.0	6.1	3.1	5.1	1.2	2.0	1.0	32.4
2031	25.3	11.2	5.5	9.0	2.1	3.5	1.7	58.3
2036	36.2	16.2	7.6	12.7	3.0	4.9	2.5	83.0
<u>Average annual growth (\$M)</u>								
2024-2036	2.0	0.9	0.4	0.7	0.2	0.3	0.1	4.5
<u>Average annual growth (%)</u>								
2024-2036	9.1%	9.5%	8.6%	8.8%	8.7%	8.8%	9.0%	9.0%
*Inflated dollars & including GST Source: MarketInfo; Macroplan								

## 2.5 Competition

This section of the report outlines the existing and future competitive retail environment in which the proposed development will operate. Table 2.5 details the provision of retail facilities in the region, with the previous Map 2.1 illustrating their locations.

One proposed retail facility is identified, the mixed-use development summarised in section 2.2 at 355-375 Church Street Parramatta. 1,565 sq.m of retail specialty is planned, within which we assume 120 sq.m of supermarket/grocery provision.

Table 2.5 31 O'Connell st & 9 Albert st Parramatta - schedule of local retail facilities		
	Retail GLA* (sq.m)	Dist. by road from subject site (km)
<b>Within trade area</b>		
<u>Supermarkets &amp; grocery stores</u>		
• Seng Seng Mart	100	0.7
• Star Grocery	250	1.3
<u>Centres</u>		
• LCC (p)	1,565	1.1
<b>Beyond trade area</b>		
<u>Supermarkets &amp; grocery stores</u>		
• North Parramatta Supermarket	140	1.0
• Hiva Supermarket	120	1.0
• Hyperstar Market	130	1.2
• Coles Parramatta North	2,232	1.3
• Spar Supermarket	150	1.3
• Thalib Mart Asian Grocery	130	1.5
• Foodmart88	100	2.1
• North Parramatta Convenience Store	80	1.1
• Paradise Corner Shop	90	1.2
• Xpress Mart	100	1.5
• 7-Eleven	170	1.5
* Estimated		
Source: Property Council of Australia; Cordells; Macroplan		

## Section 3: Centre floorspace potential

This section of the report assesses the retail floorspace demand generated by trade area residents, and the potential scale of supportable retail facilities for a retail provision at the subject site.

### 3.1 Retail floorspace analysis

Modelling retail demand for a given area or centre is imprecise and depends on a range of factors. Therefore, the floorspace demand analysis presented in this section should be viewed as indicative.

Table 3.1 details the estimated level of traditional retail floorspace demand by residents in the trade area based on the retail expenditure generated (excluding large format retail and non-retail facilities such as cinema/entertainment, medical, personal services, etc.). This indicative retail floorspace demand would be served by retail facilities located within and beyond the trade area.

The floorspace figures in Table 3.1 are calculated by applying an average Retail Turnover Density (RTD) to the estimated available retail sales volume by category. The RTD is simply the level of sales per sq.m which retailers in each category typically achieve. Adopted RTD levels are the highest for retailers in FLG (including supermarkets), at \$10,500 per sq.m, and average around \$7,100 per sq.m. Estimated retail floorspace demand by residents in the trade area is forecast to increase from 4,110 sq.m in 2024 to around 7,200 sq.m in 2036.

Table 3.1										
31 O'Connell st & 9 Albert st Parramatta trade area - estimated retail floorspace demand (sq.m), 2024-2036										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2024	1,207	762	<b>1,970</b>	567	1,014	163	243	152	<b>2,140</b>	<b>4,110</b>
2026	1,232	782	<b>2,010</b>	573	1,028	165	247	155	<b>2,170</b>	<b>4,180</b>
2031	1,828	1,178	<b>3,010</b>	830	1,503	240	361	228	<b>3,160</b>	<b>6,170</b>
2036	2,146	1,403	<b>3,550</b>	950	1,738	276	417	267	<b>3,650</b>	<b>7,200</b>
2024-2036	959	659	<b>1,620</b>	387	736	115	177	117	<b>1,530</b>	<b>3,150</b>
RTD*	10,500	7,193	<b>9,200</b>	4,988	4,568	6,668	7,350	5,775	<b>5,200</b>	<b>7,100</b>
*Retail Turnover Density - Turnover (\$) per sq.m in 2024, growth assumed at 4.0% p.a. Source: MarketInfo; Macroplan										

### 3.2 Potential supportable floorspace

The amount of floorspace which can be supported at the subject site, and which will be appropriate to meet the needs of the trade area population, will be driven primarily by the market share which the centre can reasonably expect to retain from the trade area population.

Retail provision at the subject site would have the potential to serve mainly the food, grocery, and convenience-oriented needs of residents, with retention rates for each retail category reflective of the existing and future provision

of retail facilities in the surrounding area, the socio-demographic profile of current and future trade area residents, as well as the planned scale of retail provision at the subject site which includes 7 tenancies across 755 sq.m.

Table 3.2 provides indicative estimates of the amount of supportable retail floorspace at the subject site, considering the estimated levels of expenditure which it is considered likely to retain and with regard to the following:

- **FLG** – Typically 40 – 70% of this category is retained by a supermarket-based retail centre. Given the lack of major supermarket at the subject site we assume a share of expenditure that a small format, local supermarket/grocer could retain, estimated at 9.7% of the trade area. This equates to an estimated 192 sq.m of floorspace supportable by 2031.
- **Food catering** – Café/takeaway uses are assumed, with share of expenditure estimated at 12.8%. This equates to 192 sq.m of floorspace supportable by 2031.
- **Apparel** – Typically retailers in this category are more successful in larger, centralised centres and can struggle to maintain profitability within smaller sites. As such, we estimate that 2.7% share would generate 24 sq.m of supportable floorspace by 2031, deemed insufficient for the subject site.
- **Household goods** – While household goods retailers also tend to be more prevalent in larger, centralised centres, with a planned 7 tenancies at the subject site, we estimate that 5.2% of household goods expenditure could be retained at the subject site, justifying a tenant of up to 85 sq.m, likely retailer of smaller items such as giftware or homewares.
- **Leisure** – We estimate that 17.3% of expenditure within this category could be retained at the subject site, equating to 45 sq.m. With a lack of newsagencies within the trade area, an integrated provision that includes a newsagency and post office is recommended for consideration, accounting for up to 100 sq.m of floorspace.
- **General retail** – Retailers such as those involved with sales of cosmetics and toys are deemed inappropriate for the subject site, based on its' scale and composition. With no pharmacies located within the trade area, and two larger Chemist Warehouse/Priceline offerings along Church Street, we recommend consideration of a small format pharmacy at the subject site, estimated to capture 26.8% of category expenditure within the category and supporting 104 sq.m of floorspace by 2031.
- **Retail services** – Hairdresser, beauty salon and barber provision are recommended for consideration within this category, estimated to retain 29.0% of expenditure and 72 sq.m of floorspace by 2031.
- We also estimate that 8.1% of total annual retail demand would be generated from beyond the defined trade area (i.e. in the form of spending attracted from people visiting residents, passing traffic, etc).
- **Non-retail shops** – These uses support retailers and increase amenity for local residents, with tenants including professional services (real estate agencies, accountants etc) and small format fitness studios and the like. We recommend consideration of 70 – 150 sq.m of floorspace depending on tenant.
- **Childcare** – The Australian Children's Education and Care Quality Authority (ACECQA) shows 1 childcare centre in the trade area (Kiddie Garden Daycare & Pre-school) which supplies 74 long day care approved places. With the population due to increase from 1,770 to 3,020 by 2031 and 3,570 by 2031, and no

development approvals found (Cordell Connect 2024), the subject site is deemed well placed to provide a childcare centre to support the future trade area population.

This analysis indicates that up to 680 sq.m of retail specialty is supportable at the subject site by 2031, along with supporting non-retail shop provision and a childcare centre.

Table 3.2										
31 O'Connell st & 9 Albert st Parramatta - indicative supportable floorspace by category (sq.m), 2024-2036										
Year ending June	FLG	Food catering	<b>Total food</b>	Apparel	H'hold goods	Leisure	General retail	Retail services	<b>Total non-food</b>	<b>Total retail</b>
<u>% retail expenditure retained</u>										
<b>Main TA</b>	<b>9.7%</b>	<b>12.8%</b>	<b>10.9%</b>	<b>2.7%</b>	<b>5.2%</b>	<b>17.3%</b>	<b>26.8%</b>	<b>29.0%</b>	<b>9.6%</b>	<b>10.2%</b>
2024	127	105	<b>230</b>	17	57	30	70	48	<b>220</b>	<b>450</b>
2026	129	108	<b>240</b>	17	58	31	71	49	<b>230</b>	<b>470</b>
2031	192	163	<b>350</b>	24	85	45	104	72	<b>330</b>	<b>680</b>
2036	225	194	<b>420</b>	28	98	52	121	84	<b>380</b>	<b>800</b>
2024-2036	101	91	<b>190</b>	11	41	21	51	37	<b>160</b>	<b>350</b>
RTD*	10,500	7,193	<b>9,100</b>	4,988	4,568	6,668	7,350	5,775	<b>6,100</b>	<b>7,600</b>
*Retail Turnover Density - Turnover (\$) per sq.m in 2024, growth assumed at 4.0% p.a Source: MarketInfo; Macroplan										



### 3.3 Recommended composition

Table 3.3 compares the supportable floorspace estimations in Table 3.2 and the current development plan, providing a breakdown of the recommended floorspace by category at the subject site. It is noted that the current planned tenancies all fall within the supportable floorspace estimations.

Table 3.3 31 O'Connell st & 9 Albert st Parramatta - recommended composition, 2031 (GLA)			
Tenancy	Supportable (sq.m)	Recommended (sq.m)	(% share)
<b><u>Retail specialties</u></b>			
• FLG	192	158	13.5%
• Food catering	163	140	12.0%
• Apparel	24	0	0.0%
• Household goods	85	74	6.3%
• Leisure*	45	76	6.5%
• General retail	104	101	8.6%
• Retail services	<u>72</u>	<u>70</u>	<u>6.0%</u>
<b>Total retail specialties</b>	<b>684</b>	<b>619</b>	<b>52.9%</b>
• Non-retail shops		136	11.6%
• Childcare		<u>416</u>	<u>35.5%</u>
<b>Total</b>		<b>1,171</b>	<b>100.0%</b>
*Integrated offering with non-retail uses Source: Macroplan			

## Section 4: Retail impact test

This section analyses the anticipated impacts on competitive retailers within the wider region. To understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network once the subject site is developed. Generally, retail trading impacts are considered as follows:

- Less than 5% is considered minor/negligible.
- Between 5% and 10% are considered moderate.
- Between 10% and 15% are considered significant but acceptable.
- Greater than 15% are considered unacceptable and could threaten the viability of a competitor.

These estimates provide indications as to whether the scale of the development is reasonable and whether any surrounding retailers are likely to be at risk to the extent that the community would suffer a net disbenefit as a result. In considering likely trading impacts on any centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development. The impacted centre or retailer could take several actions which may mitigate the extent of the impact. Expansions and improvements may be undertaken at other centres throughout the region, and these factors can change the nature of the impact of the new provision being developed.

It is much more reasonable for the purposes of impact analysis, therefore, to consider the likely broad changes in competitive circumstances, and in particular the changes in availability of retail spending for competitive retailers, which can reasonably be expected to result from the development of the subject site. These broad changes effectively set the market conditions within which the competitive retailers will operate as a result of this development, and reasonable conclusions can then be drawn about the possible impacts of these broad changes in market conditions.

The following factors are of relevance in terms of how the likely impacts will play out:

- The distance of each retailer, by road, from the proposed development.
- The size and structure of the subject site, in terms of total relevant retail floorspace.
- The types of tenants and their core offerings.
- The respective role and function of each retailer.
- The relative accessibility and convenience of the impacted retailer compared with the proposed development.

- The estimated performance of the retailer (in current sales) and projected future performance. This accounts for any future developments in the region that might also impact on the future sales of existing retailers.

Table 4.1 presents an impact analysis for relevant retailers which may be impacted by the proposed development. The analysis is described as follows:

- Completion of the subject site development is assumed at 2029.
- The estimated 2024 sales for each of the existing retailers are estimated, based on publicly available information, and derived from appropriate sales productivity levels for comparable offerings.
- The projected sales potential for each retailer is estimated (at 2029) and presented with and without the subject site development.
- The sales potential for each retailer in 2029 under the development scenario is estimated by allocating the anticipated trading impacts on each retailer from the no development scenario.
- The estimated impact on each retailer in 2029 are specified, in dollars and as a percentage of sales.
- The resultant growth in sales potential for each centre from 2024 are provided.

The analysis in Table 4.1 shows that retailers within the trade area are expected to experience moderate declines of between 7.7% and 9.9% once the subject site is developed. Beyond the trade area, impacts are necessarily diluted as more alternatives are available, including offerings, and travel to the subject site becomes less convenient.

In summary, the estimated trading impacts arising from the development of the planned retail provision at the subject site on other retailers in the surrounding area are projected to be minor/moderate and are unlikely to threaten their viability.

Table 4.1											
31 O'Connell st & 9 Albert st Parramatta - estimated impact on specific retailers (\$M)*											
Centre	Dist.	Retail	Est. sales	Proj. 2029		Proj. 2034	Est. impact 2029			Change with dev't (%)	
	from site	GLA	2024	No dev't	With dev't	With dev't	\$M	%	Dist.	2024-29	2024-34
	(km)	(sq.m)	(\$M)	(\$M)	(\$M)	(\$M)					
<b>Subject site</b>		<b>619</b>			<b>11.2</b>						
<b>Within trade area</b>											
<u>Supermarkets &amp; grocery stores</u>											
• Seng Seng Mart	0.7	100	1.3	2.2	1.9	3.5	-0.2	-9.7%	1.9%	47.5%	161.9%
• Star Grocery	1.3	250	3.3	5.4	5.0	8.8	-0.4	-7.7%	3.7%	50.6%	167.5%
<u>Centres</u>											
• LCC (p)	1.1	1,565	14.2	23.2	20.9	37.2	-2.3	-9.9%	20.5%	47.0%	161.2%
<u>Other retailers</u>		<u>800</u>	<u>10.6</u>	<u>17.2</u>	<u>15.6</u>	<u>27.6</u>	<u>-1.7</u>	<u>-9.7%</u>	<u>14.8%</u>	<u>47.5%</u>	<u>161.9%</u>
<b>TA sub-total</b>		<b>2,715</b>	<b>29</b>	<b>48</b>	<b>43</b>	<b>77</b>	<b>-5</b>	<b>-9.6%</b>	<b>40.9%</b>	<b>47.6%</b>	<b>77.6%</b>
<b>Beyond trade area</b>											
<u>Supermarkets &amp; grocery stores</u>											
• North Parramatta Supermarket	1.0	140	1.8	3.0	2.8	4.9	-0.2	-7.6%	2.1%	50.7%	167.8%
• Hiva Supermarket	1.0	120	1.6	2.6	2.4	4.2	-0.2	-7.5%	1.7%	51.0%	168.2%
• Hyperstar Market	1.2	130	1.7	2.8	2.6	4.7	-0.2	-6.4%	1.6%	52.7%	171.3%
• Coles Parramatta North	1.3	2,232	29.5	48.1	46.8	83.1	-1.3	-2.6%	11.3%	58.9%	182.3%
• Spar Supermarket	1.3	150	2.0	3.2	3.1	5.4	-0.2	-5.2%	1.5%	54.8%	174.9%
• Thalib Mart Asian Grocery	1.5	130	1.7	2.8	2.7	4.8	-0.1	-4.3%	1.1%	56.2%	177.3%
• Foodmart88	2.1	100	1.3	2.2	2.1	3.7	-0.1	-3.5%	0.7%	57.5%	179.7%
<u>Centres</u>											
• North Parramatta Convenience Store	1.1	80	0.7	1.2	1.1	1.9	-0.1	-9.9%	1.1%	47.0%	161.1%
• Paradise Corner Shop	1.2	90	0.8	1.3	1.2	2.2	-0.1	-8.8%	1.0%	48.9%	164.5%
• Xpress Mart	1.5	100	0.9	1.5	1.4	2.5	-0.1	-6.8%	0.9%	52.1%	170.2%
• 7-Eleven	1.5	170	1.5	2.5	2.4	4.3	-0.1	-3.6%	0.8%	57.4%	179.6%
<u>Other retailers</u>		<u>4,000</u>	<u>36.4</u>	<u>59.4</u>	<u>55.4</u>	<u>98.4</u>	<u>-4.0</u>	<u>-6.7%</u>	<u>35.5%</u>	<u>52.3%</u>	<u>170.4%</u>
<b>Beyond TA sub-total</b>		<b>7,442</b>	<b>80</b>	<b>131</b>	<b>124</b>	<b>220</b>	<b>-7</b>	<b>-5.1%</b>	<b>59.2%</b>	<b>54.9%</b>	<b>77.6%</b>
<b>Total</b>		<b>10,157</b>	<b>109.4</b>	<b>178.6</b>	<b>167.4</b>	<b>297.2</b>	<b>-11.3</b>	<b>-6.3%</b>	<b>100.0%</b>	<b>52.9%</b>	<b>171.7%</b>
*Expressed in financial years; inflated dollars & including GST											
Source: Shopping Centre News; Property Council of Australia; Macroplan											

## Section 5: Key findings and recommendations

In assessing the scale and mix of retail and non-retail floorspace supportable at the subject site, the following are our key findings and conclusions:

- The trade area population is estimated at 1,770 at mid-2021, and is forecast to reach 3,570 people by 2036, reflecting average annual growth of 1.6% per annum to 2026, 9.5% from 2026 to 2031, and 3.4% from 2031 to 2036.
- The trade area population is generally characterised by slightly younger, overseas born families.
- Total retail expenditure per household, estimated at \$31,745 per annum, is 28.4% below the Greater Sydney average. Within this, spend on food and non-food are 24.2% and 34.2% below the respective averages.
- Up to 680 sq.m of retail specialty is supportable at the subject site in 2031, along with supporting non-retail shop provision and a childcare centre. The current planned tenancies all fall within the supportable floorspace estimations.
- The estimated trading impacts arising from the development of the planned retail provision at the subject site on other retailers in the surrounding area are projected to be minor/moderate and are unlikely to threaten their viability.

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