



1 KING STREET CONCORD WEST, SYDNEY

Market Potential Assessment

Prepared for Bilbergia
November 2022

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INTRODUCTION

This report presents an independent assessment of the market potential for retail and complementary non-retail uses in a new mixed-use development at 1 King Street in Concord West, in inner-western Sydney.

This report has been prepared in accordance with instructions received from Bilbergia and is presented in five sections as follows:

- **Section 1** provides a review of the regional and local context of the Concord West site, and an overview of the proposed development.
- **Section 2** assesses the resident and worker catchments likely to be served by the proposed development, including current and projected population and retail spending projections over the period to 2041. A review of the current socio-economic profile of the main trade area population is also provided.
- **Section 3** outlines the current and future competitive retail environment.
- **Section 4** reviews key attributes and composition of comparable mixed-use developments in across Australia.
- **Section 5** assesses the opportunity for future retail and destination non-retail facilities at the Concord West site and presents recommendations in relation to the supportable quantum and mix of floorspace.



COVID-19 DISCLAIMER

COVID-19 is a respiratory illness caused by a new form of coronavirus. It was first reported in December 2019 in Wuhan City in China, with the virus able to be spread easily from person to person. The first Australian cases were recorded on 25 January 2020.

Since the outbreak of COVID-19 in Australia, the Federal and State governments have taken a precautionary approach to implementing strategies to minimise disease transmission through strong border measures, social distancing legislation and communication activities. Each of the States and Territories are enforcing restrictions at different levels, depending on the numbers of cases and rate of transmission of the virus.

Unprecedented world events such as the COVID-19 pandemic will take time for the market to absorb and be reflected in the data used to assess its impact. As such, it is difficult to predict the scale and duration of its impact on the Australian economy, and more specifically, on the property market. On this basis, changes in market conditions as at the date of this report may not be reflected in the data and information.

Location IQ will continue to monitor the impact of the pandemic on the retail landscape, sales, and consumer preferences with a view to implementing findings in future reports and forecasts. The information and recommendations in this report are current as at the date of this report and (unless otherwise specifically stated) necessarily assume that the Australian economy and the subject site to which the report relates, have not been significantly impacted by the COVID-19 pandemic. However, it is important to note that the COVID-19 pandemic is an important risk factor which must be taken into consideration when relying on the data and recommendations in this report.

Location IQ disclaim all liability and responsibility in respect of any loss suffered or incurred as a result of the COVID-19 pandemic materially impacting the findings of this report, but only to the extent that such impact is not reflected in the data and information used to support the recommendations.



1 SITE LOCATION & PROPOSED DEVELOPMENT

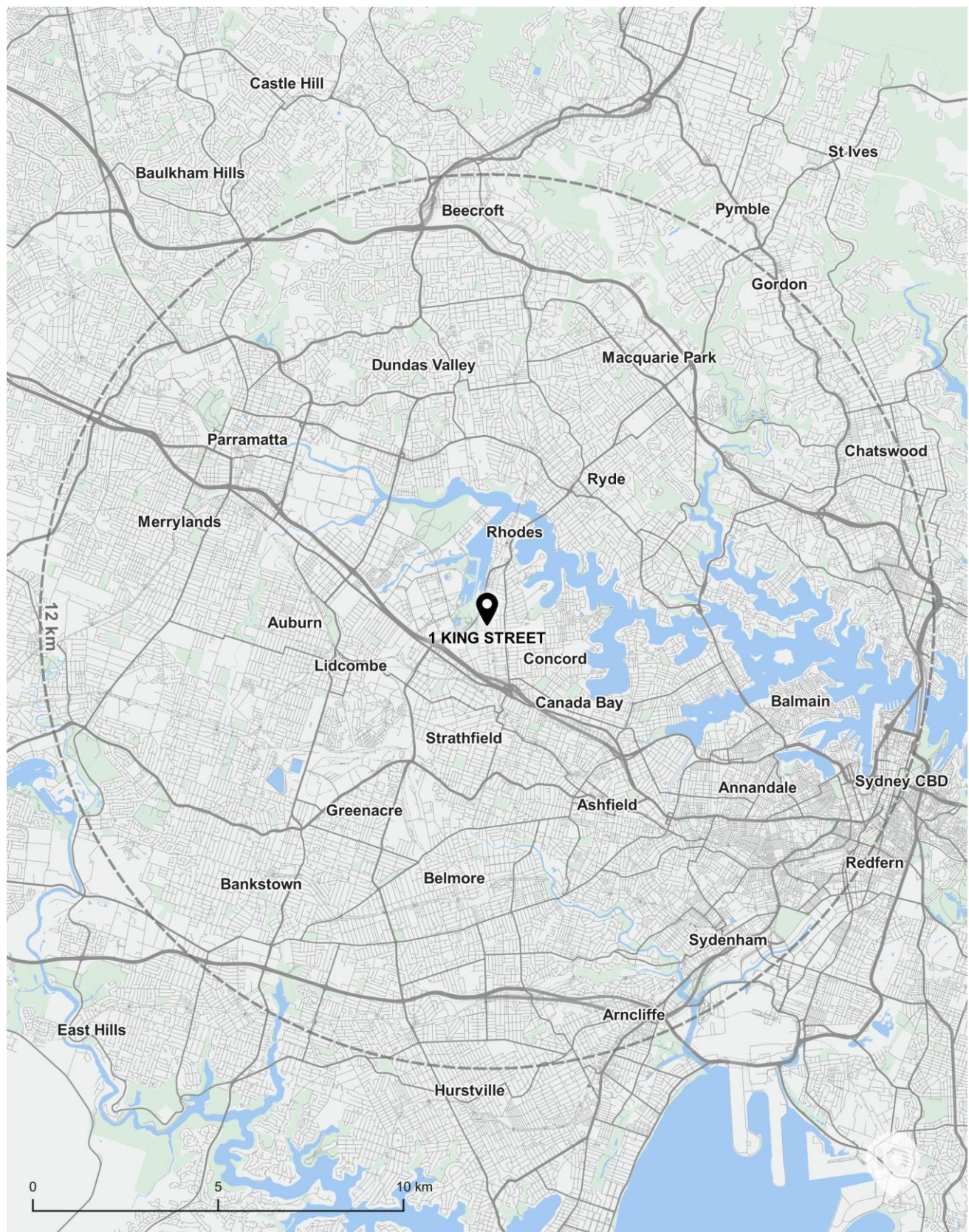
This section of the report reviews the regional and local context of the Concord West site. An overview of the proposed development is also provided.

1.1. Regional and Local Context

- i. The suburb of Concord West is situated in inner-western Sydney, 12 km west of the Sydney Central Business District (CBD) (refer Map 1.1).
- ii. Concord West falls within the City of Canada Bay Local Government Area (LGA). The City of Canada Bay is bounded by the Parramatta River in the north and east, the Inner West Council area, the Burwood Council area and the Strathfield Council area in the south, and the City of Parramatta in the west. Over the past decade, the Canada Bay LGA population has increased significantly from 80,000 in 2011 to 96,000 in 2021, reflecting an average annual growth rate of 1.8% per annum.
- iii. Sydney Metro West is a new 24-kilometre metro line connecting Greater Parramatta to Sydney CBD with stations confirmed at Westmead, Parramatta, Sydney Olympic Park, North Strathfield, Burwood North, Five Dock, The Bays, Pyrmont, and Hunter Street in the Sydney CBD (refer Figure 1.1). This once-in-a-century infrastructure investment will double rail capacity between the two CBDs, linking new communities to rail services and supporting employment growth and housing supply. The project is expected to create about 10,000 direct and 70,000 indirect jobs during construction.
- iv. The site is located at 1 King Street, Concord West. It is legally described as Lot 101 DP791908, approximately 31,390 sq.m in area and is the largest landholding in Concord West under single ownership. It is irregular in shape and has frontages to King Street to the north and George Street to the west. The site is currently accessed from King Street at its southern termination point and is primarily occupied by a large footprint office building, previously used as a call centre facility by Westpac. It also accommodates a multistorey carpark, a childcare centre and tennis court.
- v. The North Strathfield Metro Station will be located 1 km south of the subject site, adjacent to the existing train station (refer Figure 1.1). The metro station will help to service the growing Homebush precinct and complement local strategies to revitalise public areas and retain and attract new businesses and residents, building on the vibrancy of this growing hub. The Sydney Metro West is on track to be completed in 2030.

- vi. Map 1.2 illustrates the local context of the subject site, with key points to note including:
- A range of educational facilities including:
 - **Childcare centres:** namely Only About Children Concord (64 places – which forms part of the subject site) and Papilio Early Learning North Strathfield (73 places), are situated immediately north-west and south along George Street (respectively).
 - Two **primary schools;** namely Victoria Avenue Primary School (which also includes a 47-place childcare centre), and St Ambrose Catholic Primary School.
 - Concord West Rail Station is located 130 metres north-west (walking distance) from the site. This station is located along the T9 line which travels from North Shore to Hornsby via the City. In 2021, there were 578,900 passenger movements at the station, which equates to ~1,600 movements each day.
 - A provision of strip retail is provided to the south along George Street as part of a mixed-use precinct. A FoodWorks (200 sq.m) anchors this precinct. Retail uses are also provided to the north along Victoria Avenue and Queen Street on the eastern side of the train line.
- vii. Overall, the proposed Concord West mixed-use development will service the growing population in the local area, as well as commuters using the station. There are limited relevant competing retail facilities provided within the immediate area.

MAP 1.1. CONCORD WEST REGIONAL CONTEXT



MAP 1.2. CONCORD WEST LOCAL CONTEXT



PhotoMap by nearmap.com

 Site
 Retail
 Education
 Transport



FIGURE 1.1. PROPOSED SYDNEY METRO WEST LINE



1.2. Proposed Development

- i. Figures 1.2 and 1.3 illustrate the proposed 1 King Street, Concord West Town Centre master plan. Key points to note are as follows:
 - 10 buildings, ranging from 4-12 storeys accommodating approximately 600 dwellings in a range of 1, 2, 3 and 4 bedroom apartments and townhouses.
 - New loop road through the site connecting King Street and George Street.
 - A total of approximately 69,982 sq.m of gross floor area which equates to a floor space ratio of 2.23:1. The gross floor area comprises approximately:
 - 65,641 sq.m residential floor area
 - 4,229 sq.m non-residential floor area
 - A green connection of approximately 2,500 sq.m to provide pedestrian and cycle access north-south through the site and including a neighbourhood park.
 - A new civic precinct – the ‘station precinct’ – focused along the active spine and community plaza accommodating a range of non-residential uses (i.e.: retail, food and beverage, gym, health and childcare) at street level.
- ii. The first dwellings are forecasted to be completed by 2024 over a five-year period to 2028.

FIGURE 1.2. PROPOSED CONCORD WEST DEVELOPMENT: OVERALL MASTERPLAN



FIGURE 1.3. PROPOSED DEVELOPMENT – GROUND LEVEL



2 MAIN TRADE AREA ANALYSIS

This section outlines the key customer segments which would be served by the proposed development, namely:

- Local residents
- Local workers

The main trade area for each customer segment has been defined as well as current and projected population and retail spending levels within these catchments over the period to 2041. The socio-economic profile of the main trade area for each customer segment is also reviewed.

2.1. Resident Trade Area Definition

- i. The resident main trade area for Concord West has been defined considering the following:
 - The scale of the proposed development.
 - The provision of retail facilities throughout the region.
 - Regional and local accessibility.
 - The pattern of urban development.
 - Significant physical barriers.
- ii. Map 2.1 illustrates the resident main trade area for Concord West mixed-use development. The main trade area is defined as follows:
 - The **primary sector** encompasses the suburbs of Concord West and North Strathfield and is bounded by the train line to the east and Powell's Creek to the west. The primary sector is limited by the train line to the east and restricted access from Concord Avenue to the north.
 - The **secondary north-east** sector incorporates part of Concord West and is bounded by Concord Road to the east.
 - The **secondary east sector** incorporates residential land to the east of the train line and is limited by Concord Golf Club.

- The **secondary south** sector extends 1.4 km south-west and is limited by the Western Motorway, Homebush Bay Drive, and the train line. This sector incorporates the Sydney Olympic Park precinct.
- iii. The combination of the primary and secondary sectors is referred to as the Concord West main trade area throughout the remainder of this report. The main trade area generally extends between 0.5 – 1.5 km around the site.

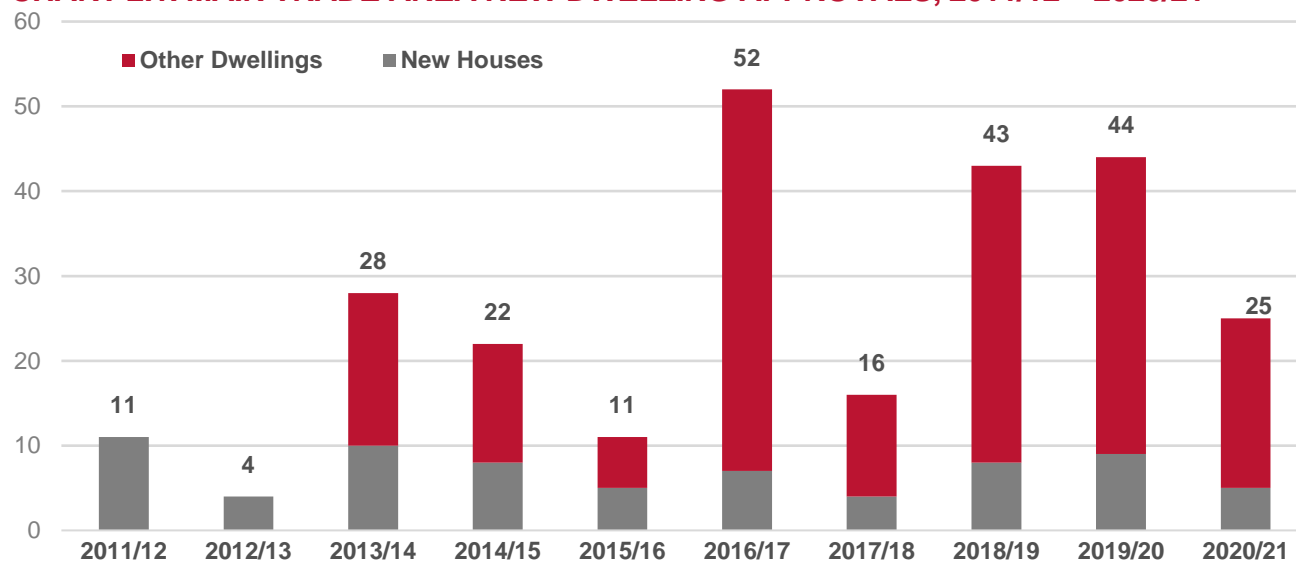
MAP 2.1. CONCORD WEST RESIDENT MAIN TRADE AREA



2.2. Resident Main Trade Area Population

- i. Tables 2.1 and 2.2 detail the main trade area current and projected population levels by sector over the period to 2041. This information is sourced from the following:
 - The 2011 and 2016 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
 - New dwelling approvals sourced from the ABS over the period from 2011/12 to 2020/21 (refer Chart 2.1), which indicates an average of 256 new dwellings were approved across the main trade area over this timeframe.
 - Population projections produced by the New South Wales Department of Planning and Environment.
 - Investigations by this office into new residential developments in the region.
 - Dwelling targets for the 1 King Street, Concord West development, provided by Bilbergia.
- ii. The main trade area population is currently estimated at 8,180, including 3,110 persons in the primary sector. Over the period to 2041, the main trade area population is projected to reach 14,080 persons, reflecting an average annual growth rate of 2.8% per annum. Total primary sector population levels are projected to increase by 4,000 to reach 7,110 in 2041.
- iii. Key drivers of future population growth within the resident main trade area, include:
 - **1 King Street, Concord West** (subject site, primary sector): 1,123 apartments (2,500 persons) are assumed at the subject site. The first dwellings are forecasted to be completed by 2024 over a five-year period to 2028.
 - **The Shed** (primary sector): Located immediately west of the subject site, this development is assumed to include 200 units (500 persons) to be developed in 2025.
 - The **R2 Low Density land** in Concord West (primary sector) and North Strathfield (secondary south sector), west of the rail line, is suitable to be rezoned for High Density Residential given the proximity of this area to railway stations, a future metro station, employment precincts, the metropolitan road network, and cultural and recreation amenities. This has been considered in the population projections over the longer-term (i.e., post-2031).

CHART 2.1. MAIN TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2020/21



Source: ABS

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

Population	Actual				Forecast		
	2011	2016	2021	2026	2031	2036	2041
Primary Sector	2,910	3,010	3,110	5,110	6,610	6,860	7,110
Secondary Sectors							
• East	1,260	1,370	1,470	1,520	1,570	1,620	1,670
• North-east	1,450	1,460	1,510	1,560	1,610	1,660	1,710
• South	<u>1,630</u>	<u>1,840</u>	<u>2,090</u>	<u>2,340</u>	<u>2,590</u>	<u>3,090</u>	3,590
Total Secondary	4,340	4,670	5,070	5,420	5,770	6,370	6,970
Main Trade Area	7,250	7,680	8,180	10,530	12,380	13,230	14,080

Average Annual Change (No.)	Actual			Forecast		
	2011-16	2016-21	2021-26	2026-31	2031-36	2036-41
Primary Sector	20	20	400	300	50	50
Secondary Sectors						
• East	22	20	10	10	10	10
• North-east	2	10	10	10	10	10
• South	<u>42</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>100</u>	100
Total Secondary	66	80	70	70	120	120
Main Trade Area	86	100	470	370	170	170

Average Annual Change (%)	Actual			Forecast		
	2011-16	2016-21	2021-26	2026-31	2031-36	2036-41
Primary Sector	0.7%	0.7%	10.4%	5.3%	0.7%	0.7%
Secondary Sectors						
• East	1.7%	1.4%	0.7%	0.6%	0.6%	0.6%
• North-east	0.1%	0.7%	0.7%	0.6%	0.6%	0.6%
• South	<u>2.5%</u>	<u>2.6%</u>	<u>2.3%</u>	<u>2.1%</u>	<u>3.6%</u>	3.0%
Total Secondary	1.5%	1.7%	1.3%	1.3%	2.0%	1.8%
Main Trade Area	1.2%	1.3%	5.2%	3.3%	1.3%	1.3%
<i>Syd Metro</i>	1.9%	1.8%	1.6%	1.6%	1.5%	1.3%
<i>Australian Average</i>	1.7%	1.4%	1.3%	1.3%	1.2%	1.1%

All figures as at June and based on 2016 SA1 boundary definition.

Sources : ABS; NSW DPIE

2.3. Resident Main Trade Area Socio-economic Profile

- i. Table 2.2 summarises the socio-economic profile of the Concord West main trade area population, compared with the Sydney metropolitan and Australian benchmarks. This information is based on the 2016 Census of Population and Housing (noting that the results of the 2021 Census are not available until mid-late 2022), with key points to note including:
 - Main trade area average per capita and household income levels are slightly higher than the benchmarks. It is noted that average per capita incomes of residents in the primary sector are 10.5% higher than the benchmark.
 - The average age of main trade area residents is significantly younger than the benchmarks, particularly in the primary and secondary south sectors.
 - The main trade area comprises of an ethnically-diverse population, with significant variation between trade area sectors. All trade area sectors (with the exception of the secondary west sector) include a high proportion of Asian-born residents as compared with the benchmark. The secondary east and north-east sectors are predominantly Australian born.
 - Home ownership levels across the main trade area, at 59.4% are lower than the Sydney benchmark (64.7%).
 - The household structure of the main trade area comprises a higher than average proportion of couples without children and shared households (other family), as compared with the benchmark.
- ii. Overall, the main trade area population is characterised by a young, Asian-born population who typically rent their homes.
- iii. Table 2.3 shows the change in the socio-economic profile of the main trade area population over the 2011 and 2016 Census periods.

TABLE 2.4. RESIDENT MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2016 CENSUS

Characteristic	Primary Sector	Secondary Sectors			Main TA	Syd Metro Average	Aust Average
		East	North-east	South			
Income Levels							
Average Per Capita Income	\$46,450	\$41,882	\$43,046	\$39,931	\$43,382	\$42,036	\$38,500
Per Capita Income Variation	10.5%	-0.4%	2.4%	-5.0%	3.2%	n.a.	n.a.
Average Household Income	\$117,565	\$118,414	\$119,305	\$121,952	\$118,900	\$115,062	\$98,486
Household Income Variation	2.2%	2.9%	3.7%	6.0%	3.3%	n.a.	n.a.
Average Household Size	2.5	2.8	2.8	3.1	2.7	2.7	2.6
Age Distribution (% of Pop'n)							
Aged 0-14	16.1%	19.3%	16.3%	17.5%	17.0%	18.1%	18.0%
Aged 15-19	3.9%	4.9%	5.9%	6.3%	5.1%	6.0%	6.1%
Aged 20-29	25.0%	13.2%	15.3%	20.3%	19.9%	15.1%	13.9%
Aged 30-39	24.2%	13.8%	13.4%	16.8%	18.5%	15.7%	14.1%
Aged 40-49	13.0%	13.9%	15.1%	13.9%	13.8%	13.9%	13.7%
Aged 50-59	8.6%	12.3%	13.6%	11.6%	10.9%	12.3%	12.9%
Aged 60+	9.3%	22.7%	20.4%	13.5%	14.8%	19.0%	21.3%
Average Age	33.0	39.6	38.9	35.1	35.8	37.8	38.9
Housing Status (% of H'holds)							
Owner/Purchaser	48.7%	70.2%	65.1%	65.7%	59.4%	64.7%	67.9%
Renter	51.3%	29.8%	34.9%	34.3%	40.6%	35.3%	32.1%
Birthplace (% of Pop'n)							
Australian Born	43.2%	61.2%	58.5%	45.3%	49.9%	61.9%	72.9%
Overseas Born	56.8%	38.8%	41.5%	54.7%	50.1%	38.1%	27.1%
• Asia	43.8%	18.9%	25.5%	43.4%	35.7%	18.6%	10.7%
• Europe	5.9%	14.3%	8.9%	4.6%	7.7%	7.7%	8.0%
• Other	7.1%	5.6%	7.1%	6.7%	6.7%	11.8%	8.4%
Family Type (% of Pop'n)							
Couple with dep't children	48.4%	49.3%	49.5%	52.6%	49.8%	48.8%	45.2%
Couple with non-dep't child.	5.1%	11.4%	12.2%	10.6%	9.1%	9.2%	7.8%
Couple without children	24.9%	18.2%	17.6%	21.1%	21.2%	20.2%	23.0%
Single with dep't child.	7.0%	6.1%	6.2%	5.1%	6.2%	8.0%	8.9%
Single with non-dep't child.	3.8%	5.9%	4.4%	4.1%	4.4%	4.1%	3.7%
Other family	2.8%	0.9%	1.3%	2.0%	1.9%	1.2%	1.1%
Lone person	8.0%	8.2%	8.7%	4.5%	7.4%	8.5%	10.2%

Sources: ABS Census of Population and Housing 2016

TABLE 2.2. SOCIO-ECONOMIC PROFILE COMPARISON, 2011- 2016 CENSUS

Characteristic	Concord West MTA			Syd Metro		
	2011	2016	Change (%)	2011	2016	Change (%)
Income Levels						
Average Per Capita Income	\$38,639	\$43,382	12.3%	\$36,941	\$42,036	13.8%
Average Household Income	\$104,924	\$118,900	13.3%	\$99,586	\$115,062	15.5%
Age						
Average Age	35.4	35.8	1.2%	37.2	37.8	1.8%
Birthplace (% of Pop'n)						
Australian Born	52.8%	49.9%	-2.8%	63.7%	61.9%	-1.7%
Overseas Born	47.2%	50.1%	2.8%	36.3%	38.1%	1.7%
Household Size & Structure						
Average Household Size	2.7	2.7	0.9%	2.7	2.7	1.5%
Couple with dep't children	50.1%	49.8%	-0.3%	48.2%	48.8%	0.6%
Housing Status (% of H'holds)						
Owner/Purchaser	63.5%	59.4%	-4.0%	67.4%	64.7%	-2.7%
Renter	36.5%	40.6%	4.0%	32.6%	35.3%	2.7%
Labour Force (%of Pop'n)						
Labour Force Participation	70.7%	69.5%	-1.2%	66.6%	65.6%	-1.0%
% Unemployed	3.0%	5.6%	2.6%	3.3%	6.0%	2.7%
% White Collar Occupations	78.5%	79.4%	0.9%	74.3%	74.7%	0.4%
% Blue Collar Occupations	21.5%	20.6%	-0.9%	25.7%	25.3%	-0.4%

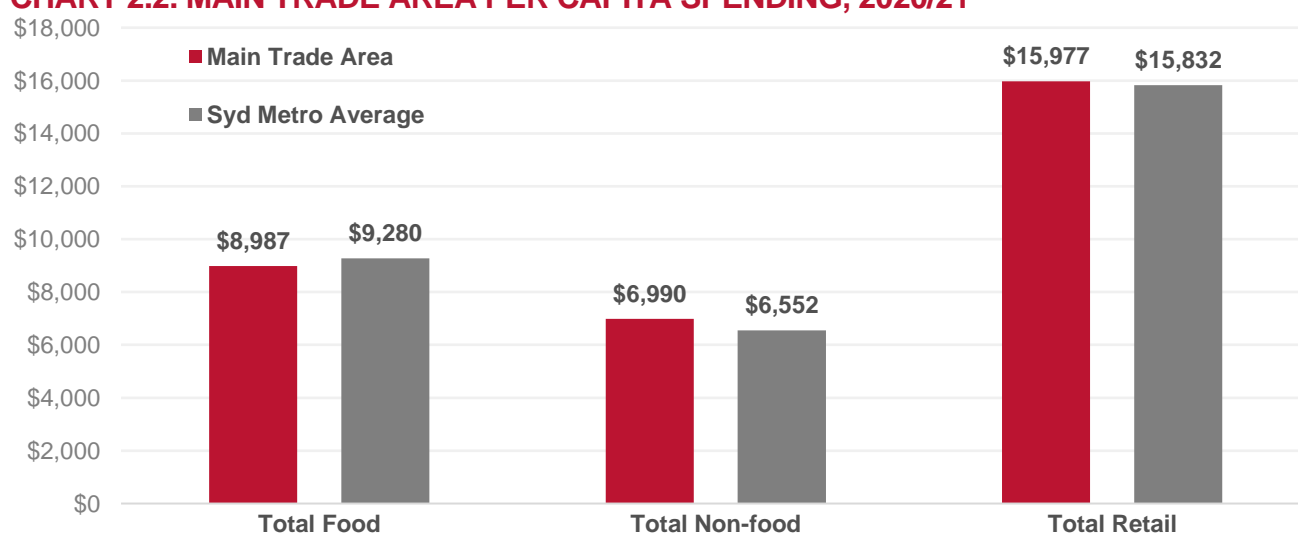
Source: ABS Census of Population and Housing 2011 & 2016

2.4. Main Trade Area Retail Expenditure Capacity

- i. The estimated retail expenditure capacity of the main trade area population is based on information sourced from Market Data Systems (MDS). MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.
- ii. The MDS model considers information from a wide variety of sources, including the regular ABS Household Expenditure Survey, the National Accounts Data, Census Data, and other information. MarketInfo estimates used in this analysis are based on the 2016 release, benchmarked against the latest National Accounts Data, released by the ABS. Throughout Australia, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in economic assessments.

- iii. Chart 2.2 illustrates the 2020/21 retail spending levels per person across the main trade area, as compared with the Sydney metropolitan average. As shown, retail spending levels across the main trade area are comparable with the Sydney metropolitan benchmark.
- iv. Table 2.3 details the retail expenditure levels generated by the main trade area population. Main trade area retail spending is currently estimated at \$126.3 million and is projected to increase to \$342.0 million by 2041, reflecting an average rate of 5.1% per annum (inflated dollars and including GST).
- v. Location IQ apply long term averages for retail price inflation (RPI) and real growth in retail spending, avoiding year to year volatility which distorts spending patterns. The projected growth rate in retail spending for the main trade area is based on the following assumptions:
 - **Retail Price Inflation:** Food category inflation of 1.0% per annum in 2021, increasing to 1.5% over the 2022 - 2023 period. From 2024, food category inflation is assumed to increase to 2.0% per annum. Non-food category inflation of 0.5% per annum in 2021, increasing to 0.75% over the 2022 - 2023 period. From 2024, food category inflation is assumed to increase to 1.0% per annum.
 - **Real Growth** in retail spending per capita of 0.0% is assumed over the period to 2023, reflecting the impact of the COVID-19 pandemic on the economy. From 2024 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2041.
 - Main trade area **population growth**, which is projected to average 2.8% per annum over the period to 2041.
- vi. Table 2.4 details the main trade area retail expenditure generated by key commodity group. The largest spending market is food and liquor at \$52.0 million, or 41.1% of the total spending market.

CHART 2.2. MAIN TRADE AREA PER CAPITA SPENDING, 2020/21



Source: Marketinfo



TABLE 2.3. MAIN TRADE AREA RETAIL EXPENDITURE, 2021 – 2041

Y/E June	Primary Sector	Secondary Sectors			Main Trade Area
		East	North-east	South	
2021	49.5	21.2	25.0	30.6	126.3
2022	52.8	21.7	25.4	31.7	131.7
2023	59.0	22.1	25.9	32.8	139.9
2024	66.8	22.8	26.7	34.4	150.6
2025	75.5	23.5	27.5	36.0	162.5
2026	85.4	24.2	28.3	37.7	175.6
2027	94.2	24.9	29.2	39.5	187.8
2028	101.6	25.7	30.1	41.2	198.6
2029	109.5	26.5	31.0	43.1	210.1
2030	118.1	27.3	32.0	45.0	222.3
2031	127.3	28.1	32.9	47.0	235.4
2032	134.2	29.0	33.9	49.5	246.7
2033	138.5	29.8	34.9	52.5	255.8
2034	142.9	30.7	36.0	55.7	265.3
2035	147.4	31.7	37.1	59.1	275.3
2036	152.1	32.6	38.2	62.7	285.6
2037	156.9	33.6	39.4	66.3	296.2
2038	161.8	34.6	40.5	70.0	307.0
2039	166.9	35.7	41.8	73.9	318.2
2040	172.1	36.8	43.0	78.0	329.9
2041	177.6	37.9	44.3	82.3	342.0
Expenditure Growth					
2021-26	35.8	3.0	3.4	7.1	49.3
2026-31	41.9	3.9	4.6	9.3	59.8
2031-36	24.8	4.5	5.3	15.7	50.3
2036-41	25.5	5.2	6.1	19.6	56.4
2021-41	128.0	16.7	19.3	51.6	215.7
Average Annual Growth Rate					
2021-26	11.5%	2.7%	2.6%	4.3%	6.8%
2026-31	8.3%	3.1%	3.0%	4.5%	6.0%
2031-36	3.6%	3.0%	3.0%	5.9%	3.9%
2036-41	3.1%	3.0%	3.0%	5.6%	3.7%
2021-41	6.6%	2.9%	2.9%	5.1%	5.1%

*Inflated dollars & including GST

Source : MarketInfo

TABLE 2.4. MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2021 – 2041

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2021	52.0	20.7	15.3	21.0	5.4	8.1	3.7
2022	54.3	21.7	16.0	21.8	5.7	8.4	3.8
2023	57.7	23.3	17.0	23.1	6.0	8.8	4.1
2024	62.0	25.3	18.3	24.7	6.5	9.4	4.3
2025	66.8	27.6	19.8	26.5	7.0	10.1	4.7
2026	72.0	30.2	21.5	28.5	7.6	10.8	5.0
2027	77.0	32.6	23.0	30.4	8.1	11.5	5.3
2028	81.4	34.7	24.3	32.0	8.6	12.1	5.6
2029	86.0	37.0	25.7	33.7	9.1	12.7	5.9
2030	91.0	39.5	27.2	35.5	9.6	13.4	6.2
2031	96.4	42.2	28.7	37.4	10.1	14.1	6.5
2032	101.0	44.5	30.0	39.0	10.6	14.7	6.8
2033	104.9	46.4	31.0	40.3	10.9	15.2	7.0
2034	109.0	48.4	32.0	41.7	11.3	15.7	7.3
2035	113.2	50.5	33.1	43.1	11.6	16.2	7.5
2036	117.7	52.7	34.1	44.5	12.0	16.8	7.8
2037	122.2	55.0	35.2	46.0	12.4	17.3	8.1
2038	126.8	57.3	36.4	47.5	12.8	17.9	8.3
2039	131.6	59.7	37.5	49.1	13.2	18.5	8.6
2040	136.6	62.2	38.7	50.7	13.6	19.1	8.9
2041	141.8	64.9	40.0	52.4	14.1	19.7	9.2
Expenditure Growth							
2021-26	20.1	9.4	6.2	7.5	2.2	2.7	1.3
2026-31	24.3	12.0	7.2	8.9	2.5	3.3	1.5
2031-36	21.3	10.5	5.4	7.2	1.9	2.7	1.3
2036-41	24.2	12.2	5.8	7.8	2.0	3.0	1.4
2021-41	89.8	44.2	24.6	31.3	8.6	11.7	5.5
Average Annual Growth Rate							
2021-26	6.7%	7.8%	7.0%	6.3%	6.9%	6.0%	6.1%
2026-31	6.0%	6.9%	6.0%	5.6%	5.9%	5.4%	5.5%
2031-36	4.1%	4.6%	3.5%	3.6%	3.5%	3.6%	3.6%
2036-41	3.8%	4.3%	3.2%	3.3%	3.2%	3.3%	3.3%
2021-41	5.1%	5.9%	4.9%	4.7%	4.9%	4.6%	4.6%

**Inflated dollars & including GST*

Source : MarketInfo

2.5. Worker Market

- i. Workers typically spend around 15% - 20% of their total retail expenditure at or near their place of work and as such generate a substantial amount of spending at local facilities.
- ii. Map 2.2 illustrates the defined worker trade area for the Concord West mixed-use development. The worker main trade area extends 1 – 1.5 km around the site.
- iii. Table 2.5 details the current and projected worker population in the worker trade area over the period to 2041. As shown, an estimated 6,180 workers are currently employed within the worker trade area, with this figure projected to grow to almost 7,180 workers by 2041, reflecting an average annual growth rate of 0.8%.
- iv. This assumes a reduction in workers in the primary sector in the 2021-26 period following the conversion of commercial/industrial land for residential/mixed-uses as follows:
 - Westpac building is redeveloped to accommodate the subject development, resulting in the loss of ~680 workers in the 2021-26 period.
 - The Shed site (immediately west of the site) redevelopment will result in a loss of ~100 workers in the 2021-2026 period.
 - Following the development of the subject proposal and The Shed, however, it is assumed that these losses in workers will be offset in the 2026-31 period by residents of the new developments working from home.
- v. Table 2.6 provides a snapshot of worker trade area characteristics, with key points to note including:
 - The average age of 38.1 years is slightly younger than the Sydney Metropolitan average (40.4 years).
 - Some 79% of workers within the worker trade area are white collar workers; slightly lower than the Sydney benchmark (89.0%). This reflects the location of the light industrial precinct in the secondary sector, north of the railway line.
- vi. The worker trade area retail spend market near place of work is currently estimated at \$14 - \$19 million. It is important to note that a small proportion of this market is a sub-set of the residential spending market, as a portion of workers would live within the defined resident main trade area. Residents who work within the worker main trade area would have the opportunity to use the proposed facilities at the site more regularly than if they worked elsewhere.

MAP 2.2. WORKER TRADE AREA



TABLE 2.7. WORKER TRADE AREA POPULATION, 2011-41

Population	Actual		2021	2026	Forecast		
	2011	2016			2031	2036	2041
Primary Sector	1,150	1,440	1,490	740	1,490	1,540	1,590
Secondary Sector	<u>2,810</u>	<u>4,290</u>	<u>4,690</u>	<u>4,940</u>	<u>5,190</u>	<u>5,440</u>	<u>5,590</u>
Main Trade Area	3,960	5,730	6,180	5,680	6,680	6,980	7,180

Average Annual Change (No.)	Actual		2016-21	2021-26	Forecast		
	2011-16	2016-21			2026-31	2031-36	2036-41
Primary Sector		58	10	-150	150	10	10
Secondary Sector		<u>296</u>	<u>80</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>30</u>
Main Trade Area		354	90	-100	200	60	40

Average Annual Change (%)	Actual		2016-21	2021-26	Forecast		
	2011-16	2016-21			2026-31	2031-36	2036-41
Primary Sector		4.6%	0.7%	-13.1%	15.0%	0.7%	0.6%
Secondary Sector		<u>8.8%</u>	<u>1.8%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>0.9%</u>	<u>0.5%</u>
Main Trade Area		7.7%	1.5%	-1.7%	3.3%	0.9%	0.6%

All figures as at June and based on 2016 Journey To Work Travel Zones.

Sources : ABS; Transport for NSW

TABLE 2.8. WORKER TRADE AREA CHARACTERISTICS

Characteristics	Main TA	Syd Metro* Average
Socio-economic Profile		
Population (2021)	6,180	2,209,136
Average Age	38.1	40.4
Average Income	\$68,544	\$69,192
Industry Split		
White Collar Workers (%)	79.0%	74.8%
Blue Collar Workers (%)	19.1%	23.3%
Other (%)	1.9%	1.9%
Retail Expenditure (2021)		
Est Retail Expenditure Per Capita (\$)	\$15,701.1	n.a.
Total Worker Retail Expenditure (\$M)	\$96.3	n.a.
Retail Expenditure Near Place of Work (15%-20%)	\$14.4M - \$19.3M	n.a.

*Based on 2016 Census

*Source : MarketInfo & based on 10 km resident spend market as a proxy

Sources: ABS Census of Population and Housing 2016 & MarketInfo



3 COMPETITIVE CONTEXT

This section of the report provides a summary of the existing and future competitive developments within the area. Map 3.1 and Table 3.1 detail the location and composition of these developments.

TABLE 3.1. COMPETITIVE CENTRES

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site* (km)
Within the Main Trade Area			
<u>North Strathfield</u>	<u>36,500</u>		
• Cnr George St & Conway Ave	400	Foodworks (200)	0.3
• The Bakehouse Quarter	36,100	Aldi (1,400)	1.8
<u>Concord West</u>	<u>1,700</u>		<u>2.3</u>
• Queen Street	700		
• Victoria Avenue	1,000		
Beyond the Main Trade Area			
North Strathfield (East Retail Strip)	10,000	Woolworths (1,300)	1.7
<u>Homebush</u>	<u>33,100</u>		
• DFO Homebush	28,100		2.1
• Cnr The Crescent & Rochester St	5,000	IGA (100)	2.5
<u>Rhodes</u>	<u>46,300</u>		<u>4.7</u>
• Rhodes Waterside	34,800	Kmart (3,800), Coles (3,500), Aldi (1,600)	
• Rhodes Central	11,500	Woolworths (3,900)	

Source: Australian Shopping Centre Council Database

* By road



MAP 3.1. MAIN TRADE AREA AND COMPETITION



* White dot indicates proposed store



3.1. Within Main Trade Area

- i. The **Concord West** retail strip (700 sq.m) is provided along Queen Street to the south of Station Avenue (2.3 km by car) and includes two cafes, a massage therapist, a hair salon, and other non-retail tenants. Additional strip retail comprising of ~1,000 sq.m is provided along Victoria Avenue, immediately west of Queen Street including Snap Fitness, a range of food catering and retail service tenants, a pharmacy, Bottlemart, a small foodstore and a real estate agent.
- ii. **North Strathfield** provides ~36,500 sq.m of retail floorspace as follows:
 - A small provision of shops is located on the corner of George Street and Conway Avenue (300 metres south) as part of a mixed-use precinct, which includes a small FoodWorks foodstore of 200 sq.m.
 - The Bakehouse Quarter (1.8 km south) totals 36,100 sq.m and is an Aldi-anchored supermarket-based shopping centre which is provided across multiple old industrial-style buildings in a town-centre format divided by George Street in the centre. This centre provides the only supermarket (defined as >500 sq.m) within the main trade area. This centre incorporates a broad range of non-retail uses including Wotso Workspace (commercial), Kingpin Bowling and ED5 International (part time school).

3.2. Beyond Main Trade Area

- i. Other supermarket-based facilities provided beyond the main trade area include:

North Strathfield

- A provision of strip retail is situated along Concord Road between Station Street and Correys Avenue, 1.7 km to the south-east of the site. A small Woolworths supermarket (1,300 sq.m) anchors the southern portion of the precinct and is serviced by an at-grade car park.

Homebush

- DFO Homebush (33,100 sq.m) is a hybrid factory outlet centre, situated 2.1 km south-west of the subject site on the corner of the intersection of Homebush Bay Drive, Underwood Road, and the Western Motorway. The centre is provided over two levels and includes major brands such as JB Hi-Fi Home, Nike, Bed Bath 'N, Table, Koala Living, Snooze, Tommy Hilfiger, Calvin Klein, and Coach.

- Strip retail is provided on the corner of Rochester Street and the Crescent to the south-west of Homebush Station (2.5 km south). A small IGA (100 sq.m) is provided within the precinct and would mainly service the immediate local population.

Rhodes

- Rhodes Shopping Centre (34,800 sq.m) is the sub-regional shopping centre serving the broader area and is located 4.7 km to the north. This centre is anchored by IKEA, Kmart, Coles, and Aldi. According to the Shopping Centre News Little Guns 2021 publication the centre records an MAT of \$191 million.
- Rhodes Central (immediately north of Rhodes Waterside) totals 11,500 sq.m and is anchored by a Woolworths supermarket of 3,900 sq.m. The centre has a range of specialty shops as well as a dining precinct.

3.3. Supermarket Floorspace Provision

- Table 3.2 details the current provision of supermarket floorspace across the main trade area by sector. As shown, the main trade area supermarket floorspace provision at 165 sq.m per 1,000 persons is well below the Sydney Metropolitan benchmark of 260 sq.m per 1,000 persons.
- There are currently no full-line (i.e., larger than 3,000 sq.m) supermarkets provided within the main trade area.
- One full-line supermarket is typically provided for every 8,000 – 10,000 persons, indicating the resident main trade area can currently only support one full-line supermarket (based on a current population of 8,180). By 2041, when the main trade area population is projected to reach over 14,000, a second full-line supermarket could theoretically be supported.

TABLE 3.2. SUPERMARKET FLOORSPACE PROVISION

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2021 Population	GLA per 1,000 persons
Primary Sector	0	0	3,110	0
Secondary Sectors				
• East	0	0	1,470	0
• North-east	0	0	1,510	0
• South	<u>1</u>	<u>1,350</u>	<u>2,090</u>	<u>646</u>
Total Secondary	1	1,350	5,070	266
Main Trade Area	1	1,350	8,180	165
<i>Sydney Metro Average</i>				260
<i>Australian Average</i>				346

* Defined as 500 sq.m or larger

3.4. Proposed Developments

- i. Table 3.3 details future retail developments of competitive relevance to the proposed development at Concord West. Key points to note are as follows:

Within the Main Trade Area

- A development application has been submitted for a full-line Woolworths (3,500 sq.m including BWS) to be developed on an existing car park at Bakehouse Quarter (secondary south sector). If this application proceeds, this site will be the first full-line supermarket within the main trade area.

Beyond the Main Trade Area

- Olympic Park Town Centre is a State Significant Development (SSD) which proposes 95,050 sq.m of retail by 2031. The retail vision and strategy indicate a possible supermarket, food and beverage precinct, wellness hub, a microbrewery, as well as a range of other entertainment facilities. This development is of limited relevance to the proposed facilities at Concord West.
- A development application has been submitted for a 16-storey mixed-use development at the Rhodes Station Precinct to include 3,652 sq.m of retail floorspace. The format of the retail component is unclear at this stage but would likely be of limited relevance to the proposed development, being located almost 5 km to the north.

TABLE 3.3. PROPOSED COMPETITION

Name	Additional Retail GLA (sq.m)	Components	Status	First Full Year
Within Main Trade Area				
Secondary South				
Bakehouse Quarter	3,500	Full-line Woolworths supermarket of 3,500 sq.m (including BWS) on the existing hardstand car park area with adjacent at-grade parking	DA Submitted	n.a.
Beyond the Main Trade Area				
Olympic Park Town Centre	95,050	May include a supermarket, microbrewery, wellness hub, food and beverage precinct, and other entertainment facilities	Planning	n.a.
Rhodes Station Precinct	3,652	16-storey mixed-use development to include 3,652 sq.m of retail premises	DA Submitted	n.a.

Source: Location IQ Database

4 COMPARABLE DEVELOPMENTS

This section reviews a range of comparable mixed-use developments across Australia to examine the retail and complementary floorspace that can form part of the proposed development at Concord West. A review of key design considerations that are essential to the success of the development is also detailed.

4.1. Comparable Developments

- i. Table 4.1 details 10 comparable mixed-use developments, across the New South Wales, Victoria, Queensland, and ACT. Key points to note including the following:
 - The sample average of residential units is 344. Around 1,100 units are planned at the Concord West mixed-use development — significantly larger than the sample average, however, the resident population within an 800 metres radius of the Concord West site at just over 5,000 in 2016, increasing to ~9,900 by 2036, is smaller than the sample average of ~11,000 in 2016, increasing to almost 20,000 by 2036. In other words, the subject development will have a larger number of residents on site, but a comparatively lower density of residents beyond the immediate development.
 - The average height of the residential component across the sample is around 24 storeys, while the proposed Concord West development will range from 4 – 14 storeys across a number of buildings. As such, the ground floor retail component in many of the sample developments would likely be more compact (i.e., across fewer buildings) than the Concord West development.
 - The average provision of retail floorspace across the sample is ~2,300 sq.m (although ranging from 1,500 – 5,100 sq.m), across 1 – 2 levels.
 - The retail and non-retail composition of each of these developments varies by size, customer segments served, and location. However, the value proposition of all of the centres in the example is convenience-focused, serving the needs of the immediately surrounding residents (i.e., within a 0.5 – 1 km radius).
 - Only half of the sample developments include a supermarket. Of these, the supermarket offer is generally small-format i.e., >2,000 sq.m. Asian supermarkets/food stores are provided at both Infinity Square (at Green Square in Sydney) and Lachlans Village (in Macquarie Park in

Sydney), which (similar to the subject development) cater to the local population, comprising a high proportion of Asian-born residents. Supermarket brands in the sample developments include Coles, Woolworths Metro, IGA, QE Foods, and Miracle Supermarket.

- Car parking provision is limited across the sample, with many developments not including any car parking facilities given that they cater to the local market.
- A range of complementary non-retail uses are often included in mixed-use developments including gyms, medical centres, wellness uses, and taverns.

ii. In summary, the provision and mix of retail and complementary non-retail tenants provided in the sample varies. This is a function of the varying site attributes of each development. The Concord West site is more limited in terms of accessibility, compared with many of the centres in the sample, but benefits from having a significant resident population on-site and proximity to a train station. The amount of floorspace that can be supported at the subject site will be highly dependent on the anchor tenant secured.

TABLE 4.1. COMPARABLE MIXED-USED DEVELOPMENTS

Metric	Concord West (p)	Palko	Infinity Square	Capitol Grand	ARC Sydney	Lonsdale St Traders (Ori)	Newmarket Randwick	St Leonards Square	Parramatta Square	Southpoint TOD	Pierside	Lachlans Square Village	Sample Average
Suburb	Concord West	Braddon	Green Square	South Yarra	Sydney	Braddon	Randwick	St Leonards	Parramatta	South Bank	Wentw. Pt	Macq. Park	n.a.
State	NSW	ACT	NSW	VIC	NSW	ACT	NSW	NSW	NSW	QLD	NSW	NSW	n.a.
Dist. to CBD (km)	12.0	0.5	5.0	5.6	-	0.5	7.0	6.0	24.0	2.0	17.0	15.0	8.3
Storeys	14	7	20	50	30	6	8	36	56	21	16	18	24
Retail GLA (sq.m)	tbc	1,500	1,800	2,000	2,000	2,000	2,300	2,400	4,310	3,000	3,250	5,104	2,697
Retail Levels	tbc	2	2	2	2	2	1	2	2	1	2	1	1.7
Dwellings													
Upper Level Residential	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n.a.
Total (no.)	~1,100	47	326	377	73	52	124	527	700	400	256	900	344
Resident Pop. (800 metre radius)													
• 2016	5,274	7,175	12,826	16,731	12,409	7,175	16,953	16,605	16,248	5,249	2,914	3,515	10,709
• 2031 (SAFi)	9,903	8,680	25,946	25,732	15,467	8,680	17,000	25,351	41,425	14,100	30,725	3,777	19,717
• Ave. Ann. Growth (%)	4.3%	1.3%	4.8%	2.9%	1.5%	1.3%	0.0%	2.9%	6.4%	6.8%	17.0%	0.5%	
Retail Car Parking													
Car Bays (no.)	tbc	0	0	0	0	0	-	527	0	✓	0	229	84
Bays per 100 sq.m GLA	tbc	0	0	0	0	0	-	22.0	0	unk.	0	4.5	2.9
Key Anchors													
Supermarket	tbc	-	Miracle	-	-	-	-	QE Foods	-	WOW Metro	IGA	Coles	n.a.
Second Supermarket	tbc	-	Good 2 Go Conv.	-	-	-	-	-	-	Sunlit	-	-	n.a.
Retail Specialty Shops													
Food & Liquor	tbc	1	1	-	-	1	-	-	1	3	1	1	1.3
Food Catering	tbc	1	8	2	4	3	8	1	6	5	3	5	4.2
Apparel	tbc	2	-	1	-	3	-	-	-	-	-	-	2.0
Household Goods	tbc	-	-	-	-	1	-	-	-	-	-	-	1.0
Leisure	tbc	1	-	-	-	1	-	-	-	-	-	-	1.0
General Retail	tbc	-	-	-	-	-	-	-	-	1	1	1	1.0
Retail Services	tbc	1	1	-	1	4	1	1	-	-	2	3	1.8
Total	tbc	6	10	3	5	13	9	2	7	9	7	10	7.4
Other Non-retail Uses													
Non-retail shopfronts	tbc	-	1	-	1	-	-	1	-	2	1	1	1.2
Gym & Wellness	tbc	-	-	-	-	2	-	1	1	-	-	1	1.3
Childcare	tbc	-	-	-	-	-	-	-	-	-	-	-	0.0
Medical	tbc	-	1	-	-	1	-	-	-	1	1	-	1.0
Tavern	tbc	-	-	-	1	-	-	-	1	-	-	-	1.0

Source: Location IQ Database



4.2. Design Considerations

- i. The development of mixed-use sites throughout Australia have often been driven from a planning perspective, seeking a more holistic solution than an enclosed retail component or traditional shopping centre.
- ii. Developments are generally aimed at providing a range of facilities which can complement each other and operate extended hours.
- iii. Key terms often used to describe the ultimate objective or goal of a town or village centre include:
 - Village environment
 - Walkable
 - Public domain
 - Mixed use
 - Main street
 - Vibrant
 - Extended hours of activation
 - Well planned
 - Density
- iv. There is some overlap between a range of the factors identified from both a planning perspective and a consumer perspective, however, the planning description terms are mainly focused around the built environment and the overall outcome, whereas from a customer perspective, critical factors all relate back to the shopping experience.
- v. A balancing act between the best built-form outcome and consumer expectations must be at the forefront of retail development in Australia. Ultimately, the developments that are likely to be successful in the longer term will be those that are able to provide a balance between built form, public space, mix of uses and meeting the needs of customers in an efficient manner.
- vi. Based on a review of the comparable developments, key factors to consider in the design of retail and complementary non-retail floorspace at Concord West include:
 - **Pedestrian Connectivity:** pedestrian access and connectivity is generally of a high standard in order to facilitate customer flows around the site and past specialty shops – including those fronting main streets. This would be critical for Concord West Town Centre, is planned across a number of discrete buildings, with retail provided at ground level.
 - **Single-level Retailing** is preferable to maximise convenience and customer flows around the site. Retailing over two to three levels can be difficult, and generally requires major tenants to

be located on upper or lower levels (driving foot traffic), or car parking at a decked/rooftop or basement level.

- **Strong Anchors:** the anchor tenant at Concord West should provide a high level of customer amenity and resonate strongly with the local market, given that the success of these tenants is critical to the overall success of the development. The location of loading docks should be carefully considered to minimise the impacts on site activation and residents.
- **Integrated development:** it is important that the broader retail components of the development are designed/structured to optimise from customer flows and generally complement one another. Precincting and synergy of uses is crucial, with similar tenants co-locating.
- **Orientation & Shape:** likewise, operators have variable tenancy preferences when considering the depth, orientation, and frontage of each box. For example, slow dining tenants often prefer external frontage allowing for after-hours activation and external seating. The direction of the sun and wind is also critical.
- **Location & Position** uses that are destinational in nature such as mini-majors, hero tenants of non-retail type operators can often anchor lower pedestrian-flow portions of the centre or malls.
- **Destinational Non-Retail Uses:** Non-retail destination uses such as the gym, medical centre, offices, and the like should be provided at secondary locations in the development as these will attract uses regardless. Upper level space/basement level space could be considered if space is limited.
- **Future Proofing:** Click and collect pick up areas should be provided for the supermarket(s) and possible also the inclusion of 'dark kitchens' for food catering pick-ups. Small spaces that can adapt and evolve are also important to cultivate concepts.
- **Car parking:** Multiple ingress/egress points to car parking.
- **Centre amenity and access** must be of a high standard — at least comparable with competitors — to ensure a successful development.
- **Placemaking** will also be important in providing a point of difference and attraction for the various customers segments the site would serve. A contemporary, high-level of quality in terms of the built design and fitout will ensure the local population has a strong affinity with the site and the retail component can function optimally.

- vii. Given that the proposed development at Concord West will be provided across a number of separate buildings, activity generation and funnelling of customer and commuter foot traffic will be critical. The

development should be provided in a compact form and key tenants should be strategically distributed across the site to prevent any 'dead space' areas and to drive traffic to all parts of the development.



5 CENTRE POTENTIAL

This section of the report reviews the retail and complementary non-retail facilities that could be provided at the planned Concord West development.

5.1. Anchor Tenant

Full-Line Supermarkets

- i. Supermarkets are typically defined in planning documents and Courts as:

“Grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores.”

- ii. A major full-line supermarket is at least 3,000 sq.m in size, however modern major full-line supermarkets are typically larger, at 3,500 sq.m. These large format stores are generally operated by major chains such as Woolworths or Coles.
- iii. Typically, one major full-line supermarket is provided for every 8,000 - 10,000 persons in metropolitan areas of Australia and will locate across a wide variety of centres including neighbourhood, sub-regional and regional centres as well as (less commonly) free-standing locations. Currently, no full-line supermarkets are provided within the main trade area. This is largely a function of the lack of available large sites in the area and the peninsula location which is limited to the north by the Parramatta River and the south by the M4 motorway.
- iv. As outlined in sub-section 3.3 (previously) the provision of supermarket (500 sq.m or larger) floorspace within the main trade area at 165 sq.m per 1,000 persons is well below both the Sydney and Australian benchmarks (of 260 and 346 sq.m per 1,000 persons, respectively). However, if the full-line Woolworths store is approved at The Bakehouse Quarter, this will absorb this undersupply over floorspace for the foreseeable future.
- v. Given the location of the site which is somewhat constrained in terms of accessibility from the north and east, and the size of the population immediately surrounding the site, a full-line supermarket would be unlikely to be supportable at the site.

Smaller Format Supermarkets/Large Format Grocery Stores

- i. The major brands Woolworths and Coles are increasingly looking for small-store opportunities throughout densely populated or worker-focused areas. Smaller, convenience type supermarkets rely on significant passing pedestrian/commuter traffic, as well as a substantial worker population.
- ii. The smaller format concept of both brands is designed to meet the most basic everyday needs of customers in a compact and accessible store format suited to quick purchases. Given the smaller store format, the product range is specifically curated to the needs of local residents and the community.
- iii. The small format concept offers the convenience of a small-format supermarket close to home (in areas with high levels of activity throughout the day), or on key transit routes (i.e. to or from work). This format minimises the impacts that can be associated with a typical large-format supermarket such as noise, traffic, significant parking requirements and frequent large truck deliveries.
- iv. Key points to note in relation to individual Woolworths Metro and Coles Local store networks include:

Woolworths Metro

- Woolworths launched Woolworths Metro in 2014. First launching in Sydney, the chain now has over 60 stores across Australia, mainly in Central Business District (CBD) locations that are densely populated with a low provision of supermarket floorspace, or suburbs with a village type feel.
- Woolworths Metro stores are around 250 – 1,500 sq.m in size (GLA) which is significantly smaller than typical Woolworths full-line supermarkets that are generally 3,600 – 4,000 sq.m in size.

Coles Local

- Coles launched their equivalent small format spin-off brand Coles Local in 2018 at Surrey Hills Village in Melbourne. The brand now operates 15 stores across New South Wales, Victoria, and Queensland, primarily focused in densely populated metropolitan areas and tourist locations.
- Coles Local store sizes typically range from ~800 sq.m to 2,500 sq.m.

Based on the network of stores in the area, specifically: a full-line Coles at Rhodes Waterside to the north and proposed full-line Woolworths at The Bakehouse Quarter to the south of the site, in addition to smaller format Woolworths store at North Strathfield — Coles and Woolworths may be unlikely to seek a store in this location, even in a small format concept such as Coles Local or Woolworths Metro.

- v. **Aldi** operate a smaller format offer of ~1,800 sq.m in size but typically target a catchment population of 15,000 – 20,000 persons. The resident main trade area currently accommodates only ~10,000 residents, increasing to ~14,000 by 2041. Further, Aldi are already located at The Bakehouse Quarter in the secondary south sector, as well as Rhodes Waterside, ~1 km north of the site. On this basis, Aldi would be unlikely to locate at the Concord West site.
- vi. **Romeo's IGA** operate high quality stores in Sydney and Adelaide, typically in CBD or fringe locations. The supermarkets are generally 700 - 1,500 sq.m in size or larger with a mix of traditional grocers and food catering options. Alternatively other IGA operators could be targeted.
- vii. **Harris Farm Markets** is an Australian grocery chain with 24 different locations in New South Wales and Queensland with most stores existing within the Sydney metropolitan area. Key points to note in relation to the store network include:
- Stores are generally 500 – 2,500 sq.m in size, with newer stores generally being at the upper end of this range with sub-leases to specialist operators. It is understood that the preferred store size for the brand is currently around 1,350 sq.m.
 - Harris Farm Markets stores serve a larger catchment to the major supermarkets, targeting an affluent, traditional family demographic of at least 60,000 persons. Given that the resident main trade area population is ~10,000 – 15,000 persons, Harris Farm Markets would be unlikely to consider a store in this location.
- viii. **Asian Supermarket/Grocery Store:** based on the high proportion of Asian-born residents within the local area, an Asian supermarket brand could be targeted. Quality chains operating in the Sydney market include:
- Tong Li Supermarket: closest stores are provided at Rhodes Waterside, Burwood Plaza, and Auburn Central. Tong Li typically occupies boxes of 400 – 800 sq.m.
 - Miracle Supermarket: closest stores are located at Marrickville Metro and North Ryde.
 - Other examples of strong trading Asian grocers around Sydney including Jarern Chai, Nikkis Asian Grocer, Unity, Tokyo Mart, and Jasmine Asia Market (refer Figure 5.1). These brands operate from both mini-major (>400 sq.m) and specialty-sized (<400 sq.m) tenancies.
- ix. In our view, the most likely anchor tenant that could be secured at the site would be a quality Asian supermarket or IGA supermarket. In terms of store size, a maximum of 1,500 – 2,000 sq.m could be supported.

FIGURE 5.1. ASIAN GROCER EXAMPLES

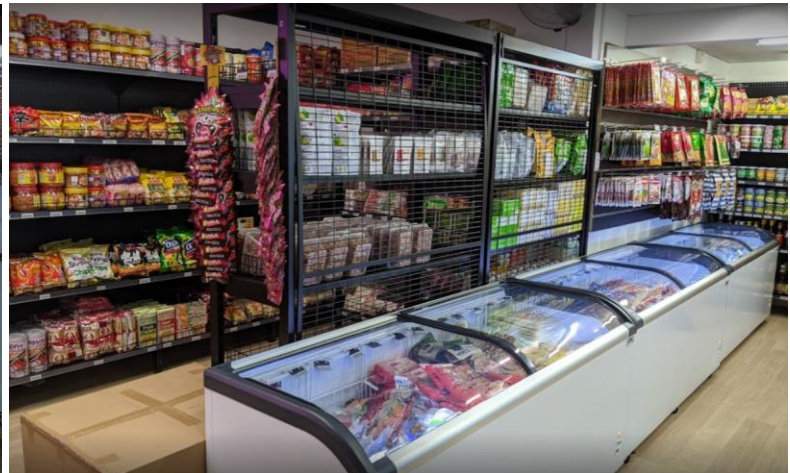
JARERN CHAI (HAYMARKET)



THE ASIAN GROCER (THE GLEN, MELBOURNE)



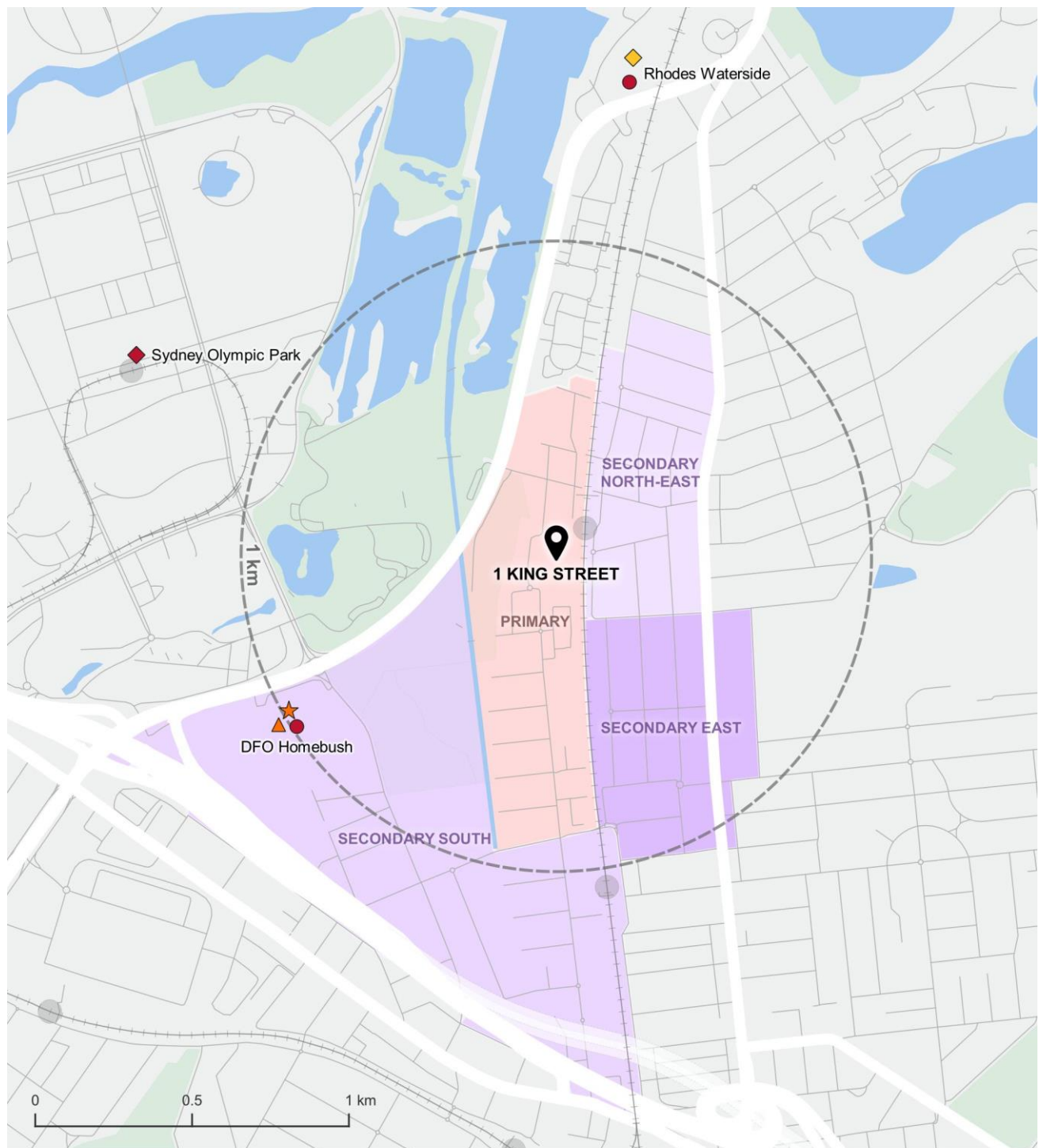
NIKKIS ASIAN GROCER (RANDWICK)



5.2. Mini-major Potential

- i. Mini-major tenants are retail tenants with a floorspace greater than 400 sq.m. The provision of mini-major tenants provided at shopping centres in Australia has increased over the past decade, reflecting new tenants in the category, changing consumer preferences and shopping centre owners looking to provide these types of tenants to increase customer flows.
- ii. Map 5.1 illustrates chain brand mini-majors which are provided in shopping centres throughout the surrounding area. As shown, the main trade area currently has a limited provision of mini-major brands, limited to:
 - **DFO Homebush** in the secondary south sector including Cotton On, Kathmandu, Chemist Warehouse and JB Hi-Fi.
 - **Rhodes Waterside**, 4.7 km to the north including Cotton On, Priceline and Rhodes Phoenix Yum Cha restaurant.
- iii. The average provision of mini-major tenants in supermarket-based centres in Australia is around one store of approximately 400 - 500 sq.m. It is noted, however, that attracting quality national brands to new, smaller-scale neighbourhood centres in internalised metropolitan locations can be difficult.
- iv. Mini-majors typically provided in neighbourhood generally include a pharmacy if this is not provided as a specialty shop.
- v. The following mini-major types/brands could potentially be targeted to located at the proposed Concord West development:
 - **Food Catering:** A yum cha or similar themed restaurant. Any prospective tenant within the food catering space would look to maximise frontages to major pedestrian thoroughfares at street level, although an upper level could be considered if a destination tenant is secured.
 - **General Retail/Leisure:** Daiso which appeals to the Asian market, or a pharmacy such as Chemist Warehouse, Terry White Chemist or Priceline.

MAP 5.1. MINI-MAJOR COMPETITION



- Cotton On ◆ Chemist Warehouse ★ JB Hi-Fi
- ▲ Kathmandu ◆ Priceline Pharmacy

* White dot indicates proposed store



5.3. Retail Specialty Potential

- i. The provision of specialty floorspace that is supportable at any retail centre is typically determined by the amount and sales of major tenant floorspace. These major tenants act as the key customer generators to a centre, with specialty floorspace drawing business from the customer flows.
- ii. Assuming a small format supermarket of 1,500 – 2,000 sq.m is secured as the anchor tenant, a total of ~800 – 1,000 sq.m of retail specialty floorspace could be supported.
- iii. Key points to note in relation to the location and recommended distribution of retail specialty floorspace by category include:
 - **Food Retail** (100 – 200 sq.m): a liquor store or bakery could be targeted. It is important to note that food tenancies usually prefer to co-locate in a precinct outside a supermarket, to create destination appeal and benefit from flow-one foot traffic.
 - **Food Catering:** (300 – 500 sq.m): potentially comprising a café/restaurant and/or 1 – 2 takeaway operators.
 - **General Retail** (100 – 250 sq.m): a pharmacy (if not secured as a mini-major tenant) and/or discount variety store or florist.
 - **Retail Services** (100 – 200 sq.m): a hairdresser, beauty salon, dry cleaner or massage operator could be targeted to reinforce the convenience offer.

5.4. Non-retail Shopfronts

- i. Non-retail tenants add to the destination appeal of the centre and reinforce the location for the local and surrounding population, with possible tenants for the proposed development, including:
 - **Lottery:** potentially as part of a newsagent, or as a standalone kiosk.
 - **Travel Agent:** formerly very prolific tenants in retail developments, the industry has recently experienced significant hardship as a result of the COVID-19 pandemic but is expected to recover as both domestic and international travel restrictions are lifted. This is a tenant to monitor into the future as to how the networks of and the like recover post the COVID-19 pandemic. Potential brands to target include Helloworld and Flight Centre.
 - **Post Office or Parcel Lockers** and/or a post box could be provided.

- ii. A mix of these tenants could be considered but would not add significantly to the overall attraction of the development.

5.5. Destinational Non-retail Tenants

- i. The provision of destinational non-retail floorspace is typically determined by the level of retail floorspace planned, as well as the ability to serve various customer segments at a location and the attributes of the site itself.
- ii. Destinational non-retail uses add to the broader appeal of the centre or development and reinforce the location for the local and surrounding population. The size of these tenants is highly dependent on operator requirements. For the purposes of this assessment, Location IQ has adopted benchmark sizes. Key uses are considered as follows:

5.5.1. Gym

- i. There are many sizes and forms of gyms provided throughout Australia as follows:
 - The well-known brands and health clubs such as Fitness First and Virgin Active typically operate large sized gyms of around 1,000 sq.m and serve a catchment of approximately 50,000 – 70,000 persons. Local gyms are typically around 200 sq.m in size and serve a catchment of around 10,000 persons.
 - Memberships generally accounts for around half of a gym's total revenue stream. Based on a 2015 survey conducted by Fitness Australia, 60% of gyms had less than 1,000 members, while the largest gyms (with over 5,000 memberships) made up just 6%.
- ii. Map 5.2 illustrates the existing provision of gyms throughout the main trade area and surrounds. As shown, there are currently three gyms provided within the main trade area, all of which are national brand operators (Fitness First, Anytime Fitness and Snap Fitness).
- iii. National operators not currently represented in the area who could be targeted to locate at the site include F45 Training, Curves, Goodlife Health Club, and Fernwood Fitness.

MAP 5.2. GYM COMPETITION



● Plus Fitness
 ● Snap Fitness
 ● F45 Training
 ● Anytime Fitness
 ● Fitness First



5.5.2. Medical Centre

- i. Medical centre is a term used for a collection of medical services provided at the same site, typically including General Practitioners (GPs) and other services such as a pharmacist, pathology, and the like.
- ii. Typically, successful medical centres are situated within high profile locations, either along main roads or within proximity to a retail/commercial centre or transport node. Thereby facilities receive maximum exposure to passing traffic, but more importantly, are easily recognisable and accessible for the surrounding population.
- iii. Map 5.3 illustrates the location and size of surrounding medical centres within the region. As shown, there are three medical centres currently operating within the main trade area, primarily focused within the south-eastern part of the main trade area.
- iv. In Australia, as a rule, 12.8 GPs are provided for every 10,000 persons. At this level, the main trade area population could support 10 GPs currently, increasing to 18 doctors by 2041. There are eight GPs currently operating within the main trade area, indicating a slight undersupply. With significant population growth going forward, additional GP and medical services will be required over time.
- v. Medical centres can range in size from 250 sq.m – 1,000 sq.m (depending on the number of doctors and services offered) and often co-locate with other medical uses enabling a one-stop medical destination and serving a wide region. Other potential uses that could be targeted include:
 - Dentist
 - Physiotherapist
 - Gynaecologist
 - Cosmetic Surgery
 - Cryotherapy
 - Naturopath/Herbalist
 - Speech therapy
 - Medical equipment suppliers

MAP 5.3. MEDICAL CENTRES



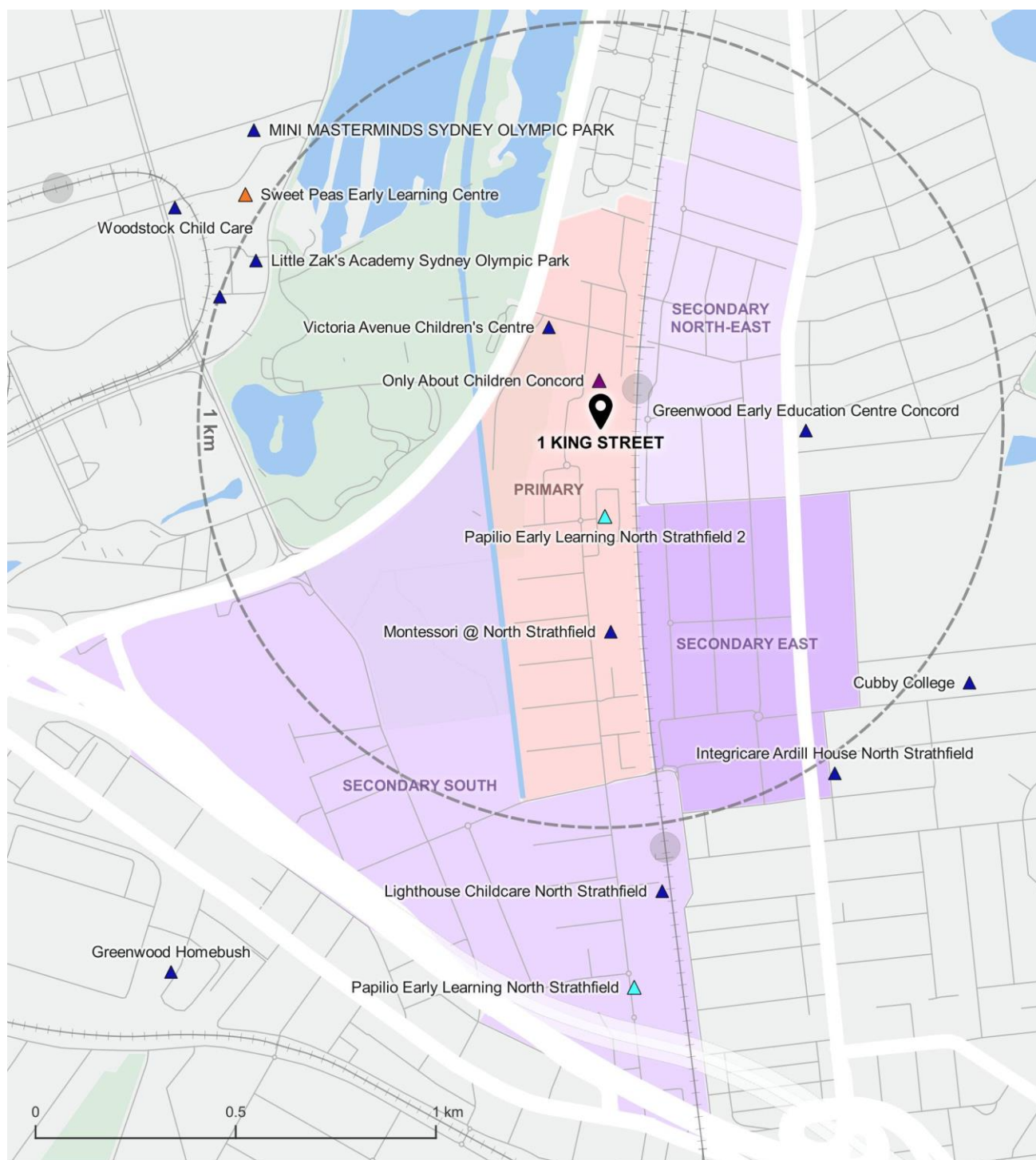
● 1 - 4 doctors ● 5 - 9 doctors



5.5.3. Childcare Centre

- i. A range of early childhood education and care services are available to Australian children, including childcare centres (long day care), family day care, outside school hours care and occasional care. Childcare centres are the largest component of the childhood education and care services market, comprising 58%.
- ii. Childcare centres provide care for children under school age (up to 6 years of age) within facilities built (or adapted) for early childhood education and care services. Childcare centres can offer all-day or part-time care and can be operated by private operators, community, and non-profit organisations.
- iii. An existing childcare centre is provided at the northern end of the site, namely Only About Children comprising 64 places located on George Street. Discussions with the centre indicate a high occupancy rate, with the nursery full, toddler care only available on Fridays, and spaces available for preschool from Monday to Friday. This high occupancy rate indicates demand for strong childcare facilities.
- iv. Co-locating childcare facilities with retail and other non-retail facilities at the site would increase the destinational appeal of the precinct and generate a higher level of traffic around the site (e.g., parents visiting when dropping off/picking up their children).
- v. The proposed Concord West development also has many desirable attributes that are associated with quality childcare facilities, including a convenient location for local residents, workers and commuters, and co-location with other convenience facilities.
- vi. On the basis of the above, the existing childcare centre should be retained and potentially integrated into the new development to add destinational appeal and generate cross-shopping with the retail component.
- vii. Childcare centres are large floorspace users, requiring a minimum of 3.25 sq.m of unencumbered indoor space and 7 sq.m of unencumbered outdoor space per child. While facilities can vary in size, they are often in-excess of 1,000 sq.m (not including play areas and car parking).

MAP 5.4. CHILDCARE CENTRES



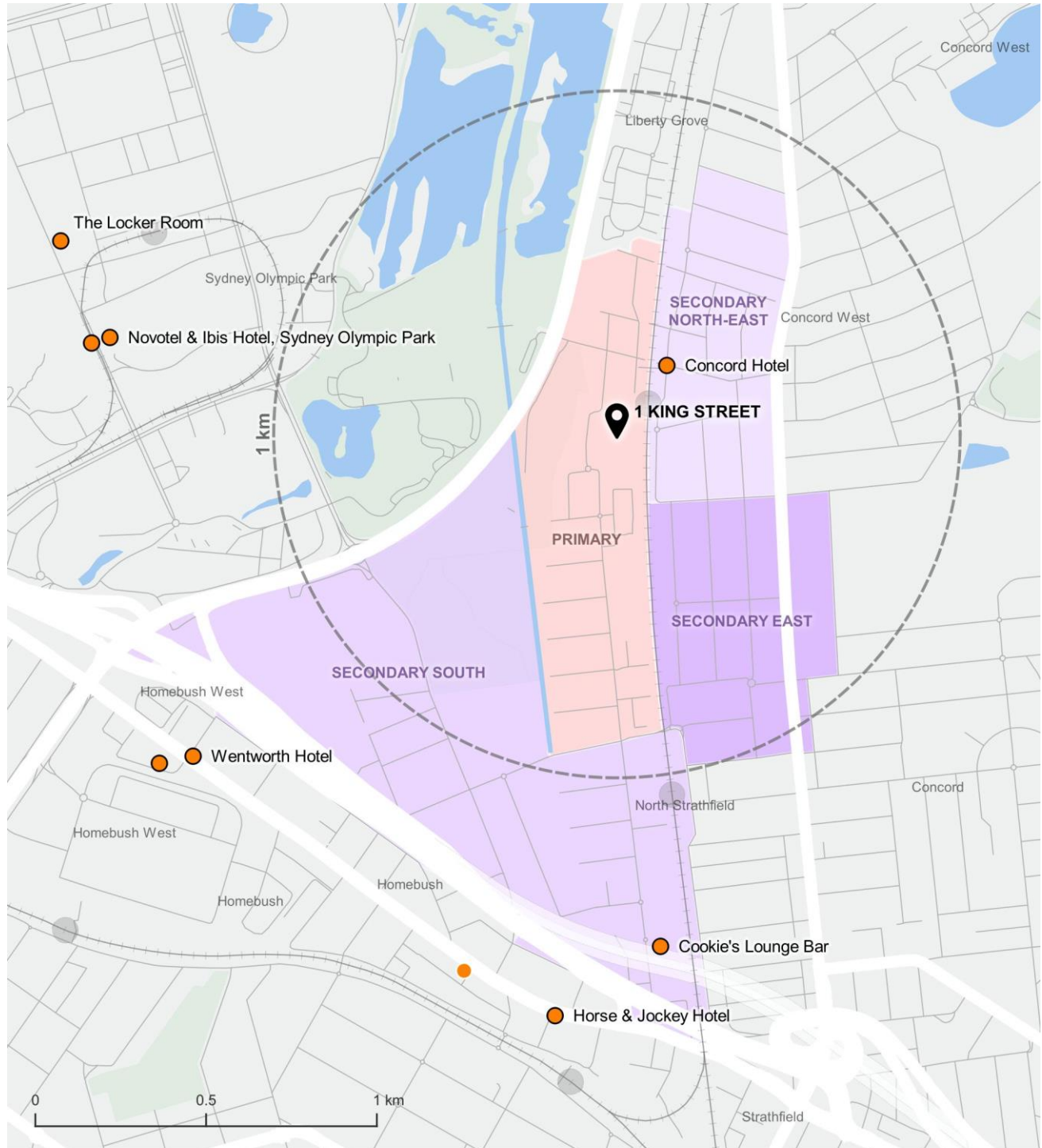
- ▲ Affinity Education Group
- ▲ Guardian Early Learning Group
- ▲ Only About Children
- ▲ Other Childcare



5.5.4. Bar, Tavern, Brewery or Distillery

- i. Taverns vary in size from around 300 sq.m to larger taverns of around 2,000 sq.m.
- ii. Map 5.5 illustrates the locations of taverns and bars in the area. As shown, there are a limited number of facilities within the main trade area, namely: the Concord Hotel (secondary north-east sector) and Cookie's Lounge Bar (secondary south sector).
- iii. Popular restaurants and bars tend to attract customers from a broad region, particularly residents aged under 35 years. Attracting a portion of this wider population is highly reliant on securing popular/high profile restaurants and bars, as well as the creation of an active and engaging precinct.
- iv. Examples of quality local operators throughout Sydney include Lil' Darlin, Shady Pines Saloon, Odd Culture, Doorknock, Baxter Inn, Palmer & Co, The Long Goodbye, Love Tilly Devine, The Midnight Special, Earl's Juke Joint, Surllys, The Wild Rover, Bitter Phew, Jakobys, and Gin Lane.
- v. This type of use is like (or could be integrated with) a microbrewery/distillery which are often located in similar precincts which are converting from industrial to residential uses. Comparable precincts throughout Australia often include unique destination tenants such as a brewery or distillery that serve as key customer attractors and can support ancillary specialty floorspace.
- vi. Taverns typically average around 400 – 750 sq.m in size and would be subject to a liquor licensing application.

MAP 5.5. TAVERNS



● Taverns



* White halo indicates proposed tavern



5.6. Conclusions

- i. Table 5.1 outlines the recommended optimal mix of supportable floorspace at the site. Key recommendations in relation to the ultimate potential for retail and complementary non-retail uses at Concord West site include:
 - **Anchor Tenant:** based on the existing and proposed supermarket networks in the area and accessibility constraints of the site, a smaller format of (1,500 – 2,000 sq.m) supermarket would be the likely major tenant to create a convenience destination at the centre. Ideally a Woolworths Metro or Coles Local store should be targeted, but if these brands cannot be secured, a quality Asian supermarket such as Tong Li or Miracle would likely resonate with the local market. Alternatively, IGA could be targeted.
 - **Mini-majors:** Attracting quality national brands to new, smaller-scale neighbourhood centres in internalised metropolitan locations can be difficult. Mini-majors typically provided in neighbourhood generally include a pharmacy. Alternatively, Daiso or a yum cha restaurant would appeal to the local Asian market.
 - **Retail Specialties:** assuming a small-format supermarket offer, ~800 – 1,000 sq.m of retail specialty space is supportable. The mix of tenants should be convenience focused e.g., baker, florist, café, takeaway, pharmacy (if not a mini-major tenant), hairdresser/beauty salon, massage etc.
 - **Destinational Non-Retail Uses:** a medical centre gym and/or tavern could be supported at the site if quality operators are secured. It is assumed that the existing childcare operator will be retain or integrated into the new development.
- ii. As is the case with any mixed-use development, a strong focus must be place on leasing in order to secure these key operators in first instance, particularly with existing and future competition from nearby developments.
- iii. Overall, a total provision of ~2,000 - 3,000 of retail floorspace is considered supportable, and ~4,000 – 5,000 sq.m of total centre floorspace if key non-retail uses are secured.
- iv. In terms of design, centre amenity and access must be of a high standard — at least comparable with competitors — to ensure a successful development. Placemaking will also be important in providing a point of difference and attraction for the various customers segments the site would serve. A contemporary, high-level of quality in terms of the built design and fitout will ensure the local population has a strong affinity with the site and the retail component can function optimally.

- v. Given that the proposed development at Concord West will be provided across a number of separate buildings, activity generation and funnelling of customer and commuter foot traffic will be critical. The development should be provided in a compact form and key tenants should be strategically distributed across the site to prevent any 'dead space' areas and to drive traffic to all parts of the development.

TABLE 5.1. RECOMMENDED FLOORSACE AND COMPOSITION

Tenant/ Category	Proposed Centre	
	Indicative GLA (sq.m)	% of Total
Majors & Mini-majors		
Supermarket	1,500	34.1%
Mini-major	<u>400</u>	<u>9.1%</u>
Total Majors & Mini-Majors	1,900	43.2%
Retail Specialties		
Food & Liquor	100	2.3%
Food Catering	500	11.4%
Apparel	0	0.0%
Household Goods	0	0.0%
Leisure	0	0.0%
General Retail	150	3.4%
Retail Services	<u>150</u>	<u>3.4%</u>
Total Retail Spec.	900	20.5%
Total Retail	2,800	63.6%
Non-retail		
Non-retail Shopfronts	100	2.3%
Childcare	750	17.0%
Medical Centre	500	11.4%
Gym	<u>250</u>	<u>5.7%</u>
Total Centre	4,400	100.0%



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