

NORTH-WEST DUBBO URBAN RELEASE AREA Commercial Needs Assessment



Prepared for Dubbo Regional Council

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EXECUTIVE SUMMARY

HillPDA was commissioned by Dubbo Regional Council (Council) to prepare a market assessment to determine the need for, and amount of, retail, commercial and other non-residential floor space that is appropriate for the future Village Centre in the North-West Urban Release Area (NWURA).

Context

The North-West Urban Release Area (URA) spans 375 hectares on the northwestern outskirts of Dubbo. It is located approximately 2km from the Dubbo CBD and the Regional Airport. Additionally, it is situated 4km from the Dubbo Health and Education Precinct and 3km from the proposed Narromine Road Urban Release Area (NURA). Bunglegumby Road currently passes through the precinct, connecting to Narromine Road via Thompson Street. Future connectivity will be enhanced with the planned extension of the Newell Highway, including a third crossing of the Macquarie River (New Dubbo Bridge Project) in the eastern section of the precinct.

Vision for NWURA and purpose of study

The vision for the North-West Residential Urban Release Area in Dubbo is to meet the city's increasing housing needs through diverse housing options. This includes driving residential development opportunities and offering varied choices at different price points to promote a dynamic housing market.

In line with this vision, the plan includes a local commercial centre, primarily serving the residential development within the precinct and the north west Dubbo area. The purpose of this study is to conduct a comprehensive market assessment that will ascertain the demand for and quantity of retail, commercial, and other non-residential floor space required for the development of the Village Centre in the NWURA. The findings from this assessment will serve to inform the formulation of Planning Proposals, Development Control Plans (DCP), and other pertinent studies relating to the NWURA.

Planning Context

The establishment of a Village Centre and employment opportunities within Dubbo's north-west aligns with the above objectives and strategies of the Central West and Orana Regional Plan. It promotes economic growth, enhances the appeal of the NWURA, and addresses the evolving needs of residents, including the trend of working from home. The need for a centre in the NWURA to provide essential services and amenities to the new residents is also emphasised in the draft Employment Lands Strategy and help to bridge the gap in unmet demand across Dubbo. Additionally, the Village Centre will attract new businesses, adding vibrancy and liveability to the NWURA. By offering crucial services, amenities, and job opportunities, the Village Centre contributes significantly to the overall development, whilst meeting to needs of the local community.

Notwithstanding the need for a village centre in the NWURA, its size and timing is important to ensure that Dubbo's retail hierarchy and existing centres will not be harmed economically.

Competitive context

Key centres influencing the Village Centre's trade area and retail space provision include:

- Dubbo Central Business District (CBD): Located approximately 2.5 to 4 kilometres southeast of the proposed Village Centre. The CBD includes a variety of commercial, social, and entertainment facilities and includes a Myer Department store, fashion stores and a variety of specialty stores. It includes Dubbo

Square, a sub-regional shopping centre with over 35,000sqm of retail floorspace and the Riverdale Shopping Centre on Macquarie Street, featuring a Woolworths supermarket and Reading Cinemas.

- Orana Mall: Positioned around 6.5km southeast of the Village Centre, this sub-regional centre is anchored by Big W and Woolworths, with a total retail floor space of 23,788sqm.
- Delroy Park Shopping Centre: Anchored by Woolworths, this centre is located 3.3km south of the Village Centre and offers 3,825sqm of retail floorspace.
- Victoria Street, Neighbourhood Centre: Positioned about 2.2km south of the Village Centre, it includes an IGA store, a bottle shop, restaurants, and other retailers.
- The Narromine Urban Release Area (URA) envisions a population of over 8,000 by 2041. A centre is proposed, delivered in two stages. The first stage includes a smaller scale supermarket and supporting specialty stores (up to 1,000sqm). The second stage expands to around 6,000sqm with a full-line supermarket.

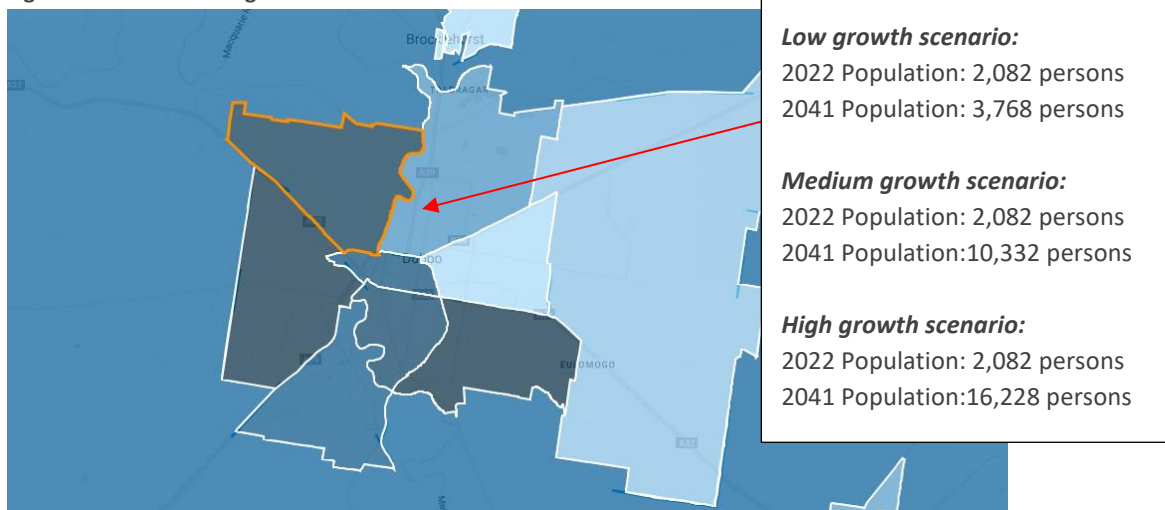
Retail demand

With consideration given to the centre hierarchy and competitive landscape, it is assumed that the Village Centre will primarily serve Dubbo's North West region (shown in figure below and also referred to as the Village Centre's trade area).

The population growth scenarios for the North-West Precinct assume the following:

- Low growth scenario: Aligns with Remplan's current forecasts for the North-West region.
- Medium growth scenario: Assumes a higher rate of new dwellings in the NWURA, gradually accelerating to 200 dwellings per annum post 2026 and 250 dwellings per annum post 2036 (which is more consistent with recent dwelling uptake rates). This scenario maintains the same occupancy rates and persons per dwelling as assumed by Remplan.
- High growth scenario: This assumes a higher rate of new dwellings in the NWURA, with 300 dwellings per annum by 2026, increasing to 350 dwellings per annum by 2031 by 2036 and is broadly consistent with the high projections for the North-West Precinct as sourced from the NSW Department of Planning and Environment and the Precinct Plan North-West Dubbo Urban Release Area (i.e. 6,000 dwellings, population 15,000 by 2041)

Figure 1: North West Region



Source: Remplan; HillPDA

Demand for retail space comes from several sources – mostly from residents within the MTA and to a lesser extent from visitors and non-resident workers. The process of forecasting total potential retail demand in the precinct is outlined in the table below.

Table 1: Calculating total potential retail sales for the proposed Village Centre

Residential expenditure					+	Other sources of expenditure	=	Total potential retail sales
Total trade area household expenditure	×	Capture of household expenditure	=	Total captured household expenditure		Expenditure from visitors and workers		
<p>Total expenditure generated by trade area residents is forecast to increase from:</p> <ul style="list-style-type: none">• Low growth scenario: \$38.5m in 2026 to \$69.1 m in 2041• Medium growth scenario: \$42.3m in 2026 to \$189.4 m in 2041• High growth scenario: \$49.5m in 2026 to \$297.5 m in 2041 <p><i>Assumptions:</i></p> <ul style="list-style-type: none">• <i>spending an average of \$15,830 per annum on retail goods and services – some 12% higher than Non-Metro NSW.</i>• <i>some increase in real expenditure per capita at a rate of 1% per annum in food and around 0.5% in non-food categories in line with the long-term trend</i>		<p>The Village Centre will not capture all trade area resident expenditure, as some proportion of their expenditure will be directed to Dubbo CBD, online shopping, other centres and bulky goods precincts</p> <p>Based on the likely mix and strength of retail offering at competing centres it is assumed the Village Centre could capture:</p> <ul style="list-style-type: none">• 18% of total trade area household expenditure over the 2026 -2041 forecast period under the low growth scenario• 18% of total trade area household expenditure in 2026 increasing to 40% over the 2031-2041 forecast period under the medium and high growth scenario		<p>Based on the assumed capture rates the proposed Village Centre has the potential to capture:</p> <ul style="list-style-type: none">• \$8.4 million in retail expenditure from trade area residents by 2031 and \$12.7 million by 2041 under the low growth scenario• \$33.7 million in retail expenditure from trade area residents by 2031 and \$76.7 million by 2041 under the medium growth scenario• \$47.0 million in retail expenditure from trade area residents by 2031 and \$120.4 million by 2041 under the high growth scenario		<p>Please note also that the above figures make an allowance for 5% of sales to be derived from beyond the trade area under the low growth scenario and 5% to 7.5% under the medium and high growth scenario. This includes residents that live further afield, workers in the locality and day trippers.</p> <p>As such we estimate that the subject site could capture around:</p> <ul style="list-style-type: none">• \$0.4 million in retail expenditure from outside the trade area by 2031 and \$0.6 million by 2041 under the low growth scenario• \$2.5 million in retail expenditure from outside the trade area by 2031 and \$5.7 million by 2041 under the medium growth scenario• \$3.5 million in retail expenditure from outside the trade area by 2031 and \$9.0 million by 2041 under the high growth scenario		<p>From these sources of demand the proposed retail centre could achieve potential total retail sales of around:</p> <ul style="list-style-type: none">• \$8.8 million in retail expenditure from trade area residents by 2031 and \$13.3 million by 2041 under the low growth scenario• \$36.3 million in retail expenditure from trade area residents by 2031 and \$82.4 million by 2041 under the medium growth scenario• \$50.6 million in retail expenditure from trade area residents by 2031 and \$129.4 million by 2041 under the high growth scenario

Demand for shop front space is then calculated by dividing total potential retail sales by industry target retail turnover density levels (\$/sqm).

With no other retail facilities provided or planned within the revised trade area, the above retail demand analysis suggests that the Village Centre could support 1,550sqm (Gross Leasable Area or GLA) by 2041 under the low growth scenario, 9,650sqm GLA under the medium growth scenario and 15,000sqm GLA under the high growth scenario.

Centre timing

Under the low growth scenario, a small-scale centre could be developed in a single stage, around 2033 when the Precinct has reached over a quarter of its population. This centre could support up to 1,500sqm of GLA and include a small-format supermarket of 600 to 800sqm, along with five or six retail tenancies totalling 600 to 800sqm. In the early years of the URA's development, the centre may trade below industry targets due to lower population levels. However, establishing a centre early on enhances the amenity, attractiveness, and marketability of the NWURA. Once the NWURA is fully developed there would be potential to expand the centre to meet future demand for retail and commercial services (i.e. +6,000sqm post 2041).

The medium growth scenario could support a centre of 6,000 to 7,000sqm GLA by 2036. The centre, however, could be delivered in two stages, with stage one expected to be completed by 2031. Stage one would include a mid-size supermarket of around 1,000sqm to 2,000sqm, approximately 1,500 to 2,000sqm of specialty retail, and two or three small non-retail users. By 2036, the centre could be expanded to 6,000 to 7,000sqm, incorporating a full-line supermarket ranging from 3,000 to 4,000sqm and a few additional retail and non-retail tenancies.

Providing a smaller centre earlier in the development process enhances the attractiveness and liveability for new residents and improves the marketability of the NWURA. This will also help to achieve (or accelerate) the presumed residential take up rates of 200-250 dwelling per annum (refer to Section 4.2). Once the NWURA is fully developed there may be potential to expand the centre or provide additional retail uses within the proposed mixed-use zone to meet future retail and commercial service demands.

In contrast the high growth scenario could support a centre of 6,000sqm GLA with a full-lined supermarket by 2031 and could expand to 10,000 to 11,000sqm by 2036 to include an additional supermarket and specialty retail.

It should also be noted that if the residential development uptake occurs at a slower rate than projected, the timing for the retail and commercial uses may need to be delayed accordingly.

Other potential uses

Population thresholds and benchmark analysis reveals that additional uses that could be supported within or near the Village Centre include medical, gym, and childcare facilities.

Indicative floorspace recommendations

The following table provides the supportable level of floorspace at the Village Centre. This has been based on typical population thresholds and a typical trading environment. Please note, the below recommendations are theoretical and are based on several variables including indicative development yields provided, tenant demand and a pre-COVID environment. Slower residential development uptake, difficulties in securing tenants and so forth may impact floorspace recommendations.

Table 2: Indicative floorspace recommendation for the Village Centre

Use	Floorspace GLA (sqm)					Assumptions and sources
	Low growth 2033	Medium growth Stage 1 (2031)	Medium growth Stage 2 (2036+)	High growth Stage 1 (2031)	High growth Stage 2 (2036+)	
Village Centre						
Supermarket	600 – 800sqm	Up to 2,000	3,000sqm to 4,000sqm	Up to 3,200sqm	Full-line supermarket 3,200sqm and 2 nd supermarket up to 2,000sqm	Refer to Section 4.6 and 4.7
Specialty Retail	600 – 800sqm	Up to 2,000	Up to 2,500sqm	Up to 2,000sqm	Up to 4,000sqm	Refer to Section 4.6 and 4.7
Non- retail stores	100sqm	Up to 300	Up to 500sqm	Up to 400sqm	Up to 600sqm	Refer to Section 4.6 and 4.7
General private medical practice (possible)	-	One general practice up to 300sqm	Two general practices totalling around 600sqm	One general practice up to 300sqm	Two to three general practices totalling around 600-900sqm	Refer to section 4.9. Assumes one small to mid scale general private practice is provided on site
Gym (possible)	-	-	Up to 300sqm	-	Up to 300sqm	Refer to section 4.9. Assumes one small scale gym is provided on site
Childcare centre (possible and desirable)	-	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	Refer to section 4.9
Total	~1,500sqm	~5,000sqm	~8,000sqm	~6,000sqm	~11,500sqm	
Land requirements	Up to 1 Ha however additional land should be retained to enable the centre to expand once the population has established	2- 3 Ha	3 – 4 Ha	3 – 4 Ha	~4 Ha	

Source: HillPDA 2023

With the inclusion of common areas, amenities, storage and management office total GFA could reach say 10,000sqm. Sufficient site area should be zoned to accommodate this size centre regardless of how long it will take to develop to ensure that in the long run the centre is not under-planned or under-provided. In the interim floor space caps could be inserted in the LEP, as per the other centres in Dubbo, to protect the retail hierarchy and the CBD.

To accommodate all the floor space, required car parking, a couple of loading docks, some landscaping and a village square / play area, we recommend a site area of between 3.5 and 4.5 hectares net of public roads.

1.0 INTRODUCTION

HillPDA was commissioned by Dubbo Regional Council (Council) to prepare a market assessment to determine the need for and amount of retail, commercial and other non-residential floor space that is appropriate for the Village Centre within the North-West Urban Release Area (NWURA).

1.1 Local context and site description

The North-West Urban Release Area (URA) spans across 375 hectares and is located on the northwestern outskirts of the Dubbo urban area. It is positioned approximately 2km away from both the Dubbo Central Business District (CBD) and the Dubbo Regional Airport. Additionally, it is situated 4km from the Dubbo Health and Education Precinct and 3km from the proposed Narromine Road Urban Release Area (NURA). The development plans for NURA include approximately 1,650 to 1,750 dwellings, along with employment-generating facilities and a supermarket-based centre.

Currently, Bunglegumbie Road passes through the centre of the precinct, which connects to Narromine Road via Thompson Street. However, future connectivity will be enhanced through the planned extension of the Newell Highway, including a third crossing of the Macquarie River (known as the New Dubbo Bridge Project), which will be delivered in the eastern section of the precinct.

The majority of the land within the North-West URA is classified as Urban Release Area (URA) under the provisions of the Dubbo Local Environment Plan 2022. Strategic planning is crucial for this area and other nearby lands to ensure the creation of supportive neighbourhoods that can accommodate future growth and leverage the strategic location and opportunities offered by this precinct.

Currently, 334.6 hectares of the precinct is zoned R2 Low Density Residential under the Dubbo Local Environmental Plan 2022. Additionally, around 40.4 hectares is designated as R5 Large Lot Residential. The land currently supports low-intensity agricultural uses.

1.2 Vision for NWURA and Structure Plan

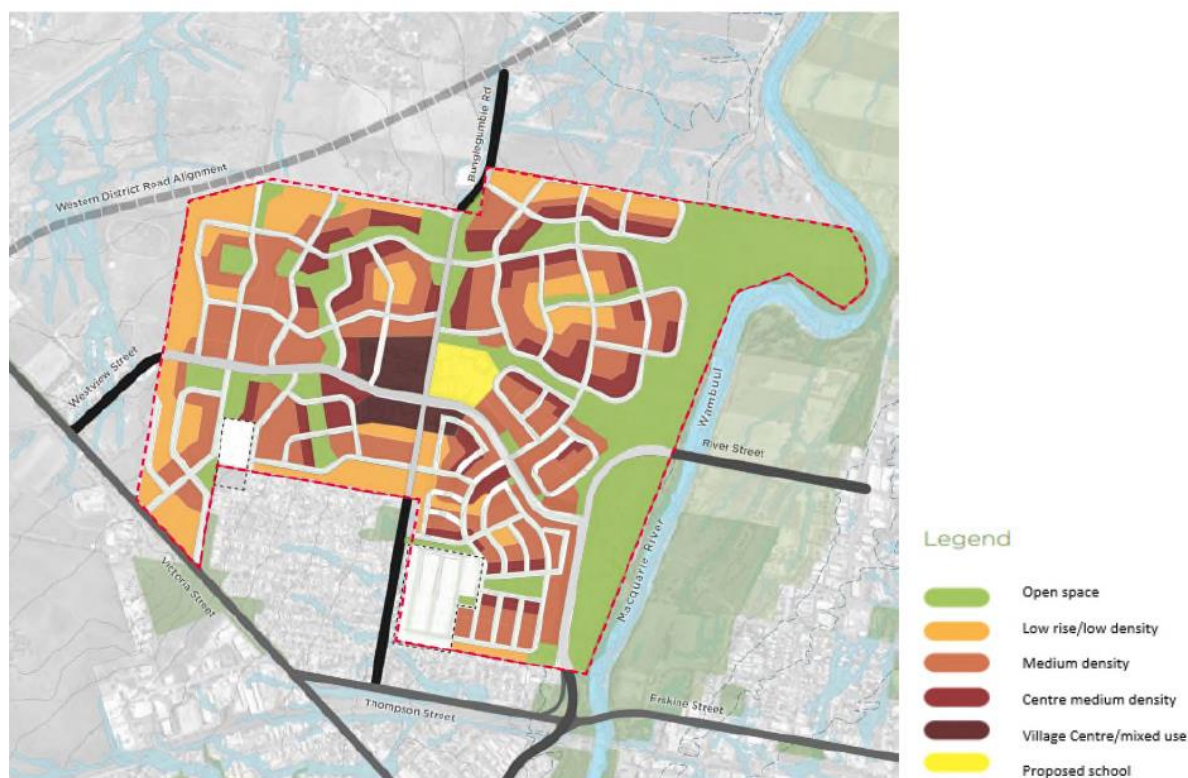
The vision for the North-West Residential Urban Release Area in Dubbo is to establish a prominent residential growth zone that addresses the increasing housing needs of the city's thriving urban population. This vision entails driving residential development opportunities, offering a wide range of housing choices and ensuring the availability of housing options for the future.

There is a clear recognition of the growing demand for housing diversity and choice within this area and across Dubbo as a whole. The intention is to provide a variety of housing options at different price points, thereby promoting a dynamic housing market in Dubbo.

In line with this vision, the plan includes allocating land for a village centre. However, it should be noted that the primary purpose of this centre would be to serve the residential developments within the precinct. While some limited services may be extended to nearby developments in the immediate vicinity, the focus remains on catering primarily to the residential needs of the local area.

A site responsive Indicative Layout Plan has now been prepared for the precinct and is shown in the figure below.

Figure 2: Indicative Layout Plan of NWURA



Source: Precinct Plan North-West Dubbo Urban Release Area

1.3 Purpose of this study

The purpose of this study is to conduct a comprehensive market assessment that will ascertain the demand for and quantity of retail, commercial, and other non-residential floor spaces required in the Village Centre in the NWURA. The findings from this assessment will serve to inform the formulation of Planning Proposals, Development Control Plans (DCP), and other pertinent studies relating to the NWURA.

1.4 Study structure

To address the requirements of the brief, the study has been set out as follows:

- **Chapter 2 | Planning and socio-economic context:** This Chapter undertakes an appraisal of the planning and legislative context for the Subject Site based on the relevant planning legislation, strategies and documents. It considers matters from an economic perspective. Socio-economic influences are also considered.
- **Chapter 3 | Retail environment:** The following undertakes a review of the surrounding retail hierarchy around the site.

Chapter 4 | Retail demand and impact assessment: This Chapter forecasts the demand for retail space within the NWURA. Demand is compared to supply to identify any shortfalls. How the proposal can address the shortfalls and the proposed scale, mix and staging of the centre is discussed. The chapter also considers potential impacts that the Village Centre could have on surrounding centres.

2.0 PLANNING CONTEXT

This Chapter undertakes an appraisal of the planning and legislative context for the NWURA based on the relevant planning legislation, strategies and documents and considers the planning proposal's alignment to these strategies. It considers matters which relate to the centre hierarchy and provision of additional centres from an economic perspective. Socio-economic influences are also considered.

2.1 Regional plans and policies

2.1.1 Central West and Orana Regional Plan

The Central West and Orana Regional Plan is a strategic planning document that outlines the vision, goals, objectives and strategies for the development and growth of the Central West and Orana regions in New South Wales, Australia. It provides a framework for sustainable development, infrastructure provision, economic growth, environmental conservation, and social well-being in the region.

The plan identifies key priorities and focuses on various areas such as economic diversification, infrastructure development, employment growth, tourism, agriculture, water management, education, health, and community services. It aims to foster collaboration between government, industry, and community stakeholders to support the long-term prosperity and liveability of the region.

The key objectives and strategies of relevance to this Assessment include:

- Objective 11: Strengthen Bathurst, Dubbo and Orange as innovative and progressive regional cities
- Objective 12: Sustain a network of healthy and prosperous centres
- Objective 13: Provide well located housing options to meet demand
- Strategy 13.3: Use strategic planning and local plans to facilitate a diversity of housing in urban areas by aligning infrastructure and service provision to housing supply needs
- Dubbo Priorities: With more people working from home (accelerated by the pandemic).

The establishment of a Village Centre and employment generating uses strongly aligns with the objectives and strategies outlined above. It stimulates and supports the growth of Dubbo's north-west region, as identified in the plan (Objective 11), and encourages investment that drives economic growth (consistent with Objective 12). Creating a Village Centre enhances the appeal of the NWURA, while also addressing the need for convenient access to essential services and amenities (consistent with Objective 13 and Strategy 13.1).

Furthermore, the concept of a local centre is responsive to current trends, particularly as more people are opting to work from home. This shift also identified in the Regional Plan emphasizes the importance of having local centres closer to residential areas, providing convenience and facilitating a work-life balance for residents. By integrating employment opportunities within the Village Centre, it not only supports the economic growth of the region but also responds to the need for local job creation (also consistent with Objective 12) and reduces commuting distances for workers.

In summary, the establishment of a Village Centre and employment opportunities within Dubbo's north-west aligns with the above objectives and strategies of the Central West and Orana Regional Plan. It promotes economic growth, enhances the appeal of the NWURA, and addresses the evolving needs of residents, including the trend of working from home.

2.2 Local plans and policies

2.2.1 Community Strategic Plan

The Dubbo Community Strategic Plan outlines the long-term vision, goals, and priorities for the community, covering areas such as infrastructure, economic development, social services, environmental sustainability, and community well-being.

A Village Centre aligns with the themes and objectives of the Dubbo Community Strategic Plan. It supports the retail industry, which is identified as one of the main employment sectors in the Plan. By providing employment opportunities for people of all ages, the centre contributes to Objective 3.2, which aims to create diverse employment opportunities for the community. The centre also provides opportunities to attract convenient services and facilities to meet the needs of local residents (consistent with Objective 3.2.5) and provide conveniently located medical services and facilities (to align with Objective 5.1.1).

2.2.2 Draft Employment Lands Strategy

The primary objective of this strategy is to ensure that the City of Dubbo has a sufficient amount of commercial, industrial, institutional, and tourist-zoned land in the future. The strategy aims to identify suitable locations that can best meet the long-term needs and requirements of Dubbo and the surrounding region.

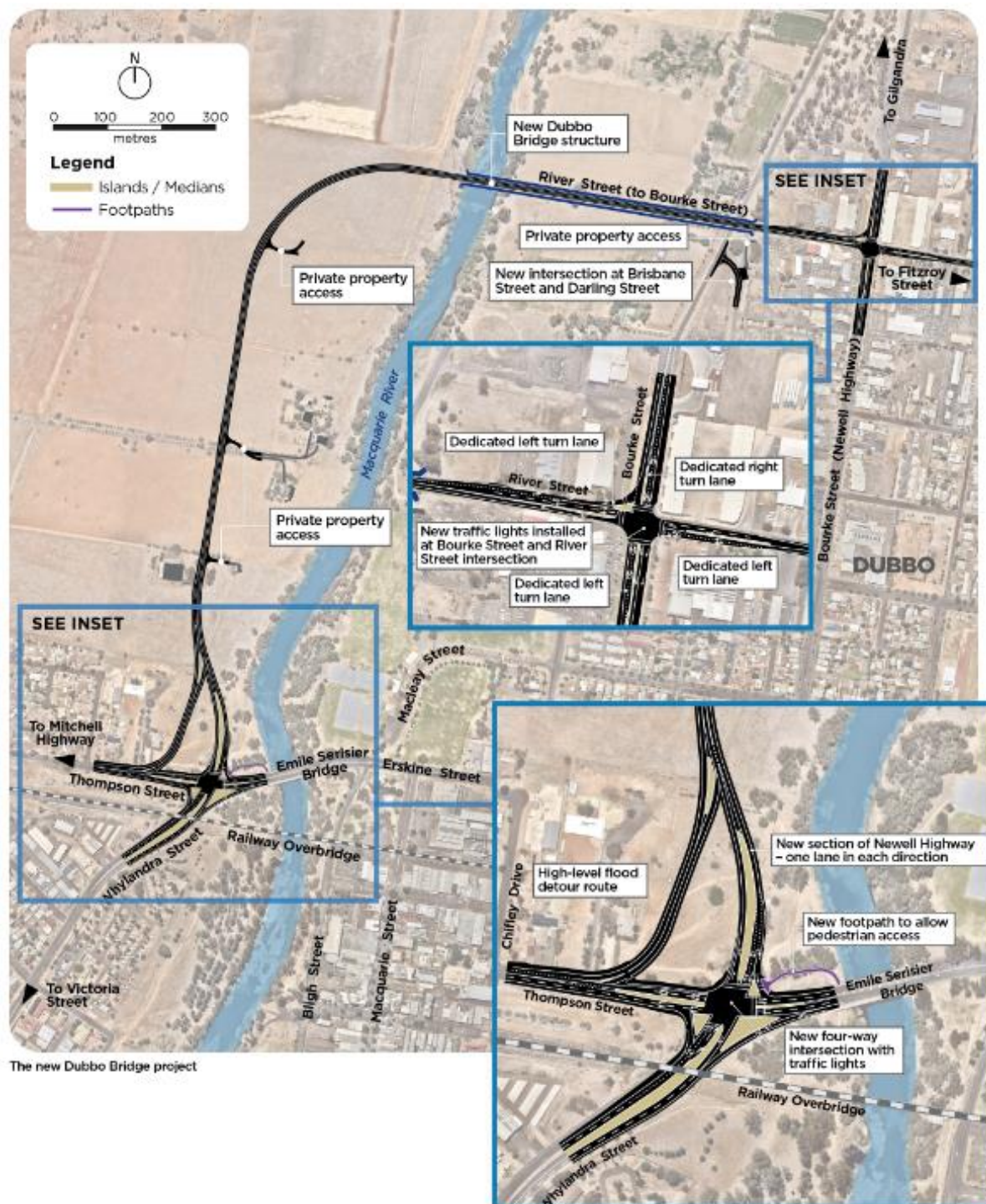
The strategy highlights the need for a neighbourhood centre in the NWURA, considering the population catchment and the prevalent trend of smaller supermarkets on residential fringes for convenient shopping. It recommends designating a future B1 Neighbourhood Centre zone in a suitable location once there is enough residential development to support local convenience shopping. Therefore, the provision of a Village Centre within the NWURA is consistent with the recommendations of this strategy.

The Village Centre would also help to address the unmet demand for retail and non-retail shopfront floorspace in Dubbo. The current undersupply is projected to increase to 33,879sqm by 2031, primarily due to the demand for specialty non-food stores, bulky goods stores, and restaurants/cafes. In addition to meeting some of this unmet demand, and servicing these new residents, the Village Centre will help to attract new businesses and enhance the vibrancy and liveability of the NWURA. By providing convenient access to a variety of services and amenities, the Village Centre becomes a focal point for both residents and businesses. It creates opportunities for economic growth and contributes to the overall vitality of the community. Additionally, the presence of a centre enhances the appeal of the NWURA as an attractive place to live and work, further supporting its development and success.

2.2.3 Dubbo's Transport Strategy 2020 and Newell Highway Upgrade - New Dubbo Bridge project

The upcoming highway upgrade and the New Dubbo Bridge project (shown in the figure below) will significantly improve accessibility and connectivity for the NWURA. The connection to Bourke Street (Newell Highway) via River Road to the north and to Whylandra Street and Michell Highway via Thompson Street to the south will enhance transportation links within the region. These improved connectivity factors will be carefully considered in the retail demand modelling process.

Figure 3: Dubbo Bridge Project



Source: <https://www.transport.nsw.gov.au>

2.2.4 Dubbo Urban Release Development Strategy – Residential Areas Development Strategy

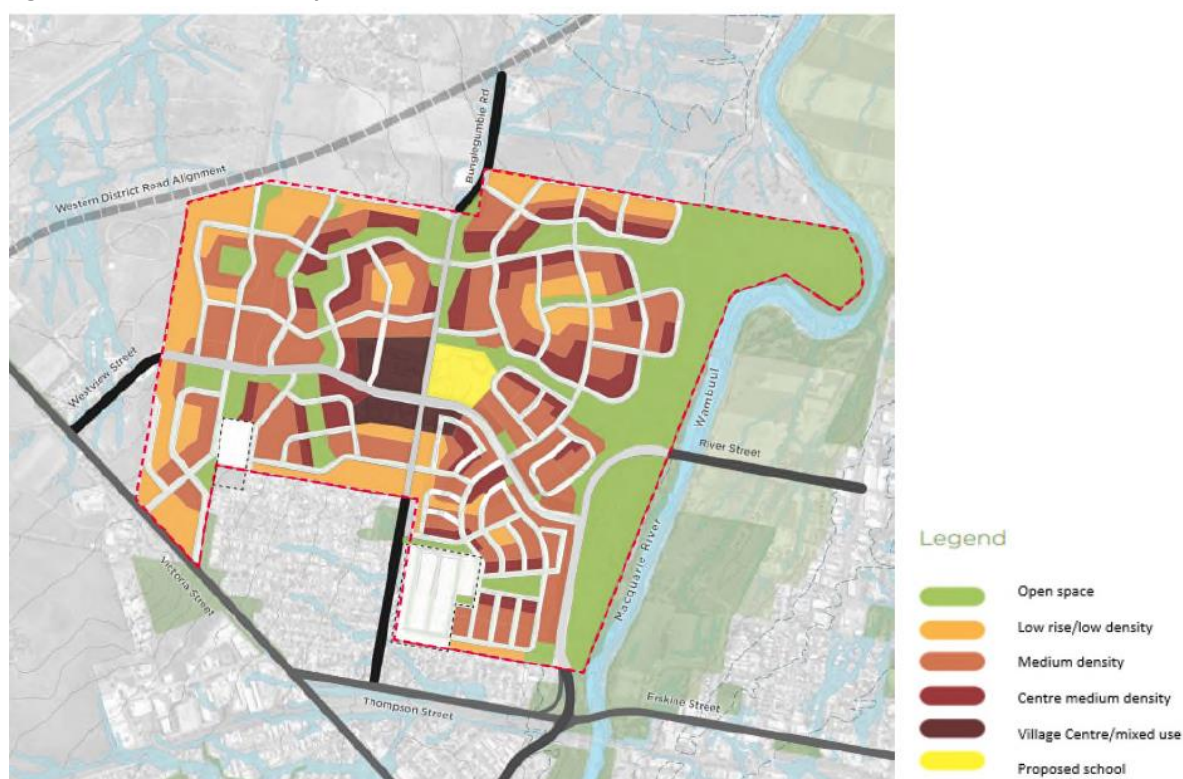
The residential areas development strategy emphasises the need for further residential development in West Dubbo. It identifies the North-West Precinct as a significant urban growth area with a predominant suburban residential function. The strategic location of the precinct, close to the CBD, Dubbo Regional Airport, and various employment opportunities, reinforces its importance for future residents.

The strategy identifies a significant opportunity for the NWURA to offer not only diverse residential housing options but also a range of employment opportunities and other facilities. The provision of a centre aligns with the strategy's objectives and goals. The Village Centre can provide essential services, amenities, and employment opportunities within the NWURA, contributing to its overall development and fulfilling the needs of the community.

2.2.5 Precinct Plan North-West Dubbo Urban Release Area

The adopted North-West Precinct Plan addresses the growing housing needs of Dubbo Region by offering diverse housing formats at various price points. Key features include well-connected neighbourhoods, vibrant public spaces, defined access networks, and land for shops and community facilities within walking or cycling distance. Anticipated land use zones include residential, neighbourhood centre, and public recreation. The population growth scenarios for the North-West Precinct range from 12,500 people (low growth scenario) to 15,000 people (high growth). To ensure site-specific considerations, an Indicative Layout Plan has been prepared and shown in the figure below, taking into account the site's topography.

Figure 4: NWURA Indicative Layout Plan



Source: North-West Dubbo Urban Release Area

3.0 SOCIO-ECONOMIC INFLUENCES

This next section considers the socio-economic trends of NWURA. By examining the socio-economic trends in this larger area, we aim to gain insight into the factors that may influence the commercial needs and preferences within NWURA. To analyse the socio-economic trends of the NWURA and their potential impact on the demand for commercial uses, the broader Dubbo – West Statistical Area Level 2 (SA2) (also referred to as the study area) has been utilised as a proxy due to the current low population levels in NWURA.

In analysing the key trends within the study area, several noteworthy observations (refer to the table below) can be made:

- **Age Distribution:** The proportion of retirees in the population has shown a steady increase, rising from 4.5% in 2011 to 8.4%. Concurrently, the proportion of individuals aged 45-59 has decreased from 17.6% to 15.7%, and the percentage of children has also declined from 25.3% to 22.9%. These trends align with the broader state trends.
- **Ethnic Diversity:** The population has become more ethnically diverse, as indicated by a decrease in the number of Australian-born residents from 89.2% to 80.0%. Nevertheless, the current rates of Australian-born residents remain higher than New South Wales (69%).
- **Education:** There has been an increase in the proportion of residents attending further tertiary education. However, the levels of university or other tertiary institution attendance is still lower than New South Wales (8.0% compared to 18.9%).
- **Household Composition:** Family households have experienced a decline, while lone-person households have increased. This shift reflects the age profile of the area and is consistent with trends observed in New South Wales. Additionally, among family households, there has been an increase in the proportion of couples with children, contrasting with trends seen in the broader state.
- **Dwelling Types:** The proportion of high-density dwellings such as apartments and townhouses has increased. However, detached dwellings remain the dominant dwelling type, with rates significantly higher than New South Wales (85.1% compared to 65.2%).
- **Employment:** The unemployment rate has reduced and currently sits below New South Wales. The primary industries employing resident workers are health care and social assistance, followed by retail and education and training, highlighting the significance of these sectors in the area.
- **Income:** Median household income and personal income have shown a steady increase. In particular, personal income now exceeds the average for New South Wales (\$850 compared to \$813).

The socio-economic trends observed in the study area indicate a shift towards a more affluent, diverse, and educated population. Despite historical patterns, it is anticipated that an increasing number of families will move into the new release areas. These households are typically attracted to growth areas as they seek larger homes to accommodate their growing families.

With this evolving population, there will be a growing demand for retail, services, and convenience. A village centre in the area would be well-suited to meet the needs of this new population. Its proximity to residential areas and its ability to provide a range of amenities would make it an attractive destination for residents seeking convenient access to retail and services.

In summary, considering the socio-economic trends, the future population in the area is likely to demand retail, services, and convenience. Establishing a well-designed village centre that caters to the needs and preferences of this population would be advantageous and provide a strong foundation for the centre's success.

Table 3: Study area's socio-economic profile

Metric	2011	2016	2021
Age distribution			
0-14	25.3%	22.9%	22.9%
15-29	19.8%	20.5%	20.0%
30-44	19.0%	19.5%	19.9%
45-59	17.6%	16.9%	15.7%
60-74	13.7%	13.7%	13.1%
75+	4.5%	6.5%	8.4%
Place of birth			
Australia	89.2%	83.3%	80.0%
Oceania	1.2%	1.3%	1.8%
Europe	1.6%	1.7%	1.7%
North Africa and Middle East	0.1%	0.1%	0.2%
Asia	1.1%	2.4%	4.2%
Americas	0.0%	0.1%	0.2%
Sub-Saharan Africa	0.3%	0.2%	0.4%
Born elsewhere / Not stated	6.5%	10.9%	11.5%
Education			
Pre-school	8.8%	9.6%	11.7%
Infants/Primary:	40.7%	40.4%	38.6%
Secondary:	29.3%	28.3%	27.0%
Technical or Further Educational Institution(a):	12.3%	10.8%	11.4%
University or other tertiary Institution:	7.0%	8.9%	8.0%
Other type of Educational Institution	1.9%	2.0%	3.4%
Home Ownership			
Owned or Being Purchased	71.0%	69.9%	66.9%
Rented	29.0%	30.1%	33.1%
Household Structure (occupied dwellings)			
Family Households	69.8%	65.8%	65.1%
Lone Person Households	21.3%	21.7%	23.0%
Group Households	2.7%	3.0%	3.1%
Other Households	6.3%	9.5%	8.7%
Family Type (occupied dwellings)			
Couple family w. children	40.3%	41.0%	41.1%
Couple family w/o children	36.4%	36.8%	36.8%
One parent family	21.9%	20.4%	20.1%
Other family	1.4%	1.7%	2.0%
Dwelling Type (occupied dwellings)			
Separate house	87.2%	81.3%	85.1%
Townhouse	4.0%	3.2%	8.4%
Flat-Unit-Apartment	4.7%	9.5%	5.1%
Other dwelling	4.2%	5.9%	1.4%
Labour Force			
% Unemployment	6.6%	6.2%	4.0%
% Labour force participation	62.8%	60.2%	60.5%
% Employment to population	58.7%	56.5%	58.1%
Median total household income (\$/weekly)	\$1,053	\$1,280	\$1,626
Median total personal income (\$/weekly)	\$566	\$682	\$850
Industry (Resident population)			
Agriculture, forestry and fishing	2%	2%	2%
Mining	1%	1%	2%
Manufacturing	7%	6%	6%
Electricity, gas, water and waste services	1%	1%	1%
Construction	7%	9%	9%
Wholesale trade	4%	3%	2%
Retail trade	14%	12%	10%
Accommodation and food services	9%	9%	8%
Transport, postal and warehousing	6%	5%	4%

Information media and telecommunications	1%	1%	1%
Financial and insurance services	3%	2%	2%
Rental, hiring and real estate services	2%	2%	1%
Professional, scientific and technical services	3%	4%	3%
Administrative and support services	3%	3%	3%
Public administration and safety	7%	7%	8%
Education and training	8%	8%	10%
Health care and social assistance	12%	14%	19%
Arts and recreation services	2%	2%	1%
Other services	5%	4%	3%
Not stated	2%	3%	4%

Source: ABS Census 2021 Time Series data for Dubbo-West SA2 and NSW

In terms of industry profile, within the Dubbo-West SA2 region, there are approximately 2,399 jobs, constituting 9% of the total jobs in the LGA. As shown in the table below, the Education and Training sector industry is the largest employer, providing 418 jobs, which represents 17.4% of the total jobs in the region. This is followed by Health Care and Social Assistance, Accommodation and Food Services. The Retail industry also played a significant role as a key employer in the Dubbo-West SA2 region. In terms of value added, the Construction industry sector emerges as the largest contributor to gross value added (GVA) and economic output, generating \$50.1 million in GVA and \$730.0 million in economic output, which represents 14.8% of the overall value added and 20% of output in the Dubbo-West SA2 area. The retail industry again was a large contributor to the Dubbo-West SA2 local economy.

As such the North-West Residential Urban Release Area has the potential to stimulate high-growth industries, including retail and construction. The proposed Village Centre can capitalize on the region's strong retail industry, becoming a vibrant hub for shopping and services, attracting residents and fostering economic growth.

Table 4: Study area's industry profile

Industry	Employment	Output	Gross Value Added
Education & Training	17.4%	8.9%	13.8%
Health Care & Social Assistance	14.5%	7.1%	10.7%
Accommodation & Food Services	13.3%	5.9%	6.4%
Construction	10.4%	20.0%	14.8%
Retail Trade	10.2%	4.7%	5.9%
Transport, Postal & Warehousing	7.3%	9.1%	7.5%
Other Services	4.9%	3.0%	2.5%
Public Administration & Safety	4.3%	3.3%	4.4%
Administrative & Support Services	3.3%	1.8%	2.2%
Manufacturing	3.2%	11.7%	3.8%
Wholesale Trade	2.9%	3.7%	4.3%
Electricity, Gas, Water & Waste Services	2.3%	4.2%	2.8%
Agriculture, Forestry & Fishing	1.7%	2.0%	1.8%
Arts & Recreation Services	1.5%	0.9%	0.7%
Professional, Scientific & Technical Services	1.0%	1.0%	1.1%
Mining	0.7%	3.6%	2.8%
Financial & Insurance Services	0.5%	1.2%	1.1%
Rental, Hiring & Real Estate Services	0.4%	7.9%	13.2%
Information Media & Telecommunications	0.0%	0.0%	0.0%

Source: Remplan

4.0 COMPETITIVE LANDSCAPE

This section of the report provides an assessment of the retail centres in the locality, which are likely to compete with the proposed retail uses provided at the subject site. It is imperative to understand the competing centres to assist in deriving the trade area, assessing the potential capture of household expenditure and assessing the impacts on these centres from further expansion in supply.

4.1 Commercial Centres Hierarchy

The table below identifies the defined role and hierarchy of centres under the Employment Lands Strategy for Dubbo Regional Council. Note that the table includes only those roles and centres of influence in the general locality around NWURA.

Table 5: Commercial Centres Hierarchy and Centres of Influence

Hierarchy	Role and function in the Hierarchy	Centres of relevance
Principal Centre (Regional)	<p>Dubbo's highest order centre is the Principal Centre (Regional), offering a wide range of services including commercial, business, retail, food, drink, visitor, social, civic, cultural, tourist, and entertainment options. It attracts visitors and businesses from the Orana and north-western region of New South Wales.</p> <p>The city of Dubbo has a single Principal Centre, known as the Central Business District (CBD), which is a well-established and diverse commercial area. It provides essential core commercial and business services to both the local community and visitors, offering a unique blend of shopping, retail, dining, and entertainment experiences.</p> <p>To maintain its position as Dubbo's primary commercial, retail, business, and entertainment precinct the CBD should be protected, with no other commercial precincts undermining its role and effectiveness.</p>	Dubbo Central Business District (CBD)
Major Centre (Sub-Regional)	<p>Dubbo's second order centre is the Major Centre (Sub-Regional), which caters to the city's business and retail needs. It serves a broader catchment area compared to neighbouring centres.</p> <p>Orana Mall is Dubbo's sole Major Centre, offering a self-contained indoor shopping experience situated about 2.2 km east of the CBD. It serves both East Dubbo and the wider sub-regional area.</p> <p>While supporting and complementing Dubbo's CBD as the Principal Centre, Orana Mall primarily fulfills retail functions for the sub-regional area.</p>	Orana Mall
Local Centres (Neighbourhood)	<p>Dubbo's Local Centres (Neighbourhood) serve as third order centres. They are smaller in scale but offer a range of retail, business, and community services to cater to the needs of the surrounding residential and/or business community.</p>	Delroy (Minore Road), Victoria Street

These centres provide a convenient alternative to the CBD for day-to-day convenience shopping. They offer a localized shopping experience that is easily accessible for nearby residents and businesses, ensuring convenience and proximity for their regular shopping needs.

Dubbo's Local Centres (Neighbourhood) serve as third order centres. They are smaller in scale but offer a range of retail, business, and community services to cater to the needs of the surrounding residential and/or business community.

These centres provide a convenient alternative to the CBD for day-to-day convenience shopping. They offer a localized shopping experience that is easily accessible for nearby residents and businesses, ensuring convenience and proximity for their regular shopping needs.

Dubbo has six existing local centres and two areas zoned to allow future neighbourhood centre developments. Of the six existing local centres, three contain supermarkets.

Source: Dubbo Regional Council (2019) Employment Lands Strategy

4.2 Surrounding centres of influence

The key centres that would influence the extent of the Village Centre's trade area and provision of retail space are detailed follows:

- **Dubbo Central Business District (CBD):** located around 2.5km to 4km south-east of the proposed Village Centre, provides a wide range of commercial, visitor, social, civic, cultural, tourist and entertainment facilities, including over 35,000sqm of retail floorspace.

A large proportion of this retail floorspace (13,048sqm) is located within Dubbo Square, a sub-regional shopping centre provided along Macquarie Street in the CBD. The centre is anchored by a Coles supermarket of 3,723sqm and a Kmart of 5,476sqm and includes 30 specialty retailers. The centre recorded a Moving Annual Turnover (MAT) of \$96.86 million in the year ending July 2022, which translates to \$7,893/sqm which is 14 percent below the median for similar sized centres (below 20,000sqm)¹.

Riverdale Shopping Centre in the CBD is the nearest centre to the Village Centre, some 2.8km south-east of the Village Centre and is located on Macquarie Street in the CBD. This centre offers a total lettable area of 6,156sqm, with a Woolworths supermarket (2,700sqm) and Reading Cinemas anchoring the centre and 17 specialty outlets.

- **Orana Mall:** located 6.5km south-east of the proposed Village Centre, this sub-regional centre offers a total retail floor space of 23,788sqm and is anchored by Big W (8,111sqm) and Woolworths (3,8630 sqm). In addition to these anchor stores, it features JB Hi-Fi Home and 68 specialty retailers. The centre achieved a MAT of A\$219.17 million in the year ending September 2022, which equates to \$9,215/sqm and is trading strongly at 16% above the national median of similar sized centres (ranging from 20,000 to 50,000sqm)².

¹ Shopping Centre News Mini Guns 2022

² Shopping Centre News Little Guns 2022

- **Delroy Park Shopping Centre:** this Woolworths (2,622sqm) anchored centre is located 3.3km south of the Village Centre. The centre provides 3,825sqm of total retail floorspace and includes 11 specialty retailers.
- **Victoria Street, Neighbourhood Centre:** about 2.2km south of the Village Centre along Victoria Street, there is a standalone IGA store spanning 600sqm along with a bottle shop as well as a few restaurants, and other retailers.

4.1 Other future centres of influence

In addition to the above, the future Narromine urban release area (URA) envisions a projected population of over 8,000 persons by 2041. As part of this URA, a centre is proposed to be developed, which may potentially be delivered across two stages. The first stage is expected to include a smaller scale supermarket and supporting specialty stores of up to 1,000sqm. In the second stage, the centre is planned to expand to around 6,000sqm and incorporate a full-line supermarket.

5.0 RETAIL DEMAND ASSESSMENT

Having an understanding as to the surrounding competing retail centre network (refer to Chapter 4.0), this chapter identifies trade area(s) for a potential retail centre on the subject site. On identifying these trade area(s), the Chapter projects population, estimates total retail expenditure, potential capture of expenditure and the amount of retail floorspace that could be supported without impacting the viability of the retail hierarchy.

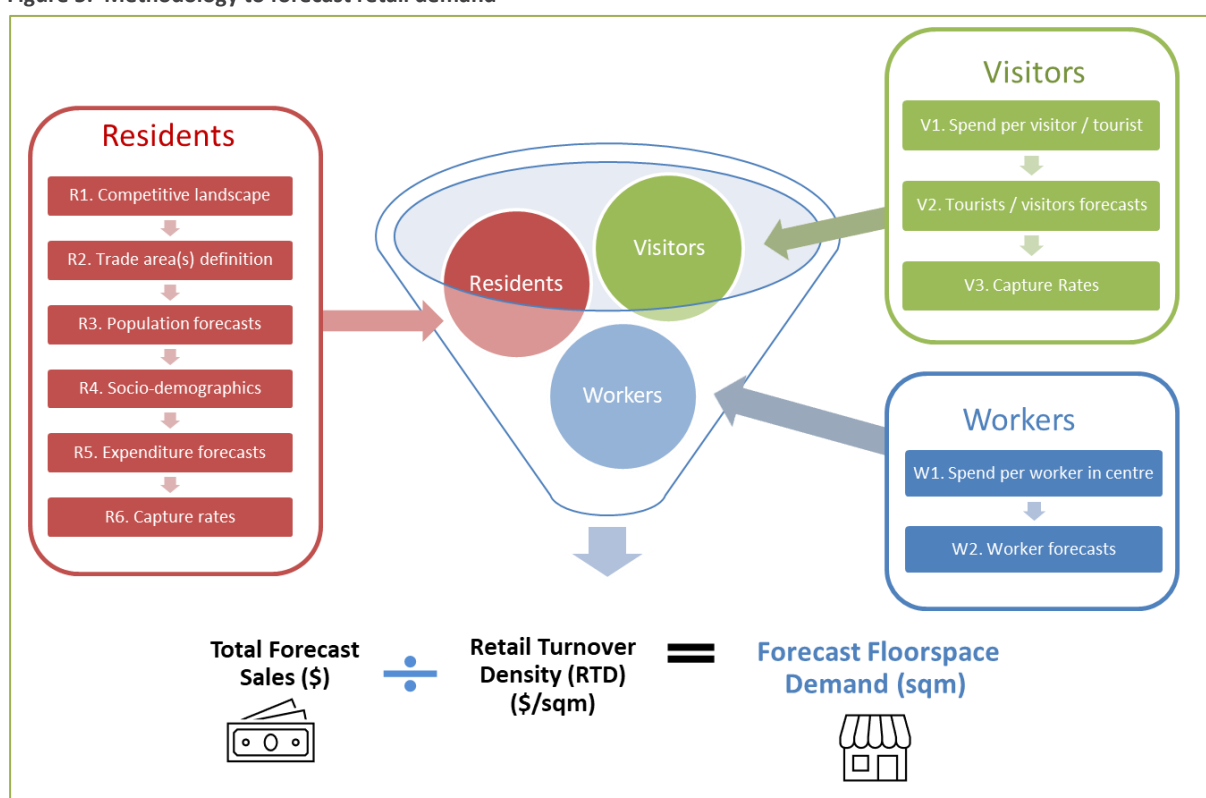
5.1 Demand methodology

There are three key sources of demand for retail floor space being:

- Residents in the locality
- Workers in the centre and
- Visitors and tourists.

The process of forecasting total potential retail demand is shown in the below figure.

Figure 5: Methodology to forecast retail demand



Source: HillPDA research

Residents will be the main source of expenditure for the Village Centre in NWURA given that we expect low numbers of workers and tourists. So for the purpose of this forecast we have limited the source of demand to population in the locality but allow for a small proportion of additional expenditure to be derived from other sources.

To forecast potential retail demand for the site, an appropriate trade area was derived based on the location of competing centres, travel times, urban settlement patterns and other criteria.

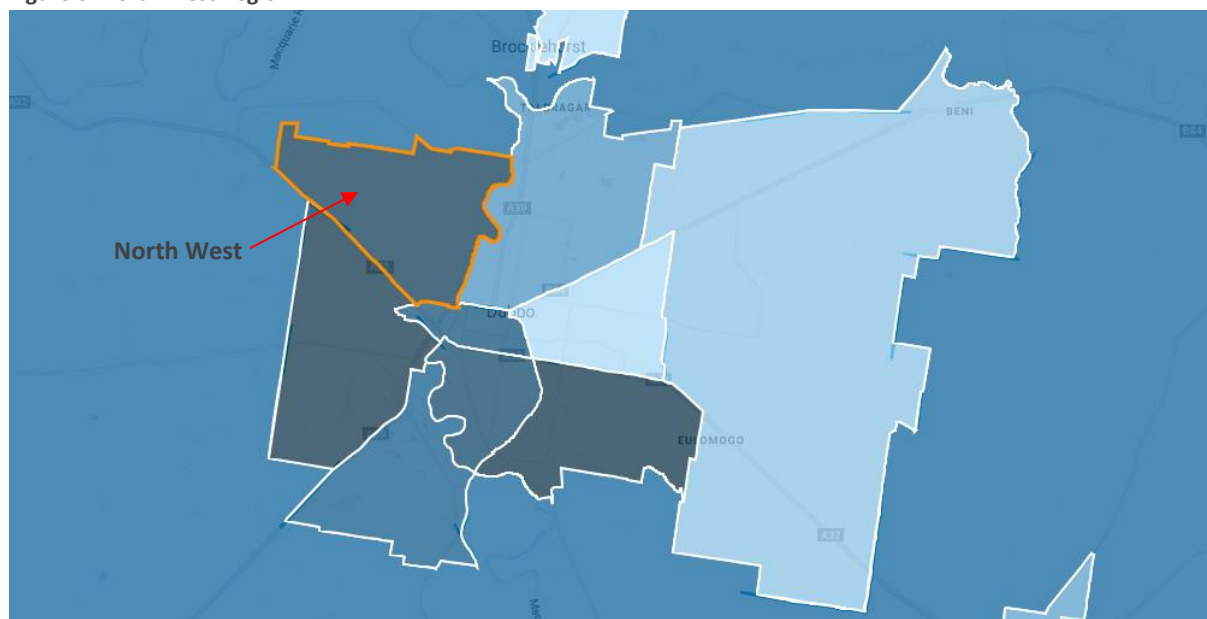
HillPDA then utilised its proprietary expenditure models (which takes into account socio-demographics of the catchment, real growth in expenditure, population growth, potential capture rates and typical retail turnover

densities) to forecast the quantum of retail floorspace that could be accommodated on the site. The results are detailed in the sections below.

5.2 Trade Area and population forecasts

With consideration given to the centre hierarchy and competitive landscape, it is assumed that the Village Centre will primarily serve the North West region shown in the figure below (also referred to as the trade area hereafter).

Figure 6: North West Region



Source: Remplan

When fully developed the NWURA, which forms part of the North West region will accommodate 5,000 dwellings to 6,000 dwellings³. According to Remplan forecasts⁴, the North West region population is expected to increase from 2,076 persons in 2021 to 3,768 persons by 2041. This projection assumes an increase in the rate of occupied new dwellings, from 34 dwellings per annum in 2023 to 54 dwellings per annum by 2038, with an average occupancy rate of 95% and 2.4 to 2.8 persons per occupied dwelling.

It is worth noting that recent dwelling uptake rates within Dubbo have been significantly higher than the assumptions used in Remplan's projections, indicating the potential for faster population growth. For this reason we considered three scenarios, described as follows:

- Low growth scenario: This aligns with Remplan's current forecasts for the North West region.
- Medium growth scenario: This assumes a higher rate of new dwellings in the NWURA, with 126 dwellings per annum by 2026, increasing to 200 dwellings per annum by 2031, and 250 dwellings per annum by 2036. The high growth scenario maintains the same occupancy rates and persons per dwelling as those assumed by Remplan.
- High growth scenario: This assumes a higher rate of new dwellings in the NWURA, with 300 dwellings per annum by 2026, increasing to 350 dwellings per annum by 2031 by 2036 and is broadly consistent with the high projections for the North-West Precinct as sourced from the NSW Department of Planning and Environment and the Precinct Plan North-West Dubbo Urban Release Area (i.e. 6,000 dwellings, population 15,000 by 2041).

The following table presents the projections for each of the scenarios.

³ Precinct Plan North West Dubbo Urban Release Area 2023

⁴ Remplan Forecast 2023

Table 6: Trade area population projections

Year	2022	2026	2031	2036	2041
Low growth scenario					
Dwellings	795	931	1,117	1,348	1,613
Population	2,082	2,357	2,727	3,206	3,768
Medium growth scenario					
Dwellings	795	1,023	2,043	3,173	4,423
Population	2,082	2,590	4,988	7,546	10,332
High growth scenario					
Dwellings	795	1,197	2,847	4,453	6,585
Population	2,082	3,030	6,951	11,171	16,228

Source: Remplan Forecasts, HillPDA Research

5.3 Resident expenditure

This section examines the projected growth in household retail expenditure generated by trade area residents. Household expenditure is sourced from:

- ABS Retail Turnover data which provides total turnover every month by State and by industry sub-groups across Australia
- ABS Household Expenditure Survey which provides household expenditure by broad commodity type by household income quintile; and
- HillPDA's bespoke retail expenditure model which is generated by combining data from the Census and the ABS Household Expenditure Survey (HES).

Household expenditure is strongly correlated to household income level. Due to the low population levels in the trade area, we need to make assumptions regarding income and expenditure levels for the future resident population. For the purpose of the assessment we have assumed that trade area households will have similar income levels to households in Dubbo West and East SA2s.

If occupied today we would expect residents in the trade area to be spending an average of \$15,830 per annum on retail goods and services – some 12% higher than Non-Metro NSW.

We have also assumed some increase in real expenditure per capita at a rate of 1% per annum in food and around 0.5% in non-food categories in line with the long-term trend.⁵

The table below shows total forecast expenditure generated by trade area residents in five-year increments from 2026.

⁵ We have assumed escalation rates will vary between the retail store types – 1% for food and food services, 0.7% for non-food stores and -0.5% for departments stores (historic trend has been lower at below -1%). This is consistent with historic trends since 1986 estimated from various sources of data include quarterly ABS Retail Turnover data (Cat. 8501.0), ABS historic population (Cat 3101.0) and CPI index.

Table 7: Estimated trade area expenditure by retail store type (2022 \$m)

Store Type	2026	2031	2036	2041
Low Growth Scenario				
Supermarkets and grocery stores	12.7	15.5	19.1	23.6
Specialised food stores	3.3	3.9	4.8	5.9
Bulky goods stores	6.2	7.5	9.1	11.1
Department stores	1.7	1.9	2.2	2.5
Apparel stores	3.6	4.3	5.3	6.4
Other non-food stores	5.8	7.0	8.5	10.3
Restaurants and fast-food services	3.7	4.5	5.6	6.9
Personal services	1.4	1.6	2.0	2.4
Total	38.5	46.3	56.5	69.1
Medium Growth Scenario				
Supermarkets and grocery stores	14.0	28.3	45.0	64.8
Specialised food stores	3.6	7.2	11.3	16.1
Bulky goods stores	6.9	13.7	21.5	30.4
Department stores	1.9	3.5	5.1	6.9
Apparel stores	4.0	7.9	12.4	17.4
Other non-food stores	6.4	12.7	20.0	28.3
Restaurants and fast-food services	4.1	8.2	13.1	18.9
Personal services	1.5	3.0	4.7	6.6
Total	42.3	84.6	133.1	189.4
High Growth Scenario				
Supermarkets and grocery stores	16.4	39.5	66.7	101.8
Specialised food stores	4.2	10.0	16.7	25.2
Bulky goods stores	8.0	19.1	31.8	47.8
Department stores	2.2	4.9	7.6	10.8
Apparel stores	4.7	11.1	18.3	27.4
Other non-food stores	7.5	17.7	29.5	44.4
Restaurants and fast-food services	4.7	11.5	19.4	29.7
Personal services	1.8	4.2	6.9	10.4
Total	49.5	117.9	197.0	297.5

Source: HillPDA

5.4 Retail capture rates by broad store type

The previous analysis identified the total volume of retail expenditure in the trade area. However, not all of this expenditure will be captured by retailers in the Village Centre. Reasons for this include:

- The proximity of surrounding centres which provide a greater range and quantum of retail floorspace
- Residents leaving the locality to, predominantly, undertake leisure and discretionary shopping (in department stores, apparel stores and bulky goods stores elsewhere – such as Dubbo CBD including Dubbo Square and Orana Mall)
- Working residents spending a portion of retail expenditure close to their place of work (approximately 15-25%)

- Expenditure from residents who are on holidays/business trips or are away for other reasons for any extended period.

Capture rates (i.e. the proportion of trade area expenditure captured by the proposed Village Centre) have been adopted, considering the above factors. These market share assumptions are outlined in the table below and are indicative of retail services that appropriately provide for its surrounding community reducing their need to travel further to access essential services, particularly in the food and groceries category. For a trade area of this size a high proportion of food, groceries and regular shopping for goods and services is usually done close to home as shoppers generally have a preference to minimise travel time and cost when undertaking this type of 'chore shopping'. This is manifested in the retail hierarchy where smaller centres are generally anchored by supermarkets and comprise a range of specialty stores in food, groceries, personal services (hair/beauty, pharmaceuticals, etc) and other regular service categories. The fewer and larger sub-regional centres such as Dubbo CBD are generally anchored by department stores and have more specialist retailers in fashion, homewares, and other comparative goods as well as a range of entertainment and commercial services. Usually trips to these centres are less frequent and shoppers are prepared to travel further. Discount department stores also typically require a catchment of 40,000 persons or more. For these reasons we have assumed that there will be no discount department store in the proposed Village Centre, other than a possible small format discount variety store. It's also likely that apparel stores would be very limited or possibly there would be no apparel stores. We have further assumed that there will be no large format or bulky goods stores in the Village Centre. Bulky goods stores typically require good frontage to major arterial roads and require a clustering of around 20,000sqm to achieve critical mass⁶ as well as a wide trade area of 60,000 or more people.

The vision for the Village Centre is for a supermarket plus fine grain retailing with a focus on connectivity, pedestrian activity/amenity, traditional retail uses and eateries.

Taking the above into account the table below shows capture rates that can be achieved based on the population catchment and competitive landscape. Note that actual capture rates may vary depending on the size and range of the retail offer.

Table 8: Potential NWURA Capture Rates

Store Type	Capture Rate		
	Low Growth	Medium/High Growth	
	2026-2041	2026	2031-2041
Supermarkets and grocery stores	35.0%	35.0%	75.0%
Specialised food stores	35.0%	35.0%	75.0%
Bulky goods stores	-	-	-
Department stores	-	-	-
Apparel stores	2.0%	2.0%	5.0%
Other non-food stores	10.0%	10.0%	15.0%
Restaurants and fast-food services	10.0%	10.0%	40.0%
Personal services	20.0%	20.0%	50.0%
Total	17.9%-18.3%	17.9%	39.9%-40.5%

Source: HillPDA

5.5 Ultimate potential retail sales

The table immediately below shows ultimate potential retail sales the Village Centre could achieve assuming the above capture rates.

⁶ Taking Control of Bulky Goods Retail in Sydney

Table 9: Potential retail sales in the trade area by store type (2022 \$m)

Store Type	2026	2031	2036	2041
Low Growth Scenario*				
Supermarkets and grocery stores	4.7	5.7	7.0	8.7
Specialised food stores	1.2	1.4	1.8	2.2
Bulky goods stores	0.0	0.0	0.0	0.0
Department stores	0.0	0.0	0.0	0.0
Apparel stores	0.1	0.1	0.1	0.1
Other non-food stores	0.6	0.7	0.9	1.1
Restaurants and fast-food services	0.4	0.5	0.6	0.7
Personal services	0.3	0.3	0.4	0.5
Total	7.2	8.8	10.8	13.3
Medium Growth Scenario**				
Supermarkets and grocery stores	5.1	22.8	36.3	52.3
Specialised food stores	1.3	5.8	9.1	13.0
Bulky goods stores	0.0	0.0	0.0	0.0
Department stores	0.0	0.0	0.0	0.0
Apparel stores	0.1	0.4	0.7	0.9
Other non-food stores	0.7	2.1	3.2	4.6
Restaurants and fast-food services	0.4	3.5	5.6	8.1
Personal services	0.3	1.6	2.5	3.6
Total	8.0	36.3	57.5	82.4
High Growth Scenario**				
Supermarkets and grocery stores	6.0	31.8	53.8	82.1
Specialised food stores	1.5	8.1	13.5	20.4
Bulky goods stores	0.0	0.0	0.0	0.0
Department stores	0.0	0.0	0.0	0.0
Apparel stores	0.1	0.6	1.0	1.5
Other non-food stores	0.8	2.9	4.8	7.2
Restaurants and fast-food services	0.5	4.9	8.3	12.8
Personal services	0.4	2.3	3.7	5.6
Total	9.3	50.6	85.1	129.4

* Assumes 5% of total sales are derived from other sources

* Assumes 5-10% of total sales are derived from other sources

Please note also that the above figures make an allowance for 5% of sales to be derived from beyond the trade area under the low growth scenario and 5% to 7.5% under the high growth scenario. This includes residents that live further afield, workers in the locality and day trippers.

5.6 Demand for retail floorspace

In order to determine the demand for retail floorspace, target turnover rates (\$/sqm), and otherwise known as Retail Turnover Densities (RTDs) have been applied to total potential retail sales in the trade area. The target RTD rates broadly represents industry averages in Non-Metro NSW. The results are shown in the table immediately below.

Table 10: Forecast demand for retail space in the trade area (sqm)

Store Type	Target RTD (\$/sqm)*	2026	2031	2036	2041
Low Growth Scenario					
Supermarkets and grocery stores	10,500	437	518	624	752
Specialised food stores	9,500	124	146	173	206
Bulky goods stores	3,500	0	0	0	0
Department stores	3,500	0	0	0	0
Apparel stores	5,000	15	18	21	25
Other non-food stores	5,000	121	143	172	207
Restaurants and fast-food services	6,500	58	69	84	101
Personal services	4,000	72	84	101	121
Total	8,598	827	978	1,176	1,413
Non-retail services (@15%)*		59	69	83	99
Vacancy (@4%)**		18	21	25	30
Total Commercial		904	1,069	1,284	1,542
Medium Growth Scenario					
Supermarkets and grocery stores	10,500	480	2,079	3,225	4,526
Specialised food stores	9,500	137	584	895	1,241
Bulky goods stores	3,500	0	0	0	0
Department stores	3,500	0	0	0	0
Apparel stores	5,000	17	83	128	179
Other non-food stores	5,000	133	402	621	870
Restaurants and fast-food services	6,500	64	520	809	1,139
Personal services	4,000	79	395	608	848
Total	8,598	909	4,064	6,287	8,802
Non-retail services (@15%)*		64	298	459	641
Vacancy (@4%)**		20	91	141	197
Total Commercial		993	4,453	6,888	9,640
High Growth Scenario					
Supermarkets and grocery stores	10,500	562	2,897	4,774	7,109
Specialised food stores	9,500	160	814	1,325	1,949
Bulky goods stores	3,500	0	0	0	0
Department stores	3,500	0	0	0	0
Apparel stores	5,000	19	116	190	281
Other non-food stores	5,000	155	560	920	1,366
Restaurants and fast-food services	6,500	75	725	1,198	1,788
Personal services	4,000	92	551	901	1,331
Total	8,598	1,064	5,664	9,307	13,825
Non-retail services (@15%)*		75	415	680	1,007
Vacancy (@4%)**		23	127	209	309
Total Commercial		1,162	6,206	10,196	15,142

Sources: ABS Retail Survey 1998-99 (escalated to 2021 dollars), Urbis Retail Averages, Shopping Centre News, PCA, HillPDA and various consultancy studies – 0.25% to 0.5% per annum real growth in target RTD applied

* Assumes 15% of non-supermarket space is occupied by non-retailers including financial, real estate, travel and other services that generally occupy shop front space

** a further 4% of shop front premises to be vacant to ensure a reasonable supply for future tenants

With no other retail facilities provided or planned within the revised trade area, the above retail demand analysis suggests that the Village Centre could support 1,550sqm (Gross Leasable Area or GLA) by 2041 under the low growth scenario, 9,650sqm GLA under the medium growth scenario and 15,000sqm GLA under the high growth scenario.

5.7 Commercial centre timing

Under the low growth scenario, a small-scale centre could be developed in a single stage, around 2033 when the Precinct has reached over a quarter of its population. This centre could support up to 1,500sqm of GLA and include a small-format supermarket of 600 to 800sqm, along with five or six retail tenancies totalling 600 to 800sqm. In the early years of the URA's development, the centre may trade below industry targets due to lower population levels. However, establishing a centre early on enhances the amenity, attractiveness, and marketability of the NWURA. Once the NWURA is fully developed there would be potential to expand the centre to meet future demand for retail and commercial services (i.e. +6,000sqm post 2041).

The medium growth scenario could support a centre of 6,000 to 7,000sqm GLA by 2036. The centre, however, could be delivered in two stages, with stage one expected to be completed by 2031. Stage one would include a mid-size supermarket of around 1,000sqm to 2,000sqm, approximately 1,500 to 2,000sqm of specialty retail, and two or three small non-retail users. By 2036, the centre could be expanded to 6,000 to 7,000sqm, incorporating a full-line supermarket ranging from 3,000 to 4,000sqm and a few additional retail and non-retail tenancies.

Providing a smaller centre earlier in the development process enhances the attractiveness and liveability for new residents and improves the marketability of the NWURA. This will also help to achieve (or accelerate) the presumed residential take up rates of 200-250 dwelling per annum (refer to Section 4.2). Once the NWURA is fully developed there may be potential to expand the centre or provide additional retail uses within the proposed mixed-use zone to meet future retail and commercial service demands.

In contrast the high growth scenario could support a centre of 6,000sqm GLA with a full-lined supermarket by 2031 and could expand to 10,000 to 11,000sqm by 2036 to include an additional supermarket and specialty retail.

It should also be noted that if the residential development uptake occurs at a slower rate than projected, the timing for the retail and commercial uses may need to be delayed accordingly.

5.8 Impacts on other centres

If the Village Centre were to capture the amount of trade identified in Table 8 there would still be sufficient expenditure remaining across the trade area to ensure:

- Existing commercial centres capture sufficient trade to ensure their viability and
- There is demand for additional local centres to be provided in Dubbo to ensure residents are appropriately and conveniently serviced.

We would not expect a centre of 9,000 -10,000sqm to trade much above \$83m to \$92m (which is \$9,200/sqm in line with the average trading levels for similar size centres throughout Australia). If it traded at this level in 2036 it would only be capturing around 44 per cent of trade area expenditure under the high growth scenario (allowing for 7.5% of trade from other sources). This leaves 56 per cent of expenditure to be directed to other existing and proposed centres in the Regional Dubbo LGA, including the Dubbo CBD.

Moreover, the analysis indicates that there is a clear demand for increased retail space in the trade area to appropriately service the local community. Such provision of space would increase the liveability, productivity and sustainability of the new suburb while also reducing the need for residents to travel further than necessary to access essential services.

Even with a 9,000 to 10,000sqm, there would be an unmet demand for retail space in the NWURA. This gap in provision would increase over time. This unmet demand could be taken up in the proposed mixed-use zones within the NWURA or other in surrounding centres outside the NWURA. This implies that any impact of the proposal on competing centres would be minor and short-term.

5.9 Other potential land uses

In addition to the retail and commercial uses above, additional uses that could be included over and beyond the 9,000sqm - 10,000sqm Village Centre. The below summarises the potential for medical, gym and childcare facilities to be provided on site:

- Typically, there are 110.1 General Practitioners (GPs) for every 100,000 persons in regional locations.⁷ Applying these rates, suggest that the low growth scenario would generate demand 4 to 5 GPs by 2041, increasing to 11 GPs under the medium growth scenario and 18 GPs under the high growth scenario. It should be noted that there has been a steady increase in the number of GPs per head of population over the past 30 years in most regional areas. Notwithstanding this, the GP-to-population ratio remains lower, particularly in more remote areas indicating that demand is likely to be higher. According to the Wollondilly Health Needs Assessment (2014), a benchmark for private general practice suggests one practice for every 4,000 to 5,000 people. With no private general practices are currently provided in the NWURA, these demand estimates and benchmarks would suggest a private general practice could be supported within the NWURA by 2036 and up to two by 2041, under the medium growth scenario and up to three by 2041 under the high growth scenario. Under the low growth scenario, it is anticipated that the establishment of a private general practice within the NWURA would be more of a longer-term consideration, potentially occurring post-2041.
- A desktop⁸ review reveals that gym operators typically target a catchment of 20,000 to 60,000 persons depending on the scale of the gym, with large scale (1,000sqm) national brand operators serving catchments of 50,000-70,000 persons and smaller scale gym facilities (i.e. 200-250sqm) serving lower catchments of around 10,000 persons⁹. With a trade area population of over 10,000 persons by 2041 under the medium and high growth scenario, would suggest that a small gym of around 250sqm to 300sqm could be supported.
- Based on a review of growth centre planning codes¹⁰, and the Community Infrastructure Strategy for the City of Parramatta (2020), under the medium growth scenario, the estimated trade area population in the NWURA would include approximately 718 children aged between 0 to 4 years¹¹. This population estimate would generate a demand for around 290 childcare places. The number of childcare places increases to 455 childcare places under the high growth scenario. Therefore, there is potential for up to three childcare centres to be supported in the NWURA under the medium scenario and four to five under the high growth scenario during the forecast period. One of these centres could be provided within the Village Centre.
- Based on benchmark rates¹², the estimated trade area population of 1,040 children aged 5 to 11 in the NWURA¹³ under the medium growth scenario would generate a demand for 385 out-of-hours school care places. This increases to 605 places under the high growth scenario. This indicates potential support

⁷ Primary and community health — Data tables contents Jan 2023

⁸ The Gym Group Full year Results, 2020; Strategies for success in the fitness arena: Jets and various other consultancy reports

⁹ Location IQ, Urban Release Off Narromine Rd Dubbo, 2022

¹⁰ NSW Growth Centre Development Code 2006, SEQ Growth Centres 2007, Growth Vic, 2008

¹¹ Remplan Forecast and HillPDA Research

¹² Community Infrastructure Strategy for the City of Parramatta (2020)

¹³ Remplan Forecast and HillPDA Research

for an after-school care facility in the NWURA over the forecast period. However, it is worth noting that this service can be accommodated within the proposed primary school within the NWURA.

5.10 Indicative floorspace recommendations

The following table provides the supportable level of floorspace at the Village Centre. This has been based on typical population thresholds and a typical trading environment. Please note, the below recommendations are theoretical and are based on several variables including indicative development yields provided, tenant demand and a pre-COVID environment. Slower residential development uptake, difficulties in securing tenants and so forth may impact floorspace recommendations.

Table 11: Indicative floorspace recommendation for the Village Centre

Use	Floorspace GLA (sqm)					Assumptions and sources
	Low growth 2033	Medium growth Stage 1 (2031)	Medium growth Stage 2 (2036+)	High growth Stage 1 (2031)	High growth Stage 2 (2036+)	
Village Centre						
Supermarket	600 – 800sqm	Up to 2,000	3,000sqm to 4,000sqm	Up to 3,200sqm	Full-line supermarket 3,200sqm and 2 nd supermarket up to 2,000sqm	Refer to Section 4.6 and 4.7
Specialty Retail	600 – 800sqm	Up to 2,000	Up to 2,500sqm	Up to 2,000sqm	Up to 4,000sqm	Refer to Section 4.6 and 4.7
Non- retail stores	100sqm	Up to 300	Up to 500sqm	Up to 400sqm	Up to 600sqm	Refer to Section 4.6 and 4.7
General private medical practice (possible)	-	One general practice up to 300sqm	Two general practices totalling around 600sqm	One general practice up to 300sqm	Two to three general practices totalling around 600-900sqm	Refer to section 4.9. Assumes one small to mid scale general private practice is provided on site
Gym (possible)	-	-	Up to 300sqm	-	Up to 300sqm	Refer to section 4.9. Assumes one small scale gym is provided on site
Childcare centre (possible and desirable)	-	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	One childcare centre of around 300sqm (internal area)	Refer to section 4.9
Total	~1,500sqm	~5,000sqm	~8,000sqm	~6,000sqm	~11,500sqm	
Land requirements	Up to 1 Ha however additional land should be retained to enable the centre to expand once the population has established	2- 3 Ha	3 – 4 Ha	3 – 4 Ha	4 – 5 Ha	

Source: HillPDA 2023

5.11 Land area requirements

The above assessment shows considerable differences in the size and timing of the Village Centre depending on the rate of residential development and population growth. Notwithstanding, the ultimate population of the trade area should determine the ultimate appropriate size of the centre and hence the land required to accommodate it regardless of whether it's developed in 10 years or 50+ years. There is a risk of over providing land for the village centre. It could result in the development of the shopping centre which is too large for its intended role in the retail hierarchy (similar to Orana Mall) and possibly undermine the performance of the CBD. However we believe that the probability of this scenario is low given the high development risk. The more likely scenario would be the land remaining vacant in the long term.

An appropriate strategy would be to ensure sufficient land is zoned to accommodate the Village Centre and have capped floor areas in the LEP as the other centres have. In future if the floor area 'needs' to be higher it can be approved through a Clause 4.6 variation following demonstration of 'need' and impact assessment.

Ultimately a Village centre of around 8,000sqm GLA could be supported which includes around 6,000sqm of shop front space plus medical centre, small gymnasium and childcare centre. A possible community centre / multi-purpose hall / church / pre-school of say 500sqm is an additional land use. Allowing for amenities, possible indoor arcade, management office, storage, etc maximum total GFA would be say 10,000sqm.

Assuming all development is single storey and car parking is provided at the rate of 1 space per 25sqm NLA (say 8,500sqm) then around 350 car parking spaces is required. Assuming these spaces are provided at grade then around 9,500sqm of site area is required for car parking.

Allowing for a couple of loading docks and some landscaping and a village square / play area, we recommend a site area of around 3.5 hectares net of public roads. A larger centre with around 12,000-15,000sqm GFA would require an additional hectare – say 4.5 hectares.

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